|  |  |
| --- | --- |
| Entering the app discovery market | Rinke Groot – 1611197  Company: Playground / APPeers Institution: University of Applied Sciences Utrecht |

What marketing strategy APPeers’ founders should follow for APPeers to gain a minimum of 10,000 active users within a year

Author: Rinke Groot

ID: 1611197

Year: 4

Course: International Business and Management Studies

Institution: University of Applied Sciences Utrecht

Date: July 2015

First supervisor: Mrs. Deniz A. Seyhan

Second Supervisor: Mr. Robert de Bruijn

# Foreword

This thesis is written for my Bachelor in International Business and Management Studies, followed at the University of Applied Sciences Utrecht. The internship where I wrote the thesis was carried out at Playground, a marketing agency in Milan, Italy. I did the internship from March 2015 until July 2015, for a total of 20 weeks.

In the thesis I came up with a marketing plan for a new online platform, developed by Playground. This marketing plan will guide the founders in their future marketing efforts. The topic interested me, as I have always had an entrepreneurial spirit. Furthermore, the marketing aspect fitted well with my studies, which is also marketing oriented. The internship gave me the opportunity to work on a project that had a lot in common with a startup.

First of all, I would like to thank the founders of Playground, Matteo Cordini, Gabrielle Stroppa and Paolo Carravieri, for giving me the chance to work as an intern in their company, and making me feel so welcome in Italy. Furthermore, they gave me good and honest feedback on my ideas and work, and were always willing to answer all my questions. Finally, I would like to thank my supervisor, Mrs. Seyhan, for guiding my research and giving me her valuable input, ideas and feedback.

Utrecht, December 2015

Rinke Groot

# Executive summary

The booming market of mobile applications has also given birth to an entirely different market, namely that of mobile app discovery. Companies try to respond to those customers who have a hard time finding useful ones between the millions of apps in the app stores. Playground, a marketing agency located in Milan, Italy, recently launched APPeers as a response to this issue. APPeers is an online platform where people can discover and share apps relevant to their profession or hobbies. However, a marketing strategy has not yet been established for APPeers. Therefore, the proposed research question is: ‘’What marketing strategy should APPeers’ founders follow for APPeers to gain a minimum of 10,000 active users within a year?’’ The aim of the research is therefore to come up with a feasible strategy for the marketing of APPeers. Different sub-questions have been researched and answered.

Firstly, the market has been researched in detail. A macro analysis has been carried out, which showed that both the smartphone and the mobile applications market are still growing, be it with an increasingly slower rate. Countries like India, Russia and Indonesia still experience large growth in these markets. Furthermore, it was found that the Google Play store is growing at a quicker rate than the Apple app store. The competition has been studied, and it was found that Product Hunt and Appcrawlr are by far the largest, as their websites receive most monthly visits. However, although their target market is similar to that of APPeers, it is not the same.

The second question was who the target customer is. Through a survey, a description of that customer archetype was made: ‘The average customer is a male, between 16 and 25 years of age. He is a student, and describes himself as a career-oriented, sportive student, who has affinity with tech and culture. He owns an iPhone, has between 21 and 30 apps on his phone, but uses less than half of them.’ App developers were interviewed to find out if they would be interested in promoting their apps, because earlier research shows that successful platforms manage to connect the producer with the consumer. Overall, app developers gave positive feedback to APPeers.

Thirdly, advertisement was discussed. It was found that the most effective way is to use Google Adwords, Facebook advertising and Apple’s iAd, since campaigns can be fine-tuned in small details. An initial daily advertising budget of €16.50 per day was accepted by the founders. A positioning statement and the 4P’s of marketing were also created, to guide future marketing efforts. APPeers’ position in the market should be focused on serving a niche, instead of the entire market, as researched literature also suggests. However, since anyone who speaks English can use the platform, the growing markets mentioned earlier should be focused on with advertising.

Then, by looking at established platforms such as Product Hunt and Goodreads, a retention strategy was created for APPeers, with features to implement into the platform to make users come back. The main points to focus on with regards to retention are to create a hook, and to make it social and easy to interact with others, and to create a reward system. Finally, crowdfunding possibilities were discussed and the costs of hiring new employees for APPeers in Italy were researched. The best crowdfunding alternative turned out to be Indiegogo, because this platform enables the fundraiser to have a lot of freedom in creating a campaign. And finally, it was recommended to hire a marketer and developer, initially on a part-time basis, and if APPeers becomes more successful fulltime. These two employees will cost an estimated €44,329 per year on a fulltime basis.

Table of Contents

[Foreword 2](#_Toc434934694)

[Executive summary 3](#_Toc434934695)

[1. Introduction 8](#_Toc434934696)

[2. Literature review 10](#_Toc434934697)

[2.1 Customer needs 10](#_Toc434934698)

[2.2 Positioning 11](#_Toc434934699)

[2.3 Retention and loyalty 11](#_Toc434934700)

[2.4 Marketing strategy 12](#_Toc434934701)

[2.5 Summary 12](#_Toc434934702)

[3. Methodology 14](#_Toc434934703)

[3.1 Orientation 14](#_Toc434934704)

[3.2 What are the opportunities and threats in the market? 14](#_Toc434934705)

[3.3 Who is APPeers’ target customer? 15](#_Toc434934706)

[3.3.1 Analysis 15](#_Toc434934707)

[3.3.2 Population and sampling 16](#_Toc434934708)

[3.3.3 Limitations & delimitations 16](#_Toc434934709)

[3.3.4 Ethics 17](#_Toc434934710)

[3.4 What are the target customers’ needs? 17](#_Toc434934711)

[3.5 How should APPeers position itself? 17](#_Toc434934712)

[3.6 What kind of retention strategy will create a sustainable customer base? 18](#_Toc434934713)

[3.7 What internal changes and funding should be implemented? 18](#_Toc434934714)

[3.8 Validity of the research 18](#_Toc434934715)

[3.9 Conceptual model 19](#_Toc434934716)

[4. Findings 20](#_Toc434934717)

[4.1 Opportunities and threats in the market 20](#_Toc434934718)

[4.1.1 Macro analysis 20](#_Toc434934719)

[4.1.2 Competitor analysis 21](#_Toc434934720)

[4.1.3 SPACE matrix 21](#_Toc434934721)

[4.2 Target customer 21](#_Toc434934722)

[4.3 Customer needs 23](#_Toc434934723)

[4.3.1 The app consumer 23](#_Toc434934724)

[4.3.2 The app developer 24](#_Toc434934725)

[4.4 Positioning 24](#_Toc434934726)

[4.4.1 Advertising options and budget 24](#_Toc434934727)

[4.4.2 Positioning statement 25](#_Toc434934728)

[4.4.3 Marketing mix 26](#_Toc434934729)

[4.5 Retention strategy 27](#_Toc434934730)

[4.6 Internal changes and funding 27](#_Toc434934731)

[4.6.1 Crowdfunding 27](#_Toc434934732)

[4.6.2 Human Resources cost estimates 28](#_Toc434934733)

[5. Conclusions and discussions 29](#_Toc434934734)

[5.2 Conclusions 29](#_Toc434934735)

[5.2.1 The market 29](#_Toc434934736)

[5.2.2 The customer and his needs 30](#_Toc434934737)

[5.2.3 Positioning of APPeers 32](#_Toc434934738)

[5.2.4 Retention strategy 32](#_Toc434934739)

[5.2.5 Internal changes and funding 33](#_Toc434934740)

[5.3 Discussion 34](#_Toc434934741)

[6. Recommendations 36](#_Toc434934742)

[7. References 40](#_Toc434934743)

[8. Appendices 45](#_Toc434934744)

[8.1 Business Model Canvas 45](#_Toc434934745)

[8.2 Market analysis 46](#_Toc434934746)

[8.2.1 Smartphone market 46](#_Toc434934747)

[8.2.2 App market 46](#_Toc434934748)

[8.2.3 App stores 48](#_Toc434934749)

[8.2.5 News 49](#_Toc434934750)

[8.3 Competitor analysis 50](#_Toc434934751)

[8.3.1Producthunt (Product Hunt, 2015) 50](#_Toc434934752)

[8.3.2 XYO (XYO, 2015) 51](#_Toc434934753)

[8.3.3 Maqtoob (Maqtoob, 2015) 51](#_Toc434934754)

[8.3.4 Quixey (Quixey, 2015) 52](#_Toc434934755)

[8.3.5 Appetite+ (Appetite App, 2014) 52](#_Toc434934756)

[8.3.6 Appcrawlr (Appcrawlr, 2015) 53](#_Toc434934757)

[8.3.7 App review websites 53](#_Toc434934758)

[8.4 Space Matrix 54](#_Toc434934759)

[8.5 Survey and results 55](#_Toc434934760)

[8.5.1 Survey 55](#_Toc434934761)

[8.5.2 Survey results 59](#_Toc434934762)

[8.6 Customer needs 65](#_Toc434934763)

[8.7 Interview app developers 66](#_Toc434934764)

[8.7.1 Interview Romain Morvan 66](#_Toc434934765)

[8.7.2 Interview Paolo Tagliani 68](#_Toc434934766)

[8.7.3 Interview Berkay Kostikoglu 69](#_Toc434934767)

[8.7.4 Interview Victor Vodegel 70](#_Toc434934768)

[8.7.5 Interview Giuseppe Arici 72](#_Toc434934769)

[8.8 Advertisement options 73](#_Toc434934770)

[8.8.1 Google AdWords 73](#_Toc434934771)

[8.8.2 Facebook advertisements 74](#_Toc434934772)

[8.8.3Apple advertising 75](#_Toc434934773)

[8.9 Retention strategies established platforms 75](#_Toc434934774)

[8.91 Goodreads 75](#_Toc434934775)

[8.9.2 Twitter 76](#_Toc434934776)

[8.9.3 Product Hunt 77](#_Toc434934777)

# 1. Introduction

In January 2015, appFigures research on the amount of apps in the two biggest app stores, Google Play and the Apple app store, revealed that the former had surpassed the latter regarding the amount of available apps: 1,43 million compared to 1,21 million. Another finding was that both stores grew by over 50% in 2014 (appFigures, 2015). Implying that this growth continues, the Google Play store will have grown to a staggering 16 million by 2020, and the Apple app store will contain almost 14 million apps in that same year. In short, the amount of apps is increasing exponentially. The problem is just how customers find all these new apps coming out. Just some examples: 60% of all available apps have never been downloaded, and 81% of UK visitors to the app store do not look past the top 50 apps (Tnooz, 2013).

APPeers was established in late 2014, with the goal in mind to improve the world of app discovery. In November 2014, its beta went live, and in April 2015, the final version of the site went live. APPeers is an online platform dedicated to facilitating its visitors with the means to find apps that are useful for their profession and hobbies. One searches for a profession or hobby and sees what apps others with the same job or interest, are using, and more importantly, what they have to say about that app. If one creates an account, he can start adding apps himself. The idea is thus to give visitors the opportunity to find apps that have already been rated and reviewed by others, meaning that the app reviews are real, and to share their own apps with others in their field.

After the development of the APPeers platform, its founders did not exactly know how to put it on the market. They then hired an intern to work together with them on the marketing aspect. The objective of this thesis is thus to create a marketing strategy for APPeers that will help the site achieve a minimum of 10,000 users in its first year of its existence. For that, the following sub-questions will have to be answered:

* What are the opportunities and threats in the market?
* Who is APPeers’ target customer?
* What are the target customers’ needs?
* How should APPeers position itself?
* What kind of retention strategy will create a sustainable customer base?
* What type of funding campaign should be started?

The thesis will help the four founders of APPeers, Matteo Cordini and Michele Scarano, with an applicable strategy for the platform as far as marketing is concerned, based on marketing theory and applied research. It should be noted that the focus is not only on the end user (the app consumer). The founders are working towards making APPeers a two-sided platform where app consumers meet app developers. This will also be considered and researched in more detail.

# 2. Literature review

An important part of the thesis is to see what has been researched on the topic already. The literature review was proven be mainly useful for the concepts that require further research in the practical part of the thesis.

## 2.1 Customer needs

An important part of this thesis is regarding customer needs. Customer needs is a thoroughly researched topic as a marketing concept, but obviously needs differ greatly per industry and even per organization. One of the basic understandings of a customer-based approach is that companies should understand what their customers want before they invest in the provision of new products or services (Pinegar, 2006). Therefore, even before APPeers was created, its founders distributed questionnaires and spoke to people on if they saw the current App stores as inefficient and what they would think of a community-based app discovery platform. However, Tseng et al. (2011) argue that the traditional approach of asking customers about their needs is often a costly and inexact process, which often fails to determine the customers’ latent needs.

Ulwick et al. (2002) contended that the first step towards figuring out their customers’ needs for a company is to know, well in advance, the criteria that customers will use in judging a product’s value. In accordance with this view, Ulwick developed an approach to innovation known as the ‘outcome-driven method’. The three key tenets of this approach were: (i) customers buy services to help them get jobs done; (ii) customers use a set of metrics to judge how well a job is getting down and how a service performs; and (iii) these customer metrics make possible the systematic and predictable creation of services. Here, the focus is not on the customers; rather, the job becomes the unit of analysis. A company that focuses on helping customers get jobs done more quickly, more conveniently, and less expensively than previously is more likely to create and services that their customers want. These are the services that can be relied upon to create customer value.

For a given job, companies therefore need to identify the outcomes that are important and unsatisfied. They must then systematically devise and provide creative features in their products and services that do a better job of addressing these outcomes. Focusing on the job instead of the customer is essentially a more direct way of studying the customers’ needs, and this is approach highly possible for APPeers, by looking at how competitors try to solve the ‘job’ and trying to solve the job better. As bigger competitors have more resources to generally enable customers to perform the job better, it may be wise to select a niche and make sure APPeers performs the job better in that particular niche.

## 2.2 Positioning

APPeers is entering the app discovery market, where there are already established names out there, as can be seen in the competitors’ analysis (found in chapter 7.3). Therefore, it has to position its brand in a certain way, to either obtain users from these competitors, or to increase the total market size by making more people use app discovery as a tool to find useful apps. There are many reasons to believe that a large competitor may be more threatening to a brand than a small competitor (Ailawaldi, Zang, & Kruger, 2010). However, research in comparative advertising shows that cognitive factors drive an opposing effect, such that low-share brands tend to be viewed more favorably when they are compared with high-share brands versus when they are compared with other low-share brands or when they are viewed alone (Grewal, Kavanoor, Fern, Costley, & Barnes, 1997). This is one of the advantages of having a low market share brand. This implies, and research by Paharia et al. (2014) shows, that smaller brands can benefit from highlighting a larger competitor in their marketing efforts, even when they do not claim superiority. For APPeers, it could mean to acknowledge that it is not the biggest in the market, but that it does serve a niche better than its competitors do: the people who search for profession or hobby-related apps.

