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Table of Contents

1. Introduction	3
2. The Advantage of being a pioneer company	4
2.1 Axel Springer case.....	4
2.2 A Case Study on Two Restaurants	
3. The advantages of being a follower company.....	7
3.1 Samsung Case Study.....	7
3.2 ING Direct Case study.....	7
4. Product Life Cycle (PLC) Strategies	9
4.1 Introduction Stage	9
4.2 Growth Stage	10
4.3 Mature Stage.....	10
4.4 Decline stage	11
5. Conclusion.....	13
6. References	14

1. Introduction

This report presents a comprehensive analysis of pioneering companies and their follower counterparts, exploring the unique advantages each type offers. It discusses various real-world examples that effectively illustrate these arguments. Additionally, the report delves into the intricacies of product life cycle (PLC) strategies, examining how businesses can navigate different stages of a product's lifespan to optimise success and longevity in the market by studying the Coca-Cola and Apple product life cycles.

Running a company requires managing a wide range of decisions every day. Although some of these choices are standard, others can significantly impact the organisation's long-term viability. As a leader, it is crucial to choose the best method, and it is important that this decision is implemented successfully. There are various strategies to consider, and when it comes to innovation, one might opt to take a pioneer role instead of merely adhering to a follower (Deana, 2020).

For a pioneer or follower strategy to be effective, it is essential to implement aggressive tactics that align with the chosen market entry order approach (Covin, Slevin and Heeley, 2000). However, given different circumstances, it is unlikely that certain methods will consistently match well or poorly with a specific market entry strategy (Covin, Slevin and Heeley, 2000).

2. The Advantage of being a pioneer company

The significance of first-mover advantage has been a subject of considerable discussion among analysts and entrepreneurs. Entering the market at an early stage is generally recognised as beneficial for pioneers, as it often leads to capturing the largest share of the market (Kaličanin, 2008).

The relative strength of pioneering advantages, categorising them into three distinct types: pre-emptive advantages, differentiation advantages, and cost advantages (Zhao, Song and Parry, 2014).

Being a pioneering company has several advantages. Here are some of the key benefits, along with examples to illustrate each point.

2.1 Axel Springer case

In 2001, Axel Springer, a well-established newspaper company with a turnover nearing €3 billion, was organised into five main divisions: newspapers, publications and foreign affairs, books, digital journalism, and printing (Lanzolla and Giudici, 2017). Upon taking the helm at Axel Springer, Döpfner's first strategic manoeuvre was to clearly outline his ambitious goals for the company's comprehensive reorganisation and digital transformation.

In 2002, Axel Springer redirected its attention towards its foundational media operations and core strengths in newspapers, magazines, and e-commerce platforms. The company sought to integrate its assets whenever feasible, leading to a unification of activities across different publications (Lanzolla and Giudici, 2017). This resulted in a workforce reduction from 14,069 to 10,700 employees, yielding around €250 million in profits.

In 2003, Axel Springer's restructuring efforts continued to make headway (See Figure 1). The transformation of the core business gained speed with several key sales, including the complete divestiture of the Book division, which was sold to Random House in early 2003 due to escalating prices (Lanzolla and Giudici, 2017).

In 2004, the consolidation of the main business persisted, and international initiatives ramped up. In Germany, Axel Springer introduced what is regarded as the first online television guide, TV Digital, which swiftly achieved a circulation of 1.3 million copies (Lanzolla and Giudici, 2017). From 2002 to 2014, the company's executive team undertook various pioneer initiatives both within and outside its traditional publishing core (see Figure 2 and Figure 3)

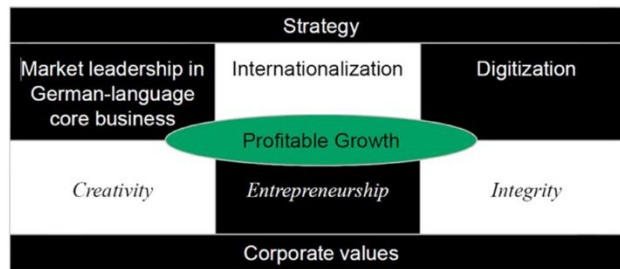


Figure 1: Strategy from Axel Springer study (Lanzolla and Giudici, 2017)

