

Zazu marketing and technology plan

1 Marketing plan

As a platform application for event broadcasting, Zazu can learn a lot from the success and failure of existing applications in the field of events. To do this, we will perform a comprehensive market analysis, and subsequently base our business and marketing strategy on this. The following document will attempt to convince the reader of the soundness of its marketing and business.

1.1 Market analysis

The purpose of this market analysis is to determine the customer target group, competitors and strategic strengths and weaknesses of Zazu. Porter (2008) proposes a framework for market analysis called 'Porter's five forces'. We will utilize this framework as the structure of our analysis.

1.1.1 Competition in the industry

Multiple competitors have been identified in the market of event broadcasting, which itself is believed to be quite saturated. However, the current competitors focus on different aspects of event promotion and most of them do not allow individual consumers to create small, low-effort events. The only main competitor that allows for this is Eventbrite, but the focus of the platform seems to be much more promotion oriented and the application is not lightweight. Moreover, a broad account registration is required to use the platform. This is the case with other competitors as well, such as MeetUp.com and Eventful.

The biggest threat at the moment however is Facebook. Facebook, with its large user base, is still widely used which makes it easy to invite everyone you know to your event. Moreover, large companies and organizations promote their own events through the same platform, which are then recommended to the users. So, it is also easy to find new and bigger events to attend within the platform. However, Facebook's popularity is decreasing at a very fast pace with the younger generation (Anderson & Jiang, 2018). Our customer validation survey (n = 61) also confirmed this. This makes the case for providing a unique and novel alternative to Facebook events stronger.

1.1.2 Potential of new entrants

A platform for broadcasting events cannot be patented, so new entrants into the market are always a possibility. However, the strength of a platform is that once it has gathered a significant user base, it is harder for people to switch due to social constraints. The biggest threat of new entrants comes from popular applications like WhatsApp and Telegram, who may introduce features similar to Zazu into its own application. All we can do to mitigate this is strengthening our case of privacy, low key account registration and a modest application to keep our competitive edge.

1.1.3 Power of suppliers

The only organizations that could be seen as our suppliers are the hosting and software providers on which Zazu runs. Hosting providers hold no sway over Zazu as plenty of affordable alternatives are always available. The technological frameworks used to produce Zazu are all open source and thus free to use. They are also all well maintained.

1.1.4 Power of customers

The customers of Zazu are users that want to access the premium (B2C) or business (B2B) features. These specific business strategies are discussed in the next chapter. To understand the power of Zazu's customers we must first understand the makeup of its user base.

We aim to market Zazu mainly to young people (under 30) in Europe. The reason for this is discussed in the marketing strategy. Europe has 167 million young people (Eurostat, 2015) out of whom we assume half are adolescents. In our customer validation survey, a little more than half of the people said they would use Zazu, which leads us to assume that in an ideal situation half of the people confronted with the app may try it. With some off the bat math we can therefore say that Zazu could target $167 \times 0,5 \times 0,5 = 41,5$ million adolescent users in Europe alone. With a conservative customer turnover of 1% who will buy a subscription ([lower than Evernote](#) for example) we would have an amount of 417500 paying customers per month. This implies our platform could be sustainable through B2C strategies alone. Although this is obviously wishful thinking, it indicates that even

with a conservative freemium turnover Zazu could be very profitable. The power these customers have over us is simple, we have to keep them satisfied so they use the application enough to consider a subscription. The power dynamic with business customers is slightly different as organizations will have different needs, but the essence in B2B is the same here: keep them satisfied.

1.1.5 Threat of substitute products

Substitutes from direct competitors have already been mentioned in the competitor analysis. A more indirect substitute product could be WhatsApp groups as almost everyone uses them. However, if you host many events, creating multiple large group chats for events can be quite tiresome as the risk of spam in those group chats is high. A more useful way of inviting people and keeping track of attendees would be Google Calendar since you can invite people by filling in their email-addresses. However, to be able to do this, you need their email-addresses and all of the people to be invited need to use Google Calendar even though they might be using a different calendar or no calendar.

1.2 Business strategy

As has been the case with many platforms, the profitability of Zazu will be tied heavily to its user base. An increase in users will go hand in hand with an increase in business possibilities, both in the mode of Business to Consumer (B2C) and Business to Business (B2B). In this section, we will explore how Zazu aims to generate a positive revenue stream through a freemium strategy (Laudon & Traver, 2016), which means we will give away a certain level of features for free, but then charge a subscription fee for premium/business features.

