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Student Name: Siddhi Rohitbhai Patel

Student ID: 2421558

Lecturer Name: Dr. Laila Maazouz

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Introduction

Strategic decision-making is extremely important for businesses that wish to thrive in the long term within the fast-paced, competitive corporate world of today. Whether to be the market leader or follower and when and how to introduce a new product or technology are some of the most important choices that businesses need to make (Leung, Gu and Palmatier, 2022). While a pioneer enters the market only after their reputation has been established, a pioneer introduces the first new good or service. Whether to be a pioneer or a follower is determined by the company's resources and capabilities as well as the state of the market, not to mention timing. An awareness of these forces can mean success or failure. Both approaches have strengths and weaknesses, risks, and challenges. Being a first mover has several benefits, such as the possibility to gain initial market share, develop brand identity, and make industry standards, but it has several financial risks, high R&D expenses, and uncertainty in regards to the adoption of markets (Kuo, Fang and LePage, 2021). Alternatively, being a follower implies riding the crests and troughs of innovators, employing successful technology, and improving on existing products to do better than those already present in the market. Companies can minimize risks through this approach, but it often needs innovative differentiation to thrive in an existing market caused by a leader. Both the leader and the follower companies must implement strategies that are synchronized with the various phases of the product development within the framework of the product life cycle (PLC). The four principal stages of the PLC are the introduction, growth, maturity, and decline phases. Companies can have a competitive edge and be profitable in the long term if they can effectively deal with the growth and maturity stages (Leão and Da Silva, 2021). The benefits of being a leader and a follower will be discussed in this essay, together with how each approach affects product life cycle management and real-life examples of firms that have made the two strategies work.

Advantages of Being a Pioneer and Follower Company

Advantages of Being a Pioneer

The possibility of attaining great first-mover benefits is among the major benefits of market pioneering. Some of those benefits include being able to lock in a substantial market share, create consumer loyalty, and set industry standards, as well as achieve

brand identification early in the market. These benefits do, however, carry numerous risks and challenges that need to be duly addressed (Cirik and Makadok, 2021).

1. First-Mover Advantage: This is one of the biggest advantages of pioneering. The business can gain early market share and become the industry standard by being the first business to launch a product or technology. Early brand identification, loyal customers, and being able to define the standards that others will have to follow are all benefits of being first to market (More, 2023). Serving the unmet needs of the market early can allow a pioneer to establish a loyal and dedicated foundation by making switching expensive for those customers who have developed a strong bond with the brand. Pioneers can also be in a better position to legally defend their market and patent their inventions. Apple Inc. is one typical example of a pioneering firm. Apple launched the iPhone, which integrated a mobile phone, music player, and internet device into one product, in 2007. Apple was able to dominate the majority of the smartphone market for years thanks to its first-mover advantage. Being the pioneer in the smartphone industry, Apple established a loyal customer base and a solid ecosystem for its devices, both of which form the foundation of its market leadership today.

2. Establishing Industry Standards: Innovators frequently have a significant influence on industry standards and norms. A business can establish the rules of the game when it is the first to launch a new product or technology (Goria, 2022). It can include distribution methods, price levels, and customer service as well as product attributes. In certain instances, businesspeople can successfully "lock in" their leadership in the market through the establishment of network effects, which cement customer allegiance by increasing the product's value as more people use it. Microsoft is yet another name universally known for its trailblazing endeavor in the field of personal computers. Among the first operating systems to be utilized far and wide was that of Microsoft's Windows, which set the benchmark for user interfaces for personal computers. Because of the pervasiveness of Windows and its stable software environment, it became the norm in its field and led Microsoft to market leadership in computers for decades.

3. High Profit Margins: The first mover usually enjoys a period of limited competition being the first in the new market, and because of this, it can afford to set prices high

and register greater profit margins. During the initial periods of development of the market, the pioneer can price products high since there are no immediate competitors, and therefore it is able to experience the product novelty and demand. These early revenues can then be utilized to pay for marketing, growth, and R&D costs (Corrado *et al.*, 2022). A good example of a pioneer in the electric vehicle (EV) space is Tesla. Due to early mover advantage and indirect rivalry, Tesla's electric luxury vehicles have had the luxury of charging premium prices. This enabled Tesla to invest its earnings in developing its product range and speeding up the production of cheap EVs for a mass market.