## 2.3 Retention and loyalty

Online retention strategies are a completely new thing, and cannot be approached in the same manner as their offline counterparts, simply because the online customer behaves differently. Harris and Goode (2004) argue that loyalty development for online companies is ‘both more difficult and more important than for their offline counterparts’. The high importance placed on online loyalty is because of the competitive nature of the online market and the ever-increasing number of online companies. The internet also makes it easy and less costly for consumers to search for alternatives, as well as giving them the ability to switch at the click of a button. Therefore, we can conclude that for APPeers, as for any other platform, the retention strategy needs to be well thought out since customer loyalty tends to be low.

Vatanaombut et al. (2004) formulated a generic strategy for retaining customers on an online platform. Making a clear distinction between novice and sophisticated platform users, they say that for novice users, retention initiatives should focus on measures that help them overcome technical barriers and become sophisticated users. Examples of specific measures include providing clear and complete online help and demos, providing automatic look-up of username and password, offering incentives to adopt more advanced features, and building a community of users where participants can exchange ideas and consult one another. For sophisticated users, retention initiatives should focus on measures that create commitment and trust in the relationship. Commitment and trust can be developed by empowering customers, increasing termination costs, ensuring the sharing of values, implementing effective and proactive communications, and ensuring perceived security. This would certainly apply to APPeers, as since the platform does not work optimal yet, customers might come across technical problems.

## 2.4 Marketing strategy

Most successful platform connects two or more types of users - buyers and sellers on a shopping portal, travelers and hotel operators on a booking service - and a strong launch usually requires convincing early users to join even before the platform reaches scale. A new platform can only gain a mass sign-up if at least one of two conditions is true: the company already has the users it needs on another platform, or user data is publicly available. If signing up large numbers of users at once is not feasible, platform businesses should look for ways of providing value to individual users even if no one is on the platform (Edelman, 2015). Edelman gives two pieces of advice: firstly, start with an industry niche, targeting customers in a relatively narrow market where the platform can more readily gain traction. Secondly, find or build small social groups by identifying them and serving their social needs.

G.L. Moss and P.G. Shaw-McMinn (2001) conclude in their research that strategy development requires a talent for creativity and prediction, both qualitative functions of the brain’s right side, which is good news for a platform that was established by a creative digital marketing agency.

## 2.5 Summary

What can be concluded from the literature is that firstly, to investigate customer needs, the focus should be on the job that APPeers’ customers are trying to get done, and preferably it should choose a niche to make sure its customer gets the job done more effective than at the competitor. Secondly, by making clear that it competes with big players, customers tend to be viewed more favorably. Again, this could mean serving a niche is more effective, since serving the customer better than competition is still priority. Thirdly, because customer loyalty in the online world is lower than in the real world, keeping customers can be tough because switching product is easier online. Therefore, commitment and trust should be developed by empowering customers, ensuring the sharing of values, implementing effective and proactive communications, and ensuring perceived security. Finally, according to the literature, APPeers should lay more focus on becoming a two-sided platform, where users and developers come together, which fills up the platform. This implies app developers should also be sought as customer. Furthermore, if the target group is a niche, the platform gains traction faster.

# 3. Methodology

## 3.1 Orientation

The main question is: ‘what marketing strategy should the founders of APPeers pursue in order to get a minimum of 10,000 active platform users within one year?’ This question is concerned with solving a practical business problem involving the application of science, making it applied research. Both qualitative and quantitative research methods were used, depending on the sub-question addressed. As for the question who APPeers’ customer is, for example, a survey was conducted that involved data that is quantifiable (i.e. the number of respondents that indicated that they found it hard to find relevant apps in the app store). On the other hand, when trying to answer the question what type of retention strategy should be developed, data was gathered that is qualitative by nature (i.e. a study of successful online platform startups like Product Hunt and Goodreads). Overall, qualitative research methods were dominant in answering the sub-questions leading up to the main question. A Business Model Canvas was drawn as an orientation on the project, found in the appendix. This canvas was drawn prior to the research, in consultation with the founders of APPeers, based on ideas the founders already had and research they had already carried out. This research adds on to that.

Per sub-question, data collection and analysis will be discussed, and where applicable, population and sampling methods will be explained.

## 3.2 What are the opportunities and threats in the market?

This question is aimed at exploring the market that APPeers is entering. It is necessary to know more about the macro environment (i.e. smartphone market and trends, total amount of app developers, etc.) and about the competitive landscape, in order to create a marketing strategy. Firstly, the smartphone market, app market and its trends were discussed, using mainly quantitative data from articles and research by leading technology news magazines like TechCrunch, tech companies like Apple, and Statistics Institutes. A competitor analysis was carried out, found in the appendix, in which competition was studied based on variables such as their user base size, product, their purpose and how they compare to APPeers. This data was collected using their websites, social media and the web analysis tools SimilarWeb and Google Analytics. These competitors are all relatively young privately held companies, who have not published information such as an annual report or financial statements.

APPeers’ strategic position in the market was then researched using the SPACE matrix, which has a quantitative nature. The SPACE matrix was chosen because it takes both the market and the company’s current position in the market into account, and the outcome hints towards a certain strategy already (conservative, defensive, aggressive or competitive), which is ultimately the goal of this thesis. The SPACE matrix was created using an Excel tool made by the University of Applied Sciences Utrecht, where one has to rate different criteria on a scale from 1 to 6. The SPACE matrix for APPeers was created in consultation with the founders.

## 3.3 Who is APPeers’ target customer?

This question is necessary because in order to create a marketing strategy, it is important to know what type of customer APPeers aims for. As became already clear from the literature review, a successful platform is one that is able to link producers with customers, which is a focus point for the founders of APPeers. Therefore, both the app consumers and app producers should be taken into account. However, to answer this particular sub-question, the app developers were not studied in great detail, since it was assumed that they all have a similar goal in mind: selling their apps. Therefore, only the consumer side was studied here: a survey, made with Google Docs, was distributed. The purpose of the survey was to identify target groups of people who showed potential interest in the platform. The survey can be found in the appendix. This research method was selected because it is an effective and time-efficient way to communicate with many potential customers, with limited resources.

### 3.3.1 Analysis

Data was exported to and analyzed with Excel (instead of SPSS, since analysis was straightforward and basic). First of all, surveys were handed out randomly (see 3.3.2) and then all answers were analyzed to first identify a target group that showed potential interest in an app discovery platform, after which their key characteristics were identified (i.e. profession, hobbies, age, type of phone, etc.). In order to find out if they showed interest in APPeers, respondents could answer the following 3 questions with either YES, MAYBE or NO:

* Would you like to know which apps others with similar a profession or interests use?
* Would you like to know which apps celebrities and influencers use?
* Would you like to share cool apps that you use with others?

A NO gave a score of 1, MAYBE a score of 2, and YES of 3. Therefore, all respondents received scores between 3 and 9. A score of 6 or higher was found sufficient, meaning the respondents answered at least with a NO/MAYBE/YES or a MAYBE/MAYBE/MAYBE (in random order). This was found sufficient because reasonably, these answers or higher show an at least remote interest. Every respondent with a 6 to 9 score was therefore placed in the ‘potential customer’ group and their characteristics were studied. This was done by simply comparing the answers and seeing which answers occurred most. The results of this can be found in figures in chapter 8.5.2.

### 3.3.2 Population and sampling

The survey was handed out digitally, through e-mail, social media and survey websites. Since everyone with a smartphone worldwide could be a potential user of the platform, it was impossible to obtain a probability sample. Therefore, the researcher relied on convenience sampling, an example of non-probability sampling. Since the surveys were handed out digitally, this meant that respondents had access to and were active on the internet, two prerequisites for being a potential APPeers platform user. Therefore, the results were found reliable and trustworthy. Confidence level was set at 95% and confidence interval at 7. The entire population was found to be 2.50 billion, because this is the amount of people that currently use internet on their phone (eMarketer, 2014), are able to download apps and who thus meet the conditions to join APPeers. This gave a sample size of 196 respondents.

### 3.3.3 Limitations & delimitations

The research was limited in the sense that only a limited amount of the entire population could be asked (convenience sampling). This biases the results in the sense that most respondents were either Dutch or Italian. Furthermore, a relatively high confidence interval was chosen on purpose, since a sample size of over 200 respondents would not be feasible, given time and resource constraints. On the other hand, the needed sample size was met, and results of people indicating they did not have access to mobile internet were left out, making it clear that the sample was representative for the entire population. This was a delimitation of the survey research.

### 3.3.4 Ethics

All responses were anonymous and the personal details of respondents were not asked.

## 3.4 What are the target customers’ needs?

Since the ultimate goal of any business is to answer to their customers’ demands, this question is necessary for the formulation of a marketing strategy. Firstly, the app users’ needs were studied with the help of the survey; a part of the questions was aimed towards the customers’ needs. Then, in order to get more information about the other side of the customer base, the app developers that is, 5 app developers were being interviewed about their interest in such a platform and their needs. The interviews have a qualitative nature. Using interviews rather than questionnaires or any other research method made it easy to specifically ask for app developers’ needs, and gave them freedom in their answers.

The reason that app developers were specifically considered in this question, and not in the previous question, is simple. They were identified as one group, without further need to identify their characteristics (age, gender, and etcetera). However, for the marketing of APPeers it was found necessary to know what they want and what their needs are. The interviews were conducted via e-mail or online chat and the answers analyzed and compared. The app developers were picked at random and contacted online. Due to time and resource constraints, only 5 were picked.

## 3.5 How should APPeers position itself?

Positioning is an important aspect of a marketing strategy, as it involves formulating an answer to what position the brand should occupy in the customers’ mind, and the discussion of the P’s of the marketing mix. First of all, an advertisement strategy was chosen and necessary budget estimated, in consultation with APPeers’ founders. The founders agreed that online advertising would be most effective, because the topic of the advertisements is sharing mobile applications. Therefore, Google Adwords, Facebook advertising and Apple iAds, three popular advertising portals, were considered. Data was gathered from the respective advertisement portals. Then, a positioning statement was made in consultation with APPeers’ founders, to serve as a guideline for future marketing decisions. A positioning statement is a short summary of what the company stands for, and probably the most important sentence in a marketing plan, according to Chron Small Business (2013). Finally, the 5 elements of the marketing mix (including people) are being discussed, including an indication to what to invest in when choosing to invest in that specific piece of the marketing mix. This will serve as a guideline for the final advice what to invest in. The choice to include people in the marketing mix is due to the fact that, as a social media platform where changes are being made by its users continuously, it might be necessary to hire a full-time platform developer. Estimated resulting costs were included in the research.

## 3.6 What kind of retention strategy will create a sustainable customer base?

What separates successful online platforms from the unsuccessful is their ability to keep the customer coming back, in other words, their retention strategy. These successful platforms manage to anticipate on a person’s natural needs for recognition and validation. By studying the retention strategy of Goodreads, Producthunt and Twitter, a strategy for APPeers to retain its customers was established, which is qualitative by nature. Scientific articles or marketing theory was found to be of limited use for the creation of a retention strategy because online platforms are a new phenomenon, that is, also from a marketing point of view.

## 3.7 What type of funding campaign should be started?

It is necessary to not only have an answer to questions like how APPeers should position itself, but also to provide its founders with concrete guidelines on how to move forward, and what internal changes should be made to achieve this. Another question is where the money should come from. Therefore, crowdfunding was studied by looking into one of the two most popular crowdfunding organizations: IndieGoGo. Traditional funding methods such as a bank loan were found to be irrelevant, partly because a revenue model yet has to be established, likely making banks hesitant to provide loans.

## 3.8 Validity of the research

The research also needs to be assessed on its validity. First of all, the study of the market is complete and thorough, with both the smartphone market and application market being discussed. The limitation of the competitor analysis is that little is known about the competitors: they did not issue financial statements or annual reports. Therefore it is hard to say which competitors are going to be a direct threat for APPeers in the future. Furthermore, substitutes such as app review websites or magazines were not taken into account. There are countless of them and even if they were mapped, it would be impossible to know how many people make use of them.

The target customer (both the end user and the app developer) were studied in detail. Online surveys were used for the end user, because they have a rather high expected response rate, save time and money, and facilitate collecting data (Verhoeven, 2010). The same online approach was used for interviewing the app developers. Furthermore, the founders of APPeers were always consulted during specific parts of the research like formulating a positioning statement or discussing the budget. This meant that no assumptions were made in these areas.

## 3.9 Conceptual model

The conceptual describes all parts of the different sub-questions.

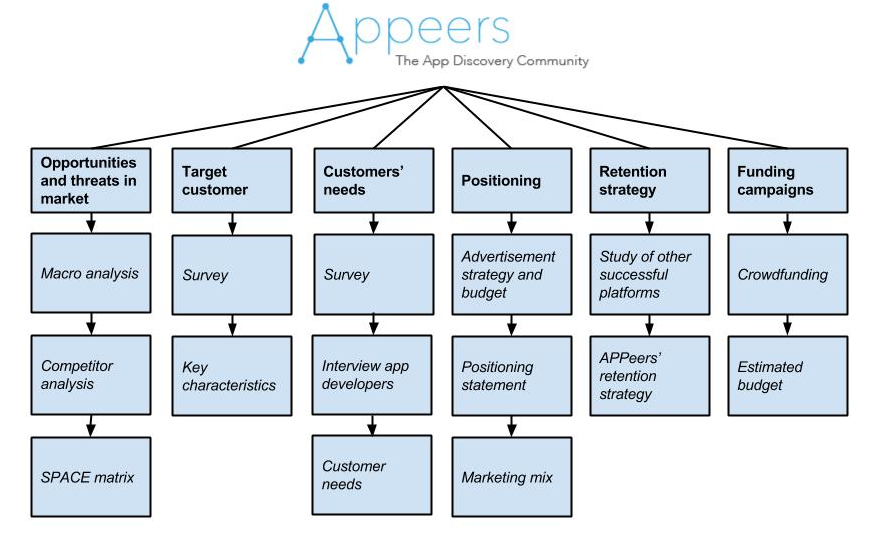


Figure 1 - Conceptual model

# 4. Findings

Now, findings per sub-question will be discussed.

