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Introduction

In a changing business climate, companies compete in different ways. Pioneer companies get brand recognition and market dominance by developing innovative items or technology first. However, subsequent companies' perfect products and reduce risks by learning from pioneers. Both sorts of companies use strategic techniques in the Product Life Cycle (PLC) model is four stages: introduction, growth, maturity, and decline. Successful companies use defense and attack methods during growth to penetrate the market, prolonged use, and global development plans in maturity to sustain growth. This report uses real-world examples to show how organizations maintain a competitive edge throughout their product's lifecycle.

1a. What are the advantages of being a pioneer and follower company?

Definition of a pioneer

Initial sales of a new product, service, or technology set industry and consumer standards. First-movers gain brand recognition, customer loyalty, and market dominance. However, they also face high risks, including uncertain demand, high research and development costs, and the challenge of educating consumers (Chen and Wang, 2024). Pioneers can secure patents and create hurdles to entry, but they must innovate and execute effectively to stay ahead while following enterprises improve their idea.

Advantages of being a pioneer with examples (4)

1. First-Mover Advantage

Companies with early market entry gain brand awareness and customer loyalty before competitors. Consumers often associate the pioneer with the product category itself, making it difficult for later entrants to displace them (De la Gala-Velásquez et al., 2024).

Example: Coca-Cola was the first big carbonated soft drink, and its early introduction allowed it to dominate the worldwide beverage business.

2. Market Control and Pricing Power

Pioneers can define market standards, pricing, and customer behaviour by being first. They can charge premium prices and block competitors with patents and proprietary technology.

Example: Apple revolutionized the smartphone industry with the iPhone, setting design and functionality trends that competitors had to follow.

3. Technological Leadership and Innovation

Pioneers often invest heavily in research and development (R&D), leading to patents, proprietary technologies, and unique product features that give them a long-term competitive edge. This innovation makes it harder for competitors to replicate their success (Kang, 2024).

Example: Tesla pioneered the electric vehicle (EV) market, developing superior battery technology and an extensive charging network that positioned it as a leader.

4. Stronger Customer Relationships and Brand Loyalty

Since pioneers introduce consumers to a new product, they build trust and long-term relationships before competitors enter the market. This loyalty translates into repeat purchases and word-of-mouth marketing, reducing the need for aggressive advertising later.

Example: Amazon established itself as the first major online bookstore, later expanding into e-commerce and cloud computing while maintaining a strong customer base (Kaur and Tigga, 2025).

One detailed example of a successful pioneer company

Tesla Inc. is a prime example of a pioneering company that revolutionized the automotive industry by introducing electric vehicles (EVs) as a mainstream alternative to traditional internal combustion engine (ICE) cars. Founded in 2003, Tesla took a bold step by focusing on electric mobility when the global auto market was dominated by gasoline-powered vehicles (Maslach et al., 2024). The company's first breakthrough came with the launch of the Tesla Roadster in 2008, which demonstrated that EVs could offer high performance and long-range capabilities. However, Tesla's true market transformation occurred with the introduction of the Model S in 2012, which offered an unprecedented range of up to 265 miles per charge, significantly higher than competitors at the time. Tesla's first-mover advantage allowed it to dominate the EV industry, with global sales exceeding 1.8 million vehicles in 2023 and a market share of approximately 18.2% in the global EV market. The company's Gigafactories, strategically located in the U.S., China, and Germany, have helped reduce production costs while increasing scalability. Additionally, Tesla's proprietary Supercharger network, with more than 50,000 charging stations worldwide, further strengthens its

competitive edge by addressing the common challenge of EV charging infrastructure. Despite facing increasing competition from legacy automakers like Ford, General Motors, and Volkswagen, as well as emerging Chinese brands like BYD, Tesla remains a market leader due to its continuous innovation (Nguyen, 2024). The company's Full Self-Driving (FSD) technology, artificial intelligence (AI) integration, and energy solutions, including battery storage and solar technology, have expanded its influence beyond just automobiles. Financially, Tesla's revenue surged to \$81.46 billion in 2022, marking a 51% year-over-year growth, with a net income of \$12.56 billion. Tesla's success as a pioneer is not without challenges.

