

Research: Latecomers are better

Why is being first to market beneficial in some cases and detrimental in others. Opinions on this matter differ greatly. Both have certain advantages and disadvantages. Research shows which attributes new products need to be able to beat early entrants. The researchers arrived at three important conclusions. The first is that consumers assume a more critical approach to so-called pioneer brands (early entrants) than they do to brands that make it to the market later. A second related conclusion is that generic/ standard product associations are sooner ascribed to the pioneer brand than to so-called latecomers. And their last conclusion is that unique product features are more closely associated with brands that were launched later. This was studied using four experiments, of which the first is described in the following.

This experiment saw the researchers showing a certain wine brand name to the participants, pointing at two product attributes. Participants were subsequently shown a second wine brand name, and again made aware of two product attributes. One of the product features of the second wine brand was identical to one of the attributes of the first wine brand (i.e. standard features). However, the other product feature was unique to the second wine brand. The researchers (physically) went on to show the two wines after each other (without the brand name). Participants were asked to indicate which brand of wine they thought they saw. This showed that people chose the first wine brand on more occasions when wine with generic attributes was shown. But when the wine was shown that had unique features, people tended to choose the second brand.

The researchers concluded consumers develop a stronger association between a unique attribute and a brand that was 'learned' later (latecomer). They claimed this could result in a so-called latecomer advantage. This advantage comes about due to the fact that unique product features are generally appreciated more than standard product features. But when a standard feature is appreciated more than a unique feature, the pioneer brand will logically have the edge. The brand name will in that case be more closely associated with the standard feature. The researchers conclude by stating that these results could contribute greatly to the branding process (of products). The insight that consumers develop a close association between a unique attribute and a brand that was launched at a later stage is, in their opinion, hugely valuable for any brand manager.

Reference(s)

Cunha, M. Laran, J. (2009), Asymmetries in the sequential learning of brand associations: implications for the early entrant advantage, Journal of Consumer Research, February (forthcoming issue). *

* : available in the EURIB library.