

## **Minimum Viable Product: A Component of Modern Marketing**

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### **Structured Abstract:**

**Purpose:** MVP is an offer for new product with minimum value feature set targeting market opportunities that motivates first customers to provide feedback. The objective of the paper is to redefine the concept of MVP, to identify the proper methods and techniques of MVP and how the concept of MVP is important for start-up companies?

**Design / Methodology:** As this research work is purely a theoretical paper, based on the information collected from different sources like reputed journals, books, newspaper, website etc. The author proposes that some theoretical aspects of 'Minimum Viable Product' viz. concept, importance, methods & techniques to be discussed in the primary stages of this paper. Finally a conclusion will be drawn on the basis of discussion and analysis.

**Conclusion:** MVP is a new concept of marketing basically launching a new product in the market. Though usage of this technique is rare at present, it has a wide prospect. The product with enough features to attract early-adopter customers and validate a product idea early in the product development cycle is an essential technique of modern marketing, which MVP does.

**Originality / Value:** The study explains that Minimum Viable Product should be created to validate an idea for start-up companies. For the start-up companies, the concept of MVP will not only give an idea of without investing too many resources at the preliminary stages but also will help with the development of the product and retain for that specific type of business.

**Keywords:** Minimum Viable Product (MVP), Start-up, Minimum Resources, MVP Techniques, Innovation.

### **Introduction:**

The MVP concept is vital for today's start-up founders. Start-ups today instead of building finished products, work to get out of building and test pieces of product incrementally

inevitably and cause – what you are going to test? Why do I test it? And to know the time to test.

MVP is a way of narrowing down your idea into the smallest amount of stuff online that validates your assumptions it is much better than building a big crazy terrifying thing because if you keep on building too much you have no idea what makes people love the thing you are building geeks. For example we love to dive into code editor or photo-shop and start doing the actual work before we have done the important steps of checking, what our users want and how we can deliver that so this work really well for online and offline stuff, it doesn't matter whether you are doing the business of an e-book or selling any physical product. The important thing is that we cut our ideas down in the process through MVP.

### **Review of Literature:**

Some past researches are being presented in this phase of the paper.

E. Ries (2009) first suggested the concept of 'Lean Start-up' for developing new products and business hypotheses. According to Ries, lean start-up is a 'methodology' for developing businesses and products. Aim of this methodology is to shorten product development cycles. Using this methodology, a product can be iteratively developed based on early adopter feedback, reducing risk of product failure and launch risks.

Bank (2014) in his study proposed fifteen ways and techniques to test MVP. In his view, it's important to understand that it might be beneficial to make use of multiple MVP testing strategies when testing a hypothesis. Business models and markets vary greatly, so you will have to find the one that fits yours best. He also states that think about the biggest assumption your product or business idea is making and build your own MVP technique and test it in the market accordingly.

V. Lenarduzzi and D. Taibi (2016): Authors in their work tried to identify the generally accepted definition of MVP and also some main factors to help entrepreneurs efficiently identifying and reducing errors that occurred due to unconsidered unknown factors.

A. S. Rao (2014) in his studies he advised MVP build a product by Product Development learning cycle. In India, MVP has taken a jump for startup companies like software companies as returns are much quicker than that of the hardware companies, as the product development cycles take much longer.

M. Saadatmand (2017) in his research convey the minimum viable (MVP) is a concept that allows ideas and hypotheses to be tested early, but it does not imply that it is easy to build one. This article examines the literature to identify the methods and techniques used in MVP. The research concludes with a few suggestions for future studies.

Additionally, Parker (2017) depicted six ways of MVP testing methods which are customer interviews, landing page, explainer videos, ad campaigns, digital prototypes, and A/B testing. He says whenever we it comes to MVP testing, we have plenty of options. However, before selection and using each one of them we have to be aware of the technique. So, before investing huge amount of money and time on any MVP, it should be tested by carefully adopted MVP techniques.

