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University of Wales
Trinity Saint David

Master of Business Administration (MBA) International Business

Assessment 1: Essay

Module: Marketing Management

Module Code: LCMB7024

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Word Count: 2,500 words ($\pm 10\%$)

Submission Deadline: 28 March 2025

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1. Introduction

Businesses often face a crucial decision regarding their market entry strategy. They must choose between being a pioneer or a follower. A pioneer company introduces a product or technology before competitors. Accordingly, this approach facilitates establishing early market control, creating strong brand, as well as gaining pricing power (Cirik and Makadok, 2021). However, a follower company enters the market after the pioneers. Learning from pioneers' successes and failures, this strategy lowers the risks and development costs (Gao and Yuan, 2022). Launch of new products and technologies is dependent on timing. Entering a market too early is risky because costs are high and demand is uncertain. Late entering will also lead to reduced market share and brand recognition. Which means, success of each strategy relies on industry dynamics, consumer behavior, technological advancements (Cirik and Makadok, 2021). For example, Apple created the smartphone market with the iPhone, and set a very high standard for innovation. On the contrary, Samsung came in later but was successful by refining technology and offering competitive pricing. There is another most essential concept in the strategic marketing and this concept is product life cycle. The four stages of this are introduction, growth, maturity, and decline. Companies require viable strategies to achieve growth and be competitive. Innovation and market expansion are the core focus of the pioneers, whereas the followers take up the cost leadership and differentiation (Kotler and Keller, 2024). It is the understanding of these approaches that allows for long term competitive advantages of the business. In this essay there will be discussions on pioneer and follower companies, and product life cycle and competitive strategies for the both type companies.

2. Pioneer Companies

2.1 Advantages of Being a Pioneer

First mover advantage gives pioneer companies the opportunity to create a strong position in the market before competitors. Firms can get early entry to the industry and can set up industry standards, secure patents, and create consumer familiarity with their products. Pioneers are able to take advantage of this and shape customer expectations to influence market trends. This is also further reinforced by the fact that those early adopters tend to exhibit strong brand loyalty, thereby finding it difficult for later entrants to gain market share (Chavez and Chen, 2021).

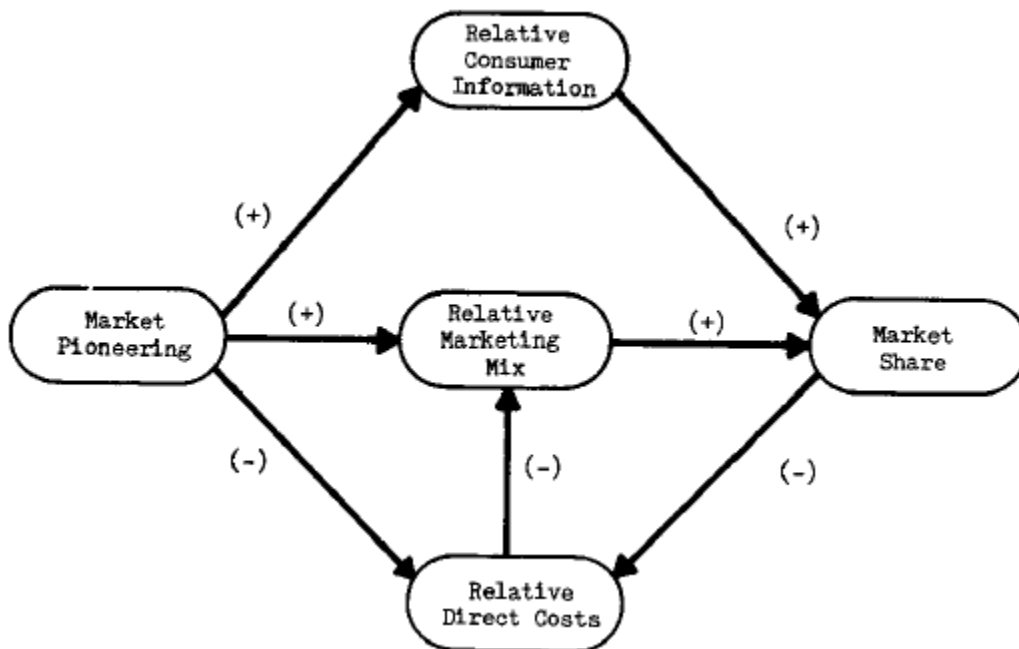


Figure: Market Pioneer Strategy (Wright et al., 2024)

