

The Priceless Penny by Frederick Zoreta



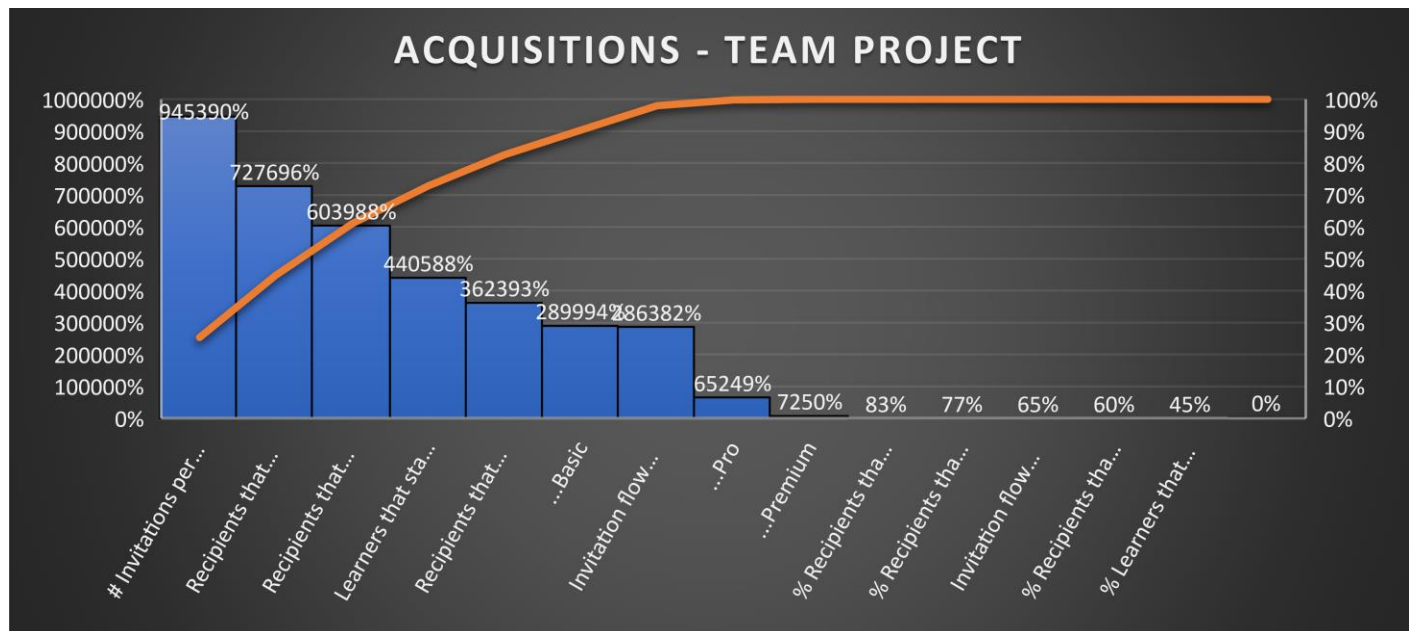
A 2019 Business Performance Analysis of a Pricing Scheme



Comparing a Learning Platforms Original Versus Modified Pricing Scheme

ORIGINAL PRICING INPUTS

Team Acquisition Project



[Dataviz 1 shows the over-all summary of Acquisitions – Team Project for the entire year 2019](#)

Computations / Derivations

Invitation Flow completed = (Invitation Flow Completion Rate) x (Learners that starts invitation Flow)

Invitations per inviter = (Invitation Flow completed) X (# of invitations per inviter)

