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Student Name: Mitul Bharatbhai Katrodiya

Student ID: 2423957

Name of the Lecturer: Dr Laila Maazouz

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Introduction

Timing of launching a product or technology in the market, to a great extent, determines the possibility of success. There are always multiple versions of any product in the market; one is launched first and other followed by that. There are two options for the companies in this regard, namely being the pioneer or being the follower. A pioneer starts the business first and the follower starts after the pioneer but deals in the same product or technology. Both the companies, being on their respective position in the launching chronicle, face some challenges and enjoy some advantages as well. The companies, as a result of their launching time, have to deal with adversaries as well as get to grab the market with little or no to extreme competition. The current essay is divided into two segments primarily. The first part discusses about the advantages of both pioneer and follower company so that the benefits a pioneer and follower get because of their launching time can be understood. The second part talks about the product life cycle of a pioneer company and a follower company. In this particular part, the difference in strategic application between the pioneer and follower has been detailed. Both the parts, collectively, will shed light on pioneer and Follower Company with examples.

Task 1:

Advantages of a pioneer company with example

A pioneer company, being the first in the market to launch a product or service, enjoys some advantages. Some of these benefits are there due to the first come first reap basis and others are because of the merit of the efforts given. In this regard, it is worth mentioning that pioneer companies take more risks in building the product or service as well the market for it.

Since the pioneer company brings the product for the first time, there is always the loyalty of first provider. As mentioned in the works of Farida and Setiawan (2022), a pioneer company creates and educates a market about the usage and benefit of a new technology and this leverages the company with deep loyalty. On the other hand, the product or technology launched for the first time in the market has the advantage of a virgin market.

As a result, when the new product is launched, the absence of substitute product or competitors' render the pioneer company with great competitive advantage and that reflects on the sales figures as well (Arshiet *al.*, 2023). In another words, the pioneer company may enjoy monopoly in the market till a follower emerges.

Customers perceive the pioneer's quality and offerings as standard in the market because of absence of any alternative (Budzynski and Falk, 2009). The qualitative aspects as well as the pricing aspects receive unquestioned acceptance from the customers. Moreover, this also helps in keeping the followers behind as customers view the pioneer as the epitome of standard and quality. However, the followers can benefit from this by adding better features in their product and thus differentiating in a positive way. More importantly, a pioneer company always gets the intellectual property rights because inventing the new product or technology.

Example: In the field of mobile technology Apple can be mentioned as pioneer of smart phone market. Apple has introduced the smart phones in the market and since then maintained differentiation from others. Further, Netflix can be named as a pioneer in the streaming market. Further, in the field of beverages, Coca-Cola can be named as a pioneer company. CocaCola has kept its formula secret and enjoy greatest market share in the global beverages industry.

Advantages of a follower company with example

The followers, since base the business on the ideas and path shown by the pioneers, may gain lesser market acknowledgement as an innovator, does not lag behind when it comes to enhanced features in product. The advantages, thus, do not surface just because of being the follower. Strategic and innovating problem solving plays the core part.

The follower company does not launch a novel product or technology. It works on the existing idea and polishes it to differentiate its products from the pioneer company (Gómez *et al.*, 2022). In this regard, the follower has to spend less time and effort on the research and development of the idea. This saves a lot in money and time. Moreover, apart from cost saving, no requirement to gather an idea from the scratch saves the

company lot of resources which can be utilised for market penetration and further product development which ultimately makes a follower winner in the market. In addition to this, the follower faces minimum risk in terms of understanding the need of the market. As mentioned by Giachetti and Pira (2022), the follower company works in the market already validated and educated by the follower. The product, after being primarily launched by the pioneer, receives feedback from the market and with time it requires improvements as well. Silver *et al.*, (2021) asserts that the follower company can take this opportunity for improving its products. In this way, the quality of follower company product can be even better from the pioneer. Another significant benefit that a follower company enjoys is related to supply chain. The efforts of the pioneer in making and launching the initial product do a large part of supply chain related works. The follower can choose from the options available and can build its own supply chain in an efficient way.

The name of Samsung can be mentioned. It ventured into the smart phone segment following Apple and has learnt a lot from that. It focused on hardware and user experience in order to differentiate. Another famous follower, though thought to be a pioneer, is Facebook. It followed the footsteps of Orkut and gained tremendous popularity by focusing on different user friendly aspects. On the other hand, in the EV segment, companies like BYD in China has set excellent example of reaping the market even after being a follower.

Task 2:

Chosen product life cycle of a pioneer company with example

Product life cycle consists of five different stages such as Pre-launch, introduction, growth, maturity and decline. However the marketing positioning and competitive advantage gaining strategy for a pioneer company and follower always differ because the target customers group can be different from the socio-economic or behavioural perspective (Mohammadi *et al.* 2023).

