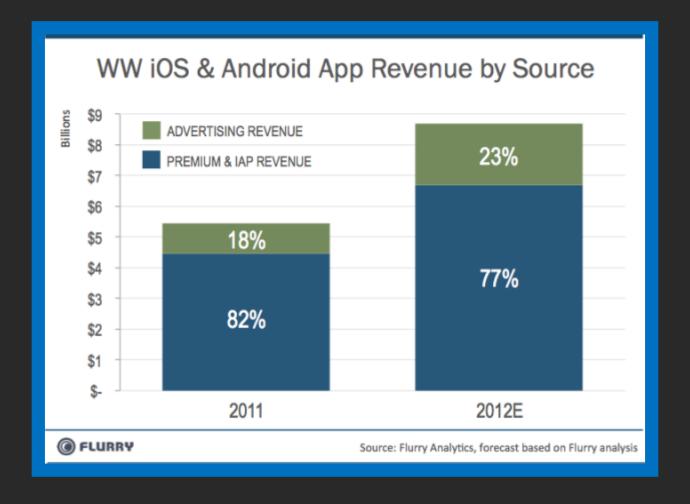
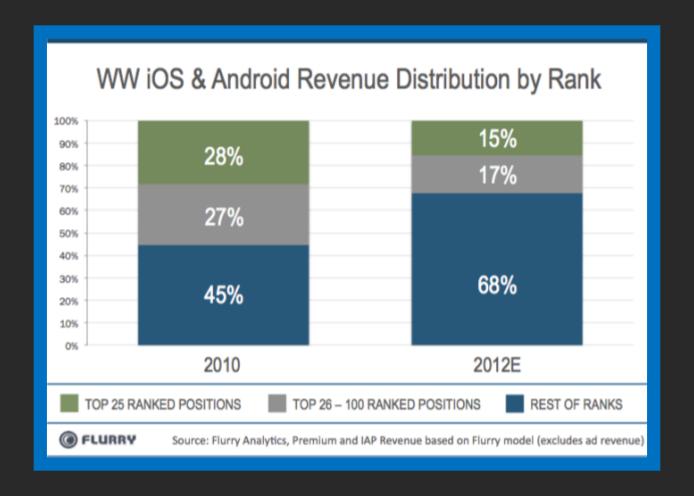


