

GO TO MARKET STRATEGY: AN IMPORTANT PHASE FOR STARTUPS

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ABSTRACT

When you're trying to launch a brand-new product into the market, this is mostly true. When resources are few, competition is fierce, and deadlines are looming, you need something to lean on and serve as a reminder that you are on the right track. The last thing you want to do when launching a new product is to do it without the proper go-to-market strategy structure. Without proper planning, it is impossible to tell if you are pursuing the wrong audience, entering a market too early or too late, or concentrating on one that is oversaturated with similar solutions and you do not need to take the risk of losing time and assets on the introduction of an unsuccessful product. One of the best methods to do it is through what is known as a go-to-market plan. This study goes above and beyond simple repetition. It serves as a guide to assist you in introducing a new product, updating your brand, or selecting a different target market. The goal of this study is to define the go-to-market strategy for start-up companies. Researchers will discuss what a go-to-market strategy is, why startups need one, and how to create one.

Keywords: Startups, Market Strategy

Introduction

It's safe to mention that each business wants to expand. While growth might originate from a variety of places, all of them have one thing in common: Absent a robust if you do not have a strategy, you'll waste lots of your time trying to accomplish nothing anywhere. Statistics show that 90% of recent businesses fail. Approximately 21.5% of companies fail. 30% of companies fail within the primary year of operation; within the second 50% of companies barely last 5 years before they fail. Recently, the IBM Institute for Business Value and Oxford Economics collaborated to undertake a poll. A main finding of the study was that the failure of an Indian startup is primarily because of the absence of trailblazing innovation. Although India contains a strong entrepreneurial culture, up to 90% of latest businesses fail during the primary five years, as was previously said. Around 1,300 Indian executives participated within the study, including 600 startup business owners, 100 venture capitalists, 100 administration, 500 executives from well-established corporations, and 22 administrators from educational institutions.

Who cares if you have got the most effective product within the world if nobody is awake to it? Your ability to sell your IT product effectively, your ability to achieve your intended audience, and the way you allocate your advertising budget will all have a major impact on how profitable it's. It's even harder for startups. They must figure even harder on their marketing because they're still relatively unknown. They even have a modest to nonexistent marketing team and a constrained budget. Unfortunately, web and mobile developers rarely understand marketing and won't facilitate your go-to-market strategy without first conducting some research.

Literature review:

Ashkenas (2016) says that if you are a startup or a young business that needs to quicken revenue growth, Think about how this strategy might work for you. Identify a small quantity to begin with. If you are a B2B player, of extremely specific consumers, either companies or desired consumer groups (such as urban professionals with traits). After that, put yourself in their position by considering their problems and speaking to them about their problems rather than your goods. For instance, Steve Blank, a startup specialist, advises that you do a "customer development" process that involves speaking with dozens of potential customers. Following these actions, you can start experimenting with a go-to-market strategy with the intention of further refining and altering it in light of experience and new information. One of the hardest tasks for a company to complete is determining a strategy for entering the market. However, it's nearly hard to succeed without comprehending the client's problems.

The cornerstones of this structure, which will put you far ahead of your competitors, are picking the proper market and truly comprehending your clients. It is crucial to be adaptable, have the proper presumptions, maintain the humility to regularly verify them, and make the required adjustments if they turn out to no longer

be true. This may seem like a lot of research to do before beginning work, but it will make everything else much easier to follow: The adage "If you don't plan, you plan to fail" is incredibly accurate.

No matter if you're creating toothpaste, jet engines, or everything in between, they came to the same conclusion. With the proper team structure and alignment, any product can be purchased or sold. What are we building, and for whom? is the most important issue that this framework rolls up to. It goes to the essence of establishing great organizations. For a go-to-market strategy to be effective, these questions must be raised and addressed. Of course, no strategy will ensure success, but as the compass needle moves, this one will guide your business in the proper direction. And it in itself gives you a competitive advantage (García-Gutiérrez & Borreguero, 2016).

