

Holistic Marketing of Software Products: The New Paradigm

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<<< Abstract

The software product firms needs to be competent in offering services with ever changing demands of the dynamic marketing environment. To overcome these barriers, the firms should focus on holistic marketing strategy based business processes to establish niche markets for their specialized products. Holistic marketing embraces all aspect of firm, software product and measure of usage of software product. The concept stresses on the interrelationship with the stakeholders to achieve distinction with core focus towards the customer requirements

1. INTRODUCTION

There is need to cop with the changing marketing plans and flexibility of software products holistic marketing can be deployed by firms to compete in global market place. Companies not only need to maintain the skills that work in the old economy, they also have to acquire new mindsets and competencies. Marketing of software products is different from the traditional product due to uniqueness inherent in the product. The marketing mix of the software product is very flexible, as it is neither a pure service nor a pure product. The marketing of the software product had to be dealt sensitively otherwise the firms would loose its brand equity in the market. One typical advantage that is enjoyed by the any software product firms is having high bonding long term relationship with the clients by the way of sale contracts, training, maintenance and product updates which is does not exist in the tangible product. In the light of the problem holistic marketing can provide solution that is typical inherent in software products.

Holistic marketing concept is based on the development of design and implementation of the integrated marketing programs and processes for software products in synchronized manner so that the software products can be marketed efficiently. Holistic marketing simply means whole marketing process ie everything from initial product development to post sales support of software products. Implementation of holistic marketing would ascertain higher customer satisfaction, increasing profits, expanding revenue base, lowering of product cost and increasing the reliability of software products (Vrat, et.al, 1998). Holistic marketing stresses on stakeholder relationship in the delivery of long-term economic, social, and environmental value to customer, employee, supplier, community, and shareholder of a business in order to enhance sustainable financial performance. The thrust of “Holistic Marketing Moves” is that customers’ needs must be satisfied in the most convenient way so that

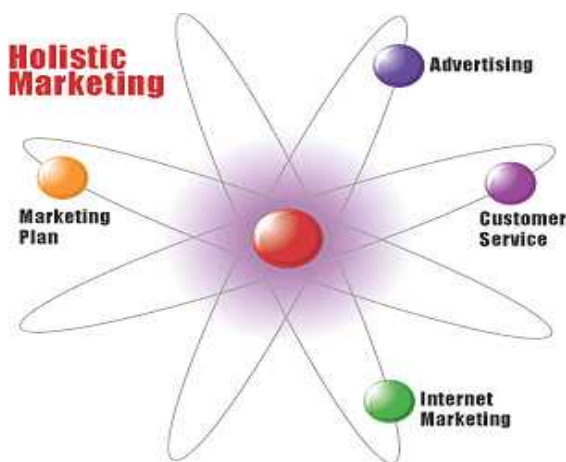
they don't have to waste time or energy searching, looking for or ordering the new software product. For this reason, businesses need to shift their strategy from focusing on product portfolios to focusing on customer portfolios. Holistic marketing approach focuses on different mediums that would interact and build experiential platform upon each other. Instead of multiple planners and groups (i.e. Media, Out-of-Home, Print, etc.) working independently for the same campaign, a single group will evaluate all mediums in order to determine the highest return on investment. Holistic marketing requires strong software support in business processes to serve the clients in the efficient way. The software product firms should incorporate following while deriving tactics for the holistic marketing

- The Target Customers' activities, lifestyle, and social space.
- The company's marketing channels .
- The company's communications.
- The company's stakeholders' interests.

Holistic marketing focuses on high degree of correlation and interrelationship with firms marketing plan, customer service and Internet advertising with core customer orientation shown in figure 1

Figure 1

Holistic Marketing In Software Product Prospective



Source: http://www.houstonbusinessimageconsultants.com/trad_marketing.htm. Last viewed on May 17, 2007

