

Example marketing plan for an app



**ASSIGN
BUSTER**

1. Executive Summary

SmartBackpacker is a paid crowdsourcing app that will provide travelers with up to date reviews, recommendations and tips from other travellers. From the best places to get your laundry done in Timbuktu to the best stall to buy a taco in Mexico City, SmartBackpacker will hopefully become the must have app for all smart travelers.

The success of this app will rest on providing the end-user trustworthy and useful information. The success of this app is also highly dependent on user participation as it is the user who will be posting reviews and sharing their travel knowledge. One of the innovative features of this app is that it will allow users to upload video reviews of places they have stayed, places they have eaten or fun, quirky things that might be off the beaten trail. It is hoped that this feature, along with the clean and easy to use user interface will propel SmartBackpacker to the head of the growing travel app market.

SmartBackpacker is both the name of the company and the first product that this company will be launching. All future products will be launched under this company but with different names to reflect the target market. Future products could include SmartWeekends for weekend travelers, SmartStaycations for those looking for travel information in the UK and SmartBusinesstraveler for business travelers.

2. Mission, Vision and Culture

SmartBackpacker aims to harness the power of the crowd like no other travel app has managed to do before. Printed travel guides such as The Lonely Planet and The Rough Guide have long been essential purchases for tourists.

However, these publications are usually updated every two years and don't provide travelers with up to date information. They are written usually by one person and don't really cater to everyone's tastes. Usually they only cover one region or country, meaning that if the traveler is embarking on a multi-country tour they have to purchase more than one of these heavy and expensive guides.

As smart phones become more prevalent and WiFi and mobile coverage now standard even in places far off the beaten track, it makes sense for travelers to leave their cumbersome, outdated travel books at home and travel with their phones loaded with an app that is constantly updating them with useful and relevant information. If one user had a killer Mojito in a bar in Sydney they can share that information instantly on SmartBackpacker. King (2002) argues that, " it is the customer who can decide how and when they access their travel and tourism information and how and through what process they access and purchase their travel and tourism arrangements" (p. 106).

SmartBackpacker aims to be at the heart of this customer-focused movement by getting tourists to share information directly with each other, bypassing all the traditional channels.

This business has to be built on a culture of trust. Users have to be able to trust the information that they are being given. It is this trust that will engender positive feelings towards the product and prompt people to post their own reviews. Surowiecki (2004) argues that, " under the right circumstances, groups are remarkably intelligent" (p. xiii). This app will use this group intelligence to improve the travel experience for everyone using

this product. SmartBackpacker will be the first in a long line of travel related apps from this company.

3. Company Objectives

The objectives of this product are as follows:

1. To become the most trusted source of travel information in the growing travel app market.
2. To identify the target market and build up strong brand awareness here.
3. To use the knowledge learned and the success of SmartBackpacker as a springboard to launch other paid travel related apps

4. Opportunity Analysis and Research

Tourism is an extremely diverse activity ranging from a weekend shopping trip in New York to a month long trek in the jungles of Borneo. However, one thing that unites all tourism activity is that it usually implies that people are traveling to somewhere new. Information about their surroundings is therefore key to the enjoyment of their experience.

However, because tourism is such a diverse activity, it is important that SmartBackpacker is able to identify a core market within which to operate. Since this app relies on user generated content and crowdsourcing, it is important that, for the most part, the users all share the same broad area of interest. For this reason, SmartBackpacker will be aimed squarely at young, tech savvy travelers who probably already use social networking sites in their daily lives and are used to the concept of crowdsourcing. These are travelers who are either taking a gap year or are taking an early career

break. Perhaps the best definition of this market comes from Riley (1988) who states, “ in general they are future pillars of society, on temporary leave from affluence, but with clear and unwavering intentions to return to a normal life” (p. 314). This app would also be useful for younger people taking short trips such as weekend city breaks.

4. 1. Industry Analysis

4. 1. 1 Tourism Market

In 2009, visits abroad by UK residents fell by almost 15% on the 2008 figures (ONS, 2010). However, in the second half of 2010 there appears to be signs that international travel is slowly bouncing back.