	2011	2012	2013
Axel Springer	59.1	80.8	97.5
Schibsted	35.5	46.5	50.2
BBC	34.0	35.7	35.3
Hubert Burda Media	32.5	30.7	29.6
ProSiebenSat1	28.6	24.2	20.4
Groupe Lagardere	27.5	22.5	23.0
RTL Group	26.3	27.5	26.8
Gruener+Jahr	20.4	23.0	26.1
Vivendi	18.8	17.1	18.3

Source: compiled from Axel Springer 2011–2013 Annual Reports and Investor Relations documents.

Figure 2: Annual reports from Axel Springer case study (Lanzolla and Giudici, 2017)

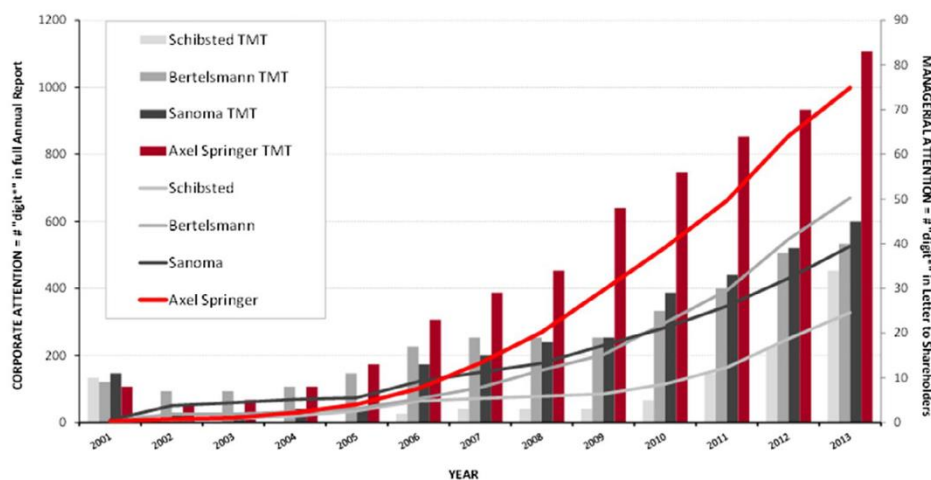


Figure 3: Annual report of Axel Springer case study (Lanzolla and Giudici, 2017)

2.2 A Case Study on Two Restaurants

A case report analyses two pioneering companies, one utilising a unique pricing strategy and the other focusing on technological innovation. These examples demonstrate the diverse approaches to innovation, encompassing customer service processes and marketing techniques (Whalen and Han, 2017).

In a remarkable move that defied conventional wisdom, the owner of the **Little Bay restaurant**, nestled in the vibrant Farringdon District of London, made an audacious

decision during the economic turmoil of 2009. Peter Ilic, a resourceful immigrant from Yugoslavia, implemented a bold month-long pricing strategy that empowered his customers to dictate the worth of their meals (Whalen and Han, 2017).

Ilic's approach was recognised as effective. He asserted that, on average, clients were willing to pay more than the proposed fees, approximately £17.25 per person (\$26.25 USD), which is 30% above his own average priced checks (Whalen and Han, 2017). The client base remained robust, and the marketing campaign not only proved beneficial locally but also garnered significant media attention (Whalen and Han, 2017). In 2009, coverage of Ilic's pricing initiative extended to twenty-one UK newspapers, eleven international broadcasting agencies, and thirteen online platforms, leading to an estimated £148,000 worth of free publicity (Whalen and Han, 2017).

The food service industry is characterised by fierce competition. **Eatsa** is an establishment that has adopted innovative methods to enhance efficiency and reduce costs. Situated at 121 Spear St. in San Francisco, this completely automated restaurant began operations in 2015 (Whalen and Han, 2017).

