



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Assessment 1 – Individual report

Strategic Market Entry Decisions: Evaluating Advantages and Product
Life Cycle Strategies of Pioneer and Follower Companies

Programme name	MBA – International Business
Module Name	Marketing Management
Module Code	LCMB7024
Lecturer's name	Dr. Haoran Liu
Student Name	Kirtan Shaileshbhai Sondagar
Student ID	2419608
Word Count	2436
Submission Date	27/03/2025

Contents

1. Introduction.....	3
2. Advantages of Being a Pioneer and a Follower Company:	4
2.1. Pioneer Advantages	4
First-Mover Advantage:.....	4
Innovation Leadership:	4
Brand Loyalty:.....	5
Real-World Example: Intel.....	5
Graphical Explanation:	6
2.2. Advantages of Followers	6
Delayed-Mover Agility:	7
Economic Efficiency:.....	7
Market Adjustment:	7
Practical Illustration: AMD:	7
3. Product Life Cycle (PLC) Strategies for Pioneers and Followers..	8
3.1. Brief Overview of PLC	8
3.2. PLC Strategies in the Growth Stage	9
3.3. PLC Strategies in the Maturity Stage	10
4. Conclusion:.....	12
Reference List.....	13

1. Introduction

Companies in the rapidly changing world of business have to make the important choice: wait and learn from previous successes or guide themselves into new directions. Whether one becomes a pioneer or a follower might influence a company's profitability, risks, and long-term viability. Often the first to put goods into markets, innovators have a competitive edge in brand recognition and client loyalty. Followers come to these markets later, so enhancing prior concepts to provide more value or productivity. Management by businesses of the often-shifting periods of a product's lifetime separates these tasks from its thrilling debut to its ultimate demise.

This paper looks at the benefits of being a pioneer or a follower as well as how businesses may survive amid strong competition by wisely using the Product Life Cycle (PLC) framework—a model outlining a product's path through introduction, growth, maturity, and decline. First, we'll define several important words, like "pioneer" (a firm developing new markets) and "follower" (a company expanding on earlier ideas). These qualities will be shown by real-world examples—such as Intel's supremacy in microprocessor technology and AMD's low-cost advancements.

The conversation will then turn to the PLC framework, emphasising methods for the growth and maturity stages—phases when businesses struggle to expand their influence. to safeguard their market share. For example, whereas followers like Google shine by honing goods and building meaningful alliances in maturity, pioneers like Tesla spend on daring marketing and innovation throughout the time of growth. Readers will grasp at the conclusion of this study how timing, creativity, and flexibility shape corporate success and why neither pioneers nor followers can afford to disregard the teachings of the Product Life Cycle.

2. Advantages of Being a Pioneer and a Follower Company:

2.1. Pioneer Advantages

A pioneer company brings new products, services, or technology into the market first. Renovating older items or creating new ones puts older products at danger for these companies. By launching innovative products, pioneers in the semiconductor industry, like Intel, have improved technological development. Drawing on Intel and modern research, this section explores three key advantages of being a pioneer: first-mover advantage, innovation leadership, and brand loyalty.

First-Mover Advantage:

Entering markets early gives pioneers a first-mover advantage to establish standards, get patents, and develop consumer connections. For example, Intel dominated the microprocessor market by launching the first commercial CPU, the 4004 chip, in 1971 (Intel Corporation, 2023). Early arrival let Intel collaborate with companies like IBM, so ensuring long-term supremacy in personal computing when IBM selected Intel's 8088 CPU for its first personal computer in 1981 (IBM, 2023). By 2020, Intel controlled around 77.6% of the x86 CPU market (Mercury Research, 2020). First-mover advantage also arises from buyer switching cost. With switching cost late entrants must invest extra resources to attract customers away from the first mover firm (Lieberman and Montgomery, 1988).

Innovation Leadership:

Pioneers invest more in research and development (R&D) to maintain their lead. Intel stayed ahead of competitors under their "Tick-Tock" program until 2016, which planned for alternating between lowering process nodes and introducing new micro-architectures every two years (Cutress, 2016). The Core M3-8114Y is one of two known Cannon Lake processors that Intel developed. The other is the Core i3-8121U,

which has a similar design but higher clock speeds (Shilov, 2020). By forming partnerships with technological giants like Microsoft and Apple, these advances help Intel to maintain market dominance (Intel Corporation, 2023). The dramatic decline in the U.S. share of global chip manufacturing, coupled with insufficient federal investments in semiconductor R&D, undermine our country's long-term ability to produce the advanced chips needed to support our economic recovery, power our military and critical infrastructure, create new high paying jobs, reduce costs for clean energy technologies, and drive innovations in the must-win technologies of tomorrow. For our country to succeed in the future, we must lead in semiconductors (Semiconductor Industry Association, 2021).

