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Introduction

The competitive business market determines strategic marketing capabilities with increased product lifecycle stages. A pioneer company is mostly determined as an organisation that delivers new and unique products with a ground-breaking approach. On the other hand, the follower company follows the path of the pioneer company to offer new updated products or services catered to unique customer needs. Moreover, this evaluation aims to assess the real-world examples as per the market interventions for companies Samsung and Xiaomi. In this assessment, Samsung has been taken as a pioneer company and Xiaomi has been taken as a follower company to pursue marketing strategy analysis. Therefore, this study examines the strategies of Samsung and Xiaomi to achieve long-term success in the market.

1. Advantages of Pioneer and Follower Company

a. Definition of Pioneer Company

A pioneer company refers to a firm or an establishment which introduces a new product or a service in the market with a new idea. It develops the products and the goods through efficient innovation and creativity (Schulze, Townsend and Talay, 2022, p. 205). On the other hand, a pioneer company is also associated with market leadership as it establishes a new product in a new market environment. Therefore, the pioneer company gains a significant competitive edge in the business market regarding the product or the service, because of its innovation.

Samsung is a prime example of a pioneer company as it has successfully launched cutting-edge technology in the mobile phone sector, display technology and usage of semiconductors. These innovations have helped Samsung to establish a new market base with established value propositions. For example, the large screen phones of **Samsung**, such as the Galaxy series and foldable phones like Galaxy Z Fold & Z Flip have been introduced (Samsung, 2024). On the other hand, **Samsung** had also developed the world's first AMOLED displays, along with curved screens in televisions. The 3D NAND flash memory, a primary semiconductor used in enterprise server storage, was developed by **Samsung** (Trend force, 2024). Hence, Samsung can be considered a major example of a pioneer company in the technology market.

b. Advantages of Pioneer Company

The pioneer company attains a significant amount of benefits and advantages due to the innovative architecture and the market leader. As suggested by Niehoff (2022, p. 2554), a pioneer company sets a **certain standard** for the product in the market and influences the

consumers' preferences towards the goods. Pioneer companies establish market standards and impact the customer selection attitude towards a specific product line. On the contrary, as mentioned by Schulze, Townsend and Tala (2022, p. 208), a pioneer company generates a **strong brand awareness** due to the first innovator of the product, leading to the gain or consumer reliability. Therefore, a significant amount of company profitability is linked with the characteristics of a pioneer company, in terms of creativity and brand image.



Figure 1: Advantages of Pioneer Company

(Source: Influenced Schulze, Townsend and Tala, 2022, p. 208)

Samsung, the company has played a forefront in major technical tools, which has earned the firm a **competitive edge** and its associated benefits. For example, the introduction of the **5G Technology** with **Virtualized Commercial 5G RAN** has increased the brand image of the firm (Samsung, 2021). Its leadership in the 5G technology market has severely expanded due to such a measure, allowing the company to gain a vehement amount of loyal consumers. The **market leadership** by **Samsung** in the semiconductor industry has allowed the firm to gain a global reputation and strong brand perception among consumers. The firm had offered the widest brand portfolio of semiconductors, such as **Memory**, **System LSI** and **Foundry** (Samsung, 2025). Based on such a measure, the company had the potential to attain a strong **global impact** on the technological market relating to semiconductors with wearable technology. On the other hand, the company was also the first innovator of **wearable technology** such as smartwatches and

fitness trackers, like the *Galaxy Watch series* (Samsung, 2025). Additionally, the company had gained the competitive advantage of setting a certain standard of facilities in the wearable technology market. Hence, **Samsung** has gained a significant number of benefits due to its attributes of being a pioneer company in the smartphone market.

c. Definition of Follower Company

A follower company is defined to be an organization which introduces its goods and facilities after its inauguration by the pioneer company. Based on Gómez, Perez-Aradros and Salazar (2022), the follower company improves the product quality and the product features, or changes the product pricing, based on the items feedback gained by the pioneer company. On the other hand, the follower company alters the products released by the pioneer company, based on the trends and the preferences of the consumers. Therefore, the betterment of the market adaptability is associated with the alterations of the goods and services of the pioneer company by the follower organisation.

