

A STUDY ON THE AWARENESS OF STARTUPS – ITS MARKETING TRENDS AND STRATEGIES

Dr. P. SUSHAMA RAJAN
Asst. Prof.,
Dept. of Corporate Secretaryship,
Loyola College, Chennai.
Mr. G. JAYA SURYA,
Researcher,
Loyola Research Park,
Loyola College, Chennai.

INTRODUCTION:

A **start-up** is started by individual founders or entrepreneurs to search for a repeatable and scalable business model. More specifically, a start up is a newly emerged business venture that aims to develop a viable business model to meet a marketplace need or problem. Founders design start-ups to effectively develop and validate a scalable business model. Hence, the concepts of start-ups and entrepreneurship are similar. However, entrepreneurship refers all new businesses, including self-employment and businesses that never intend to grow big or become registered, while startups refer to new businesses that intend to grow beyond the solo founder, have employees, and intend to grow large.

Start-ups face high uncertainty and do have high rates of failure, but the minority that go on to be successful companies have the potential to become large and influential. Some start-ups become unicorns, i.e. privately held start-up companies valued at over \$1 billion. According to TechCrunch, there were 279 unicorns as of March 2018, with most of the unicorns located in China, followed by the United States. The largest unicorns founded as of October 2018 included Ant Financial, Byte Dance, DiDi, Uber, Xiaomi, and Airbnb.

Start up Actions

Start ups typically begin by a founder (solo-founder) or co-founders who have a way to solve a problem. The founder of a start up will begin market validation by problem interview, solution interview, and then building a minimum viable product (MVP), i.e. a prototype, to develop and validate the business models. The start up process can take a long period of time, by one estimate, three years or longer, (Carter et al., 1996; Reynolds & Miller, 1992), and hence sustaining effort is required. However sustaining effort over the long term is especially challenging because of the high failure rates and uncertain outcomes.

Heuristics and biases in start up actions

Because of the lack of information, high uncertainty, the need to make decisions quickly, founders of start ups use lots of heuristics and exhibit biases in their start up actions. Biases and heuristics are parts of our cognitive toolboxes in the decision making process, and they help us to take a decision as quick as possible under uncertainty, but sometimes become erroneous and fallacious

Entrepreneurs often become not only overconfident about their start-ups but also about their personal influence on an outcome (case of illusion of control). Entrepreneurs tend to believe they have more degree of control they have over events, discounting the role of luck. Below are some of the most important decision biases of entrepreneurs in start up a new business

1. **Overconfidence:** Perceive a subjective certainty higher than the objective accuracy.
2. **Illusion of control:** Overemphasize how much skills, instead of chance, improve performance.
3. **The law of small numbers:** Reach conclusions about a larger population using a limited sample.
4. **Availability bias:** Make judgments about the probability of events based on how easy it is to think of examples.
5. **Escalation of commitment:** Persist unduly with unsuccessful initiatives or courses of action.

Start-ups use a number of action principles (lean start up) to generate evidence as quickly as possible to reduce the downside effect of decision biases such as escalation of commitment, overconfidence, and illusion of control.

Mentoring

To get some kinds of reality-check, many entrepreneurs seek feedback from mentors in creating their start ups. Mentors guide founders and impart entrepreneurial skills and may increase self-efficacy of the nascent entrepreneurs.

STARTUPS DEFINED

Startups are baby companies. They generally are funded by the founders and offer a product that is either absent from the market, in low supply or only offered in an inferior manner.

In the early stages of a startup's life, expenses generally exceed revenue because, well, startups tend to make diddly squat in revenue. For this reason, financing often is attained through things like bank loans. For further options, startups can receive government-sponsored funding as well as funding from incubators (which can offer both capital and mentorship as well).

If in dire straits, startups might consider asking for loans from friends or family. Venture capital is an option for those startups that are able to prove their potential. With venture capital, capital is exchanged for partial company ownership. It seems like the business world is inundated with startups.

OBJECTIVES OF THE STUDY

1. To find out the awareness about start-ups among students.
2. To research about students interest on start-ups in emerging sectors
3. To identify few marketing strategies for its success.

NEED OF THE STUDY

We have modernized and globalized. This study will help to get the result of students ideology and thoughts on Start Ups, its awareness and ways to create successful startup's.

RESEARCH METHODOLOGY

The design of the study was collecting data through Primary and secondary sources. Information was collected from 450 outgoing students of Loyola College to study the awareness of Startup's. Questionnaire were circulated through the help of Googleforms.

FINDINGS OF THE STUDY:

The researcher found from the study conducted from the students that:-

1. 74% of the students are aware about the Start up and 26% are not aware about Start up.
2. 69% of them are suggesting Start up to be added in their Curriculum and in their Syllabus and 29% are not interested to suggest
3. 40% of them are agreeing Start up Business Ideas are Successful in India, where 10% of them Strongly agree, 35% of them being Neutral and 10% disagrees and 5% strongly disagree
4. 74% of the respondents are believing start up are innovations of Idea, 11% of them are not believing and rest of them are being Neutral (Maybe).

