Even though we observe a price war in a new product market, few studies analyze its endogenous emergence as a result of firms' behavior. This paper allows for two products, new and old, and investigates conditions that a price competition endogenously emerges in a new product market in the context of a choice between engaging in price competition and holding price leadership. We demonstrate that Bertrand-like price competition emerges when the setup cost for the new product is high. The price of the new product is higher and its supply is shorter under Stackelberg competition. This result implies that Bertrand-like price competition becomes more important because modern society can benefit from a new product market through the type of competition.