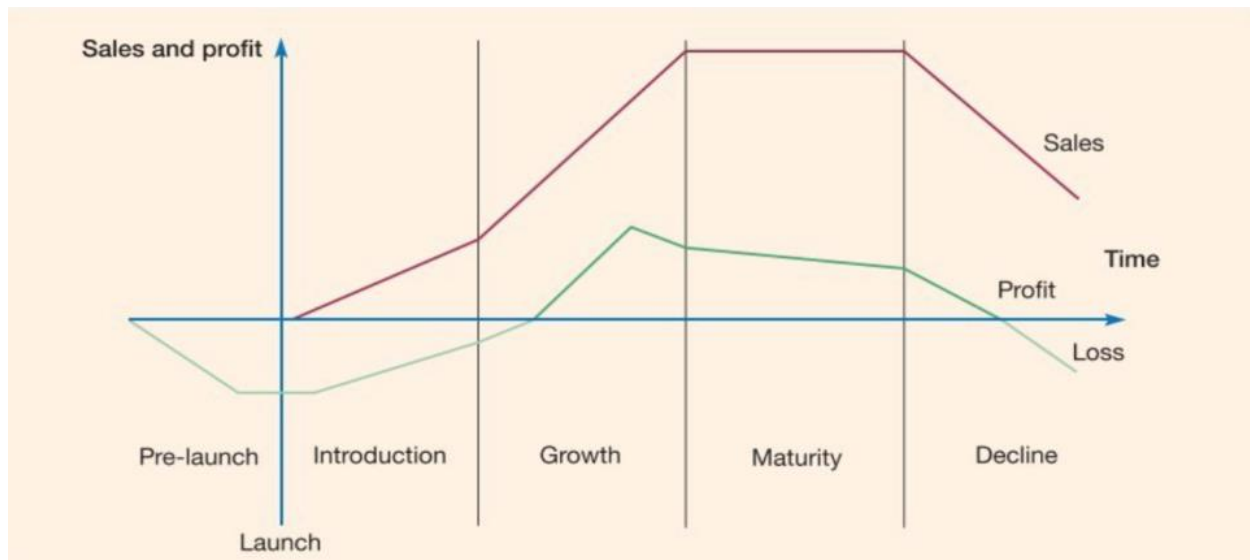


Figure 1: Product Life cycle

(Source: Hooley *et al.* 2020)

Product life cycle based marketing strategies of Pioneer companies

Pre-launch and launch phase

This phase is evidence collection phase when organisations conduct their research and development to gather information about the market. Mainly at this stage organisations try to conduct target customer survey or communicate with them to determine their pain points which their product will eliminate (Hooley *et al.* 2020). During 2004-2006 Steve Jobs has been seen a completely new vision of replacing the physical keyboard with touch screen with an invention of operational software through iPhone (Ewa *et al.* 2017). Contrarily, Netflix has identified some pain points through their R&D which they plan to replace like stop carrying a physical object like DVD to watch movies which gradually disrupt the DVD rental service market (Joonas *et al.* 2023). The lithium-ion battery technology use is a major innovation done by Tesla for launching e-vehicle (Wong *et al.* 2021).

Introduction phase:

Introduction phase majorly attributed towards developing four different types of strategies that includes rapid skimming where the new product is launched in high price and high promotional level, slow skimming with high price and low promotional value (Kotler *et al.* 2020). Apple has applied the rapid skimming strategy during 2007-2008 when they have tried to create awareness about the iPhone by direct advertising in Television, banners and paid promotions (Joonas *et al.* 2023). Similarly when Netflix launched their online DVD rental service first in 1998 they have incur significant expenses on promotion through social media platforms, word-of-mouth and others, however the cost of service is kept low by following the rapid penetration strategy (Joonas *et al.* 2023). Tesla has also applied the rapid skimming strategy with a faith of product quality for not compromising price range. The rapid promotion on stylish design, high performance, and direct-to-customers sales model has allowed them to cover market in low time (Wong *et al.* 2021).

Growth phase:

While reaching to growth phase Pioneer companies usually experience the growth hence fortress strategy to ensure competitive advantage and strengthen own market position. In this regard, the pioneer companies follow fortress strategy. In the words of Matalamäki and Joensuu-Salo (2022), the companies, following this strategy, tries to protect their market share and competitive advantage. In order to do this, these companies adopt to different strategic moves like focusing and reinforcing their brand position in the market, diving into other related products to cement their stand and many more. For instance, after introduction phase Apple has experienced tremendous growth on iPhone for almost four years when they have been launched iPhone 3G, 4 and other models with launching of App store to boost their market position (Ewa *et al.* 2017). However the duration of growth phase may vary depending on product or service as for Netflix the growth phase continues from 2002 to 2012 and the impact has been shown after introducing the subscription model in 1999 (Joonas *et al.* 2023). The aggressive expansion without letting competitors understands their business model has pushed them forward in the pioneer position which they hold by several technical modification like AI driven recommendation (Vezzetti, 2009).