Similarly, Pangara (2017) shows that in order to determine if your MVP is a product, people will desire and pay for something, you must first pass certain tests. These types of tests will help you Minimum Viable Product Evaluation get valuable data to help and guide you, not only to answer technical questions about your product, but they will also help you determine if your MVP is viable. She proposes several techniques for MVP testing, including landing pages, Ad Words, A/B tests, fundraising, and demo video, and customer interviews. All in all, the most comprehensive list of MVP testing strategies has been suggested by Bank (2014). It includes 15 strategies for testing MVPs, which in other articles are just partially covered. A big gap discovered that there is no research on MVP in the academic research literature. There are techniques for testing, but no method for comparing and selecting MVP testing methods.

In the present study the researchers intend to redefine the concept of MVP, identify the proper methods and techniques of MVP, importance of MVP for start-up companies.

**Objectives:**

1. To redefine the concept of MVP
2. To identify the proper methods and techniques of MVP
3. How the concept of MVP is important for start-up companies?

**Methodology:**

As this research work is purely a theoretical paper, based on the information collected from different sources like reputed journals, books, newspaper, website etc. The author proposes that some theoretical aspects of ‘Minimum Viable Product’ viz. concept, importance, methods & techniques to be discussed in the primary stages of this paper. Finally a conclusion will be drawn on the basis of discussion and analysis.

**Discussion and Analysis:**

**Redefine the concept of Minimum Viable Product**

MVP is an offer for new product with minimum value feature set targeting market opportunities that motivates first customers to provide feedback. How much is the minimum? As viable, it should be able to handle real-world scenarios and be attractive to a subset of early adopters due to its ability to address the target need and stand up in real-world scenarios.

<b>Year</b>	<b>Study ID</b>	<b>Definition</b>
2001	[S1]	MVP is not a minimal product, it is a strategy and process directed toward making and selling a product to customer
2009	[S2]	MVP is a version of a new product, which allows a team to collect the maximum amount of validated learning about customers with the least effort. It is an iterative process of idea generation, prototyping, presentation, data collection, analysis and learning.
2010	[S3]	A MVP has just those features (and no more) that allow the product to be deployed.
2011	[S4]	[S1] + [S2] + [S3]
2012	[S5]	MVP means releasing early and often, and validated learning means using metrics and A/B testing to find out what really works and what doesn't.
2013	[S6]	MVP is a product with a minimum feature set targeting market opportunities while profitably solving customer pain points.
2012	[S7]	A MVP is an offer that generates revenue for the company and that motivates customers to provide feedback and recommend it to other potential customers.

2013	[S8]	MVP is the minimum value organization to accelerate sales to first customers.
2013	[S9]	A MVP is typically the first version of a product released to customers, and should contain only the absolute minimum in terms of features and design for it to become viable to the customer.
2013	[S10]	MVP represents the minimum functionality or set of features within product, allowing the firm to test the product in the market and gather customer feedback, consistent with the second principle.
2013	[S11]	MVP is a product with a minimum feature set targeting market opportunities and validate its value and growth hypotheses as soon as possible.
2014	[S12]	MVP is a set of “minimal requirements,” which meet the needs of the core group of early adopters or users.
2014	[S13]	MVP starts the learning and building process quickly. It allows the start-up team to collect as maximum validated learning about customers with least effort. The goal is to test the fundamental business hypothesis. It is not meant to be perfect meant for Early Adopters.
2014	[S14]	MVP aims at defining the smallest possible implementation that brings added value to customers.
2014	[S15]	MVP is a product capable of being deployed to a subset of customers for evaluation.
2014	[S16]	MVP is an experimental object that allows for empirical testing of value hypotheses.
2014	[S17]	[S1] + [S2] + MVP is a product that includes just enough features to allow useful feedback from early adopters.
2014	[S18]	MVP is a key concept. The goal is to identify the most valuable features by iteratively experimenting the market.
2015	[S19]	MVP is used to test the business model by gathering and measuring customer feedback. Create a viable product with minimum effort. Requires the generation and testing of numerous ideas
2015	[S20]	MVP is a tool to collect customer feedback on the product in order to improve the product.
2015	[S21]	MVP is a product with low quality, early prototype.
2015	[S22]	[S3] + allow to reason with early adopters; some of whom will pay you money or give you feedback.

