

School of Management and Marketing
Seminar Notice

TITLE : **Pioneer, Early Follower or Late Follower: What should you prefer?**

SPEAKER : **Professor Dr. Sönke Albers** (Email: albers@bwl.uni-kiel.de)
Christian-Albrechts-University of Kiel, Germany

BIOGRAPHY

Sönke Albers (Diploma in Business Administration, PhD) is Professor of Innovation, New Media, and Marketing at Christian-Albrechts-University at Kiel, Germany. He was previously Professor of Marketing, and for a year also the first Dean of Otto Beisheim Graduate School of Management (WHU), and further Professor of Marketing at Lüneburg University, both in Germany. He also was a Visiting Scholar or Professor at Stanford University, INSEAD (France), Vienna University and the Australian Graduate School of Management in Sydney. He is chairman of a major research site called "Graduiertenkolleg" with the topic "Business aspects of loosely coupled systems in the age of electronic media" funded by the German Science Foundation (DFG). His research interests are lying in the areas of marketing and sales management, the diffusion of innovations, the planning of new products and electronic business. He is author of about 150 articles in international and German journals such as Marketing Science, Journal of Marketing Research, International Journal of Research in Marketing and published over 10 books including "Marketing with Interactive Media", "eCommerce", "Product Management", "Salesforce Management", and "The eCommerce Winner", all in German. He is co-editor of the journal Schmalenbach Business Review (Zeitschrift für betriebswirtschaftliche Forschung) and on the editorial board of several other journals.

DAY/DATE : Thursday, 16 February 2006

TIME : 12.30-2.00p.m.

VENUE : 40.130

ABSTRACT

This study investigates the impact of order of entry on long-term market share. Empirical evidence from many studies shows that pioneers achieve greater long-term market shares than their followers. The literature provides many arguments for the existence of an overall advantage for pioneers. However, pioneering is not only associated with chances but also with risks. Particularly early movers might capitalize on the risks of pioneering. As an example, they may benefit from free ride effects or avoid mistakes made by the pioneer. While these benefits have been widely discussed in the literature on market entry timing strategy empirical research generally failed to demonstrate potential early mover advantages.

This situation is mainly due to three shortcomings: (1) the quality of data, (2) the definition of early mover, and (3) the specification of the market share model. Our study addresses the aforementioned issues and contributes to the literature in several ways. First, we make clear what type of data should be used to investigate differences in the effects of pioneers, early movers and late movers. Second, we suggest a rule to classify entrants as early mover opposed to late movers. Third, we propose and discuss different parametric and semi-parametric model specifications of the order of entry effect. Such a specification enables the researcher to detect a possible overall early mover advantage in contrast to an overall pioneer advantage. We apply the proposed early mover definition and flexible model specifications to an international dataset from the pharmaceutical industry.

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