A company's competitive position depends on market pioneering's influence on various elements. Early entrants acquire more consumer knowledge, which helps them identify customer wants (Wright et al., 2024). Consumer awareness strengthens market position. Early market entrants can build brand recognition and develop smart marketing strategies, which affects the marketing mix. Pioneering increases direct costs, including product development, marketing, and distribution. Cost increases might impact marketing effectiveness and profitability. The marketing mix boosts brand awareness and customer engagement, increasing market share. Effective marketing boosts a company's industry

standing. Higher direct costs may hamper the company's market expansion. Early market entry affects marketing techniques, customer understanding, and cost structures, which affects market share, as shown in the diagram.

Brand recognition and loyalty are crucial benefits of being a pioneer. When a company introduces a product first, consumers associate the brand with innovation and leadership. This recognition increases trust and customer retention (Przychodzen, Hiz and Przychodzen, 2019). A well-established pioneer can create strong emotional connections with consumers, making them less likely to switch to competitor products. Market dominance and price leadership are also key advantages. By controlling distribution channels and supplier relationships early, pioneers strengthen their competitive position. Apple's launch of the iPhone in 2007 demonstrates the power of being a pioneer (Arab News, 2020). It revolutionized the smartphone industry with a touchscreen interface and an integrated ecosystem. Apple's early market entry allowed it to dominate consumer preferences and establish strong brand loyalty. Today, the iPhone remains a market leader despite competition from late entrants like Samsung.

2.3 Three Successful Pioneer Companies

Apple: Apple is a prime example of a successful pioneer due to its innovation-driven strategy. The company introduced the iPhone in 2007, revolutionizing the smartphone industry with a touchscreen interface, mobile internet, and an integrated app ecosystem (Glimstedt, 2020). Apple's first-mover advantage allowed it to set industry standards, forcing competitors to follow its design and technology trends. Beyond innovation, Apple built a strong ecosystem with the App Store, iCloud, and seamless integration across devices. Despite strong competition from Samsung and other late entrants, Apple maintains a significant share of the premium smartphone market.

Tesla: Tesla pioneered the electric vehicle (EV) industry by introducing high-performance, long-range electric cars at a time when EVs were not widely accepted. The launch of the Tesla Roadster in 2008 demonstrated that EVs could be both practical and desirable (Xu and Arjmandzadeh, 2023). Unlike traditional automakers, Tesla invested in battery technology, charging infrastructure, and direct-to-consumer sales, differentiating itself

from competitors. Tesla's early entry allowed it to develop strong brand recognition and technological leadership. Despite competition from established automakers, Tesla remains the dominant player in the EV market, benefiting from its early investments in research and infrastructure.

Amazon: Amazon was a pioneer in e-commerce, launching as an online bookstore in 1995 before expanding into a global online marketplace. The company's success was driven by its logistics efficiency and customer-centric approach (Chaffey, 2024). By investing in automated warehouses, one-day delivery, and AI-driven recommendations, Amazon created an unparalleled shopping experience. Amazon's first-mover advantage helped it capture a large market share before traditional retailers adapted. Its innovations in cloud computing (AWS) and digital services (Prime, Alexa) further strengthened its market dominance. Despite competition from Walmart and Alibaba, Amazon continues to lead global e-commerce.

