Mobile Applications and Services
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- Mobile Application Marketing and Strategy-

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Content

- Marketing
- Ecosystem
- Building successful app
- Product = Mobile Application
Mobile Apps Marketing and Strategy

- Why should I care about things like “strategy” and “marketing”, I just want to build my apps?

- Ref: Joe Hayashi, VP Product Management, Palm (WebOS)
  - http://www.youtube.com/watch?v=kBwomf0ZBlE
Startup Company

- General idea and illustrative use-case
- Who are the players
- Business model/plan
- Development
- Marketing and Strategy
- Product
- Roadmap
- Support

http://en.wikipedia.org/wiki/Startup_company
Business Model

The Business Model Canvas

Key Partners | Key Activities | Value Propositions | Customer Relationships | Customer Segments
---|---|---|---|---

Key Resources | Channels | Revenue Streams | Cost Structure | Sources: Wikipedia

Infrastructure | Offering | Customer | Finances

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Does marketing and strategy matter?

What matters more?
- Technology
- Marketing
- Both
- None
I have a killer idea for XYZ, and I want to “win”

What is “winning”? 
- Measurable objectives: market share, profits, world peace, fame, research, teaching

What game are you playing and what is the ecosystem? 
- What are the rules?
- Dynamics/phases of the game?
- Who are the players? And what are they doing?
- Does it matter what others are doing and should that change what you do? Why, why not?

Hints: 
- Set goals that can be measured in a way that matters depending on the dynamics of the game
- Always stay tuned with the game
Strategy

- Just because XYZ CEO used strategy A in market B does not mean you should
- Specific strategies and tactics do not work in all situations
  - Not everyone can win if everyone follows the same strategy
  - Copying your competitors (especially leaders) is never sufficient
- Not all strategies make sense or are available for all players
- Network effects: an important dynamic in a game
  - The more people who use something, the more valuable it becomes
  - Example:
    - Smartphone, mobile OS and applications
    - Fax system
    - Web search, and browsers
    - Instant messaging
    - Social network
Dynamics/Phase of a Game

Phase 1

Land grab
- New ideas are emerging
- Growing market share at any cost

Phase 2

War
- High competition among players
- Network effect

Phase 3

Peace
- Market becomes mature
- Opportunities to make money

Phase 4

Differentiator
- Market evolved/segmented
- Initial idea is not enough
- Added value or parallel products emerge
Common Dynamics and Strategies
Leadership is very important

- **Early markets are a land grab**
  1. Get the right product at the right time
  2. Grow as fast as you can

- **Mature markets are more complicated**
  1. Get to #1
  2. Find profitable niches, dominate and define them, figure out the cost of market share growth, attack #1 if it makes sense

- **Marketplace dynamics become very important (two type of market)**
  - Fair market
    - Commodity products, in level marketplace
    - Be better than the other do, which is very difficult (i.e. compete with iPhone)
  - Unfair market (take the advantage of network effects )
    - Constraints dynamics, advantage on natural resources
    - Regulatory, access to the customer / distributors

- Compete on price / value / first feature / scale / “order of magnitude better”

- Leader have option to be fast followers, e.g. samsung

- Unfair leaders can exploit markets
Marketing Definition and Model

  - Process to create *customer interest* in goods or services or to figure out what *market wants* or *create needs*
  - Generate the strategy for sales, business communication, and business developments

- **Identify what is successful**

- **Marketing is something that Customer experience**

- **Marketing mix 4Ps (aka SIVA)**
  - Product => *Solution*
  - Promotion => *Information*
  - Price => *Value*
  - Place => *Access*

- **5Ps&5Cs model**
  - Product => consumer desire
  - Price => cost
  - Place => convenience
  - Promotion => communication
  - People => customer approach
Marketing for Mobile Application

- **Product** – solve a need in a unique and simple way invisible to the costumer
  - Great name
  - Clear unique value proposition (UVP), Slogan and tag line
  - Product sells itself: value is apparent and solve the problem in a unique way

