*Mini Case 4 Gillette - First-to-Market Risks*

Some managers perceive innovation to be inextricably linked to a first-to-market strat­egy. Breakthrough products such as the iPod have captured the imagination of many peo­ple, who now perceive innovation as consisting of radically new products. Unfortunately, this view can lead managers to forget the biggest downside of being first-to-market - competitors may copy your innovation if you do not think of ways to protect it. What is worst, competitors may learn from the limitations of the first-to-market product and the ‘copy’ can be better than the original!

The Gillette ‘Mach 3’ razor was a first-to-market product. Gillette developed this advanced razor, with its characteristic three blades set at different very precise angles, at a very high cost. A UK supermarket chain was quickly able to introduce a good copy of the product at a fraction of the development costs. This made Gillette more depen­dent on expensive television advertising in trying to protect sales of their product. When products are easy to copy, competitors can even ‘leapfrog’ the original features and the Wilkinson Sword Company introduced a four-blade razor. Now the market even has a five-blade product!