Holistic Marketing has evolved from the basic marketing principles of business actions by a company focusing on the business goals. In holistic marketing

activities involved for development, distribution and marketing to the end user is considered not as an isolated entity but as a synergic member of the firms in totality. It considers not only the single campaign or medium but considers multiple media in totality. It helps to attract the target audience or prospective niche customers for software products. Amazon is one example of adopting holistic marketing strategies, as an internet-based store Amazon not only have the luxury of foot-traffic of a traditional brick-and-mortar store but also focuses on being creative and resourceful to develop customer loyalty and exposure to their target audience. By melding the traditional concept of direct mail with personalization by providing e-newsletters and personal recommendations notices send via email. This is taken a step further by mailing personalized promotions and referencing the email notice. Amazon is also using traditional direct mail catalogs and referencing them on their site in order to get retuning as well as new customers. This strategy plans marketing campaigns that use multiple mediums (i.e. Internet, TV, direct mail, etc.) with similar messages. The idea is for the target audience to see a consistent message through a multiple of vehicles. Direct mail promotions and catalogs are not new concepts, but integrating messaging and referencing each medium enables Amazon to maximize their returns and develop one to one personal relationship with their customers. Online media can be exploited for holistic marketing by deploying 5Ss' a mnemonic in Software product marketing The 5Ss are:

Sell - Grow sales (the e-newsletter often acts as both a customer acquisition tool and a retention tool - the lastminute.com e-newsletter has this dual role)

Serve - Add value (give customers extra benefits online such as an online exclusive offer or more in-depth information about your products or the industry sector)

Speak - Get closer to customers by creating a dialogue, asking questions through online research surveys and learning about customers' preferences through tracking - which content are people most interested in.

Save - Save costs (of print and post if you have a traditional offline e-newsletter can you reduce print runs or extend it to those customers you can't afford to communicate with)

Sizzle - Extend the brand online. A newsletter keeps the brand 'front-of-mind' and helps reinforce brand values.

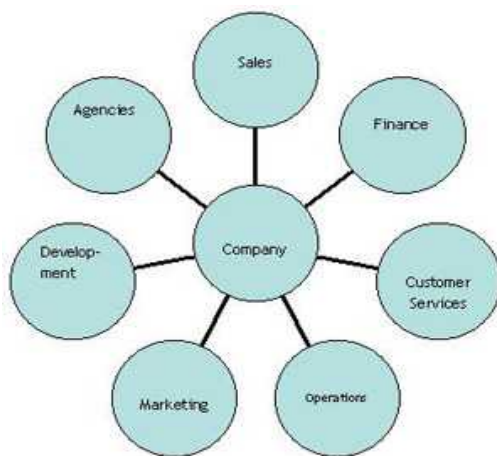
Added value can also be delivered by the e-newsletter by informing and entertaining customers.

2. HOLISTIC MARKETING SOFTWARE PRODUCTS PROSPECTIVE

The touch-points for the development and implementation for any holistic marketing campaign of software products include the following

Figure 2

Touch Points of Holistic Marketing Campaign



Source: <http://www.biz-community.com/Article.aspx?c=11&l=196&ai=4037>. Last viewed on May 12, 2007

(a) **Marketing:** The process of holistic marketing campaign for software should start from the marketing department rather than from software product development division. Software product should sense the live, breathe, eat, and smell the company's brand. The firms should be able to know the target customers on the degree of customization in the target clients on one to one relationship basis and able to change as per changing client needs directly, through focus groups, desktop research, e-mail campaigns etc. The firms should be able to position its products with the clients. Doing this would set right road for getting message heard above the plethora of communication that takes place in busy marketplace.

(b) **Agencies:** Agencies are the companies that bring holistic marketing strategies. It includes advertising, public relations, online agencies etc. The creative approach should be followed by the agencies so that effective interaction with target customers can be

made and software product can be developed effectively. The creative interpretation of a marketing strategy and a campaign should be included in the blue print of the marketing strategy in totality. The software firms should do good market research on the effectiveness of the median campaigning of the software products. Once the marketing strategy is done based on research, it becomes easier for firms to track out deviations or activities implemented that were detrimental to the success of the marketing project.

(c) **Sales:** The sales human capital makes close interaction with the client for the selling of software products. The sales force can see the real nuances and feel in changing client's sentiment. These changes need felt by the sales team should be updated by way of knowledge sharing by different departments of the company on regular basis. Call center can be used for effective interaction and feedback recorded can be considered in development of the software products. This will quickly become a measurement to see if a specific campaign is working or not. The sales front should be suitable trained for designing marketing strategy in totality.