- **Price** – only X.X€/free/lite/in-app purchase

- **Promotion** - be unique in your category or spin an existing one (be “better”)
  - Community leverage: be Tweetable / be in Blogsphere / Make your website great
  - Employ the network effect and influence the adoption of your product/application
  - Pre-launch campaign: coming soon page with pictures, videos and screenshots
  - Press release and give out promotion to various review website
  - Ask individuals to endorse your app, highlight user recommendations => App upgrade
  - Launch big: coming out Dec. the 21th, 2012
    - Run contests related to your app
    - Boost popularity by timing the launch of your app to coincide with a live event or trending topic
    - Hold an online or live event
  - Iterate and go fast

- **Placement** – Direct to consumers, Internet, app stores, (inter)national retail
Questions to be answered by marketing?

- Who is going to buy/use your product?
- What is your product? Why do people value your product?
- What is the marketing and sales strategy?
Lifecycle Marketing

- Sequence of strategies used to create a relationship between the product and the customers

- Example: Facebook
  - Critical mass of friends to go online regularly
  - More stuff to do once you have enough friends such as IM/email/sharing photo/.../playing games
  - 1st level of activities, 2nd & 3rd, sequence of activities and more advanced features that are relevant to your target customers/users
  - Create a relationship with the application

- In the decline phase:
  - Market upgrade (not necessarily a “better” product)
  - Competing end of life product and introduce next generation
Reading

- Marketing warfare, Ries and Trout
- Seeing what’s next, clay christensen
- Marketing management, kotler and keller
ECOSYSTEM: GAME AND PLAYERS?
Implication of Technology Evolution

- New avenues for future mobile application and services
  - Constant improvement in mobile computing
  - Richer standalone and distributed C-S applications
  - Emergence of platform players
  - Architectural changes
  - Increasing Interest among independent and freelance developers community
Mobile Industry Value Chain

- For many years, the development of mobile services and application was mostly controlled and managed by
  - Mobile operators
  - Device manufactures
  - Retailer

Source: Steinbock
Mobile Industry Value Chain

- With arrival of iOS and Android, the market structure and value chain have been evolved
  - Roles are changed, combined and exchanged
  - Some actors lost control, i.e. mobile operators
  - Other got new revenue stream, i.e. portal providers, developers
  - Some become integrated into the platform, i.e. content provider
Mobile Application: Distribution Process and Feedback Loop

- Before the era of app stores, no profit was made in bringing the customer side of the market on board

- Two sided markets, and four main components
  - Development tools, portal, device, and platform integration

- Applications market the platform
  - More apps = more use cases -> network effect

- Portal as a control point
  - Simple and safe for users

Source: A. Holza and J. Ondrus

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Mobile Application Components

- **Development tools**
  - Closed (Cathedral) vs. open (Bazaar) Technology
  - A trend toward open technology

- **Portal**
  - Decentralized vs. Centralized portal
  - A trend toward centralization

- **Device**
  - Uniformity vs. variety of device
  - A trend toward device variety

- **Platform**
  - Full vs. portal vs. device vs. no integration
  - A trend toward full integration

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<th>Portal</th>
<th>Device</th>
<th>Integration</th>
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<td>Apple</td>
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Implication for Developers

- Choosing between platforms is not trivial for independent developers
  - Income
  - Carrier
  - Freedom

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<th>Trends</th>
<th>Implications</th>
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<tr>
<td>Portal Centralization</td>
<td>- Easier access to customer</td>
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<td>- Lower the distribution cost</td>
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<td>- Less freedom</td>
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<tr>
<td>Technological Openness</td>
<td>- Lower the development cost</td>
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<td>- More job opportunities</td>
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<td>Device Variety</td>
<td>- More technical features</td>
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<td>- Higher customization cost</td>
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<td>Platform Integration</td>
<td>- Easier development process</td>
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EURECOM MEMBERS

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