







mimecast





STRATEGY STORY



 | 

BUSINESS OR REVENUE MODEL

How does Dropbox work and make money – Business Model

BY SHIKHAR GOEL - AUGUST 9, 2022 - 7 MINS READ

0:00



Ad [influxdata.com](#) [More](#) ▼

Dropbox is a file hosting service operated by the American company Dropbox, Inc., headquartered in San Francisco, California, the U.S. that offers cloud storage, file synchronization, personal cloud, and client software.

Dropbox was founded in 2007 by MIT students Drew Houston and Arash Ferdowsi as a startup company with initial funding from seed investors Y Combinator, Benchmark Capital, and First Round Capital. The company's business model is based on a freemium model, where users can use the service for free or pay for additional features and storage space.



Ad mailgun.com

More ▼

portunity to reach a broad population of independent knowledge and creative workers.

From innovation to business, Dropbox has changed the market. So, in this story, we decided to look at Dropbox’s business model and understand how Dropbox works and makes money.

## Creality Official

HALOT-MAGE Features :  
Screen for a 228x128x230  
Volume.

Creality

# How does Dropbox work?

x

•

•

•

•

The recipient can then view or download the file, regardless of whether they have a Dropbox account. Because of its ease of use and cross-platform compatibility, Dropbox has become one of the most popular file sharing and storage services.

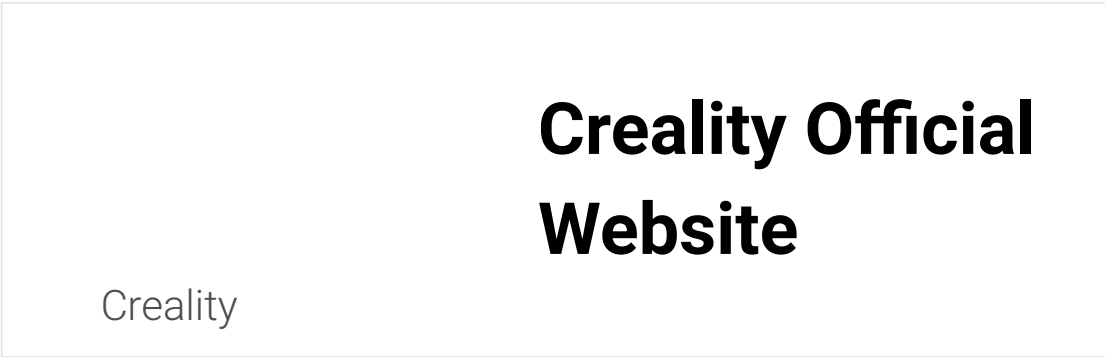
## How To Use Dropbox



plan for premium features. The value proposition of Dropbox's business model is:

**Unified home for content:** When users join Dropbox, they gain access to a digital workspace that supports the entire content lifecycle—they can create and organize their content, access it from anywhere, and share it internally and externally.

**Global sharing network:** Users use Dropbox to share and collaborate with friends and col-  
leagues. This creates a global sharing network, a powerful network effect that increases the



# The Dropbox collaboration platform

x

## Marketing Strategy

Users who share content and collaborate on Dropbox's platform introduce and invite new users, driving viral growth. Dropbox generates over 90% of its revenue from self-serve channels, which limits customer acquisition costs.

Dropbox's goal is to rapidly demonstrate the value of its platform to users to convert them to paying users and upgrade them to its premium offerings. Dropbox reaches them through in-product prompts and notifications, time-limited trials of paid subscription plans, email, and lifecycle marketing.

Each year, hundreds of millions of devices—including computers, phones, and tablets—  
are connected to the Dropbox platform, generating substantial revenue for the company.



in which hardware manufacturers pre-install its software on their devices.

## Keep Rising with Dropbox | Dropbox

x

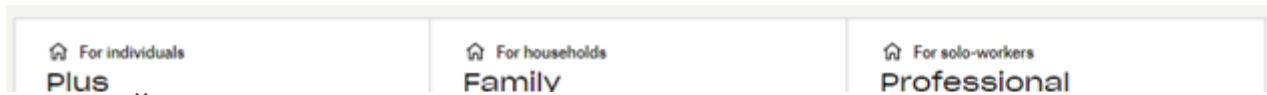


## The Main Eve

Dropbox has categorized its plans as paid personal and business and its free basic plan.

In the personal category, Dropbox makes money from subscription fees from customers for access to its platform through [various subscription plans](#). Subscription plans include a Plus and a Family plan.





Premium subscription plans, such as Professional and Advanced, provide more functionality than other plans and have higher per-user prices. Dropbox's Standard and Advanced subscription plans offer robust business capabilities, and the vast majority of Dropbox Business teams purchase its Standard or Advanced subscription plans.