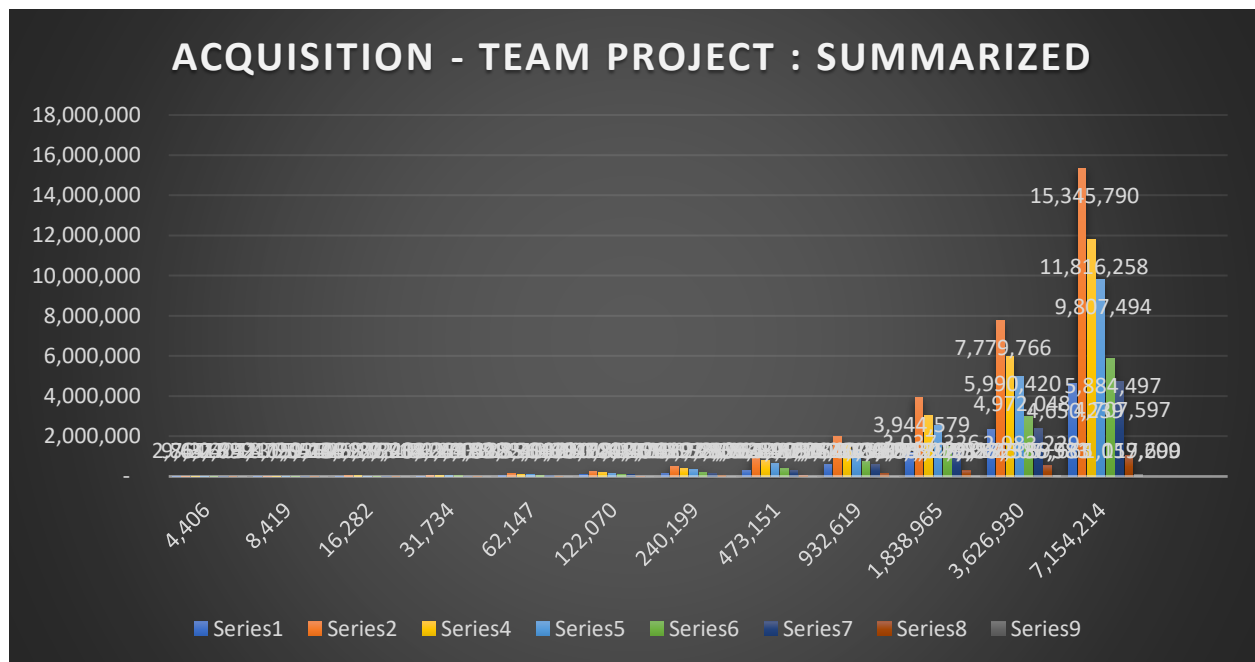
Recipients that open the invitation = (# Invitations per inviter) X (% Recipients that open the invitation)

Recipients that finish the signup flow = (Recipients that open the invitation) X (% Recipients that finish the signup flow)

(Recipients that finish the signup flow) X (Basic % ; which is 80%)

