

Master of Business Administration

Marketing Management

Tasks: Answer the following essay questions

1. What are the advantages of being a pioneer and follower company? Provide examples of successful pioneer and follower companies.
2. What product life cycle strategies do successful pioneer and follower companies implement to increase growth and maintain a strong competitive advantage? Provide examples of companies to support statements made.

Assessment-01: - Individual report

PROGRAM NAME: MBA INTERNATIONAL BUSINESS

MODULE NAME: Marketing Management

MODULE CODE: LCMB7024

STUDENT NAME: AYUSH MISHRA

WORD COUNT: 2700

Submitted to : Dr Laila Maazouz

SUBMISSION DATE: 28th March 2025

Table of Contents

Table of Contents.....	1
Introduction (300-400 words).....	2
2. Advantages of Being a Pioneer (600-700 words).....	3
2.2 Technological & Learning Curve Advantages.....	4
2.3 High Profit Margins & Customer Loyalty.....	4
3. Advantages of Being a Follower (600-700 words).....	5
3.1 Reduced Risk & Lower Costs.....	5
4. Product Life Cycle (PLC) Strategies (600-700 words).....	6
4.1 Introduction Stage (Pioneer Strategy).....	7
4.2 Growth Stage (Follower Strategy).....	8
4.3 Maturity Stage (Competitive Expansion).....	9
4.4 Decline Stage (Exit or Adaptation).....	9
5. Conclusion (300-400 words).....	10
6) Reference: -.....	11

Introduction (300-400 words)

- Define **pioneer** and **follower** companies in strategic marketing.
Pioneer: - A **pioneer** is a person or group who first develops, explores, or introduces a new thing in a particular region. Pioneers are typically innovators, leaders, or trailblazers who Lay the foundation for others to follow.
Follower: A **follower is someone who follows, supports, or obeys another person, idea, or group.** They can be social media followers, supporters of a leader, or people who follow rules and beliefs.
- Explain the **importance of market entry timing** and its impact on competitive advantage.

It is most important for launching a new product in the Market. The timing of introducing a new product is a key strategic decision that can make or destroy a firm in a competitive market. It defines market positioning, brand reputation, and long-term profitability. Entry into a market at the correct time can build dominance, while entry at an inappropriate time may result in excessive risks and lost opportunities.

The Product Life Cycle

Every product in the marketplace follows a life cycle from the time it is launched until it finally declines. This life cycle is known as the Product Life Cycle (PLC) and consists of four stages: Introduction, Growth, Maturity, and Decline.

These stages help firms in planning their marketing, production, and financial strategies accordingly. There are four stages of the product's lifecycle which are especially important for any company at this point in time.

- 1. Introduction Stage
The introduction phase marks the launch of a new product. Businesses invest heavily in product development, marketing, and distribution. Since awareness among consumers is minimal, businesses focus on promotions to create interest. Sales rise slowly, and profits are negative or minimal due to high expenses in the form of research, production, and advertising.
- 2. Growth Stage
As awareness increases, demand for the product also increases, and hence sales and profits. The distribution channels may be expanded, and the marketing mixes may be optimized to reach more people. At this stage, new competitors may emerge, and the companies will have to differentiate the product through quality improvement, pricing, and brand positioning.
- 3. Maturity Stage
During the maturity stage, the product reaches its peak regarding sales and market penetration. There is intense competition, and companies engage in price wars, promotion wars, and product differentiation to maintain their market share. Although profits are steady, companies need to innovate continuously to maintain customers' interest and avoid market saturation.

