DROPBOX

Some context about Dropbox

* 100,000 🡪 many millions of users in 18 months since launch.
* No advertising spend.
* Hostile environment: lots of competitors, software download.
* Mostly done by engineers with some guidance but no prior marketing experience.

**Dropbox** is a [Web-based](http://en.wikipedia.org/wiki/Web_application) [file hosting service](http://en.wikipedia.org/wiki/File_hosting_service) operated by *Dropbox, Inc.* that uses [cloud storage](http://en.wikipedia.org/wiki/Cloud_storage) to enable [users](http://en.wikipedia.org/wiki/User_(computing)) to store and share files and folders with others across the Internet using [file synchronization](http://en.wikipedia.org/wiki/File_synchronization). It was founded in 2007 by [MIT](http://en.wikipedia.org/wiki/MIT) graduates [Drew Houston](http://en.wikipedia.org/wiki/Drew_Houston) and [Arash Ferdowsi](http://en.wikipedia.org/wiki/Arash_Ferdowsi) as a [Y Combinator](http://en.wikipedia.org/wiki/Y_Combinator) [startup](http://en.wikipedia.org/wiki/Startup_company).

There are both free and paid services, each with varying options. In comparison to similar services, Dropbox offers a relatively large number of user clients across a variety of desktop and mobile operating systems. There are a number of versions across many [operating systems](http://en.wikipedia.org/wiki/Operating_System), including versions for [Microsoft Windows](http://en.wikipedia.org/wiki/Microsoft_Windows), [Mac OS X](http://en.wikipedia.org/wiki/Mac_OS_X), and [Linux](http://en.wikipedia.org/wiki/Linux) (official and [unofficial](http://en.wikipedia.org/wiki/Dropbox_(service)#External_links)), as well as versions for mobile devices, such as [Android](http://en.wikipedia.org/wiki/Android_(operating_system)), [Windows Phone 7](http://en.wikipedia.org/wiki/Windows_Phone_7), [iPhone](http://en.wikipedia.org/wiki/IPhone), [iPad](http://en.wikipedia.org/wiki/IPad) and [BlackBerry](http://en.wikipedia.org/wiki/BlackBerry_OS), and a web-based client for when no local client is installed. Dropbox uses the [freemium](http://en.wikipedia.org/wiki/Freemium) financial model and its free service provides 2 [GB](http://en.wikipedia.org/wiki/Gigabyte) of free online storage. Users who refer Dropbox to others can gain up to 8 GB of additional free storage. The service's major competitors include [Box.net](http://en.wikipedia.org/wiki/Box.net), [CloudMe](http://en.wikipedia.org/wiki/CloudMe), [CrashPlan](http://en.wikipedia.org/wiki/CrashPlan), [Egnyte](http://en.wikipedia.org/wiki/Egnyte), [iCloud](http://en.wikipedia.org/wiki/ICloud), [Mozy](http://en.wikipedia.org/wiki/Mozy), [SpiderOak](http://en.wikipedia.org/wiki/SpiderOak), [SugarSync](http://en.wikipedia.org/wiki/SugarSync), [TitanFile](http://en.wikipedia.org/wiki/TitanFile), [Ubuntu One](http://en.wikipedia.org/wiki/Ubuntu_One), [Windows Live SkyDrive](http://en.wikipedia.org/wiki/Windows_Live_SkyDrive), [Wuala](http://en.wikipedia.org/wiki/Wuala) and [ZumoDrive](http://en.wikipedia.org/wiki/ZumoDrive).

Building a bullet proof, scalable, cross-platform cloud storage architecture

Dropbox is “Making something people want”

“Learn early, Learn often”

**Marketing** is majorly by BUZZ marketing.

* Here the strategies they following are like.
* Tie yourself to a bigger trend.
* Meet journalists in person all the time.
* Journalists are really busy – come up with the angel for them.
* Media resources page on web site.
* Word of mouth rule have a great product.
* Generate word of mouth with scarcity.
* Help users generate tell their friends.
* Invite screen – Facebook pictures, Auto ranked, Outlook detection via looking at mail headers and Fun.
* Inbound marketing/”social media”
* How do you get people to use your product?
* Focus: do a few things really well instead of a lot of things poorly.
* Every 10% easier -> larger audience.
* Don’t make me to think: any decision -> nothing to screw up.
* Don’t make me read, either: Designing landing pages & signup flows.
* Hook the user first, educate over time.
* You do not see the same product your users do.
* Make feedback painless - then iterate.
* The best products turn users into evangelists.
* Encouraging word-of-mouth: Referral program increased signups by 60%
* Tricks of trade: FB & Twitter feed, emails, contact list importers.

