

A Study of Marketing Strategies of Software Firm: A Case of Syber Systems and Solutions

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Abstract- Marketing of software firm consists of creating value, delivering value and communicating value to customers. This requires constant analysis of customer needs and technology up gradation. Marketing of software products is different from the traditional product due to uniqueness inherent in the product. (Nigam, 2011). The paper identifies the marketing challenges faced by the small software firms during the growth process. It starts with the study of small software firm and the influence of marketing strategies on the growth of same. Marketing strategy is more important for software companies now than it has ever been. The strategy of a software firm truly determines the phases it will undergo. The computer software industry is undergoing some major changes which are making an impact on software vendor business models, as well as marketing and sales tactics. A successful marketing strategy can change the present and future of any software firm. In such a competitive scenario where every software company is competing with each other, strong strategy enables them to have a competitive advantage over others. This case illustrates the determining factors of the successful marketing strategy for the software firm and its impact on the future of the firm.

Keywords- Sales tactics; Competitive advantage; Value; Business models

1. INTRODUCTION

Syber Systems and Solutions P Ltd is a growing software company that specializes in software packages for manufacturers, distributors, government/semi-government and other small and mid-sized firms. Additionally, the Company provides custom database applications and customized features for software packages. Providing excellent software service by Software Company requires more than just dedication. The personnel servicing the customer must meet high standards, and the product must be capable of being serviced quickly without the risk of damaging or losing customers' sensitive data. As most software companies grow, the quality of support declines. Employee satisfaction is significant for SSSL. From an operational standpoint, they have several mechanisms in place to maintain their level service. They set up temporary backup procedures for their customers and train them to use them on a scheduled basis. They maintain a library of corrective software utilities to reset activity in the system in case of operator error or system failures, and they utilize a highly reliable telecommunications package for remote support. Their support options allow them to serve customers from a centralized support location or at their business site, whichever is needed. Customer satisfaction is important factor in SSSL.

SSSL's goal is to provide their clients with the most cost effective solution available. They provide it all, including on-site installation and training of their personnel only after they have conducted an in-depth analysis of their operation. In this way their personnel are trained how to use the software as a tool to enhance their productivity. In

evaluating their new software, these benefits should not be overlooked. Updated technology is also an important factor. The fact is that current software industry trends such as SaaS (software-as-a-service), mobile and cloud computing are having a major impact not only on the business of software but on the entire computing industry. (Source: www.software-marketing-advisor.com) SSSL's dedication to same day response to support issues minimizes the loss of personnel productivity. It is their belief that when they look at the total cost of ownership, their solution is easily the most cost effective available. SSSL complete service offerings include: Business Process Re-Engineering, Business Consulting, Project Management, System Implementation, Custom Enhancements and Customer Support Services. Effective customer service is also significant. The marketing strategies currently executed by SSSL are Inter product marketing, Creative Social Network Marketing, Viral Marketing etc. Apart from consulting and training SSSL have developed implementation models like Syber eXpresso, Syber Cappuccino and Syber Latte. Customized offering is a significant factor for its growth (Source: www.syber.in) SSSL is a Microsoft certified partner in Uttar Pradesh (Source: www.syber.in). Businesses are under continuous pressure to improve customer service, while reducing operating costs and increasing bottom-line margins. This dynamic environment requires relentless efficiency throughout every process of any organization. Syber' solutions are robust, feature-rich, and technologically advanced enterprise-class applications for complete process cycle environments of today and tomorrow. Such environments range from small and

