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Marketing Management (LCMB7024)
Pioneer, Followed and their PLC Strategies
Assessment Component 1- Essay
Bhavesh Devendrabhai Nai (2418582)
Dr Haoran Liu
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Introduction

Within the ever-changing realm of business, organizations can be widely classified as either the pioneers or the followers. The **pioneer company** refers to the foremost to initiate a new service, product, or technology to market. Whereas **follower company** possesses an entrance within market after pioneer has initiated itself. Both sorts of companies possess different benefits and strategies which permit them to develop, maintain the competitive advantages, as well as, navigate the phases of **Product Life Cycle (PLC)**. The essay investigates the pros of becoming pioneer or the follower firm and scrutinizes the particular strategies they execute all over product life cycle for ensuring continued progress and maintain the competitive edge. Through the scrutinization of real-world instances of effective pioneers, as well as, followers, insights will be gained into how the companies can influence the positions into the market for securing long-term effectiveness.

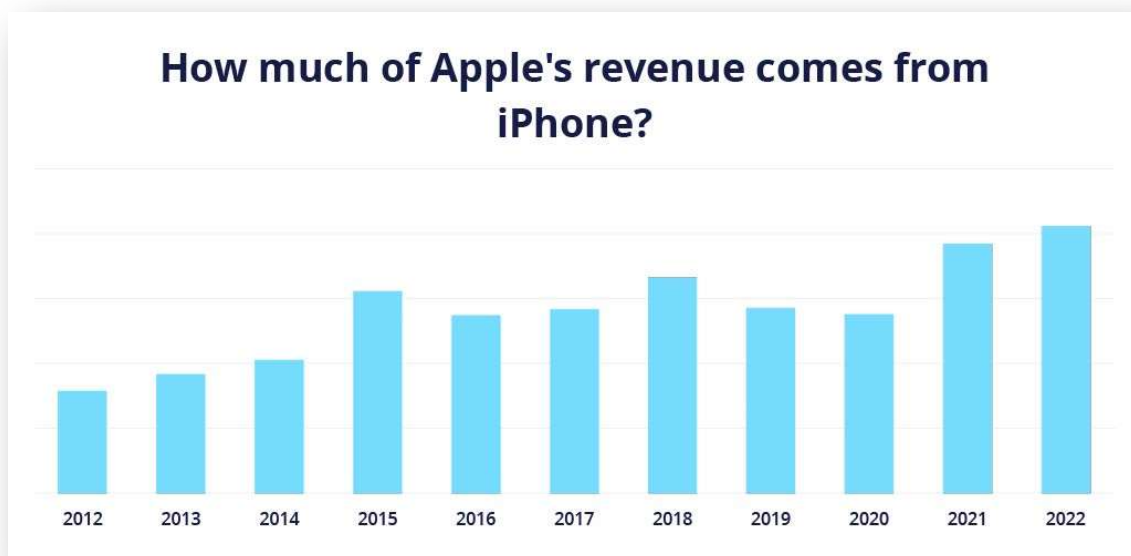
Discussion

Pioneer and Follower Company Advantages

The **pioneer company** seems to be first to initiate a latest product or any service to market, that can deliver a lot of vital advantages. The first core merit refers to **“first-mover advantage (FMA)”** (Mariani, M.M. and Belitski, 2023). This is a unique term that has been taken into consideration as the competency of first firm for entering the market for establishing a robust foothold, and acquiring a lot of benefits prior to the entrance of the rivals. The pioneers possess the opportunity in shaping the perception of the consumer, and creating the powerful loyalty of the brand. It is very tough in the case of the competitors for breaking the loyalty after a wide acceptance of a product. The foremost enterprise to enter the new market becomes the standard of the industry, thereby making it quite problematic in the matter of rivals in convincing the consumers to switch. An instance in this case refers to the renowned brand, Apple. It became the leaders of the sector within the market of the smartphone by the introduction of iPhone in the year, 2007. It set the standards for design of mobile, its functionality, and the experience of user. The pioneers can apprehend share of the market early on, that can be problematic for the followers for gaining after the establishment of the market (Hossain *et al.*2022). This is specifically crucial into industries where the inertia of the

customer is strong. Pioneers can safeguard the innovations with the help of the patents, thereby providing them the exclusive rights for the production and sell of their products.

