Lessons Learned – Week 8

As every Monday, we started by presenting our progress of the week. We could present to the class our new blog. We showed and explained the channels we chose to get, keep and grow the customers. We also briefly talked about our hypothesis concerning the channels, but also the social media we are using to get more traffic such as: Pinterest, Instagram, Facebook, LinkedIn. Finally we showed our new landing page, which reached for the moment 130 visitors. The professor advised us to use other platforms, such as ScoopIt to update easily all our social medias with the same content. He also told us not to forget recommendations in order to activate more visitors on our landing page.

The Revenue Sources

After exploring all the presentations of the different groups, we focused on the revenue sources. There are different types and many possibilities.

The revenue sources can be <u>direct</u>**:**

-      **Transactions**: most common revenue source, through the transaction of a product or a service.

-      **Use**: usually the consumer pays for the quantity he uses such as gaz or water consumption for example.

-      **Renting**: of a product as an apartment for example.

-      **Licensing**: revenue usually coming from a software development.

-      **Subscription**: a good source of income. Once the customer subscribes, he provides through his subscription a sort of monthly rent for the company.

-      **Pre-Pay:** can be a good way of financing a company since the customer pays before getting the product or service.

-      **Freemium:** directly concerns our Business Model. Consists of providing a service for free and to propose an additional paying version. It is a supposed to be a very efficient source of income. Although the free version needs to be good enough to first acquire the customer, and the additional features must be well-thought so that the customer will be interested in purchasing it. The risk is that the conversion rate is too low, and it usually takes some time for the people to convert once they have the free version.

-       **Pay-per-use:** occurs most commonly in the web-based services, and usually involves cases where the transaction values are small and can be automated.

-       **Intermediation:** adding an intermediary to facilitate the transaction, such as eBay for instance.

-       **Advertising:** using advertisement as an income.

Or they can be <u>indirect</u>:

-       **Referral revenues:** Acquiring new customers who are suggested by existing customers

-       **Affiliate revenues:** a system of revenue sharing between one site to another site (the advertiser) in order to get traffic. It enables to receive a monthly revenue from the amount of traffic generated.

-       **Renting Mailing lists:** rent a list to another company can be another source of revenue.

-       **Renting available resources:** It can be a work space for example.

The Pricing Models

After defining our sources of revenues concerning our project, we focused on the different pricing models:

-       Cost Based Pricing
-       Value Based Pricing
-       Competitive Pricing
-       Volume Pricing
-       Portfolio Pricing
-       "Shaver" Price
-       Feature Pricing

To best define the pricing fitting our value proposition, we must not only focus on a market competition study, but also find out how much the potential customers are willing to pay. We also must be able to think about all the different possibilities to get different revenues sources. As an example, we went through the "55 Time-Tested Information Programs and Products" of John Eggen.

The Minimum Viable Product

Finally, we have been learning about the minimum viable product, by watching the video "The Lean Approach, The minimum viable product" presented by Steve Blank. There are 3 types of MVP: the MPV 1 that we already worked on with the interviews and PSM approach, the MPV 2 with the landing page that we have created, and finally the MPV 3 that will be about creating a prototype such as a website. It doesn't have to be a complete solution, the goal of the MPV is to avoid developing anything that will not interest our customers. We need to test it and receive their feedback. For this, we must use tools that are measurable. If a prduct is viable, it means that people will be willing to use our solution and to pay for it.