## 4.1 Opportunities and threats in the market

### 4.1.1 Macro analysis

An overview of the macro analysis findings can be found in the appendix, chapter 8.2. Here, the results of these findings will be discussed.

* The smartphone market is still growing (figure 4). Growth is, however, expected to slow down over the coming years, from 16.8% this year to 7.6% in 2018.
* If divided into different countries (figure 5), it shows that the top 6 countries with highest smartphone usage growth are China with 22,6%, the US with 19.4%, India with 66%, Russia with 32.3%, Japan 29.6%, and Indonesia with over 97%.
* On average, smartphone owners worldwide use 6.8 apps.
* The figure *available apps per store* (figure 7) shows that Google Play is the largest app store, followed by the Apple app store. The Amazon app store and Windows app store are significantly smaller, with 360,000 and 340,000 apps as of May 2015. Looking at the two largest app stores, Google Play and Apple app store (figure 8 and 9), it can be noted that Google Play grew about 14% faster than the the Apple store. Both app stores currently have the same amount of apps, but a trend line, created with MS Excel, shows that the Google play store is estimated to have almost 250,000 more apps by 2020 (figure 10 and 11).
* The most recent calculation of the amount of app developers totalled 5.5 million (VisionMobile, 2014). It is a rough estimation, but according to VisionMobile it is the necessary amount of developers to keep updated all apps that have been updated in the past 12 months, and build all new ones that came out in the same period of time.
* India’s mobile app usage grew 131% over the last year. This was mainly due to mobile app shopping, which skyrocketed in India.
* The second piece of news concerns the Gulf countries, where Ericsson carried out research that showed mobile subscriptions are expected to be 970 million in 2020, of which 40% are smartphones. Also, a substantial amount of subscribers downloaded paid apps over the past month, and 44% of consumers performed in-app purchases.

### 4.1.2 Competitor analysis

The competitor analysis can be found at 8.3, in the appendix. The different competitors are reviewed on several criteria, such as their customers, their product, when they started, their purpose, and how they compare to APPeers. Product Hunt and Appcrawlr are by far the largest, the former receiving 10 million visitors on its website each month, the latter around 5 million (non-unique).

* Appcrawlr has a different business model than APPeers, however, bundling app reviews from all available sources, and of all apps, to create one general review for an app.
* Product Hunt is focused towards trendsetters and early adopters, making them aware of new apps and (business) tools and products. Therefore, Product Hunt’s focus is broader than APPeers. Although apps are a category that Product Hunt features on its website, it is not the only one.

### 4.1.3 SPACE matrix

A SPACE matrix analysis was carried out, highlighting four variables: market stability (SM), market attractiveness (MA), competitive position (CP) and financial power (FP). The former two are meso variables, whereas the latter two are micro variables. The results fall in one of four quadrants, indicating a strategy to be selected: conservative, aggressive, defensive or competitive. The model indicates that FP and MA are strongest. The advised strategy can consist of one or more of the following actions (Medicos MBA, 2015):

* Continue to investing in innovation and build on the competitive advantage
* Look for ways in which to build a differentiated value proposition than competitors, cover any moves made by competitors to develop alternative competitive advantages.
* Aggressively build market share by moving below the fair value line, thus reducing the price to below fair value.
* Move into related markets that complement the existing position.

## 4.2 Target customer

Since only the app consumers were researched for this specific question, the characteristics of app developers were not discussed, assuming that app developers have a most important interest in common: selling their apps. Therefore, their characteristics (age, gender) do not matter.

Based on the survey that was carried out, a customer archetype can be made up, of the characteristics that are most evident in the group that showed most interest. This group was isolated using a simple method, as explained in 3.3.1. The facts from the survey are:

* Out of all respondents, 43% found it hard to discover relevant apps, when they were asked about their opinion on the app stores. Only 32% thought they worked fine.
* On the question how they discovered apps, most people said they do so by browsing the app stores. Only 5.6% never does so, whereas 38.8% always finds app that way. Word of mouth is less popular: 29% never discovers apps this way. Then, app discovery sites are used by 56.7%, of which 8.7% uses them always. The least popular is advertisements: 56.1% says they never discover apps through this medium.

Then, based on the respondents’ answers to the 3 final questions, 127 respondents were found to have sufficient interest in APPeers to make up the ‘potential customer group.’

* Out of this group, 63% was male, 37% female, compared to 58% male and 42%  female in the all respondents group (figure 16 & 17).
* The age categories are: 45% of target group is or is between 16 and 25. 27% between 26 and 35, and 20% between 36 and 45 (figure 18).
* 42% of the target group is student, 28% is employee, 15% is freelancer or entrepreneur. 9% is manager, 4% unemployed and 2% retired (figure 19).
* How they would describe themselves is the following:
  + 1. student (44 responses)
  + 2. career-oriented (38 responses)
  + 3. sportive (30 responses)
  + 4. tech enthusiast (28 responses)
  + 5. culture lover (28 responses)
  + 6. full-time parent (16 responses)
  + 7. traveller (13 responses)
* 53 respondents have an iPhone, 27 a Samsung, 12 an LG, 8 a Huawei and another 8 an HTC.
* 48 respondents have between 21 to 30 apps on their phone, 21 between 11 and 20, 17 between 31 and 40, and another 17 respondents between 41 to 50. Therefore, by far most have between 21 and 30 apps (figure 17).
* 42 respondents use less than one-quarter of apps on their phone, and another 42 between one-quarter and half. Only 29 use between half and three-quarters (figure 18).
* Most people feel apps do make their life easier: only 9 answered no to this question (figure 19). Most people (50 respondents) said especially in their private life, apps made their lives easier.
* The fields where apps made their life easier (figure 20) are:
  + 1. sport (60 responses)
  + 2. self-motivation and productivity (57 responses)
  + 3. entertainment, such as movies, games etc. (46 responses)
  + 4. social and communication (45 responses)
  + 5. travelling and transport (42 responses)
  + 6. finance and personal banking (39 responses)
  + 7. to make purchases (34 responses)

## 4.3 Customer needs

### 4.3.1 The app consumer

The number one goal of a company should naturally be to solve a customer’s problems, and answer to their needs. In the case of APPeers, it is trying to solve the problem that many people have with discovering useful apps: 43% of survey respondents answered this (figure 8). Furthermore, APPeers target a specific market: professionals and hobbyists who want to discover apps for their trade. It is important to know how many people are interested in such services, and so, the final three questions of the thesis went into more detail on finding out if people were interested in:

* knowing which apps other with a similar profession or interest use
* knowing which apps influencers use
* sharing their own apps with followers

The answers to this give more insight into the customers’ needs, i.e. if they feel the need for any of the abovementioned points, and which of the three needs is the largest. Again, the target group was selected because they are most likely to become customer. The facts are:

* 61% of the target group was interested in knowing which apps others in the same trade use. Only 3% was not interested, while 36% said ‘maybe’ (figure 21).
* The answers to the question whether people wanted to know what apps influencers and celebrities use are more evenly distributed (figure 22): 30% said yes, 31% said no and 39% said maybe.
* The answers to the question if people were interested in sharing their own apps are similarly distributed to the first question: 60% said they were, 35% said maybe, and 5% said no.

### 4.3.2 The app developer

If APPeers wants to become a two-sided platform, it is also necessary to know more about the app developers that will be featured on the site. 5 interviews with app developers were carried out, found in chapter 7.8, of which these were the findings:

* Overall, the 5 respondents found the main issue to be to get a customer base, and to stand out with their app. Creating awareness is also the main focus point before the launch. Also, a download does not mean someone uses the app: people tend to download something and use it only once.
* The general opinion on the app store and app market is that the app stores’ search ability is very limited: only top apps are shown, making it hard to actually find good apps. Google Play works better than the Apple app store concerning the search engine, although Google does not monitor their apps like Apple, making the Play store a wild west.  Also, the app market is saturated, but if the search engine worked well, it could be solved: good apps would then be found more easily, and their developers would be rewarded and thus stimulated to create more good content.
* 4 of them heard of app discovery tools, and 3 of them actually use those tools.
* All 5 like the idea of APPeers. One says there is no such platform yet, and thinks it is a great way to promote his apps. Another one says it will only work if the search engine works more intelligently than the app stores. Also, it should provide a good ROI.
* To the question if they wanted to pay a small fee, the developers answered positively, but with a few comments: the CAC in the app market is around €1.80. If APPeers can make this decrease, than a fee can be asked. Another developer said he wanted to receive a personal price quotation, based on his own needs, so he does not want set prices. Overall, for a reasonable price and if it provides a better than current ROI, they say yes.

## 4.4 Positioning

### 4.4.2 Positioning statement

Beyond deciding which segments of the market it will target, a company must decide on a product’s position: how it will create differentiated value for targeted segments and what positions it wants to occupy in those segments (Kotler & Armstrong, 2008). The positioning statement is probably the most important sentence in a marketing plan. It brings focus to the development of a marketing strategy and the marketing plan and tactics supporting that strategy (Chron Small Business, 2013). A positioning statement should look something like this:

*For [target market], the [brand] is the [point of differentiation] among all [frame of reference] because [reason to believe] (eCornell, 2015).*

For APPeers, an effective positioning statement would be:

*“For app enthusiasts looking for cool relevant apps, APPeers is the best app discovery community where they can find and share apps based on their profession or hobbies. Unlike other app discovery tools, APPeers is a community where everyone contributes. Furthermore, the apps have already been tested by others in the same trade.”*

### 4.4.3 Marketing mix

The marketing mix is one of the dominant concepts in marketing (Kotler & Armstrong, 2008), and consists of controllable marketing tools that a firm blends to produce the response it wants in the target market. Consisting of four or five variables, known as the P’s, it needs to be discussed as part of the formulation of a marketing strategy. For this research, all five were considered; given that people is a variable that determines what investments should be made in Human Resources, which is included in this research. They are thus all considered w

**Product**

The APPeers product is an online platform for app discovery. People can search for professions or hobbies and find apps that others with the same interest or profession have already tested and rated. There are two sides to this: they can either find relevant apps on the platform, or add their own apps to share them with others. One can add multiple hobbies and professions. Investing in this P consists of actions to improve the platform in order to be able to host app developers, who can then promote their apps on APPeers. Furthermore, new features will be added and design will be improved to make it more user-friendly. This means that both a designer and developer need to work on it. It is impossible to estimate the amount of hours that need to be spent on this.

**Price**

The platform is free to use for the customers: they can freely add apps or view others’ apps. For promoting one’s own apps, APPeers is most likely going to charge a small fee to app developers. Investing in this P is about creating a system to charge app developers a specific amount of money for advertising. This has to be well thought-out. This is mostly a time investment as a pricing system has to be developed.

**Promotion**

In one of the meetings between the researcher and the founders, the budget was discussed. There are two sides to the budget: the available budget to spend on advertising and improving the platform, and the budget that can be made available through crowdfunding. Crowdfunding itself will be discussed further later in this chapter.

The founders agreed that, especially in the first few years of APPeers’ existence, a loss is acceptable, partly because there is a company behind APPeers, Playground. Michele and Matteo agreed that a €6,000 loss on advertising alone is tolerable. Then, there are multiple paid advertisement options. Since the product is a digital platform, using digital advertisement channels is an obvious choice. Advertising in magazines and newspapers were considered too costly, and found to be difficult to reach the right target group with this. With regards to paid digital advertisement channels, there are 3 types of advertisement options that are considered: Google AdWords, Facebook advertising and Apple in-app advertising. An analysis of these options can be found in the appendix, chapter 8.8. Initially, a yearly budget of €6,000 will be made available, and depending on the success of the crowdfunding campaign, the ROI of the channels and success of the platform, advertising budget can be increased. Investing in this P means this budget will be made available for advertising on these three channels.

**Place**

The platform is a website: www.appeers.com. The website is mobile-friendly, meaning that its size adjusts automatically to the screen size. Furthermore, there are plans to make a mobile application, which will make it possible to scan a user’s phone and directly ask if they want to rate and review those apps. Investing in this P thus means that money will be spend on developing an APPeers mobile application. It is impossible to estimate how much developing the app will cost, since it all depends on what kind of features it will have, and if it will be developed by an external party or internally.

**People**

The P from people refers to the employees that will develop and sell the product. For a product like APPeers, certain types of human resources might be necessary. Investing in this P means simply hiring employees. The Human Resources costs for APPeers depend on the amount and type of employers that are hired. A web developer is likely to have a different salary than a marketer, for example. In the conclusion section of the report, advice regarding this matter will be given. Here, the focus is solely on the average salaries for the different types of employers that can be hired. The following table shows the average yearly gross salary per profession.

|  |  |
| --- | --- |
| **Job** | **Yearly salary** |
| Web developer | €19,824 |
| Web designer | €21,721 |
| Marketer | €24,504 |
| Project manager | €42,240 |
| Community manager | €29,491 |

Figure 2 - Average yearly salary per related job, Italy (Hongkiat, 2014) (Payscale, 2014) (Glassdoor, 2015)

### 

## 4.5 Retention strategy

Three online platforms have been studied in detail to discover in what ways they try to keep users coming back to the platforms, i.e. the retention strategy. The findings are discussed here.

### 4.5.1 Goodreads (Goodreads, 2015)

* Platform where people can share and review books they read, and can see what friends are reading. People are drawn to the website when they receive notifications (i.e. when friends have started reading a book)
* The homepage looks similar to Facebook, showing what friends have read or are reading at the moment.
* There is a reading challenge, where the user mentions how many books they are planning to read over the next year, and every time they finish a book, they can tick it off and review it, thereby directing them to the site to create new content.
* One’s reviews can be liked and people can comment on them, providing social validation.
* Asks the user what book they are currently reading, so his or her current reads can be added straight away.
* Makes book recommendations based on previous books you have read. Then, these books can be added to the ‘Want to Read’ list, and can be ticked off and reviewed once read.
* Has different groups, where books are being discussed. For example, there is a Harry Potter group, dedicated to the Harry Potter series. Groups can be joined or created. This creates more engagement, since you will get notifications in your email when a new discussion is started. Also, comments can be liked or commented on, just like Facebook.
* Every member has their own homepage, where different things are being shown:
  + Favorite books
  + Bookshelves: (read, currently reading, to read)
  + Recent updates
  + Friends and people that are being followed
  + Favorite authors
  + Favorite quotes of authors
  + Groups that the person is in
  + Friend comments

All these sections can be liked or commented on, which improves interactivity. For example, if one recommendeds a book to a friend and they posted that they are currently reading it, one can like that post or comment on it.

