



University of Wales
Trinity Saint David
LONDON

Module: Marketing Management

Module code: LCMB7024

Assessment Component 1- Essay

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Date of Submission: 28th March 2025

Word Count: 2620 words

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Introduction

An important strategic decision regarding market pioneer or follower choice is made by businesses which want to succeed in dynamic markets. First movers are the Pioneers who are the first to introduce new products or technologies, and followers enter afterwards oftentimes learning from the Pioneers' successes and failures (Dreiling and Bican, 2022). From any marketing strategy it is necessary to understand the advantages and strategies of both approaches. This essay will examine the advantages of being a pioneer and a follower, engage on the product life cycle strategies exercise of them both, and use outside sources of examples to explore how the strategies can help retain their edge in competition.

Advantages of Being a Pioneer

A pioneer in a market is a company that is the first company to innovatively bring a new product or technology. The first advantage of being a first mover is that it provides several key benefits that can lead to long-term success in a company. Being a pioneer is one of the main benefits because it grants you market leadership (Dreiling and Bican, 2022). Being the first to market, pioneers tend to establish the norms for a new category of product, hence capturing the market share and loyalty of users from early on. They are able to take first mover position and, therefore, gain attention and brand presence which would deter other players from coming into the space for quite a while (Cleff and Rennings, 2012).

A major other advantage is the possibility of a monopoly or dominant market position. For example, Apple's iPhone release in 2007 provided the company with an advantage at launching the market for smartphones, and early years (when it was the only device with a touchscreen interface delivering an intuitive experience) served the company to establish monopoly in the market (Coulstring, 2023). Apple built a loyal customer base and forged a brand image that persists to this day because it was able to establish itself as the leader during the smartphone phase of maturity (Dreiling and Bican, 2022). Moreover, the first-mover position can help a company control intellectual property and patents, which can act as barriers to entry for potential competitors (Chen and Wang, 2014).

