



cloud  
strategy  
day

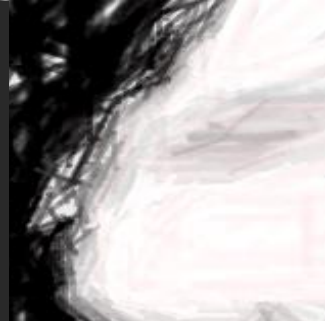


“How the Microsoft cloud enables the best App experiences across devices”

beat schwegler - director, platform strategy group, Microsoft corp.  
beatsch@microsoft.com - <http://cloudbeatsch.com> - @cloudbeatsch


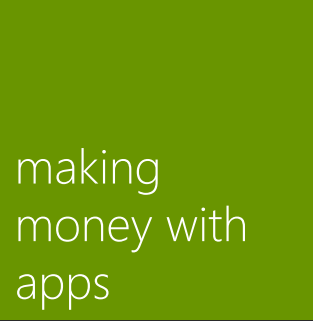
# agenda




Microsoft's  
devices and  
services  
strategy



making  
money with  
apps



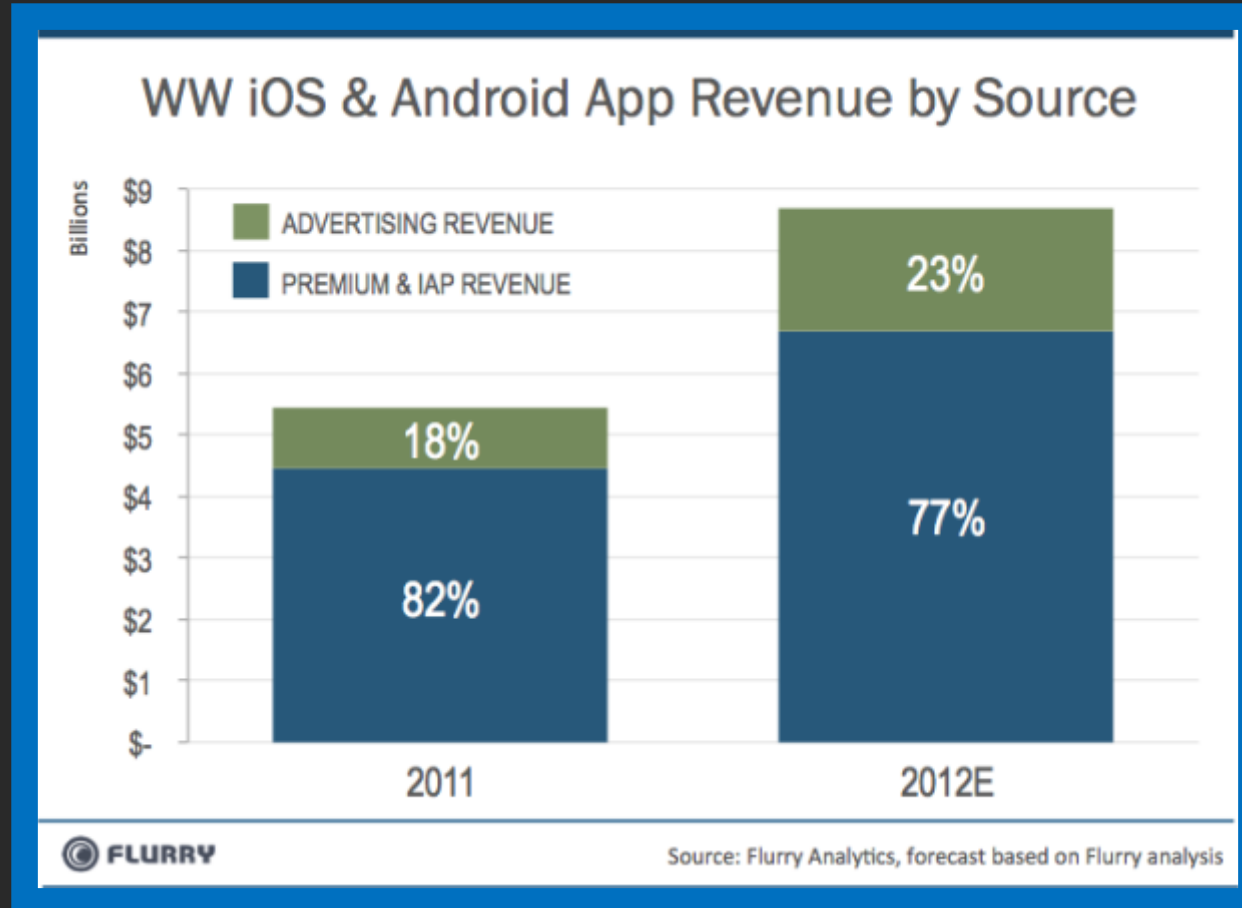
cloud enabled  
app scenarios  
with Windows  
Azure