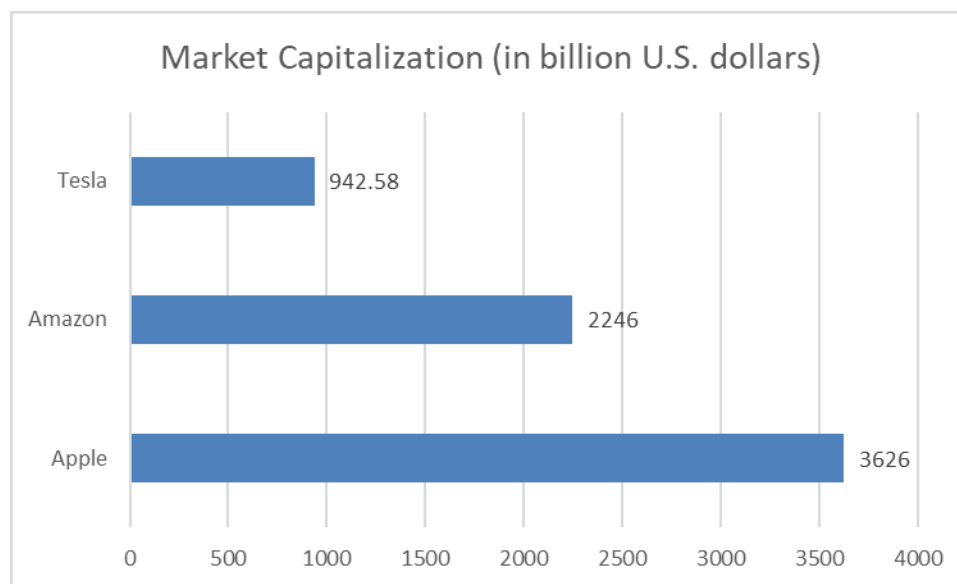


Figure: Market Capitalization (Statista, 2025)

Three big technological businesses' market capitalization as of March 3, 2025, is shown in the bar chart. With \$3,626 billion, Apple dominates the global tech industry. Amazon follows with \$2,246 billion, demonstrating its expertise in e-commerce and cloud computing. Tesla, a leader in electric vehicles, has a \$942.58 billion market valuation, indicating its sustainable transportation growth. Apple dominates technology, while

Amazon dominates online retail and cloud services. Tesla dominates the EV market despite its smaller market cap.

3. Follower Companies

3.1 Advantages of Being a Follower

Follower companies benefit from lower research and development (R&D) costs compared to pioneers. Since they do not have to invest in initial market creation, followers can focus on refining and improving existing innovations (Gao and Yuan, 2022). By avoiding the high costs of trial and error, they can allocate resources more efficiently towards marketing, distribution, and competitive pricing. This cost advantage allows followers to enter the market at a more favorable position with reduced financial risks. Another major advantage is the ability to learn from pioneers' mistakes. Followers can analyze the challenges faced by first movers and make necessary improvements. This reduces the likelihood of failure and increases the chances of success. A strong example is Samsung in the smartphone industry. While Apple pioneered the modern smartphone with the iPhone in 2007, Samsung entered the market later and quickly became a dominant player (EcoATM, 2025). By learning from Apple's innovations, Samsung introduced larger screens, improved battery life, and stylus functionality. Today, Samsung competes directly with Apple and has established a strong global presence.

3.2 Three Successful Follower Companies

Samsung: Samsung entered the smartphone market after Apple but quickly became one of the leading global competitors. Instead of directly copying Apple's iPhone, Samsung refined smartphone technology by introducing larger screens, improved cameras, and stylus functionality (Sun, 2024). By leveraging Android's open-source platform, Samsung offered consumers greater customization and a wide range of devices at different price points. This pricing strategy enabled Samsung to target both premium and budget-conscious customers. Samsung's late-mover advantage allowed it to learn from Apple's design and software limitations. By focusing on hardware innovation and aggressive global marketing, Samsung became the largest smartphone manufacturer worldwide. Despite Apple's strong brand loyalty, Samsung successfully differentiated itself through cutting-edge features and affordability.

Facebook: Facebook entered the social media industry after pioneers like Myspace and Friendster but quickly overtook them by focusing on user experience and platform design

(Medium, 2023). Unlike Myspace, which allowed users to customize profiles excessively, Facebook introduced a cleaner interface, enhanced privacy controls, and real-name policies. These features encouraged professional and personal networking, increasing user engagement. Facebook also improved content sharing, advertising integration, and mobile accessibility, making it more appealing than its competitors. By continuously adapting to user preferences and acquiring potential rivals like Instagram and WhatsApp, Facebook maintained its dominance in social networking. Despite regulatory challenges, Facebook remains the world's largest social media platform.