Eatsa has achieved significant profits by adapting to this shift. Cutting down on labour costs results in a notable boost in revenue. Eatsa has fully integrated this concept into its innovative service model (Whalen and Han, 2017).

3. The advantages of being a follower company

Market followers exhibit increased caution, meticulously examining the constantly shifting trends. With a sharp attention to detail, they stay alert, prepared to participate when an enticing trend starts to emerge or when they identify an opportunity to capitalise on the existing s-curve (Chris Sandilands, 2018). Their strategy highlights the importance of patience and insight as they traverse the intricacies of the market, ready to act when the circumstances are favourable (Chris Sandilands, 2018).

3.1 Samsung Case Study

It was mentioned that Samsung was not the first company to create the mobile smartphone; that credit goes to Motorola (Birkinshaw and Brewis, 2016). However, Samsung embraced a groundbreaking innovation and significantly enhanced it. The company has been growing and evolving since it was founded in 1938, starting as a food exporter. It also stated that in the 1950s, it diversified into life insurance and apparel (Birkinshaw and Brewis, 2016).

Samsung Electronics was founded in 1969, and in the early 1990s, Samsung began producing chips and hard drives for personal computers, which it sold to companies such as the modern smartphone rival, Apple (Birkinshaw and Brewis, 2016). In contrast, Samsung has become a leading name in consumer electronics. It released its first Android phone, the Galaxy S, in 2010, with the Galaxy S8 expected to launch early next year (Birkinshaw and Brewis, 2016).

Furthermore, research argued that Samsung serves as a prime example of an effective fast follower, staying alert to the strategies of competitors and the initial products launched by others (Birkinshaw and Brewis, 2016). They closely monitor when others find success and quickly create their own versions. Samsung invests heavily in training its engineers to promote organised innovation (Birkinshaw and Brewis, 2016).

Since the 1990s, it has fostered a strong collaborative partnership with the Russian Academy of Science, making use of the country's scientific expertise at a relatively low cost (Birkinshaw and Brewis, 2016). In 2004, one initiative, which was an advancement in DVD pick-up technology, resulted in savings exceeding US\$100 million for Samsung (Birkinshaw and Brewis, 2016).

3.2 ING Direct Case study

Founded in the United States in 2000, ING Direct acknowledged that it did not have the advantages of being a pioneer or an established retail banking brand to leverage, so it concentrated on creating products that delivered greater value to its customers (Val Srinivas, Ryan Zagone and Lincy Therattil, 2025).

To ease customer concerns and encourage use, ING Direct offered more user-friendly interfaces than its rivals, thereby ensuring customer satisfaction with online banking (Val Srinivas, Ryan Zagone and Lincy Therattil, 2025). The bank adopted a cost-effective operational strategy by utilising technology to improve efficiency through the online channel and by eliminating high-overhead tasks, such as paper check processing (Val Srinivas, Ryan Zagone and Lincy Therattil, 2025).

ING Direct used these cost savings to provide higher interest rates on savings products, attracting many consumers. A well-rounded marketing campaign highlighted the simplicity and benefits of ING Direct's offerings, promoting quick adoption (Val Srinivas, Ryan Zagone and Lincy Therattil, 2025). This approach was successful; within the first six months, ING Direct opened 100,000 accounts and gathered \$1 billion in deposits.