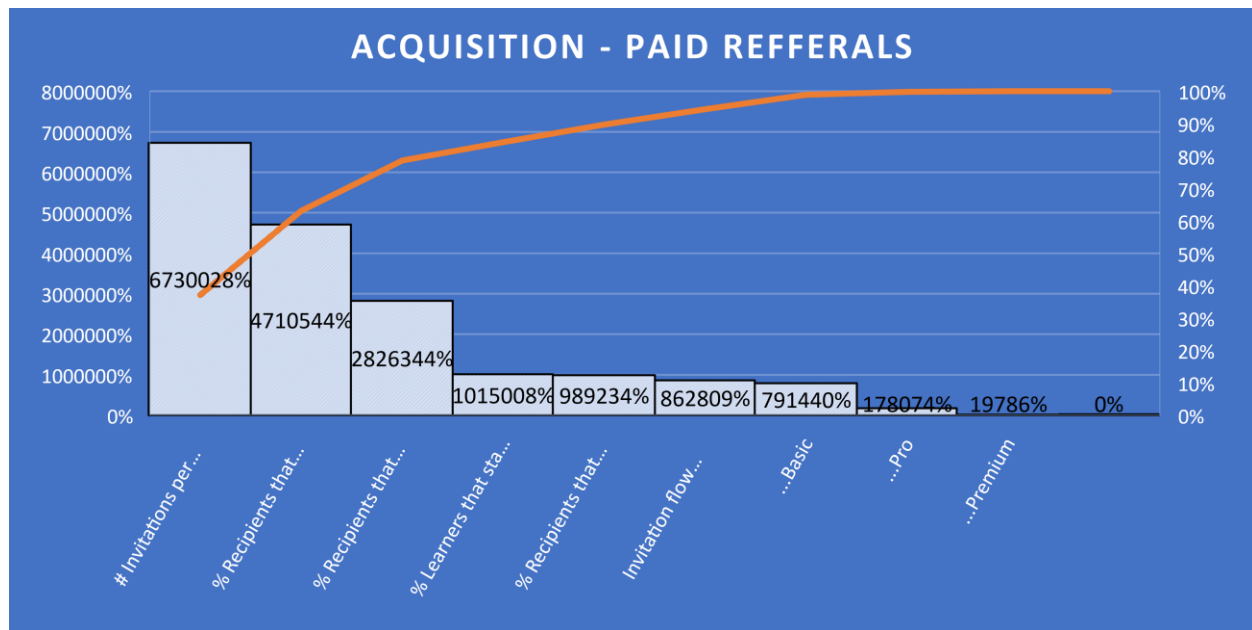
(Recipients that finish the signup flow) X (Pro % ; which is 18%)

(Recipients that finish the signup flow) X (Premium % ; which is 2%)



Data Viz 2 shows the different price ranges from Jan to Dec of 2019. *This is a summarized version of Data Viz 1.

ACQUISITION – PAID REFFERALS



Data viz 1 shows the over-all summary of Paid Referrals Plan

COMPUTATIONS / DERIVATIONS

% learners that starts the invitation flow = (% learners that starts the invitation flow) X (Combined Total of Non=Payng + Upgrades)

invitation flow completion rate = (% learners that starts the invitation flow) X (invitation flow completion rates)

Invitation per inviter = (invitation flow completion rate) X (# of invitations per inviter)

% Recipients that open the invitation = (# Invitation per inviter) X (% of recipients that open the invitation)

% Recipients that click the invitation = (% Recipients that open the invitation) X (% recipients that click the invitation)

% Recipients that finish the signup flow = (% Recipients that click the invitation) X (% Recipients that finish the signup flow)

BASIC PLAN:

