

MARKETING STRATEGY FOR AN ANDROID APP ELIXIR

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Abstract: *Apps* have graduated from science fiction to everyday utility. An *App* having instant and prompt mass messaging features may prove to be instrumental for automatic communication like tracking lost/ misplaced gadgets, for sending SOS messages in emergency situations like accidents, natural & manmade disasters, enemy attacks, etc. to contacts like person's relatives/friends, disaster management team, police station, trauma centre, station headquarter, etc., whose contact details are loaded in the said *App*, thereby saving time, human life, properties, territories, etc. In this backdrop, the paper dwells upon marketing strategy for a communication Android *App* christened *ELIXIR*, having unique features (which makes it user friendly) and open nature (which makes it easily accessible to common mass ranging from dilettantes to connoisseurs) to have competitive edge. The article is just a humble attempt from academic point of view.

Key Words : AI, Android *App Elixir*, SOS messages, techno-economic requirement, consumer centric, CSI, B2B, B2C, marketing myopia, STP, USP, brand equity, marketing mixes, product, promotion, *Track a Mac*, test marketing, pricing, placement

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Introduction

Science and technology are value neutral. They do not have their own intelligence but it depends on us what we desire to get out of it. This statement by Honorable Prime Minister Sri. Narendra Modi in a recent Mann Ki Baat programme encapsulates the ideal approach towards artificial intelligence, coming at a time when the market/ consumers are looking for value for money, i.e *Paison ke Baat*. *App* available in market today are manifestations of artificial intelligence (AI). The internet has undeniably impacted the life of everyone across the globe, be it modern day-millennium or a baby boomer, everyone today feels the need to be connected and be a part of the network in this fast paced world. It is difficult to imagine an individual not subscribing to at least one social networking site. Connectivity is all pervasive and it all about collaboration and speed as we strive to deploy those values in our lives and organizations. A connected society encompasses the concept of connected homes, buildings, workplaces and most importantly industries which drive all major developments. The mobile tsunami wave led by the increasing

adoption rates of smart phones which has crossed one billion and following northward trend has made firms wary and that no firm can ignore the mobile phenomenon.

About the proposed Android App Christened *ELIXIR*

The proposed Android App christened *ELIXIR* is an convenience based application software which can be applied in smart devices for prompt coeval communication. It is software of the next level where the device learns the logic of what is required of it and accordingly starts communicating automatically based on that logic. The Android App *ELIXIR* can be used to track a lost item (tracking) as well as to send SOS messages in emergency situations like accidents, disasters, enemy attacks etc. It comprises of two facets, first; an application software and second; an electronic chip incorporated inside a flexible band. Features and functional aspects of the Android App *ELIXIR* are comprehensively mentioned under product (P₁) below.

Formulating Marketing Strategy for the Android App *Elixir*

Academically, marketing management is the process of identifying consumers and their changing techno-economic requirements, developing/ converting them into required products/services, pricing them reasonably, making them available at convenient places (placement) and communicating/promoting continuously with the target market so that the process of repeat orders/nomination orders continue through consumer delight.

The Consumers and Ephemeral Behaviour : The Paradigms

Change accelerating change in every aspect of marketing is a common phenomenon. Today's consumers have become world class, are quality conscious and want value for their money. They are more demanding and discerning, information savvy, globalized in outlook, perfectionist, technology oriented rather than product oriented, time conscious, solution seeking etc. They have moved from a platform of limited choice to replete options, from a state of prosaic expectation to conceited expectation due to global search engines, social networking, online forums; Quora, e-commerce, etc. They have more bargaining power and weaker loyalties. They want to be delighted and not just satisfied. They no longer exist to buy firm's products, rather a firm exists to meet their techno-economic requirements. Under the circumstances, the firms that are consumer centric will thrive and rest will perish.

Working hard at the wrong footing is no virtue. Mere hard work without proper market analysis and marketing strategy leads nowhere. Professor Michael Porter of Harvard University argued that a firm does not really have a strategy, if it performs the same activities as compared to its competitors a little better. The name of today's game is personalizing marketing mixes (**4Ps**). Following orders is no guarantee to marketing success. Receiving high consumer satisfaction index (CSI) may not get translated into repeat orders and long term consumer patronage. Clearly, there is no single marketing road to affluence. Instead of relying on few differentiators, a firm needs to weave its own unique tapestry.

