

Before or After: Optimal Competitive Product Release Timing

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Abstract

In this research, we set up a game-theoretic model to find out the optimal product release timing for competitors in a duopoly. The market is made up of loyal segments as well as a switcher segment. We also include variables that measure competitor strength, speed of innovation, as well as the attractiveness of new technology. We find that if competition is unbalanced, the stronger firm would find it optimal to delay their new product release while the weaker firm would find it optimal to hasten it. Current trends in the video gaming industry are used to support our findings.

Keywords: *New Product Introduction; Competition; Game Theory*

Track: Innovation Management & New Product Development