Advantages of Being a Follower

While it is beneficial to be a pioneer, it is also beneficial to be a follower, especially when businesses can learn from the mistakes of pioneers (Pantano, Pedeliento and Christodoulides, 2022). By leveraging the experience of pioneers, followers can often avoid the enormous costs and risks associated with being first in the market.

1. **Gaining Knowledge from the Pioneer's Errors:** The first of the main advantages of being a follower of the pioneer is the possibility of gaining knowledge from their blunders. The responsibility of market research, product development, and gaining clients typically falls on the pioneer, with followers being able to introduce more effective and better products to the market. With the skill of being able to learn from observation, the followers may not be put into harm's way in pursuit of pioneering effort, as there could be technical disasters, product-market maladjustment, and ineffective marketing or distribution efforts (Weber, Krehl and Büttgen, 2022). An effective follower firm can be clearly exemplified through the case of Samsung. Its smartphone venture took it into action once Apple showed it the direction in which the way forward lies after it watched its early generations carefully. Samsung drew in a wider range of customers by improving the smartphone experience with larger screens, exchangeable batteries, and more open software. Samsung emerged as one of the world's top producers of smartphones as a result.

2. **Reduced Research and Development Costs:** The followers also have the benefit of utilizing lower R&D costs. The leader will have a proven and perfected product upon entry into the market as they already have spent tons of money perfecting and testing

the product within the market. Therefore, followers can concentrate on distinguishing their offerings from their competitors and adding new features without spending much on early invention (Tian, Dew and Iyengar, 2023). An example of a follower is Amazon, which minimized R&D expenses through learning from the e-commerce sector. Even though it was not the first online marketplace, Amazon learned tricks quickly from the previous players and enhanced their business. By providing additional products, speedy delivery, and a user-friendly website, Amazon improved the shopping experience of its consumers. Amazon could grow its business at a very fast rate and become a leading e-commerce player worldwide as a result.

3. Market Validation and Reduced Risk: The ability to move into a market that has been validated is one of the strengths of being a follower. The uncertainty is reduced for followers because the pioneer has already established that there is a demand for the product or technology. They are therefore able to rule out the risk of experimental products failing or being rejected by the market (Ahmad *et al.*, 2021). Coca-Cola, a soft drink firm, is an example of how market validation might be useful to followers. Coca-Cola did not invent the soft drink category, but through concentration on marketing, distribution, and brand, it was able to improve the product and own the market. Coca-Cola has had a strong position in an oversaturated market because of its innovative approach, which entails the production of variations of its product, such as Diet Coke and Coca-Cola Zero.

First Mover Advantage	Second Mover Advantage
Definition This is the benefit gained by the first significant company to enter a market. It often includes establishing brand recognition, customer loyalty, and market share.	Definition This refers to the advantage a company gains by observing the strategies and mistakes of the first mover and then entering the market with an improved product or service.
Risk The first mover takes on the risk of investing in a new, unproven market with the potential of high rewards but also high risks.	Risk The second mover can learn from the first mover's successes and failures, reducing the risk of market entry.
Innovation The first mover has the opportunity to introduce innovative products or services that can set industry standards.	Innovation The second mover can focus on improving upon existing ideas, making incremental innovations based on the first mover's concept.
Market Share The first mover has the chance to capture a significant portion of the market share early on.	Market Share The second mover can potentially gain market share by offering a better version of the product or service after observing customer preferences.
Flexibility The first mover may face challenges in adapting to changing market conditions or consumer preferences due to their early commitments.	Flexibility The second mover can be more flexible in responding to market changes, as they enter the market with the benefit of hindsight.

