

The hidden benefits of releasing your product later than your rivals

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The benefits of being first to market are well known. But new research from Imperial Business School shows that, in certain cases, biding your time could increase your profits.

Conventional wisdom **warns against being late to market**: a product that launches after its rivals risks losing potential customers and ceding market share to competitors.

And yet, we see some brands aren't keen to rush to market, despite leaked reports and industry rumours suggesting their products are ready to go. Apple for instance didn't release its smartwatch until 2015, later than predicted, and a year behind Samsung's smartwatch.

These delays **aren't new**. Back in the mid-1990s, Sony decided to wait four months to release its PlayStation in the US after Sega launched its Saturn gaming console -

although Sony's machine had already launched in some countries.

So, why delay? In the past, researchers have suggested that companies are making **last minute improvements** to their product or **assessing an uncertain market** – but consumer technology markets are fairly stable and enjoy healthy demand.

Staggered product release

Our work suggests that deliberate delays in launching can benefit both the early bird and the latecomer. We've created a mathematical model to compare two notional firms with shelf-ready products competing in the same market – and the results are surprising.

When a product is launched, some consumers will buy it immediately, but others will wait, safe in the knowledge that their favourite brand will launch a similar model down the line. And if two rival products aren't competing simultaneously for the same group of consumers, this means they **don't need to compete on price so aggressively**. Staggered product release dates mean both the early bird and latecomer can charge a premium for their products – it's a win-win scenario (although not for the consumer).

Persuading consumers that this is a product worth waiting for is key

Even though a company may be missing out on customers, the higher prices it will charge due to diminished competitive pressure can more than make up for the lower sales, our model shows. We wanted to know if this theory held water across brands with different profiles. Would high-quality brands still benefit from a later launch than their lesser-known or lower quality rivals?

If the difference in quality and reputation between two companies is extreme, we found, both are better off releasing their products early. Delaying entry would **significantly harm the low-quality brand** because few consumers would be willing to wait. For the high-quality firm, given its huge advantage, the marginal benefit from delaying is again slim.

But for brands with a less pronounced difference in quality, **the higher quality brand may have more incentives to delay the product launch**. This is because consumers are more likely to wait for a higher quality brand than a low-quality one.

The high-quality brand doesn't lose too many customers by delaying, but gains substantially due to less intense price competition.

Know your market

To exploit these insights to their advantage, companies need to know their markets inside out – particularly if they want to time and price their products for maximum profits. They **need to know whether their consumers are loyal**, and they need to understand where their brand sits beside rivals in terms of differentiation: late product release can be profitable only when there is enough differentiation to convince some consumers to wait for the product. And they must gauge the size of the market and keep on top of consumer numbers.

We've found that the latest time to enter a market with a similar product is **before roughly a third of consumers intend to buy an item** in the product category – if they wait longer, businesses may lose out. There are tools and analyses available that can equip strategists to estimate the size of a market, and judge whether it will pay to delay the launch of a new product.

Communicate with your customers

And if a brand decides to delay the launch rather than rush to market, then it should **make it a priority to communicate clearly to consumers** that its own product is on its way, and what makes it superior.

Persuading consumers that this is a product worth waiting for is key. Here, companies can use **marketing tactics** such as releasing early samples for influencers, holding special events, working with media to highlight features that make this product stand out and flagging the release date.

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While our findings highlight the strategic benefits of delaying product launches, several questions merit **further investigation**:

- How do varying market conditions, such as rapid technological changes or evolving consumer preferences, affect the success of staggered releases?

- What role do marketing strategies play in maintaining consumer interest during these delays?
- How does the growing prevalence of second-hand markets influence the dynamics of new product launches and pricing strategies?

Understanding these complexities will help companies refine their strategies to remain competitive.

This article draws on findings from "[Don't Hurry, Be Happy! The Bright Side of Late Product Release](#)" by Mushegh Harutyunyan (Imperial College London) and Chakravarthi Narasimhan (Washington University in St. Louis).

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Mushegh Harutyunyan is an Associate Professor of Marketing. He obtained his Ph.D. from Washington University in St. Louis. Prior to joining Imperial Business School, Professor Harutyunyan was an Assistant Professor of Marketing at Nazarbayev University Graduate School of Business and was hosted as a Visiting Scholar by the Fuqua School of Business at Duke University multiple times.

His research uses quantitative analytical methods to explore firms' strategic behaviour and the resulting market outcomes. His research also integrates experimental findings about consumer behaviour into the traditional game-theoretic models, investigating how consumers' behavioural traits (such as fairness concerns, temptation and lack of self-control) influence the firms' optimal strategies.

Read [Mushegh's Imperial Profile](#) for more information and publications.

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