The marketing environmental changes are exerting enormous pressure on firms be it B2B or B2C, to re-engineer their marketing strategy. To cope up with the environmental changes, the marketing strategy needs to be well designed, appropriately segmented, targeted and adapted to particular marketing condition/situation. Instead of running after the consumers, firms need to run with the consumers. The fight should be for acquiring consumer's mind share more than mere market share.

Levitt [1960] his classic *Marketing Myopia* emphasized the need for farsighted marketing for firm's growth. He remarked that most business suffer from myopia when they fail to ask themselves a question, what business are we in? Levitt suggested that firm must learn to think of itself not as producing goods or services, but as producing followers i.e. the consumers. To produce these consumers, the entire firm must be viewed as a consumer-creating and consumer-satisfying. Firms must aim at buying consumers by doing the things that will make them do business with them.

Levitt's arguments was expanded by Peters and Waterman [1982] in their book *In Search of Excellence*. They emphasized that corporate culture based on innovation and closeness to the consumer is more important. They concluded that excellent companies really are close to their consumer. That's it. Other companies talk about it; excellent companies do it Viewed in retrospect, there is no doubt that Levitt hit the bull's eye with his insightful thoughts. More than five and half decades later, many firms have found themselves in deep trouble for neglecting the very reason of their business, the consumers and their techno-economic requirements.

Once marketing audit has been carried out with respect to environment, market, consumers & competitors, all four areas of SWOT/C (strength, weakness, opportunities and threats/challenges) identified, market potential estimated, market competitiveness assessed and marketing objectives set, marketing strategies are formulated.

Formulation of marketing strategies can address the component of segmentation, targeting & positioning and designing marketing mixes concerning the **4Ps** of McCarthy namely **product (P₁)**, **promotion (P₂)**, **price (P₃)**, and **placement (P₄)**.

Segmentation, Targeting and Positioning (STP)

Market segmentation, targeting and positioning are known as the STP of Marketing. Kotler and Keller [2017] opined that firms cannot connect with all consumers in large, broad or diverse markets. They need to identify the market segments they intend to serve optimally keeping operating parameters and constraints in mind. This decision requires keen understanding of market and consumer behavior and careful strategic thinking about what makes each segment unique and different. Market segmentation divides the market into well defined slices which the firm can serve effectively. Identifying and uniquely satisfying the right market segments is the key to marketing success. Firm's task is to identify appropriate number of market segments based on characteristics like geography, demography and psychography and asking whether these segments exhibit different needs and product sponsors and decide which ones to target.

With above backdrop in mind, market is segmented geographically, demographically, psychographically and behaviorally.

Having clustered the market in segments, the next task is to decide how many and which ones to target. Not all segments are useful. For targeting, the firm must look at two factors; the segments overall attractiveness and firm's objectives and resources. Once market has been segmented and target market identified, the next job is to position the product in the market. No company can win if its product resembles every other product and hence the need to create product differentiation through positioning. Positioning is the act of communicating firm's offering to occupy a distinctive place in the minds of the target market/consumer. The aim is to position the brand in consumer's mind to maximize the potential benefits to the firm. Positioning requires that marketers define and communicate similarities and differences between their brands and brands of competitors or substitute brands.

For the case, geographic segmentation and demographic segmentation has been considered. To start with, Indian Market has been thought of as the potential market. School going kids, college students and working professionals in the age group of 20-60 year, who are smart phone users, are selected as the target segments. Subsequently the Android *App* brand *ELIXIR* is to be positioned. In this regard, the points of difference (i.e unique features over competitor brand) like flashlight, vibration, accident alert, solar or body temperature powered, higher battery life, shock resistance, durability, reliability, responsiveness, security, ability to communicate over a large aerial range, etc.) and few important points of parity (like alarm features, price etc.) is to be communicated to target consumers through advertisement campaigns.

Social media portals like Facebook; Twitter; Instagram; LinkedIn; Internet Platforms, You Tube, Twitter, Yahoo mail, etc. electronic media vehicles like TV channels, having higher viewership during prime hours, FM channels having higher listeners, and print media vehicles like national and regional general newspapers having higher readership namely, Times of India (all editions), The Hindustan Times (all editions), The Hindu (all editions), Indian Express (all editions), The Telegraph (all editions), Punjab Kesari, Prabhat Khabar, Dainik Jagran, Hindustan, Dainik Bhaskar, Lokmat, eeNadu, etc. etc. may be used. The advertisement campaigns in electronic media shall be eye catching graphics based, in FM channels shall be melodious where as in newspapers shall be in the front page in colour mode to have higher impact. "*Track a Mac*" can be a punch line and unique selling proposition (USP).