4.5.2 Twitter (Twitter, 2015)

* Platform where people can share a message with a limit of 140 characters. The messages content consists of a combination of news, posts from friends and entertainment. When a Twitter user wants to know what’s going on in the world, the first thing that often comes to his mind is: let’s check Twitter. A habit is created.
* Tweets can be retweeted, replied to or favorited, and every time someone does, the person who created the tweet gets an email about it, directly linking you to the post. By replying to a tweet, one starts a conversation.
* Twitter has daily trending topics, which are basically what everyone is talking about. They change based on their popularity. It contributes to ones social validation when something he tweets about becomes trending topic.
* Since users don’t have to know someone to follow them, it is common to follow people that simply tweet out things that interest you. Therefore, it is very common to receive a high amount of followers if you are active on Twitter (some people have over 100 thousand followers). Every time someone follows you, you receive social validation, and an email.
* The hashtag (#) system works in a cross-platform way, where if someone sends out a tweet with a hashtag, everyone looking for that hashtag is able to find it. This enables a user to generate more engagement by using these hashtags.

4.5.3 Product Hunt (Product Hunt, 2015)

* Platform where people can share and discover new products, applications, websites and other tech-related content. Of all users, a majority does not add content, a minority does. This is known as the 80/20 rule. Product Hunt is set up so that only if you are invited to the ‘contributors’ by another contributor or an admin, you can start adding content. This creates an air of exclusivity and makes people want to be invited.
* Product Hunt sends out an email every morning at a set time. The majority of the email is about the top hunts of the previous day, and includes new collections around specific topics, like community products or travel products. Users have come to expect these regular summaries each day.
* Every few days, Product Hunt puts out a collection of products around a certain theme. This gives users another way to experience Product Hunt beyond the daily submissions. Product Hunt does not make past ones available anywhere, meaning users have to hunt old Product Hunt email or tweets to find links to them. This theme is included in the daily mail users receive, and that particular section of the email takes you straight to the collections page to see all the products that Product Hunt has curated around that theme.
* There is an ability to follow and be followed on the site. Then, when someone you follow submits a product that is published on Product Hunt, you get an email.
* Users receive email notifications when you get a @mention on Product Hunt.
* Product Hunt has an iOS App: this makes it easier for people to be the first to know of new products. They are able to get push notifications, download products straight away to their phones, and engage on the go.
* Tweets: Product Hunt automatically tweets out new products that are posted and since a lot of the community follows them on Twitter, this triggers a lot of users to return to the site. These tweets provide even more validation for the contributor (and re-validation as the tweet gets retweeted and favorited).
* Product Usage: Every use of a product that a user finds via Product Hunt reminds a user of where they learned about the product, further feeding their desire to return to the app to find more products like the one they are using.
* When a product a user submits hits the Product Hunt front page, the number of up-votes that post receives provides social validation. Furthermore, a good post generates positive comments.
* Product Hunt leaderboard: a daily updated list of top products and “hunters” (as a function of up-votes their hunts have received). Being on this list means that you are among the top 0.1% of product submitters, creating more engagement.
* Variability: nobody knows what is going to show up on Product Hunt’s front page. It is especially variable as a creator because there is no guarantee when or if the product you submitted will even show up on Product Hunt. This variability is core to the site its functionality. By design, a list of product names with short attention grabbing taglines makes users want to read down the list to see what else is new today.

## 4.6 Internal changes and funding

### 4.6.1 Crowdfunding

Crowdfunding can be used to raise money for the project, for example for advertising or development purposes. The two biggest crowdfunding websites are Indiegogo and Kickstarter (Forbes, 2013). Kickstarter, however, is only usable for people living in the United States, Canada and the UK, whereas Indiegogo is accessible worldwide (Quora, 2014). Therefore, Indiegogo is the largest platform that can be used for APPeers, and the larger the platform, the easier to find funds for it because the more fund providers there are. Here are some characteristics of Indiegogo (Quora, 2014) (E-Fulfillment Service, 2015) (Indiegogo, 2015):

* Fundraising for any kind of project, no limits
* Projects are not checked on beforehand by Indiegogo itself
* Freedom to customize the crowdfunding campaign: rewards, amount to be funded, time limit, etcetera.
* Allows the fundraiser to put up a flexible model, meaning that if the funding goals are not met, a considerable cut of it can still be used. With the flexible model, funds can also be exceeded.
* If crowdfunders reach their goal, they pay Indiegogo 4% of funds raised; if they don’t reach their goal, they pay 9% of the funds raised.
* It allows the fundraiser to track and receive personal details of backers (fund providers) once they have invested, which allows the fundraiser, if interested, to data mine and find more potentially interested backers online, making it easier to meet funding goals.
* No limits to rewards for backers
* Indigogo is reported to have about 1 million visitors per month
* No costs to get started

# 5. Conclusions and discussions

The aim of the research was to create a feasible marketing strategy for APPeers to enter the market of mobile application discovery. The market was investigated, both the smartphone and app market, because they both have considerable influence on the potential success of APPeers. Also, the markets’ news and trends were discussed. The competitors were mapped according to different criteria. Then, the target customer was identified using a questionnaire. To identify the customers’ needs, both the platform users’ needs and app developers’ needs were investigated.

Regarding the platform’s positioning in the market, advertisement options and the available budget were investigated. A positioning statement was made and all the areas of the marketing mix where investments can be made in were discussed.

Successful platforms all have a well thought-out retention strategy, i.e. a way of keeping their users coming back. Such a strategy was created for APPeers looking at other established platforms. Finally, necessary changes on the internal level were discussed: a crowdfunding campaign and human resources needs.

## 5.2 Conclusions

### 5.2.1 The market

When looking at the macro environment, a growing smartphone market has a positive impact on APPeers. There is no geographic limit to APPeers’ use, meaning that everyone who speaks the English language can use it. An increasing number of people with smartphones means that more people are making use of apps, are potentially unhappy with app discovery through the regular channels (advertisements, app store search engine, etc.) and start looking for alternatives. This means there are potentially more customers for APPeers.

The fact that people on average use 6.8 apps is an indication for how many apps people can add to the website and review. People will likely only add the apps they use regularly, not the ones they downloaded and only used once.

The growth of the different app stores is important to know for APPeers, as the website is divided into two sections: the iPhone users and the Android users. Since Android users make use of the Google Play store, this section is expected to expand more rapidly. The Amazon and Windows app stores have not been added yet, but looking at their size, this might not be necessary yet.

Furthermore, it was found that there are around 5.5 million app developers. They can all be potential APPeers customers on the other side of the platform: the sponsored part, where developers can promote their apps. 5.5 million is a considerable group, and from the interviews with developers it can be concluded that there is a general consensus among them that they have a hard time finding users for their applications.

The 6 known competitors are all larger than APPeers at the moment. It should, however, be noted that all of them target a broader or simply different segment in app discovery. Product Hunt is about gadgets, business tools, services and apps, making its aim much broader. Appcrawlr, the second most used competitor, is all about having a sophisticated search engine, where people can find apps by simply typing in what they are looking for: ‘an app to train my abdominals’.

Maqtoob is the new kid on the block, being established in late 2014. Its business model and purpose are the most similar to APPeers, out of all competitors. APPeers’ scope is wider, however, because it is not only meant for professionals, like Maqtoob is, but also for people who want to find apps for a certain hobby. However, Maqtoob is more established than APPeers, receiving more visitors on their website. Therefore, although Appcrawlr and Product Hunt are the largest competitors, Maqtoob is the most direct one, serving the same market as APPeers.

It is good to know how many people make use of app discovery services, such as Product Hunt, Maqtoob and others. The survey revealed that 56.7% of the respondents ‘always’ or ‘sometimes’ make use of these services, while 43.40% said they never us it. This means, assuming that the respondents are representative for the total population, that over half of smartphone users sometimes find apps through app discovery services. However, it should be noted that there are also app review websites, such as App Advice, and news websites such as The Verge, who also review apps. It is unknown how big their market share is in the total app discovery market.

The SPACE matrix results have shown that the financial position and market attractiveness are the strongest variables. Out of the 4 strategies that should be followed up on, the last one seems unattainable for APPeers at the moment: moving into related markets that complement the existing position is not feasible as it has just been established. The other 3 should be considered.

### 5.2.2 The customer and his needs

From the results of the questionnaire a customer archetype was drawn, based on the answer that was given most frequently. Here follows a description of the average customer:

*The average customer is a male, between 16 and 25 years of age. He is a student, and describes himself as a career-oriented, sportive student, who has affinity with tech and culture. He owns an iPhone, has between 21 and 30 apps on his phone, but uses less than half of them. He feels like mobile apps do make his life easier, especially his private life. The fields that apps make his life easier are the following, from most to least: 1. Sport 2. Self-motivation and productivity 3. Entertainment purposes 4. Social and communication 5. Travelling and transport 6. Finance and personal banking 7. To make purchases.*

As far as the customers’ needs go, the following is an accurate description:

*The main reason for using APPeers would be to know which apps others in the same trade use, be it professionally or for their hobbies. Then, sharing their own app findings with others is considered slightly less important for users. The final function of APPeers: knowing which apps influencers and celebrities use, is considered least important.*

The developers can become the other side of the platform, by pushing apps out there and promoting them. The apps would have to be related to a profession or hobby; a simple mobile game would not apply for being promoted. But what do app developers want? Here is a description of the average app developer, based on the 5 interviews carried out:

*The average app developer’s main concern is getting a sustainable customer base for his apps. Also, he is aware that a download does not mean someone actually uses the app, since most apps get downloaded, used once and then the user simply forgets about them. The app developer thinks the app market is saturated and overcrowded with too many useless apps, making it difficult to stand out. Furthermore, Google Play and the Apple app store work differently: Apple tightly regulates their apps, and their store has a worse search engine than Google’s one. However, both the stores’ search engines are lacking. The developer knows about app discovery tools but has not necessarily used them before to promote apps. He does, however, like the idea of APPeers. He thinks there is no such service yet, and that it is a good way to increase awareness and promote his apps. One condition, however, is that the search engine needs to work well. He is positive about paying a small fee to promote his apps, given that: 1. The average CAC in the app market (€1,80) decreases because of APPeers, and that he receives a personal price quotation based on his needs. It also needs to yield a positive ROI.*

### 5.2.3 Positioning of APPeers

A yearly budget of €6,000 will be made available, as agreed upon by the founders, and whatever portion of that can be paid for by crowdfunding funds is ‘extra’. Besides that, advertisement is not the only cost item: the time that Playground’s developers and designers spend on developing and maintaining APPeers should also be counted for as an expense. Finally, keeping the servers up and running also costs money. But since the founders agreed upon €6,000 per year on advertising, this will be used as a starting point. That amount equals to 6,000/365 = €16.50 per day.

Facebook advertising, Google Adwords and iAd are all good potential advertisement channels, because the initial budget is limited and these three channels allow for custom daily or even weekly budgets. With Google Adwords, the user can let the banner pop up at any place on the web that is owned by Google. Since 1.17 billion unique people make use of the Google search engine, the potential reach is very large. Facebook receives around 140 million unique visitors each month, and offers many different types of advertisement. For APPeers the most important one would be advertisements that increase traffic to the website. Apple offers in-app advertising, and can thus be used to ask people to rate the app they are currently using on APPeers.

The Marketing mix was created together with one of the founders. Before choosing what P’s to invest in, below are the options with regards to investing in the respective P’s.

* Product: further developing the platform by adding new features, improving design and making it ready for app developers to advertise their apps. This requires work from a developer and a designer.
* Price: creating a system to charge the app developers for advertising their apps on the platform.
* Promotion: Google Adwords, Facebook advertising and iAd with an initial yearly budget of €6,000, as agreed upon by the founders.
* Place: an APPeers application for mobile phones.
* People: different types of specialized employees require different salaries in Italy, the home base of APPeers.

### 5.2.4 Retention strategy

According to the reviewed literature, developing loyalty among the customer is both more difficult and more important in the online world than in the offline world. It can therefore be concluded that APPeers needs to have much focus on creating this loyalty. A general strategy to retain customers on online platforms that was found in the literature is to clearly distinguish between new and older platform users, and to treat both groups different too. The focus for new users should be on helping them with potential technical barriers, simply offering more guidance. For older users retention should be on creating commitment among them and a trusting relationship between them and the platform. For APPeers, this could mean that new users get the option to do a quick tour through the website and have the option to consult the community or ask a question if they come across an issue. As for sophisticated users, this could mean that APPeers ensures good security of privacy and personal details, giving them more power on the platform, and allowing them to communicate new ideas with the founders.

The most important conclusions that can be drawn from studying the retention strategies of Goodreads, Product Hunt and Twitter are:

* Successful platforms managed to create a hook for the customer, making it an automatism for someone to visit again and again.
* Make it easy to interact with each other on the platform: people like connecting with others.
* In the beginning stages, stay focused on a niche or submarket. For Goodreads that is just books, for Product Hunt just new apps and other products. Twitter is older and has a broader focus, including more features that have been added later.
* An online platform is about continuous improvement: the three studied platforms are continuously upgrading and adding new features to make people coming back more often.
* Make people receive notifications if something important happens on the platform.
* Make it possible to give and receive validations for actions that one does on the platform.
* Make the platform look easy, organized and simple to use.
* Allow for certain competition on the platform by creating top editor list or something similar.

### 5.2.5 Funding options

It is assumed in this thesis that crowdfunding is the most effective and easiest way to raise funds. Indiegogo is the largest available crowdfunding platform available in Europe. The characteristics that are most important for APPeers are that there is much freedom to customarily design the campaign as far as rewards, time limits and total funding amount. A flexible model will allow to keep a considerable amount, even without funding goals being met (91%). Furthermore, it gives the fundraiser personal data about the providers, which allow for more specific fundraiser targeting. Finally, there are about 1 million visitors to the website per month. Overall, Indiegogo seems like a good and easy way to raise funds. However, one of the limitations of this research is that it does not consider rewards that should be given to the fundraisers.