Definition of a follower

A follower company is one that enters an industry after a pioneer has already established the market, allowing it to learn from the successes and failures of early movers. Unlike pioneers, followers do not bear the high costs of research and development (R&D) or the risks associated with uncertain consumer adoption. Instead, they refine existing products, improve efficiency, and leverage competitive pricing to capture market share. While pioneers often struggle with initial challenges such as high production costs and market education, followers can strategically enter the market once demand has been established (Park and Yi, 2024). For example, Samsung entered the smartphone industry after Apple but quickly gained dominance by introducing a diverse range of devices catering to different price segments. By leveraging Apple's innovations while enhancing battery life, display technology, and camera capabilities, Samsung became a formidable competitor. This approach demonstrates how followers can effectively capitalize on the groundwork laid by pioneers, reducing risks while optimizing market potential.

Advantages of being a Follower with examples (4)

1. Lower Research and Development (R&D) Costs

Follower companies avoid the high R&D expenses associated with pioneering new products. Instead of investing heavily in innovation, they refine existing technologies, reducing costs and maximizing efficiency. For example, Xiaomi entered the smartphone industry after brands like Apple and Samsung but focused on cost-effective innovation (Parra-Requena et al., 2024). As a result, Xiaomi's R&D expenditure in 2022 was \$2.5 billion, significantly lower than Apple's \$27.7 billion, allowing the company to offer feature-rich smartphones at competitive prices while maintaining profitability.

2. Improved Market Knowledge and Consumer Insights

Followers benefit from analyzing consumer reactions to pioneering products, allowing them to address gaps and enhance user experience. For example, Facebook was not the first social media platform—MySpace and Friendster came before—but it learned from their failures in user engagement and privacy management. By refining the user experience and expanding globally, Facebook (now Meta) amassed over 3 billion monthly active users by 2023, becoming the dominant social media giant.

3. Flexibility and Reduced Risk

Since pioneers face unpredictable market risks, followers can enter the market once demand and feasibility are established. For example, Amazon was not the first e-commerce platform, as companies like eBay existed earlier, but Amazon improved logistics, personalized recommendations, and supply chain efficiency. By 2023, Amazon's market share in U.S. e-commerce had grown to 37.6%, significantly surpassing early entrants like eBay, which held only 3.5% of the market.

4. Competitive Pricing and Cost Leadership

By learning from pioneers and optimizing production processes, follower companies can offer competitive pricing. For example, Oppo and Vivo entered the smartphone industry after Apple and Samsung but gained significant market share by offering budget-friendly alternatives (Peter et al., 2024). As of 2023, Oppo and Vivo collectively held over 16% of the global smartphone market, primarily due to aggressive pricing strategies in emerging markets like India and Southeast Asia.

One detailed example of a successful Fast Follower Company

Samsung is a prime example of a successful fast follower that entered the smartphone industry after Apple but quickly became one of its strongest competitors. When Apple introduced the iPhone in 2007, it revolutionized the smartphone market with its touchscreen interface and iOS ecosystem. Rather than attempting to pioneer new technology, Samsung strategically analysed Apple's innovations and responded with improved features and a diversified product range. By 2010, Samsung launched the Galaxy S series, offering larger displays, expandable storage, and Android's open-source flexibility—features that attracted a broader consumer base. Samsung's fast-follower strategy allowed it to dominate the smartphone market by leveraging economies of

scale and aggressive R&D investments. In 2023, Samsung's R&D spending reached \$20.2 billion, second only to Apple's \$27.7 billion, ensuring continuous improvements in display technology, battery life, and camera quality (Singh and Bauman, 2025). The company also expanded its market share by catering to different price segments, from premium models like the Galaxy S and Fold series to budget-friendly alternatives like the Galaxy A series. As a result, Samsung shipped 226.6 million smartphones in 2023, capturing 19.4% of the global smartphone market, compared to Apple's 20.1%. Additionally, Samsung capitalized on flexible supply chain management and vertical integration by producing its own components, including OLED displays, memory chips, and processors.