chapter II

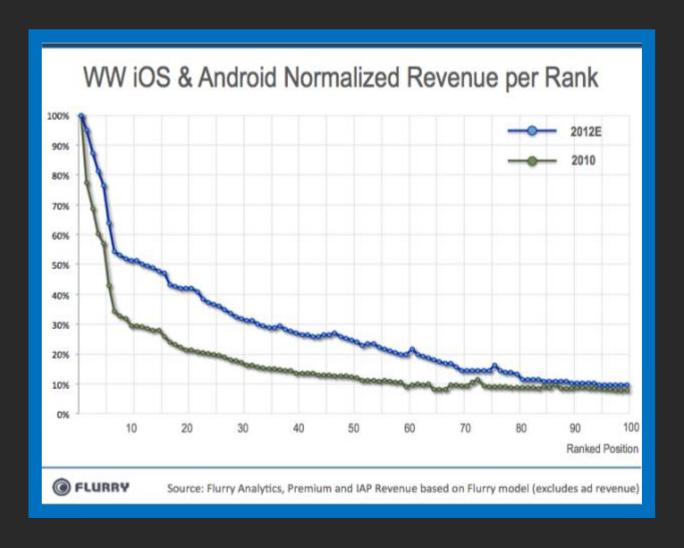
how are \$ made



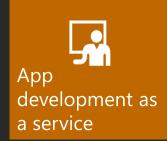
the long tail grows



the long tail grows



making money





Ad based



Usage, subscription or license



Related service charges



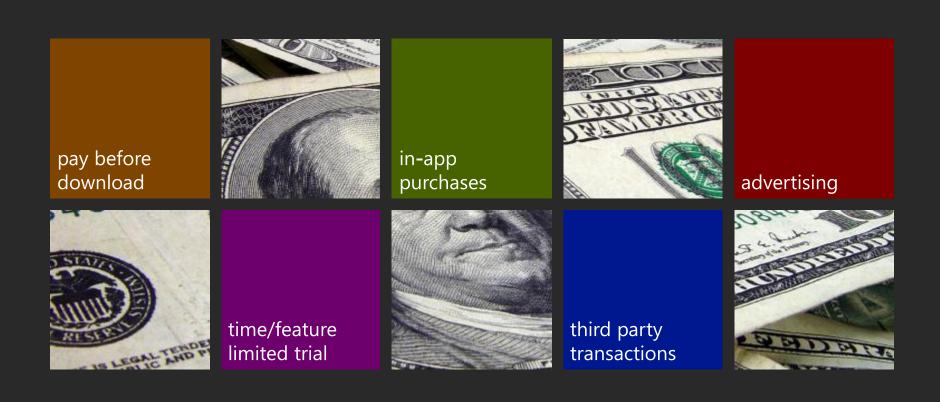


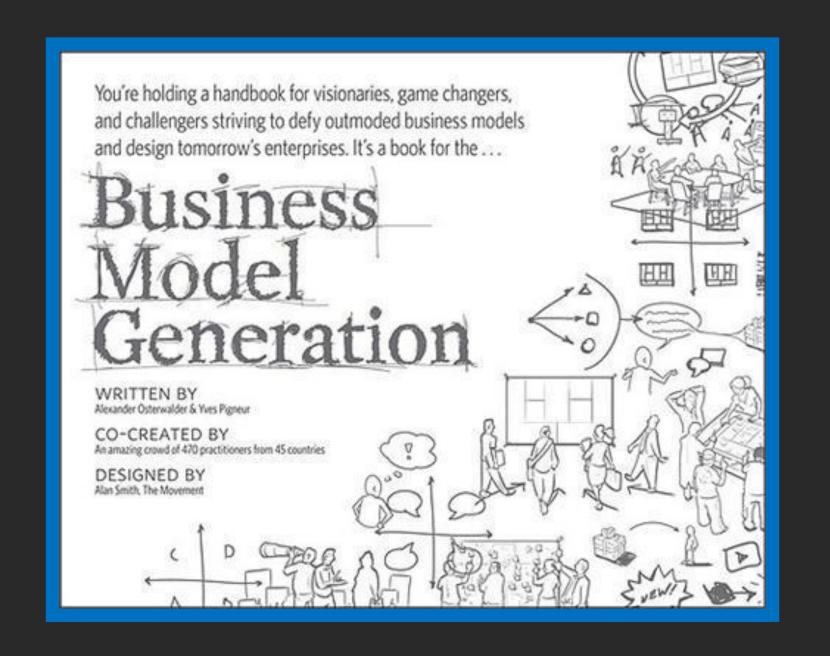




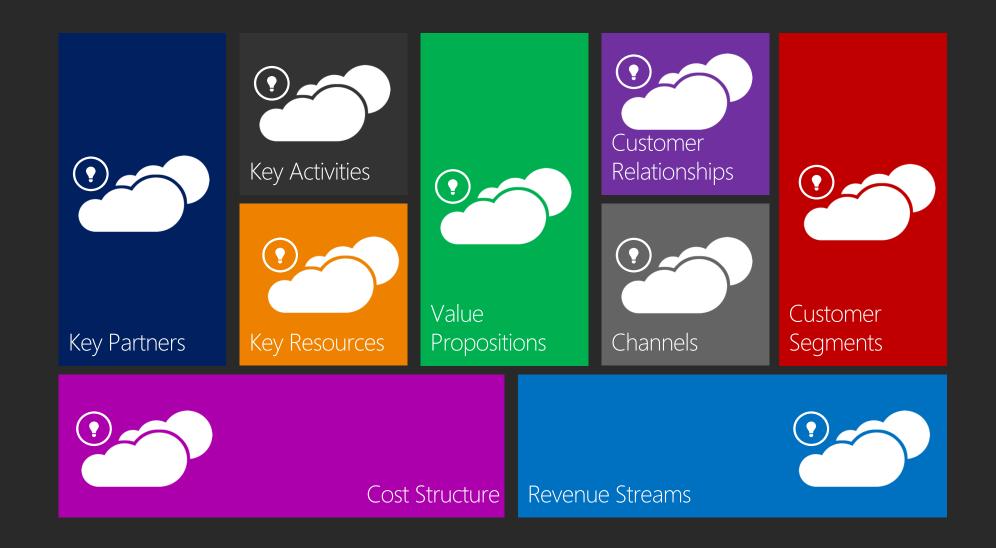
Enterprise

making money





business model canvas



Apple iPod/iTunes business model

Key Partners

record companies OEMs Key Activities

HW design marketing

Key Resources

brand, people, iPod HW, iTunes SW, content Value Propositions

seamless music experience

Customer Relationships

lovemark switching costs

Channels

retail, Apple & iTunes store apple.com

Customer Segments

mass market

Cost Structure

people manufacturing marketing and sales Revenue Streams

large hardware revenue some music revenue

products and services that create value for customers

Newness

Performance

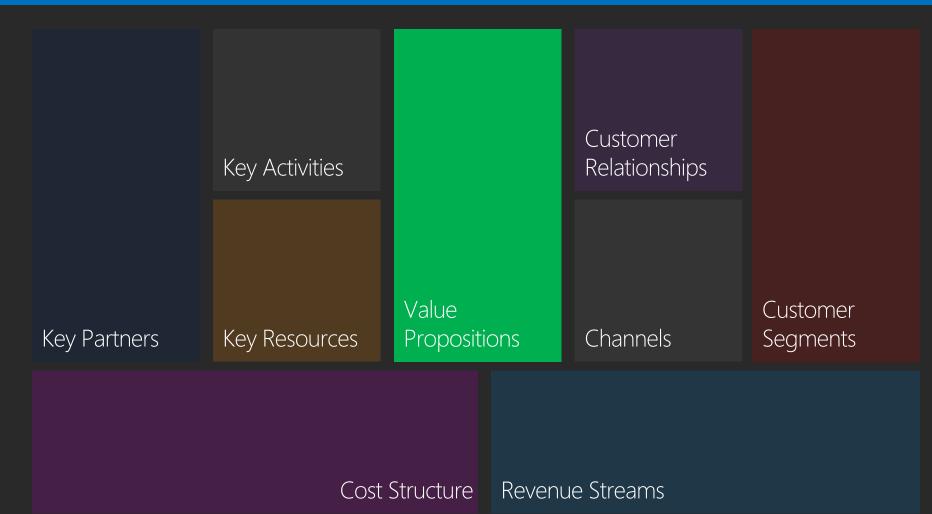
Customization

Design

Price

Cost/Risk reduction

Accessibility



groups of people and organizations which will be served

Mass market
Niche market
Segmented
Diversified
Multi-sided platforms



Cost Structure

Revenue Streams

type of relationships established with customers

Key Partners

Personal assistance
Dedicated personal assistance
Self-service
Automated service
Communities
Co-creation

Customer Relationships Key Activities Value Customer Propositions Channels Key Resources Segments

Cost Structure

Revenue Streams