The study brought out to light that many of the youngsters today are interested in startups. Hence the further need of the study was extended to highlight as to how marketing strategies could help them in the success of their startups.

STARTUPS' SUCCESS RATE

According to Forbes, a startup has a 10 percent success rate. Startups that tend to succeed:

1. *Have a product well-suited for the market* (a survey targeting failed startups determined that 42 percent of these startups decided that there was a "lack of a market need for their product.")

2. *Have duly diligent entrepreneurs* (the founders of the startup should be cognizant of every little detail of their enterprise. They should not overlook a single thing. Even the “boring stuff” must be accounted for because, despite having a great product, sometimes the devil is in the details. And the details are enough to drag an otherwise promising startup asunder.
3. *Have a company that grows fast* According to Forbes: “Growth — fast growth — is what entrepreneurs crave, investors need, and markets want. Rapid growth is the sign of a great idea in a hot market.” A company that grows too slowly will have a hard time of securing the funding necessary to keep up with their startup’s needs. “A company that is not growing is shrinking,” Forbes said.

STARTUPS THAT ARE SUCCESSFUL TODAY

Investopedia recently released a list of largest and most profitable startups. Here are some from that list:

1. Uber: Tech company based in San Francisco, California. It operates the ride-sharing application and network Uber, as well as the food-delivery application and network, Uber Eats. Uber also owns and operates the shipping application UberFreight, and a ride-sharing network for businesses called UberBusiness.
2. Airbnb: Online community marketplace for buyers and sellers of travel accommodations around the world. The Uber of travel accommodations, so to speak.
3. WeWork: A company that provides a network of shared workspaces available for rent to freelancers, startups and small businesses.
4. SpaceX: Space Exploration Corporation is a private aerospace manufacturer and space transport company founded and run by Tesla CEO Elon Musk. The ultimate goal of SpaceX: enabling people to live on other planets.

SUCCESSFUL STARTUPS IN CHENNAI

1. KiSSFlow by Orangescape.
2. DriversKart
3. Uniphore
4. Lawbot
5. GoBumpr
6. Stayzilla
7. Zarget
8. YELDI Softcom
9. Chargebee
10. Caratlane



BENEFITS OF STARTUP MARKETING:

Any startup requires to be known to the markets. Any new idea or product or service which is new or a developing one needs to be publicly known or made known. This could be achieved only through proper marketing, where such ideas or products or services that are generated are made visible to the public eye.

1. Early exposure

Startups are “early bird” companies by nature. They are small firms and enterprises with big ideas about the future. Marketing that idea to the public and attracting an audience early on can be beneficial for any startup. You can gain early exposure through social media, conference attendances, and other public showcasing opportunities. This can create an audience for your startup that will stick around throughout your development cycle and beyond.

2. Potential investors

Marketing your startup through adequate channels will let potential investors know about you. Some startups have predetermined budgets and incomes without needing to look for additional resources. However, startups that do need extra resources can easily attract potential investors and partners looking for bright young minds to work with.

3. Increased buzz and hype

You want people to talk about your brand, products, and marketing materials. The more people know about you, the more they will become interested in what it is you are actually doing. With over 1,100 small business owners interviewed, only 40 percent of them believe that there is revenue growth in building hype and customer anticipation. Creating hype around your upcoming products and services is a great way to boost your launch window sales.

STRATEGIES FOR MARKETING STARTUPS:

We all know marketing is essential for all businesses, but it's even more important for startups. Unless people know about your startup and what it offers, they probably won't buy your products or services. As your business grows and expands its presence, it may attract customers through word of mouth. Until that happens, though, you should prioritize the following marketing strategies to spread the word about your startup.

1. Send Emails

Email marketing is an essential strategy for attracting customers to startup's for little or no cost. Once you have a prospect or customer's email address, you can send him or her emails to promote your startup. To take advantage of this marketing strategy, you must first collect prospects' email addresses. If you have a website for your startup, consider placing a newsletter signup form on it. Alternatively, you can ask customers directly for their email addresses.

2. Start A Blog

Blogging is a powerful strategy that can help your startup generate the exposure it needs. One report found that businesses with blogs generate 126% more leads than their competitors without blogs. With a blog, you can position your startup as a leading source while also attracting organic search traffic to your site. The secret to creating an effective business blog is to publish content that your audience wants to read. If it's valuable and worth reading, search engines will reward your hard work by ranking your blog at the top of the search results. And when your blog ranks high, it will attract more visitors -- meaning more people will learn about your startup.

3. Post On Social Media

Statistics show that more than 2.4 billion people use social media, so it's important to incorporate this channel into your startup's marketing strategy. As your business's presence on social media grows, more people will see and recognize it. Furthermore, most social media networks, including Facebook, Twitter etc., allow business owners to pay for traffic and exposure

4. Use Paid Search Advertising

Paid search has become a popular advertising channel for startups. It allows business owners to buy laser-targeted traffic from search engines like Google and Bing. Google AdWords and Bing Ads are two of the leading paid search networks, both of which feature keyword targeting with a cost-per-click (CPC) pricing model. Using either of these networks, you can create custom ads for your startup that appear in search results when someone searches for a keyword related to your business. The most appealing feature of paid search is its CPC pricing model in which you are only charged when someone clicks on your ad. Ten thousand users may see your ad, but if no one clicks, you aren't charged.