In addition, Dropbox also generates revenue through partnerships with companies such as Microsoft, which integrate Dropbox into their products.

Quality of revenue can be seen from the fact that no customer accounted for more than 1% of its revenue among its 17 Mn paying customers in 2021.



ering an exceptional customer experience. If Dropbox can continue to execute on its vision, it has a real opportunity to build a large and loyal customer base.

## For All Things Worth Saving | Dropbox

x



### Shikhar Goel

A passionate writer and a business enthusiast having 6 years of industry experience in a variety of industries and functions. I just love telling stories and share my learning. Connect with me on LinkedIn. Let's chat...



### Related Posts

×



## What does C3 AI do | Business Model Explained

FEBRUARY 23, 2023



x



## How does Booking.com work and make money: Business Model

FEBRUARY 21, 2023

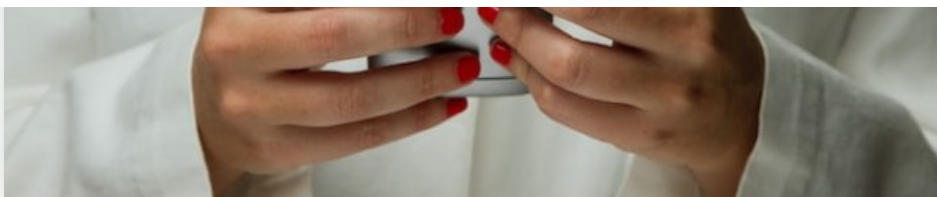


## What does Alteryx do | How does Alteryx work | Business Model

FEBRUARY 19, 2023



x



## How does Doximity work & make money: Business Model

FEBRUARY 18, 2023



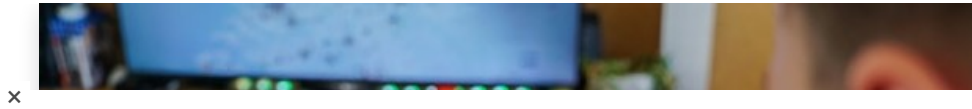
x



## What does Splunk do | How does Splunk work | Business Model

FEBRUARY 17, 2023



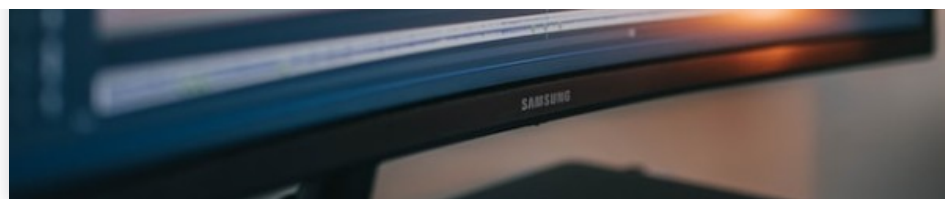
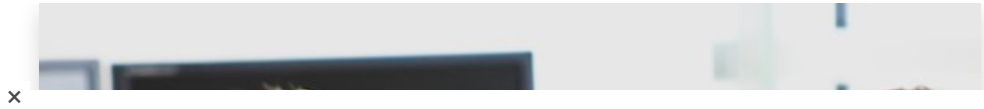


x



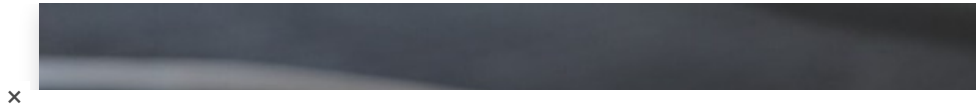
## What does Adobe do | How does Adobe make money | Business Model

FEBRUARY 16, 2023



## What does ServiceNow do | How does ServiceNow work | Business Model

FEBRUARY 14, 2023



x



## What does Twilio do | How does Twilio work | Business Model

FEBRUARY 13, 2023

**Write A Comment**

x

You can reach us out at [editor@thestrategystory.com](mailto:editor@thestrategystory.com) .Disclaimer: The views and opinions expressed in any article on the website are solely those of the authors and do not necessarily reflect the official policy or position of companies in context.

[!\[\]\(23d9fc146e83b5c3013cfa32c784f8d5\_img.jpg\) FACEBOOK](#) / [!\[\]\(f5c463b8c1554ac5049d611bd8e33a51\_img.jpg\) TWITTER](#) / [!\[\]\(54f1390f33a36173a1b97c4b6eb40204\_img.jpg\) INSTAGRAM](#) / [!\[\]\(1301e78e125668a3a0cedabdef0db7f3\_img.jpg\) LINKEDIN](#)