deliver the value proposition to the customer segments

Sales force
Web sales
Own stores
Partner stores
Wholesaler



cash generated by the different customer segments

Asset sale
Usage fee
Subscription fees
Lending/renting/leasing
Licensing
Brokerage fees
Advertising



activities the value prop, channels, relationships and rev streams require

R&D Support Production Problem solving Platform/network



Cost Structure

Revenue Streams

resources the value prop, channels, relationships and rev streams require

Physical
Intellectual
Human
Financial



key partners and suppliers

Key Partners

Optimization and economy of scale Reduction of risk and uncertainty Acquisition of resources and activities

Key Activities

Key Resources

Value Propositions

Channels

Customer Segments

Cost Structure

Revenue Streams

Customer

Relationships

most important costs

Fixed costs
Variable costs
Economies of scale
Economies of scope



CAC

<u>CAC</u>

Unique visitors on App website: 50'000

% of visitors downloading trial: 3%

of trials:

% of trials convert to paid: 10%

of paid subscriptions: 150

To acquire an additional 150 users, the company needs 50k unique visitors SEO campaign with a click through of \$0.5 costs \$25k

CAC is \$167

CAC must be lower than lifetime value of customer (LTV)

Churn

The % of users who cancel the service

bmc exercise

Split into groups of 5 Each group agrees on scenario/company 20 minutes of brainstorming using bmc poster and post-it's 5 minutes report back per group

conclusion