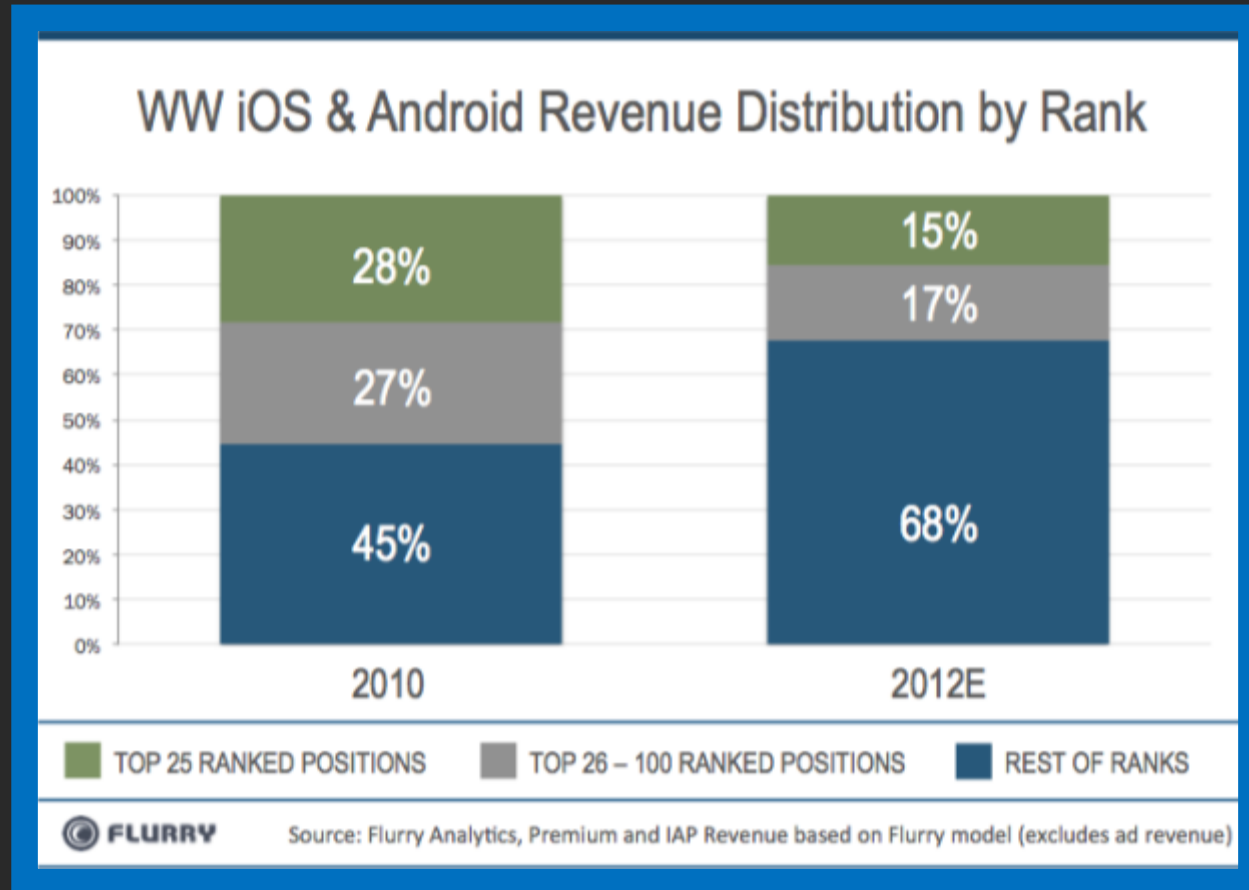
key  
architectural  
considerations

# chapter II

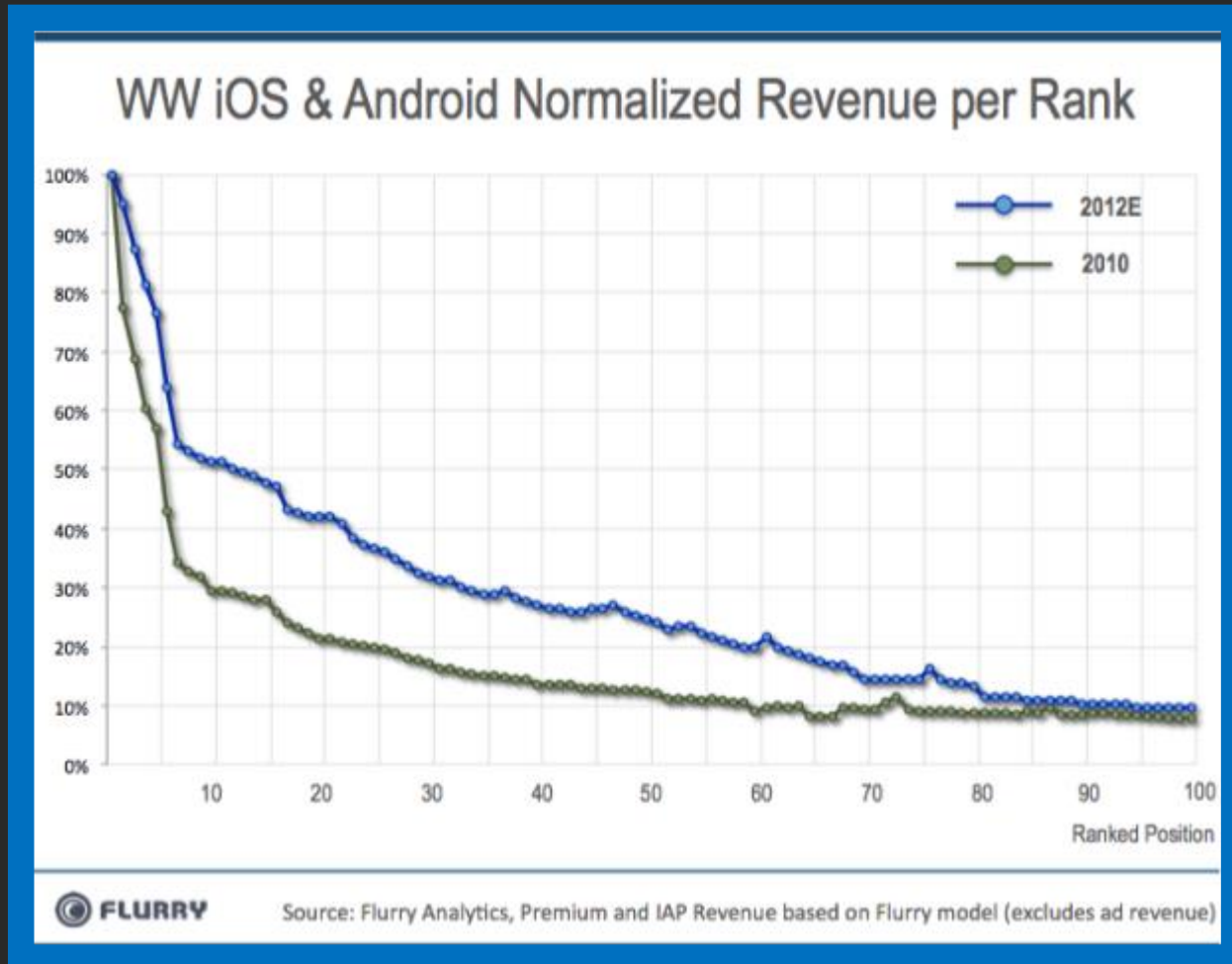
# how are \$ made



# the long tail grows



# the long tail grows





# making money



App  
development as  
a service



Ad based



Usage,  
subscription or  
license



Related service  
charges



Consumer




SME



Enterprise

# making money



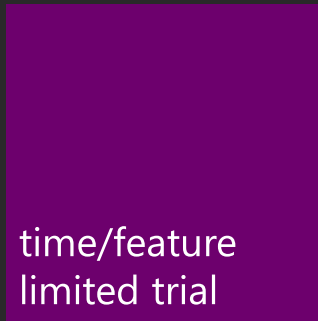
pay before  
download




in-app  
purchases



advertising



time/feature  
limited trial



third party  
transactions





# CAC

## CAC

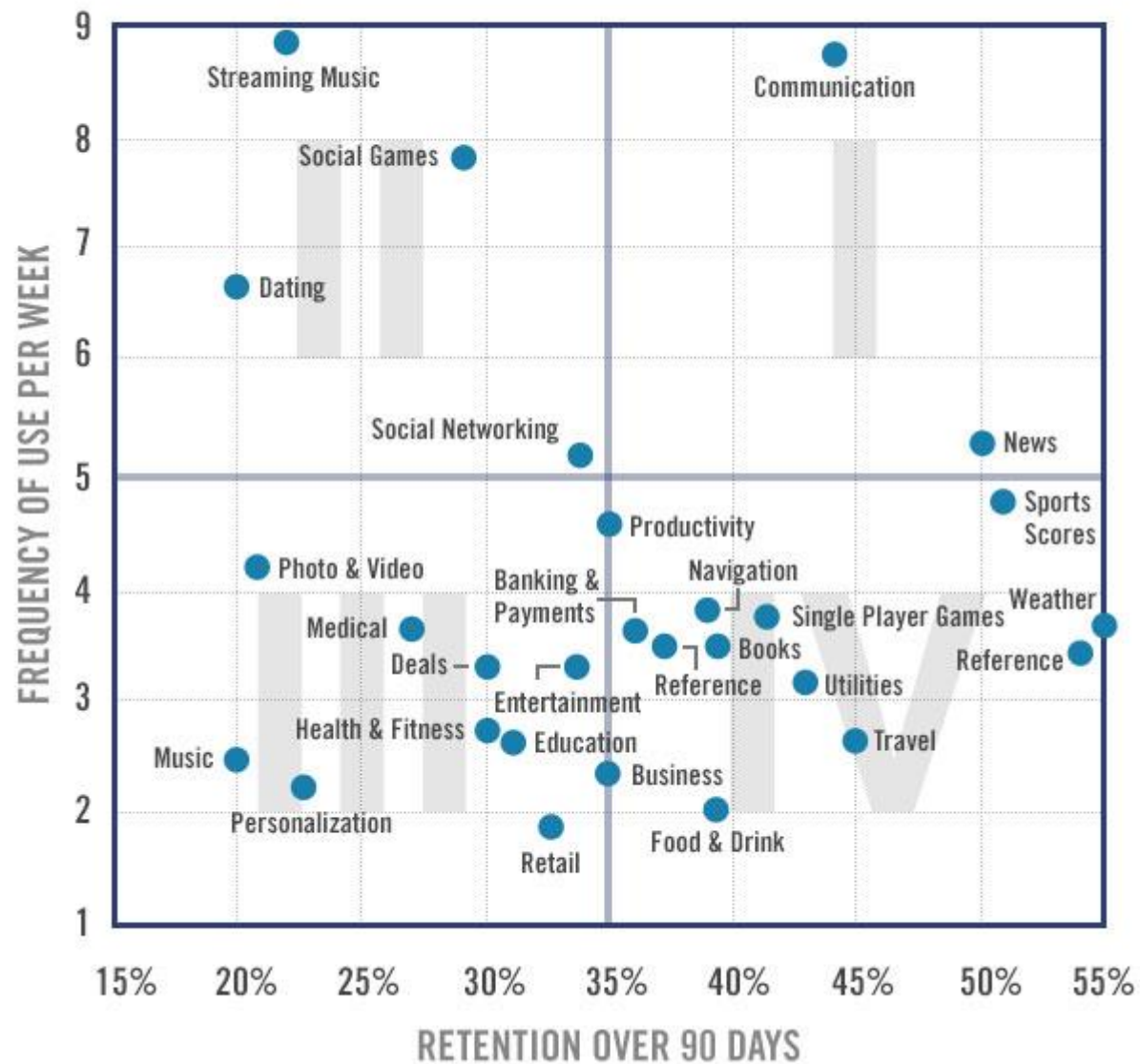
Unique visitors on App website:	50'000
% of visitors downloading trial:	3%
# of trials:	1500
% of trials convert to paid:	10%
# of paid subscriptions:	150

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


# Loyalty by Application Category



# pricing strategies



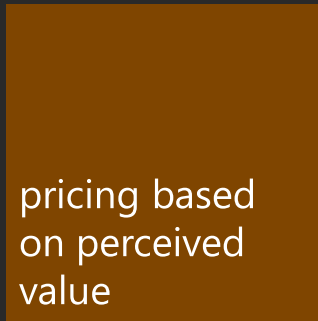
margin based  
pricing



pricing based  
on competition



pricing based  
on cross and  
upselling  
potential



pricing based  
on perceived  
value



"blue ocean"



You're holding a handbook for visionaries, game changers,  
and challengers striving to defy outmoded business models  
and design tomorrow's enterprises. It's a book for the ...

