Unraveling Pioneer Leadtime: The First Follower Perspective

By

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All interested are welcome
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ABSTRACT

This study proposes a new theoretical frame to explain inter-market differences in the first follower’s market entry that determines the pioneer’s monopoly period (i.e., pioneer leadtime). We note that firms’ new market entry is reflective of their entry capabilities as well as entry motivations. More specifically, we argue that the prior industry experience of both the pioneer and first follower and the product innovation radicalness of a new market may influence the first follower’s entry capabilities and motivations, creating variance in pioneer leadtime. Our empirical findings generally support our theoretical frame, but provide seemingly surprising results from the conventional entry-barrier perspective. For a radical innovation market, follow-up firms enter more quickly when the pioneer has experiences from similar industries than when it does not. On the contrary, for an incremental innovation market, firms enter more slowly when the pioneer has experiences from similar industries than when it does not. Furthermore, on average, first followers enter more quickly in radical innovation markets than in incremental innovation markets except for the case where neither the pioneer nor the first follower has experiences from similar industries.