- 4. Decline Stage

Lastly, products experience the declining stage due to market saturation, technological obsolescence, or changes in consumer preferences. Sales and profits decline, and companies can drop the product, redesign the product, or sell the product to niche markets. Cost-reducing actions, such as reducing production or promotional expenses, are common during this phase

2. Advantages of Being a Pioneer (600-700 words)

Being a market pioneer presents numerous strategic advantages that can lead to long-term dominance. The pioneer (first mover) advantage is precious, allowing pioneering entrants to establish themselves as industry leaders and create market standards. This early mover advantage usually leads to high brand recognition and customer loyalty, as in the case of Coca-Cola, which became the leading soft drink brand by moving into the market ahead of others. Pioneers also have the power to set prices and market conditions. Thus, they can influence trends and consumer tastes, as in the case of Amazon, which revolutionized the e-commerce sector. Another significant advantage is technological leadership, whereby early-entry companies can steal patents and proprietary breakthroughs, making it difficult for late movers to compete. An example is Tesla, which became a technological leader in the electric car business by innovating ahead of traditional automobile manufacturers. Moreover, pioneers can form strong relationships with distributors and suppliers, acquire a superior supply chain for their business, and have exclusive deals, as Nike did by forming early relationships that secured its position as a leader in the sportswear industry. Lastly, pioneers create high barriers to entry for rivals through economies of scale, branding, and customer loyalty.

Therefore, businesses must carefully strategize their market entry to maximize the advantages of being a pioneer while mitigating potential risks.

2.1 Market Leadership & Brand Recognition

- Companies that achieve market leadership command great customer loyalty in that early adopters become long-term consumers. For instance, Apple was a market leader in the smartphone industry, and the iPhone became one of the world's most recognized products. Similarly, Tesla became an industry leader in electric vehicles by being one of the first to lead in battery technology and autonomous driving, which ensured high consumer confidence and brand reputation. Also, brand name equates to pricing

power and competitive edge since consumers will pay for a known brand rather than an unknown rival. McDonald's, for example, is globally renowned for its fast food, enabling it to maintain its leading position despite competition. Market leaders also set industry standards, shaping product development and consumer demands. As the market leader in search engines, Google has shaped how online search is conducted, making it difficult for its rivals to overthrow it. However, to ensure market leadership and brand name, there must be constant innovation, effective marketing, and excellent customer care.

◆ **Example:**

Apple's launch of the **iPhone (2007)** revolutionized the smartphone industry, securing long-term dominance (Grant, 2016).

2.2 Technological & Learning Curve Advantages

The Technological and learning curve Advantage for pioneer or we can say that (Early mover) or first mover advantage helps them accumulate deep knowledge of how to establish efficient processes and enhance product effectiveness over time. Tesla's status as the market leader of electric vehicles is a case example where it pioneered better battery tech and developed an established client list, bolstering its position within the market (Mangram, 2012).

Tesla, as an electric vehicle pioneer, developed superior **battery technology** and built a loyal customer base (Mangram, 2012).

2.3 High Profit Margins & Customer Loyalty

- First-mover firms tend to earn high profit margins since they can command premium prices without direct competitors. Second, early movers can command the loyalty of early adopters and can make innovation according to their research and development and guarantee long-run customer loyalty and brand equity. Coca-Cola's initial success in the soft drink industry allowed it to build a large global presence, guaranteeing customer loyalty and brand recognition (Golder and Tellis, 1993). and thus entry by later companies is confronted with challenge to compete successfully (Suarez and Lanzolla, 2007) For eg:

Coca-Cola's early dominance in the soft drink market gave it a lasting **global presence** (Golder & Tellis, 1993).

3. Advantages of Being a Follower (600-700 words)

Explain why companies might **choose to enter the market later** rather than being pioneers.

The advantage of being a follower as a company in an particular point of time being follower they can wait and see how their competitor launching their product and how much successful there product is in according to current market sentiment and what is test and preferences of an individual and and by getting this all idea the follower will launched their product in the market and While first movers may reap some benefits, such as brand recognition and technological leadership, followers are able to capitalize on several advantages that reduce risks and enhance their competitiveness

3.1 Reduced Risk & Lower Costs

- Reduced Research and Development Expenses

One of the most important benefits of being a follower is decreased R&D costs. First movers must invest enormous amounts in research, product development, and market education, which is risky for their finances. Followers can study the investments by the first mover and improve them at a lower cost. By imitating and improving current technologies and business models, followers can invest more efficiently, with greater returns on investment.