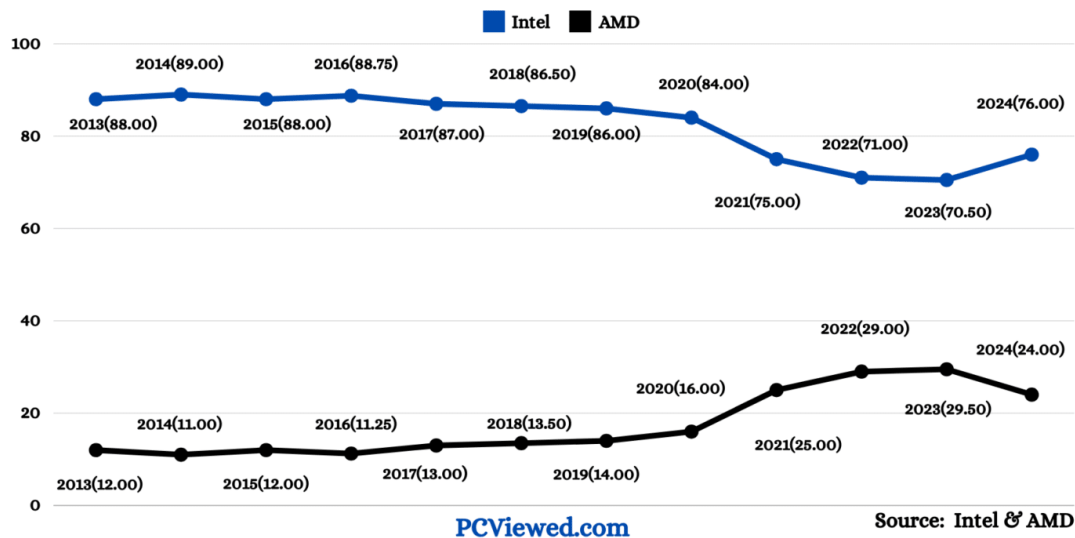
Brand Loyalty:

Early successes create strong brand recognition. Started in 1991, Intel's "Intel Inside" campaign linked its processors to quality (Business Insider, 2009). Reflecting significant consumer choice, Intel controls around 83.8% of the mobile CPU market in 2019 (Mercury Research, 2019). Brand loyalty ensures regular purchases and reduces price competition, hence allowing innovators a long-lasting benefit.

Real-World Example: Intel

Intel's dominance in microprocessors emphasizes the advantages of being a pioneer. Although its technological advantage was maintained by its large R&D spending—\$17.53 billion in 2022—its first-mover status allowed it to shape the PC industry (Intel Corporation, 2022). Though competitors like AMD ultimately challenged Intel with inexpensive CPUs, Intel's early innovations and robust branding guaranteed its market dominance.

**Annual Market Share of Intel vs. AMD Processors
(2013-2024)**



Graphical Explanation:

The graph shows the yearly market share of Intel and AMD processors from 2013 to 2024. Intel starts at around 83% in 2013, while AMD is about 17%. Over time, Intel's share goes down, and AMD's share goes up. By 2024, both Intel and AMD each have about 50% of the market. This means AMD's share is growing and catching up to Intel.

2.2. Advantages of Followers

Pioneers create market foundations, whereas follower companies—those who join subsequently—employ special methods to compete successfully. Followers get advantages by looking at the mistakes of pioneers, improving current technology, and using changing market needs. This section breaks down three main benefits of followers, shown by Advanced Micro Devices (AMD) and Taiwan Semiconductor Manufacturing Company (TSMC): late-mover flexibility, cost efficiency, and market change, supported by current research.

Delayed-Mover Agility:

Followers reduce the risks of uncertain markets by improving the inventions of pioneers. For instance, AMD joined the CPU industry after than Intel but used Intel's extensions in advancing to 10nm and 7nm production nodes. Through a partnership with TSMC for modern manufacturing, AMD introduced 7nm Ryzen CPUs in 2019, taking 22.4% of the x86 CPU market by Q3 2020 (Mercury Research, 2020). Research indicates that those who arrive later in sectors like technology often outperform innovators by improving efficiency or cutting expenses (Shilov, 2020).