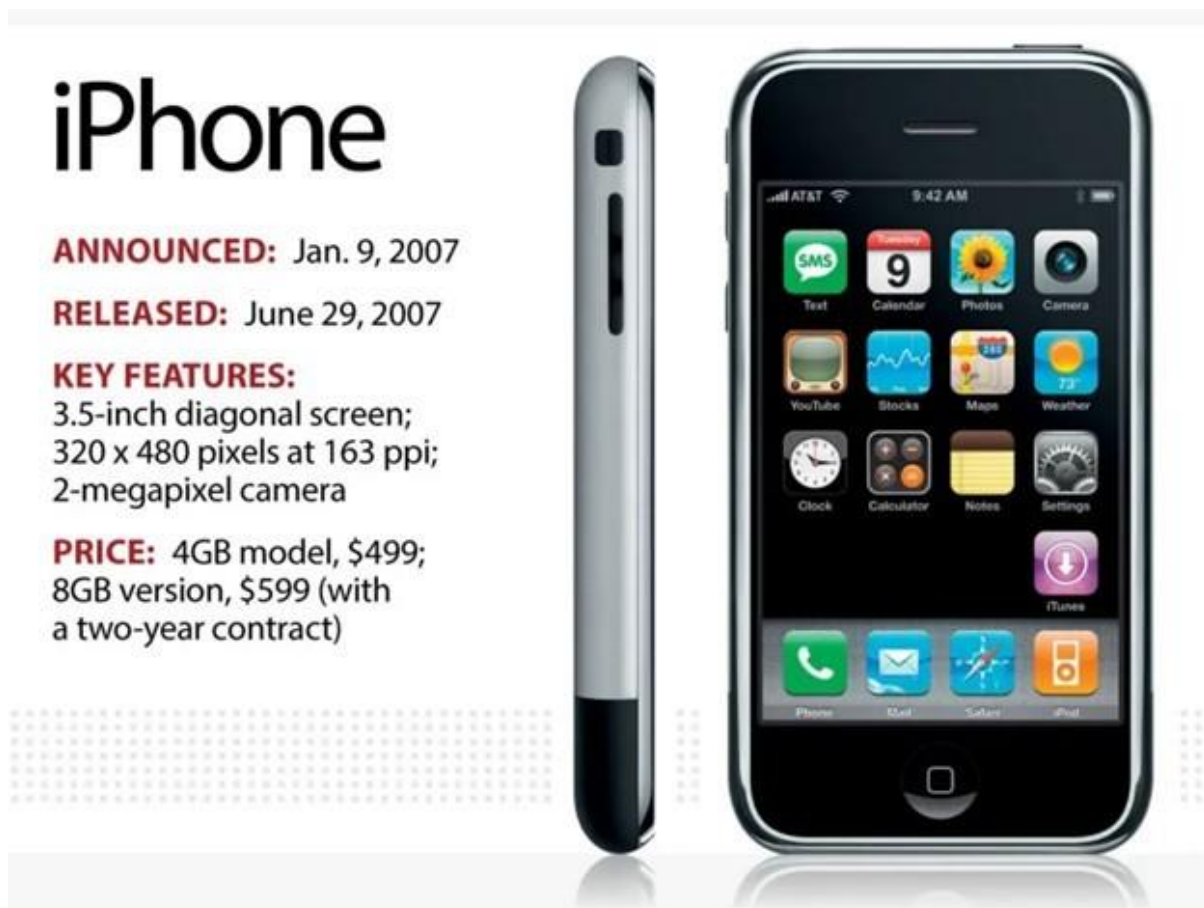


Figure 1: The first ever iPhone (Coulstring, 2023)

Technological leadership is another privilege of the pioneers enabling them to participate in definition of the future production of market products. For example, Tesla used the fact that it was a pioneer in the electric vehicle industry in its favor. The Roadster's development in 2008 by Tesla showed that electric vehicles were possible and also pushed the envelope of range, performance and technology (Korzeniewski, 2024). With such a groundbreaking strategy, Tesla has been able to hold a competitive advantage in the industry, especially as it is still contributing to the changing market (Sepasgozar and Davis, 2014). Tesla has singularly built the brand recognition around itself in being the first successful electric vehicle manufacturer.

Although there are these advantages, pioneering isn't risk free. This means that pioneers are often faced by high initial costs to develop the product as well as create market. Furthermore, given the learning that comes from the pioneer's mistakes, the competitors also have to do the battle of offering improved products. Nevertheless, the benefits of market leadership, technological dominance, and brand recognition make

pioneering a compelling strategy for companies with the resources to invest in innovation.

Advantages of Being a Follower

Pioneers take the risks of penetrating an unknown market, whereas followers enter a market where demand is already established. This lower risk is one of the most attractive advantages for the companies to follow instead of leading. Lessons learnt along the way can be followed by followers who can then avoid the mistakes made by the first movers. Followers can enter the market only after the pioneering company and bring an improved, more refined or better functioning product of lower cost (Wagner and Zahler, 2015). This strategy lessens deployment risks with untested innovations with regard to financial and operational risks.

Furthermore, established market demand helps the followers. Followers can enter the market once a pioneer company educates the market that there is a need for a new product or technology. A prime example is Microsoft's way of entering the operating system market. Apple had pioneered the graphical user interface in the Macintosh, and Microsoft was there to take advantage of the market getting to know personal computers a bit more. Windows, which came out in 1985, soon became the dominant operating system as it addressed Apple's early innovations that had created this demand (Parry and Sarma, 2019).

Another benefit is that followers get a chance to innovate from the existing technologies or come up with new prototypes based on a pioneer's concept. A noticeable example to follow concerning this is Samsung's rise in the smartphone market. It wasn't until Apple came up with its iPhone in 2007 that firmly put all the smartphones in the Smartphone era, but the follower – Samsung – took hold of the chances Apple came up with and started becoming the top Smartphone company (Bajarin, 2021). They did that by offering a host of different types of smartphones at different price points as well as featuring more advanced technologies like larger screen sizes and better cameras, which helped cement Samsung as a real competitor. The most famous of mobile devices of that time is its flagship Galaxy series, starting from 2010 and becoming one of the most popular smartphone lines nowadays (Liang et al., 2010).

Beyond, the followers can use the first mover's success to their benefit of marketing and customer base as well. The market has been already created, and followers just take advantage of it building on the ground made by the pioneers, their customers' preferences and expectations. Samsung is an example of a company that found success in the market by using a more cost-effective production model than its pioneer competitors until such point where the followers can enjoy the economies of scales that pioneer competitors cannot (Bajarin, 2021). As a result, followers can provide competitive prices and gain market share from price sensitive consumers.