4. Product Life Cycle (PLC) Strategies

According to (Sharma, 2013) when an invention enters the market, it typically goes through a series of stages: introduction, growth, maturity, and ultimately, decline. These stages happen one after the other and are collectively referred to as the product life cycle (PLC) (see Figure 6)

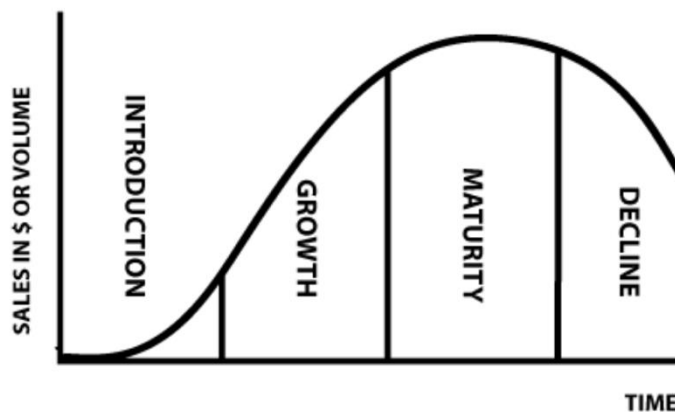


Figure 6: PLC stages (Sharma, 2013)

4.1 Introduction Stage

The introduction phase is the beginning stage where clients first encounter a new product. In this phase, companies typically need to spend significantly on marketing (Carol M. Kopp, 2024).

- **Coca-Cola case (1886-1920s)**

Coca-Cola was invented in 1886 in Atlanta, Georgia, originally formulated as a recipe by a pharmacist. This signifies the start of its product life cycle. In the beginning, marketing emphasised its health advantages, which contrasts sharply with contemporary perceptions of the drink. Sales were initially modest and confined to local retailers (https://globaldatabase.ecpat.org/files/book-explore/wp-content:A5P1/index_hm_files/product_life_cycle_of_coca_cola.pdf).

- **Apple Case**

This phase involves significant marketing investment for Apple to raise awareness of the new product, aiming to create excitement and anticipation. It featured extensive media coverage and heightened consumer demand, similar to the launch of the original iPhone. Apple leveraged its brand loyalty to introduce a product that

transformed smartphone functionality and design (<https://strategycapstone.org/apple-product-life-and-cycle/>, 2025)

4.2 Growth Stage

The growth sector is distinguished by a remarkable and rapid expansion in turnover, driven by the surging demand for a diverse range of goods (Sharma, 2013).

In the growth stage, a product experiences a rise in popularity and awareness. A business might opt to heavily invest in marketing when confronted with fierce competition. This stage of the product life cycle usually leads to a surge in sales and greater revenue (Carol M. Kopp, 2024).

- ***Coca-Cola case (1920-1980)***

Throughout its development phase, Coca-Cola underwent significant growth, influenced by several crucial elements:

1. The company crafted effective marketing approaches that linked its product to themes of pleasure, enjoyment, and the quintessential American lifestyle.
2. Coca-Cola purposefully broadened its network of retailers, ensuring the product was readily available throughout the United States and eventually worldwide.
3. In the initial phases of diversifying its products, while the original Coca-Cola stayed the same, the company started to experiment with various variants and introduced the beverage in different sizes and formats (https://globaldatabase.ecpat.org/files/book-explore/wpcontent:A5P1/index_hm_files/product_life_cycle_of_coca_cola.pdf).

- ***Apple Case***

During this period, Apple's product sales surged as awareness increased and acceptance grew stronger. It is at this stage that products start to generate profit thanks to economies of scale, which result in reduced manufacturing expenses (<https://strategycapstone.org/apple-product-life-and-cycle/>).

At this point, Apple may have launched incremental enhancements or new iterations of the products, broadened their appeal, and drawn in a larger audience. This phase signifies a vital opportunity for Apple to leverage the product's popularity, a trend often observed with the release of new generations of the iPhone, iPad, and MacBook (<https://strategycapstone.org/apple-product-life-and-cycle/>).

4.3 Mature Stage

The mature phase is marked by consistent sales figures. During this stage, competition intensifies, potentially resulting in reduced profit margins (Sharma, 2013). Indicators that a product has arrived at this phase include competitors increasing their marketing activities or implementing novel strategies to boost revenue (Sharma, 2013).