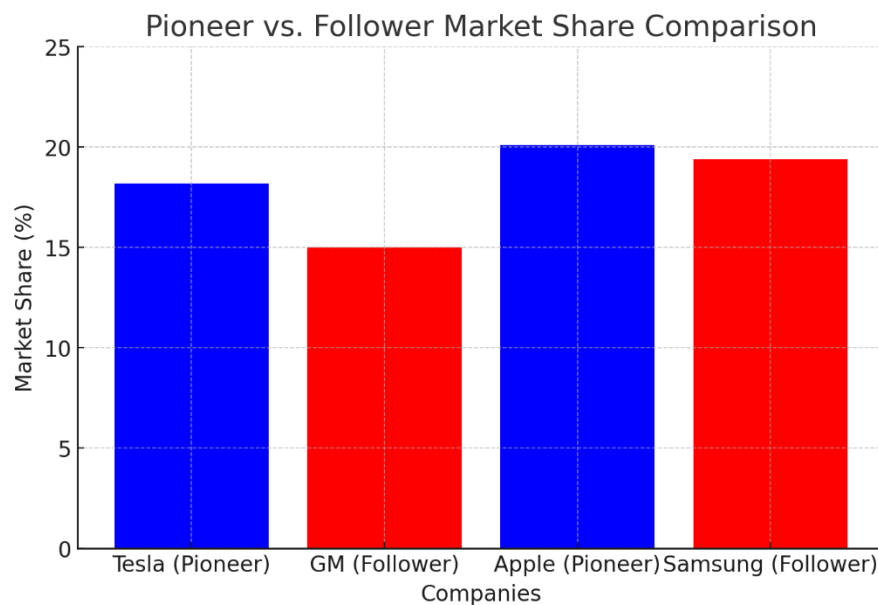


Fig 1: Pioneer vs. Follower Market Share Position

Source: (Self-Generated)

1b. 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.

Definition of the Product Life Cycle model

The Product Life Cycle (PLC) model describes the stages a product goes through from its introduction to its eventual decline in the market. It consists of four main phases: Introduction,

Growth, Maturity, and Decline. Each stage presents unique challenges and opportunities, requiring companies to adopt different strategies to sustain market success (Alemzadeh, 2025). For example, during the introduction phase, high marketing costs and low sales are common, while the growth stage sees rising demand and increasing competition. In the maturity stage, companies focus on differentiation and customer retention, whereas the decline phase often leads to product discontinuation or reinvention.