Netflix: Netflix began as a DVD rental service competing with Blockbuster but pivoted to online streaming after recognizing shifts in consumer preferences. Blockbuster, the pioneer, failed to adapt to digital transformation, allowing Netflix to dominate the market. By leveraging subscription-based streaming, personalized recommendations, and exclusive content, Netflix attracted a global audience (Widia, Rosanensi and Rahmawati, 2021). By continuously investing in original productions and AI-driven user insights, Netflix transformed from a late entrant into the leader of the streaming industry. Despite competition from Disney+ and Amazon Prime, its data-driven approach and international expansion strategies keep it at the forefront of digital entertainment.

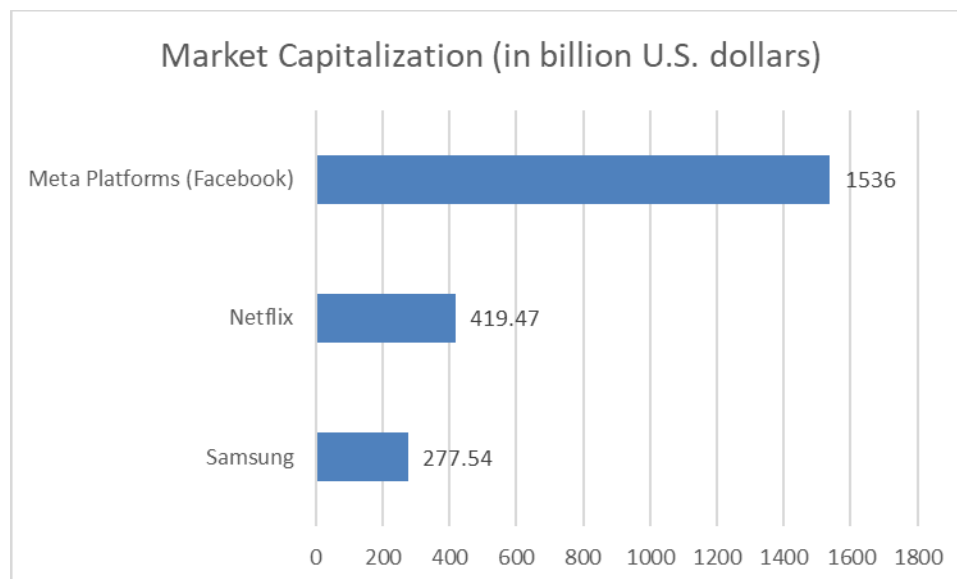


Figure: Market Capitalization (Companies Market Cap, 2024)

As of March 3, 2025, the bar chart shows three big technology businesses' market capitalization. Facebook leads with \$1,536 billion, demonstrating its prominence in social media and digital advertising. Netflix was valued at \$419.47 billion, indicating its dominance in the global streaming sector. With a \$277.54 billion market value, Samsung ranks third in electronics and technology, especially semiconductors and smartphones. Meta Platforms dominates social media and digital services, while Netflix dominates entertainment streaming. Samsung is still a major tech company, notably in electronics, despite its decreased market cap. Market valuations are compared to show these firms' technology sector strengths and positioning.

4. Product Life Cycle and Competitive Strategies

4.1 Growth Strategies

Pioneer Company: Pioneer companies use various growth strategies to maintain market leadership. These strategies help sustain competitive advantages, expand market reach, and increase profitability. Effective growth approaches include market penetration, innovation investments, and strategic partnerships (Bagozzi et al., 2024). One of the most common strategies is market penetration and development. Pioneers aim to increase product adoption by targeting new customer segments and expanding geographically (Giachetti and Li Pira, 2022). They also enhance brand presence through aggressive marketing, promotional offers, and distribution expansion. For example, Apple expanded the iPhone's reach by entering emerging markets like India and China, focusing on localized pricing strategies and partnerships with local carriers. Another key approach is continuous innovation and R&D investment. Pioneers must sustain their technological edge by developing new features, improving product performance, and addressing consumer needs (Kurtmollaiev, 2017). High investment in research allows pioneers to stay ahead of followers and strengthen brand differentiation. Apple, for instance, consistently introduces upgraded processors, camera advancements, and software improvements to maintain its leadership in the smartphone industry. Pioneers also pursue strategic partnerships and acquisitions to strengthen their market position. By collaborating with technology firms, suppliers, or content creators, pioneers enhance their product ecosystem and create additional revenue streams (Warkentin, 2024). Apple's expansion into services like Apple Music, iCloud, and Apple Pay demonstrates this approach. By leveraging its existing customer base, Apple diversified its revenue sources while reinforcing customer retention. Through a combination of market expansion, continuous innovation, and strategic collaborations, pioneer companies maintain their competitive edge and ensure long-term sustainability in their respective industries.