Jarvis (2009) observes that the backpacker market seems to be bucking the decline that has been witnessed in other parts of the travel industry. Australia, a particularly popular backpacker destination for young British travelers has witnessed an increase in international arrivals. This report would argue that in the recession, young people are probably delaying entering the job market for as long as possible. The backpacker market could also be growing due to the fact that so many people have lost their jobs in the past few years. Instead of rushing back into the job market, these young people are choosing to use the time to travel.

4. 1. 2 Smartphone Market

The launch of the iPhone in 2007 signalled the start of all out war in the smartphone market. Phones running the Symbian operating system are the current global leaders with Google’s Android system in second place, closely

followed by Apple and Research In Motion (Gartner as cited in The Guardian, 2010). Android seems to be the clear winner at the moment, experiencing 22% growth from Q3 2009 to Q3 2010. Symbian lost 8% of its global market share in the same period while Apple also fell by 0.4% (Gartner as cited in The Guardian, 2010). The UK smartphone market seemingly mirrors these global market trends. However, ownership of smartphones is extremely high, accounting for almost 75% of the total mobile phone market.

Apple's launch of the iPad in early 2010 has also seen a surge in small, portable tablet devices. Although SmartBackpacker will be available on the iPad, the launch of this product will mainly focus on functionality in the smartphone market.

4. 1. 3 App Market

The growth in the smartphone market has also given rise to the app market. Apps are small applications that users can download, either for free or for a small fee that take advantage of the phones advanced processing capabilities to allow users to get the most out of their phones. Thanks to apps, smartphones are now portable gaming devices, gps devices or ereaders.

Apple have seemingly been the most successful at realizing the potential of this market. Apps are developed by third parties and then put of Apple's online App store. The developers of these apps receive two thirds of the revenue generated from the sale of their apps. Developers can also incorporate Apple's iAd system into their apps and earn extra revenue through advertising. The success of the app store has been staggering. Since <https://assignbuster.com/example-marketing-plan-for-an-app/>

launching in 2008, the app store has had over 3 billion downloads (apple.com, 2010). Developers who have been able to develop easy to use, useful apps have been quick to see huge rewards. One good example is the company Pusenjak, whose 59p app Doodle Jump has been downloaded well over 3.5 million times. This has made the two developers millionaires (mediamemo.com, 2010).

The App store for Google's Android is not as well defined in that Apps are not available from a central source, like they are in Apple. Developers have been slow to adopt the Android operating system. However, the surge in the popularity of this system should soon see the popularity of apps on this platform surge as well.

Smartbackpacker initially wants to launch on the Android and Apple iOS platforms. It is felt that the centralized market that Apple provides should ensure maximum visibility so the focus of the launch will be on the Apple version of the app. The travel app market is fairly crowded and already well-established brands such as Lonely Planet and Rough Guide have a presence here. However, none of the existing apps make it particularly easy for other travelers to share information with each other. The flow of information is distinctly one-way. As already stated, this app will allow users to post video reviews. This innovative feature, along with the easy to use interface should help to propel SmartBackpacker to the top of the travel app market.

5 PEST Analysis

The purpose of this analysis is to focus on the external factors that could impact on the success of this venture.

5. 2. 1 Political Factors

Tourism is a highly unpredictable product and one that is sensitive to external shocks. Tarlow (2006) notes that, “ tourism sells a highly volatile and capricious product” (p. 84). Terrorism attacks or changes in the global economic situation can change the supply and demand nature of tourism meaning that there is less of a market for this particular product.

However, this report would argue that the need to travel and explore is hardwired within us. As one market dwindles, another one opens up. This report would argue that the target market for this product is a fairly adaptable one. If civil unrest threatens stability in Central America, backpackers will simply plan to travel elsewhere.

5. 2. 2 Economic Factors

As this report has stated, the global economic crisis has severely affected international travel from the UK. However, there are signs that this is bouncing back. This report has also found that the backpacker market seems to be fairly recession proof. In fact, this report would argue that this particular market could actually witness growth in coming years as young people delay their entry to the job market until the labour market picks up again. The target market for this app would probably prefer to be traveling rather than looking for a job.

5. 2. 3 Sociocultural Factors

The UK has a strong culture of encouraging gap years. These young people taking a break before starting university are at the core of this products core

market. The government is encouraging more people to go to university so it is possible that the gap year market could grow even more in the coming years.

