PR 508 Strategic Integrated Planning Deconstruction Midterm

I.   COMPANY OR ORGANIZATION BACKGROUND

Launched in 2012 by Luis von Ahn and Severin Hacker, Duolingo is one of the world's most downloaded education apps with over 500 million downloads (Blanco, 2022). The core services of the company are its three language education products, "Duolingo ABC", "Duolingo English Test" and its flagship app "Duolingo". Offering users a range of over 40 language options to learn, Duolingo rakes in over 103 million monthly active users through its unique gamified language learning experience that separates the company from its competitors (Ceci, 2024). However, the app's exponential growth in the span of 12 years can be attributed to the company's innovative marketing strategy that engages key audiences through the personification of the brand's mascot, Duolingo, to cultivate viral shared and earned media (Pinto, 2023).

Among language education competitors Babbel, Rosetta Stone, Mondly and Busuu, Duolingo has managed to obtain 60% of the language education app market share (Curry, 2024). Other market achievements by Duolingo include reporting the most 2023 revenue of all language education apps, earning $531 million and becoming the highest-grossing language education app in the world.

Internally, major company players include co-founder and CEO Luis von Ahn, co-founder and Chief Technology Officer Severin Hacker, Chief Business Officer Robert Meese and Chief Marketing Officer Manu Orssaud. These executives come together to drive innovation in Duolingo's language education services while continuing to grow daily user activity and premium subscriber revenue through audience engagement strategies. Externally, major stakeholders in the company include a Gen Z and Millennial audience that is almost evenly split between men and women (Linder, 2024).

II.   MISSION STATEMENT

- "Our mission is to develop the best language learning education in the world and make it universally available. Our global team works together to make language learning fun, free, and effective for anyone who wants to learn, wherever they are." (Duolingo, 2024)

- Company aims to provide shareholders a strong return on investment.

III.   BRAND POSITIONING

- To: Gen Z and Millennial language enthusiasts.
- Brand is the: Most popular language learning app in the world.
- That: Offers users a gamified language education experience through a freemium business model.
- Because: Duolingo is driven by its mission to provide universally accessible, quality language education to users through ensuring that the app and its core service remain free of charge.

IV.   STATEMENT OF PROBLEM/OPPORTUNITY

Since the brand's inception in 2012, Duolingo has always sought to illustrate a quirky brand personality to audiences that reflect the fun, gamified learning experiences its services offer (Long, 2019). The most frequent medium used to convey this unique brand personality has been through their owl mascot, Duo. From email marketing to brand typeface, Duo's quirky influence can be found in every aspect of Duolingo's presence, working to distinguish itself from competitors like Babbel and Rosetta Stone. In 2019, this unique strategy propelled Duolingo to new heights, resulting in user subscriptions doubling in almost a year (Statista, 2024). The new ingredient added to this marketing strategy was the personification of Duo's quirky personality on social media platforms. Through strategies like hijacking viral trends and witty humor, Duolingo established its mascot Duo as the face of the brand's eccentric, playful personality.

However, between 2021 and 2022 Duolingo saw a significant slump in new user growth (Gale Business Insights, 2023). Shareholder concerns were further compounded when Duolingo reported a $59.6 million net loss at the end of the 2022 Fiscal Year, failing to reach projected growth goals (Duolingo, 2023). As a company that had exponentially grown its brand awareness and loyalty through owned and shared media, this unexpected stunt in user growth and revenue forecasts that its current marketing strategy may have been losing its luster with other segments of its key audience. Heading into a new fiscal year, Duolingo must draw in new users through a bold

marketing strategy that is distinct from current campaigns while still conveying the brand's witty sense of humor, which has become a core part of the brand's personality.

This obstacle also presents Duolingo with an opportunity to further innovate its marketing strategy with an evergreen campaign that can be used outside of pop culture trends. In doing so, Duolingo has the potential to grow brand awareness and engagement in new audience segments that it had previously not invested in, creating an opportunity to grow its market share.

V.   RESEARCH

RESEARCH GOALS

- Determine what aspects of Duolingo's brand appeal most to new users.
- What do active users consider most valuable about Duolingo's services?
- What audiences in the language education market has Duolingo neglected to invest in reaching?
- What forms of media are audiences in the language education market exposed to the most?
- Which upcoming high-visibility event has the most audience overlap with Duolingo's key audiences?

RESEARCH METHODOLOGY

1. *Primary*
   a. Qualitative: Focus groups consisted of target audiences (Gen Z, Millennial aged men and women) that investigated which Duolingo memes and social media campaigns resonate most with consumers. Besides age, a key characteristic of this focus group would include participants that have not interacted with any Duolingo services in the past, measuring effectiveness of Duolingo memes and social media campaigns on potential new users that are not involved in the existing Duolingo community.

