

Freemium pricing at dropbox

[Business](#), [Management](#)



Premium Pricing at Drop box In this strategy, Drop box offered basic services free while they only charged their users for premium services. The strategy was to target the corporate clients called customer acquisition strategy. At the beginning, marketing the new product to the organizations was difficult. The idea was to assimilate people to using it inside the institutions. The goal was to convince the clients to use and appreciate it. This will enable people to get their employers to sign up the service. The company hoped to achieve this by giving people ways in trying the service. That is the reason the company had to use the freemium pricing strategy. The company also coupled the strategy with referral activities, where individuals got the upgrade of storage when they referred their friends to the company (Teixeira and Elizabeth, 196).

The result for this strategy was that Dropbox hold a large portion of client cloud storage market. The company also outpaced the internet giants like Amazon and Google in the market. This made the company to start targeting the corporate customers directly. Additionally, the Dropbox consumer version started at \$120 increased to \$800 for five years (Teixeira and Elizabeth, 195). Consequently, the company's business product allowed the employers to manage the document of their employees. The product also incorporated single-sign-on option that can be installed to the computer system across the business. The strategy has no significant failure or a negative result. The only disadvantage of the strategy is that unless one is a master, the company cannot attain the customer acquisition objective. This is applied to startup companies.

For corporate customers and business clients, Dropbox marketed his new

brands to businesses. He carried out an endless decision cycles and made use of gatekeepers. The company opted to target the individual users. The idea behind the strategy was to get employees using the service within the company. The objective of the strategy was getting individuals to use and then like which they would get the employers to register as well. To achieve this, the company gave people ways of trying the service. To achieve this he used a freemium pricing strategy (Teixeira and Elizabeth, 197). Additionally, the company incentivized satisfied client to recommend them to their family and friends.

Alternatively, Dropbox could choose Search Engine Marketing. This marketing is critical because it will give Dropbox chance to compete with other titan of the internet by being visible on the search engines. The strategy will enable the people to find the products offered by Dropbox both locally and online. It is therefore, important that the company place high in the search outcomes for words relating to the company's product.

Additionally, the company needs to offer their service under search engine optimization. This will make sure that the company's site is visible to clients looking for Dropbox services and products using the search engine.

Increasingly, the result for this strategy is that Dropbox will hold a large portion of client cloud storage market.

Work Cited

Teixeira, Thales, and Elizabeth Anne Watkins. " Freemium Pricing at Dropbox. " Harvard Business School 2. 1 (2013): 195-202. Print.