According to Christina Wallace of the Arthur Rock Center for Entrepreneurship at HBS, for early-stage businesses, success involves more than just creating an original product and obtaining funding; it also entails successfully entering the market to raise awareness of your new product and convince the customers to buy it. Good go-to-market plans are built on an awareness of the target market's demographic, the issue you are trying to solve for them, and their path through the buying process. The founders' decision-making regarding sales, marketing, and resource allocation will be aided by this insight. (Anaza, Rutherford, Wu, & Bhattarai, 2023).

Understanding the market, user pain points, and effective target audience communication are the foundation of a solid GTM strategy. You may detect and confirm any problems, wants, and preferences through this approach with real users. All successful GTM planning is built on a foundation of customer empathy (Kehbila, (2020).

Objectives of the Study

1. To study the Startup Stages towards the successful execution
2. To Study the Go-to- Market strategy in startups

Research Methodology

The study is based on the review of literature and the interaction with the startup's promoters of IT service startups in Pune.

Analysis of Research

What is the GTM strategy?

A company's go-to-market (GTM) strategy outlines how it'll interact with customers so as to persuade them to buy its goods or services and to realize a competitive edge. The buying journey, new product or service releases, product rebranding, or entry to a new market are all topics covered by a GTM strategy. Go-to-market strategy, or GTM strategy, is precisely what it sounds like: an approach to entering the market. It should be about the introduction of latest products, reaching intent on new markets, or simply announcing new features. To achieve their target market and persuade people to buy the new product, businesses establish their distribution and sales strategies. The four essential components of a go-to-market strategy are as follows:

Product-market fit (PMF): What issue(s) are resolved by your product?

Target audience: Whose problem is being solved by your product, and who are they? How much are they prepared to spend on a fix? What are the annoyances and pain points you'll be able to resolve?

Demand and competition: Who is already providing what you're launching? Exists a marketplace for the goods, or is it already saturated?

Distribution: What distribution channels will you utilize to plug your goods or service.

How to build a go-to-market strategy?

- Determine the personalities and therefore the buying center.
- Create a worth matrix to help with messaging identification.
- Have a message test.
- Before rolling them out widely, optimize your adverts to support the findings of your tests.
- Recognize the buying cycle
- Select from the subsequent four common sales strategies.
- Utilize inbound and/or outbound strategies to extend brand recognition and demand generation.
- To come up with incoming leads, create content.
- Find techniques to spice up conversion rates and streamline your pipeline.
- Analyze the sales cycle and make it shorter.
- Lower the worth of customer acquisition.

- Plan the way to reach your current clientele.

A tactical action plan called a "go to market strategy" explains the activities that must be taken in order to be successful in a new market or with a new customer. It may be used for pretty much anything, including the introduction of new goods and services, the relaunch of your business or brand, or even the expansion of an existing product into a new market.

Need and significance of GTM

A strong GTM strategy often involves target audience identification, a marketing plan, and a sales strategy. It is a detailed plan which is made to introduce a product to the market.

Every year, there are more start-ups than ever before, but there are also more start-up failures; 90% of start-ups fail, frequently in the first year. 20% of projects fail before the end of the first year, 30% before the end of the second year, 50% before the end of the fifth year, and 70% before the end of the tenth year. Building a go-to-market strategy is crucial to lower this number of failures.

The most frequent causes of failures are 2% legal issues, 2% operations issues, 2% technology issues, 6% tech problems, 16% finance issues, 34% a lack of product market fit, 22% marketing issues, and 18% team issues. To lower the frequency of, the appropriate research is needed.

Statistics show that 90% of new businesses fail. Twenty-one percent of businesses fail in the first year of operation, thirty percent fail in the second year, and fifty percent survive for only five years.

Rates of Startup Failure in 2022:

- 90% of new businesses fail.
- 75% of startups with venture capital funding fail.
- Only 50% of companies survive into their fifth year.
- 33% of startups survive for ten years.
- Only 40% of new businesses truly make money.
- Cash flow issues account for 82% of company failures.

The information industry has the greatest failure rate (63%). The main causes of startup failures are identified by venture investors (IBM 2016)

- 77% of business models aren't unique.
- 70% lack of adequate skills
- 65% insufficient resources
- Insufficient leadership mentoring for startups 64%
- Startups engage in unethical commercial practices 64%
- Leadership without experience 53%

The main cause of startup failure is a lack of market demand. (Source: \sFailory.com)

- One of the main causes of failure is poor marketing.
- Startup failure can be attributed to team issues.