An instance of this refers to the remarkable automotive company, **Tesla**, as the pioneer within electric vehicles (EVs), and it holds a lot of major patents in the case of EV components, and battery technology. The first important example of an effective pioneer organizations refers to Tesla which is under leadership of Elon Musk. It became the pioneer within the industry of electric vehicle (Khan, 2021). While electric vehicles existed before Tesla, the company reviewed what the EV can be just with the high performance, with the batteries of long-range, and the futuristic design, thereby creating the competitive advantage which has become difficult in the case of others to fix. Another key example refers to Apple as it has been considered as the quintessential instance of the pioneer company. iPhone had not been regarded as first smartphone; however, it has revolutionized market with the help of the combination of the sleek design along with a robust, and user-friendly interface. The brand has maintained the position of leadership within the market of the smartphone, in spite of multiple competitors.



Graph 1: Revenue of iPhone from 2012 to 2022

(Source: Techspot.com, 2016)

Pioneers introduce the novel products or technologies which that distinct them from subsisting players in the market. The differentiation can bestow the control over the channels of the distribution. The pioneers secure the favourable terms along with the suppliers, retailers, and distributors, thereby permitting them in dominating the network of distribution (Czinkota *et al.*2021). The second one is the premium pricing as the pioneers can be capable of commanding the higher rates in the matter of their products by offering the technology of cutting-edge, or the specific experience of the user. After the entrance of Google into the market of search engine, the way of accessing the information online had been revolutionized by it. Search algorithm of Google that emphasized the bestowing more relevant outcomes, provided the organization an important benefit over the rivals including Yahoo. Yahoo was the key pioneer within the market of search engine once upon a time (Singh, Narayanamurthy, and Bhutiani, 2022). This results in the maintenance of the dominant position by Google within the search sector. On the other hand, the follower company never enter market first, however, instead enters just after pioneers have initiated service or product already. While the followers cannot possess first-mover advantage, nevertheless, they can yet benefit from a lot of the strategic advantages. The first important benefit of becoming the follower refers to the capability of learning from mistakes of the pioneers (Kamp, and Ruiz de Apodaca, 2023). The followers never have to undergo the similar risks which pioneers face at the time of the development of the product, as well as, market entry. They can see the successes of the pioneer along with the failures, as well as, refine the products of their own along with the services in accordance with it. Next one refers to the reduction of the uncertainty in the market. The followers can generally avoid risk of enhancing the products which market cannot desire or required. By waiting in the case of market to develop, the followers possess more information, as well as, feedback for informing the decisions.

Another one refers to the enhanced processes, and technology, and the followers enter market with the enhanced versions of either service, or the product that had been introduced before by pioneer. By going through the limitations possessed by offering of the pioneer, the followers can initiate the feature-rich, advanced, or products that are effective of cost. The first instance of the popular follower organization refers to

Samsung, and it was the late entrant within the realm of smartphone, still it had been the biggest smartphone manufacturer only by offering the better specifications of hardware, and features in comparison with the iPhone of Apple. The eligibility of Samsung in innovating and accomplishing the latest features in a rapid manner including superior cameras, and curved screens, made it capable of competing strong competition with the renowned brand, Apple (Kornelakis, A. and Petrakaki, 2024). Another one refers to Microsoft which entered personal market of computer operating system just after the introduction of OS by IBM, and later Macintosh OS by Apple. Nonetheless, the Windows OS of Microsoft had been dominant platform only by refining interface of the user, and by adding the compatibility with several hardware. By this, Microsoft had been allowed to be the biggest leader within market in spite of not becoming first mover.

Followers get advantage from the **cost efficiency** as they never need to spend heavily within educating market or by the promotion of the new technologies. Only by leveraging groundwork that was laid by pioneers, the followers can emphasize lowering costs of production, expanding the efficiency of the operations, or offering high affordable alternatives. The followers can produce products of same kind at a minimal because of availability of the initiated supply chains, techniques of production, along with the established technology. In addition to that, the followers may emphasize particular market segments which has been overlooked by the pioneer, thereby making them capable of serving niche markets very effectively. The mobile brand, Sony indeed, entered gaming console market just after the establishment of **Nintendo** within the market with **Super Mario** games along with the **Game Boy** system. Nevertheless, **PlayStation** of Sony offered high graphics, a robust game library, as well as, distinct features, thereby permitting it for taking the market share only from Nintendo. The **Product Life Cycle (PLC)** possesses four phases, and those phases include the introduction, the growth, the maturity, and the decline (Iveson, Hultman, and Davvetas, 2022). Both the pioneer and the follower firms execute different strategies at every phase for maximizing growth, minimizing risks, and sustaining the competitive advantage.