Maturity phase:

This phase mainly focus on customer feedback and thus stress on retention through promoting brand loyalty by ensuring customer satisfaction. For example, Apple has reached maturity phase by 2013 where introduction of modified models of iPhone is facing hardship in market while competing with android based Smartphone. Thus, Apple tries to retain employees through robust brand loyalty promotion and market expansion with the purpose of solidifying position as leading smart phone company (Ewa *et al.* 2017). Tesla has also accustomed market expansion when they have reached saturation phase in the US market (Wong *et al.* 2021).

Decline phase:

This is the last stage where survival is the primary outlook through cost reduction, profit maximisation. In order to do so, Apple has introduced iPhone SE with comparatively affordable cost to beat the competitors. Additionally the profit maximisation has been initiated by making high investment on Apple TV+, Apple Arcade and Apple Music for diverse customer engagement to ensure revenue generation from different services (Ewa *et al.* 2017).

Product life cycle based marketing strategies of follower companies

Pre-launch and launch

The research and development of follower companies are little bit different from pioneer as follower companies like Samsung (Apple's follower) used to research on specific pain points of competitors and drawback of their products. In other words, follower companies come late in the market, they study what specific improvement consumers want in the product and according to that design their product to attract consumers towards them. From that they launch product development through establishing a modified product niche to create their own USP like Samsung has used battery back-up as their USP to compete with Apple as their battery service in Smartphones have been complained by users (Yang and Sonmez, 2020). Another example of the same is Facebook who does late market entry by studying Netflix market thoroughly and innovated subscription model with advertisement based model for revenue generation (Wiese *et al.* 2020). The example of Facebook surfaces the aspect of basing the service on an existing model and yet

presenting that in alignment with their service and generate revenue from there. In this respect, innovative thinking also plays a great role.

Introduction

As mentioned already followers are late entrants who usually keep a low pricing and robust marketing which is known as rapid penetration strategy. For example BYD is known as China's Tesla in e-vehicle product market because they designed and enhanced battery back-up by following Tesla model. Bundling is another strategy followed by follower like Samsung who promotes their product with the advertisement that charger is free with phone unlike Apple product (Yang and Sonmez, 2020).

Growth

Unlike the first mover companies, followers adopt attack strategy by identifying price sensitive customers in the existing market of pioneer. The follower company at this particular stage tries to capture the market share of the pioneer company. In this regard, the companies go in frontal as well as flank attack. As noted by Mao *et al.*, (2021), apart from directly competing, they make sure that weak areas of the pioneer company are captured by the follower company as well. Additionally they also enter in emergent market with their product where Pioneer Company has not yet step in. For example BYD has utilised the existing supply chain in China to reach to those customers who are looking for low cost e-vehicles (Yan, 2022). Facebook has applied robust marketing as Meta through pricing, promotion and global partnership to challenge Netflix.

Maturity

The maturity phase of the follower company may last long if they become successful to beat the innovation of pioneer company (Vezzetti, 2009). Therefore, the strategy is to focus on introducing disruptive feature that pioneer company lacks, such as Samsung has innovate the front camera to beat Apple as camera facility of iPhone is not satisfying. The main target of dominating the pioneer company's invention leads the followers like Facebook to focus heavily on incremental innovation otherwise they may wash out like

the way Facebook watch is not become much popular for being failed to dominate Netflix's on time innovations.

Decline

The decline phase of the follower company comes with limited resources struggle and losing pricing advantage therefore either diversification or exit is the option of survive. However, with cost leadership it is possible to survive for a temporary period although no significant improvement is observed. Thus market exit entirely is the better option as brand loyalty from customers is not assured (Vezzetti, 2009). The example is the shifting of Facebook watch's focus globally by accepting the reality of not beating pioneer.

Conclusion

The competitive landscape of any industry revolves around multiple factors. Pioneer and follower company concepts are such factors. Both types of organisations enjoy specific benefits for being at their places. Pioneer set the standard and thus gains loyalty and follower innovates further and enjoys a set market. The advantages range from cost effectiveness, operational ease; intellectual property rights benefits as well as cost saving aspects. Some famous companies like Facebook, though leading the market, are not actually leader for being the pioneer. They have taken their quality far and thus leading the market. The product life cycle and strategies undertaken in different life cycle stages are different for pioneer and follower companies. In the pre launch stage, pioneer company has to focus on understanding the pain in the market but a follower does not need to do this. Thus, a pioneer and a follower company is not only different my virtue of their being, they also boost separate strategies in different life cycle stages.

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