1.2.1 Business to Consumer (B2C)

In a B2C model “online businesses attempt to reach individual consumers” (Laudon & Traver, 2016). In the case of Zazu the individual customers are intensive users of the app that want to get everything out of their Zazu app experience. We specifically target the intensive user for this, as one of the key marketing strengths of Zazu will be that it is so easy to use. Overly enthusiastic attempts to get a user’s money could counteract this, so we have to make sure users are willing to pay. Building a strong user base is particularly important for the

B2B aspect of Zazu (next subsection). For this reason we have made a standard free package available to everyone. Only the intensive users of Zazu will have to pay for a subscription of €5 per month. In exchange for this we will remove the limit of simultaneous events (3) and attendees per event (100). We aimed this price to be somewhat lower than other successful freemium applications such as [Evernote](#) (€6,99), [Lucidchart](#) (€6,95) and [Dropbox](#) (€9,99) and [MailChimp](#) (€9,99), mainly because we want to grow our user base and because our storage and traffic costs will be much lower. This is because we do not store the user’s pictures, videos etc.

1.2.2 Business to Business (B2B)

In a B2B model “businesses focus on selling to other businesses” (Laudon & Traver, 2016). In the case of Zazu, businesses and (non-profit) organizations could be interested in reaching attendees for their events through the app. On the other hand, organizations that organize a lot of events (such as student associations) may even want to recommend our application to their members as the preferred medium to communicate information about events and attendance. We can make use of this by offering free trial subscriptions to such organizations, which will be elaborated on later.

Businesses will be able to buy a business subscription to Zazu. This subscription is currently priced at €25, which is somewhat higher than the successful freemium services mentioned before. The reason for this is that a business account does not just give you access to business features such as a company profile, but also allows you to push company events on our platform.

1.3 Marketing strategy

Laudon & Traver (2016) propose several strategies for marketing in e-commerce. Many of the traditional online marketing methods such as advertisements require a large amount of funding we will initially not have. We also expect these methods to be less effective, so we will forego this for the time being. Instead, we will focus mainly on two of the proposed marketing methods:

- *Affiliate marketing*: getting another organization to refer people to your product, we will explain this shortly.

- *Viral marketing*: getting people to pass along your marketing message to friends, family, colleagues and acquaintances.

Affiliate marketing can be achieved by offering organizations that are looking for an event broadcasting platform. The organization gains free unlimited access to Zazu and can use it to reach its members with its events. Naturally these organizations then make sure their members download the application, which creates a larger user base. We intend to do this with student associations, who have a lot of active members in the target audience we want; young people. Young people are more likely to use IT and the internet (Eurostat, 2015) and are therefore more likely to be suitable early adopters of the app.

Viral marketing is trickier and relies on the appeal, usability and acceptance of the app by the user. If the user likes the app they may be more likely to recommend it to their friends and subsequently get the snowball rolling. Laudon & Traver (2016) describe social media platforms as the best place to support viral marketing, so we will make sure to have a strong and interactive social media marketing presence by making business accounts for Zazu and engaging with users. We expect the users gained through affiliate marketing may become active viral marketers if they like the app they were asked to install by their organization.

Scientific references

Anderson, M., & Jiang, J. (2018). Teens, social media & technology 2018. Pew Research Center, 31, 2018.
Eurostat. (2015). Being young in Europe today. Publications Office of the European Union.
Laudon, K. C., & Traver, C. G. (2016). E-commerce: business, technology, society.
Porter, M. E. (2008). Competitive strategy: Techniques for analyzing industries and competitors. Simon and Schuster
The results of our customer validation survey can be found in this Google sheet.
The jobs and epic stories used to create our requirements can be found here.

Scientific references

Anderson, M., & Jiang, J. (2018). Teens, social media & technology 2018. Pew Research Center, 31, 2018.
Eurostat. (2015). Being young in Europe today. Publications Office of the European Union.
Laudon, K. C., & Traver, C. G. (2016). E-commerce: business, technology, society.
Porter, M. E. (2008). Competitive strategy: Techniques for analyzing industries and competitors. Simon and Schuster