medium to the most complex, high volume operations. Updated knowledge of market is another important factor essential for its growth. (Source: www.syber.in). SSSL have a huge client base for which they have used direct marketing as well as indirect marketing strategies. The names of few clients are RPG Cables Ltd. Rae Bareli. (RPG group Company, DSM Sugar Mansurpur, Mansurpur, Muzaffarnagar (DSM Group Company), J.K. Sugar Ltd. Mirganj, Bareli. (J.K. Group Co.) and so on. (source: www.syber.in) Native workers are selected and offered a job in the marketing team to facilitate the business development. One direct marketing strategy, used by SSSL marketing staff, is searching the internet for potential partners which can be used to piggy-back the products of SSSL Solutions. All the potential partners are stored in a database and when necessary potential partners are contacted by phone or e-mail. According to a member of the marketing, this direct marketing provided by native workers is an effective marketing strategy. Potential partners prefer to communicate in their own language and it creates more trust when someone from their own origin contacts them. By offering new partners a pilot project SSSL tries to convince them and contacts them for a longer period. SSSL also tries to contact potential distributors via indirect marketing. They have created profiles on popular social network sites like Linked-in. These network sites are used in the same time to search for potential distributors. They have their own website into English which provide all the main information about their services. By using SEO (Search Engine Optimization), cross links and replies on forums they try to end as high as possible in different search engines, like Google. Software firms like Microsoft uses promotion packs like SAAS (Software as a service) and seat pack pricing. The competitive advantage a software firm can have over others by providing excellent support services for their software's. In this case, a model is developed taking into consideration the characteristics of a successful marketing strategy for Indian software companies to enter the market and factors which influence the marketing strategies of the software firm. Data modeling is the formalization and documentation of existing processes and events that occur during application software design and development. Data modeling techniques and tools capture and translate complex system designs into easily understood representations of the data flows and processes, creating a blueprint for construction and/or re-engineering. These characteristics are based on what is found during the visit and interview with Director, SSSL, Mr Sanjeev Singh. The characteristics from the model are; effective customer service, Updated knowledge of the market, Updated technology, Employee satisfaction, Customer satisfaction, Customized offerings. (Source: Syber Systems and solutions P Ltd). In this study we will try to find out which characteristics are important and how Indian software companies have to handle these characteristics to develop a successful marketing strategy.

2. LITERATURE REVIEW

Marketing strategy is more important for software companies now than it has ever been. The computer software industry is undergoing some major changes which are impacting software vendor business models, as well as marketing and sales tactics. (Source: www.software-marketing-advisor.com, 2012) 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 deploy holistic marketing strategies based on the established niche markets for specialized software products. (Nigam, 2011). 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 lose its brand equity in the market. (Nigam, 2011) Holistic marketing focuses on high degree of correlation and interrelationship with firms marketing plan, customer service and Internet advertising with core customer orientation. (Nigam, 2011). A single case study is applied that analyzes the global marketing strategy of a small software firm with five employees, that globalized instantly and that serves global business-to-business markets by using an Internet-based sales channel strategy. (Fuerst, 2010). India is one of the strongest countries on the field of software development in the world. India is a fast developing country (Niosi and Tschang, 2009). Many Indian software companies decide to export to the United States because of their large and lucrative markets. According to Niosi and Tschang (2009), these larger developed markets are also the most mature and most ready to outsource services. Implementation of holistic marketing in software products processes considers four components which the traditional marketing has not given the due importance. (Kotler et.al 2006). Another characteristics of a successful marketing strategy is developing and maintaining relationships (Bell, 1997; Moen et al., 2004). In terms of finding suitable partners, the main challenge for the managers of a software company will be to balance the allocation of resources between the expansion of the network through the current relationships and a focus on establishing new relationships and customers independent of existing networks. These two activities are not mutually exclusive, however, due to the limited resources experienced by many small software companies, a balance must be found. (Moen et.al, 2004). The Indian export is dominated by custom software development, consultancy, and professional services, over 80 percent (Arora et al., 2001). 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. (Sardana et.al, 1998). There has been considerable research made in Marketing strategies and Software firm. Hence the case highlights the issues and

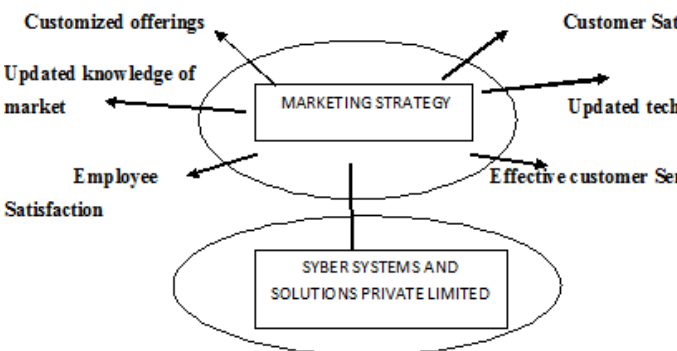
effect of marketing strategies on Software firm by taking a research case of Syber Systems & Solutions P Ltd.