Figure 1: Pioneer versus Follower

(Ansari, 2023)

Product Life Cycle (PLC) Strategies

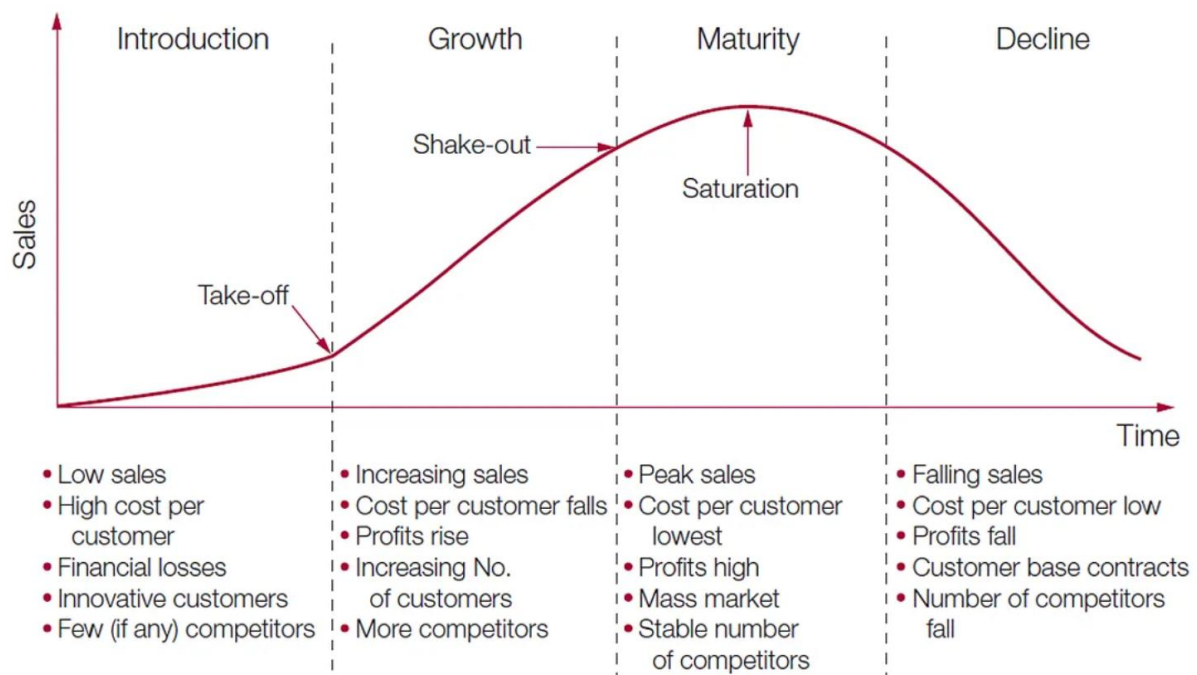


Figure 2: Life Cycle Stages and Their Marketing Implications

(Narkar, 2021)

There is a marketing idea called the product life cycle (PLC) that explains the way a product goes from being launched to the point of ultimate decline and phase-out from the market. Companies use it as a model to understand the way a product changes over the years, and this helps with the development of significant decisions in relation to marketing, manufacturing, and overall product strategy. Introduction, growth, maturity, and decline are the four unique phases that make up the PLC. Businesses must change strategy according to the singular features, potential, and problems of each PLC phase in an attempt to optimize the potential of the product (Iveson, Hultman and Davvetas, 2022).

Introduction Stage

Since the product is a new product in the marketplace, it is marked by excessive cost and low sales at the introductory phase. Firms need to spend substantially on marketing, distribution, and consumer education in an effort to create demand and

stimulate awareness. Due to market development cost and uncertainty of adoption by consumers, pioneers tend to take higher risks at this period (Chavez & Chen, 2021). For instance, Apple had to spend a lot on advertising and informing consumers about the capabilities of the iPhone when it was initially released. The success of the iPhone enabled Apple to gain a large market share in the smartphone industry despite the fact that the phone was initially sold at a premium price.

