



Module Name: Marketing Management

Module Code: LCMB7024

Lecturer Name: Dr Haoran Liu

Student Name: Shah Ahasan Ahmed

Student ID: 2428343

Term 1

Submission Date: 27 March 2025

Word Count: 2652

Table of Contents

Introduction	3
The Advantages of Being a Pioneer Company	4
The Advantages of Being a Follower Company	6
PLC Strategies in the Growth and Maturity Stages	7
Conclusion	11
Reference.....	12

Introduction

A firm's marketplace performance depends heavily on choosing whether it will lead or remain behind other companies in the modern business landscape. The decision is multifaceted since organisations need to grasp market trends alongside competitive forces along with new technology developments. The pioneer group starts the market's first phase by releasing disruptive products though followers come after pioneers to confirm established products and then improve upon them. A firm's marketplace performance depends heavily on choosing whether it will lead or remain behind other companies in the modern business landscape. The decision is multifaceted since organisations need to grasp market trends alongside competitive forces along with new technology developments (Barberà & Coelho, 2022). Each market entry strategy possesses unique benefits together with its corresponding dangers which affect their outcomes based on market characteristics along with technological and consumer-related elements. The benefits of becoming a pioneer in the market consist of gaining brand superiority along with challenges to entry barriers and customer retention. These advantages result in substantial expenses because early market penetration exposes ventures to product breakdowns as well as market unobtrusiveness (Christiansen et al., 2021). A follower position means decreased market entry risks since pioneers create opportunities in which followers can capitalise by using existing infrastructure and benefitting from better market conditions. The paper evaluates the business strengths of using pioneer tactics and follower strategies by studying companies like Airbnb and Netflix. Through the Product Life Cycle, the strategic management of growth and competitive maintenance between pioneers and followers depends on their position within the PLC's stages of growth and maturity. The examination of this paper shows how various market conditions can benefit from both pioneer and follower strategies in different ways.

The Advantages of Being a Pioneer Company

Core Competence Theory helps organisations understand how pioneering companies gain major benefits when entering initially unknown markets. Prahalad and Hamel (1990) explain core competencies as distinct clusters of skills, technologies, and resources which allow companies to create valuable customer solutions while securing market leadership (Ethiraj & Levinthal, 2022). When embedded into the firm these core competencies become highly difficult to duplicate thus providing fundamental leadership capabilities for market dominance. Early entrance begins to matter less while the strategic abilities of pioneers become central to their dominance consolidation processes. The core competencies of companies like Airbnb, Netflix and Coca-Cola enable pioneer companies to establish barriers against their followers while guaranteeing extended market longevity. Market pioneers gain an important business benefit because they establish core competencies that competitors find difficult to replicate or match. As the originator of peer-to-peer lodging Airbnb led the industry by fashioning three essential competencies for trust development, digital platform deployment and worldwide host-user network creation. The trust technologies at Airbnb including verified ID authentication and user reviews together with host warranty solutions emerged early and proved difficult for competitors to match effectively (Hassan & Craft, 2020). Airbnb reached more than 7 million listing locations across 220 nations through its reputation as a trust-based community lodging platform in 2023 (Statista, 2023). The unique combination of capabilities based on its platform system and community management model forms core competencies that maintain its market leadership position as competitors attempt entry. The establishment of a strong brand identity together with customer loyalty becomes possible because pioneer companies utilise their core competencies to build them (Avlonitis & Salavou, 2019). The pioneering efforts of Coca-Cola allowed the company to build an unparalleled brand identity which became internationally known as a mark of superior refreshment. Being a pioneering company in the carbonated soft drink industry enabled Coca-Cola to develop competencies for marketing and branding which produce lasting business value. The brand competencies behind Coca-Cola have helped the company achieve a place among the top 10 global brands with at least a \$58 billion value per Interbrand (2023). The company strengthens its competitive edge by maintaining extensive international

distribution networks together with its long-term business connections with bottling facilities and retail outlets thus preventing followers from entering easily. The pioneering phase of Coca-Cola developed three core competencies which include marketing excellence together supply chain control and customer relationships and these pillars strengthen the organisation during its appearance in mature and highly competitive markets.