**What we learned**

* Lots of pressure (or guilt) to do things the traditional way. But think first principles.
* Fortunately, we spent almost all our effort on making an elegant, simple product that “just works” and making users happy
* And we worked our asses off.
* And hired the smartest people we knew

“Keep the main thing the main thing”

* Mostly ignored (or woefully mishandled):
  + Hiring non-engineers.
  + Mainstream PR.
  + Traditional messaging/positioning.
  + Deadlines, process, “best practices”.
  + Having a “real” website.
  + Partnerships/bizdev.
  + Having lots of features.
* Product-market fit cures many sins of management

**Typical Dropbox User**

1. Business Hears about Dropbox from a friend, blog, etc. and tries it
2. “I didn’t realize I needed this”
3. “It actually works”
4. Unexpectedly happy -> tell friends the model

**Dropbox operates on the** [**Freemium**](http://en.wikipedia.org/wiki/Freemium) **financial model.**

Dropbox offers a free account of 2 GB and a paid account of 50 GB, 100 GB, and a team account of 350 GB. The free account and the paid account are identical in all aspects except for the amount of storage space offered. Providing the free account to users costs a lot of money to Dropbox but nevertheless Dropbox continues to provide the free accounts because it benefits Dropbox in several ways. [Drew Houston](http://en.wikipedia.org/wiki/Drew_Houston), the CEO of Dropbox has pointed out that:

"*Most of our growth is word of mouth/viral, so free users are still valuable: we grow faster, and they refer people who might pay*"

"*Picking the right duration is tricky, and people add files to their Drop boxes at different rates. Many pay eventually after using the free service for a long time.*"

For a brief period of time, Dropbox operated an affiliate program whereby third parties which referred customers to Dropbox would get a small cut out of Dropbox's revenue. But this affiliate program was shut down indefinitely on November 5, 2009 because it was not providing good returns. Dropbox provided the following official explanation:

"*We believe that our efforts as a company are better spent improving the Dropbox product for our customers and delivering the features that they have been asking for.*"

"*Because we are a small company, we have to be very selective about which projects we work on, and the affiliate program didn't seem like a wise use of our resources.*"

**Technology**

Both the Dropbox server and desktop client software are primarily written in [Python](http://en.wikipedia.org/wiki/Python_%28programming_language%29). The desktop client uses GUI toolkits such as [wxWidgets](http://en.wikipedia.org/wiki/WxWidgets) and [Cocoa](http://en.wikipedia.org/wiki/Cocoa_%28API%29). Other notable Python libraries include Twisted, ctypes, and pywin32. The software does not use any third-party file sync or version control libraries and was built from scratch.

The Dropbox client enables users to drop any file into a designated folder that is then synced with Dropbox's Internet service and to any other of the user's computers and devices with the Dropbox client. Users may also upload files manually through a web browser. Through these usages, it can be an alternative to [sneakernet](http://en.wikipedia.org/wiki/Sneakernet) (physical transportation of removable media), and other traditional forms of file transfer, such as [FTP](http://en.wikipedia.org/wiki/File_Transfer_Protocol) and [e-mail attachments](http://en.wikipedia.org/wiki/E-mail_attachment).

While Dropbox functions as a storage service, its focus is on synchronization and sharing. It supports revision history, so files deleted from the Dropbox folder may be recovered from any of the synced computers. Dropbox's version control also helps users know the history of a file they may be currently working on, enabling more than one person to edit and re-post files without complications of losing its previous form. The version history is limited to 30 days. A paid option for unlimited version history called "Pack-Rat" is available.

The version history is paired with the use of [delta encoding](http://en.wikipedia.org/wiki/Delta_encoding) technology. To conserve bandwidth and time, if a file in a user's Dropbox folder is changed, Dropbox only uploads the [pieces of the file](http://en.wikipedia.org/wiki/Block_%28data_storage%29) that are changed when syncing. Though the desktop client has no restriction on individual file size, files uploaded via the web site are limited to a maximum of 300 [MB](http://en.wikipedia.org/wiki/Megabyte) per file. To prevent free users (who get 2 GB of free storage) from creating multiple free accounts, Dropbox includes the content of shared folders when totaling the amount of space used on the account.