(d) **Finance:** Finances are the key and life blood of any organization. It has to deal with sensitivity otherwise synchronization of different marketing activities and relationships among different business processes would be severely hampered.

(e) **Operations:** Once the sale is made, the software product must be installed, delivered, etc. to the clients. If this is not done timely, effectively and efficiently, it would start as a good experiential platform for the clients and would broadmindedness in up selling and cross selling of different versions of the software product.

(f) **Product Development :** This needs to be a thorough business process developed for a defined audience with a defined needs. A marketer can have the most brilliant strategy and the hottest campaign, but if that product or service doesn't deliver, it will mean zero in terms of ROI.

(g) **Customer Services:** Marketing department makes sure that new clients become valued, long-term clients. That clients' stay with the company by

maintaining services levels and delivering on expectations is key for getting the business.

In short, no one area can be isolated or seen as being more important than another. marketing needs to be owned, by the whole company and agencies. The details of the overall holistic marketing strategies can be generated by brainstorming sessions to generative new innovative ideas.

3. HOW TO CREATE HOLISTIC MARKETING FRAMEWORK FOR SOFTWARE PRODUCTS ?

- a) First the business profile of client's firm should be considered which includes things such as firm's current image with in industry, what position do firm hold in customers' minds, what is the business style of the firm , and so on.
- b) It should be duly considered why clients are interested in the software products and success story of software companies in the past.
- c) Next there is need a clear picture of internal business processes of the client's firm and how it would impact their customers and prospects. It would help in getting feedback why customers you don't want to do business with the firm. This helps the software firms to reengineering their business processes and taking customers to stage of delight rather than merely satisfying them
- d) Once a clear picture of business and customers is defined , then a plan is needed that will guide toward the vision imagined by the software product firm to accomplish both short- and long-term goals.
- e) And, given all that, there is need for the right messages aimed at the right people to implement the marketing plan.

4. COMPONENTS OF HOLISTIC MARKETING

Implementation of holistic marketing in software products processes considers four components (Kotler and Keller, 2006), which the traditional marketing has not given the due importance.

a) Relationship Marketing : Developing long lasting relationship is a key for the success of the software business. It would bring right mix of customer service, software product quality and marketing. It directly

influences the stakeholders of the software firms. Relationship marketing helps to develop right kind of relationship with software vendor with the clients. The software firms should focus on the customers but should try to establish partnership relationship with the stakeholders. It helps to develop marketing network of the firms, which in long run help to optimize the cost of advertising and promotion of new software products and services and maximize the profit of the software firms. The effectiveness of the marketing of software products can be enhanced by deployment of effective IT Systems with high degree of customization of software products and services as per individual client's requirement. The product specifications can be mentioned online to reduce the time delay in the negotiations. The information should be put on the portals of the software firms and comparability with the competitors should be available. The software product firms should stress on shortening their sales cycle. Once the buyer finalizes the buying decision, the rest time is spent on meetings, information gathering and negotiations. Shortening the sales cycle brings sales revenue more quickly and improves the sales productivity. The following points should be considered for reduction of sales cycles of the software products.

- i) *Use the Web to Pre-qualify Prospects :* The software product firms should put enough real information of demos, application stories, price lists on their web site so that prospects can self-qualify rather than answering basic customer questions. The web sites should be designed to offer an interactive requirements analysis form that helps buyers in analyzing payback for client's investment.
- ii) *Stress on Lowering the Buyer's Perceived Risk :* The software firms should try to lower the perceived risk against implementation failures of software products. The software firms should sell software packages on license months for the first year of deployment and on building trust the firms can realize license fees based on actual full installation. This would also enable the firms to build mutual trust in software firms.
- iii) *Multiple Product Configurations:* The buyers often delay decisions because they feel constrained by a lack of choices. So vendors should be offered several price points or freed buyers to assemble modules to

their specifications, this would provide buyers with more psychological maneuvering room.