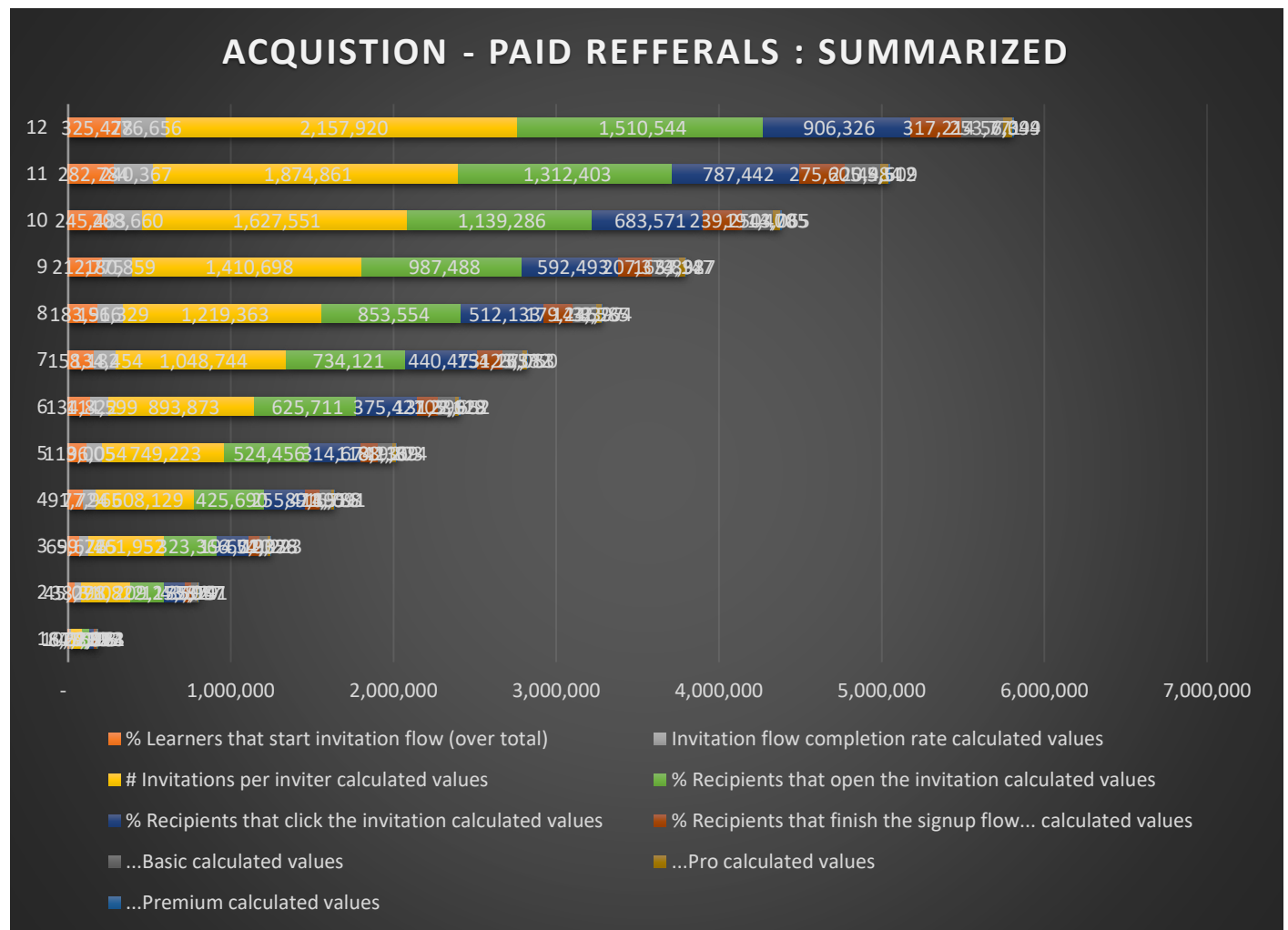
(% Recipients that finish the signup flow * Basic (80%))

PRO PLAN:

(% Recipients that finish the signup flow) X (PRO; which is 18 %)

PREMIUM PLAN :

(% Recipients that finish the signup flow) X (Premium; which is 2 %)



Product Improvements: to potentially improve the size of the customer base and revenue.

1. The Signup Process

I would definitely decrease if not, totally eliminate all the possible the 'friction within the process. This would also have to be dealt with by the UX/UI team. It is very important to note that any form of 'distractions', when removed would probably increase our signup rate by up to 25%

2. The Upgrade Plan

I would highly suggest more flexible options for the upgrade plans. This could further be divided into several plans and some of these plans may involve some form of 'promos'.

I would further suggest to have A/B testing. Similar to what marketing professionals do, I would compare certain groups or batches of upgrade plans VS another group. Such testing comparisons would yield on which has better results among the upgrade plans. It should be highly noted that there is only a certain timeframe for this A/B testing.

3. Cancellations

Similar to the signup process, as much as it seems that we do not want customers to leave us, I would make the cancellation process free of friction. I would be including a very brief survey that would yield both qualitative and quantitative data for us to analyze further.

These combination of qualitative and quantitative data would enable us to look on what made our customers to 'churn'. Such results would then be passed to the following departments: marketing , UX , analytics and the C-suite.