Dropbox uses [Amazon](http://en.wikipedia.org/wiki/Amazon.com)'s [S3](http://en.wikipedia.org/wiki/Amazon_S3) storage system to store the files; though [Houston](http://en.wikipedia.org/wiki/Drew_Houston) has stated that Dropbox may switch to a different storage provider at some point in the future. It also uses [SSL](http://en.wikipedia.org/wiki/Transport_Layer_Security) transfers for synchronization and stores the data via [AES](http://en.wikipedia.org/wiki/Advanced_Encryption_Standard)-256 encryption.

Power users have devised a number of innovative uses for and [mash-ups](http://en.wikipedia.org/wiki/Mashup_%28web_application_hybrid%29) of the technology that expand Dropbox' functionality. These include: sending files to a Dropbox via [Gmail](http://en.wikipedia.org/wiki/Gmail); using Dropbox to sync [IM](http://en.wikipedia.org/wiki/Instant_messaging) chat logs; [Bit Torrent](http://en.wikipedia.org/wiki/BitTorrent_%28protocol%29) management; [password management](http://en.wikipedia.org/wiki/Password_manager); [remote application launching](http://en.wikipedia.org/wiki/Remote_desktop_software) and system monitoring; and as a free [Web hosting service](http://en.wikipedia.org/wiki/Web_hosting_service).

**Your files, anywhere**

*Any file you save to Dropbox also instantly saves to your computers, phones, and the Dropbox website.*

* 2GB of Dropbox for free, with subscriptions up to 100GB available.
* Your files are always available from the secure Dropbox website.
* Dropbox works with [Windows](http://www.dropbox.com/downloading?os=win), [Mac](http://www.dropbox.com/downloading?os=mac), [Linux](http://www.dropbox.com/downloading?os=lnx), [iPad](http://www.dropbox.com/ipad), [iPhone](http://www.dropbox.com/iphoneapp), [Android](http://www.dropbox.com/android) and [BlackBerry](http://www.dropbox.com/blackberry).
* Works even when offline. You always have your files, whether or not you have a connection.
* Dropbox transfers just the parts of a file that change (not the whole thing).
* Manually set bandwidth limits -- Dropbox won't hog your connection.

**Simple sharing**

*Shared folders allow people to work together on the same projects and documents.*

* Invite friends, family or teammates to a folder. It'll be as if you saved the folder to their computers.
* See other people's changes instantly.
* Create photo galleries viewable by anyone you choose.
* Send a link to any file in your Dropbox using your Public folder.

**Dropbox mobile**

*Apps for iPhone, iPad, Android, and BlackBerry keep your Dropbox at hand, even on the go.*

* Bring your files with you when you're on the go.
* Edit files in your Dropbox from your phone.
* Easily upload your photos and videos to Dropbox.
* Share freely with family and friends.

**Your stuff is safe**

*Dropbox protects your files without you needing to think about it.*

* Dropbox keeps a one-month history of your work.
* Any changes can be undone, and files can be undeleted.
* Secure Sockets Layer (SSL) and AES-256 bit encryption

**Achievements**

1. December 2010 Market Share report that Dropbox held 60.41% of the worldwide Backup Client market, based on number of installations
2. April 2011, Dropbox has more than 25 million users
3. Dropbox's annual revenues were 100 million dollars in 2010.

**Conclusion**

Thus the report contains the Strategic management process, vision of the company, business vision models, objectives and goals, Business policies and strategies. Environmental scanning, Generic corporate culture of leadership, designing strategic control system, key success factors, monitoring success and evaluating deviation competitive strategies along with other essential business strategies of Online file storage company DROPBOX.

**References**

1. <http://www.dropbox.com/>
2. <http://www.eggfreckles.net/notes/my-dropbox-strategy>
3. <http://tengoldenrulesblog.blogspot.com/2011/01/using-dropbox-for-file-sharing-online.html>
4. <http://www.oppapers.com/essays/Dropbox-Strategy-Recommendations/598449>