- iv) *Put the Paperwork on a Parallel Track* : The software firms should put parallel track for paperwork so that sales cycle can be shortened. If the client reasonably close to a deal, the vendors with buyers should be made to check out standard license terms in advance or else get a copy of their contract and review the contract with different departments involved in software marketing.
- v) *Faster Maintenance and Help Desk Services* : The software product vendors should provide quick maintenance and help desk facilities to the client by providing online round the clock services so as to ensure high end post sale services of software services and product

b) Integrated Marketing : The software campaigns devised by the firms should fully integrate the marketing activities to deliver value of customers marketing mix should be taken in totality. Product variety should be provided to the customers to different customers and choice option should be available to customers on the web portal. To develop domain sector specific knowledge, the software firms should consult in specific areas by combining its existing skills to move up the value-chain. Catering the needs of the niche markets would impact on market value able to differentiate the software products from other firms. Typically firms should begin to operate in a certain niche areas and from working in these areas the firms gain enough knowledge about those markets and then able to move into high-end sector specific consulting or high end products. It is by working in niche markets that companies gets in-depth ideas for product development. Software product vendors should follow quality standards like ISO 90001, SEI-CMM, PCMM etc to mark software adherence to global standards. Past referrals of the clients can be used to convince the customers .The software product firms has to establish brands to focus intensely enough on the target segment. It helps to commoditization of the software services and would build customer loyalty. The software firms should invest in brand promotion exercise and try to establish their presence in target markets. This would enable software product firms to promote their software in overseas markets. The firms should emphasize on

enhancing brand equity in the global marketplace and making customers see them as global companies.

- i) *Pricing* : Competitive pricing is to be followed so the comparative analysis of the firm's software product with the competitor should be possible. The entire comparative analysis and differentiation of features with the price list should be available on the website of the firm. The price options should be available with the clients. The following points should be considered in pricing of software products.
- ii) *Promotion* : To promote the software product and services in the target markets, the maximum marketing expenditure is generally allocated on direct sales to the potential customers on one to one basis. The firms should substitute its promotion from expensive direct sales with telemarketing, voice mail video-conferencing and telesales. The firms should stress on hiring sales representatives instead of salaried sales people and orient sales compensation programs to increase rewards when higher sales and profit levels are achieved. Extensive use of the Internet and web should be made in software product marketing, as it is cost effective method for reaching larger number of clients. Free demo version of software on trial basis should be send to potential customers along with detailed information manual for persuading middlemen and potential customers. The firms operating in software product space should offer frequent buyer program with customers where they receive a certain amount of free product and additional revenues from product updates and additional services with their next order. Software firms should frequently inform their existing customers with its latest new software products and services with updates available to existing software products. The catalogues, brochures, manuals and other written material should be in the local language, to portray there is local image. The software firm should invest in dedicated especially trained sales staff that will be involved in traveling, presentations, demonstrations and persuading clients getting orders. The sales staff should focus on providing transparent information on the product and services, as well as what the firm is doing to mitigate the risks involved in doing business.

Software firms should have efficient global distribution network to respond effectively to the client's needs, standards and setting-up of after sale service shops to provide support, maintenance and upgrades for the product line. The software firms should try to ensure the efficient delivery method of product and services, as it is one of the important parameter considered by clients in selection of right software vendors. The software through Internet can be considered as economical viable channel option for firms as software products and services delivered as soon as their purchase is complete. The software product and services information should reside on server so that it can be instantly downloaded via a link. The software products and services can be marketed through portals to provide instant access as soon as your customer's payment has been processed. Not only does instant product delivery benefit customer, but it will also benefit the firms adopting the practice. The software firms should go for automation of software product's ordering and delivery process, as it would enable the firm to realize more sales. The channel followed by the software firms is one of the determining factors of the prices quoted by the software units. Volume discounts cause distributors to get the same product at different prices. Some of the stronger dealers may reach across their borders for achieving more sales. The problem of channel conflicts is particularly difficult when there are transshipments of shrink-wrapped products that don't require a lot of technical back-up support. Therefore, due consideration should be made by software firms to use volume discount schedules that eliminate significant cost differences for similarly sized distributors and try to minimize the channel conflicts. So implementation of holistic marketing activities should consider the technological tools and able to incorporate database marketing so that decisions about and holistic strategy can take place in totality. The performance of the strategies should be designed in the light of suitable marketing metrics to quantify and compare and interpret the marketing performance.c