My hypothesis is that usually, the UX team would have a huge responsibility in making sure that such 'churns' would be minimized in the future. Minimizing potential CX and UX issues in the customer's journey is of vital importance.

Such smooth transition to cancel an account could eventually give back a 20% to 44% chance of customers to eventually re-enrol or sign. Once again, the survey which is both quantitative and qualitative would be very vital in our success.

Proposing a Change to the Original Pricing Scheme – to have a positive effect on the monetization goal.

I would focus on changing certain personas . I would propose to target a much broader group that have the exact same interests as the original pricing schemes.

By having a more focused target group of persona, the revenues in the modified pricing scheme has increased.

****Also very important to note is that I have included an Overage Revenue and Free tier charges on the modified pricing schemes**

Overage charge has an advantage: Our company does earn more due to the over usage, the disadvantage to this is th

Figures to be pointed out - **On the original pricing scheme under 'The Revenue Accounting'**,

For Jan 2019 the breakdown are as follows:

New Revenue : \$ 11,414,664.12

This was derived by the summation of -> Basic: \$ 2,613,483 + Pro: \$6,680,947 + Premium: \$ 2,120,234

Returning Revenue: \$ 3,090,015.86

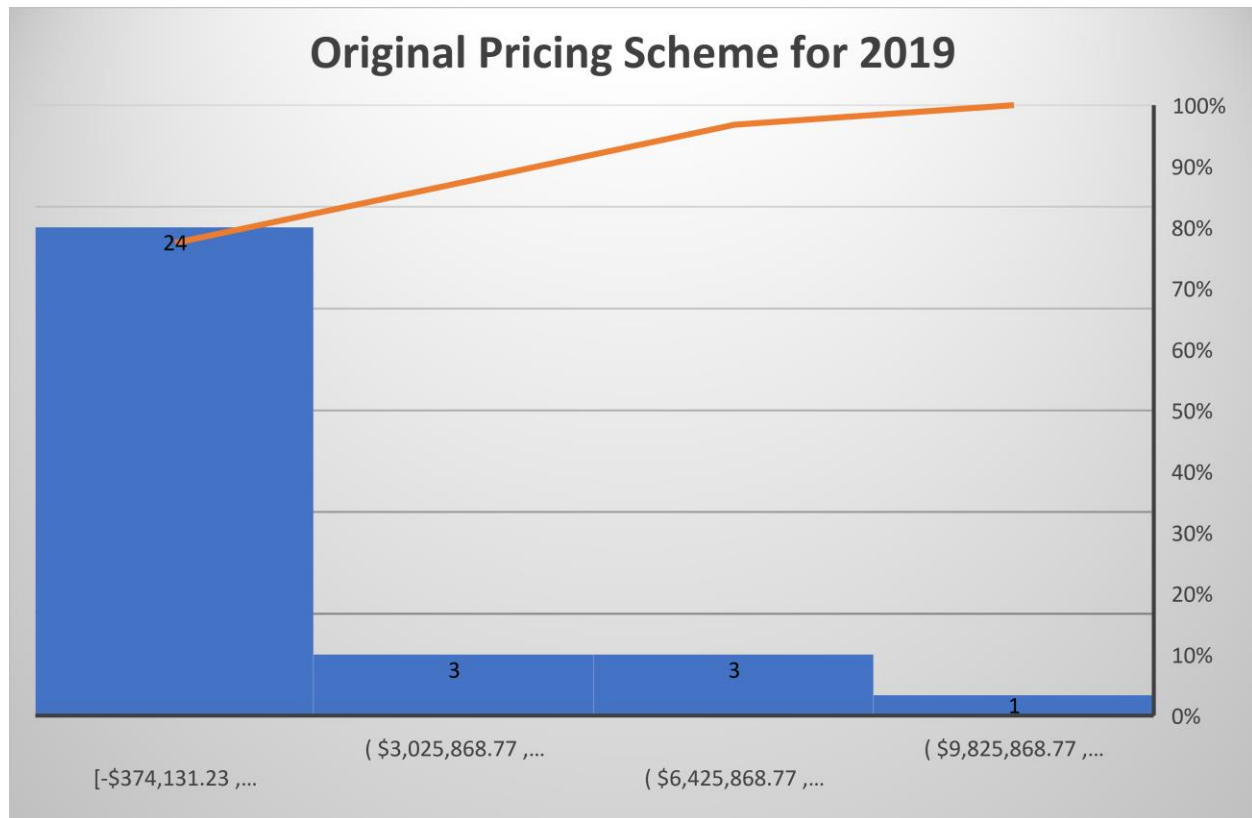
This was derived by the summation of -> Basic: \$655,241 + Pro: \$1,491,349 + Premium \$943,426

