**Abstract:**

We explore how the fit between supply-side pre-entry experience and demand-side consumer heterogeneity affects outcomes for firms entering a new market. We suggest that pre-entry technological experience (offering the same technology to different consumers) helps firms attract a small pool of early adopters that value the technology highly. This effect, however, only manifests if the firm enters early, when consumers make adoption decisions. Pre-entry market experience (providing a different product to the same consumers) helps firms attract a larger share of late adopter consumers with a lower willingness to pay. The theory emerges inductively from a detailed analysis of the global 2G mobile telecommunications industry, which also provides important insights in the mechanisms by which pre-entry experience affects post-entry performance, as well as the potential boundary conditions on the theory. The emerging theory has implications for research on pre-entry experience and demand-side heterogeneity, as well as making a methodological contribution to the study of time-invariant firm characteristics.