Questions asked to reach this research goal would include participants rating how much they resonate with Duolingo memes and social media campaigns, which forms of media do participants trust the most when encountering advertisements and which services do participants feel are most important for a language education app to offer its users.

b. Quantitative: Utilized social listening tools to measure user sentiment and impressions of Duolingo memes and images to identify which aspects of the brand's personality and marketing strategy has been the most successful (Duolingo, 2023). Areas of focus for social listening included target audience demographics (Gen Z, Millennial men and women) that are outside of the established Duolingo social media community. Through this medium of quantitative research, the company can identify which aspects of Duolingo's marketing have proven to have the most online engagement and virality in earned and shared media.

2. *Secondary*

a. Market report on the values of key audiences in the language education market.

b. Consumer analysis report on which media platforms key audiences engage with the most.

c. Audience segmentation report that identifies new emerging audiences in the language education market.

d. Competitor analysis on the effectiveness of competitors' messaging and marketing to audience's that overlap with Duolingo's key audiences.

VI. SITUATIONAL ANALYSIS (SWOTS)

Internal

- Strengths:
  - o Established brand identity.
    - The creation of mascot Duo's quirky personality gives Duolingo a unique identity that is easily recognizable by consumers.
  - o Innovative marketing strategy.

- Duolingo has separated itself from competitors by utilizing viral marketing that references pop culture moments/.
    - Strong brand awareness.
        - Duolingo has amassed 62% brand awareness among audiences in the language education market (Statista, 2022).
    - Current leader of the language education market.
- Weaknesses:
    - Declining new user growth & net profit.
    - Advertisements primarily rely on shared and owned media.
    - Not as historically established in the language education market compared to well-established competitor Rosetta Stone.
        - Duolingo has only been established for 12 years in comparison to competitor Rosetta Stone, that has been in the market for the past 20 years.
    - Negative perception of Duolingo gamified model lacking effective language acquisition results for users (Ravenscraft, 2019).
        - Critics have recently come forward and written about how Duolingo's language education services are limited and not as effective when compared to competitors.

External

- Opportunities:
    - Rallying travel & tourism market in a post-covid global economy.
        - A growing travel & tourism market resulting from a reduction of global covid restrictions. This impacts consumers desire to learn new languages in anticipation of visiting a foreign country.
    - Highly-anticipated upcoming Superbowl LVII.
        - The unprecedented level of anticipation for Superbowl LVII presents Duolingo with an opportunity to utilize its expertise in "trend-jacking" pop culture moments to increase visibility.
    - Highly active user-driven content community

- Duolingo's high level of brand loyalty has translated to a user community that creates viral social media content that raises brand awareness.
- Threats:
  - Competitors that offer more users more comprehensive language education courses for a flat rate.
  - Unique social media marketing alienating portions of market audience.
    - Portions of the target audience that may not resonate with pop culture may feel alienated from Duolingo's heavy use of pop culture in their marketing.
  - Crowded language education market could draw consumer attention away from the company, hindering Duolingo's daily active user growth and user retention.

VII. STRATEGIC INSIGHTS

- The significant decline in new user growth and net profit signals a need to re-engage key audiences in a unique way. An avenue to achieve this would be to refocus Duolingo's messaging strategy by utilizing its strength as a widely-known brand personality rather than utilizing pop culture references to draw in new users. Achieving this shift in messaging strategy would avoid the threat of alienating portions of its target audience that do not resonate with pop culture references.
- Duolingo's innovative marketing strategy has allowed it to emerge as a leader in the language education market. Through creating a unique marketing strategy by "trend-jacking" a major activation opportunity with mass appeal, such as the highly-anticipated Superbowl LVII, Duolingo can regain new user growth that has been drawn away by emerging competitors.
- A growing travel & tourism market resulting from easing global Covid restrictions presents Duolingo with a significant opportunity to draw in a consumer base that is searching for an accessible way to casually learn a language before visiting a foreign country. However, Duolingo's messaging to this audience must

emphasize the service's effectiveness to combat its negative perception as an inefficient language education app in comparison to its competitors.