Economic Efficiency:

Followers save the cost of research and development by using existing technology. For example, manufacturing facilities like TSMC and Samsung offered competitive prices for advanced process nodes by using manufacturing experience and advantages of scale (Semiconductor Industry Association, 2021). In 2020, Intel announced R&D expenditures of \$13.6 billion (Intel Corporation, 2021), while TSMC spent \$3.9 billion (TSMC, 2021) but obtained similar progress. This productivity allows followers to put resources towards gradual improvements or marketing efforts.

Market Adjustment:

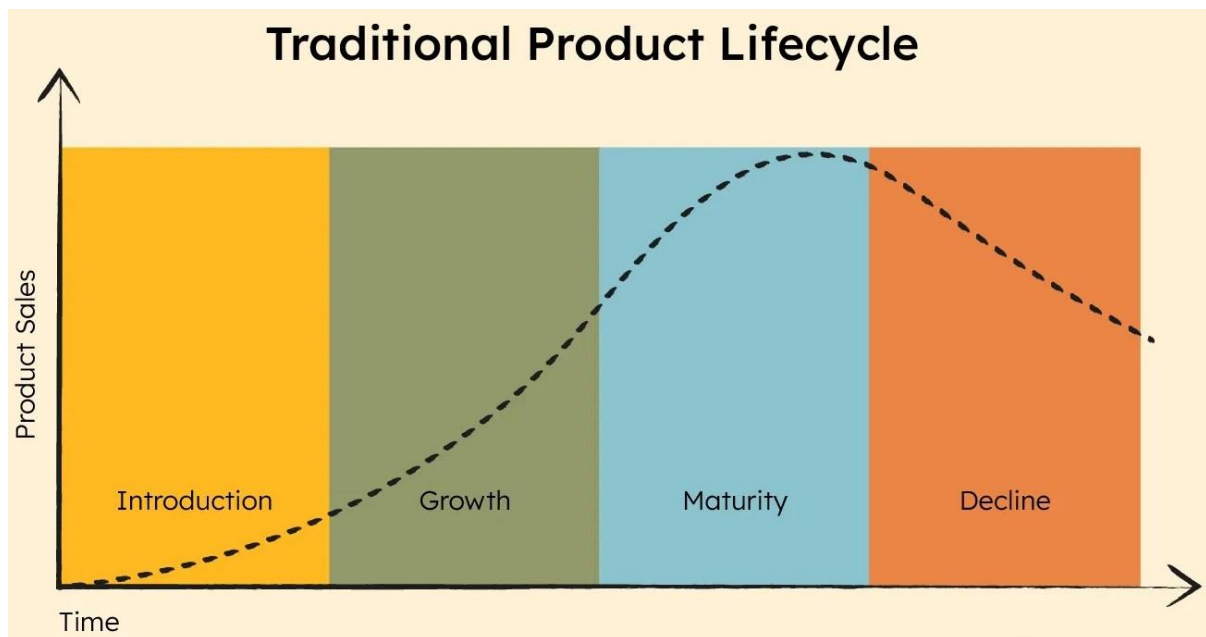
Followers change products to meet changing customer demands. AMD shifted its focus towards multi-core processors for cloud computing and gaming when demand beat out Intel's single-core supremacy. As of Q1 2024, AMD had over 23% of the server CPU market, an increase from approximately 4.5% in Q4 2019 (Mercury Research, 2024; Tom's Hardware, 2019). Partnerships with Microsoft and Sony for game consoles have improved AMD's adaptability (AMD, 2023). This flexibility is necessary in competitive businesses where tastes change immediately (Lieberman and Montgomery, 1988)

Practical Illustration: AMD:

AMD's growth highlights the benefits of being a follower. By using TSMC's factories and focusing on underdeveloped areas, AMD challenged Intel's predominance with reduced R&D expenditures. AMD's revenue increased from \$6.73 billion in 2019 to \$23.60 billion in 2022, showing successful late-mover methods (AMD, 2020; AMD, 2023). Although Intel originated the x86 design, AMD's flexibility and cost-effectiveness supported ongoing rivalry.