Through their initial market entry pioneers develop improved insights about customers which generate new core capabilities that include personalized data analytics. As the first streaming company, Netflix employed its original market position to create advanced capabilities for recommending content while developing analytics systems and original content production. The 260 million subscribers worldwide as reported by Netflix (2023) in Q4 2023 enable the company to enhance user satisfaction and maintain very high subscription retention rates through their massive data resources (Bowman & Gatignon, 2024). A major strength of Netflix stems from its algorithm which handles key artificial intelligence operations and consumer behaviour analysis duties leading to substantial user engagement. The company dedicates \$17 billion each year for original content production which reinforces its unique customer proposition. The founding of personal content delivery and original programming expertise by Netflix represents a capability that differentiates its service from its market competitors, including Amazon Prime and Disney+. Business leaders who take pioneering roles let their companies develop supply chain excellence and operational efficiency as core competencies which makes their models better than latecomers before market entry becomes possible (Ambrose & Lennox, 2020). The interface of Airbnb operates smoothly with its low-asset model (absence of hotels) to establish a platform that rapidly adjusts to worldwide demand. The worldwide bottling system managed by Coca-Cola demonstrates operational competencies that enable pioneering distribution capabilities which cannot be replicated by newcomers until they spend substantial funds and resources.

The essential benefits that pioneers obtain from their pioneering position depend heavily on their ongoing commitment to enhance and maintain their fundamental capabilities. As a purposeful move, Netflix switched from using licenced content to manufacturing its content independently to build strength in creation and intellectual property domains

keeping competitors from damaging its marketplace dominance. The Core Competence Theory explains the ability of pioneer companies Airbnb, Netflix and Coca-Cola to lead market entry with enduring competitive advantages (Dawson & Wasson, 2021). These companies establish lasting entry barriers by developing their competencies in technology, trust-building, branding, marketing, operations and data analytics during their first entry stage. The key factor behind successful leadership in competitive markets goes beyond initial entry because companies must build distinct abilities which become deeply established over time.

The Advantages of Being a Follower Company

Followers profit from pioneer risk-taking because they get to observe what succeeds and fails in both market vulnerabilities and product creation. Being a market follower provides convenience due to reduced exposure to untried markets and access to superior versions of pioneer innovations and an already established consumer base. The follower position Samsung adopted shows how organisations can effectively study pioneer moves and market changes to achieve market success.

The main benefit for followers comes from market entry once pioneers prove the validity of their products and technologies. Samsung launched its smartphone products when Apple had already created the iPhone to be the leading mobile device in the market. Samsung selected to increase Apple's iPhone instead of creating a fresh product due to the risks involved. The strategic addition of elements omitted by Apple like larger screens along with removable batteries allowed Samsung to set itself apart and attract customers who needed different functionality. Different customer segments gained access to Samsung smartphones through multiple available prices (Doz & Williamson, 2024). Being a follower of pioneer companies brings opportunities to utilise their established market conditions together with built infrastructure. Samsung managed to enter the smartphone market because mobile applications and wireless telecommunications networks already existed at full capacity thus lowering entry obstacles. Samsung seized the opportunity to utilise existing market infrastructure because it did not face the same requirement of Apple to develop consumer education and produce its app platform. By entering at this stage of market development Samsung shortened its product release timeframe while

decreasing its expenses (Buckley & Casson, 2020). The followers within this system receive a break from spending expensive resources to educate markets about new products and develop innovative solutions. Apple alongside Google spends generously to teach people about product value and establish market demand for new products before commercial launch. The market entrance for followers becomes possible after demand stabilisation occurs because they can allocate resources toward product enhancement rather than market education. Google needed to develop its Pixel smartphone devices after Apple and Samsung together with other companies built the smartphone market for several years (Claver, Rienda & Quer, 2020). Google entered the smartphone market at a time when consumer demand was established which allowed it to utilise current infrastructure to deliver improved user experiences.

Followers gain the benefit of upgrading technological aspects pioneered by leaders. A perfect illustration shows how followers enhance original business models to develop superior customer interactions through the example of Uber. Uber implemented an innovative business model framework that ensured profitable ride-sharing services for modern consumers although it was not the initial ride-sharing company (Chen & Xie, 2019). The combination of simpler software and better pricing systems with added driver rewards made Uber stand out from its predecessors so it became the top market leader. Birds benefit from the advantages of being in a following position but they encounter their own set of difficulties. Followers commonly encounter challenges because observers frequently mistake their efforts as simple imitation of pioneer ideas thus reducing their potential market differentiation possibilities. The reputation of Xiaomi faces potential risk because people believe its products replicate Apple's design style yet the company needs to persevere with constant innovations to avoid damage to its brand value. Followers need distinctive elements beyond pioneer replication to establish separate identities in the market by concentrating on aspects such as product excellence and superior customer treatment as well as their price plans.