A common trait of unsuccessful firms is that the CEOs and directors have little experience.

Most unsuccessful startups typically have certain characteristics:

- First, a lack of forethought and emotional pricing can emerge from a lack of competency.
- Second, novice entrepreneurs frequently make poor judgments or purchase incorrect merchandise.
- Third, bad advice from friends and family, on top of family obligations, adds to the already high stress of having your own business and affects how many new businesses fail.
- Even when you devote a lot of time, energy, money, and resources to
- When creating a new good or service, a bad go-to-market plan could make your startup fail.
- Making a go-to-market strategy minimizes errors and failures and provides concise tips on how to differentiate your startup from the competition and using the right strategies to succeed.

Many errors and oversights that might ruin the launch of a new product can be avoided by developing a go-to-market strategy. Even if the product is well-designed and unique, a launch might be hampered by poor product-market fit and oversaturation. A go-to-market strategy can help you manage expectations and iron out any wrinkles before you invest in bringing a product to market, even while it can't ensure success. As a startup, you carefully organize your resources to lower risks.

Resources include the expenses, labor hours, and personnel required to build and sustain your product. You might get assistance from a GTM strategy, which acts as an action plan for the launch of a new product. It guarantees that the service addresses the user's problems and has a suitable distribution plan.

Using my experience in the startup industry, it is created a GTM plan for the ecosystem, startup marketing is a development of traditional marketing, but it is a separate and largely disorganized topic. Although understanding the basics of marketing is essential, it doesn't hurt to add to and enhance the current body of information to keep marketing current. This fits the bill noticed a gap that made me reconsider what we should be doing as startup marketers and entrepreneurs.

The majority of people who have heard of startups are aware of how crucial market validation is to their success. According to me, at the startup level, the question of whether the customer wants the product is more important than what the consumer wants from the product. Finding out if the consumer wants what we are delivering right now is more important than developing a detailed plan for the product's features, feel and design, or even its name. Where the 4Ps' applicability in this age is in doubt is about startup marketing.

Principal Justifications for Go-To-Market Strategies in Startups

You must invest some time in research, planning, and other time-consuming procedures to create a solid go-to-market strategy framework.

For your startup, there are several key reasons to develop a go-to-market strategy:

- Ensure Quicker Profit

In startups, results are vitally crucial. The sooner you can demonstrate that your plan is effective and generates income, the better. GTM strategy enables you to launch your product, attract attention from the market, and generate first sales much more quickly. It will be less frightening and exhausting to make decisions on the fly since you will have a well-thought-out plan in place.

- Limit Potential Hazards

Startups already face too many risks; avoiding them completely and suffering a marketing failure would be wasteful. Business strategists will cry when they see the disorganized distribution attempts and the money spent on poor advertising.

- Learn Every Detail about Your Company and Product

The GTM strategy development is the ideal opportunity to genuinely think about your product whether you have never created a business plan or if it was hastily made to soothe investors. You will determine the product's distinctive features, your target market, and how to reach them.

- Make Investors More Sure

If you have everything planned in advance and your idea goes beyond the creation, you are more likely to attract investors. Funding consultants will probably ask you to prepare a GTM anyways since the questions about distribution often come up during pitches.

- Gain a Competitive Advantage

Not many startups dedicate time and resources to developing a detailed go-to-market strategy. So, by creating one for your business, you would be able to stand out among your competitors. During the GTM strategy creation, it is of crucial importance to profoundly analyze the market and your competitors to discover their strong and weak points.

Conclusion:

When you have a go-to market strategy that you know is effective and will work every time, then you're guaranteed that your company and product is on its path to growth and success. There is no need for you to waste your time thinking about whether your strategy will work or not. You do not have to worry if it will cost you too much because you know that it works, and it always will as long as you tweak it to your target consumers' needs. The bottom line is that having a GTM is an essential part of any successful business. So, ensure that you take your time creating a great go-to strategy, and you take experts' advice.

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