Diagram of the Product Life Cycle model

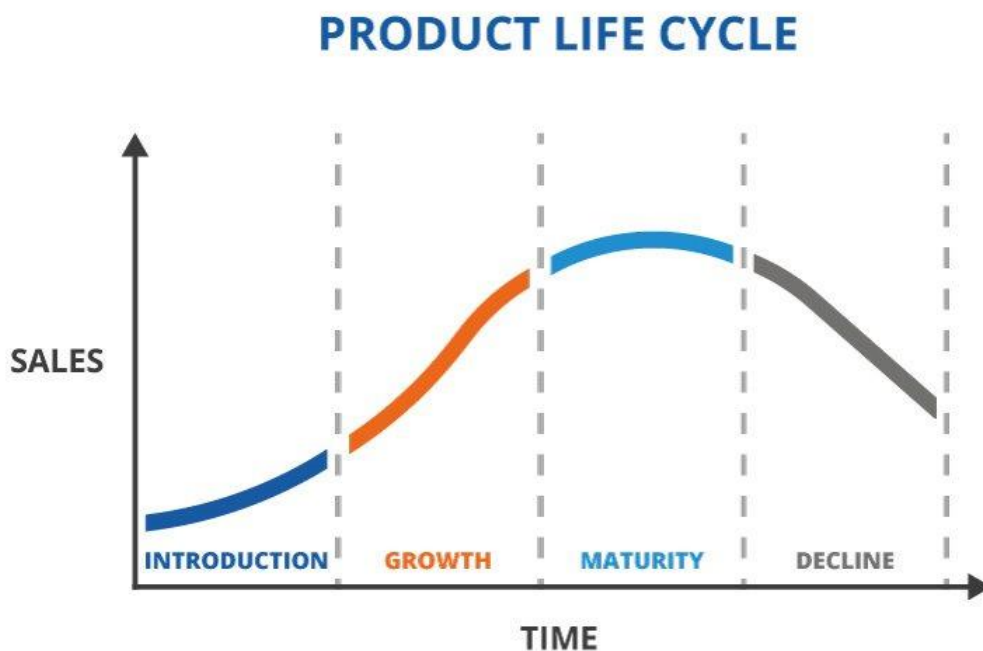


Fig 2: Product Life Cycle

Source: (Alemzadeh, 2025)

Description and examples of Product Life Cycle strategies in the growth stage of the Product Life Cycle Model

2 defence strategies

1. Fortress or Position Defence Strategy

The Fortress Strategy, also known as Position Defence, involves strengthening an existing market position by enhancing product features, improving customer loyalty, and increasing brand awareness. Companies using this strategy focus on reinforcing their strengths to prevent competitors from gaining market share (Anderson et al., 2024). For example, Apple uses this strategy in its iPhone lineup by continuously improving hardware and software. The company's ecosystem—including iOS updates, the App Store, and integration with other Apple devices—creates a strong brand lock-in. In 2023, Apple held a 20.1% global smartphone market share, making it the largest smartphone manufacturer. Additionally, Apple's high customer retention rate (over 90% in the U.S.) demonstrates the effectiveness of its defensive strategy in maintaining a loyal user base despite growing competition (Argente et al., 2024).

2. Flanker Strategy

The Flanker Strategy involves launching secondary products to target different market segments while protecting the main product from competitors. This approach helps a company capture a broader audience, preventing competitors from gaining traction in specific niches (Benjamin et al., 2024). For example, Samsung effectively applies the Flanker Strategy in the smartphone market. While its premium Galaxy S and Z series compete with Apple's high-end models, Samsung also offers mid-range and budget-friendly devices like the Galaxy A series to appeal to cost-conscious consumers. This strategy contributed to Samsung selling 226.6 million smartphones in 2023, securing a 19.4% global market share. By offering diverse models across various price ranges, Samsung protects its market dominance while preventing competitors like Xiaomi and OnePlus from capturing lower-segment customers (Keiser and Freitag, 2025).

2 attack strategies

1. Leapfrog Strategy

The Leapfrog Strategy involves surpassing competitors by introducing a product with significantly superior features, technology, or performance. Instead of gradually improving existing products, companies using this strategy focus on major innovations that make competitors' offerings obsolete (Kohtamäki et al., 2024). For example, Tesla leapfrogged traditional automakers by introducing high-performance electric vehicles (EVs) with superior battery technology, self-driving capabilities, and a vast charging network. While competitors like Ford and GM were still focused

on hybrid vehicles, Tesla’s Model S (2012) offered an industry-leading 265-mile range per charge, far exceeding alternatives at the time (Kumar et al., 2024). By 2023, Tesla dominated the global EV market, delivering 1.8 million vehicles and securing an 18.2% market share, proving the effectiveness of its leapfrog approach.

2. Flank Attack Strategy

The Flank Attack Strategy targets weak or underserved market segments that competitors overlook. This approach allows companies to establish a foothold in niche areas before expanding into the mainstream market (Márquez, 2025). For example, Xiaomi executed a successful flank attack in the smartphone industry by focusing on budget-conscious consumers in emerging markets. While Apple and Samsung targeted high-end customers, Xiaomi launched feature-rich yet affordable smartphones, gaining significant traction in India, Southeast Asia, and Africa (Osman et al., 2024). By 2023, Xiaomi held a 12.5% global smartphone market share, ranking among the top three brands worldwide. Its ability to offer high-performance devices at lower prices forced premium competitors to rethink their pricing strategies.