- Cost Efficiency and Economies of Scale

The second key advantage of being a follower is that one can achieve cost-effectiveness due to economies of scale. Once a product or service has established itself in the marketplace, the production processes and supply chains are more established, translating into cheaper production. Followers can negotiate better deals with suppliers, invest in cost-saving technology, and implement lean production methods to enhance profitability. Xiaomi and

Oppo smartphones have used economies of scale to provide quality products at low prices, thus disrupting early movers like Apple and Samsung.

- Learning from First-Mover Failures

The followers benefit from observing the first movers' mistakes and failures. Pioneering is risky, including unknown technical issues, untested business models, and potential regulatory difficulties. Followers can learn from these mistakes, avoid spending money on errors, and adapt their methods based on empirical evidence.

Conclusion: -

Though the first mover may have competitive benefits, followers enjoy significant benefits that result in long-term prosperity. Reduced R&D expenditures, learning from the failures of first movers, improved product innovation, market verification, cost savings, flexibility, and enhanced customer relationships all work together to enable a follower to prosper in an industry.

Some of the most successful companies today, such as Facebook, Netflix, and Xiaomi, have positioned themselves intentionally as followers, leveraging these advantages to outperform their pioneering competitors. Therefore, the following can be an incredibly successful strategy for long-term profitability and growth in a more dynamic and competitive market.

◆ **Example:**

Samsung entered the smartphone market after Apple but **outpaced Apple in global sales** by refining key features (West & Mace, 2010).

4. Product Life Cycle (PLC) Strategies (600-700 words)

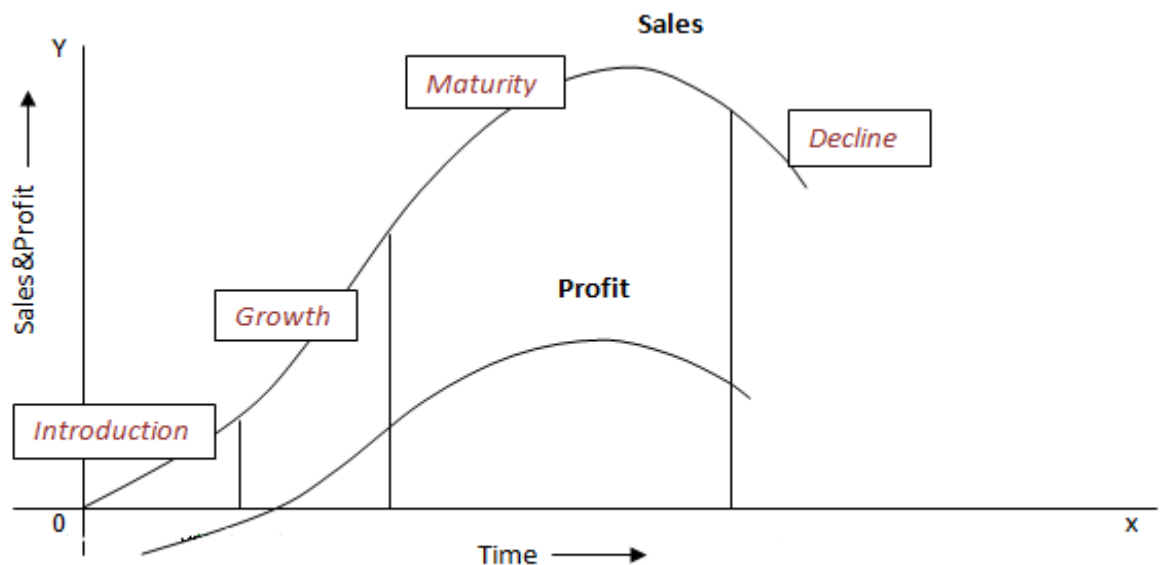
4.1 Introduction Stage (Pioneer Strategy)