PLC Strategies in the Growth and Maturity Stages

A strategic tool named Product Life Cycle (PLC) makes it possible for companies to adjust their operations based on market alterations observed through the phases of product

introduction to growth and onto maturity until decline. During growth and maturity stages both pioneer organisations and their following competitors need to focus on maintaining competitiveness and profitability (Grewal, Cline & Davies, 2021). The market success of Netflix and other companies including Samsung and Coca-Cola alongside Huawei Ford and General Motors is powered by their effective strategies throughout these stages.

Growth Stage Strategies: Scaling and Market Expansion

A product starts its market expansion during the growth stage when mass consumer adoption leads to both growing popularity and increasing sales numbers. Companies concentrate on penetrating new markets as they differentiate their offerings and expand output capacities to meet rising customer needs during this strategic period (Cunningham, 2018). Netflix selected market expansion and content development alongside technical advancements to dominate its streaming services growth phase. Through its transition from DVD rentals to online streaming Netflix began developing exclusive original content such as House of Cards and Stranger Things which gave it superior value propositions that competitors found challenging to replicate (Cunningham, 2018). NetFlix dedicated more than \$17 billion per year to content production between 2020 and Q4 of 2023 when it achieved global subscriber growth to 260 million users. The company achieved its growth by expanding worldwide by entering over 190 nations to tap into emerging markets while growing its audience base. Market leadership deployment and brand penetration remain distinctive features of growth stage strategies because of this forceful market expansion approach. The smartphone industry follower Samsung implemented a growth strategy by developing differentiated smartphones and quickly producing new products to gain market share after Apple released its iPhone. Analysis of crucial market spaces abandoned by Apple enabled Samsung engineers to create its Galaxy series which achieved commercial success due to its larger display screens. The wide distribution of Samsung devices across multiple price brackets allowed the company to meet both luxury and cost-focused market segments while running up significant sales figures. The mobile phone market leader position remained with Samsung since 2022 as demonstrated by its 21% market dominance. The company executed its growth plan through technological distinction combined with forceful promotional methods together with developing world market penetration.

Maturity Stage Strategies: Innovation and Market Defense

During the maturity stage of the PLC market saturation together with competitive pressures and sales growth deceleration dominates the market. Firms need to implement strategies centred on product innovation together with diversification while achieving costs that lead to leadership positions combined with customer loyalty to stay relevant in the market. The leading soft drink company Coca-Cola demonstrates excellent strategic implementation for their maturing stage copy (Fehr & Schmidt, 2019). Coca-Cola expanded its product selection by adding Coca-Cola Zero Sugar and flavour-infused drinks and health-oriented bottled water and fruit juices to enhance its market presence. Brand revitalization at Coca-Cola uses special edition packaging along with famous endorsements and support for international spectacles like the FIFA World Cup. Through this tactic, Coca-Cola tries to make things last longer and bring back customer enthusiasm. Coca-Cola leads the global soft drinks industry while achieving \$46 billion in revenue during 2023 because of its successful maturity-stage strategies. The smartphone manufacturer Huawei uses both cost-based strategies and technological innovations to maintain effective competition during its position as a follower within the smartphone market's maturity phase (He & Wong, 2023). Through investments in 5G technology and marketing high-spec devices at affordable rates Huawei has successfully established a substantial market presence, particularly in Asia together with Europe. The 7.7% share Huawei gained in the global smartphone market during 2022 makes the company one of the top vendors. Huawei demonstrates maturity in its value-driven strategy by delivering technological innovations at competitive prices than Apple and Samsung for their smartphone products. The traditional car makers Ford and General Motors (GM) show how they change their PLC approaches to adapt to industrial changes in the market (Dawson & Wasson, 2021). Both companies directed their attention toward electric vehicles (EVs) as the internal combustion vehicle market became saturated because they aimed to keep their products alive by infiltrating novel market segments. The two companies together invested more than \$65 billion in EV manufacturing and battery research for 2023 (Doz & Williamson, 2024). The F-150 Lightning electric truck launch by Ford and GM's Chevrolet and GMC electric SUV/truck lineup reveals how mature

companies refashion their product lines to stay competitive in customer market trends along with environmental sustainability demands.

Conclusion

Organisations must carefully choose pioneer or follower roles to reach long-term success when operating in competitive market environments. Companies that enter markets first gain multiple major benefits such as defining industry standards while taking first place in market position and building highly devoted customer bases (Buckley & Casson, 2020). Airbnb along with Netflix have built their position at the industry top by utilising their first-mover advantages. The pioneering process involves substantial risks that force organisations to keep innovating so they can remain ahead of their competitors. Follower organisations gain two main advantages from pioneering activities because they learn from pioneers' mistakes and accomplishments while avoiding the risks of new market exploration and benefiting from proven market demand (Fehr & Schmidt, 2019). The market strategies of Samsung and Uber show followers can improve existing products and business models to deliver better customer value while capturing major market portions. Followers can find success by capitalising on the initial work of pioneers even though they must overcome obstacles in differentiation and innovation. The Product Life Cycle model provides essential direction to companies about their strategic management requirements in the growth and maturity phases. Companies that serve as pioneers or followers need to modify their strategies to match changing market variables and changing customer needs in addition to competitive forces to endure profitable operations. The ability of organisations to understand how pioneer and follower strategies function enables them to develop strategic choices that produce marketplace success.