3. Product Life Cycle (PLC) Strategies for Pioneers and Followers

3.1. Brief Overview of PLC



A product goes through four stages throughout its lifetime, according to the Product Life Cycle (PLC) model: launch, growth, maturity, and decline. Launching a product into the market during its early introduction period involves a large expenditure in infrastructure and advertising, as well as recruiting early adopters with low sales. The product's market presence grows exponentially when it enters the growth phase. As word gets out about its advantages, demand skyrockets and profits skyrocket, forcing businesses to hone their marketing and distribution techniques.

During the maturity phase, the product reaches its peak market penetration. Sales stabilise even though competition intensifies, and companies must innovate and differentiate their offerings to maintain consumer interest and safeguard profit margins. Eventually, the product enters the decline phase, where evolving consumer preferences and market saturation lead to reduced sales and a gradual phase-out from the market.

This discussion will concentrate mainly on the growth and maturity stages. These phases are crucial because they lay the groundwork for establishing a strong market position and driving sustainable profits, setting the stage for how effectively a company can extend the life and success of its product.

3.2. PLC Strategies in the Growth Stage

It gets hard to get ahead in the market during the creation part of the product lifecycle (PLC). To get a bigger share of the market at this stage, companies often try to reach more people, sell themselves better, and keep making their products better. A big company in the chip business called Intel is a good example of this method. For example, to keep coming up with new engine ideas, the company spends a lot of money on R&D. It also has strong advertising efforts that stress how useful and dependable its goods are. This joint approach raises awareness of Intel's brand and helps the market grow by getting people interested in cutting-edge computer solutions (Lukas and Ferrell, 2000).

On the other hand, constant product improvement is needed to stand out in a market that is already full of products. Intel is a leader in innovation, and it has set high standards for the industry, which has made rivals work harder. AMD has smartly reacted to these changes by adopting a following strategy that combines low prices with slow but steady innovation. For example, AMD's Ryzen processor line has been a key part of its challenge to Intel's market dominance by offering strong computer options at more affordable prices. This approach shows how follower companies can lower their risks, use the market momentum that industry stars have made, and find their own market area by strategically improving their products. Growth in fast-paced technical sectors relies on the interplay between leaders breaking new territory and others following suit (Tellis et al., 2009).

By carefully looking at these methods, you can see both their pros and cons. Assertive marketing and broad market strategies can help Intel increase sales and solidify its place as a market leader, but they require a lot of money and ongoing research and development to stay ahead of the competition. On the other hand, AMD's "follower" approach is less risky because it builds on the work of industry leaders, but it needs a

lot of freedom. In order to stay competitive, AMD needs to keep coming up with new ideas and improving its goods to keep up with changes in technology and customer needs. Ultimately, the success of growth-stage strategies in the semiconductor industry depends on achieving a careful equilibrium between daring innovation and astute market insight. Companies that master this equilibrium are better equipped to build on initial successes and secure lasting competitive advantages (Kotler and Keller, 2016).

3.3. PLC Strategies in the Maturity Stage

In the maturity stage of the Product Life Cycle (PLC), companies face the challenge of keeping their competitive edge in a crowded market. At this point, firms rely on strategies like product diversification, steady product improvements, and forming partnerships to keep their offerings fresh and relevant. These methods allow them to blend their proven strengths with new ideas while staying flexible. In a market where customer tastes are set and competitors are well established, these moves are key to preventing decline and keeping profits steady (Kotler and Keller, 2016).

Product diversification is a smart way to lower the risk of depending on a single source of income. For example, Intel has expanded its range from just microprocessors to include chipsets, server solutions, and mobile computing platforms. This broad approach helps protect the company from downturns in any one area and creates opportunities for bundled sales. Likewise, AMD makes careful, steady improvements to its processor designs over time, allowing the company to boost performance, save energy, and cut costs without taking big risks. Additionally, partnerships are very important in a mature market because they open the door to new technologies and customer groups. Nvidia shows this by working with software developers and system integrators to enhance its graphics processing units (GPUs) and extend their use into new fields like artificial intelligence and high-performance computing (Hagedoorn, 2002).

A close look at these strategies reveals both their benefits and challenges. Their success depends on how well a company can mix new ideas with solid operations and quickly adjust to changes in the market (Kotler and Keller, 2016). Product diversification can lower risks, but it might also weaken a brand if it strays too far from the company's core strengths. Steady product improvements offer a safe way to progress, but they might not be enough when facing major technological shifts. Partnerships can open new doors but require trust and good teamwork, which can sometimes lead to disagreements over direction. Ultimately, the choices made during this stage decide if a company can keep its lead or start to decline.