## 5.3 Discussion

It seems that, as can also be concluded from the literature that was reviewed, successful online platforms are all able to connect two types of people together: users and providers, or in other words: buyers and sellers. This fact might seem to apply in a lesser degree to Facebook and Twitter, but even there this dichotomy is present: on these platforms, it is the companies, famous people, musicians, football clubs or other types of entities who want to sell something (products, services, musical albums or tickets to a match) that get in touch with the buyers (or fans, however you want to call them). From an economic point of view, these platforms serve roughly the same purpose as a platform where people can directly buy products or services, only in a more indirect way. For APPeers this means that in order to add value, it has to connect the app consumers with the app producers. This ‘value’ approach may sound too economical, especially since most likely Facebook and Twitter did not start with the ‘connecting consumers and producers’ element in mind, but simply with the idea of connecting people. Nonetheless, if APPeers wants to become profitable, the fastest way is most likely to include this ‘connecting element’.

The second principle is that keeps coming back throughout the research is the idea of targeting a niche market. In a niche market, the focus is just on a narrow group of people, and the platform will most likely gain traction faster, as can be concluded from the literature. It is also easier to find out what problem this narrower target group has, because it is probably a more univocal problem, making it easier to solve it. Secondly, logically a niche will make it easier to get the job done more effectively than its competitors.

It is an advantage that APPeers can be used universally, by everyone that speaks the English language. This way, the whole world is a potential market. It was evident that especially in the developing countries with a large population, mobile phones and apps were becoming widespread rapidly. There are certainly chances for APPeers there. This, together with the fact that when using marketing tools such as Google Adwords and Facebook marketing, specific regions and types of people can be targeted, makes it much easier to create an effective marketing campaign with a specific scope. Now that the specific customer archetype of APPeers is clear as well, an even more focused marketing campaign can be carried out, targeting both the app consumer and the app developer.

With regards to the market, it seems that it is already quite saturated with competitors. However, none of the competitors do exactly the same as APPeers, as it is targeting a specific niche, namely the market for apps aimed towards a certain profession or hobby. Furthermore, as became clear from the literature, by focusing some of the marketing efforts on comparing oneself to a larger competitor, the brand might actually be viewed more favorably. Moreover, because the smartphone and app market are both still growing, it is evident that the market for app discovery will grow at that same rate in the future. Indeed, the assumption can be made that when more people are going to use mobile apps, more of them will be unhappy with the way they currently find apps and start looking for alternatives.

The final element that should be discussed is that crowdfunding seems like the most obvious choice when it comes to funding, and that Indiegogo seems like a good crowdfunding platform. However, what should be given to fund providers in return is still very much ambiguous. This is left open for the people in charge at APPeers.

Finally, with regards to investing in the five P’s, it is clear that money could be spent on all of them. The options were outlined in the previous chapter, and a few key points became clear. First of all, in order to create a revenue stream, investments in the product as well as in the establishment of a pricing structure (the price) for app developers need to be done. Then, when it comes to the place, a website is already built, so the investment is already made. However, the option to invest in a mobile application seems viable. It potentially makes the step to adding apps easier because the APPeers app can look for apps on the customer’s smartphone. This may result in more added apps, instead of customers only checking the apps of other users. Then, investing in the P of promotion seems necessary, as this is the advertisement of the platform. Finally, internally, at the moment there are just three people working part-time on APPeers. When hiring someone, the project will gain more momentum, but it should be kept in mind that the project may also fail. Therefore, the consideration is to further develop APPeers with the currently available resources or to indeed hire someone else.

# 6. Recommendations

Now, the main question will be answered. The Business Model Canvas, created in consultation with the founders of APPeers, gives an idea of the entire business model. The canvas was created prior to the start of the research, and is important because it consists of the initial ideas that the APPeers founders had, and had already researched. Therefore, the ideas on the canvas will be taken into account when formulating a strategy. The research carried out in the thesis provides an answer to the main question, helped by the existing Business Model Canvas. First and foremost, the main question is: “What marketing strategy should APPeers’ founders follow for APPeers to gain a minimum of 10,000 active users within a year?” A SWOT analysis was made based on the results of the research.

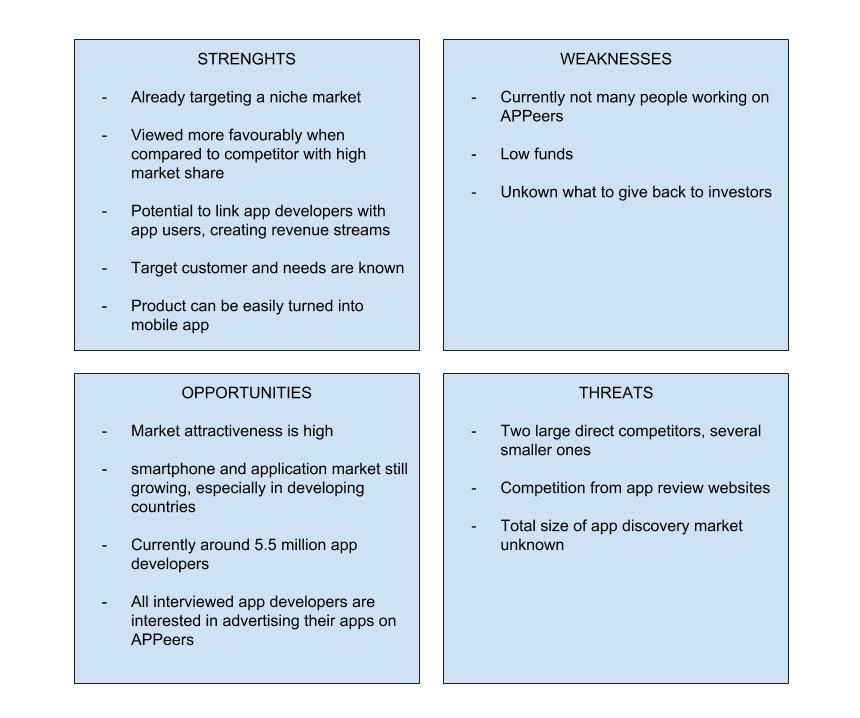


Figure 3 - SWOT analysis of results

The first recommendation is to think globally. The developments in the worldwide smartphone and application markets show that there are large opportunities outside of the borders. Growth is especially expected in countries like China, Indonesia and India, but also Russia and the United States. Also the Gulf countries are a potentially interesting market. The advantage of the platform itself is that it can be used anywhere where there is an internet connection and people speak English. There are not geographic boundaries to it, which makes it possible to get customers from all over the world.

According to the research, there are around 5.5 million app developers worldwide. This is a big market to tap into with regards to creating a two-sided platform. In order to create a revenue stream and making it a profitable project, the seemingly easiest way is to develop the platform so that the producer and consumer can meet each other. It shows in the researched literature that this is the best way to gain traction fast. The developers that have been interviewed are open to advertise on such a platform, if their customer acquisition costs, currently about €1.80 per customer, visibly decrease and if it adds value. If the founders want APPeers to become such a platform, they should focus on the job that APPeers is trying to do for the app developers, namely getting more users for their apps. Furthermore, app developers might want to receive a custom price quote for their advertising.

Thirdly, advertisement efforts should for a large part focus on the growing regions mentioned above, using the characteristics of the customer archetype that was found to be most interested in APPeers, as mentioned in the conclusion. The most important job that the platform will be doing should be showing what apps others in the same trade use. Sharing their own apps with the community should be the second most important job, and finally seeing what apps celebrities and influencers use.

Fourthly, with regards to the positioning, APPeers should always be aimed at a niche market, without trying to cover the entire app discovery market. It should be and remain strictly for sharing apps that are relevant for certain professions or hobbies. This niche, of apps that are only useful for these purposes, is not yet completely taken in by another competitor, as can be seen from the competitor analysis. Only Maqtoob is operating in this segment, but they are not yet a large competitor. Secondly, the 4 P’s and the positioning statement, as described in chapter 4.4, should be utilized as a basis for all future marketing efforts. Finally, since low-share brands are viewed more favorably when compared to a larger competitor (as concluded from the literature review), APPeers should focus some of their marketing efforts on comparing itself to larger names such as Product Hunt, without claiming superiority. This will give APPeers more attention and will result in a better brand name.

Fifthly, the literature said that offering guidance for new users is a key point in any retention strategy for online platforms. Focus should thus not only be to make the platform as uncluttered and clear as possible, but also to make it easy for people to ask a question or give suggestions for improvement. In practice this means that there should be a button at all pages, perhaps on the button of the page, where it says: ‘report a question or problem’. Furthermore, people who land on the website for the first time should get an opportunity to get a quick tour through the pages.

Then, some ideas for a retention strategy are derived from the study of the three established online platforms:

* Weekly updates: send email to all users, with a weekly update. This consists of:
  + A general update on what has happened on the site: top contributors, how many apps are added in total, a notification of a new blog post, and other general information.
  + An update on the apps that are added in their specific category, with a direct link to them.
  + All news from the social aspect: who started following you, who might be interesting to follow, again with direct links to their profile.
  + A quote of the week.
* Liking or up-voting: give people the possibility to like your app review
* Share innovative or interesting apps via APPeers’ social media pages, giving credits to the person who contributed them. This creates an incentive to people to look for interesting apps and share them on APPeers.
* Send an email to APPeers users if the people they follow have added a new app, with a direct link.
* Create a ‘who to follow’ section on the website, where users receive recommendations on who to follow. This can include people with a different profession or hobby, as long as that profession or hobby is still related to the user. The more people someone follows, the more he or she is inclined to return to the site.
* Once APPeers has a mobile app, the app can check one’s phone for apps to add to APPeers. This makes it easier for people to do, and fills the app database.
* Different professions and hobbies should be combined into categories, such as *Business, Finance, Sports* etcetera. Then, if someone is a stockbroker for example, they can see *other apps for Finance* on the *app results page.* This means users see more results, and are more likely to try out different apps, thus considering APPeers’ service to be useful.
* Automatically connects users with their social media friends, depending on with which platform they joined, so they automatically follow and are followed by their friends. Furthermore, if one of their friends joins, they are automatically linked together.
* Create a part of the homepage that is customized, depending on the user. In this area, show recommended apps, and updates from people that the user is following. This creates a larger incentive for people to regularly check the homepage.

The most important lesson that can be derived from it is to keep it social. People love interacting with each other, and this should be the main focus when trying to keep customers coming back.

Sixthly, according to the SPACE matrix, because APPeers currently falls in the quadrant that should result in an aggressive approach, now is the time to invest in innovation, in order to increase the competitive advantage and take in the available niche in the market. In some time, Maqtoob might have grown larger and taken in that segment, and therefore the founders of APPeers should not wait too long with making more investments. Crowdfunding via Indiegogo should be considered, using the characteristics described in chapter 4.6. A flexible crowdfunding campaign should be started up, and the total size of the campaign should largely depend on the estimated costs of the necessary human resources. This choice is left open for the founders here.

Finally, the required investments should be considered. The thesis will not go into detail on exactly how much money should be invested, that is considered out of scope for this research. When it comes to the investment advice, the 5 P’s should be considered individually. First of all, it is important to create a revenue stream. The founders agreed on this when creating the Business Model Canvas, and it makes sense that APPeers should generate revenue streams. Therefore, money should be invested in developing the platform further to make it able for app developers to advertise their apps. This requires work from a web developer. Furthermore, a system should be developed that allows for specific price quotations to be asked from these app developers who want to advertise. Based on the interviews a key demand that app developers had was that they wanted to receive individual quotations, tailored to how they wanted to advertise on APPeers. This should be taken into account when creating a pricing system for the advertisements. In short, the P’s that need to be invested in, in order to create a revenue stream, are product and price.

With regards to the P of promotion, campaigns should be started on Facebook, Google and iAd (Apple). These campaigns can be fine-tuned to the smallest detail, including what region they should be visible in, what kind of people see them (age, gender, etc) and more options. In short, there are many options to choose from, and knowing what type of person is most interested in APPeers and the geographic regions that are potentially most interesting, a campaign can be started. Since the money spent on these campaigns can also be fine-tuned in the smallest detail, it is very easy for the founders to spend the right amount of money. Initially €16.50 per day, as agreed upon by the founders, would have to be spent on the campaigns. After the campaign is fine-tuned and more funds are available through crowdfunding, the budget can be increased. The budget should not be increased before, because in case something might happen, the loss on the advertising will be too high for the founders to be acceptable (as they agreed on a €6,000 initial yearly loss). Finally, as derived from the Business Model Canvas, it is important to get and stay connected with influencers in the world of tech journalism, and get them to spread the word about APPeers. This is mainly a time investment, as it takes time to establish and maintain these connections.

With regards to the P of people: since there is no marketer and developer on the project fulltime, it might be advisable to hire both for a part-time job. The marketer will be responsible for all marketing activities, including managing campaigns, managing the social media, keeping in touch with influencers, and more. The developer will be responsible for further developing the website, and implementing the possibility for app developers to advertise. Hiring both a marketer and developer will cost an estimated €24,504.00 + €19,824.96 = €44,328.96 per year on a fulltime basis. If these people add enough value and there is enough work available, they could be hired fulltime.

It is hard to say whether the above actions will indeed lead to a customer base of 10,000 active users, as it is impossible to measure the customer growth per action taken. The 10,000 might sound like a rather ambitious goal, but it should be kept in mind that with the right strategy, the whole smartphone-using world is a potential APPeers customer. When put that way, 10,000 sounds rather conservative. Therefore, the number 10,000 was taken as a number that can be assumed to be achievable.

# 7. References

Ailawaldi, K. L., Zang, J., & Kruger, M. W. (2010, August). When Wal-Mart Enters: How Incumbent Retailers React and How This Affects Their Sales Outcomes. *Journal of Marketing Research, 47*(4), pp 577-593. doi:10.1509/jmkr.47.4.577

*Appcrawlr*. (2015). Retrieved from www.appcrawlr.com

*Appetite App*. (2014). Retrieved from www.appetiteapp.co

*appFigures*. (2015, January 13). Retrieved from http://blog.appfigures.com: http://blog.appfigures.com/app-stores-growth-accelerates-in-2014/

*Chron Small Business*. (2013). Retrieved from www.smallbusiness.chron.com: http://smallbusiness.chron.com/brand-positioning-statement-3579.html

*CNet*. (2010, April 8). Retrieved from www.cnet.com: http://www.cnet.com/news/apple-strikes-back-at-google-with-iad/

Davis, R. A., Wilson, I. W., & Danaher, P. J. (2003, November). A Comparison of Online and Offline Consumer Brand Loyalty. *Marketing Science, 22*(4), pp. 461-476. doi: 10.1287/mksc.22.4.461.24907

Drucker, P. F. (1977). *Management: tasks, responsibilities, practices.* London: Pan.