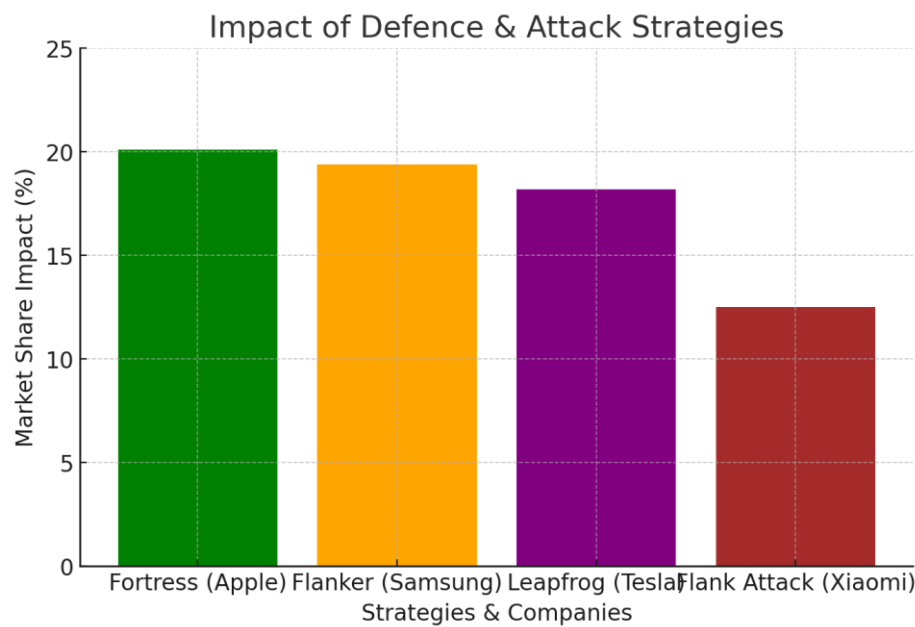


Fig 3: Impact of Defense and Attack Strategies

Source: (Self-Created)

Include a description and examples of Product Life Cycle strategies in the maturity stage of the Product Life Cycle Model

Two strategies from the maturity stage of the PLC

1. Increased Penetration Strategy

The Increased Penetration Strategy involves attracting new customers, encouraging repeat purchases, and expanding distribution channels to maximize market share. Companies achieve this through aggressive pricing, promotional offers, and product differentiation. For example, Coca-Cola continuously strengthens its market presence by investing in advertising and promotional campaigns (Palomar-Torres et al., 2025). The company spent over \$4 billion on marketing in 2023, targeting emerging markets and reinforcing brand loyalty through seasonal campaigns, personalized bottles, and tie-ups with global events like the FIFA World Cup. As a result, Coca-Cola maintains a dominant position in the global beverage market, with a 43.7% share in the carbonated soft drink segment.

2. Extended Use Strategy / Global Market Expansion Strategy

The Extended Use Strategy, also known as the Global Market Expansion Strategy, focuses on finding new applications for an existing product or expanding into untapped international markets. This strategy allows companies to extend the product's life cycle and sustain sales even in saturated markets. For example, McDonald's has successfully used this strategy by adapting its menu to suit local preferences in different countries. In India, McDonald's introduced vegetarian options like the McAloo Tikki Burger, catering to a predominantly vegetarian population. Similarly, in Japan, it launched Teriyaki Burgers to appeal to local tastes (Pronost et al., 2024). By localizing its offerings, McDonald's operates in over 100 countries and generated \$23.2 billion in global revenue in 2023, proving that market expansion and adaptation can sustain growth in the maturity stage.