Product Life Cycle Strategies for Pioneer Companies

The product life cycle (PLC) model consists of four stages: introduction, growth, maturity, and decline. Each stage presents unique challenges and opportunities for companies, and how firms navigate these stages significantly impacts their long-term success (Kotler and Keller, 2016). Pioneer companies, having entered the market early, are in a position to shape the trajectory of the product life cycle and create strategies that ensure continued growth and market dominance.

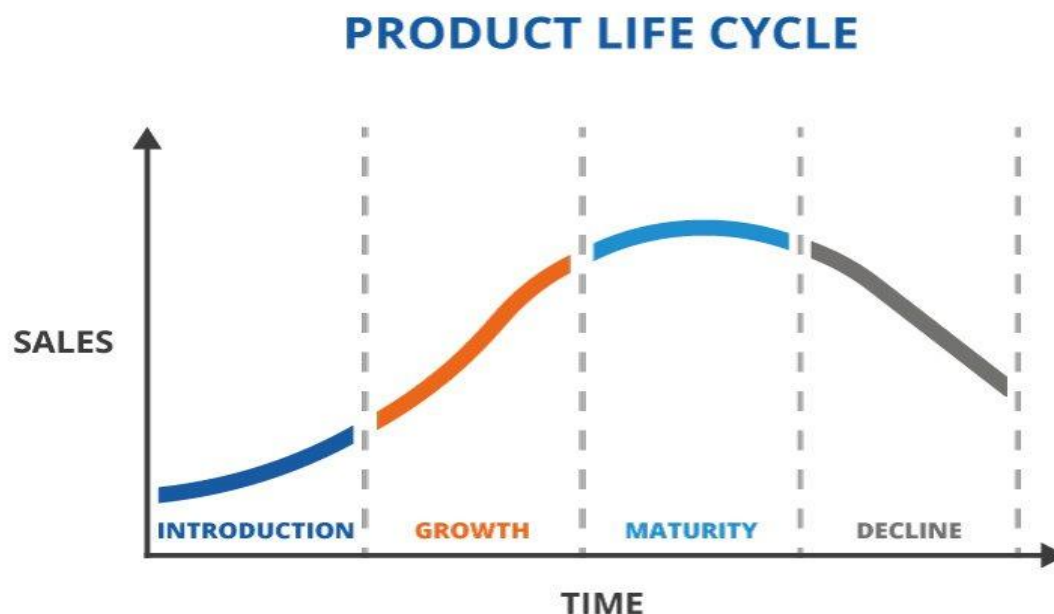


Figure 2: The product life cycle (Adapted from Kotler and Keller, 2016)

Usually in the growth stage, pioneers aim to increase customer base and scale their product. This is about differentiation and getting brand loyalty. Pioneer in the market of smartphones, Apple used the growth stage of iPhone to bring a bunch of improvements of iPhone regarding its performance and design, user experience. For instance, in 2010, the first iPhone 4 was released to give innovations like the Retina Display differentiating the iPhone from its counterparts. Although several competitors joined the market, Apple managed to keep at the helm by continuously innovating (Cleff and Rennings, 2012).

In the maturity stage, pioneers tend to devote their efforts to keeping their leadership in the market for as long as possible and protecting their market advantage. To this stage, the market is saturated and there is competition. In order to develop and grow, companies need to invest in innovation and differentiation (Sprong et al., 2021). For example, Apple is a pioneer which brings new product features such as Face ID, augmented reality, and advanced camera capabilities to the later iPhone models in order to extend the product's lifecycle by incremental improvements. This phase also comes alive with the importance of strategic partnerships and ecosystem development like in Apple's growth in service businesses such as iCloud, Apple Music, and the App Store (Dreiling and Bican, 2022).

Often, a pioneer has to figure out how to remain relevant in an increasingly competitive market. First movers are therefore forced to continue to innovate and manage the risks of product cannibalization and price pressure with an increasing number of players in the market (Zachary et al., 2015). Use of product lifecycle strategies serve as a good example to help understand Tesla's electric vehicle market strategy. Following the launch of the successful Roadster, Tesla launched new models, Model S, Model X, and Model 3, catering to other market segments, widening their range, performance, and affordability. The innovations in the maturity stage were based on these achievements of the pioneering stage which helped Tesla to establish its long-term position in the market for electric vehicles (Sepasgozar and Davis, 2014).

