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Introduction

Marketing is the process and set of actions for promoting brands, reaching customers and selling products and service to them (Kotler et al., 2020). This encompasses different activities such as advertising, market research, market information system, product development, branding, customer relationship management and so on, aiming to attract and retain audiences and customers. UK Chartered Institute of Marketing stated that marketing is the part of the management process that recognizes, identifies, predicts and satisfies the requirements, needs and demands of customers profitably (CIM, 2019). The main purpose of the essay is to discuss and explore the concept and advantages of pioneer and follower companies in the business markets. Also, the essay will investigate the effective and successful product life cycle strategies used by successful pioneer and follower companies to increase growth in the business markets.

Pioneer and Follower Companies

Concept of pioneer and follower companies

By nature, a pioneer company represents the first mover that brings and introduces any innovative and new products, services, process, technologies and tools to the market before any marketers or competitors (Deepak and Jeyakumar, 2019). On the other hand, a follower represents the company or the late entrant that enters and operates in the business after the pioneer while researching and learning from the mistakes and successes, lessons and activities of pioneers (Lalaounis, 2020). Both of them have their natures, characteristics and activities which impose advantages to their styles and nature in the markets.

Advantages of pioneer companies

Pioneer companies and their business strategy tend to access different advantages and resources while operating in the business markets (Heding et al. 2020). They are more likely to bring innovation and creativity to products which help them get competitive position, brand loyalty and value in business markets. Apple Inc. is one of the successful pioneer companies in the business market that offers unique and creative products to customers. Considering the nature and features of pioneer companies, they have common in accepting and utilizing their power, innovation and creative mindset for the development of business product, service, new process, technologies and trends (Kotler et al 2021). They enter the market as the first mover which highly contributes to benefits and success in the long run.

Strategy Planning: In the beginning, the **benefits** for pioneer companies can be seen in their strategy and planning to enter the market. First-mover advantage is highly related to the market leaders where most of the pioneer companies are market leaders for achieving initiative income and turning the market monopoly (Rey et al. 2019).

Brand development: Different brands tend to apply marketing and promotional strategies and mix differently considering their own preferences and ways of entering into the business markets (Gómez et al. 2022). The pioneer can establish strong brand recognition, value, growth and position, and build customer loyalty compared to the other companies that enter in the later parts.

Leveraging knowledge and technology: The pioneer companies tend to create and set the standards for the business products, qualities, value, characteristics, features and pricing in the sector and these have impacts on future competitors and strategies as well (Heding et al. 2020). The understanding of the technologies can add competitive advantages to early entrants in the markets.

Economies of Scale: The achievement of economies of scale is common among pioneer companies by being the first to the market, to invest in supply chain and production processes and to manage costs (Kotler et al 2021). The pioneer companies are more successful compared to the others considering their abilities to secure key resources.

Marketing and distribution channel: Pioneer's strategic assets, distribution channel, ways to develop unique position in the market, anticipating demands and trends of the markets, higher initial income and profit, and intellectual property protection are also parts of advantages for pioneer companies (Rey et al. 2019).

Customer loyalty: In the case of customer loyalty, acquisition and relationship management, pioneer companies are the ones to build and maintain stronger relationships with customers in markets. The customers would be less likely to switch to other companies where they have already invested in the products and services of pioneer companies (Deepak and Jeyakumar, 2019). Tesla and other successful brands are the known pioneer companies in the business markets. In the automobile sector, Tesla has brought EVs and vehicles for customers while creating their market position.

Advantages of follower companies

Follower companies are the types of companies that follow the footsteps and actions of successful companies (Rey et al. 2019). They tend to access certain advantages considering their nature of business and strategies for the success. They avoid high costs of production, business and operation and reduce the risk of the business as they follow the strategy and practices of pioneer companies (Heding et al. 2020). Face Book company is one of them. The company has worked on its brand value. The follower companies tend to value the path of pioneer companies while creating and shaping their brand awareness.