Reference

- Ambrose, D.M. and Lennox, L. (2020) 'Strategic market positions for mental health services,' *The Journal of Mental Health Administration*, 15(1), pp. 5–9. <https://doi.org/10.1007/bf02828354>.
- Avlonitis, G.J. and Salavou, H.E. (2019) 'Entrepreneurial orientation of SMEs, product innovativeness, and performance,' *Journal of Business Research*, 60(5), pp. 566–575. <https://doi.org/10.1016/j.jbusres.2007.01.001>.
- Barberà, S. and Coelho, D. (2022) 'On the advantages and disadvantages of being the first mover under rules of k names,' *International Journal of Economic Theory*, 14(1), pp. 51–60. <https://doi.org/10.1111/ijet.12138>.
- Bowman, D. and Gatignon, H. (2024) 'Order of entry as a moderator of the effect of the marketing mix on market share,' *Marketing Science*, 15(3), pp. 222–242. <https://doi.org/10.1287/mksc.15.3.222>.
- Buckley, P.J. and Casson, M.C. (2020) 'Analyzing Foreign Market entry Strategies: Extending the internalization approach,' *Journal of International Business Studies*, 29(3), pp. 539–561. <https://doi.org/10.1057/palgrave.jibs.8490006>.
- Chen, Y. and Xie, J. (2019) 'Cross-Market Network Effect with Asymmetric Customer Loyalty: Implications for Competitive Advantage,' *Marketing Science*, 26(1), pp. 52–66. <https://doi.org/10.1287/mksc.1060.0238>.
- Christiansen, J.K. et al. (2021) 'Living Twice: How a Product Goes through Multiple Life Cycles,' *Journal of Product Innovation Management*, 27(6), pp. 797–827. <https://doi.org/10.1111/j.1540-5885.2010.00753.x>.

Claver, E., Rienda, L. and Quer, D. (2020) 'The internationalisation process in family Firms: Choice of market entry strategies,' *Journal of General Management*, 33(1), pp. 1–14. <https://doi.org/10.1177/030630700703300101>.

Cunningham, M.T. (2018) 'The application of product life cycles to corporate strategy: some research findings,' *European Journal of Marketing*, 3(1), pp. 32–44. <https://doi.org/10.1108/eum0000000005206>.

Dawson, L.E. and Wasson, C.R. (2021) 'Dynamic competitive strategy and product life cycles,' *Journal of Marketing*, 39(2), p. 112. <https://doi.org/10.2307/1250122>.

Doz, Y. and Williamson, P. (2024) 'From Global to Metanational: How Companies Win in the knowledge Economy,' <https://dl.acm.org/citation.cfm?id=560793>.

Ethiraj, S.K. and Levinthal, D. (2022) 'Innovation in Response to Regulatory Uncertainty: High-Tech Investment in the Silicon Valley Printer Market,' *Administrative Science Quarterly*, 52(1), pp. 97–128. <https://doi.org/10.2189/asqu.52.1.97>.

Fehr, E. and Schmidt, K.M. (2019) 'A theory of fairness, competition, and cooperation,' *The Quarterly Journal of Economics*, 114(3), pp. 817–868. <https://doi.org/10.1162/003355399556151>.

Grewal, R., Cline, T.W. and Davies, A. (2021) 'Early-Entrant advantage, Word-of-Mouth communication, brand similarity, and the consumer Decision-Making process,' *Journal of Consumer Psychology*, 13(3), pp. 187–197. https://doi.org/10.1207/s15327663jcp1303_01.

Hassan, S.S. and Craft, S.H. (2020) 'Linking global market segmentation decisions with strategic positioning options,' *Journal of Consumer Marketing*, 22(2), pp. 81–89. <https://doi.org/10.1108/07363760510589244>.

He, Z.-L. and Wong, P.-K. (2023) 'Exploration vs. Exploitation: An Empirical Test of the Ambidexterity Hypothesis,' *Organization Science*, 15(4), pp. 481–494.
<https://doi.org/10.1287/orsc.1040.0078>.