Xiaomi is a vital follower organisation, as the company has dwelled its goods and services within the smartphone and electronics industry. After the established technical goods by **Samsung**, the company has acted as a follower company by launching its smartphones and associated items (Mukherjee, 2024). For example, the company had gained a notable idea about the needs and the requirements of the consumers of **Samsung**, related to the smartphone industry. The smartphones sold by **Samsung** had been evolved by **Xiaomi** within its features and sold off at a lower rate. Hence, the company gained a remarkable consumer base due to its cost-cutting strategies and improvement in the present innovations.

d. Advantages of Follower Company

A follower company is associated with an array of crucial benefits which allows it to achieve greater **company profit** and **cost-cutting measures**. For example, there is a reduction of the research and development cost price, as the follower company attains the basic knowledge of the features from the pioneer firm.



Figure 2: Advantages of Follower Company

(Source: Influenced by Iveson, Hultman and Davvetas, 2022, p.2)

The manufacturing cost of the Xiaomi Mi 10 is \$440; on the other hand, the basal price of the Samsung Galaxy S25 is approximately noted to be \$799 (Sharma, 2024). Based on such a difference, it can be easily deduced that even with the similar features of both the phones, there is a humongous difference in the price range. There is also a potential to achieve a **greater profit margin** than the pioneer company because of its mass production ability (Cantrell and Dickinson, 2020, p. 434). Follower Company can assess the acceptance rate of the pioneer companies and pursue better alterations within the product. Alterations as per the product requirements catered by the customers can help follower companies gain higher margins in profit. For instance, the profit margin of **Samsung** was 5.16 Chinese Yuan in 2024 and for **Xiaomi**, it was 57 billion Yuan in 2023 (Statista, 2024). Thus, it can be indicated that there is a lump sum amount of financial difference, in terms of the profit margin, between a follower organisation and a pioneer firm.

2. Product Life Cycle Strategies Applied to Develop Growth and Competitive Advantages

A PLC signifies “Product Life Cycle” as it presents systematic methods that demonstrate various stages of product development, decline and product maturity. Iveson, Hultman and Davvetas (2022, p.2) declared that PLC functions as an effective technique for marketing concepts and

strategic planning. Therefore, the PLC model contains four specific steps that are explained in detail below.

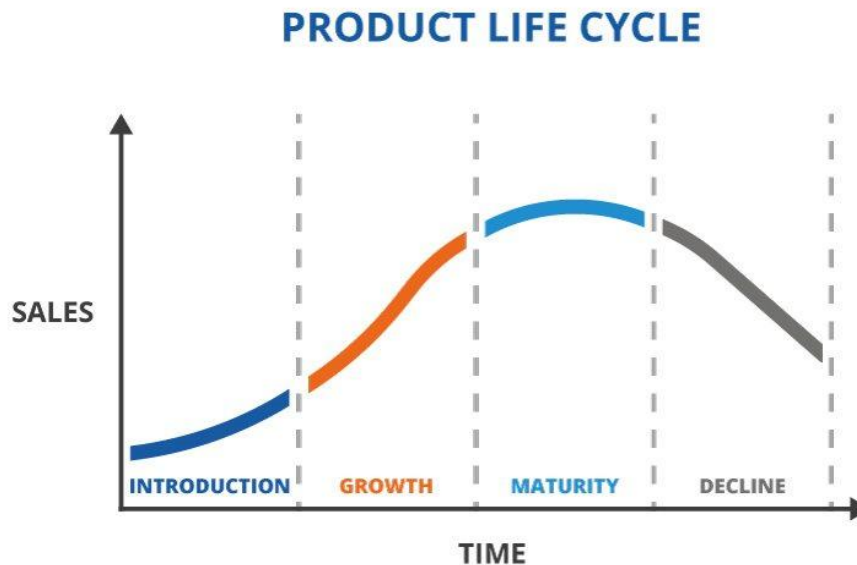


Figure 3: Product Life Cycle Strategies

(Source: Influenced by Iveson, Hultman and Davvetas, 2022, p.2)