Available customer base: The follower companies tend to access many advantages and growth options while entering late after the pioneer company (Kotler et al 2021). A large follower and customer base is already available in the market where the companies can reach them. Reaching the broader audience helps follower companies to work on the engagement, communication and interaction (Gómez et al. 2022). They are more likely to reach available customers and understand the trends of markets.

Cost management: As follower companies follow the path and strategy of pioneer companies, they get the advantage of lowering the cost of research and development program (Deepak and

Jeyakumar, 2019). Sometimes, the cost of R&D is higher for the companies to enter into the market and bring new products. As follower companies follow the strategy of the market leader, understanding market trends and customers is easier for them (Heding et al. 2020). This reduces the costs and complexities of follower companies for entering into the market and acquiring customers.

Product modification: Another advantage of follower companies is to work on product modification instead of product development (Giachetti and Pira, 2022). They can work on differentiation strategies while modifying the available products and services for the markets. These reduce costs and market risks for follower companies in the long run. Considering the market challenge and competition in places, follower companies tend to work on cost management for competitive pricing in order to target more customers and gain competitive advantages (Deepak and Jeyakumar, 2019).

Risk management: Compared to pioneer and market leaders, follower companies tend to deal with less risks, challenge, uncertainties and complexities in the marketplace. They can identify available and potential risks affecting the business and follower companies can handle the conflicts and challenges while differentiating the brand (Rey et al. 2019). Studies have shown that follower companies tend to leverage available technologies, customer base and preferences while working on their growth and performance (Lalaounis, 2020). Samsung is another type of Follower Company that has been dealing with the same market as Apple Inc. while bringing similar products to the market and customers.

Product Life cycle strategy and Examples

Product life cycle strategies

Product life cycle stages allow companies to learn about how one product is introduced, grown, matured, and declined considering different factors (Whittington et al. 2020). Successful pioneer and follower companies can apply and implement product life cycle strategies within the business

markets to increase the growth of the business, and maintain a competitive advantage differently (Heding et al. 2020).

Product life cycle strategies for successful pioneer companies

Introduction stage: Following the stages of the product life cycle (PLC), the pioneer organisations have more responsibilities in the **introduction** stage (Hooley et al. 2020). They invest a lot in this stage as they enter into the new market while creating demands and trends of the products, process and technologies. Thus, the brands have a common strategy to enter and gain competitive advantages with the new products, investment to the innovation, and pricing strategy with the penetration strategy (Hooley et al. 2020). Apple Inc. entered into the market with their new product after assessing the market, and creating demands for their products.

Growth stage: In the **growth** stage, pioneer companies cannot ignore the focus from working on market share, growth and income (Kotler et al. 2020). The competition is rising and customers are having more options for the products. In the growth stage for the brand, pioneer companies have different options and strategies. They can reach wider target segments while utilizing multiple channels and platforms (Deepak and Jeyakumar, 2019). The pioneer companies invest in market analysis, R&D and assessment of customers before entering into the market and working on the growth of the business with the modification and improvement of the products and services. The development of products, and quality management based on customer feedback are managed within the growth stage. In the meantime, the brand tends to work on the differentiation and value proposition for business growth and leadership (Lalaounis, 2020). For example, within a competitive business era and growth situation, Apple Inc. introduced new products and developed the available products with differentiation.

Maturity Stage: In the **Maturity** stage, the pioneer companies have to work on profitability and market share as the market is saturating and changing under intense competition (Hooley et al. 2020). To fight the competition, the pioneer companies have to manage cost leadership,

competitive pricing, product development and enhancement, leveraging of technologies and market segmentation (Whittington et al. 2020).

In the maturity stage of the modern and dynamic era of business, companies have to invest in marketing and branding to stay ahead of competitors. Their ways of diversifying products and improving the available products and service are the common strategies for the saturation stage. For example, McDonald's has worked on its menu, online service and technological services under the saturated market environment and intense competition.

Decline stage: In the **decline** stage, the organisation can either have a challenge to review the demands of the products or shift to another business (Hooley et al. 2020). The Harvesting strategy is applied by the companies for profit, income and cost management. The pioneer companies tend to explore new application, tools and strategy for dealing with the decline stage (Rey et al. 2019). Kodak could not ignore the decline stage and had to shift to another business while targeting niche markets.