The term MVP was defined by Frank Robinson in 2001 that “MVP is not a minimal product, it is a strategy and process directed toward making and selling a product to customers”. Then in 2014 another new definition was proposed by Steve Blank [S3], which was then redefined in 2014 [S18], extended with new contribution in 2015 [S22] and partially adopted in five works. In 2011, [S4] reported a definition of MVP considering the sum of the three previous ones [S1], [S2], and [S3]. In 2012, two completely new definitions were reported ([S5] and [S7]). In 2013, another new definition appeared in the literature [S11], with a small influence, only on the minimum point of view from Blank [S3]. However, it has never been considered or extended any further by other works. In 2014, [S17] proposed a definition of MVP based on the sum of the definitions by Ries [S2] and Robinson [S1] and influenced also by Blank [S3]. The MVP is a developmental strategy that focuses on delivering the most fundamental features of a product to early adopters. It serves as a vehicle for testing assumptions, gauging market interest, and learning from user feedback. The core principles of an MVP include:

**Minimum Features:** An MVP contains only the essential features required to fulfill its primary purpose.

**Viability:** The product must be functional and usable, providing value to early users.

**Learning:** Gathering feedback and data from users to iterate and improve the product.

### **Importance of MVP**

The Minimum Viable Product approach has become a cornerstone of modern product development, enabling businesses to innovate, reduce risk, and achieve product-market fit efficiently. While challenges exist, the strategic implementation of MVP principles, coupled with user-centric design and continuous iteration, can lead to the successful development and launch of products and services that resonate with users and thrive in competitive markets. As technology continues to advance and markets evolve, the MVP approach will remain a vital tool for businesses seeking to innovate and meet the ever-changing demands of their customers.

The MVP approach offers several key advantages:

**Risk Reduction:** By releasing a basic version of the product, businesses can mitigate the risk associated with extensive development and investment in features that may not be well-received by the market.

**Faster Time to Market:** MVPs enable quicker product launches, allowing businesses to enter the market sooner and gain a competitive edge.

**User-Centric Design:** MVPs prioritize user feedback, ensuring that the final product aligns with customer needs and preferences.

**Cost Efficiency:** Developing only essential features reduces development costs and conserves resources.

**Clearly Define Objectives:** Establish clear goals and hypotheses for the MVP to guide development and evaluation.

**Continuously Gather Feedback:** Actively seek user feedback and iterate based on insights obtained.

**Maintain Flexibility:** Be prepared to pivot or change direction based on feedback and data.

### **Real-World Examples**

**Dropbox:** Dropbox released a simple file-sharing MVP with limited features, effectively gauging user interest and evolving into a widely used cloud storage platform.

**Airbnb:** Airbnb began as a basic platform for renting air mattresses in a living room, refining its offering based on user feedback and market demand.

