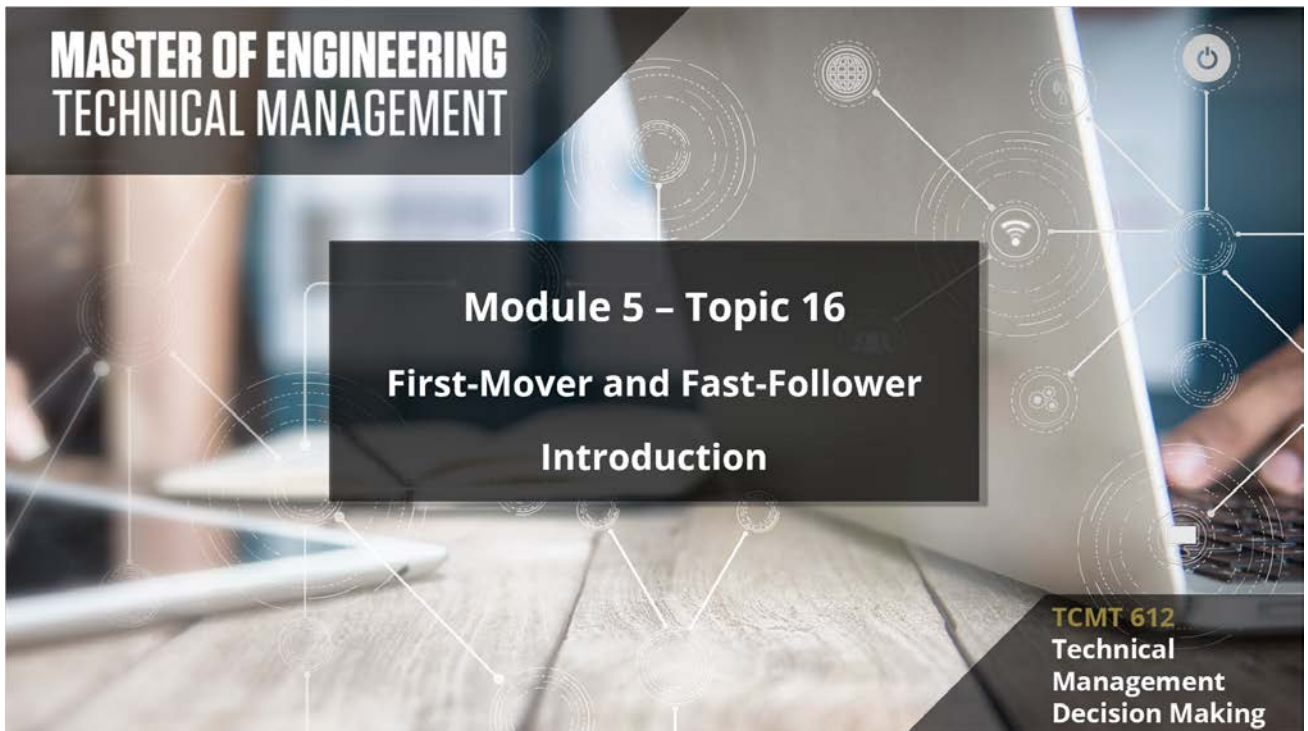


TCMT612_05M_097T_First-mover-and-fast-follower-introduction

1. Main

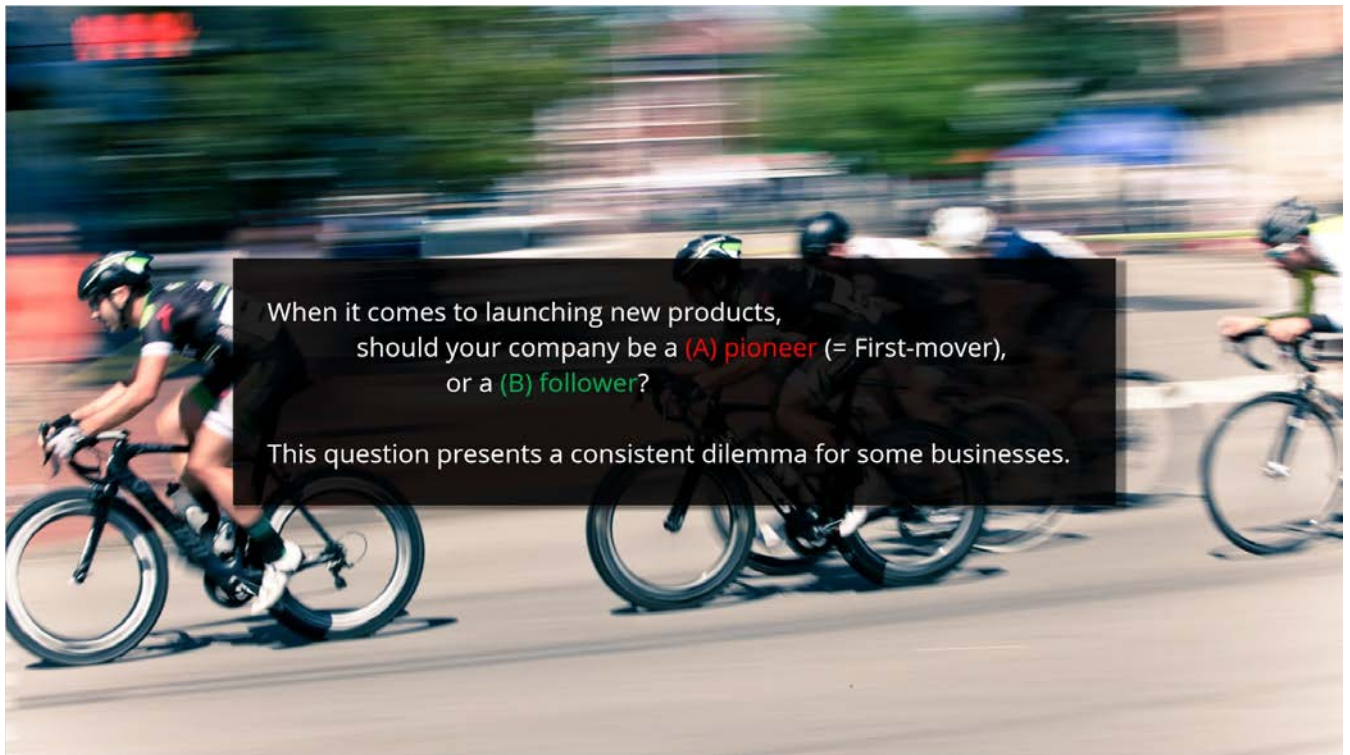
1.2 Topic title



Notes:

In this topic the professor introduces and describes “first-movers” or “fast-followers” types of companies.