a) Introduction stage

Pioneer companies mostly aim to pursue investments in research and development to align business strategy with innovative attributes and they can opt for better consumer engagement with consistent research. For example, at the introduction stage, Samsung invests heavily in R&D and consistent innovation to establish new technologies, such as foldable smartphones for the Galaxy Z series. Samsung also has adhered to a premium pricing strategy to recover the cost and position the products as high-quality (Information Technology and Innovation Foundation, 2024). On the other hand, Xiaomi entered the market after observing the consumer response to the launch of similar yet cost-effective products. In this context, after the launch of Foldable smartphones by Samsung, Xiaomi has also launched foldable mobiles at a lower cost and Xiaomi has targeted budget-conscious customers. Nevertheless, this company has also introduced fast charging capabilities with high-quality battery facilities to target a new base of customers

(Mustapha, 2020). Therefore, Xiaomi has assessed the market demand for cost-effective smartphone models and adopted innovative modules at a lower price as compared to Samsung.

b) Growth stage

During the growth phase of the PLC companies face rising market demand and it drives increased sales alongside intensified competition to develop new customer segments with improved product ranges. For example, the growth stage enabled Samsung to sustain its premium brand position because it continuously improved its Galaxy S line by adding cutting-edge features which included AI cameras and 5G connectivity together with foldable display technology. Samsung expanded worldwide to both developed and emerging markets as it strengthened its Galaxy ecosystem by making its devices seamlessly connect with smart devices. Additionally, the strategy of providing 4 years of OS updates led Samsung to develop stronger customer loyalty as users received extended software support (Samsung, 2025). On the other hand, the follower Xiaomi led to a low-cost strategy as they introduced flagship-level features in affordable ways through Redmi and POCO line-ups for cost-effective consumers across markets. Xiaomi used powerful online advertising together with quick discount promotions and a strong e-commerce presence to strengthen its market position, especially in India and Southeast Asia. Xiaomi adopted a different approach from Samsung by providing cheap products and local production to reduce costs while generally introducing new products frequently to maintain ongoing customer interest (Mustapha, 2020). The expansion strategies of both companies headed in different directions because Samsung focused on technological innovation and market separation and Xiaomi succeeded with competitive pricing alongside strategic product releases and digital-first commercial methods. However successful both companies became during the growth stage through individualistic approaches where Samsung used premium innovations alongside Xiaomi used accessible devices and low costs to build strong market positions in the fiercely competitive smartphone industry.

c) Maturity stage

Profitability and sustainability are such important factors during the Product Life Cycle Maturity stage that are demanded by companies to increase brand loyalty. Schulze, Townsend and Tala (2022, p. 208) stated that unique qualities in product lines differentiate products and optimise the efficiency of the companies because of market saturation. The maturity stage demanded Samsung to enhance its Galaxy product line with Galaxy Watches, Tablets, Smart TVs, and

SmartThings IoT devices to provide customers with integrated user experiences (Sharma, 2024). Also, Samsung added environmentally conscious sustainability elements through recycled materials and eco-friendly packaging as part of its strategy to reach eco-conscious consumers.

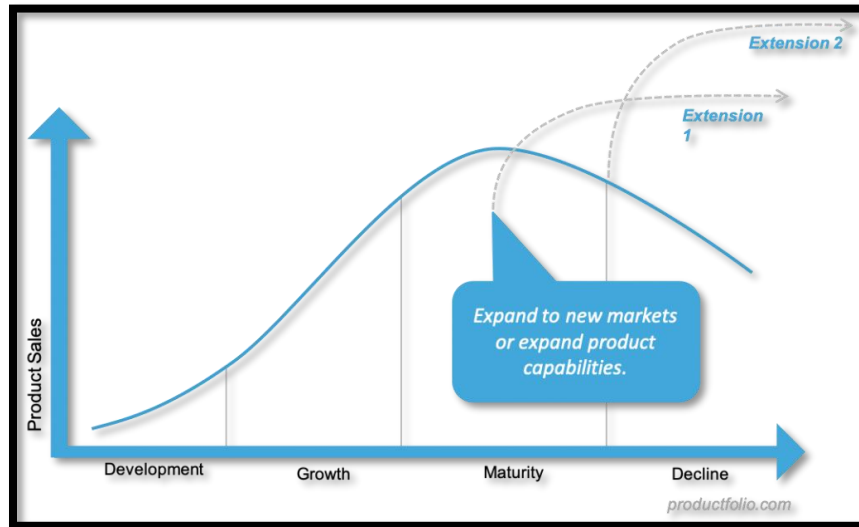


Figure 4: Maturity stage Product Life Cycle Strategies

(Source: Influenced by Schulze, Townsend and Tala, 2022, p. 208)