Product life cycle strategies for follower companies

Introduction stage: Follower companies, which are following the market leaders and trying to catch in markets, tend to learn from pioneers (Kotler and Keller, 2016). In the **introduction** stage of PLC, follower companies highly identify the business opportunities for entrance into business markets. To deal with market entrance, they apply market data and research strategy while analyzing the strengths and weaknesses of pioneers and market leaders (Hooley et al. 2020). They do not bring new products as they develop similar products and modify the available products for the markets. There are many follower companies available such as Samsung which brought similar products to the market of Apple after assessing their strengths and weaknesses.

Growth stage: In the **growth** stage of PLC, most of the follower companies start to feel that their sale is rising (Hooley et al. 2020). Their main focus at this stage is to gain more value and market share while offering available service and competitive alternatives. This can help with competition and growth options while competing with competitors and pioneer companies (Rey et al. 2019).

In this situation, the follower companies and brands tend to offer similar products at lower prices with unique features in products. They try to attract customers while reaching target segments and customers of pioneer companies (Heding et al. 2020). The follower companies tend to approach an attack strategy to deal with the available competition and introduce accessible, effective, cheaper and better products (Whittington et al. 2020). Samsung has ensured to offer cheaper, better and alternative products to the markets of Apple's iPhone.

Maturity Stage: In **maturity** stage of PLC, the follower brands and organisations can see how the market is saturating and competition is highly rising (Kotler et al. 2021). The organisations cannot rely on the same strategy for the business growth, competitive position and market share. To deal with the stage, the follower companies tend to approach marketing, differentiation strategy, distribution strategy and cost leadership (Heding et al. 2020). They have to focus on cost management for competitive pricing such as cheaper prices for the products. Even they work on the enhancement of quality in products or value for customers and marketing in multiple channels (Rey et al. 2019). Some brands are alternatives and follower companies to McDonalds' and most of them bring differentiation and cost leadership strategies for the maturity stage of business. The differentiation strategy helps organisations to deal with the saturated market and maturity stage of the product and services.

Decline Stage: In the **decline** stage, most of the follower companies would not survive the market (Hooley et al. 2020). They can withdraw their products and bring new products for the new customer base. They start to work on harvesting their profit while working hard enough for cost management. The organisations pay attention to communicating and marketing through profitable channels and explore new options for business and market segmentation (Kotler et al. 2020). Fujifilm in the business market had to work on survival after the decline of Kodak in business. The company worked on diversifying its service such as digital imaging and healthcare.

Comparison of Strategies between pioneer and follower companies

Following and applying strategies of others can be sometimes effective where bringing new products to the markets can give a competitive edge to the business. In the case of pioneer

companies, they tend to give importance to the introduction stage for bringing and introducing new products and services to the markets.

Growth and Maturity Stages:

In different stages, the pioneer work for the image, quality and customer services (Whittington et al. 2023). In the case of follower companies, they tend to give importance to the growth and maturity stage while following the steps of the pioneer companies. Different strategies such as cost leadership or differentiation strategies are applied in the product life cycle.

The pioneer tends to focus on entering into the market more than the maturity stage. On the other hand, follower companies follow in the footsteps of market leaders while thinking of the growth and maturity of the business and success. Their ways of strategies in different stages of the product life cycle have helped the brands, both pioneer and follower companies, to stay competitive in the business market.

Conclusion

Business organisations need to work on brand management and marketing while thinking of great effects on the success of the business. Marketing helps any business to create and improve brand image and value while entering and surviving in the markets. Companies can enter the market with new products and processes or similar products that are available already. The concept of pioneer companies and follower companies has been clear in the study where the pioneer is the fast mover in the market and follower companies follow them. Each of them has its benefits considering their nature and position. Pioneer companies can leverage the market position and technologies, customer base and loyalty based on their ability to enter into the market at the beginning where follower companies leverage their benefits while learning from pioneer companies and the strategies of market leaders.

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