Creating Brand Equity

Brand is one of the most valuable intangible assets of a firm. Building a strong brand for long time dividend is a challenging task. Consumers often look beyond the product and want to know who the firm is, firm's philosophy, firm's organizational culture etc. A strong brand commands intense consumer loyalty and at its heart is the product. Building a strong brand is an on-going continuous process which never ends. It requires careful planning and a deep long term consumer centric commitment. For example, Instagram was launched in October 2010 by Stanford graduates Kevin Systrom and Mike Creaser. Instagram is known for its photo sharing

App that uses filters to make photos from smart phone cameras look more professional and allows them to be easily uploaded and shared across multiple platforms simultaneously. These high valued benefits let the brand to quickly attract more than 100 million users including some top brands such as Nike, MTV, Star Bucks, Burberry and Gucci. Instagram's name was chosen because it combines the concept of "Instant" with the notion of connecting with people via a "telegram". Its success led Facebook to acquire it in April 2012 for \$ one billion. [Kotler and Keller 2017] For the *App*, brand name *Elixir* is chosen because it means magical potion. It is meaningful, memorable, relevant, likeable and synonymous with product function.

Formulating Marketing Mix Strategy (The 4Ps)

Once market has been segmented, target market(s) has (have) been identified, and product positioned, marketing strategy can then address the components of marketing mixes (**4 Ps**) comprising **Product**, **Promotion**, **Price** and **Placement**.

Product (P₁)

Product is the central force in the marketing mix. At the heart of great brand is a great product. The ability of the firm to develop a product that responds to the techno-economic requirements of consumer is at the heart of Marketing Management. Products are developed to feed the requirements of consumers and are modified as these requirements change. A Firm's identity in the marketplace is established through contemporary product. The important aspects that a firm must depend upon are the quality of product, contemporariness, reliability of delivery and prompt after sale service.

To achieve market leadership, firms must offer contemporary products of superior quality that provide unsurpassed consumer value. The most important issue in product management is understanding crystal clearly what benefits consumers are seeking. The product can be a success if there is a synergy between the product from consumer's viewpoint and the firm's viewpoint. To find this match, marketing manager would have to analyze the product at consumer benefit concept level. As Levitt (1974) opined that consumers do not buy products, they buy the expectation of benefits. Therefore, it is important to identify what benefits the prospective consumers would seek from the product. From the viewpoint of Android *App*, the benefits which the consumer may seek could be tracking a lost item and send instant communication in case of emergency. For differentiating the Android *App Elixir* with brands available in the market namely Tile , elements like form, features, performance quality, conformance quality, durability, reliability, customization are to be kept in mind to have competitive edge in the market.

The Android *App* – ELIXIR

The proposed Android *App* christened *ELIXIR* is an application software which can be applied in smart devices for prompt coeval communication. The Android *App ELIXIR* can be used to track a lost item (tracking) as well as to send SOS messages in emergency situations like accidents, disasters, enemy attacks etc. It comprises of two facets, first; an application software and second; an electronic chip incorporated inside a flexible band. The application software is installed in a

device-A, (say one desk top, one smart phone, one laptop etc.) and the electronic chip is incorporated inside a flexible band affixed to another device-B, (say another smart phone or another laptop or electronic gadgets like wrist watches etc.).

For tracking lost/misplaced device-B, the user needs to click the track button installed in the device-A and to select the item to be tracked from the drop down bar/menu. The system would provide online Global Positioning System (GPS) coordinates of the lost/misplaced device-B. Also, the user has the option to press the option track in device-A with vibration, blinking flashlights and alarm mode to be had in device-B

For sending SOS messages in emergency situations like road accidents, natural–manmade disasters, enemy attacks, the flexible band can be used. The flexible band can be worn on the human wrist. The flexible band consists of ceramic matrix composites which have very high impact toughness. The band has piezoelectric sensors below it which generate voltage during impact stresses. Due to impact stress on the band, a signal is generated, which is registered in device –B, which in turn passes it to device-A. Thus the Android *App ELIXIR* installed in device-A automatically senses the increase in voltage caused due to stress developed/created in flexible band and device-A sends an SOS emergency message and a even a phone call to the person's relatives/friends, police station, trauma centre, disaster management team etc., or to station headquarter with the GPS coordinates of the affected person/calamity, whose contact details are uploaded in the Android *App ELIXIR*. The Android *App ELIXIR* has a unique serial number which is shared with the emergency contacts. It operates both on solar power and even on body temperature and has a long battery life plummeting operational constraints.

