iJRASET
International Journal For Research in Applied Science and Engineering Technology



INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Volume: 5 **Issue:** V **Month of publication:** May 2017

DOI:

www.ijraset.com

Call: 08813907089 | E-mail ID: ijraset@gmail.com

Volume 5 Issue V, May 2017
ISSN: 2321-9653
International Journal for Research in Applied Science & Engineering Technology (IJRASET)

Challenges Faced by Software Start-Ups

Deepa N[1], Nikhil M[2], Sree Teja G[3], Manideep Reddy K V[4], Akhil K[5]
[1,2,3,4,5]*Department of Software and Systems Engineering, VIT University*

Abstract*: Start-up companies face challenges especially in the early stages which include the competition with well-established organizations that have budgets for traditional promotional activities. Launching a new software suite can be an exciting thing in the life of any start-up company - but sometimes, that excitement turns to frustration, as the software fails to make the impact in the market and struggles to make its mark. In most of the cases, this is not because the software is lacking wonderful features, but because there is simply no prudent and strategic software marketing plan in place. Traditional marketing can be expensive. The solution is to explore and analyse various marketing channels that can give you maximum brand exposure without worrying about the budget.

Keywords: Marketing, Software, Start-up, Online, SEO, Inbound, Content, Search, Commercial, Marketplace, Business, Products, Price, Promotion, Social, Networking, Customers, Like, Tweet, Share, Pin, Facebook, Twitter, Pinterest, Internet, Software, Advertisement, Commerce, E-Commerce, Computers, Electronic.

I. INTRODUCTION

Marketing techniques like Inbound Marketing & Content Marketing fit the profile. Since 2006, Inbound Marketing has been the most effective method for doing business online. Inbound Marketing refers to promotional activities that bring visitors in, rather than marketers having to go out to get attention. Promoting your company/product can be done through blogs, videos, podcasts, social media, SEO etc.

Content marketing is a form of Inbound Marketing that involves the creation, sharing and publishing content in order to acquire customers. The type of content is closely related to what you sell. However, the main focus should be on the needs of the target customer. By creating content that appeals your target customers, Inbound Marketing attracts prospective customers to your business.

II. OBJECTIVE

This paper focuses on reviewing previously published papers and surveys that have already been made on the success of marketing techniques like Inbound and Content marketing in the field of Software Development. The main objective of this study is to make marketing easier for new start-ups that aren't properly funded by using these inexpensive and effective marketing techniques.

III.REVIEW OF LITERATURE

Marketing is all about telling your targeted customers about what you have to offer and why they should spend their money on your product in the first place. In case of a software company, designers make the product so complex as to "wow" someone standing in their line of competition. It makes the product vague for the customer, thus reducing their interest towards the product as a result of misunderstanding.

An article by Alyssa Dver published in the B2C blog on August 24, 2011 describes the common mistakes made my Software

A. Companies in Marketing their Product. [2] They are:

1) "Assuming you are your target customer"
2) "Asking what users want and not why"
3) "Accepting that not every requirement needs a business justification"
4) "Marketing has to cost a lot"
5) "Word of mouth happens on its own"
6) "If my product is best, they will buy it despite their budget"

Another article by Adriana Iordan published in the Avangate Digest, April 2007 focuses on basic marketing methods for software

B. Companies that have Newly Launched a Product. [1] They are

1) Continuous SEO

©IJRASET: All Rights are Reserved

2) Submitting a demo or trial version of your product to software download directories
3) Affiliates marketing
4) PPC campaigns
5) Newsletters and press releases
6) Social Media
7) Blog and RSS

These techniques are inexpensive and fall straight into the category of Inbound Marketing, which focuses on bringing customer to you. This will surely help start-ups with low funding and those who think marketing is too expensive for their budget. To market your software successfully, you need to apply the most suitable method. Keep in mind, that every product is different, so you need to find the best method that brings higher sales and better value for your product.