The growth of budget airlines such as EasyJet and Ryan Air has also led to more people being able to take short weekend breaks to European cities. Another target market for this app is these weekend travelers looking for a bit of adventure off the beaten track.

Shani et al (2010) observe that travelers are now more trusting of autonomous sources of information. We trust these autonomous sources such as customer reviews more than we do more formal types of information such as guidebooks. They state that, “ the boundaries between the induced and autonomous factors seem to have blurred in recent years” (p. 117). It is the belief of this report that SmartBackpacker can become one of these trusted autonomous sources.

Tourists are now also increasingly motivated by a desire for real experiences in their tourism. MacCannell (1989) states that, “ touristic consciousness is motivated by its desire for authentic experiences, and the tourist may believe that he is moving in this direction, but often it is very difficult to know for sure if the experience is in fact authentic” (p. 101).

SmartBackpacker will allow tourists to share these ‘ authentic’ experiences with each other. Although there is a danger that as more tourists have these ‘ authentic’ experiences, the less authentic they actually become. However, the type of tourist that this app is aimed at is inquisitive by nature and will be constantly searching for and sharing new experiences. Fyall and Garrod

(2005) argue that tourists are growing increasingly bored of being passive spectators. They want to experience and explore. This report would argue that tourists are the best marketers for destinations so why not harness this power?

5. 2. 4 Technological Factors

The smartphone market is a fairly new one and this report would argue that it will only continue to grow and become more accessible to more and more people. As it grows, the infrastructure that is needed to support it will also continue to improve. This app relies on people being able to post their experiences pretty much while they are having them. In some parts of the world, this is still hard to do. However, as the technology spreads, this will get easier and easier.

6. Marketing Strategies

The following marketing strategies have to work towards meeting the objectives as set out in Section 3.

6. 1 Target Market

This report has already defined the target market for this particular product.

6. 2 Product Strategies

McGrath (2001) states that a product strategy is, “ like a roadmap, and like a roadmap it’s only useful when you know where you are and where you want to go” (p. 3). It is important that this first product from SmartBackpacker is able to set the benchmark for possible future products. Crowdsourcing is an

important way of democratizing the information that is available to us. However, this information has to be trustworthy, otherwise people will simply turn to other products. By clearly defining the target market for each product launched, this company should be able to give people exactly the information they need. A business traveler is unlikely to want the same information as a backpacker so each product has to be specifically tailored to meet the specific demands of each target market. The knowledge learnt from the development of SmartBackpacker can be utilized in the development of future apps for other sectors of the travel and tourism industry.

6. 3 Pricing Strategies

Tellis (1986) argues that pricing strategy is defined as, “ a reasoned choice from a set of alternative prices (or price schedules) that aim at profit maximization within a planning period in response to a given scenario” (p. 147). He then observes that, “ in a shared economy, one consumer segment or product bears more of the average cost than another, but the average price still reflects cost plus acceptable profit” (p. 147).

The main source of income for this company will be from users paying to download the app either from the Apple app store or from the various Android app markets. As Tellis points out, the pricing strategy should reflect the prices of other apps in this category. Based on this, this report would recommend initially pricing the app at £1. 99. It might be possible to look at integrating some sort of advertising feature into later versions of this app, but initially it is important for the user interface to be as clean as possible.

This will enhance the user experience and encourage people to use the app to share their tips and recommendations with others.

This report would argue that usual models of consumer decision-making don't really apply to this particular market. Because apps are usually so cheap, or even free, people can rely on more than one app in that category. For example, someone using SmartBackpacker could also have Lonely Planet loaded up on their iPhone or HTC phone.

6. 4 Promotion Strategy

The launch of this product will be supported by a well designed website, a twitter site and also a facebook site. The rise of Web 2. 0 has made advertising to a specific target market far easier and far cheaper than it used to be through more traditional channels. The use of these new channels should ensure that the target market is reached and that the product receives maximum exposure. Combined with a low price point, this app should quickly be adopted by those already traveling or those planning trips. This app relies on user experiences so it is important that it is quickly adopted and users start to share experiences with each other.

6. 5 Distribution Strategies

As already stated, this product will be distributed through Apple's App Store and also through the various Android marketplaces. The launch of the first product will be specific to these two platforms but could expand to other platforms at a later date.

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