Total Revenue from Dec 2018 : \$ 3,277,280

This was derived by the summation of - > Basic: \$ 1,376,557 + Professional : \$ 1,007,328 + Premium: \$893,396

Total Revenue for Jan 2019: \$ 9,389,123,98

This was derived by the summation of - > Basic : \$ 794,251 + Professional: \$ 7,208,147 + Premium: \$ 1,386, 726



Figures to be pointed out - On the modified pricing scheme under 'The Revenue Accounting' ,

For Jan 2019 the breakdown are as follows:

New Revenue: \$14,185,193.42 (Jan 2019)

This was derived by the summation of -> Free : \$ 1,533,726 + Basic: \$2,613, 483 + Professional: \$ 6,680,947 + Premium: \$ 3,357,038

Overage Revenue : \$ 336,295.01 (Jan 2019)

This was derived by the summation of -> Free: \$ 83,435 + Basic: \$ 113,206 + Professional: \$133,840 + Premium : \$ 5,814

Returning Revenue : \$ 3,640,347.50 (Jan 2019)

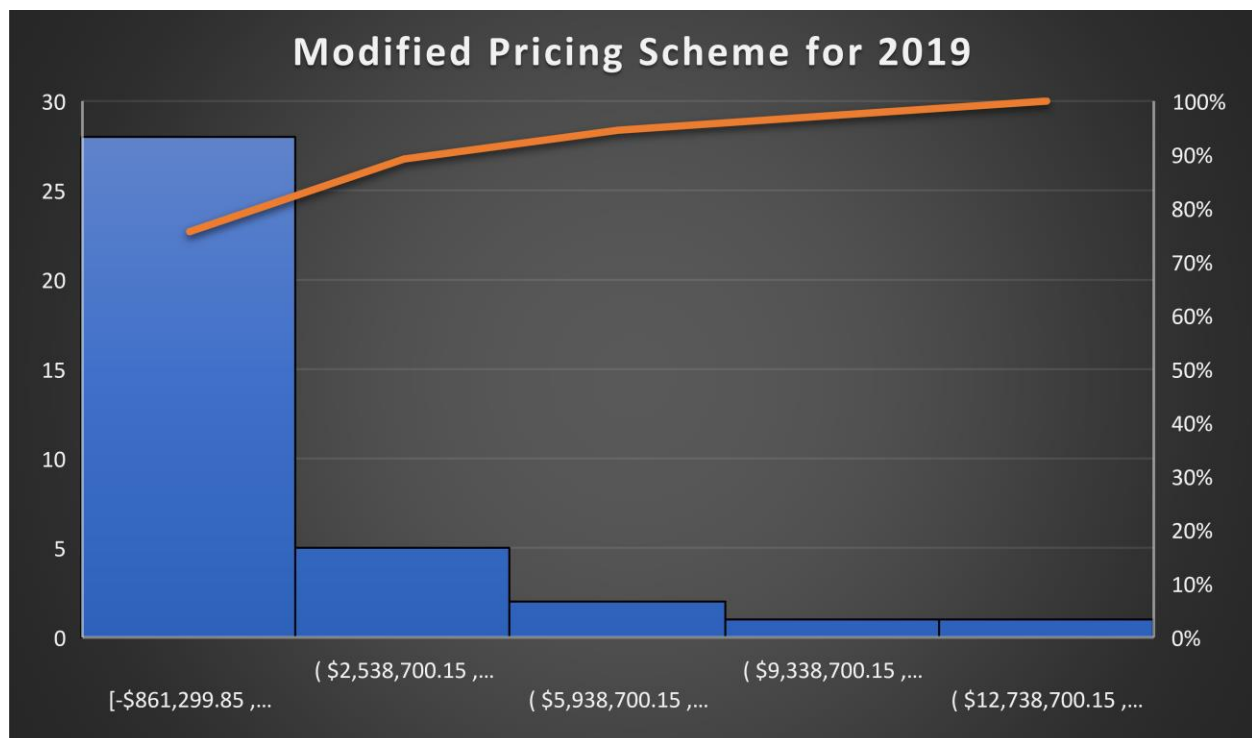
This was derived by the summation of - > Basic: \$ 655,241 + Pro: \$1,491,349 + Premium: \$ 1,493,757