*Economic Times of India*. (2015, June 30). Retrieved from www.economictimes.indiatimes.com: http://telecom.economictimes.indiatimes.com/news/mvas-apps/india-is-the-fastest-growing-mobile-app-market-yahoo/47876145

*eCornell*. (2015, March 20). Retrieved from www.blog.ecornell.com: http://blog.ecornell.com/how-to-write-market-positioning-statements/

Edelman, B. (2015, April). How to Launch Your Digital Platform. *Harvard Business Review, 93*(4), pp. 90-97.

*E-Fulfillment Service*. (2015, January). Retrieved from www.efulfillmentservice.com: http://www.efulfillmentservice.com/2015/01/kickstarter-vs-indiegogo-vs-other-alternatives/

*eMarketer*. (2014). Retrieved from www.emarketer.com: http://www.emarketer.com/Article/Smartphone-Users-Worldwide-Will-Total-175-Billion-2014/1010536

*eMarketer*. (2015). Retrieved from www.emarketer.com: http://www.emarketer.com/Article/2-Billion-Consumers-Worldwide-Smartphones-by-2016/1011694

*eMarketer*. (2015). Retrieved from www.emarketer.com: http://www.emarketer.com/Article/2-Billion-Consumers-Worldwide-Smartphones-by-2016/1011694

*Facebook*. (2015). Retrieved from www.facebook.com: https://www.facebook.com/ads/manager/creation/creation/?act=587889234608723

(2015). *Facebook Q1 results.* Melno Park, California: Facebook. Retrieved from http://investor.fb.com/releasedetail.cfm?ReleaseID=908022

*Forbes*. (2013, May). Retrieved from www.forbes.com: http://www.forbes.com/sites/chancebarnett/2013/05/08/top-10-crowdfunding-sites-for-fundraising/

Frow, P., & Payne, A. (2011, February 11). A stakeholder perspective of the value proposition concep. *European Journal of Marketing*, pp. 223-240. doi:10.1108/03090561111095676

*Glassdoor*. (2015). Retrieved from www.glassdoor.com: http://www.glassdoor.com/Salaries/italy-salary-SRCH\_IL.0,5\_IN120.htm

Gonroos, C. (2008). Service logic revisited: who creates value? And who co-creates? *European Business Review, 20*(4), pp. 298-314. doi:10.1108/08858620910966237

*Goodreads*. (2015). Retrieved from https://www.goodreads.com/

*Google*. (2015). Retrieved from www.google.com: http://www.google.com/intl/en/adwords/

*Google Adwords*. (2015). Retrieved from www.adwords.google.com: https://adwords.google.com/um/GetStarted/Home?\_\_u=5619387525&\_\_c=2686737165&authuser=1#cp

*Google Press*. (2000). Retrieved from www.googlepress.blogspot.com: http://googlepress.blogspot.it/2000/10/google-launches-self-service.html

Grewal, D., Kavanoor, S., Fern, E. F., Costley, C., & Barnes, J. (1997, October). Comparative Versus Noncomparative Advertising: A Meta-Analysis. *Journal of Marketing, 61*(4), pp 1-10. doi: 10.2307/1252083

*Gulf Business*. (2015, July 3). Retrieved from www.gulfbusiness.com: http://gulfbusiness.com/2015/07/tapping-app-market/#.Vazxg\_mqpBc

Harris, L. C., & Goode, M. M. (2004). The four levels of loyalty and the pivotal role of trust: a study of online service dynamics. *Journal of Retailing, 80*(2), pp. 139-158. doi: 10.1016/j.jretai.2004.04.002

*Hongkiat*. (2014). Retrieved from www.hongkiat.com: http://www.hongkiat.com/blog/designers-developers-salaries-worldwide/

*iAd Workbench*. (2015). Retrieved from www.iadworkbench.apple.com: https://iadworkbench.apple.com/app/cwa#/campaign/15197505/lines

*Indiegogo*. (2015). Retrieved from www.indiegogo.com: https://www.indiegogo.com/

Kotler, P., & Armstrong, G. (2008). *Principles of Marketing - Fifth European Edition.* Essex: Pearson Education Limited. ISBN:978-0-273-71156-8

Kusum, A. L., Lehmann, D. R., & Neslin, S. A. (2003, October). Revenue Premium as an Outcome Measure of Brand Equity. *Journal of Marketing, 67*(10), pp. 1-17. doi:10.1509/jmkg.67.4.1.18688

Lanning, M. J. (2000). Delivering Profitable Value. *Long Range Planning, 33*(1), pp. 144-147. doi: 10.1016/s0024-6301(99)00108-9

Lusch, R. F., & Vargo, S. L. (2004). Service-Dominant Logic: premises, perspectives, possibilities. *Service-Dominant Logic*. doi:10.1017/CBO9781139043120

*Maqtoob*. (n.d.). Retrieved from 2015: www.maqtoob.com

*Maqtoob*. (2015). Retrieved from https://maqtoob.com/

*Medicos MBA*. (2015). Retrieved from http://medicosmba.com/admin/classes/determining-and-testing-the-business-strategy/the-strategic-position-and-action-evaluation-space-matrix/

Moss, G. L., & Shaw-MicMinn, P. G. (2001). Formulating your Marketing and Business Strategy. *Eyecare Business: Marketing and Strategy*, pp. 193-222.

Paharia, N., Avery, J., & Keinan, A. (2014, December). Positioning Brands Against Large Competitors to Increase Sales. *Journal of Marketing Research, 51*(6), pp 647-656. doi:http://dx.doi.org/10.1509/jmr.13.0438

*Payscale*. (2014). Retrieved from www.payscale.com: http://www.payscale.com/index/IT/Job

Pinegar, J. S. (2006, September). What Customers Want: Using Outcome-Driven Innovation to Create Breakthrough Products and Services by Anthony W. Ulwick. *Journal of Product Innovation Management , 23*(5), pp. 464-466. doi:10.1111/j.1540-5885.2006.00217.x

*Product Hunt*. (2015). Retrieved from http://www.producthunt.com/

*Quixey*. (2015). Retrieved from www.quixey.com

*Quora*. (2014, August). Retrieved from www.quora.com: http://www.quora.com/What-are-the-fundamental-differences-between-Kickstarter-and-Indiegogo

*Qwaya*. (2015). Retrieved from www.qwaya.com: http://www.qwaya.com/facebook-ads/guide-to-facebook-ads

*Reel SEO*. (2014). Retrieved from www.reelseo.com: http://www.reelseo.com/youtube-really-bigger-facebook/

Ries, E. (2011). *The Lean Startup: how today's entrepreneurs use continuous innovation to create radically successful business.* New York Crown Business. ISBN:978-0-307-88789-4

Saarijarvi, H. (2012, August). The mechanisms of value co-creation. *Journal of Strategic Marketing, 20*(5), pp. 381-391. doi:10.1080/0965254X.2012.671339

*Similar Web*. (2015, May 28). Retrieved from http://www.similarweb.com/website/producthunt.com

*Similar Web*. (2015, May 28). Retrieved from http://www.similarweb.com/website/maqtoob.com

*Similar Web*. (2015, May 28). Retrieved from http://www.similarweb.com/website/quixey.com

*Similar Web*. (2015, May 28). Retrieved from http://www.similarweb.com/website/appcrawlr.com

*Similar Web*. (2015, May 28). Retrieved from http://www.similarweb.com/website/appadvice.com

Stahl, F., Heitmann, M., Lehman, D. R., & Neslin, S. A. (2012, July). The Impact of Brand Equity on Customer Acquisition, Retention and Profit Margin. *Journal of Marketing, 76*(4), pp. 44-63. doi:10.1509/jm.10.0522

*Statista*. (2013). Retrieved from www.statista.com: http://www.statista.com/chart/899/unique-users-of-search-engines-in-december-2012/

*Statista*. (2015, July 15). Retrieved from www.statista.com: http://www.statista.com/statistics/276623/number-of-apps-available-in-leading-app-stores/

*Statista*. (2015, July 15). Retrieved from www.statista.com: http://www.statista.com/statistics/301185/average-active-app-usage-worldwide/

*Statista*. (2015, July 15). Retrieved from www.statista.com: http://www.statista.com/statistics/263795/number-of-available-apps-in-the-apple-app-store/

*Statista*. (2015, July 15). Retrieved from www.statista.com: http://www.statista.com/statistics/266210/number-of-available-applications-in-the-google-play-store/

*Tnooz*. (2013). Retrieved from www.tnooz.com: http://www.tnooz.com/article/app-store-numbers-not-for-the-faint-hearted-but-one-travel-company-is-getting-it-right/#AjWIAFGPXqRfxGHv.99

*Twitter*. (2015). Retrieved from https://twitter.com/

Ulwick, A. W., & Dorothy, L. (2002, January). Turn Customer Input into Innovation. *Harvard Business Review, 80*(1), pp 91-97. doi:ISSN 0017-8012

Varey, R. J., & Ballantyne, D. (2011). Value propositions as communication practice: Taking a wider view. *Industrial Marketing Management, 40*(2), pp. 202-210. doi: 10.1016/j.indmarman.2010.06.032

Vargo, S. L., & Lusch, R. F. (2008). Service-dominant logic: continuing the evolution. *Journal of the Academy of Marketing Science, 36*(1), 1-10. ISBN:0092-0703

Vatanaombut, B., Stylianou, A. C., & Igbaria, M. (2004, June 1). How to retain online customers. *Communications of the ACM, 47*(6), pp. 64-70. doi:10.1145/990680.990682

*VisionMobile*. (2014, December 23). Retrieved from www.visionmobile.com: http://www.visionmobile.com/blog/2014/12/can-app-stores-sustain-5-5-million-developers/

Walsh, J. (2014). *Salem Press Encyclopedia.* Ipswich, Massachusets, United States: Salem Press. doi:ISBN: 978-1-58765-781-8

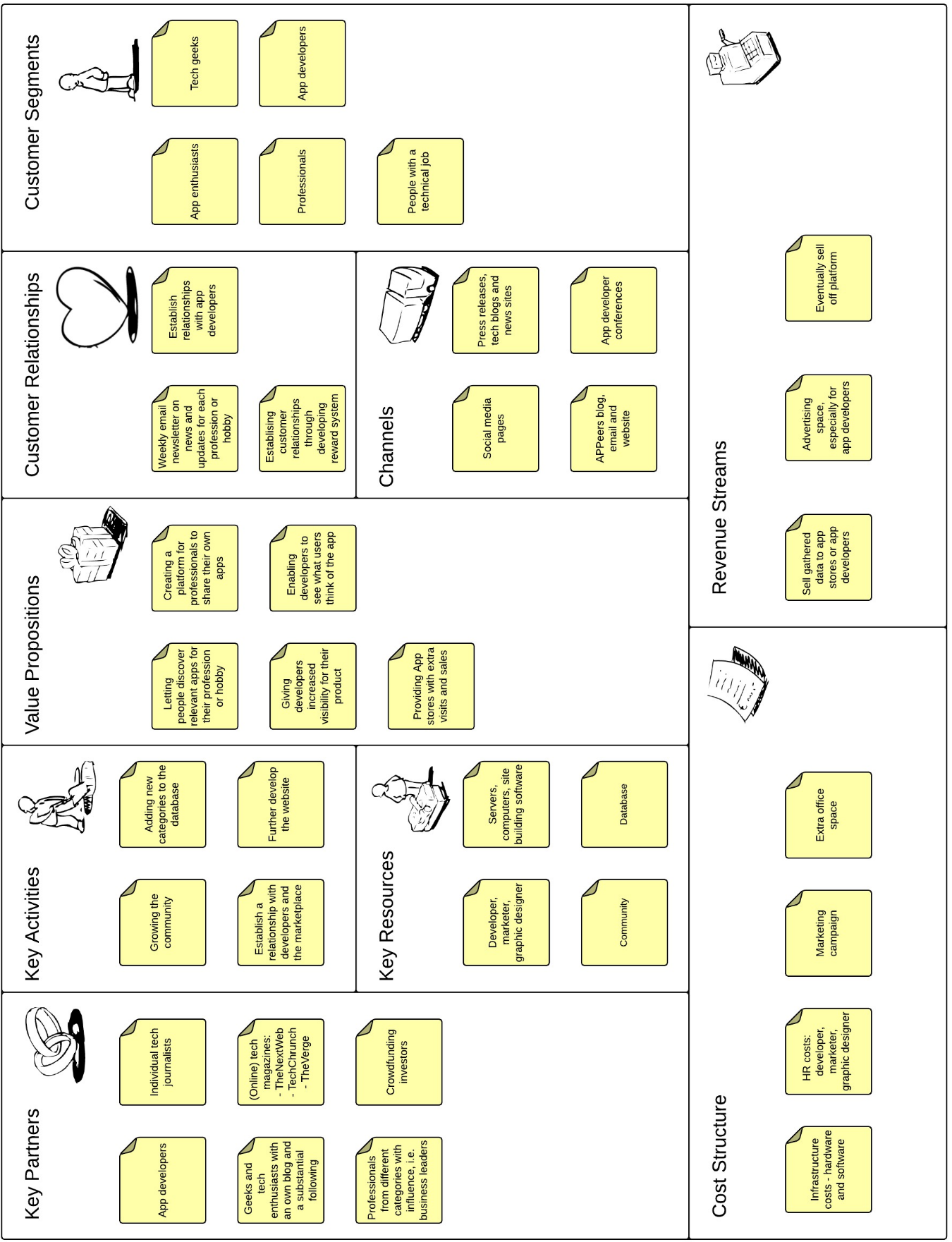
Wang, Y., & Tseng, M. M. (2011). ntegrating comprehensive customer requirements into product design. *CIRP Annals - Manufacturing Technology , 60*(1), pp. 175-178. doi:10.1016/j.cirp.2011.03.091

*www.maqtoob.com*. (2015). Retrieved from www.maqtoob.com

*XYO*. (2015). Retrieved from www.xyo.net

# 8. Appendices

## 8.1 Business Model Canvas

 Figure 3 - Business Model Canvas (BMC)

## 8.2 Market analysis

The market analysis will consist of an analysis of the smartphone market, the app market, the app stores, a few brief facts on the amount of app developers, and finally related news will be discussed.