VIII.   COMMUNICATION GOALS

- Increase brand awareness and community engagement to boost new user growth and daily user activity.
  - The main challenge Duolingo faced and sought to address through a new marketing campaign was the significant growth slump the company reported in new users. A key goal to addressing this would be expanding brand awareness and engagement in portions of the audience market that may not have resonated with Duolingo's pop culture-centric marketing tactics. Successful execution of this goal would translate to a boost of new users and a larger market share.
- Illustrate Duolingo as an effective language education tool that, through daily engagement with the app, produces more comprehensive results compared to competitors.
  - The recent negative criticism that Duolingo had received as it grew in popularity created a negative perception of Duolingo as a language education tool that is not as effective as more well-established competitors that have had extensive history and testimonies of their effectiveness. Through messaging that emphasizes Duolingo's accessibility and effectiveness when used every day, the brand can both shift public perception and increase new user growth and daily user activity.

IX.   COMMUNICATION OBJECTIVES

- Increase online searches for "Duolingo" from Gen Z and Millennial Americans by 10% before the end of FY24.
  - A boost in online searches from a successful campaign will signal an increase in interest from potential new users about the company's services, translating to an increase in new user growth.
- Grow brand awareness in men and women aged 30-40 by 15% by FY25.
  - A significant portion of Duolingo's established audience is men and women under the age of 30 (Blanco, 2021). Therefore, the key to

increasing new users is to expand Duolingo's reach to individuals aged 30-40 by boosting brand awareness in this untapped age demographic.

- 7% increase in online positive sentiment surrounding the effectiveness of Duolingo's services by FY25.
    - o A modest boost in online positive sentiment supports in shifting negative narrative surrounding Duolingo's ineffectiveness in comparison to established competitors.

X.   **TARGETED AUDIENCES**

- "The Amateur Polyglot"
    - o Aged 16-23, the Amateur Polyglot is a language enthusiast who has a tailored interest in foreign languages and cultures. This individual is low to middle class and does not have access to an abundance of disposable wealth to enroll in international language programs to fulfill this passion. Therefore, Duolingo's free services that offer over 30 languages fit the Amateur Polyglot's needs perfectly. This user engages daily with Duolingo and is immersed deeply in the Duolingo online community, spreading memes of Duolingo's mascot "Duo" and posting new Duolingo awards on their social media.

        The Amateur Polyglot is a firm believer in Duolingo's services and engages with the app daily to practice their many languages. This audience member prefers Duolingo's services over other well-established competitors because they resonate with Duolingo's pop culture-infused marketing and feel that the brand aligns with their values of free access to quality language education.
- "The World Traveler"
    - o Aged 30-40, the "World Travel" audience are casual Duolingo users on the older end of Duolingo's audience age demographic that only use the app in anticipation of traveling to a new country for leisure (Blanco, 2024). With a rallying travel economy produced by easing Covid restrictions and a global embrace of post-covid tourism, this group crams Duolingo lessons

to achieve enough language proficiency to order food or ask for directions. This audience segment is middle to upper-income, meaning that they are willing to purchase Duolingo's premium version to maximize language acquisition before their travels. However, this group will also discontinue Duolingo's services until their next trip is planned.

As a result of their conditional usage of Duolingo, the "World Travel" lacks brand loyalty and is not as tuned in to the Duolingo online community and does not resonate with their pop culture, meme-centric marketing. Therefore, this audience is not as compelled to use Duolingo if competitors offer more effective language education services that promise quicker results and less commitment, regardless of being charged a higher premium.

- "3rd Generation American Immigrant"
  - This audience segment belongs to individuals aged 15-24 who utilize Duolingo's language education services to enhance personal connection and dismantle language barriers in their family (Duolingo, 2023). As a 3rd Generation American Immigrant, they may not have been raised in a bilingual household and consequently are not fluent in the language of their cultural heritage. This means that they may not be able to communicate as well with grandparents or other family members because of language barriers, limiting the personal connection they are able to build.

    Duolingo's presence in pop culture and social media virality retains this group's awareness of the brand but daily user engagement in this group wanes because they become frustrated with a lack of progress or time commitment language education requires, resulting in inconsistent use of Duolingo.

XI. CURRENT BRAND PERCEPTION

- Users can learn "some" things with Duolingo, but if you want to become fluent in a language, Duolingo is not effective enough. (Ravenscraft, 2019).

XII. DESIRED BRAND PERCEPTION

- Duolingo is the world's most popular, accessible and effective way to learn a new language. From conversational to fluent, users can achieve any level of desired proficiency from Duolingo's free language education courses. (Duolingo, 2024).

