

BUSINESS PLAN

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Introduction

The product that Coolware provides is a cloud security tool that will be able to check for configurations that may be at risk. This cloud security tool will also be able to monitor resources and provide users recommendations on how to make their cloud infrastructure more secure for potential threats that may come their way. This business plan will provide the target market that the cloud security tool will go after, a market analysis to help show how big the market is in cloud security, a detailed section describing what the competition looks like, and how they price their cloud security tool. This business plan will also show three different strategies that could be used to help determine the best pricing option for the product. At the bottom of the business plan will be the recommendation section and that will suggest what the best strategy and pricing option would be best for Coolware.

Target Market & Market Analysis

Coolware wants to make the cloud security tool to be versatile to whomever uses it. The tool should be easy to use, learn, and very efficient for the consumer. Yes, the tool should be helpful for the consumers who have had experience in working with cloud infrastructures and security protocol. However, Coolware wants the target demographic to be helping the inexperienced cloud customers that are unfamiliar with security configurations. According to

Allied Market Research, the cloud security market is “valued at \$35.8 billion in 2022 and is projected to reach \$125.8 billion by 2032”. Coolwares cloud security tool will be entering a perfect competition market because it will be highly competitive with other companies trying to convince consumers that their cloud security tool is the best. By having Coolware try to focus on helping the inexperienced cloud customers and provide helpful suggestions to teach the users how to be more secure can help Coolware. This simple approach can differentiate the cloud security tool made by Coolware compared to other cloud security tools made by competitors.

The Competition

The other important thing about dealing with competitors in the market is what they offer compared to what Coolware offers and how does the pricing compare to Coolware’s pricing. There’s a website called “*The CTO Club*” that provides some of the other companies that also create cloud security tools. These companies include ESET PROTECT Complete, Cyberrak, Qualys, ManageEngine Desktop Central, OPSWAT Security Score, and more. Most of these companies provide a monthly payment option to their consumers. The highest payment option came from Orca Security, which charged its customers \$7000 a month while the cheapest option being tied with Cyberrak and Trend Micro both priced at \$2 a month per user.

It's important to note that some of these options are higher because they are not for individual use, and the companies decided to go more for a business-to-business model. The other payment option that the competitors also use is a yearly prescription model which also tends to have a higher upfront cost. Some of the other competitors decided to only price after intrigued consumers are interested and reach out to the competitors for an appraisal. That is also

commonly used only if competitors are using a business-to-business model. The benefits of having a business-to-business marketing model are that it ensures long-term relationships between both parties and the revenue can increase from larger sales. When looking at business-to-consumer marketing, the benefit of that strategy is when you are selling to individuals the consumer base is much larger compared to the business-to-business marketing strategy. The reason being is there is a higher number of individuals in the world compared to the number of businesses. Another benefit when dealing with business-to-consumer is generally much faster to sell your products compared to trying to sell your product when using business-to-business.

Strategies

- **Differentiation Strategy:** This strategy is used for a specific product that will stand out from its competitors. This strategy can help gain consumer loyalty to the brand, allowing the company to price their products higher compared to the competition. The reason why a company would use this strategy is they believe that their product not only stands out to its competitors, but their product also may provide a feature that would be ahead of its competitors. If the product has a competitive advantage, then this strategy would be highly recommended. Some issues with this strategy are that even though a company has every belief that their product stands out to its competitors, the public may not agree and still prefer other competitor's products. It will take a long time to build up brand loyalty and achieve the required reputation to be able to prove that a product is superior compared to the competition.
- **Cost Leadership Strategy:** This strategy would be recommended if you are entering a highly competitive market. It is also used in a market that has been around for a long time

and would be a challenge to try to make the product set itself apart from the competition.

The cost leadership strategy is when the company will lower prices to help the product compete with the competition and grow its market share. The product will compete with similar products in the market but will gain a competitive advantage over them because consumers might prefer choosing the product that is cost efficient. The drawback from using this strategy is that consumers will tend to associate quality with price and might believe the reason why the product is priced low is because it is not the same quality as the competitors' products that are priced higher.

- **Focus Strategy:** If your company wants to be specific to who the product is for, then the focus strategy would be best to use. Most of the time this strategy is used to help address and fix a specific problem. Since this strategy is used for when products are trying to solve specific issues, it will end up having a smaller market compared to differentiation and cost leadership strategy.

Recommendations

Looking at Coolwares target demographic, it wants to focus on helping consumers who are not experienced using cloud infrastructure and don't know the importance of secured configurations. Reviewing the strategies it might be the best option to either use Cost Leadership or Focus strategy. If Coolware used a cost leadership strategy, we could then price the product lower to the competitors. We would then market to consumers that our cloud security can be used for everyone, but our tool can especially help improve those who don't have that much experience in cloud security. This could help Coolware have a competitive advantage over other

competitors. If Coolware went with the focus strategy, then we would have to market to just inexperienced cloud customers. Another important thing for Coolware is to decide whether it is in the business-to-business market or business-to-consumer market. As mentioned earlier business-to-business generates higher sales since you are selling the product to a company. However, if Coolware wants to focus on more to the inexperienced cloud individuals, it would be best to advise for the business-to-consumer approach. When using business-to-consumer approach for the cloud security tool, monthly or yearly subscriptions are used when pricing the product to its consumers. Coolware should offer both monthly and yearly subscriptions because offering a variety of options can help increase customer satisfaction. It would be to price Coolware's cloud security tool just above the competitors like Cyberrak and Trend Micro. They both priced cloud security tools priced at \$2 a month per user. In the range between \$5 and \$10 a month would be great for Coolware because Coolware's cloud security tool offers features to help teach users to make their cloud infrastructure more secure. If users prefer a yearly subscription the price range should be between \$60 and \$120. The prices can also be determined by the number of features that each subscription may offer.

Sources

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Miguel, Paulo Gardini. "22 Best Cloud Security Tools Reviewed for 2024." *The CTO Club*, 4 Apr. 2024, thectoclub.com/tools/best-cloud-security-tools/.