- competitive advantage as they enter markets with established. The introduction stage of the Product Life Cycle (PLC) is characterized by extensive investment in research and development (R&D), marketing, and educating the customer. Pioneer firms focus on building product awareness, creating brand identity, and product differentiation from rivals. The stage is often followed by minimal competition, high costs in production, and slow market acceptance as customers familiarize themselves with the new product. Companies invest heavily in promotional efforts, pricing strategies, and distribution channels to establish a powerful market presence. Fierce product differentiation is

necessary for a competitive advantage since it allows companies to position their product in a unique marketplace. Differentiation can be achieved through technological innovation, improved design, or distinctive features. Also, companies tend to follow a skimming pricing policy, charging high introductory prices to recoup investment and taking advantage of early adopters willing to pay more. A good example of an effective pioneer strategy is Apple's 2010 launch of the iPad. Apple launched the iPad with a high-end premium strategy, using its brand image and ecosystem integration to achieve market leadership (Grant, 2016).

◆ **Example:**

Apple's **iPad (2010)** was introduced with a **high-end premium strategy**, securing market dominance (Grant, 2016).



These different stages of a product's life can be plotted on a graph named PLC. Where X axis is time and Y axis is profit and sales. Sales are always higher than profit realization.

Fig : - Product Life Cycle(PLC)

Source: - UGC NET Management Study Material. (2015, January 8). Marketing: Product Life Cycle (PLC).

Fundamentally, PLC is a tool that allows a business to judge the stage of its product in the market based on its profit and sales within a given time period. It can then map out a strategy to resolve problems encountered by the product in the market. Let us have an overview of the different stages of product life cycle and problems and opportunities it normally faces at that stage:

4.2 Growth Stage (Follower Strategy)

- Demand rises, and production becomes efficient once the product picks up and enters the growth phase. Firms concentrate on ramping up operations, setting distribution channels, and refining product characteristics from consumer feedback. The priority changes from creating awareness to penetration as firms strive for competitive prices to corner a growing customer base. Marketing campaigns become more aggressive in creating brand awareness and frequent purchasing. Companies can even consider strategic alliances and partnerships to expand their market base. Economies of scale contribute significantly towards lowering costs so that companies can provide superior value to customers. For example, Tesla's electric vehicles (EVs) experienced exponential growth following early market skepticism. The firm increased its Supercharger network, developed better battery technology, and launched more affordable models, such as the Model 3, making EVs more accessible to the mass market (Mangram, 2012). These initiatives led to fast adoption and higher brand loyalty

4.3 Maturity Stage (Competitive Expansion)

- During the maturity phase, market growth slows down, and competition intensifies. Companies maximize profitability, retain market share, and differentiate through innovation and customer relationships—product refinement, controlling costs, and loyalty to the brand become essential to sustaining success. Now, firms can introduce variations, upgrades, or complementary products to sustain consumer interest. Pricing strategies can be changed to competitive or value-based pricing to appeal to a price-sensitive market.

Marketing emphasizes customer loyalty and word-of-mouth through loyalty programs and one-to-one experiences. Coca-Cola is an ideal example of handling a product in the maturity phase. By continuously developing new flavors, packages, and promotional campaigns, Coca-Cola has continued to dominate the soft drink market despite bitter competition (Golder and Tellis, 1993).

Coca-Cola introduce **new promotions** to retain market share in the mature beverage **industry** (Golder & Tellis, 1993).

4.4 Decline Stage (Exit or Adaptation)

- As soon as products enter the declining phase, sales reduce because of saturation in the market, innovation through technology, or shifting customer requirements. Firms must either reinvent the product, market to specialist segments or gradually phase out the product. Reinvention opportunities include product repositioning, technological innovation, or new market expansion. Nintendo, for instance, reinvented its business of conventional gaming consoles to hybrid gaming consoles such as the Nintendo Switch, targeting casual game players and committed gamers (Suarez and Lanzolla, 2007). Alternatively, companies can phase out weakening products and redirect resources to more profitable opportunities. This includes reducing costs, reducing distribution, and emphasizing newer innovations to sustain business continuity.