# Business Model Generation

WRITTEN BY

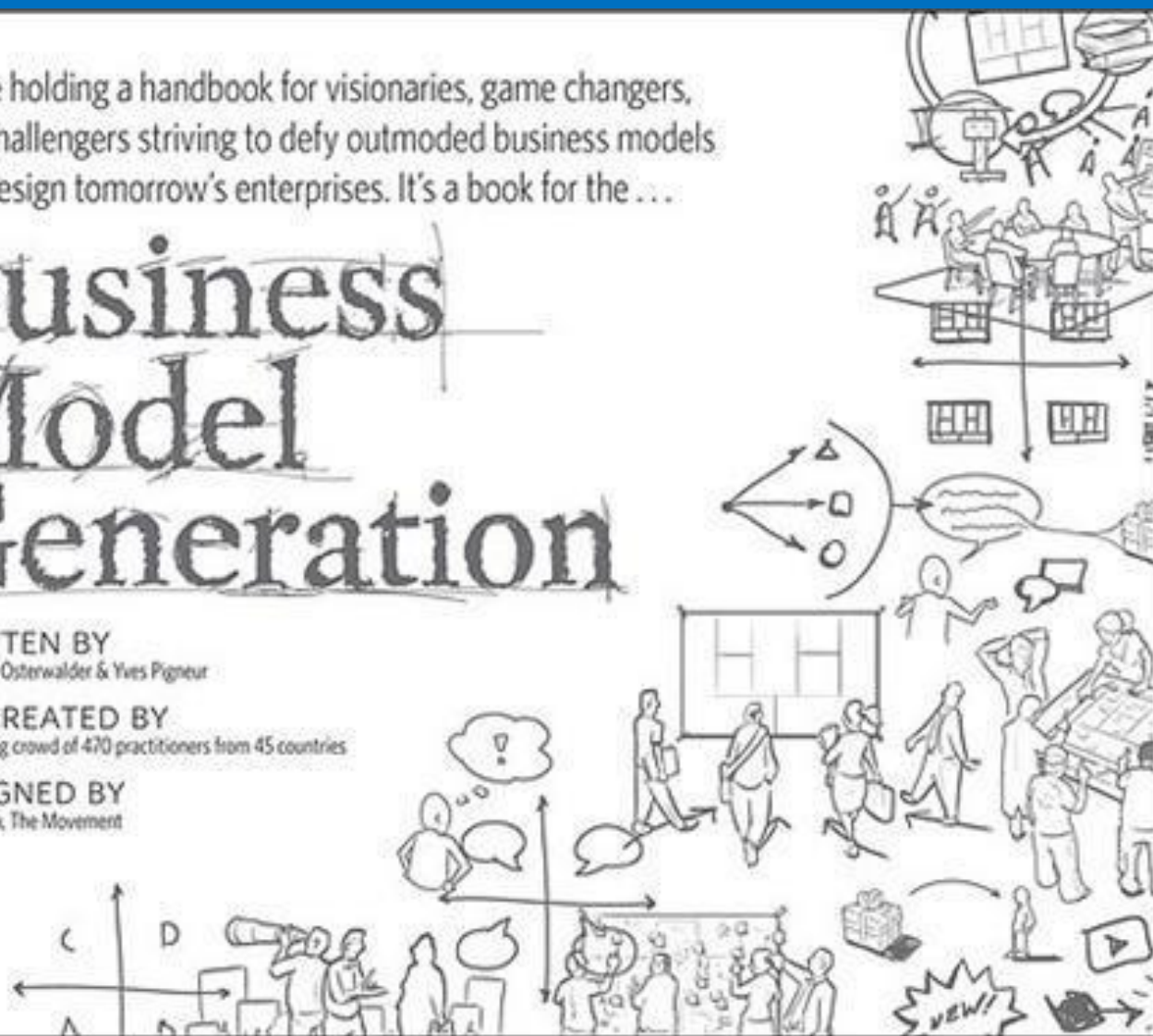
Alexander Osterwalder & Yves Pigneur

CO-CREATED BY

An amazing crowd of 470 practitioners from 45 countries

DESIGNED BY

Alan Smith, The Movement



# business model canvas



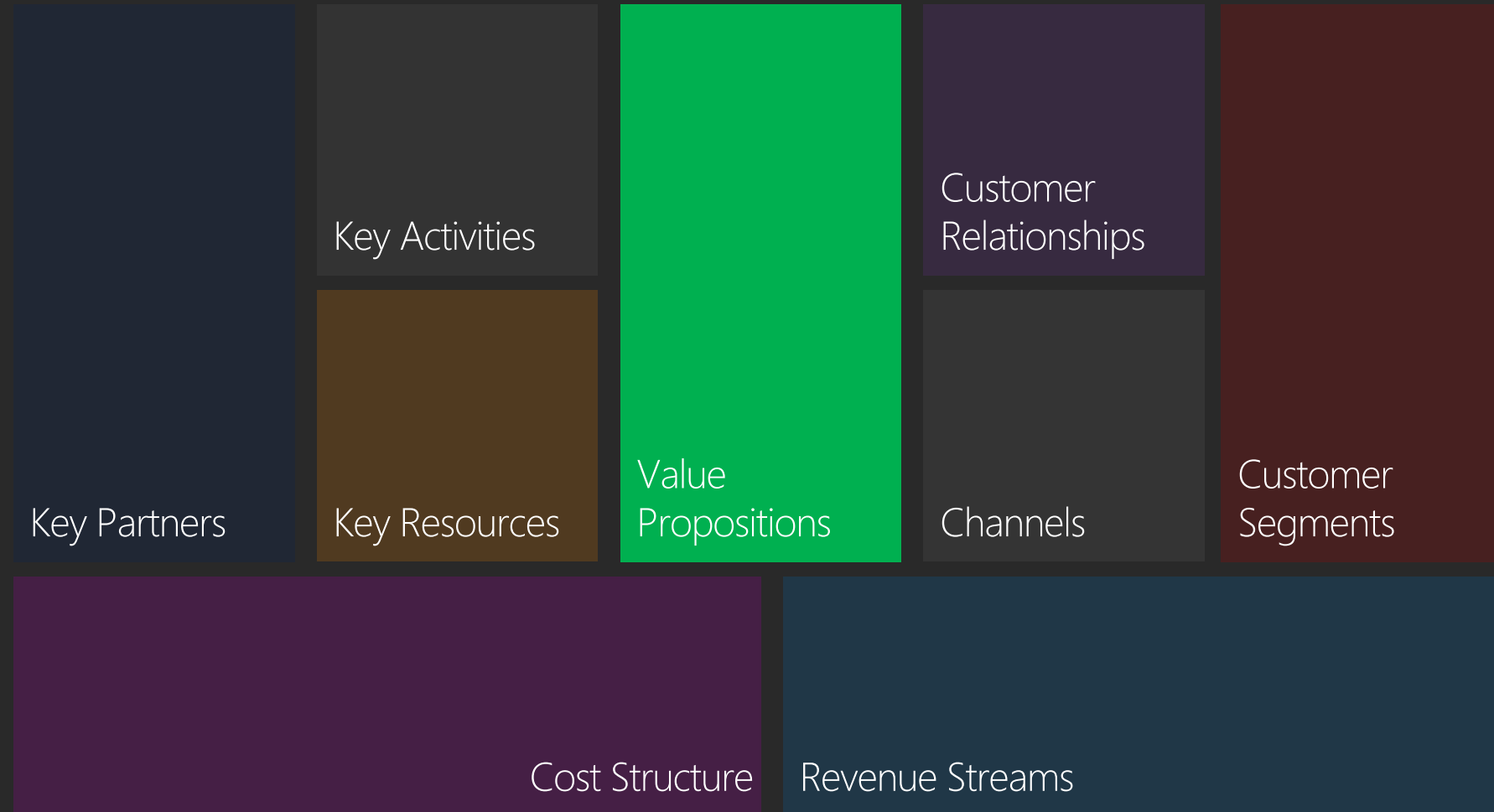