Total Revenue for Dec 2018 : \$ 3,277,280

This was derived by the summation of - > Basic: \$ 1,376,557 + Pro: \$ 1,007,328 + Premium : \$ 893,396

Total Revenue for Dec 2019: \$ 10,534,342.71

This was derived by the summation of - > Basic: \$ 794,251 + Pro: \$ 7,208,147 + Premium: \$ 2,195,650



The 3 Cons or Disadvantages of the Modified Pricing Scheme:

1. The Overage Charges (this could go both ways)

This should be constantly monitored if having overage would constantly be beneficial as far as revenue is concerned.

**** I would speak on personal experience. I have been a heavy user of on-line learning platforms for almost 5 years. Such platforms include the following:**

- a. Our very own Udacity
- b. Coursera
- c. Team Treehouse (Treehouse.com)
- d. Linux Academy (acquired by A Cloud Guru)
- e. Datacamp
- f. EDx
- g. Maven Analytics
- h. Udemy
- i. BI Elite (BUElite.com)

None of these platforms really have an overage , but there is a WARNING sent via email and/or text. If the user/student does not send an email that requests a membership to be cancelled, then his/her membership is automatically charged either monthly or annually (Datacamp and Linux Academy charges per year).

Udacity, Coursera, Treehouse and EDx have their own 'Nanodegrees/ tech degrees/ specializations', that once a student graduates, any upcoming or incoming payments are dropped.

2. Charging for the Free Account Tier may cause an issue among members in the long run.

3. Revenue Churn - a measure of our lost revenue. The rate at which our monthly revenue recurring revenue is lost.

Our revenue churn for Jan 2019 (Original Scheme) is \$ 181,329.22 .

In February it was \$ 298,237.11.

By year end, it is \$ 155,850,955.10

On the (Modified scheme), Jan 2019 had \$256,374.45 ,

February had \$ 395,307.95

By year end it was a total of \$ 157,163,077.81

The 3 Pros or Advantages of the Modified Pricing Scheme

1. The Reactivated revenue has a difference of \$ 307.14 on the 1st month , \$ 283.02 and \$ 263.86 on the last month. This means that we are generating income.
2. Our total revenue on the Original Pricing Scheme for

Jan 2019 is : \$ 9,389,123.98

By April 2019 it is: \$ 95,932,645.51

By Year End 2019 : \$ 23,223,520,051.14

Our total revenue on the Modified Pricing Scheme :

Jan 2019 : \$ 10,534,342.71

By April 2019: \$ 98,949,569+8.48

By Year End of 2019 : \$ 23,433,782,468.70

3. The Expansion Revenue By End of 2019 is : \$ 131,298,546.76 (Original Scheme)
The modified version yields: \$ 138,294,683.62