[3] There are certain steps to be taken by a Software start-up in order to successfully implement an Inbound Marketing strategy. Wendy McDougall, CEO and Ailsa Partridge, Online Marketing Executive of Firefish Software, a U. K. based online recruitment software company implemented an Inbound Marketing strategy in October 2011 to compete with a well-funded, well-established software company that had resorted to traditional marketing techniques like trade shows, direct mail and advertising. This strategy included the following steps:

Multiple inbound channels
Contributing to online forums
Interacting with trade shows
Primary focus should be on marketing instead of sales

C. The Results over a Period of One Year were very Positive, that Included

1) 335% increase in website hits
2) 190% increase in the number of leads
3) Retention of previous customers was 94%

Partridge summarized, "The Internet is democratizing the marketplace for many industries. It's no longer about who has the biggest budget to spend on expensive advertising campaigns. Instead, potential clients are making decisions based on the quality and authenticity of information they are finding online."[4] A Curata study published in Iron Paper on April 6, 2014 briefs on the importance of Content Marketing alongside Inbound Marketing strategies. Content Marketing can be a powerful lead generation tool for software companies. A strong content strategy can help software start-ups build trust with potential buyers, thus driving

E. More Leads and Help Convert Leads to Sales. Base Content Efforts to be made by Software Start-Ups Include

1) Blog posts (daily, weekly or monthly)
2) Company press releases
3) Email for customers: tips, resources, updates
4) eBooks, manuals and use-cases
5) Fact sheets or data sheets to help prospect buyers
6) Social media communications
7) Customer support content

As we've seen in every marketing plan or strategy stated above includes focus on the critical element of any marketing plan, "target customer". Hence, the question as to how to identify a target customer remains before companies start devising a marketing plan. The current changes in software business models make that even more challenging. Each of your software product must be positioned perfectly in the market or it would lead to cannibalization with channel conflict. The ideal way would be, to start reviewing your existing customer database for "high-valued" customer i.e. customers those who bring maximum sales and profits.

Also, focus on potential leads that could soon turn into customers. If this product would be your first, which means you have no "real world" customers, then approaching a few prospects would help in building a customer profile.

IV. ANALYSIS OF DATA

The majority of the start-ups which were Internet-based developed their business model assuming that the first to market had the best chances of survival. It was a common belief that gaining customers and market share were the most important things a business

©IJRASET: All Rights are Reserved

Volume 5 Issue V, May 2017
ISSN: 2321-9653
International Journal for Research in Applied Science & Engineering Technology (IJRASET)

must do. While these are indeed important, they are by no means the absolute priority. The whole technology fallout indicates that a proven profit-generating business model is more important than customers and market share.

The marketing strategy of any successful start-up would be to create customer awareness about their products, grow the customer base and work towards building a loyal customer base. Marketing expenses are to be kept in mind, while discussing financials. Marketing expenses vary depending on the audience of promotion.