1.3 Introduction



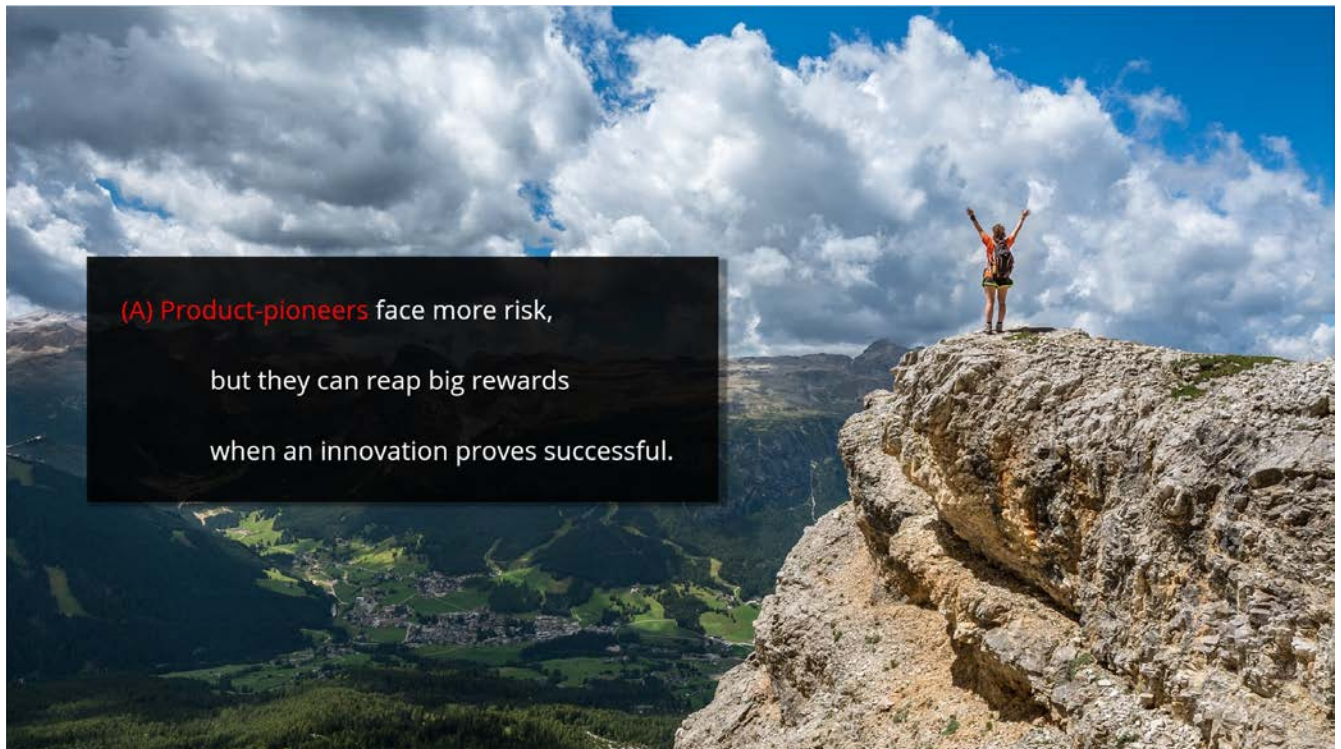
Notes:

When it comes to launching new products, should your company be a pioneer or a follower?

This question presents a consistent dilemma for some businesses.

Product-pioneers face more risk, but they can reap big rewards when an innovation proves successful.

1.4 First-mover



(A) Product-pioneers face more risk,
but they can reap big rewards
when an innovation proves successful.

Notes:

Product-pioneers face more risk, but they can reap big rewards when an innovation proves successful.

1.5 First-mover examples

XEROX® Pioneer of photocopying industry. Made significant profit from photocopying business

amazon.com® Pioneer of online shopping and ebooks

ebay® Pioneer of online auction

First-mover of product design, software and hardware to deliver differentiated products

Examples of First-Mover Companies



Notes:

Some examples of first-mover companies are,

- (1) first, Xerox, which is the pioneer of photocopy industry. The company made a significant profit from the photocopying business.
- (2) Second example is Amazon.com, which is the pioneer of online shopping service and eBooks.
- (3) eBay is also the pioneer of online auction.
- (4) Apple definitely is built as a first-mover of product design and integration of software and hardware to deliver differentiated products.

1.6 Fast-follower



Notes:

Fast-followers, on the other hand, are assured more reliable returns.

Fast-followers closely follow the pace of product pioneers, and therefore have the opportunity to avoid the mistakes that product pioneers made.

1.7 Fast-follower examples



Notes:

Here are some examples of fast-follower companies.

- (1) First, Samsung, especially the consumer electronics division of Samsung. Samsung closely monitors what product the pioneers in the US are doing. For example, what Apple is doing with iPhone, with different types of electronic products, and come up with their own version of those devices.
- (2) Another example is Google search engine. Google followed the pace of a Yahoo.com and came up with a superior search engine to get the market share from Yahoo.com.
- (3) The third example is Microsoft Xbox. The company follows the pace of Nintendo and Sony to develop its own version of the game console and use the company's distribution channel to compete with those Japanese video game makers.
- (4) Dell computer is also a fast-follower, especially in the early time of Dell. Dell computer followed the pace of IBM to deliver a high quality product to specific customers in the market.