Growth Stage

The development stage of a product is when its quick growth happens after the product is accepted by the market. After the product is introduced to the market and is found to be functional, it will start to notice a rise in sales. Since the customers also get to realize the worth of the product as well as discover it to be useful, the stage tends to happen with growing demand (Lo, Chen and Zhong, 2021). Companies usually concentrate on establishing a strong customer base, improving product features, and widening distribution channels when sales shoot through the roof. The increased level of market competition is one of the main characteristics of the expansion stage. When a product is successful, it will attract imitators, or followers, or late entrants, as well as the pioneers who first introduced it. Early adopters enjoy the advantage of introducing an improved version of the product better suited to customer requirements following experiences that they gain from the initial launch, while pioneers enjoy the advantage of first-mover advantage (Ebsco.com, 2025). For instance, Tesla used the growing customer interest in innovation and sustainability to enter the electric vehicle (EV) market during the stage of growth. Tesla distinguished itself from the rest of the manufacturers by providing performance EVs with cutting-edge technologies like long-range batteries and autopilot. The rest of the manufacturers were in catch-up mode while Tesla could achieve rapid growth in the rapidly growing EV segment because of this innovation. Moreover, companies in the growth phase have a strong focus on building client loyalty. Through emphasizing the unique aspects of their product, creating loyalty programs, and offering superior customer service, companies seek to retain their clients as the market expands. In this phase, companies can maximize their growth potential by integrating strategies for client retention, innovation, and market expansion. Companies use growth in distribution, quality feature enhancements, and customer loyalty as bulwark strategies to strengthen their market

position. Tesla established its dominance through technological innovations and growing its Supercharger network. Attack strategies, on the other hand, focus on chasing competitors using low-cost attacks, strong advertising, and innovative products. Competing features and affordable EVs make startups fight for customers with Tesla.

Maturity Stage

The market becomes saturated as the product matures, and the burst of rapid sales starts to decelerate. Often the longest stage in a product's life cycle, the maturity stage is a period of stability for the product. That stability does, however, present its own unique challenges. When a product comes to the phase when the market gets saturated, it becomes increasingly hard for companies to acquire new customers, and the growth in sales drastically reduces. Most potential buyers have by now taken up the product, and the market has been penetrated completely (Guo et al., 2023). Companies have to shift their focus towards methods that can enable them to hold on to their market share in the face of declining revenues. Product differentiation becomes a central strategy because the competition is high and there are a large number of players who offer similar products. During the maturity stage, companies try to differentiate by improving quality, multiplying varieties, or developing better product features (Hanfan, 2021). Coca-Cola, for instance, one of the top competitors in the soft drink sector, constantly innovates to maintain its market share. The Coca-Cola Company has introduced new products such as Coca-Cola Zero, Diet Coke, and Coca-Cola Life to address changing consumer demands for healthier or lower-calorie drinks, in spite of the soft drink market being saturated. Even when the market is saturated, these product innovations keep the company in the running. In order to ensure dominance, fortress strategies are focused on brand equity, customer loyalty, and product development. Coca-Cola employs solid merchant relationships, promotion, and advertisement to reinforce its dominance. Attack strategies incorporate innovative pricing, aggressive pricing, and niche targeting to compete with competitors. For example, Pepsi competes with Coca-Cola's market share through innovative campaigns, product adjustment, and creative business practices.

Decline Stage

Decreasing sales in the decline stage indicate declining consumer demand, which is usually due to market saturation, technological innovations, or shifts in consumer preferences. Firms must determine whether to venture into niche markets, innovate to prolong the product's life cycle, or phase out the product (Kayikci et al., 2022). A good example of a business that could not adjust in the decline phase of its product's life cycle is that of Blackberry. BlackBerry was a dominant smartphone business, yet its failure to keep pace with the launch of touchscreen smartphones caused it to fall out of favor.

Conclusion

In summary, there are clear benefits and risks of choosing to be a pioneer or a follower. First-mover advantages, the power to define industry standards, and the potential for massive profit margins are some of the benefits pioneers have to enjoy (Halberstadt et al., 2022). They also, however, face harsh threats from competition, market adoption, and high prices. On the other hand, imitators can reduce R&D costs, penetrate markets with established demand, and benefit from pioneers' mistakes. If implemented effectively, both strategies can generate long-term success. For leaders and imitators alike, managing the product life cycle (PLC) effectively is important. Market differentiation, innovation, and growth opportunities are offered by the growth and maturity phases. Firms can increase the likelihood that they will continue to expand, remain competitive, and be successful in the long term by carefully managing these stages. As Apple, Tesla, and Coca-Cola exemplify, efficient PLC management is essential to guarantee the existence of both pioneer and follower firms in extremely competitive markets.

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