

**CREATING BLUE OCEAN STRATEGY: A CASE STUDY OF ZIPDIAL**

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**ABSTRACT**

*In this paper we have tried to learn from an innovative business model of an Indian company which is redefining and redesigning the way business model of a company is perceived. They are putting Indian Analytics industry to a new height and creating a benchmark for others to follow. Their backbone of whole business idea has started from the trend of "missed calls". By following a common behavior and people's familiarity with "missed calls", this company has generated the innovative idea of permission marketing through analysis of data which is gathered as "missed calls" from the individual consumers. They believe in the paradigm shift of "digital marketing to marketing in a digital world". They have further increased their services as feedback and information providers, embracing of real time data and innovative ideas of brand marketing in emerging worlds. This company is situated in Bangalore incorporated as "ZipDial"*

**Keywords :** Innovative Business Model ; Relationship Marketing ; Data analytics ; Business Intelligence ; Blue Ocean ; ZipDial

**Campaign 1** :*"Mom, Don't Waste Milk". It was written on a city hoarding for an ad for Bournvita. It was followed by a phone number and a message that for further information call: 1800 103 1235 (toll free).*

**Campaign 2**: *Bloomberg UTV, in 2010, launched a reality show for budding entrepreneurs. To provide further information, its print ad was displaying a number to call: 022 330 100 50 (toll free).*

**Campaign 3:** *In Mumbai, for a Colgate campaign, it was advertised as call: 1800 208 2020 (toll free) to claim a free sample of Colgate Sensitive Pro-relief.*

There are two common things in above campaigns – first, these companies are having novel ideas for Permission Marketing. Second, they all are using the same way of promotion – a toll free number. But a point worth pondering is who is keeping a track of these calls? Is it the company itself or is it the advertising agency or there is someone else equally important who is hidden behind a curtain? Moreover, how keeping track of these calls can translate into more business to the companies?

### **The idea:**

In the emerging economic world, people are pioneer in frugal engineering. Consumers' behavior translates into cost cutting measures. One such example is the idea of communication through missed calls. People just disconnect after dialing to convey certain agreed upon message (like, call me back or already reached to a certain place safely or waiting downstairs or let's meet in canteen in 10 minutes etc.) In this process, nobody is charged but the message is conveyed.

So, the weapon of choice for perpetually broke pre-paid users like students and migrant laborers — has evolved out to be a Rs500-crore business opportunity for banks, FMCG majors, travel websites, multiplexes and even political parties.

One of the Bangalore based company, ZipDial, sensed it earlier and in year 2010, started the marketing & analytics based services to its clients. It was founded by Valorie Wagoner (CEO) with co founders Sanjay Swamy and Amiya Pathak. They made their name in IPL season where they offered the “Book-Cricket”<sup>1</sup> game through missed calls. It was a marketing campaign ran by Kingfisher. User had to call a number and disconnect. After this, the user gets a text message with a certain digit which was his score. In between the message, they receive a text message ad of Kingfisher.

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<sup>1</sup> A virtual cricket game, played by turning the page of a book randomly. Score is equal to the last digit of page number shown (even-numbered). A “0” is equivalent to a player is bold out.

As per the CEO – ““We were pondering the problem retailers face in tracking consumer loyalty, lack of availability of consumer data at personalised level and we floated the missed call solution. Amiya Pathak, founder and COO, and the tech brain behind ZipDial created a prototype during the 2010 season of the Indian Premier League for cricket. Literally, within a couple months, millions of users were ZipDialing millions of times a day,”

Valerie Wagoner, CEO, herself had a unique way of demonstrating the company’s service. In lieu of a business card, Wagoner hands out a number. After logging a missed call, the dialer receives an SMS with her contact details.

### **The clients and the services:**

Their clients are the companies and brands who wish use to use mobile service platform to engage with its consumers. This, in turn, gives a lot more valuable information to the companies which could mean a lot to marketers and advertisers. The data that they get can be used for intelligent, data-driven marketing. And end users too get personalized communication as they subscribe to them on their own accord.

The service which ZipDial provide is listing a phone number that advertisers and companies can showcase on their ads, billboards, collaterals and social media, etc allowing people to miss-call the number without any charge. After that, the person is sent a text message with communication about deals, coupons or any other messages that the business wants to convey. This is important because incoming text messages are free for all mobile phone users.

As, Srinivas Kulkarni (an analyst with technology review website zdnet.com) suggests that a good mobile analytics platform can help a company in following cases:

- Drive authenticated product sampling - be it in-store or online.
- On pack-activations - Get simple call-to-actions using missed calls on product packs and activate those any time to respond to competition rapidly.

- Integrate social media with mobile which doesn't have an internet facility
- Make marketing campaigns go viral
- Build an ongoing relation with their consumers at a personalized level with gratification - be it mobile recharge, text or voice content.
- To ease out operations like cash-on-delivery confirmations, mobile number verifications, simple lead generation, customer feedback, conduct surveys on mobile, click-to-call, lead generation etc.

ZipDial has already stepped into above services and their client list boasts of P&G, Disney Channel, Pepsi, Kotak Mahindra Bank, eBay, Twitter etc. to name a few.

In an innovative solution provided to Twitter, ZipDial launched a service called "ZipDial Twitter Fast-Follow". People can follow the thoughts through text message for celebrities like Shahrukh Khan, Amitabh Bachchan, and HH Sri Sri Ravi Shankar . Users have to give missed-call to assign numbers and the celebrity's twitter post is messaged to their phone inbox. It is a good service for emerging economy, given that internet penetration is still very low in these markets.

### **Redefining the innovation :**

The company prefers to call all the missed calls, which results in business for their clients, as "zipdials" itself. Valerie Wagoner, CEO, says – "Even the guy who speaks no English, doesn't know how to SMS, has zero balance on his second-hand mobile, and lives in a village—he's ZipDialing, but "At the end of the day, we're not selling missed calls, because tomorrow, everybody's going to have a smartphone anyway and the user interface will evolve."

Recently, ZipDial has been awarded as #8 most innovative companies of 2014, sharing the prestigious list with the likes of Google, Bloomberg Philanthropies, Dropbox, Netflix, Nike etc. It shows the success and the growth of the company. Now the idea of missed call has struck to few other tech-startups too and ZipDial has seen new competitors crowding in. But, ZipDial has applied for 2 patents (they are pending as it take 3.5 years into the patent process), and they plan

to file more patents in the future. The business model is also unique in such a way that any new company has to build a very strong and intelligent analytics tool to survive. This competency of ZipDial makes the business model tough to imitate.

Even though, years of hard core R&D with patents is not easy to copy by the competitors, ZipDial is striving for better and better and is revamping its strategy. Yet when they move from missed calls, the future start-up will be taking on its competitors with deeper pockets and far more experience in mobile marketing.

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