FIRST MOVER ADVANTAGE

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Reference this article

Abstract / Definition
First mover advantage is the competitive edge gained by firms entering the market earlier than competitors. The timing of strategic moves may be critical for success as a result of the positive advantages accruing to first movers. Being first has a significant payoff when: It enhances the firm's image and reputation with buyers; early entry can tie up key raw material sources, new technologies, distribution channels, and the like, so as to shift the cost boundaries of a business or industry; first time operators build customer loyalty which is hard to dislodge; it constitutes a pre-emptive strike which is difficult to copy.

Keywords
First mover advantage, competitive advantage, competition, incumbents, winner takes all, barriers to entry

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