# Apple iPod/iTunes business model



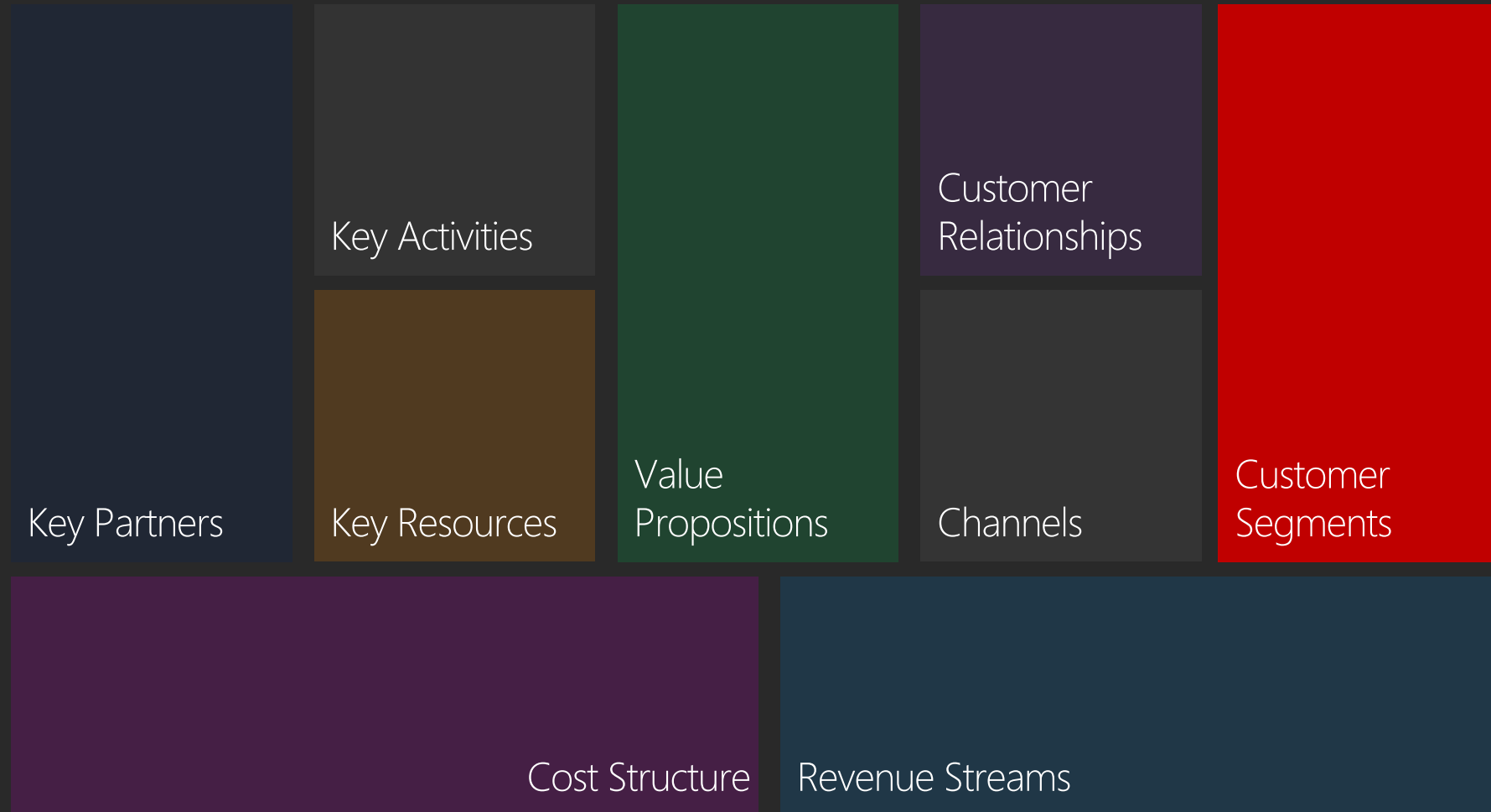
# products and services that create value for customers

Newness  
Performance  
Customization  
Design  
Price  
Cost/Risk reduction  
Accessibility



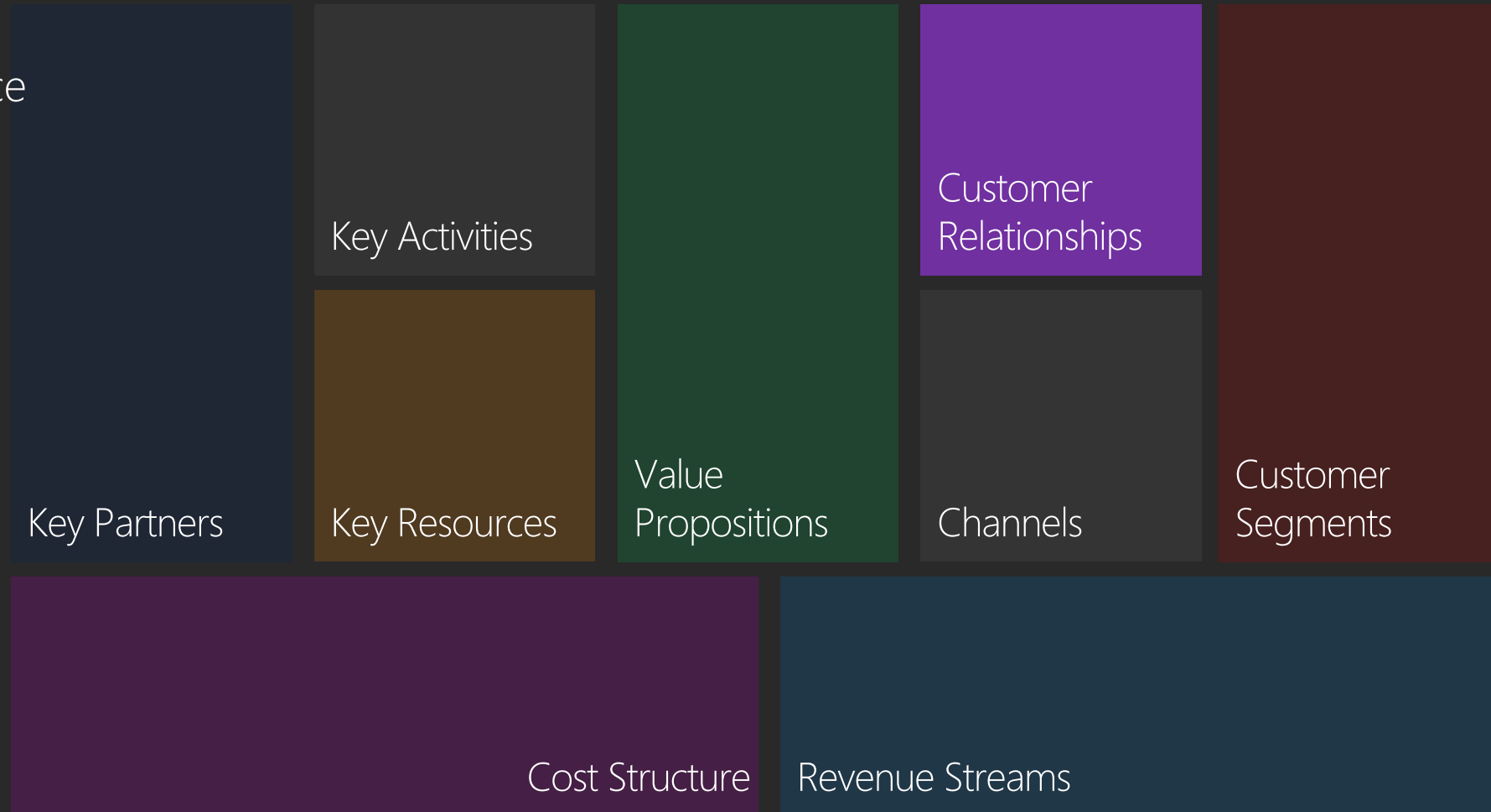
# groups of people and organizations which will be served