### 8.2.1 Smartphone market

**Total market size**

|  |  |  |
| --- | --- | --- |
| **Year** | **Estimated size** | **Increase in %** |
| 2015 | 1.91 Billion | 16.8% |
| 2016 | 2.16 Billion | 12.6% |
| 2017 | 2.38 Billion | 10.4% |
| 2018 | 2.56 Billion | 7.6% |

Figure 4 - Total smartphone market size (eMarketer, 2015)

**Smartphone owners per country**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Country - Year | **2015** | **2016** | **2017** | **2018** |
| **China** | 574.2 | 624.7 | 672.1 | 704.1 |
| **United States** | 184.2 | 198.5 | 211.5 | 220.0 |
| **India** | 167.9 | 204.1 | 243.8 | 279.2 |
| **Russia** | 58.2 | 65.1 | 71.9 | 76.4 |
| **Japan** | 57.4 | 61.2 | 63.9 | 65.5 |
| **Indonesia** | 52.2 | 69.4 | 86.6 | 103.0 |

*Figure 5 - Smartphone owners per country, in Millions.* (eMarketer, 2015)

### 8.2.2 App market

**Amount of apps actively used per country**

|  |  |
| --- | --- |
| **Country** | **Average apps actively used** |
| France | 7.9 |
| India | 7.5 |
| United Kingdom | 7.5 |
| Australia | 7.5 |
| United States | 7.4 |
| New Zealand | 6.9 |
| China | 6.8 |
| Global | 6.8 |

Figure 6 - Average active apps in use per country. (Statista, 2015)

**Apps available as of May 2015**

*Figure 7 - Available apps per App store.* (Statista, 2015)

### 8.2.3 App stores

**Available apps currently, in 2 biggest app stores**

*Figure 8- Available apps in Apple App store from 2009 to 2015. (Statista, 2015)*

*Figure 9 - Available apps in Google Play from 2010 to 2015.* (Statista, 2015)

As can be seen, the Google Play store grew about 14% faster than the Apple App store.

**Prognosis of available apps in coming 5 years**

*Figure 10 - Available apps in Apple App store from 2009 to 2020 (prognosis)*

*Figure 11 - Available apps in Google Play from 2010 tot 2020 (prognosis)*

### 8.2.5 News

**India**

June 30, 2015 - As Indian mobile app usage outpaced global app usage, mobile app usage in India grew 131 per cent, says Yahoo's in their latest report.

Growth in app usage far exceeding its global peers, driven by country's obsession with mobile app shopping, which contributed to 19 per cent of their time spent on their smartphones (second only to gaming, which took 25% of user's time). App growth in Asia stood at 77 per cent. "The shift from e-commerce to m-commerce is accelerating, with Indians engaging with their mobile shopping apps almost round the clock," said Christopher Klotzbach, Head of Product Marketing, Yahoo (Economic Times of India, 2015).

**Gulf countries**

July 3, 2015 - A recent study by telecoms equipment firm Ericsson forecast that mobile subscriptions in the Middle East and North East Africa are set to reach 970 million by 2020. Of these, 40 per cent will be smartphones – indicating a substantial market for businesses to serve.

Apps have changed consumer habits in the region with users increasingly reaching into their pockets to fuel their app addiction.

According to the latest study by mobile market research firm On Device Research, almost 41 per cent of the users in the UAE downloaded paid apps over the last 30 days, increasing to 51 per cent in Saudi Arabia. More broadly 50 per cent of users in Egypt, Lebanon, Saudi Arabia and the UAE downloaded more than five apps – both paid and free – in the last month with gaming and social media the most popular choices.

Around 44 per cent of the consumers performed in-app purchase, the poll showed. Of which 39 per cent said that they paid to avoid advertisements while around 37 per cent paid to get additional content (Gulf Business, 2015).

## 8.3 Competitor analysis

### 8.3.1Producthunt (Product Hunt, 2015)

*Description*: A community where geeks and early adaptors can share new innovative products and services.

*Started in*: In 2013 Producthunt started as a newsletter, in 2014 they established their current website.

*Customers*: Around 10 million visitors monthly (Similar Web, 2015). Usually trendsetters and geeky people who like to be the first knowing about new stuff. Twitter account has 76K followers.

*Product*: Website and IOS app where a select number of people, called contributors, can upload mobile apps, websites, hardware projects, and tech creations that they find interesting, for everyone to see. Extensive reward system to get people involved, including the need to get an invite for people to become contributors, creating an incentive to be active on the website.

*Purpose*: To make geeks and early adapters aware of cool worthwhile trends and startups.

*Compared to APPeers*: APPeers has more focus, aiming only towards apps for professionals and hobbyists. Therefore, less potential users for APPeers. With APPeers, everyone who has an account can contribute. Reward system at Producthunt more extensive and integrated.

*Website*: www.producthunt.com

### 8.3.2 XYO (XYO, 2015)

*Description*: App discovery working through Facebook, by getting info from you and friends to recommend good apps for you.

*Started in*: Website online since 2012, still in a beta form.

*Customers*: Since still a beta, customer base potentially low. On the other hand, the website shows a big team of around 12 people. Twitter account has 950 followers.

*Product*: A website and Android app with a high-end search engine that, once having access to your Facebook account, checks your likes, follows, interests and those of your friends in order to generate a list of apps you might be interested in.

*Purpose*: To align your app choice on your interests and friends.

*Compared to APPeers*: APPeers is a community where everyone contributes, while XYO is a search engine in essence.

*Website*: www.xyo.net

### 8.3.3 Maqtoob (Maqtoob, 2015)

*Description*: Business tools discovery for professionals

*Started in*: Beta since July 2014, live since end 2014.

*Customers*: Professionals interested in tech. Around 100,000 monthly visitors (Similar Web, 2015). They have support from influencers such as Guy Kawasaki. 932 Twitter followers.

*Product*: A website on which professionals can find useful business tools, such as websites, software and apps, and on which developers can display their new product.

*Purpose*: Being a medium between developers (producers) and professionals (consumers).

*Compared to APPeers*: APPeers is not yet ready to host app developers and their commercial purposes, unlike Maqtoob. APPeers at the moment simply tries to help people find apps, and Maqtoob is one step ahead and already offers promotion means to developers.

*Website*: www.maqtoob.com

### 8.3.4 Quixey (Quixey, 2015)

*Description*: A mobile tool that functions both as an app search and as an intra-app search tool for a variety of things

*Started in*: 2009

*Customers*: Around 500,000 monthly visitors to website (Similar Web, 2015). 2,532 followers on Twitter

*Product*: Android app that allows you to search apps by giving a task: 'I want an app that motivates me to run', in essence a Google for apps. Currently the company behind it is working on an intra-app search tool, that gets results from all apps. If you type in: ‘I want to go out in New York tonight’, it recruits all apps that can help you find a hotel, a taxi, a nice bar, etcetera.

*Purpose*: To make your phone into a search engine that you can simply give a task.

*Compared to APPeers*: Firstly, APPeers is not an app (yet). Secondly, the search tool works differently, because in APPeers you search for a certain profession or hobby. The biggest difference is in the fact that APPeers is an app discovery community while Quixey is a search engine in itself.

*Website*: www.quixey.com

### 8.3.5 Appetite+ (Appetite App, 2014)

*Description*: Get apps that are recommended by friends.

*Started in*: 2013

*Customers*: Since the copyright on the site expired in 2014, and the last tweet is from over a year ago, it looks like a dead project. However, the main page of the app shows that some people still update their profile regularly, which means it is still in use.

*Product*: An Android and IOS app in which you can add apps to your profile and recommend them to friends. You can become friends with people in the community and see what apps they like.

*Purpose*: To make you aware of what apps your friends use.

*Compared to APPeers*: Of all competitors, this looks the most like APPeers. The idea of a community is carried out in a similar way. The main difference is that in APPeers you don’t necessarily connect with your friends, but with people that have the same profession or interests.

*Website*: www.appetiteapp.co

### 8.3.6 Appcrawlr (Appcrawlr, 2015)

*Description*: Gathering app reviews and bundle them into one general app review. It allows users to find apps by typing in what they need, rather than the app name.

*Started in*: 2010

*Customers*: Around 5 million monthly visitors (Similar Web, 2015), 1,109 Twitter followers.

*Product*: AppCrawlr’s semantic app search technology automatically identifies and builds tens of thousands of categories to classify apps, and allows users to search for apps by either describing who they are, what they want to achieve, or the app features they need. This makes it different from the traditional keyword search and popularity-based rating systems used by app stores.

*Purpose*: To gather all known ratings and reviews for an app and bundle them into one general judgement, and make it easier to find apps.

*Compared to APPeers*: The similarity is that they both bundle app reviews, but they do it in a different way. On APPeers, people add app reviews, while Appcrawlr does it by itself, using the web and app stores. However, the Appcrawlr search engine is more advanced than APPeers’ one.

*Website*: www.appcrawlr.com

### 8.3.7 App review websites

Apart from the app discovery tools, another part of the market is taken by app review websites. Examples of these are www.appadvice.com with an average of 3,5 million monthly visitors (Similar Web, 2015), www.pcmag.com and www.theverge.com, among others. It is impossible to know what their market share in the app discovery market is.

## 8.4 Space Matrix

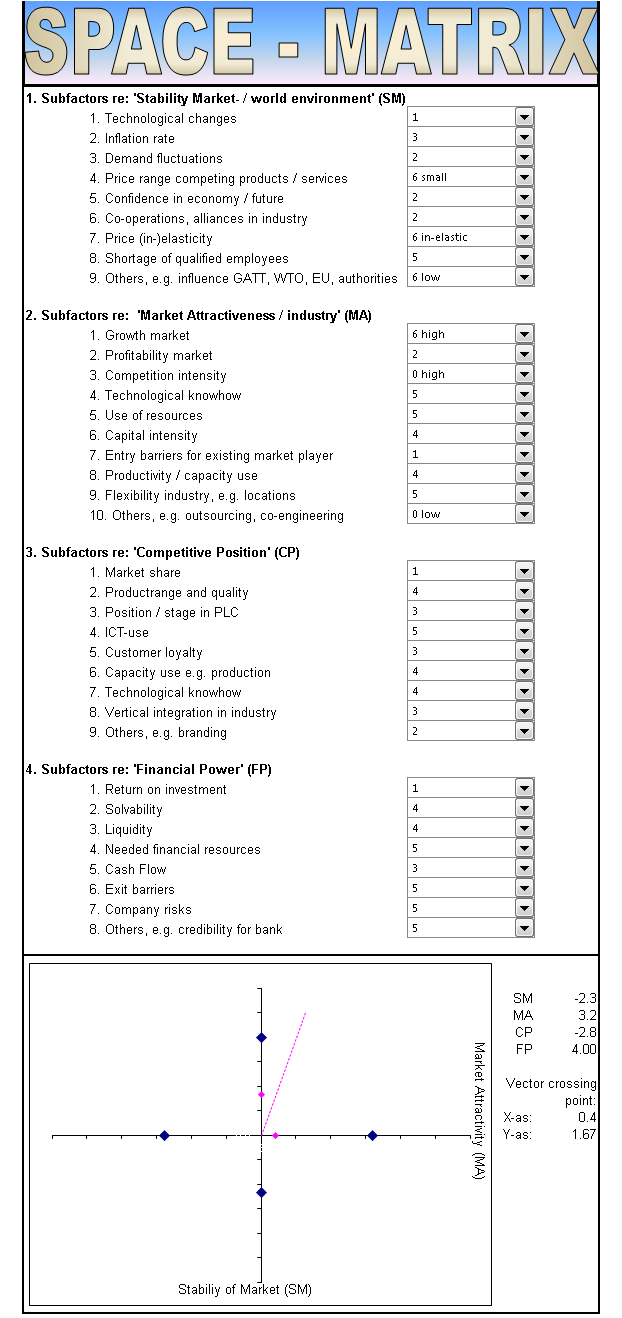


Figure 12 - SPACE matrix

## 8.5 Survey and results

### 8.5.1 Survey

**1 (AGE) What is your age?**

* <15
* 16-25
* 26-35
* 36-45
* 46-55
* 55>

**2 (GENDER) What is your gender?**

* Male
* Female

**3 (OCCUPATION) What is your occupation?**

* Student
* Employee
* Manager
* Freelancer/Entrepreneur
* Unemployed
* Retired

**4 (FIELD) In which field?**

* Art, music, design etc.
* Business, marketing, finance, recruitment, real estate etc.
* Entertainment, media and journalism
* Environment and agriculture
* Government, legal and security
* Health care
* Hospitality, food and drink
* Science and engineering
* Social, welfare, education etc.
* Sport and physical education
* Tech, internet, IT, software etc.
* Transport and travel
* Other:

**5 (DESCRIBE SELF) How would you describe yourself?**

* Student
* Full-time parent
* Sportive
* Career-oriented
* Culture lover (art, music, theatre, etc.)
* Tech enthusiast
* Traveller
* Other: …

**6 (PHONE) What phone do you have?**

* iPhone
* Samsung
* Lenovo
* HTC
* LG
* Huawei
* Sony
* Blackberry
* I don't have a (smart)phone - end of survey
* Other: …

**7 (APPS ON PHONE) How many apps do you currently have on your phone? (Estimation)**

* 0-10
* 11-20
* 21-30
* 31-40
* 41-50
* 51-60
* >60

**8 (APPS USE OFTEN) How many of those do you use often? (Estimation)**

* Less than one-quarter
* Between one-quarter and half
* Between half and three-quarters
* Over three-quarters

**9 (APP LIFE EASIER) Has an app made your life or job easier at some point?**

* Yes, especially in my private life
* Yes, especially in my professional life
* Sometimes
* No

**10 (FIELD APP LIFE EASIER) In which field did apps make your life easier?**

* Traveling, transport
* Finance and personal banking
* Sport
* Social and communication
* Entertainment: movies, games etc.
* Self-motivation and productivity
* To make purchases
* Apps don’t generally make my life easier
* Other: …

**11 (DISCOVER APPS) How do you usually discover apps?**

* Browsing the app store: always, sometimes, never
* Word of mouth: always, sometimes, never
* Advertisements online or in other apps: always, sometimes, never
* App discovery and review websites, blogs etc.: always, sometimes, never

**12 (APP STORE) What do you think of the way the app stores work?**

* I think they work fine; I always or usually find what I’m looking for
* I find it hard to discover relevant apps
* I don’t really care
* Other:

**13 (APPS OTHERS USE) Would you like to know which apps others with similar a profession or interests use?**

* Yes
* Maybe
* No

**14 (APPS INFLUENCERS USE) Would you like to know which apps celebrities and influencers use?**

* Yes
* Maybe
* No

**15 (SHARE APPS) Would you like to share cool apps that you use with others?**

* Yes
* Maybe
* No

End of questionnaire, thanks for filling it in!

