Imitation: the new key to business success

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In the business world, as elsewhere in life, copying is frowned upon. Yet, in some cases, it has been responsible for inspiring business leaders, creating new markets and, most surprisingly, driving innovation

"Copycat" is a term loaded with judgement and businesses tend to look down on any kind of imitation as a weak and limiting strategy. According to received wisdom, an imitator can only be as good as, never better than, the real thing – just as a tribute band is bound to peddle the same old material without the original spark.

Our research attempts to set the record straight on this blinkered and outdated view. **Imitation is rife throughout commerce – and has been applied widely – from floor mops through to consumer technology and services.** Used deftly, imitation can speed up the pace of change, spark innovation and leverage creativity.

Back in 1966, Harvard economist Professor Theodore Levitt pointed out that we "often mistake innovation for what is really imitation". More than 40 years later, the equally revered Stanford Professor James G. March observed "imitation probably represents the majority of what is normally called innovation".

Big companies stay ahead by imitating smaller rivals; startups fast track their experience by looking at competitors' strategies, sometimes sharing insights and successes. Investors prefer startups that borrow from tried and tested technology and experience rather than putting their cash into riskier novel ventures.

But imitation as a business strategy doesn't inspire; LinkedIn isn't awash with entrepreneurs declaring themselves to be leading imitators in their field. We idolise what is new and creative without acknowledging the debt owed to existing business. **But if leaders can recognise the importance of imitation, they can limit blind spots and get the upper hand.**

Imitation is more than simply copying: it might mean emulating products and processes, a firm's technologies and resources, or even structures and strategies.

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Take the fashion chain Zara, which pioneered the extremely successful business model of swiftly copying designer brands for a fraction of the price, and putting clothes on sale at carefully selected locations. Enter challenger Shein, which has stolen the rug from under brands like Zara by producing on-trend clothes available online in under a week at rock bottom prices. This has resulted both in meteoric growth and flurries of copyright complaints. But, in turn, new challengers from China are poised to oust Shein with superior offers. Whatever your view of fast fashion, in this case imitation has created a new market.

There are at least three main misconceptions about imitation that are worth challenging:

1. Imitation is weak

Mightier firms often compete with, and draw upon, the experiences of smaller players. They’re often successful because their superior muscle power allows them to exploit innovations. Take P&G’s "breakthrough" quick mop, the "Swiffer", which was an instant hit when it launched in 1999, and has since generated millions of dollars. A similar product was already sold in Japan, which P&G says it tweaked and improved.

There are other instances of corporate giants introducing products or features bearing a resemblance to competitors’ earlier efforts: at its launch in 2001, the Apple iPod bore a close physical resemblance to the Diamond Rio, the world’s first digital audio player launched four years earlier. More recently, Meta launched Facebook products resembling Snapchat and TikTok features.

In the right climate, imitation benefits even the heftiest players. Imitation can be an effective defensive strategy for a leader, as illustrated by our analogies with competitive sailing in earlier research.

2. There’s only one way to imitate

We tend to assume that imitation is a binary choice, a simple "yes or no" decision, but choosing when, how, what and who to imitate requires skill and judgement. Sometimes it pays to integrate disparate elements to create something new – and then imitation becomes creative. Timing can be critical too: is it better to wait until a new product or service has bedded in or move swiftly? Speed can influence how competitors respond and creates its own market dynamic.

3. Imitation is easy

Business leaders fall into the trap of believing that imitation is a simple cut and paste option, which doesn’t do justice to its complexity. Technologies and services might be opaque or secretive and, as a result, difficult to copy. To imitate well, a company might require superior resources such as supply and distribution networks. Or, it may not be obvious which element gives a brand its competitive edge.

For example, consumers might be choosing a beer for its flavour over its packaging, but if rival firms don’t understand what’s driving consumer preferences, they might imitate the wrong thing. And then there are occasions when it suits businesses to encourage imitation by others – it might boost customer numbers, help establish and legitimise goods or services, or even help firms keep an eye on the opposition and limit risk.

While these assumptions may be true in some instances, they don't do justice to the more complicated reality. **To underestimate the power of imitation is a business opportunity missed** and, as a business tool and tactic, imitation risks being overlooked. With a deeper understanding of how imitation helps businesses and sectors evolve – as seen in fast fashion, personal computing and more – it can become a source of inspiration, as well as nudge companies to push boundaries and speed up the pace of innovation.

This article draws on findings from "Reconceptualizing Imitation: Implications for Dynamic Capabilities, Innovation and Competitive Advantage" by Hart E. Posen (University of Wisconsin-Madison), Jan-Michael Ross (Imperial London), Brian Wu (University of Michigan), Stefano Benigni (Imperial London) and Zhi Cao (University of Nevada, Las Vegas).

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Dr Ross was an Associate Professor of Strategy at Imperial Business School until the academic year 2024-25. He retains a visiting professor role with the School. His research focuses on the role of uncertainty and environmental changes for competitive dynamics, imitation strategies, and strategic investment decisions.

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