



Medium

First Mover Does Not Always a Market Leader Make

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No matter your industry, you likely feel intense pressure to get your product or service to market before your competitors. But if that's the first lesson in the Business 101 curriculum, the second should be that achieving "first-mover" status never guarantees success. How can you walk the line between getting to market quickly, but not too quickly? To borrow from Sun Tzu, "If you know the enemy and know yourself, you need not fear the result of a hundred battles."

We work with several of the world's top pharmaceutical companies and Contract Research Organizations (CRO), and I can tell you this: There's no industry more competitive when it comes to achieving first-to-market status. The race to market for a new drug class is high stakes and companies strongly believe that every month of lead time ahead of a competitor makes a difference. This concern is not without justification, as the daily revenue lost due to delayed market entry has been estimated to be as high as [\\$8 million dollars](#).

Of course, hyper-competitiveness is not limited to the drug companies, and neither are the benefits of being a first-mover. Amazon.com was the first major online bookstore, Gillette introduced safety razors, Sony released the first personal stereos, Kleenex was the first to replace the handkerchief with tissues, and Coca-Cola fired the first shots in the cola wars.

However, even first-to-market companies can fall behind their competitors, or even go out of business. Netscape was the first to market an Internet browser. Meerkat launched its video-sharing social media app and was the darling of the SXSW festival in 2015. I don't remember the name of the company that rolled out the first mp3 player, but it wasn't Apple.

Don't Rush It

In an attempt to grab market share or slow down the market penetration of an incumbent industry leader, organizations will often rush an undifferentiated product to market, often in the form of slideware or vaporware, with accompanying vague promises of future functionality.

In reality, all these organizations do is validate the need in the industry, and drive market awareness and increased demand.

Speed to market is an important factor to success, but a premature entry is also certain to backfire and set the impression with prospective customers that your offering is well below par with the competition. These impressions are often long lasting. Differentiation is the mantra that is often touted in an organization's success, but central to this is providing an offering with unique customer benefits and superior value.

According to Robert Cooper, author of [Product Leadership: Creating and Launching Superior New Products](#), “truly superior, differentiated products” have an average 98 percent success rate and 53.3 percent market share, while “me-too” products average an 18.4 percent success rate and only 11.6 percent market share.

How can you balance being quick to market with delivering a superior product that is not a me too? Companies that are positioned to become market leaders share some telltale traits:

Niche Focus: Instead of battling over a crowded market, companies that become market leaders find a narrow market for their specialized product or service. Me-too products, on the other hand, are by their nature copiers, they will simply mirror existing functionality offered by competitors. Even in a niche market, there will be competition. Market leaders will focus on what sets their offering apart—what the competition isn't doing. Authors of bestseller [“Blue Ocean Strategy,”](#) W. Chan Kim and Renee Mauborgne argue that tomorrow's leading companies will be those that make competition irrelevant. Instead of battling competitors, they find ways to work in a market space that is uncontested and create new demand. Ask yourself what does the target audience need and how can you meet this need in a way no one else has done before?

Industry Proven: Prospective customers can smell inexperience a mile away. Me-too offerings often do not have any proven industry experience or knowledge due to their rush to enter the marketplace. Often their “customers” get their product at no-cost, and therefore no-risk, to secure an “unbiased” endorsement. They are big on promises and short on delivery. Future market leaders can provide references and case studies that show the effectiveness of their solution among early adopters. They will display some early market validation in the form of high-profile customers or partners.

Eye Always on the Customer: Market leaders will focus on their customers rather than their competitors. They constantly listen to customer feedback and iterate the product and their customer service to exceed expectations and delight the customer.

Deep Marketing: Market leaders have it together when it comes to marketing. Unlike me-too companies, which typically issue a press release and slideware—and that’s it—market leaders will have deep content. B2B marketers use an average of [8 content marketing tactics](#) including social media content, blogs, in-person events, videos, white papers, webinars and more. Make sure you have a deep marketing bench at launch and beyond. Do you have a dedicated webpage with product screenshots? Does your product look unique or simply a competitor’s product with a different logo? Do you have associated product sheets? What about case studies, white papers and videos? Look for new and creative ways to market your product.

“A” Players: Bill Gates once said, “Take our 20 best people away, and I will tell you that Microsoft would become an unimportant company.” A company is only as good as its team. Market leaders hire people who are not only the brightest but also who fit the company, are passionate about what they do, take pride in their role and are relentless in their dedication to customer delight.

Industry leaders are innovative companies dedicated to their customers’ success and to getting their partners to the finish line. More than change agents, these leaders focus on providing continuous business value momentum and exceeding customer expectations.

Shortly after Amazon launched as an online bookseller, the me-too’s followed its lead. Established book retailers Barnes & Noble and Borders were quick to develop their own websites. Amazon’s status as the first-mover alone would not help it survive. So it made two critical moves to maintain its momentum and grow its business.

First, Amazon [partnered with one of those competitors](#), Borders, on book sales. Second, it expanded its line-up of product offerings into an ever-growing range of consumer and business products. This turned Amazon into a one-stop shopping destination, eliminating reasons for customers to visit Barnes & Noble’s e-commerce site or stores.

Of course, in the long run, that arrangement didn’t work out for Borders. But Amazon’s success demonstrates how being first to market does not create a permanent competitive advantage. You must leverage the benefits that being first offers before the window closes.

A [“high-velocity organization,”](#) characterized by Professor Steven Spear, is always learning and improving. After all, when someone copies what you have in the market, they are copying the artifact of your past effort. According to Spear, “Today, the sustainable competitive advantage has to be won by creating the internal capacity to improve and innovate—fast and without letup. Simply put, today’s leading organizations outrace their competition by outlearning them.”

Join Forces

That's why you should embrace—even seek out—an opportunity to partner with another company that can help increase your speed to market. Back to the Amazon-Borders example—Amazon handled inventory, shipment, site content and customer service while Borders leveraged its brand name to drive sales.

Look for a company with an innovative product or solution that complements yours, or an established customer base in one of your target markets. Just as importantly, what opportunities do you bring to the table? If you can find a dance partner, the benefits to both of you can include:

- Market differentiation
- Improved customer support
- Increase ability to drive business value given they are not constrained
- Better economic alignment as pricing is more value driven
- Improved employee motivation

At the end of the day what customers care about most is not who enters the race first, but who helps them cross the finish line and achieve their goals. So slow down, take the time to plan and do the hard work before you pull the trigger on launch. The future market leader delivers more than a great product; they deliver a differentiated product that addresses what customers actually want in a way that's never been done before. The company that accomplishes that first will be the market leader. Will it be you?



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