Whether it’s toothpaste or bleach, skin cream or detergent, the ways a gooey liquid can be engineered, packaged, purchased and applied in the daily routine of the average consumer are more varied than the average consumer has the time – or inclination – to care about. Not so Procter & Gamble.

Its research and development staff spend $2bn a year hypothesising, experimenting, analysing and ruminating on each of those things in the name of “innovation” – a corporate mantra that P&G staff repeat with a frequency that suggests heartfelt commitment or rigorous brainwashing.

The latest offering from its laboratories resembles a jellyfish-like creature wearing a hat of orange and purple bulges. Called the Tide Pod, the new product is a dissolvable triple-chamber capsule of laundry detergent. It is concentrated, convenient, lightweight and removes the bother of measuring out your detergent, says P&G. The company is also trying hard to present it as revolutionary.
the biggest “disruption” in US laundry since it introduced Tide liquid detergent in 1984. “It’s been three decades since the lives of people in the laundry room were changed in a meaningful way,” said Alex Keith, P&G’s general manager for fabric care.

The truth, however, is rather different – and not simply because single-dose capsules are already common in Europe. P&G has not even been a capsule pioneer in the US: Henkel, Sun Products and Church & Dwight all released similar products before P&G’s arrived on shelves last month.

With Tide Pods, therefore, P&G has neither broken new ground nor lived up to its innovative mission. It will not enjoy the vaunted “first-mover advantage” of lodging its brand in the minds of consumers, shaping their preferences, establishing a technological edge and securing the best space on retail shelves before anyone else.

But does that matter? The answer is probably not. In spite of P&G’s compulsion to innovate, being “first to market” is not the sure-fire path to dominance it is cracked up to be.

In 2001 the idea of first-mover advantage was challenged by the academics Peter Golder and Gerard Tellis, whose research into the history of 66 industries found that companies get limited rewards from being pioneers. In fact, it is later entrants that tend to succeed.

How Amazon keeps its advantage flowing

For those who defend the idea that being first to market matters, Amazon seems to provide compelling supporting evidence. The pioneer of online retailing, set up by Jeff Bezos to sell books from Seattle more than 17 years ago, has stayed ahead of competition until this day.

Not only has no other internet-only retailer in the US got close to it since the bursting of the internet bubble, it has grown so big that its sales make it larger than all but a handful of bricks-and-mortar retailers.

But this is not because Amazon has been able to kick back and reap rewards from its first-mover advantage

In Will and Vision: How Latecomers Grow to Dominate Markets, they showed that many companies believed to be pioneers in categories that they led (at least for a time) were in fact late arrivals: Kodak in cameras, Xerox in photocopiers, Apple in personal computers. “Market pioneering is neither necessary nor sufficient for long-term success,” they wrote.

Instead, so-called “fast followers” have the advantage of being able to use pioneers’ experiences to learn about consumer tastes, new designs and manufacturing techniques, and the potential size of a market. They can also learn from their mistakes.

Eric Schwartz, general manager of laundry care at Henkel in the US, echoes this view. “The first mover sometimes overcomplicates in the beginning,” he says. “At the end of the day it’s not about how intricate you make a new offering. It’s about how close to what the consumer wants your offering is.”
early days).

Instead, it has continuously built new innovations on top of that first move. These are often unglamorous, back-office tweaks, such as new pricing algorithms, the one-click purchase button or improvements to inventory management. But they make shopping cheaper, quicker, easier and more reliable – features that are as prosaic as they are hard to achieve.

embedded in business. One reason is that first movers that fall by the wayside get forgotten. Another is the law, which gives first movers the right to register new patents and brands.

The belief that first is best is also buried deep in many people’s minds. “There’s tremendous romance around the idea of pioneering, breakthrough innovation,” says Patrick Barwise, emeritus professor at London Business School and co-author of Beyond the Familiar: Long-term Growth Through Customer Focus and Innovation. “It’s an extension of people’s exaggerated belief in the importance of differentiation.”

Given the high costs and high risks involved, he believes that being the first mover is generally not a good thing if you are trying to create an entirely new product category. It has more value for an “adjacent” innovation – such as Tide Pods, a premium product built on the larger Tide brand, which accounts for about 43 per cent of detergent sales at US retailers tracked by Symphony IRI, a market research group. (P&G is projecting pod sales of $300m over the next year.)

P&G remains keen to promote its pioneer narrative but another hole in its story is that it has sold single-dose detergents twice before: Salvo in the 1960s and 1970s; and Tide Rapid Action tablets from 2000 to 2002. Neither dissolved well, say rivals. This time round, it unveiled Tide Pods in March 2011 and pledged to have them in shops three months later.

But it subsequently had to delay shipments twice, thereby giving rivals time to accelerate pre-existing capsule plans or to begin drawing some up. In the past two months, Henkel of Germany has launched Purex UltraPacks in the US, Sun Products has unveiled its All Mighty Pacs, and Arm & Hammer, owned by Church & Dwight, has released Power Paks. A small Philadelphia company called Cot’n Wash has been selling its Dropps capsules since 2006.

Asked if P&G was playing catch-up, Ms Keith answered with a firm “no”. All the alternatives have single chambers, unlike the triple-barrelled Tide Pods, whose design separates chemicals that are not stable if blended but produce superior cleaning, stain removal and brightening when mixed with water, says P&G.

Others, however, are unconvinced. Tide Pods are just “one of the crowd”, says Mary Marlowe Leverette, About.com’s laundry expert. “Do I think it’s innovative? No.”

But there is little downside to P&G being late. For some brands the arrival of several
Michael Lyons, senior brand manager for Sun Products’ All line, says: “The number one challenge we have is educating consumers about what these are, how to use them and what they do. I’m in the mindset that the more people advertise, the quicker the uptake.”

Prof Barwise says that while it would have been better for P&G to launch Tide Pods in a less crowded market, “it’s not a big deal. They still have all the other advantages of being Procter: brand, distribution, great execution and the ability to keep improving the product”. Its marketing budget also exceeded $13bn last year.

Consumers often assume that the brand which advertises loudest hit the market first. And in the long term, victors shape the telling of history. Pampers, a P&G brand launched in 1961, is often presumed to have been the disposable nappy pioneer because of its dominant market position today. But it wasn’t, as the authors of Will and Vision recount: Chux, a Johnson & Johnson brand, was first to market in 1949. But who remembers that?