4. Conclusion:

In conclusion, the analysis shows that the choice between being a pioneer or a follower has a strong impact on a company's success. Pioneers, like Intel, benefit from first-mover advantages such as strong brand loyalty and early innovation. However, they also face higher risks and larger investments in research and development. On the other hand, followers such as AMD and TSMC learn from the mistakes and successes of pioneers, allowing them to introduce improvements at a lower cost and with less risk (Lieberman and Montgomery, 1988).

The use of the Product Life Cycle (PLC) framework further emphasises the importance of timing in the market. During the growth stage, aggressive marketing and continuous innovation help to expand market share. In the maturity stage, strategies like product diversification, steady improvements, and forming partnerships are key to keeping a competitive edge in a saturated market (Kotler and Keller, 2016; Hagedoorn, 2002). These strategies offer practical ways for companies to manage changes in consumer demand and technological advances.

Based on these findings, companies should focus on balancing new ideas with strong core operations and remain flexible to quickly adjust to market changes. It is recommended that businesses invest in research and development, explore strategic alliances, and diversify their product offerings to maintain long-term success. Further research should explore the effects of digital transformation and emerging technologies on the pioneer versus follower debate, as well as industry-specific challenges. By understanding these dynamics, companies can better shape their strategies to secure a lasting competitive advantage.

Reference List

1. Advanced Micro Devices, Inc. (2020). 2019 Annual Report. Available at: <https://www.amd.com/en/investor-relations> [Accessed 23 March 2025].
2. Advanced Micro Devices, Inc. (2023). 2022 Annual Report. Available at: <https://www.amd.com/en/investor-relations> [Accessed 23 March 2025].
3. Intel Corporation (2021). 2020 Annual Report. Available at: <https://www.intc.com/filings-reports/annual-reports> [Accessed 23 March 2025].
4. Lieberman, M.B. and Montgomery, D.B. (1988). 'First-Mover Advantages', *Strategic Management Journal*, 9(S1), pp. 41–58. DOI: <https://doi.org/10.1002/smj.4250090706>
5. Mercury Research (2020). Q3 2020 CPU Market Share Report. Available at: <https://www.tomshardware.com/news/amd-vs-intel-q3-2020-cpu-market-share-report> [Accessed 23 March 2025].
6. Semiconductor Industry Association (2021). 2021 State of the U.S. Semiconductor Industry. Available at: <https://www.semiconductors.org/wp-content/uploads/2021/09/2021-SIA-State-of-the-Industry-Report.pdf> [Accessed 23 March 2025].
7. Shilov, A. (2020). 'Intel's 10nm Cannon Lake Processors: What Went Wrong?', *Tom's Hardware*. Available at: <https://www.tomshardware.com/news/intel-10nm-cannon-lake-processors-what-went-wrong> [Accessed 23 March 2025].
8. TSMC (2021). 2020 Annual Report. Available at: <https://investor.tsmc.com/static/annualReports/2020/english/index.html> [Accessed 23 March 2025].
9. Advanced Micro Devices, Inc. (2020). 2019 Annual Report. Available at: <https://www.amd.com/en/investor-relations> [Accessed 23 March 2025].
10. Lukas, B.A. and Ferrell, O.C., 2000. The effect of market orientation on product innovation. *Journal of the Academy of Marketing Science*, 28(2), pp.239–247. DOI: <https://doi.org/10.1177/0092070300282005>.
11. Tellis, G.J., Prabhu, J.C. and Chandy, R.K., 2009. Radical innovation across nations: The pre-eminence of corporate culture. *Journal of Marketing*, 73(1), pp.3–23. DOI: <https://doi.org/10.1509/jmkq.73.1.003>

12. Hagedoorn, J. (2002) 'Inter-firm R&D partnerships: an overview of major trends and patterns since 1960', *Research Policy*, 31(4), pp. 477–492. DOI: [https://doi.org/10.1016/S0048-7333\(01\)00137-8](https://doi.org/10.1016/S0048-7333(01)00137-8)
13. Kotler, P. and Keller, K.L. (2016) *Marketing Management*. 15th edition. Harlow: Pearson.