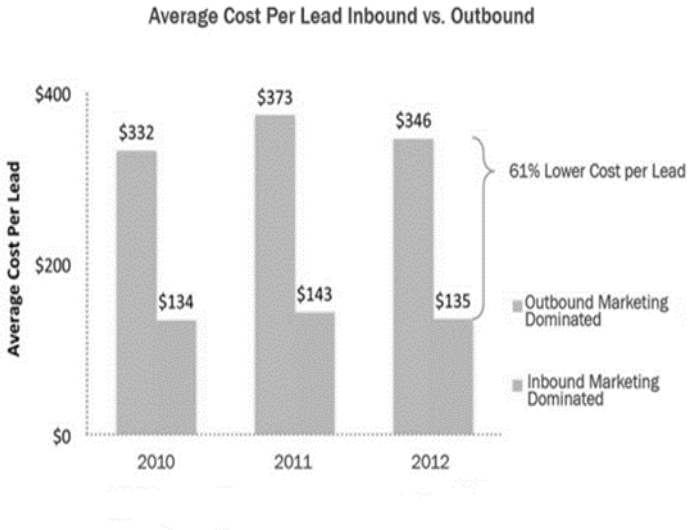


Figure 1. Average Cost Per Lead Inbound vs. Outbound

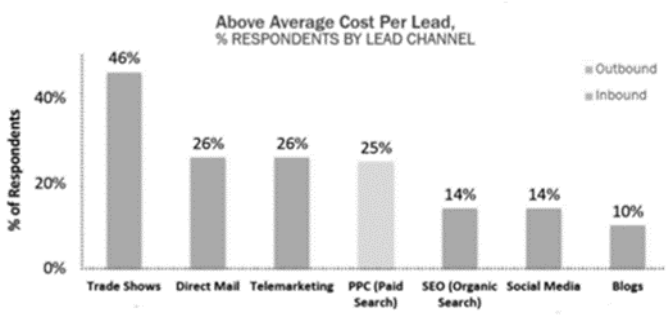


Figure 2. Above Average Cost Per Lead

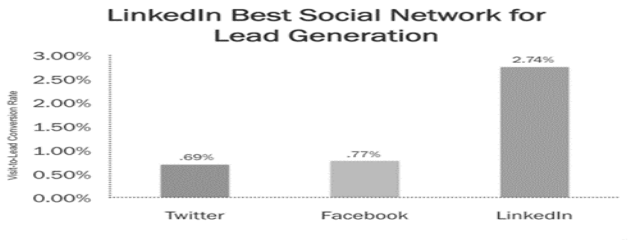


Figure 3. LinkedIn Best Social Network for Lead Generation

V. CONCLUSION

Before a company, especially a start-up thinks of deploying a marketing strategy for their product, it is very important to have a clear picture of your goals and a detailed profile of the target customer. When deciding on which marketing strategy to adapt, a

©IJRASET: All Rights are Reserved

Volume 5 Issue V, May 2017
ISSN: 2321-9653

start-up must choose at least 3 - 5 key strategies that will the primary focus of every marketing effort made. A company should choose them based on which strategies best support the firm's business objectives and meet the target customer's needs and interests. The primary focus should be maintaining an ongoing interaction with your customers through newsletters, podcasts etc. to keep your product foremost in the minds of everyone in the firm's customer base. This communication can be a valuable tool for market research. This is the most primitive point in Inbound Marketing. Secondly, focus should be on multiple inbound channels like Social Networking, SEO, and Referrals etc. Statistics for every channel should be collected and analysed in real-time to ensure that all channels are bringing in new customers.