c) Internal Marketing: Knowledge driven work force is key for the success of any software product firms. Appropriate marketing principles should be implemented in the organization. It involves the task of hiring, training and motivating able employees who want to serve the customers. It consider two levels firstly the marketing function like sales force, advertising, customer service,

product management, market research should work together. After that the marketing should be pervasive at all the levels of management. Post sale support and positive communication should be considered. The primary cause for concern of software units is outflow of skilled programmers and software developers. This causes a huge demand for experienced high-end software professionals in the country. In addition to investing on training the technical expertise the firms should groove to develop managerial, people and specialized selling skills for software by inducing specialized marketing training programmes of the personnel on regular basis to tap the potential of world software market. The software firms depend on their in-house source for market research for identifying the markets, changing trends and competitors strategies. So the software firms should have separate specialized marketing research department, which in liaison with professional market research consultants, foreign consulates, trade mission and local agencies should try to analyze and predict about the target markets, technological trends and marketing strategies so software product can be developed and marketed accordingly. The breaking of the language barrier would give new impetus to software firms for overcoming unexplored markets. Language friendliness and accommodating to work customs in the target market would able to influence the clients that may interfere with in software development process according to the requirement of the user. In order to be successful, a software package must be converted to the language of the nation where it will be used, and tailored to the local dialect. The localization of software should involve multiple language versions of software product and services according to foreign language edition that is prevalent in target customers. While localizing the software the software firms should make due consideration to review target market i.e. to identify local linguistic and environmental requirements, extracting text and due consideration should be made for linguistic or culturally sensitive material, translating and modifying elements as per the user requirements, re-engineering the core software product to accept the new foreign market content and testing new foreign market editions to ensure they meet performance standards of domestic product. The software firms should try to reduce the cultural gap so a degree of the user customization can be increased as per the requirement of the clients.

d) Social Responsible Marketing : It considers ethical, environmental, legal and social context. Social welfare responsibility require the marketer to carefully consider them they play in terms of the social welfare societal marketing concept holds that the organization task is to determine the needs and interest of the target market. The software firms should donate a part of there earnings liberally for social causes. For example big IT major like Microsoft , Wipro, Infosys are donating liberally for social causes like AIDS awareness campaign, Schooling of children below the poverty line, blood donation camps, development of infrastructure like roads and Hi-tech facilities in the cities near to there campuses because it would create win-win situation for software product firms as well as society.

5. PRACTICAL IMPLICATION OF HOLISTIC MARKETING IN SOFTWARE PRODUCT MARKETING

- Helping achieve focus & direction for software firms
- Keeping customers happy & satisfied
- Reducing the marketing costs in long run
- Differentiating from competitors
- Improved customer experience
- Help to derive Innovative business model
- Improved product quality
- Help to establish brands, customers, service quality, stakeholder relationships, corporate reputation

6. HOW TO MAKE HOLISTIC MARKETING EFFECTIVE IN SOFTWARE PRODUCT PROSPECTIVE

- Niching (Help to identify the Niche Segment for Marketers)
- Research and innovate for new product on the Internet (panel research, chat rooms).
- Create a site to explain how an existing or new

software product works so that experiential platform can be developed for customers.

- Create a site that consults on a category (Problem encountered by software product users).
- Create a site that consults on the client's profile .
- Sponsor a chat room around your software product category.
- Answer email questions instantly.
- Send free samples of new software products/ Updates on regular basis.
- Customize software products as per client's requirement.
- Offer valuable information to people who will register on the site.
- Offer a wide software product line so the customer can choose something closer to the customer's desires
- Stand ready to customize the software product according to the customer's wishes
- Identifying new value opportunities for renewing their markets,
- Efficiently creating the most promising new value offerings

7. EARMARKS OF THE HOLISTIC MARKETING

- i Recognize growing customer empowerment.
- ii Develop a focused offering to the target market
- iii Design the marketing from the customer-back.
- iv Focus on delivering outcomes, not products.
- v Draw in the customer to co-create value.
- vi Use newer ways to reach the customer with a message.
- vii Develop metrics and ROI measurement.
- viii Develop high-tech marketing tools .
- ix Focus on building long run assets.
- x View marketing holistically to regain influence in the company.

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