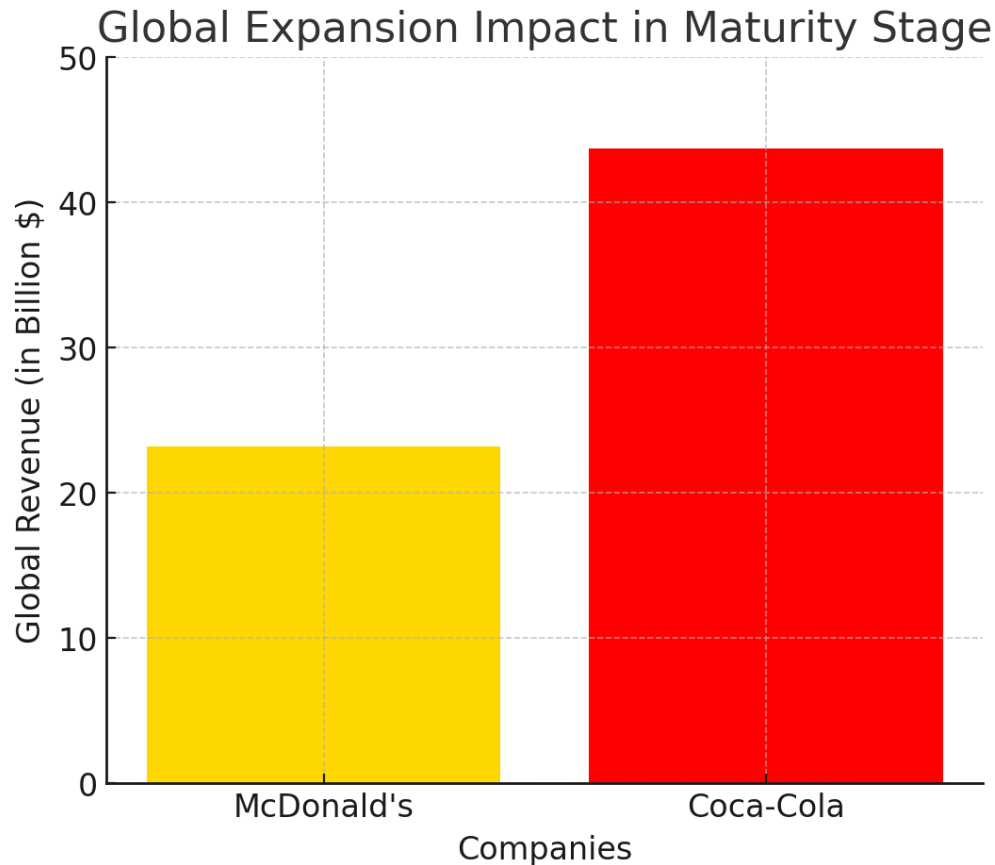


Fig 4: Global Expansion Impact

Source: (Self-Created)

Include advantages and dis-advantages of the Product Life Cycle Model

Advantages

The Product Life Cycle (PLC) model helps businesses develop strategic plans by identifying a product's stage in the market and aligning marketing, pricing, and innovation strategies accordingly. It enables companies to anticipate market trends, optimize resource allocation, and make informed decisions on product development or discontinuation (Psarommatis and May, 2024). For instance, brands like Apple use the PLC model to manage product launches, ensuring new iPhone models align with the maturity or decline phase of previous versions, maintaining continuous market engagement (Wilson et al., 2024).

Disadvantages

Despite its benefits, the PLC model has limitations, as it assumes all products follow a predictable cycle, which may not apply to disruptive innovations or niche markets. External factors like changing consumer preferences, economic conditions, and technological advancements can alter a product's lifecycle unpredictably. For example, BlackBerry struggled to adapt to rapid smartphone evolution, leading to an accelerated decline despite following traditional PLC strategies (Sakib et al., 2024). Additionally, the model provides a broad framework but lacks precise metrics to determine a product's exact life stage, making decision-making more complex.

Conclusion

Both pioneers and followers play crucial roles in market evolution. Pioneers benefit from brand loyalty and market leadership but face high risks and R&D costs. Followers, on the other hand, capitalize on established market demand, lowering risks while improving innovation. Companies that effectively implement product life cycle strategies—such as defensive and attack strategies during the growth stage and expansion strategies during maturity—enhance competitiveness and ensure longevity. While the Product Life Cycle model provides a useful framework, its limitations necessitate a flexible approach to business strategy.

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