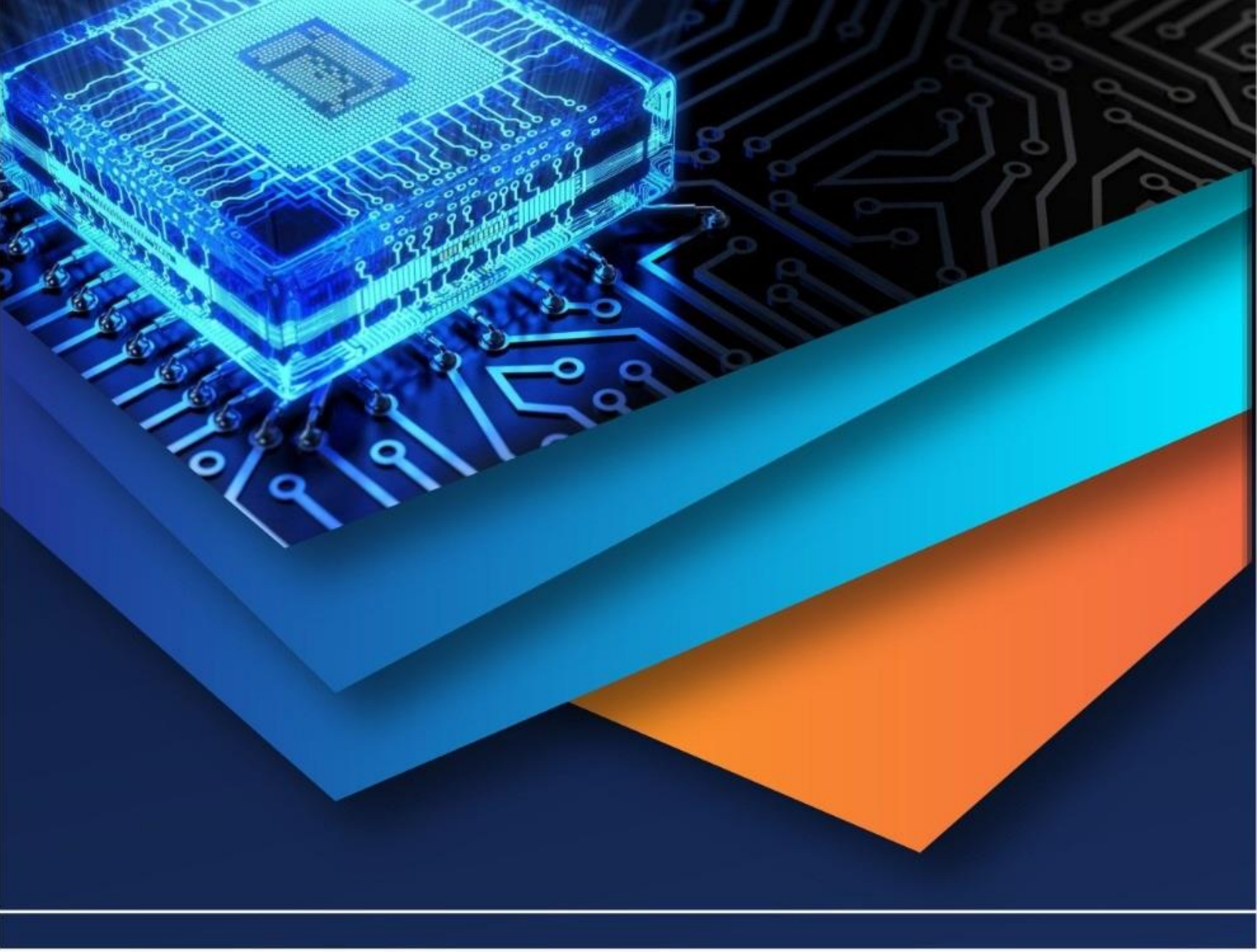
More the information, the better. Content should be delivered in a right way to the target customers, so that they would be aware of the uniqueness of the product when compared to other competitors. Easy sharing, good design, getting creative and team involvement are the most important points to consider for better content in your product page.

Word-of-mouth happens on its own, there is no telling when a customer would refer to the product to any prospective customer. A firm has no control over this and should not try to force it to happen instantaneously. Despite the positive promotion and quality, price is what drives any prospective customer towards the product. A start-up's environment changes with time and price must evolve in tandem. The best way for a start-up to ensure its price to be optimal is to create a framework for evaluating price and revisit the data a few times per year. Venture Capitalists are ready to fund prospective start-ups. Face your challenges by using the most effective marketing strategy and be one among these prospects.

REFERENCES

[1] Adriana Iordan, April 2007, Tips & Tricks: 10 Basic Online Software Marketing Methods http://www.avangate.com/newsletter/april2007/tips-and-tricks.htm
[2] Alyssa Dver, August 24, 2011, Top 10 Marketing Mistakes Software Companies Make http://www.business2community.com/marketing/top-10-marketing-mistakes-software-companies-make-052384
[3] David Kirkpatrick, June 13, 2012, Inbound Marketing: How a software company generated 190% more leads with a small budget http://www.marketingsherpa.com/article_print.html?id=32198
[4] The Ironpaper Blog, April 6, 2014, Content marketing strategy for software companies http://www.ironpaper.com/webintel/articles/content-marketing-strategy-for-software-companies/
[5] Tomasz Tunguz, The 7 Factors to Consider When Pricing Your Start-up's Product http://tomtunguz.com/how-to-price-your-startups-product/
[6] Nicole Fallon, April 18, 2014, 5 Challenges Your Tech Startup Will Face (and How to Overcome Them) http://www.businessnewsdaily.com/6265-tech-startup-challenges.html
[7] Upasna Kakroo, June 11, 2015, Content Marketing Dos and Don'ts For Startups http://www.brandanew.co/content-marketing-dos-and-donts-for-startups/

©IJRASET: All Rights are Reserved



10.22214/IJRASET

45.98

IMPACT FACTOR: 7.129

IMPACT FACTOR: 7.429

INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Call : 08813907089 (24*7 Support on Whatsapp)