Figure 2: Mario Bros game

(Source: Ftw.usatoday.com, 2023)

Product life cycle strategies of Pioneer and follower companies

The pioneers face some challenges within the introduction and the growth phases, however, can utilize the dominance of early market in the establishment of the competitive advantages of long-term. As there is very little to the zero consciousness within the market in the matter of the latest product, the pioneers are required to spend heavily within the advertising, marketing, and the channels of the distribution. One of the top instances is when the launch of iPhone by Apple was done in the year of 2007, the organization spent highly into the campaigns of marketing, thereby educating public on advantages of the mobile phone that possesses touchscreen. Their aim was to generate the demand in the case of the latest sort of mobile device. After the acquisition of the traction by the product, the pioneer emphasizes the creation of the loyalty of the brand, and the expansion of the reach possessed by them. Apart from this, the pioneers may spend in the expansion of the features of the product in the differentiation of themselves from the potential rivals. The company, Tesla moved within growth stage with Model 3, and Model S, that assisted the organization in

expanding the market share within sector of the electric vehicle (Lang, Reber, and Aldori, 2021). The organization continued to be innovative with the features including the autonomous technology of driving, thereby expanding the loyal base of the consumer. With the phase of maturity, the pioneers should maintain the competitive edge only by the continuation for innovating, or diversifying the portfolio of the product. In addition to that, the companies emphasize on the management of the cost along with the penetration of the market for fending off the emerging rivals. An example in this case refers to the company, Microsoft that adapted the strategy possessed by it at the time of the phase of maturity that Windows OS has, thereby shifting the emphasis to the cloud services with the help of the software as the service (SaaS), and Azure. By doing this, the company assures the continuation of growth even after the lifecycle of initial product had peaked. As there has been an entrance of the product into the phase of decline, the pioneers can select to diversify within the latest products, or the discontinuation of the subsisting one for focusing on the high advantageous ventures.

The example in this case refers to the company, Kodak which had been taken into consideration as the pioneer into film photography sector, however, failed to the transition in an effective manner to the digital photography (Tellier, 2024). The inability of the company for diversifying caused the decline, thereby demonstrating risks possessing failing in adaptation. The follower organizations possess the merit of entering the market which is already established. Nevertheless, they should employ particular strategies for the maintenance of the competitiveness and maximization of the growth. The followers specifically enter market once product has just proven highly successful, thereby reduction of the risk of the failure. They emphasize, in a rapid manner, thereby introducing the product which is far better or not more expensive as compared to the offering of the pioneer. Google had been superior search engine both by being first, however, by the entrance within the market with the superior algorithm along with interface which is user-friendly in comparison with the previous search engines including **AltaVista**, and **Yahoo**.

The followers differentiate themselves only by offering the lower prices, as well as, specific features which the pioneer never possess. Samsung utilized the aggressive strategy of pricing with the smartphone line of **Galaxy**, thereby offering the customers

various models with the superior features only at highly competitive rates in comparison with iPhone of Apple. As market matures, the followers may acquire the share of the market by emphasizing leadership of cost, as well as, targeting the niche markets which the pioneer can have neglected. The company, **Sony** had been the leader into gaming by bestowing lower-cost, along with the high-performance gaming consoles within line of the **PlayStation**, thereby appealing to wider market as compared to **Nintendo**. As there has been a decline in the market, the follower can select in exiting the market, and focusing on the niche segments for the maximization of the profitability. As opined by Bharath *et al.* (2023), One of the remarkable examples in this case refers to the company, **Blackberry**, which failed in transitioning within the market of the smartphone in a successful manner, thereby eventually retreating only to emphasize bestowing the services in the case of the niche markets which includes the security solutions of the enterprise.

Conclusion

It has been concluded from the above-discussion that the roles possessed by both the pioneers, as well as, the followers within business world are just amazing. Each of them comes with the unique advantages along with the challenges. The pioneers enjoy specifically the benefits of the first-mover benefits. This includes the loyalty of the brand, the leadership in the market, and the innovation. On the other hand, the followers may capitalize only on the reduced risk along with the opportunities in the case of the cost leadership. The pioneer along with the follower organizations should execute the particular strategies across phases of Product Life Cycle for the assurance of the continued growth, the competitive advantage, as well as, the success within the market. The instances within the real-world including the Apple, the Tesla, the Microsoft, the Samsung, and the Google sheds light on the particular ways within which the organizations effectively navigate complexities possessed by the market entry, the development of the product, and the management of the lifecycle. By the adaption of the strategies to the position within the market, the pioneers and the followers can gain the long-term effectiveness, and maintain the powerful foothold within the respective sector.

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