Mass market  
Niche market  
Segmented  
Diversified  
Multi-sided platforms



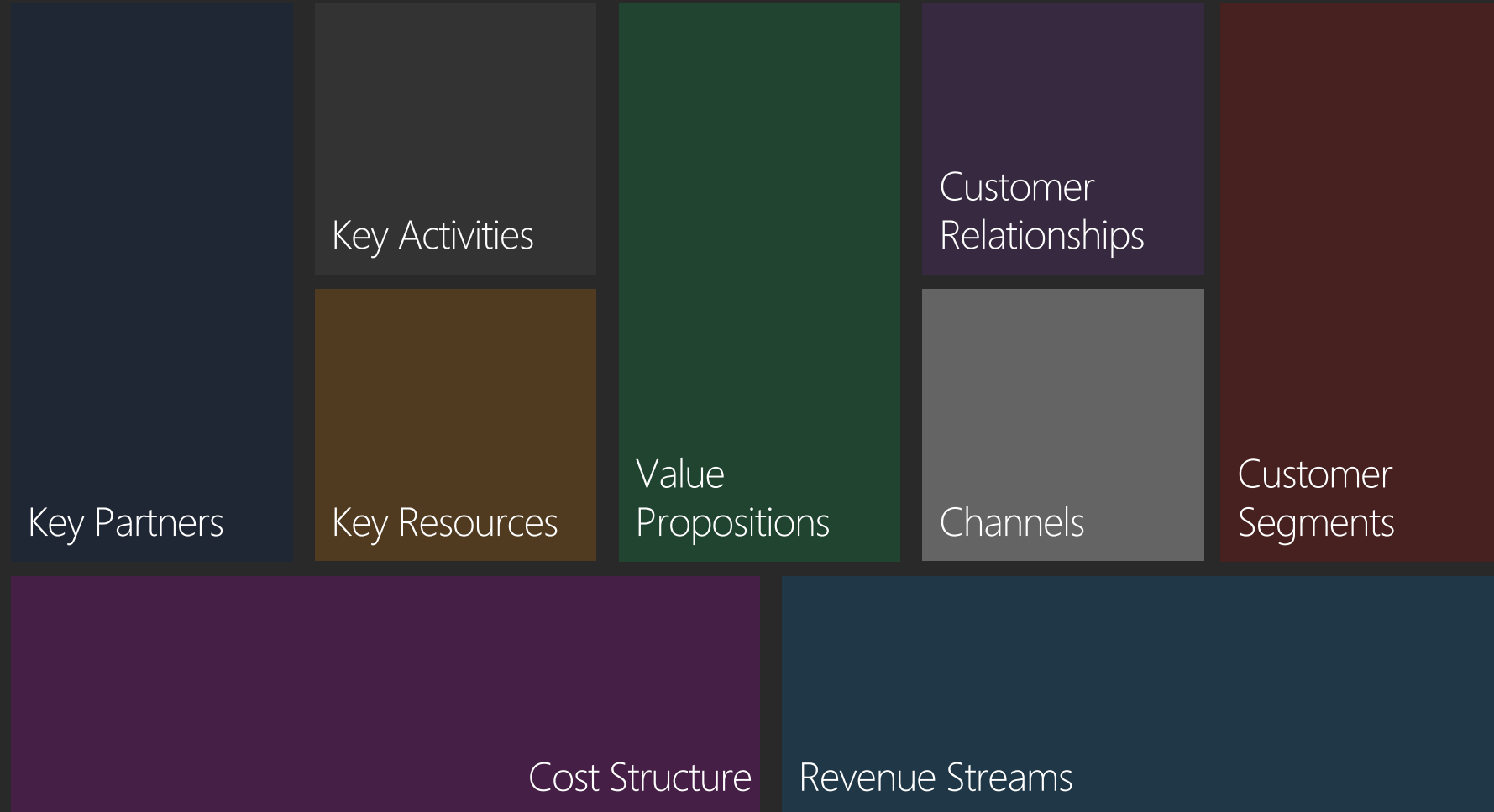
# type of relationships established with customers

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



# deliver the value proposition to the customer segments

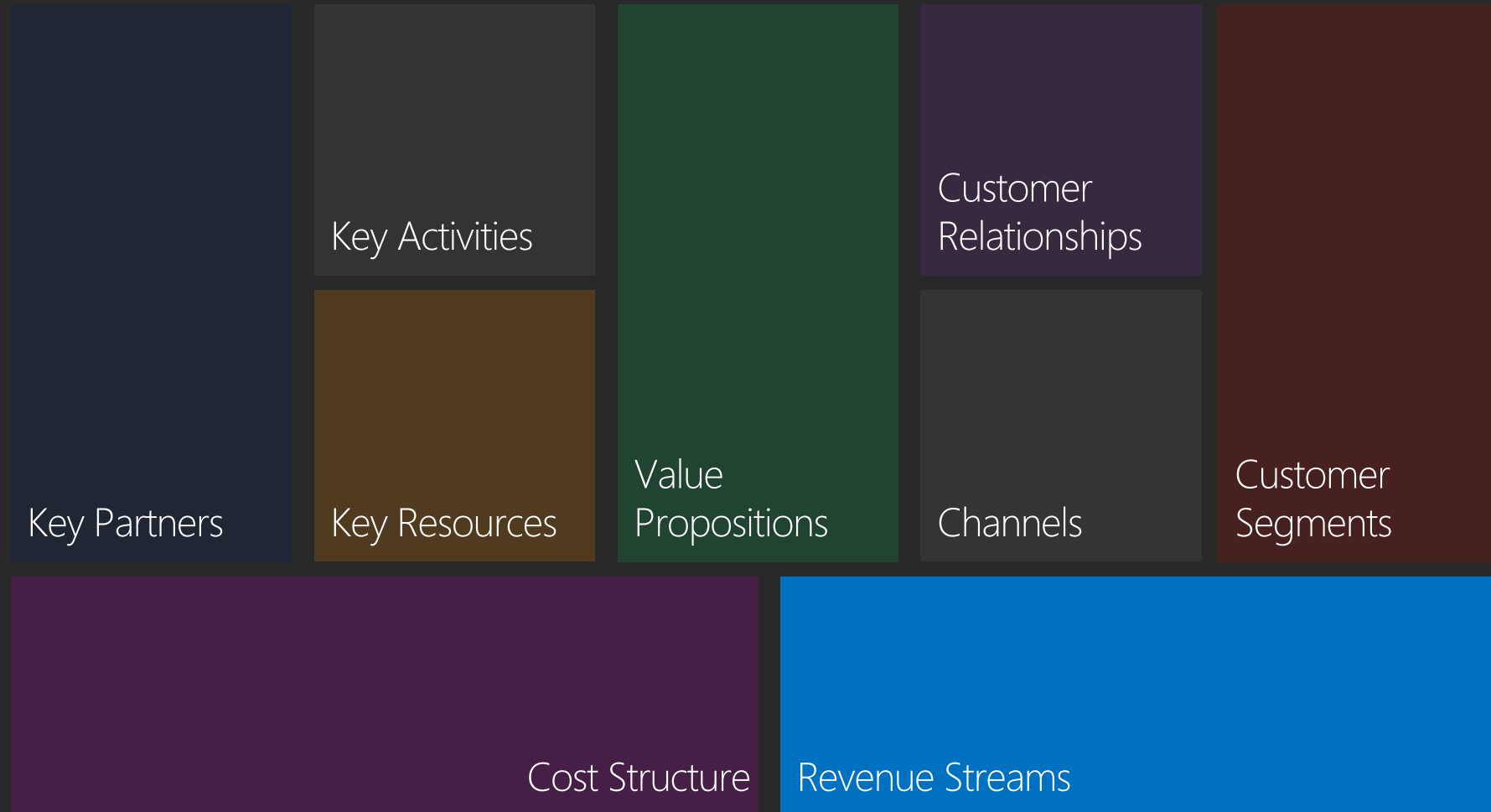
Sales force  
Web sales  
Own stores  
Partner stores  
Wholesaler