5. Sponsor An Event

Finally, sponsoring a local event can help get your startup on your prospects' radar. You'll pay the event's organizers a small fee to become a sponsor and promote your business with signs, stationary, banners, booths and other marketing materials at the event.

6. Help people discover your content.

If your startup is fit for the twenty-first century, it maintains some sort of online presence. In fact, you may be satisfied with just a website, some social media pages, a blog, or even a pre-launch Web page. Just because your content is online, though, doesn't mean it's easily discoverable by your target audience.

With every post you publish, use keywords specific to your niche, like "vegan leather tote" instead of "handbag," for example, to improve your Google rankings. You can also use these hyper-targeted keywords to power your social media-based audience acquisition. With Socedo, a social media automation tool, you can find Twitter users who post content using your niche keywords and engage with them over time.

7. Promotions by Digital Marketing

Digital marketing's development since the 1990s and 2000s has changed the way brands and businesses use technology for marketing. As digital platforms are increasingly incorporated into marketing plans and everyday life, and as people use digital devices instead of visiting physical shops, digital marketing campaigns are becoming more prevalent and efficient.

8. Influencer marketing

Using online and local influencers is a very trendy marketing strategy to consider. Influencers are mini celebrities with large followings that can influence their audiences into checking you out. Depending on the type of products you are developing, you can choose YouTube influencers, bloggers, or even local heroes that are popular in your country or city.

9. In-house marketing

In-house marketing consists of creating marketing strategies and content for your brand entirely within your startup. You can do everything yourself, distribute it online and offline, and simply wait for the results to come in. However, this type of marketing has major flaws, despite being much cheaper than outsourcing.

10. Outsourced marketing

Outsourcing is usually what people have in mind when they talk about marketing. It consists of contacting a specialized agency, a freelancer, or a third party to promote your startup for you. This can be highly beneficial for startups without a marketing staff onboard or those that want to fully devote their time to product development. However, this option is usually more expensive than simply marketing yourself in-house, and for good reason.

WHY MARKETING STRATEGIES FAIL :

1. Being cheap

One of the biggest mistakes that startup's make is being cheap. Most small companies tend to spend as little as possible on their marketing.

2. Copying from competitors

Bigger and more successful companies will always exist. Copying from their marketing content and trying to pretend you are like them simply won't work. You need to make sure that your content is as original and individualistic as possible.

3. Wrong audience

Proper audience research is an integral part of marketing strategy creation. Neglecting to do proper research will result in catastrophic results. You will attract the wrong audience, and your core followers will be left confused and uninterested. Make sure to define exactly who you are targeting and what your message is *before* creating any sort of content.

4. Poor content marketing

Poorly created content is the bane of all marketing campaigns. If you don't have native speakers or writers in-house, you should absolutely outsource your marketing to someone else. Some of the most essential marketing content should be placed on your website and take the form of your blog and general content.

James Scott, a CEO at EssaySupply, recently spoke about the importance of advertisement in content: *“Every business needs to put smart and innovative content to the forefront. Today's marketplace is too saturated for startups to ignore the potential benefits of proper content marketing.”*

CONCLUSION:

Start ups are booming opportunities for the Youngsters to reach more heights. Start ups can give more Opportunities for the Aspiring Entrepreneurs and also they can give Employment opportunities. They can help in Economic Development of the Country.

It can be difficult to make ends meet when developing new products as a startup. According to a recent poll, the founders of failed startups have admitted to poor marketing as their top reason for failure in a surprising 42 percent. Draw the line and choose the adequate marketing solution for your situation and budget.

Prove yourself that you are worth the customer's trust. The clients are found to be tentative in trusting startups as compared to the companies already in market because these young companies have yet to prove their standard, quality and efficiency in yielding what the world demands. Setting up a company is not much work; but driving it towards success is where the real task lies

Being a newborn in the business worlds, startups will have external as well as internal pressure to do well. This drives all the energy of the team to the company such that they end up being drained of spontaneity and lose their lustre. This must not happen. Don't work hard, work smart. With minimal exertion, gain maximum output. Find your own ways of doing this. After all, the health of the startup is directly proportional to the health of the team.

Startup, Smart Up!

REFERENCES:

1. <https://www.learn.g2crowd.com>
2. [https://www.Waspbarcode.com/small business report](https://www.Waspbarcode.com/small-business-report)
3. <https://www.forbes.com/sites/courtneywilliams/2017/10/06/five-ways-to-market-your-startup-with-little-or-zero-budget/>
4. <https://blog.hubspot.com/blog/tabid>
5. <https://statista.com>
6. <http://www.marketingprofs.com/opinions/2014/26078/should-you-offer-coupons-to-customers>
7. <http://fortune.com/2014/09/25/why-startups-fail-according-to-their-founders/>