XIII. KEY MESSAGE MAPPING

- Overarching
  - "Now that we have the confidence to understand who we are as a brand, the Super Bowl is the opportunity to say to the world, 'Look, we're going to show you in five seconds who we are,' based on what we know has worked really well for us." (Follett, 2024).
    - In this overarching message, the core point being communicated is to demonstrate a sense of establishment in the language education market that conveys Duolingo's confidence in effectiveness and brand philosophy to consumers.
- "The Amateur Polyglot"
  - "We have a large, engaged fanbase that loves our brand, and the more we can tap into that and generate these ambassadors of our brand to talk about us, the better." (Calfee, 2024).
    - The purpose of this message was to acknowledge and appreciate the loyalty of this audience segment that is highly active in the Duolingo community. In doing so, Duolingo had activated this audience segment to drive the campaign's virality online.
- "The World Traveler"
  - "By speaking to a wider audience, he says, Duolingo hopes to 'really be part of culture' while showing its commitment to its fanbase." (Calfee, 2024).
    - This message is meant to demonstrate a commitment to reach audiences that do not resonate with "memes" and other pop culture references Duolingo has utilized, signaling an investment in reaching this untapped key audience segment.
- "The 3rd Generation American Immigrant"

- "Getting people… focused on a singular thing they're passionate about is usually a recipe for success." (Yu, 2024).
  - This message targets the infrequent users of the app, demonstrating that by following the "do your daily Duolingo" learning strategy in the campaign's message, they can achieve fluency to connect with family members.

XIV. STRATEGIES

- Illustrate Duolingo's commitment to helping learners reach fluency, regardless of subscription tier.
  - Demonstrate that through Duolingo's philosophy of quick daily practice, their services will help users quickly gain fluency in a foreign language. This will help shift Duolingo's public perception as an ineffective tool.
- Position Duolingo as a leader in popularity in the language education market outside of the brand's social media community.
  - Highlighting Duolingo's rank as the top-grossing language education app will demonstrate to key audiences that Duolingo's appeal is more than word-of-mouth.
- Establish Duolingo's legitimacy in the language education market despite its limited historical existence in comparison to competitors that have existed before the "App Era".
  - Crating messaging that lends legitimacy to Duolingo's growth and mass appeal despite its relatively young age as a company will help demonstrate to audiences that Duolingo's popularity transcends social media.
- Utilize new forms of media to showcase Duolingo's distinct brand personality, drawing in new users that are outside Duolingo's sphere of influence on social media.
  - Utilizing a media platform to spread its messaging outside of Duolingo's established social media community will reach key audiences that are disconnected from social media.

XV. TACTICS

PAID

- **Superbowl Commercial –** Aired a comedic 5-second Superbowl Commercial that both encapsulated the brand's personality and encouraged daily app usage to achieve fluency. This proved to reach audiences that resonate with traditional media rather than social media.
- **Celebrity Partnerships** – Partnered with social media star & plastic surgeon "Dr. Miami" to coincide with the "No Butts" campaign, resonating with Gen Z audiences.

EARNED

- **Top Superbowl Ads of the Year Coverage** – included in a variety of articles and news coverage reporting on the 2024 Superbowl's most outrageous and comedic Superbowl Ads, further expanding traditional media reach.

SHARED

- **Duolingo Fan Activation** – Superbowl ad and announcement of the "no butts, do your Duolingo" campaign activated loyal consumers engaged in Duolingo's fan community to publish user-generated content (memes, fan art, etc.) promoting Duolingo's campaign.

OWNED

- **"Behind the Scenes" Duolingo Blog Post** – Publishing a "behind the scenes" article of the campaign's conception and execution provided Duolingo with an additional opportunity to spread its target messaging.
- **App Icon Redesign** – Redesigning the app icon simultaneously with the Superbowl Ad motivated users to engage with the app and explore its features.
- **Duolingo Reminder Coinciding with Superbowl Ad** – Simultaneously notifying users to complete their daily practice lesson helps shift Duolingo's perception of effectiveness.

XVI. KPIs – Measurement & Evaluation

OUTPUTS:

- "No butts, do your Duolingo" push notification sent to 4 million users (Duolingo, 2024).
- 130 article links to Duolingo earned (Linehan, 2024).
    - Successfully achieved earned media coverage from the campaign's virality.
- 376% boost in online searches for "Duolingo commercial" (Linehan, 2024).
    - Demonstrates boost in brand awareness among potential new users.
- 5 million YouTube views of the commercial (Linehan, 2024).
    - This statistic showcases a successful fan activation in Duolingo's community.

OUTCOMES:

- Duolingo experienced a significant boost in mainstream dialogue from the viral commercial being aired during the Superbowl, establishing the brand's legitimacy as a household name.
- Surge of daily user activity and new user growth in the following fiscal quarter, demonstrating success in reaching untapped key audience segments that resonate with traditional media.
- Sustained positive online sentiment growth surrounding Duolingo's effectiveness in comparison to competitors.

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