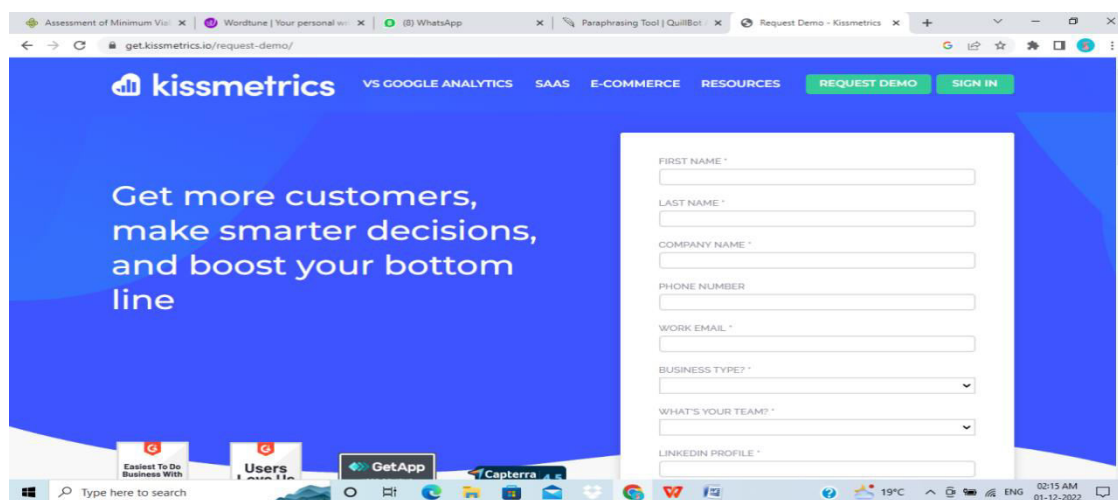
### **Methods and Techniques of MVP**

The MVP test is used to determine whether your idea solves a real problem for which customers are willing to pay. We need to pass certain tests before we can build a product that people want to use and pay for. As a result, MVP techniques / methods are intended to test not only technical questions about the product, but also the viability of business model hypotheses. Once the hypothesis to be tested with MVP has been determined, there are some methods that can be used to collect and use reliable data from actual users. In this article, I

conduct a thorough review of the literature to determine which methods and techniques are used in MVP. My goal is to determine the range.

### Landing page

The landing page is the first page that visitors and early customers arrive at to learn more about what you have to offer. It's also a marketing opportunity for us to explain the features of our product and compile a list of sign-ups. According to MVP definitions, the goal is to validate learning, so gathering visitor analytics with tools like Google Analytics or KISSmetrics is the most important aspect of landing pages. Another important point is that landing pages should not be treated like email capture pages, but rather can be used to test new products and ideas more extensively. Screenshot of a KISSmetrics is given below:



Source: Official website

### A/B Testing:

A marketing experiment in which you split your audience to test a variety of campaign variations and determine which performs best. This method allows testing two versions of the page or marketing campaign and let visitors determine which is preferable.

### Ad campaigns:

Ad campaigns are an effective way to do market research and an important technique for MVP. There are far too many social media sites, such as Google, Facebook, Instagram, and so on, that allow you to focus on a certain target market, allowing you to evaluate which aspects of your goods or business idea are more appealing to clients. Using these platforms to



execute an ad campaign provides vital statistics such as conversion rates or click rates, which may be useful in deciding product features. Because competition in the field of search marketing is severe, it is important to consider your unique target market as well as the features of the platforms that will be employed.

### **Crowd funding**

Crowd funding platforms, such as Milaap, Seed Invest Technology, Impact Guru and others, can be used to test MVPs. These websites are systems of MVPs where early adopters can be recognized more easily since their interest are supported by financial contribution. Using MVP testing is an effective way to combine validated learning with fundraising to develop a business hypothesis or product. Additionally, early adopters can provide feedback and learning and spread the word about the idea through word-of-mouth. Other good features of crowd funding are compelling stories, impactful explainer videos, and useful incentives for customers.

### **Pre-order pages:**

Similar to crowd funding that raises funds, the MVP test on the pre-order page gives us the opportunity to present products and business ideas to potential customers with the point of attracting them enough to pay before you even make it for case like OLA scooty. It can give u an estimate of the demand for the product we're trying to build, giving us some indication as to whether we should continue or eliminate.

### **Concierge test:**

The concierge test, also known as a pre-pilot, is a potential approach to test business model with a small group of potential clients at a later stage of development. It is particularly effective for two reasons. On the one hand, it enables you to test your final product without the necessity for it to be entirely ready, optimised, or automated. On the other hand, it allows you to collaborate closely with potential consumers and solicit qualitative feedback before, during, and after the concierge test, allowing you to properly tailor your product to what your customers desire.

