

# Research finds being first in marketplace not always key to success

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Marketing research from three universities suggests it's not always best to be first. Products from well-known brands may benefit from entering the market as followers rather than as the first of their kind because consumers don't judge new products in the same way they evaluate existing products, the researchers determined.

These findings suggest how managers can predict when a product might be more successful, said one of the researchers, James. L. Oakley, an assistant professor at Purdue University's Krannert School of Management.

The findings are detailed in a research paper that appears in this month's issue of the *Journal of Consumer Research*. In addition to Oakley, authors are Subramaniam Balachander, also from the Krannert School; Adam Duhachek, assistant professor in marketing from Indiana University's Kelly School of Business; and S. Sriram, an assistant professor in marketing from the University of Connecticut. Most of the research was funded privately, but Duhachek received research support from 3M.

Companies with recognized brand names can benefit from waiting, but companies that don't necessarily fit in a particular area might have better luck if they introduce a new product first, the research showed.

Researchers collected data from 125 undergraduate students regarding the introduction of a new product. The results showed that when a

company is well-known in a particular area, it is evaluated more positively if it enters the market as a follower rather than being the first.

"The challenge for managers is how to give a brand name company broader recognition without sacrificing reputation, and we were looking to provide insights for managers on how to better introduce new products," Oakley said. "This type of research is an attempt to create data for both consumers and managers because everyone benefits when managers do a better job."

Two additional studies validated the earlier findings.

Future research will look into how consumer feedback affects a company's ability to introduce additional products, Oakley said.

Source: Purdue University

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