Pioneering (Dis)Advantage and Later Entrant (Dis)Advantage: the Role of Consumer Goals in Pioneer and Later Entrant Brand Advantages

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A widely held assumption in consumer research is that there can be only one pioneer brand in a product category and that this pioneer has advantages (i.e. market share and profits) over later entrants. However, most of the brands in a product category are late entrants. This paper investigates whether a late entrant can overcome the pioneer’s advantage and achieve one for itself by becoming included in a goal-derived category. The assumption made here is that a favorable position in a goal-derived category simultaneously shields the late entrant from a typicality judgment that would favor the more typical pioneer and places the late entrant closer to a favorable evaluative judgment (i.e. and ideal category member) than the pioneer. Results from two experimental studies suggest that a late entrant strategy capitalizing on consumer’s goal-derived categorization is superior to a strategy of adding new and unique attributes in a taxonomic product category. This is true for both the late entrant and for a pioneer that tries to re-position itself when challenged by the later entrant.

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