After product development, the next step is to develop product offerings i.e to give a specific shape and form. Product offering is concerned with specific elements (tangible and intangible) which will be offered along with the product as a package. For the brand *Elixir*, two versions will be offered: basic elementary version (Elixir-B) and premium version (Elixir-P). In basic elementary version, few chips (say 5 numbers) will be provided which can be inserted to say 5 electronic devices- B. Whereas, for premium version, many chips, (say 20 numbers) will be provided which can be inserted to say 20 electronic devices- B. It is important to ensure that Android *App* works both online and offline at times when internet access may not be available at certain locations, hence synchronization of contents and usage patterns will be necessary. Detailed analytics of various parameters such as the types of devices being used, engagement time, specific content downloaded, recommendation of the app and frequency of access and other event specific data would be extremely essential in order to realize higher dividends with respect to the investment made in the development and maintenance of the App.

Product Promotion (P₂)

Promotion Strategy defines the manner in which a firm communicates with its target market/consumer. The aim here is to position the differential merits of the product / brand and associated offerings in a distinct manner. Promotion Strategy provides the basis for formulating communication mix namely advertising, personal selling, sales promotion & publicity and media

selection plans. While personal selling, catalogue mailing, trade fairs etc. plays important role in B2B industrial marketing, advertising and leaflet emailing plays vital role in B2C consumer marketing.

In today's business scenario, no firm or its product automatically becomes known to the target market. Similarly, a superior brand having many "firsts of its kind" or uniqueness does not sell by itself unless its differential merits are communicated and positioned well to the target market. Contemporary marketing calls for more than developing a quality product, pricing them reasonably and making it available at convenient places. Firm must communicate with present and potential stakeholders as today's consumers rely more on subjective impressions. *App* promotion strategy relies on advertising as a dominant communication tool. For most firms, therefore, the question is not whether to communicate or not, but what to communicate, how to communicate, when to communicate, and how often to communicate are vital. Whom to communicate should concern the existing consumers and the prospective ones, what to communicate should concern the differentiating features, how to communicate concerns the media mix and media vehicles and when to communicate and how often to communicate concerns media planning. To effectively reach an influenced target market, firms must employ multiple forms of communication/media vehicles. A good promotional mix should have some combinations of various media vehicles, word of mouth or even direct mail, etc. These elements instead of competing with each other, should complement each other and all should create a favorable climate for marketing the brand.

As discussed, designing the *App* is the first step, but equally important is promotion of the *App* and ensuring good adoption rate and consistently growing user base. This involves focus on smart design with interactive features, rigorous scrutiny, reviews by various forums, listening to the user experience, working on their feedbacks and fine tuning the Android *App* to be responsive to version changes and technologies used in the devices.

In addition to media vehicles mentioned under brand positioning, the Android *App ELIXIR* may be promoted by sending emails to groups like yahoo groups etc. and sending bulk emails to the target email users. Email ID's may be obtained from social networking platforms like LinkedIn. Further, mass messaging through mobile phones of the target user may also be resorted to. Communication may also be sent to working professionals, school and college going kids and to technology savvy old people via text messages, multimedia messages and Face book messages.

Creating awareness of the *App* with the intended audience and constant unobtrusive reminders would be the critical success factors for the *App* to become popular. It is not the mere downloads of the *App* but acquiring consumers profitably is what is important for the firm launching the *App*. Therefore, inbound marketing strategies such as use of twitter to discuss the *App* among the intended audience and integration with Face book are worth considering. Selecting the right name *ELIXIR*, designing an icon that has an excellent recall value, punch line "*Track a Mac*", and test marketing will help in creating large interested consumer base. Owning the presence in the *App* store and making it another channel to inform consumers about the best features and what problem it would solve, would also help in encouraging large number of consumers to

become enchanted by the App. Ultimately, when the delighted consumers inform others about the distinct features of the Android App and bring in more consumers to sign up, then the Android App would become the real winner.