- **Coca-Cola Case (1980-Present)**

Coca-Cola is currently situated in the mature phase of its business lifecycle. The company has encountered difficulties due to a slowdown in revenue growth. To tackle this decline, Coca-Cola has considerably broadened its product range. This diversification features the launch of Diet Coke, Coke Zero, and a variety of other drinks like Sprite, Fanta, and Minute Maid juices. Furthermore, the corporation has continued to enhance its global presence by concentrating on emerging markets and customising its marketing approaches to fit local tastes. Ongoing advancements in presentation, flavour offerings, and marketing tactics have contributed to sustaining the brand's relevance and attractiveness (https://globaldatabase.ecpat.org/files/book-explore/wp-content:A5P1/index_html_files/product_life_cycle_of_coca_cola.pdf).

- **Apple case**

Apple's offerings are currently encountering heightened competition as rival companies strive to gain market share with comparable or superior products. Consequently, profit margins may decrease if Apple opts to reduce prices to sustain its competitive advantage (<https://strategycapstone.org/apple-product-life-and-cycle/>).

Marketing strategies concentrate on distinguishing Apple products from those of competitors while highlighting the unique features and benefits of its ecosystem. Apple manages the cultural stage by updating its products with innovative features and designs, thus prolonging their lifespan (<https://strategycapstone.org/apple-product-life-and-cycle/>).

The company frequently expands its product range to address various consumer segments, exemplified by the introduction of different iPhone models that provide unique features and pricing options (<https://strategycapstone.org/apple-product-life-and-cycle/>).

4.4 Decline stage

At this point, the sales of products have started to decrease, which highlights the need to create successful marketing tactics (Sharma, 2013).

- **Coca-Cola case**

Coca-Cola is currently experiencing consistent success, but there are potential risks such as: 1. Changing health preferences that could impact sales if the company fails to adapt its products. 2. Emerging competitors or technologies that threaten its market standing(https://globaldatabase.ecpat.org/files/bookexplore/wpcontent:A5P1/index_html_files/product_life_cycle_of_coca_cola.pdf).

- ***Apple case***

Apple adeptly navigates the decline phase by creating and introducing next-generation products that transform the market, essentially initiating a new product life cycle. In this declining period, Apple's approach involves meticulously managing the shift to newer models to guarantee consumer loyalty within the Apple ecosystem (<https://strategycapstone.org/apple-product-life-and-cycle/>).

5. Conclusion

The report evaluates innovative companies alongside their follower counterparts, emphasising the strengths of both and the importance of product life cycle (PLC) strategies. It underscores the necessity for informed decision-making in leadership, especially when selecting between pioneering and follower strategies. Companies that lead the way benefit from first-mover advantages, such as capturing a larger share of the market and exploiting unique competitive strengths.

Research identifies various types of pioneering advantages, including pre-emptive, differentiation, cost, and technological benefits. The example of Axel Springer demonstrates how a conventional media firm evolved into a leader in digital journalism, illustrating strategic actions for adapting to digital changes and achieving financial recovery. Between 2001 and 2014, Axel Springer experienced considerable restructuring and innovation, which included divesting non-essential operations and embracing digital advancements. Market followers possess several advantages when entering the industry. They take the time to observe trends and meticulously analyse consumer behaviour.

Companies like Samsung and ING Direct exemplify this method by being vigilant and poised to capitalise on emerging trends. By employing a fast follower strategy, Samsung quickly creates versions of successful competitors' products and invests in engineering partnerships, including its collaboration with the Russian Academy of Science.

New product launches require significant marketing efforts. When analysing the product life cycle of Coca-Cola and Apple, we see distinct strategies. Coca-Cola, launched in 1886, initially had modest sales. In contrast, Apple generated significant hype for the original iPhone through extensive marketing efforts.

During the growth and maturity stages, Coca-Cola became associated with pleasure, expanding its availability and introducing various product variants. Meanwhile, Apple increased its sales by raising awareness and benefiting from economies of scale.

While Coca-Cola faces growth challenges and is diversifying its product offerings, Apple competes through differentiation and innovation.

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