### 8.5.2 Survey results

*Figure 13 – Results opinion of app stores from all respondents*

Figure 14 – Results how people discover apps: App stores, word of mouth, advertisements, and app discovery sites

Figure 15 – Results score of potential interest in APPeers, calculated as explained in chapter 3.3.1

Figure 16 – Results gender comparison of all answers

Figure 17 – Results gender comparison of target group

Figure 18 - Results of age categories target group

Figure 19 - Results occupation target group

Figure 20 - Results how target group describes oneself



Figure 21 - Results type of phone target group owns

Figure 22 - Results amount of apps target group has on phone

Figure 23 - Results portion of apps target group uses (of total on phone)

Figure 24 - Results question if people found apps made their life easier at some point

Figure 25 - Results in which field people's life became easier due to apps

## 8.6 Customer needs

Figure 26 – Interest in knowing apps others use

Figure 27 – Interest in knowing apps influencers use

Figure 27 – Interest in sharing own apps

## 8.7 Interview app developers

### 8.7.1 Interview Romain Morvan

*1. What kind of apps do you develop or have you developed?*

I am currently developing Wordzit, a solution that helps you improving your skills in foreign languages while reading articles from the web. In short, it makes it easy for you to translate and save the words you don’t know and enables you to revise them at the right moment.

*2. Do you find it easy to get customers for those apps?*

We haven’t launched yet, but it is surely one of the main questions we are focusing on right now. Where to find our users? How to reach them?

*3. What do you think of the way the App stores function?*

I have never really been using the stores search engine except for chirurgical searches. It means that when I look for an app, I know exactly the one I want to download.

*4. Do you feel there are problems with today’s app market? (If so, what are those problems? How can they be solved?)*

I don’t really know, I never really thought of it because I never saw these platforms as discovery tools.

*5. Are you familiar with websites where people can discover apps, such as Producthunt and Appcrawlr?*

I heard of Producthunt, went on it, quite a few times. I know the principle and all but I am not really using it.

*Let me tell you something about APPeers, our project: we are creating a community-based platform where people can discover apps based on their profession or hobbies. They search for their profession or hobbies, and are directed to a page where others with that same interest have already reviewed relevant apps (check out www.appeers.com). We are currently looking if it’s feasible to connect these app enthusiasts with app developers.*

*6. What do you think of APPeers as an idea?*

The idea delights me. Having app proposed according to my hobbies and professional background seems to be a fair idea. Not sure I would enter the app I am using instinctively though.

*7. Would you be interested in promoting your apps on APPeers?*

Yes, why not! Any visibility can be good.

*8. (If yes, would you be willing to pay a small fee for it?)*

I am not sure. Well, it depends on the visibility it could get me and the acquisition cost per user.

### 8.7.2 Interview Paolo Tagliani

*1. What kind of apps do you develop or have you developed?*

I’m a freelance software engineer, I have developed app for clients in several fields: activity trackers, retail support app, iOT apps (gate and window opener), and also social networking.

*2. Do you find it easy to get customers for those apps?*

No, this is exactly the point for every app: to have a consistent user base.

*3. What do you think of the way the App stores function?*

It does a good job by featuring most relevant app of the week etc., but its search ability is very limited.

*4. Do you feel there are problems with today’s app market? (If so, what are those problems? How can they be solved?)*

Yes. There are too many apps, and is difficult to find a good app and stick with it.

*5. Are you familiar with websites where people can discover apps, such as Producthunt and Appcrawlr?*

Actually no.

*Let me tell you something about APPeers, our project: we are creating a community-based platform where people can discover apps based on their profession or hobbies. They search for their profession or hobbies, and are directed to a page where others with that same interest have already reviewed relevant apps (check out www.appeers.com). We are currently looking if it’s feasible to connect these app enthusiasts with app developers.*

*6. What do you think of APPeers as an idea?*

Not bad idea, especially if it’ll index in a more sophisticated way than app store. This can also be interesting of app developers for having media coverage over their apps.

*7. Would you be interested in promoting your apps on APPeers?*

Since I don’t have app to sell no, but you can try to bundle with startups that must promote their apps.

*8.  (If yes, would you be willing to pay a small fee for it?*

I think yes, but it has to be a reasonably price and with registered metrics.

### 8.7.3 Interview Berkay Kostikoglu

*1. What kind of apps do you develop or have you developed?*

I am new in app development, and have only created a simple game before. Currently, I’m working on an app that helps you practice for your driving test, both the theoretical and the practical part. It gives you situations, asking how you would respond. Also, theoretical questions are asked. Then, it gives you tips on what to improve before taking the test. The app is only going to be available in the Netherlands, because driving rules are simply different in other countries.

*2. Do you find it easy to get customers for those apps?*

For the first app, I did not find many customers outside the people I know. The app was received positively, but it was just hard to make people aware of its existence.

*3. What do you think of the way the App stores function?*

From an app developers’ point of view, it is simply hard to get customers. Only the top apps are shown, so you can have a great app without anyone ever knowing about it.

*4. Do you feel there are problems with today’s app market? (If so, what are those problems? How can they be solved?)*

Right now, there are too many app developers bringing out too many apps, most of them just terrible. Therefore, if the app stores worked fine, the problem would solve itself, because the good apps would be downloaded, while the bad (most of them) wouldn’t. Then, only the good app developers would survive. My suggestion to Apple is to create a team to test the apps, and if they like it, they move the app higher in their rating system, making it more visible.

*5. Are you familiar with websites where people can discover apps, such as Producthunt and Appcrawlr?*

I am moderately active on Producthunt. I like how you can discover apps there.

*Let me tell you something about APPeers, our project: we are creating a community-based platform where people can discover apps based on their profession or hobbies. They search for their profession or hobbies, and are directed to a page where others with that same interest have already reviewed relevant apps (check out www.appeers.com). We are currently looking if it’s feasible to connect these app enthusiasts with app developers.*

*6. What do you think of APPeers as an idea?*

Great idea! Although my new app isn’t aimed towards professionals or people’s interest, I think it has a lot of potential.

*7. Would you be interested in promoting your apps on APPeers?*

If I had an app that was useful for professionals and hobbyists, sure!

*8. (If yes, would you be willing to pay a small fee for it?)*

Yes, but I would like to get a personal quotation. For example, if I offer a free app, the fee should be adjusted too. So my tip is to adjust the fee depending on the type of app.

### 8.7.4 Interview Victor Vodegel

*1. What kind of apps do you develop or have you developed?*

We are OneSociety, a business-to-business app developer based in Utrecht, developing internal community and event applications for large and small organizations (onesociety.nl). Organizations who are looking to promote their events or manage internal communication processes often come to use to develop custom-made solutions for them in this industry (white label). We also develop application platforms from time to time in-house. Currently we are developing a mobile payments application and a smart contact book application for the consumer market, which will be launched around Q3 and Q4 of 2015.

*2. Do you find it easy to get customers for those apps?*

It can be hard for our clients to attain a large user database. The app market (especially the market for consumers) is overcrowded, and for almost every customer need there is an app available. Thus, it is hard to stand out from the crowd, and promote and differentiate your application from the strong and wide competition.

A second major challenge to build such a strong application that customers are willing to keep on their phone. Research data suggest that generally customers only really use a few applications, and that many apps installed on a telephone go unused. Also more and more customers are aware of this fact their self and the barrier to install just another app is higher as they have to really offer something to the customer before he is willing to download it.

*3. What do you think of the way the App stores function?*

First, there is a big difference between how the Google Play Store and the Apple App Store. The Google Play is a kind of ‘wild west’ for customers who are installing these apps, because they are not curated very carefully. If an app is ready, we can instantly load it into the Google Play Store and customers can download the app the same day. The Apple App store on the other hand is a tightly monitored store which high standards on many subsets of the application. This has advantages for customers in the form of better quality, privacy and safety assurance, however for an app developer it is more complex to get an app uploaded as a result of this. Thus depending on the platform the App Stores are offered they offer a marketplace to customers which different types of regulations on quality affecting customers and developers.

*4. Do you feel there are problems with today’s app market? (If so, what are those problems? How can they be solved?)*

There are many positive aspects of the app store: it provides creators of applications a way to launch an application relatively easy and possibly reach millions of people. The application process for an Apple application could be made easier for developers but is understandable from the customer point of view. The biggest problem lies however in findability of an app for a customer, especially in the Apple App Store. To search algorithm behind the Apple App Store is really simplistic and only provides strong results when for app titles is searched not categories. This makes it harder to reach customers who are searching in the App store on certain keyword. Google on the other hand has solved this problem by applying its advanced search algorithms to their Play Store, making it well searchable by customers. Apple should really work on this issue.

Another problem developers face but have little influence on, is the revenue commission the providers of the platforms take on all revenue generated on mobile applications. Both Apple and Google charge 30% for every dollar or euro generated on mobile ads, in-app purchases or subscription income, which is a large cut for developers.

*5. Are you familiar with websites where people can discover apps, such as Producthunt and Appcrawlr?*

Yes, we have recently came to know them. We use these services to find useful services ourselves and consider promoting our own applications on these platforms.

*Let me tell you something about APPeers, our project: we are creating a community-based platform where people can discover apps based on their profession or hobbies. They search for their profession or hobbies, and are directed to a page where others with that same interest have already reviewed relevant apps (check out www.appeers.com). We are currently looking if it’s feasible to connect these app enthusiasts with app developers.*

*6. What do you think of APPeers as an idea?*

Sounds like a good idea as there is not some comparable service to my knowledge. Searching for app that fit your needs is something the app stores currently do not provide and fill definitely a customer need.

*7. Would you be interested in promoting your apps on APPeers?*

Sure.

*8. (If yes, would you be willing to pay a small fee for it?)*

Yes, if the price would be ok. Generally the CAC (Customer Acquisition Cost) in the app industry lies around €1.80, so if the price of a customer would be lower than this it would make business sense to pay for the platform. We are planning to launch our own financial payments application at the end of 2015, so maybe we could form a partnership and work with your platform. Good luck. Maybe we can work together in a future project!

### 8.7.5 Interview Giuseppe Arici

*1. What kind of apps do you develop or have you developed?*

We develop all kinds of apps. Basically, everything except games.

*2. Do you find it easy to get customers for those apps?*

We develop commissioned apps, so it doesn't apply.

*3. What do you think of the way the App stores function?*

They function quite well but it could be better. Especially their search engine.

*4. Do you feel there are problems with today’s app market? (If so, what are those problems? How can they be solved?)*

There are simply too many apps, yet still it is difficult to discover interesting ones.

*5. Are you familiar with websites where people can discover apps, such as Producthunt and Appcrawlr?*

Yes we know them, although we aren't too familiar with them.

*6. What do you think of APPeers as an idea?*

Nice idea, good potential.

*7. Would you be interested in promoting your apps on APPeers?*

Sure if it provides a good ROI.

*8. (If yes, would you be willing to pay a small fee for it?)*

Same as above.

## 8.8 Advertisement options

### 8.8.1 Google AdWords

Google AdWords is a tool with which advertisers’ banners pop up on different locations (Google, 2015):

* Google search results
* Google’s websites (Gmail, YouTube etc.)
* Websites that are connected with Google by having advertising space available on their website
* Android apps in which its developers have created an advertising space

It should be noted that 1.17 Billion unique visitors use the Google search engine (Statista, 2013), and YouTube receives around 180 million unique visitors monthly (Reel SEO, 2014). In short, the reach is enormous.

An example of how Google AdWords works: if someone uses Google to search for ‘Toyota Prius’, the local Toyota dealer’s add will pop up next to the search results, or if someone is playing a game on his phone, an ad on the bottom of the screen tells him about another game app he might like. This allows companies to reach very specific target groups, based on their geographic location and the search they performed, or website they are visiting. Furthermore, the daily or yearly budget can be set manually, and the amount of times the ad will pop up depends on the budget (Google Adwords, 2015). Finally, the advertiser only pays when someone actually clicks on the banner (Google Press, 2000). The advertiser can set the price (bid) per click manually, and this bid compared to other advertisers’ bids will determine the banners’ location in the search results.

### 8.8.2 Facebook advertisements

Facebook is currently used by around 1.44 Billion active users (Facebook Q1 results, 2015), and visited by around 140 million unique visitors monthly (Reel SEO, 2014). The company offers different types of advertisements (Qwaya, 2015):

* App ad: advertisements for applications
* Domain ad: advertisement for website
* Event ad: for Facebook events
* Mobile app ad: ads to be displayed on Facebook’s app
* Page like ad: ad to like a page
* Page post adds: posts that are promoted to increase traffic

This type of advertising follows the same principle as Google AdWords: the budget should be selected manually, the geographic area can be selected, the types of interests of the target group can be selected, their behavior, age group, languages that the target customer speaks, and there are many options to personalize the advertisement itself (Facebook, 2015). All these options allow a Facebook advertiser to target exactly the right people and advertise the product or service to the right demographics (Qwaya, 2015).

### 8.8.3Apple advertising

Apple’s advertising platform is called iAd and was established in 2010. It creates integration of advertisements in mobile apps of the Apple app store (CNet, 2010). It allows the advertiser to promote apps or any other product or service, although it seems most logical to promote apps in an app.

These are the variables (iAd Workbench, 2015):

* Country or geographic location
* Apple device on which ad is shown
* Gender
* Age
* iTunes store preference (book, entertainment, finance, news, etc.)
* Type of app in which the ad is shown (based on the app store categories)
* Schedule (hours of day, days per week) that ad runs
* Budget (daily spend goal, cost-per-click bid, etc.)

Again, the amount of times the ad is shown depends on the bid per click, and the bids of other advertisers with a similar advertisement. Apple has a calculation behind this, but it is unknown.