◆ Example:

Nokia's mobile division declined due to **failure to adapt to the smartphone era**, while Samsung shifted focus to **foldable screens** (West & Mace, 2010).

5. Conclusion (300-400 words)

- In business, strategic market entry decisions—pioneer versus follower—have immense long-term consequences for success. Pioneers, or first movers, typically enjoy the advantage of market leadership and established brand name recognition. As pioneers in introducing new products or services, they can establish themselves as industry leaders and shape consumer preferences. This pioneering entry gives them the earliest chance to establish market norms and pricing power control and gain customer loyalty. Nevertheless, pioneer risks consist of high up-front investment, ambiguous market demand, and the potential to be overtaken by competitors' innovation. Followers, in contrast, possess reduced risk

levels and cost benefits. By entering the market after the pioneer, followers can learn from customer responses and improve existing products or services. Followers do not have pioneers' high research and development costs but can leverage economies of scale to make production and distribution more efficient. This strategic advantage allows followers to expand market share at costs lower than those of pioneering competitors. Both followers and pioneers employ strategies that fit into the Product Life Cycle (PLC) stages. Pioneers concentrate on product differentiation and bold marketing during the introduction stage. At the same time, followers enter during the growth stage, attempting to gain market share through cost-lowering techniques and enhanced features. As products age, pioneers and followers must innovate continuously to keep up the interest, beat the competition, and prevent market saturation. At the decline stage, firms must reinvest in innovation or consider exiting the industry strategically. For companies, the correct selection of market entry timing is essential. Real-world applications emphasize that companies must be flexible, guided by comprehensive market research, and innovative to thrive. Market research enables companies to gauge customer demand, competition, and market readiness, while innovation keeps products on track and responsive to changing customer needs. Being able to shift in tandem with the marketplace promptly is equally essential because this enables companies to be one step ahead of the rest and gain an advantage. Success is linked to an awareness of the changing interplay of market positioning, Product Life Cycle, and ever-changing consumer preference.

6) Reference: -

Golder, P.N. and Tellis, G.J. (1993) 'Pioneer advantage: marketing logic or marketing legend?', *Journal of Marketing Research*, 30(2), pp. 158-170.

Suarez, F.F. and Lanzolla, G. (2007) 'The role of environmental dynamics in building a first mover advantage theory', *Academy of Management Review*, 32(2), pp. 377-392

Shankar, V., Carpenter, G.S. and Krishnamurthi, L. (1998) 'Late mover advantage: how innovative late entrants outsell pioneers', *Journal of Marketing Research*, 35(1), pp. 54-70.

Smith, M.D. and Telang, R. (2017) *Streaming, sharing, stealing: big data and the future of entertainment*. Cambridge, MA: MIT Press.

Golder, P.N. and Tellis, G.J. (1993) 'Pioneer advantage: marketing logic or marketing legend?', *Journal of Marketing Research*, 30(2), pp. 158-170.

Grant, R.M. (2016) *Contemporary strategy analysis: text and cases edition*. 9th edn. Hoboken, NJ: Wiley.

Mangram, M.E. (2012) 'The globalization of Tesla Motors: a strategic marketing plan analysis', *Journal of Strategic Marketing*, 20(4), pp. 289-312.

Suarez, F.F. and Lanzolla, G. (2007) 'The role of environmental dynamics in building a first mover advantage theory', *Academy of Management Review*, 32(2), pp. 377-392.

Porter, M.E. (2008) *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. New York: Free Press.

Lieberman, M.B. and Montgomery, D.B. (1988) 'First-Mover Advantages', *Strategic Management Journal*, 9(S1), pp. 41-58.

Kotler, P., Keller, K.L., Brady, M., Goodman, M. and Hansen, T. (2019) *Marketing Management*. 4th edn. Harlow: Pearson

Urban, G.L., Carter, T., Gaskin, S. and Mucha, Z. (1986) 'Market Share Rewards to Pioneering Brands: An Empirical Analysis and Strategic Implications', *Management Science*, 32(6), pp. 645-659.