3. OBJECTIVES

1. To develop the conceptual model of marketing strategies used in Syber Systems and Solutions Pvt. Ltd and its determinants.
2. To explore the linkages between the factors of marketing strategies.
3. To analyze the contribution of significant factors for Successful marketing strategy and its impact on the growth of SSSL.

4. RESEARCH DESIGN

To test our model an in-depth case study at Syber Systems & Solutions P Ltd, a medium sized Indian software company, is used. The in-depth case study tests our model in practice by taking a look into a single company. The study followed a time period of 3 months. During this period we have collected and analyzed data by conversations with marketing experts. The questionnaire was also distributed for knowing the impact of determinants (as derived from the model) of marketing strategies on SSSL. Further all the results are reported in our study and matched with our model. The characteristics from the model are; effective customer service, Updated knowledge of the market, Updated technology, Employee satisfaction, Customer satisfaction, customized offerings



5. SAMPLING

The total 50 samples have been collected from customers of SSSL and employees of SSSL in Lucknow for knowing the impact of marketing strategies on success of SSSL and for knowing the significance of factors for marketing strategy and effectiveness of the same for success of any software company. The method of sampling is systematic sampling.

6. RESEARCH METHODOLOGY

The statistical tool used for analyzing the tabulated data is SPSS 20. The questionnaire was made on six factors i.e updated technology, updated knowledge of market, customer satisfaction, customized offering, employee

satisfaction and effective customer service and experts from the marketing industry are asked to give the ratings on five points likert scale. Marketing Strategy is an independent variable and six factors are dependent variables.

7. DATA ANALYSIS

The research was conducted to study the impact of marketing strategies on SSSL. The various factors affecting the marketing strategies are studied and linkages between them are explored. This shows that customized offering and Updated technology and Updated knowledge are the critical factors and significantly affect the marketing strategies. Customized offering is linked with Updated Knowledge. Similarly customer satisfaction is linked with customized offering. Employee Satisfaction is linked with updated technology. Effective customer service is linked with customized offering.

8. RESULTS

Factor analysis is drawn on the reliable sample. By using factor analysis, we conclude that the various factors are linked with each other for successful marketing strategy. Effective customer service requires customized offering and will affect the marketing strategy in any software company. Employee satisfaction is possible if updated technology is used and marketing strategies will be affected. If knowledge is updated in any software company customized offering become possible and marketing strategy becomes effective. The marketing strategies of SSSL are effective and customer satisfaction is enhanced in SSSL.

9. CONCLUSION & IMPLICATIONS

This study offers the implications of factors of marketing strategies on SSSL performance and throws light on the significance of marketing strategies for the software firm. The understanding of linkages of factors can enable the formation of effective marketing mix.

There are three generic strategies for being successful in business, cost leadership, market leadership and niche focus, “says Mr Sanjeev Singh, Director, SSSL. Most strategies employed by successful software firms fall into one of these three categories. The software companies must work on updated knowledge, updated technology, and customized offerings. SaaS customer’s experience includes the speed of deployment, ease of configuration, access to support, and the simplicity of the purchase process. This shows the software company for executing any marketing strategy must have latest knowledge, latest technology and offerings with customization.

9.1 LIMITATIONS

The sample size is restricted to 50 only. Due to lack of resource constraints large samples could not be collected. The six limited factors were taken for the study undertaken although additional factors could have been taken.

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APPENDIX

Table 1: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.575	26.250	26.250	1.575	26.250	26.250
2	1.388	23.136	49.386	1.388	23.136	49.386
3	1.106	18.441	67.828	1.106	18.441	67.828
4	.965	16.082	83.910			
5	.617	10.282	94.192			
6	.348	5.808	100.000			

Extraction Method: Principal Component Analysis.

Table 2: Communalities

	Initial	Extraction
Customized Offering	1.000	.726
Customer Satisfaction	1.000	.439
Employee Satisfaction	1.000	.653
Updated Technology	1.000	.753
Updated Knowledge	1.000	.821
Effective Customer Service	1.000	.677

Extraction Method: Principal Component Analysis.

Table 3: Component Matrix^a

	Component		
	1	2	3
Customized Offering	-.030	.527	.669

Customer Satisfaction	.556	-.108	.343
Employee Satisfaction	-.121	.770	-.215
Updated Technology	.360	.674	-.412
Updated Knowledge	.852	.075	.300
Effective Customer Service	.629	-.217	-.485

Extraction Method: Principal Component Analysis.

a. 3 components extracted.