### **How the concept of MVP is important for start-up companies?**

Starting from defining some evaluation criteria based on MVP definitions in the literature the researchers ranked different MVP testing techniques. It is evident from this result that

simplicity and easy-to-usefulness are important factors of MVP. Without investing too many resources from the start, someone is able to assess the significance of start-up hypotheses. MVP is also base for other product development, establish a builder's abilities in crafting the product requirement. Get the product to the early customer as soon as possible. The most efficient approach of testing the financial viability of an idea would be discovery driven planning, which first tests the financial feasibility of new ventures by carefully examining the assumptions behind the idea by reverse income statement. Diana Sabau explains that Minimum Viable Product should be created to validate an idea or assumption as fast as possible and measure customer traction, without investing too many resources from the start. This type of product should contain a smaller set of features, which will attract users to discover the application, provide feedback, and help the development team improve the product.

The number one reason why start-ups fail is that there is no market demand, according to a study by tech research and analytics platform CB Insights of over 100 failed start-ups. The survey found that nearly half (42%) of start-ups were wrong about their most crucial assumption: that anyone would be interested in their product after they spent months or years building it.

Product market fit is about creating products that solve a real problem people would pay to have solved. Until you get something into the hands of real customers, even after you've done your market research and narrowed your target market, it's all just theory, no matter how sure you are about your hypotheses. And the best way to test a market need and validate your riskiest assumptions about what features people will crave?

As a Go-Globe study found in 2017, 74% of high growth internet start-ups fail due to premature scaling, and 29% run out of cash before they can get fully established. An MVP can help mitigate (or even eliminate) this type of risk. As per an article published in Forbes is that the development of high-growth pivots is inevitable, so developing an MVP early on with core features will save a lot of money in the long run.

Conclusion and Future Studies Several definitions have been proposed in the last years. However, only few have been used or extended. Most of other definitions are based on prior ones. They have mainly adopted and rephrased initial definitions. In addition, several MVP testing techniques have been suggested which are useful based on the complexity and type of the product or business hypothesis. Taking into account different definitions of MVP and

proposed methods for MVP testing I summarize as follows. The Ranking of MVP Techniques ASSESSMENT OF MINIMUM VIABLE PRODUCT 30 here is that difference between

MVP and MVP experiment has not been distinguished. Third, depending on the type of product or service different techniques can be selected. Moreover, overlap exists between some of techniques. In this case, MVP techniques are better to be mixed and used together to increase flexibility and improve development. Also, there is no consensus among practitioners and scholars for the metrics being used in MVP testing. Considering issues mentioned above, I have suggestions for future research. First, there is a gap the generally accepted definition of MVP. This can be a stage for further research to find out a definition which most people have consensus about. Second, we need systematic methods for evaluation and selection phases of MVP testing techniques. This research could be a base for further studies on defining assessment criteria, selection methods, and finally depicting a framework for practice. Third, study on the combinatorial ways of use in MVP techniques could open some windows toward better understanding of commonalities between methods and emergence of newer techniques. Finally, it is critically important to have a set of measures to monitor and control results of testing methods which requires further research.

### **Comprehensive Analysis:**

The concept of a Minimum Viable Product (MVP) has revolutionized the way businesses develop and launch new products and services. This paper provides a comprehensive analysis of the MVP approach, its significance in product development, and the various considerations and challenges associated with its implementation. By examining real-world examples and best practices, we aim to elucidate the pivotal role that MVP plays in fostering innovation, reducing risk, and ensuring product-market fit. In today's fast-paced and highly competitive business landscape, the need to bring new products and services to market quickly and efficiently is paramount. However, the traditional approach of developing a fully-featured product before launching it can be resource-intensive, time-consuming, and laden with uncertainties. The Minimum Viable Product (MVP) approach offers a strategic alternative by emphasizing the creation of a basic version of a product that contains the minimum features necessary to validate hypotheses and gain early user feedback. This paper delves into the MVP concept, its significance, and its application across various industries.

### **Conclusion:**

MVP is a new concept of marketing basically launching a new product in the market. Though usage of this technique is rare at present, it has a wide prospect. The product with enough features to attract early-adopter customers and validate a product idea early in the product development cycle is an essential technique of modern marketing, which MVP does. In industries such as software, the MVP can help the product team receive user feedback as quickly as possible to iterate and improve the product. The basic purpose of MVP is to collect feedback before releasing a full-fledged product.

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