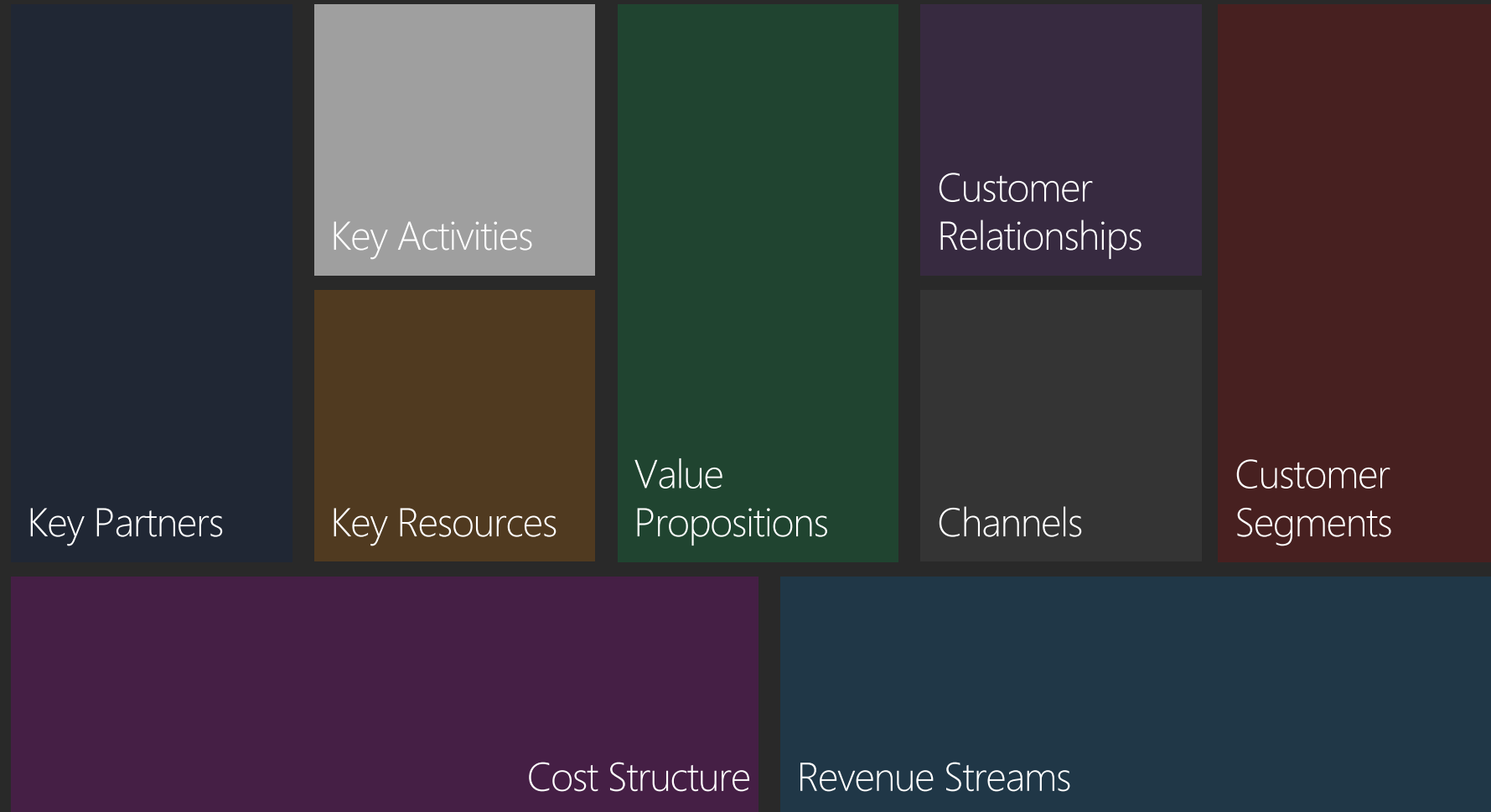
# cash generated by the different customer segments