Product Life Cycle Strategies for Follower Companies

Usually, the follower companies will join after the demand has been created and the customer base established by the pioneer in the market. Hence, they make use of

strategies that make them take advantage of the groundwork already laid by the pioneers. In the growth stage, cost leadership is one of the major strategies followed by follower companies. Because, the product has already been introduced to the market, followers can concentrate themselves in manufacturing product more efficiently along with the profit of economies of scale (Prajogo, 2016). By offering similar products at a lower cost, follower companies can appeal to price-sensitive consumers who may not be willing to pay a premium for the pioneer's product.

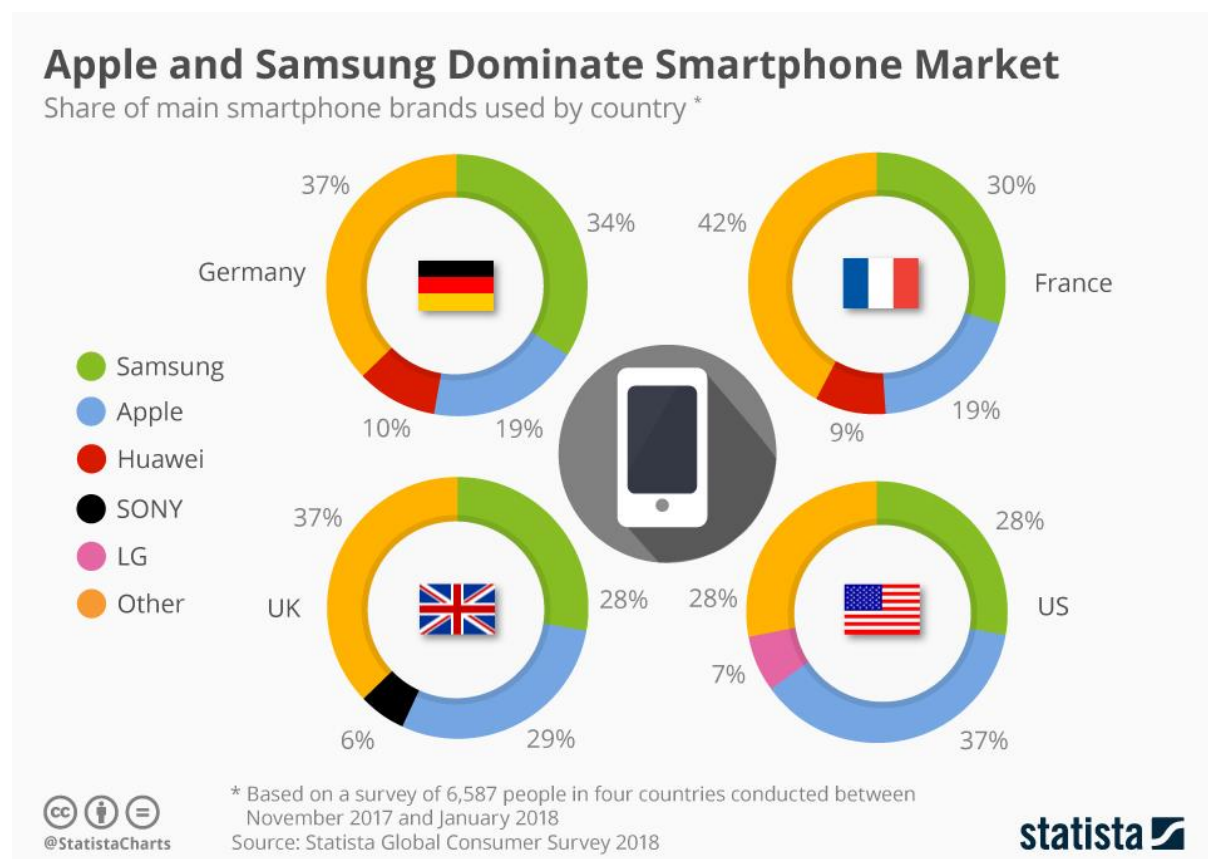


Figure 3: Market share of smartphone market (Statista, 2023)

A good example of a cost leadership strategy comes from Samsung's approach to the smartphone market. When Apple came out with the iPhone, Samsung also jumped into the market with its Galaxy series that generally offered good value as devices that tended to be cheaper plus came with additional features such as larger screens and expandable storage (Bajarin, 2021). Samsung's ability to leverage manufacturing capabilities and obtain economies of scale helped to make Samsung one of the biggest smartphone companies in the world (Wagner and Zahler, 2015).