Samsung expanded its software support to between four and five years to maintain customer loyalty. On the other hand, Xiaomi asserted its position as a follower by releasing **value-based flagships** under the POCO and Redmi K brands that delivered premium features at a fraction of Samsung's premium model prices. Xiaomi increased its business scope by entering the IoT market with smart home devices wearable technology and affordable smart televisions to reach customers concerned about price. Xiaomi demolished premium ecosystem principles to focus on aggressive pricing together with flash sales and tailored products for regions based on affordability needs especially in developing markets. The main distinction between these companies Samsung and Xiaomi exists in service features as Samsung depends on customer loyalty based on premium services including Samsung Care+ extended warranties. Similarly, Xiaomi uses a HyperOS software system which optimises device performance throughout its expanding portfolio (Mi, 2024). In their maturity stage, the companies built up their ecosystems with different approaches as Samsung invested in premium integration and durable products and Xiaomi continued aggressive market expansion through its commitment to affordability. Both Samsung maintained market dominance through innovative products paired with strong brand prestige and Xiaomi achieved market success by providing affordable and accessible products to

customers. Therefore, the innovative approaches kept both companies relevant in the competitive smartphone sector even in the maturity stage.

d. Decline Stage

The last stage of the product life cycle is the stage of decline when the market of both pioneer and follower companies becomes saturated with lots of competitive rivalry and annual sales of products decrease. Due to the presence of competitive rivalry the target market becomes condensed, and customers have lots of alternative options for purchasing the same products (Bellar *et al.*, 2024, p.4). In addition, the advent of alternative products, technologies and innovations leads to product obstacles. Since the company has reached its potential customer and most of the consumers have already purchased products, a significant downturn in the revenue can be witnessed in the declination stage (NI Business Information, 2025). In order to survive in the declination stage consisting of tough competition, both pioneer and follower companies have to bring diversification in its business practice.

The companies also need updating production according to changing market demography and customer preferences. A real-life example of declination in the product life cycle can be witnessed in the case scenario of Nokia. Although Nokia is one of the most popular names in the smartphone industry, it has pioneered in this industry came along with Samsung. During declination stage the annual sales decreased to 22.26 billion Euros in 2022 which was 51.0 billion euros during the peak season of 2007 (Taylor, 2024). On the other hand, other smartphone brands like Xiaomi; Apple which has adhered to the footstep of Nokia and entered in this industry started to gain immense popularity and captured significant positions. Apple occupied the largest share of the global smartphone market by shipping more than 228 million of iPhones world-wide (Sherif, 2025). The reason behind the failure of Nokia is lack of innovation, inability to cope up with changing customer's perceptions.

Market saturation, presence of alternative products, services is the predominant reason behind the decrease of annual sales of pioneer and follower companies. During the initial phases pioneer companies introduce new products that attract a mass section of customers but with the propagation of time competitive rivalry gets increased. Based on research of Wang (2022), pioneer mobile phone brand Nokia has failed to change customer demand as basic calling and text messaging was not only functioning on mobile phones. On the other hand, smartphone brands like Samsung, Xiaomi have coped up with changing market trends and customer

preferences. Thus, it can be concluded that pioneer companies have to upgrade their business practices constantly in order to meet customer demand and bring diversity to sustain in the declination stage.

Conclusion

This essay has analysed the benefits of pioneer and follower companies to enter into the market with new products and business ideas. Pioneer companies being new entrants in the market have the advantages of high market share, brand awareness, minimum competition. Follower Company gets the opportunity to upgrade its production by analysing the success and failure reasons of pioneer companies. Product life cycle with 4 stages model including introduction, growth, maturity and declination has been used that concludes both pioneer and followers have to constantly upgrade its production to sustain in the market.

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