Product Pricing (P₃)

Price is one element of the marketing mix that earns revenue for the firm, whereas the other elements incur cost. Price also communicates firms intended value positioning of its product or brand. A well designed product can command price premium and reap big profits but the marketing realities have caused many consumers to re-evaluate what they are willing to pay for the product and firm has had to carefully review their pricing strategy as a result. Price is not just digits on a tag. It has many components (cost) injected in the product for design, development, manufacture, promotion, placement etc. Price has two limits: the lower limit i.e. cost line (total cost sacrificed for the product below which no firm would like to sell the product) and upper limit i.e. market line (value perceived by consumers beyond which they are not willing to pay). So, the price of the product in absolute terms has to be within this limit, preferably away from the cost line and nearer to the market line. The gap between the cost line and product price becomes the markup or profit. Larger the gap between the lower limit and the upper limit, bigger the markup.

Since, the Android *App Elixir* is new to the firm but not to the market, hence value pricing can be adopted initially (i.e. charging a fairly low price for high quality offering to penetrate the market). Once the product has penetrated the market and has acquired a sizeable share of the market, then, at a later appropriate duration, going rate pricing can be adopted (i.e. charging a price for high quality almost at par with the competitor's price). Going rate pricing is justified when costs are difficult to measure and competitive response is uncertain. Afterwards, the firm may go for premium pricing (i.e. charging price higher than competitor's price) and subsequently may adapt price leadership pricing (i.e. maintain price leadership and passing a message that the product is of superior quality). As, large number of pricing alternatives are available, the appropriate choice requires considerable creativity and keen insight.

In light of the above, the basic price of the device for elementary version and premium version is initially kept at Rs 5,500/- per set (including *App Charges*) per year adopting value pricing. Once the product has penetrated the market and has acquired a sizeable share of the market, then at a later suitable duration say, after a period of six months, the price of the device may be increased to Rs 6,000/- per set (including *App Charges*) per year adopting the going rate pricing. Subsequently, price of the device may be enhanced to Rs 6,800/- per set (including *App Charges*) per year adopting premium pricing and finally to Rs 8,000/- per set (including *App Charges*) per year adopting price leadership pricing.

In addition, for the basic elementary version, as mentioned earlier, few chips (say 5 numbers) will be provided which can be inserted to say 5 electronic devices- B. Whereas, for premium version, many chips, (say 20 numbers) will be provided which can be inserted to say 20 electronic devices- B. If a person wishes to extend the validity period to five years for elementary version, then he has to pay an additional amount of Rs 500/-. The device servicing

charge per year is Rs 200/- per set which has to be paid after three years from the date of purchase. However, if a person wishes to extend the validity period to five years for premium version, then he has to pay an additional amount of Rs 1000/-. The device servicing charge per year is Rs 100/- per set which has to be paid after 3 yrs from the date of purchase. Further, for those users who take the premium version, a warranty/defect liability period of three years would be provided free of cost. This dynamic pricing philosophy will make consumer realize that a cutting edge technology is available at a much more economical price than the existing devices available in the market.

Product Placement (P₄)

Making product available at convenient places at right time is another key element of marketing success as it avoids stock out or stock piling. The product must be delivered to the consumer when and where they are required. In marketing parlance, it is also called Placement, which deals primarily with channels of distribution. A channel of distribution is thus a pathway for product to reach the market. A Firm's chosen channel affects all other marketing decisions. The channel of distribution could be direct one (i.e. from firm to consumer) or an indirect one (i.e. from firm to consumer via intermediaries) or a combination. Selecting appropriate pathway to market can be like crossing a minefield or descending a slippery slope. Going to market directly and at the same time via intermediaries (wholesalers-dealers-retailers) can be conflict ridden strategy because firms intermediaries suddenly see the firm as one of their biggest competitors. A firm who makes an early mess of its distribution channel setup when chasing an emerging market or entering into a new market pays double for its mistake as the market matures.

The proposed Android App ELIXIR may be distributed through reputed App stores like Google Play, iOS App Store, Facebook App Store, etc..

Conclusion

The hype about *Apps* has created great excitement. Apps have already surpassed the web when it comes to consumer time spent and are second only to time spent watching TV. Almost every B2C marketing strategy of large firms comprises of mobile marketing components and Apps are integral part of the consumer engagement process. Though *Apps* still cannot think laterally, it can surprise us by delivering information which humans fail to do because of the constraints, limited memory, and time. With over one billion Apps in app- stores alone, and 60 billion downloads of Apps, marketing strategy for a specific App has become a compelling necessity in today's over crowded and wafer thin margin market. Building brand equity of an App that creates stickiness with the consumers is essential, which is a combination of science, art and witchcraft.

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