Besides cost leadership, follower companies usually concentrate on incremental innovation. Pioneers introduce new and totally different technologies while followers just refine existing products. By practicing incremental innovation instead, they update features utilizing customer feedback and the demands of the market, so they are able to have a product that is better than the initial product, without the risks a pioneer should face (Chen and Wang, 2014). For example, Yahoo!, AltaVista were early players in the search engine market and Google later entered the market. Focusing on relevance of search results and providing a clean and user-friendly interface, Google became the dominant player in search very quickly (Parry and Sarma, 2019).

One other tactical used by followers is market segmentation. Rather than willing to compete with the pioneer, followers generally will instead identify a particular niche in the market that the pioneer may have missed and will target that. This strategy empowers followers to have a tailored offer, which is differentiated and addresses the special requirements of different customer groups (Zachary et al., 2015). For example, in the personal computer market, Apple product Macintosh focused on the creative and educational markets while Microsoft's Windows product aimed at the mass market. Both of these companies were able to be successful by using the segmentation strategy by meeting the different needs (Liang et al., 2010).

In the maturity stage, follower companies will continue to develop the product but will focus on differentiation aimed at particular segments of the market. For instance, Samsung brought out its different spins of the Galaxy series including the Note and Ultra models to give different variants for different user preferences: gaming, professional use, etc. Followers with such differentiation through continuous improvement and continuous differentiation helps them to continue to remain competitive in a linear mature market where the pioneer's pace of innovation is slowing (Dreiling and Bican, 2022).

This being the case, follower companies can only focus on cost leadership, incremental innovation while relying on market segmentation to become formidable competitors, without facing the same risks that pioneers face. These strategies allow them to capture market share while maintaining flexibility and efficiency.

Comparison of Pioneer vs. Follower Strategies

Differently from pioneer and from follower company strategies in the product life cycle are those that depend on the level of risk, innovation and market positioning. The pioneers decide to be the first to bring in some product or technology and consequently take higher risks, offering bigger rewards in the form of market leadership, brand name and monopolistic benefits (Kaličanin, 2008). Usually, their strategies are based on innovation and market creation. For instance, Apple succeeded with the popular iPhone by setting high standards in the industry and thereby creating a brand name (Cleff and Rennings, 2012).

On the other hand, follower companies come into the market after the pioneer is present, with many times reduced risks. Instead of making up from scratch, they ride on the foundation created by the pioneers and prioritize cost leadership and incremental innovation. But because followers can generally sell comparable products for less or with more features and appeal to a bigger audience, they can take up the cheaper portion of the market share. For example, Samsung's approach to the smartphone market enabled it to sell high quality devices at a reasonable price, difficult for Apple to compete (Liang et al., 2010).

Pioneers are trying to solve a new problem or trying to create a new market, while trying to establish differentiation and long-term brand building; followers may have an advantage at either adapting to the market needs and filling the gaps in the market which pioneers may have missed. Pioneers are quite strong in shaping the markets and setting the pace of innovation. But if that's not the case, then they risk being superseded by followers, who can learn from their mistakes and offer improvements on the same product. However, followers benefit from low demand establishment and reduced risk, but they may have a more difficult job in winning brand recognition and customer loyalty than pioneers (Sepasgozar and Davis, 2014).

Conclusion

Pioneering and following strategies are good because they have different advantages and disadvantages depending on a product's life cycle. Pioneers are able to lead in a market, benefit from first brand awareness and they can determine standards for an industry. Firms such as Apple and Tesla have proven to be early movers, using first mover advantage to control their business fields. Pioneer, however, is very risky: High product development costs and fast follower products from competitors that outperform the original innovation. Alternatively, followers have no need to worry of these risks because they can enter a market after the groundwork has been done. Follower companies like Samsung and Google use strategies that include assets such as cost leadership, incremental innovation and market segmentation to offer new value to consumers and refine existing technologies thereby winning the market share. Although followers do not have first mover advantages, they have lower market risk and they can learn by the pioneers' mistakes to quickly join the market. There are many factors that determine whether you should be a pioneer or a follower, such as, the availability of resources in the company, the appetite of the company to face risk and whether the market is a mature one. Pioneering may be the best strategy in fast moving industries where early gains can be made, while in mature or intensely competitive industries following established technologies and improving upon them is a more viable strategy for success. Ultimately, timing plays a crucial role in strategic marketing decisions, and companies must carefully evaluate their position in the product life cycle to determine the most suitable strategy.

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