Follower Company: Follower companies use cost leadership, product differentiation, and market expansion to compete with pioneers. These strategies help them reduce risks, attract customers, and gain market share (Porter, 2024). By refining existing products and leveraging cost advantages, followers can challenge industry leaders. One key approach is cost leadership and pricing strategies. Followers avoid high R&D expenses by

improving existing technologies rather than creating new ones. This allows them to offer competitive prices and attract cost-sensitive customers. Many late entrants focus on economies of scale, efficient supply chains, and budget-friendly alternatives. For example, Xiaomi entered the smartphone market after Apple and Samsung but gained popularity by offering high-quality devices at lower prices. Another critical strategy is product differentiation and branding. Since pioneers establish industry standards, followers must introduce unique features or branding strategies to stand out (Xie, Donthu and Johnston, 2020). This could involve superior customer service, improved user experience, or innovative business models. For instance, Netflix initially followed Blockbuster but differentiated itself by offering on-demand streaming and original content production. Followers also grow by entering new markets and rapid scaling. They expand geographically or target niche consumer segments underserved by pioneers. This approach allows them to build a strong consumer base before pioneers react. Netflix, for example, invested in global expansion and region-specific content, strengthening its competitive edge against newer streaming platforms (Warkentin, 2024). By focusing on affordability, innovation, and expansion, follower companies can achieve market leadership despite entering late.

4.2 Maturity Strategies

Pioneer Company: In market maturity, pioneer enterprises often confront considerable hurdles. Most potential buyers have already bought the goods or service, causing market saturation. This creates growth constraints and forces corporations to investigate new markets or products (Kotler and Keller, 2024). Reducing innovation can also hurt pioneers. As competitors introduce better or cheaper products or services, they may lose their technological edge (Grant, 2024). During maturity, following companies increase competition. To attract customers, followers improve the pioneer's product with better pricing and features. Tesla, an EV pioneer, now confronts competition from Ford and Volkswagen, which have entered the EV market with competitive pricing and expanded distribution networks. Competitors are investing considerably in battery and charging infrastructure, challenging Tesla's initial edge.

Follower Company: Following companies struggle in this time. One challenge is distinguishing pioneers. When a pioneer adapts, distinction gets harder (Barney, 2024). Many following companies improve an established product. Also important is cost competitiveness. Followers often use reduced production costs or pricing techniques to gain customers, making maturity phase profitability problematic (Johnson, Scholes and Whittington, 2024). As a smartphone follower, Samsung competes with Apple by offering lower prices and additional products. However, Apple's software and ecosystem integration innovations compel Samsung to invest in R&D while maintaining competitive costs. This balancing act threatens sustainability.

5. Conclusion

Pioneer and follower companies use different strategies to achieve success. Pioneers benefit from first-mover advantages, such as strong brand recognition and market dominance. However, they also face high R&D costs, market uncertainty, and the need for customer education. In contrast, followers avoid early-market risks, improve existing products, and use cost leadership to compete. The effectiveness of each strategy depends on industry conditions, technological advancements, and market demand. The Apple's services are a good example of pioneers who succeed because they keep innovating and expanding their ecosystems. However, followers in the market thrive by adapting to the trends of the market like Netflix's streaming dominance and scaling rapidly. In order for companies to become sustainable, they must do all that between innovation, market sensitivity, and strategic partnerships. Whether it is pioneering or following, success relies on one thing: the need to adapt to changing consumer needs and the role of being a competing force in the ever changing market.

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