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



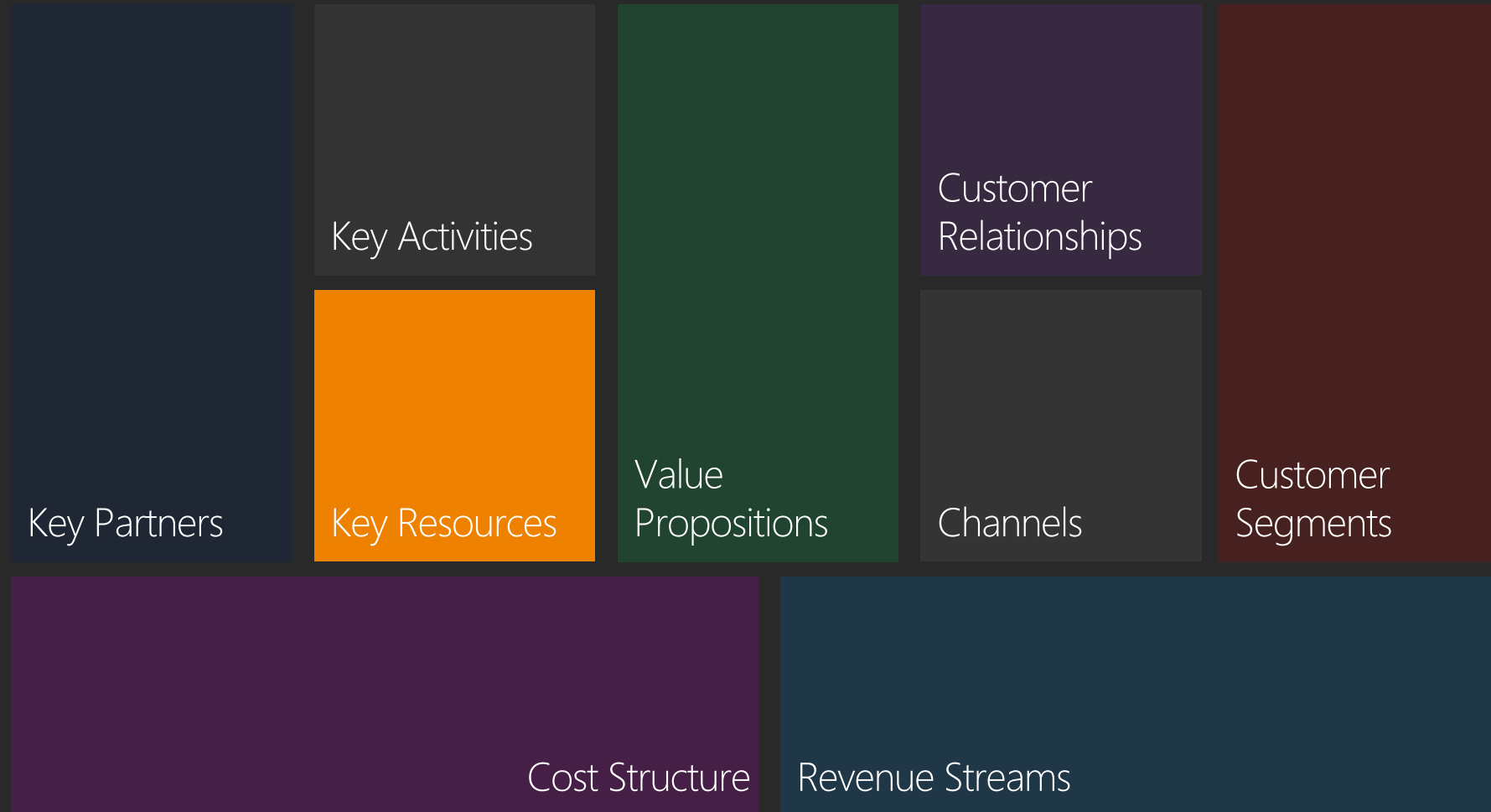
# activities the value prop, channels, relationships and rev streams require

R&D  
Support  
Production  
Problem solving  
Platform/network



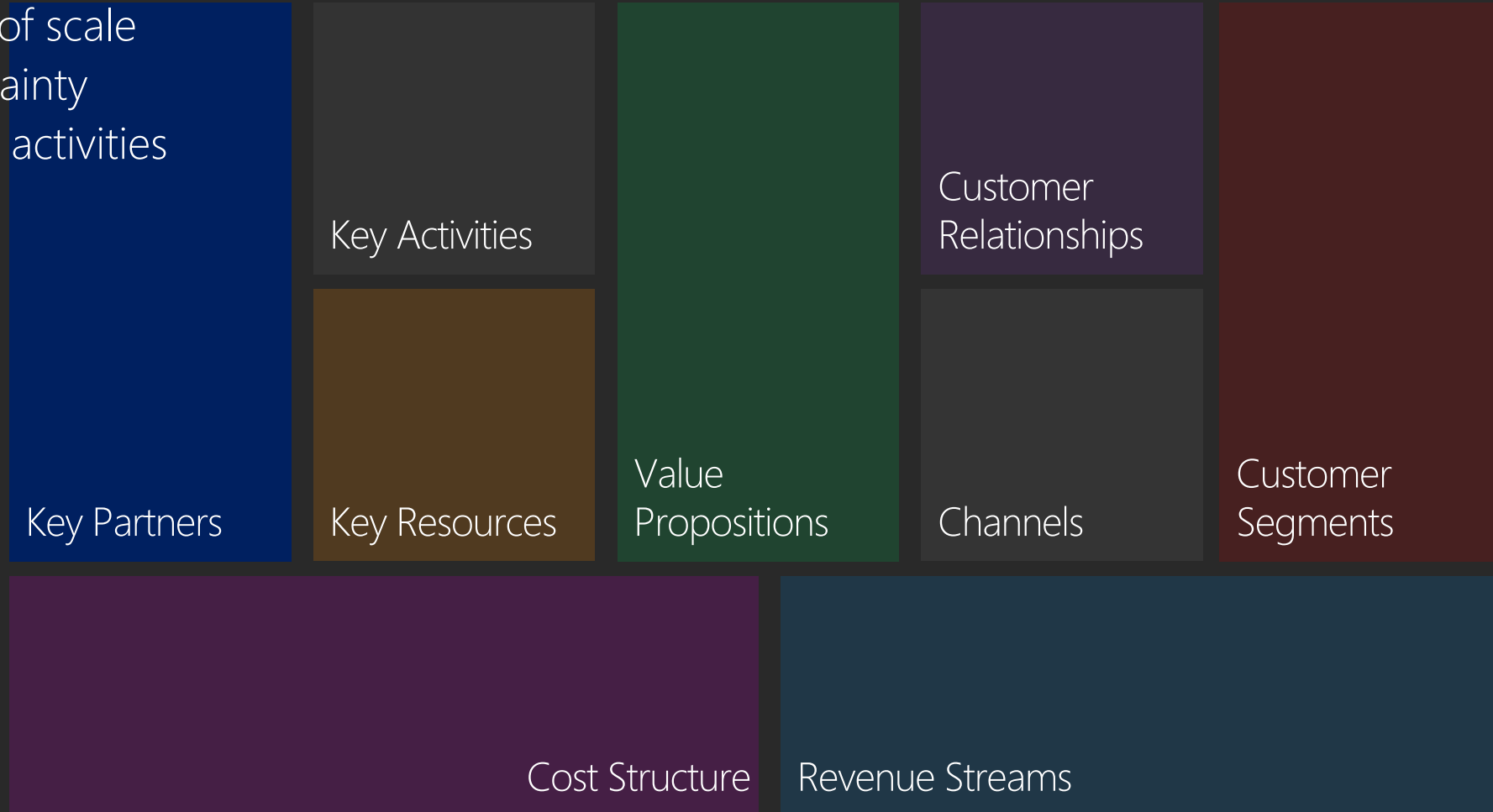
# resources the value prop, channels, relationships and rev streams require

Physical  
Intellectual  
Human  
Financial



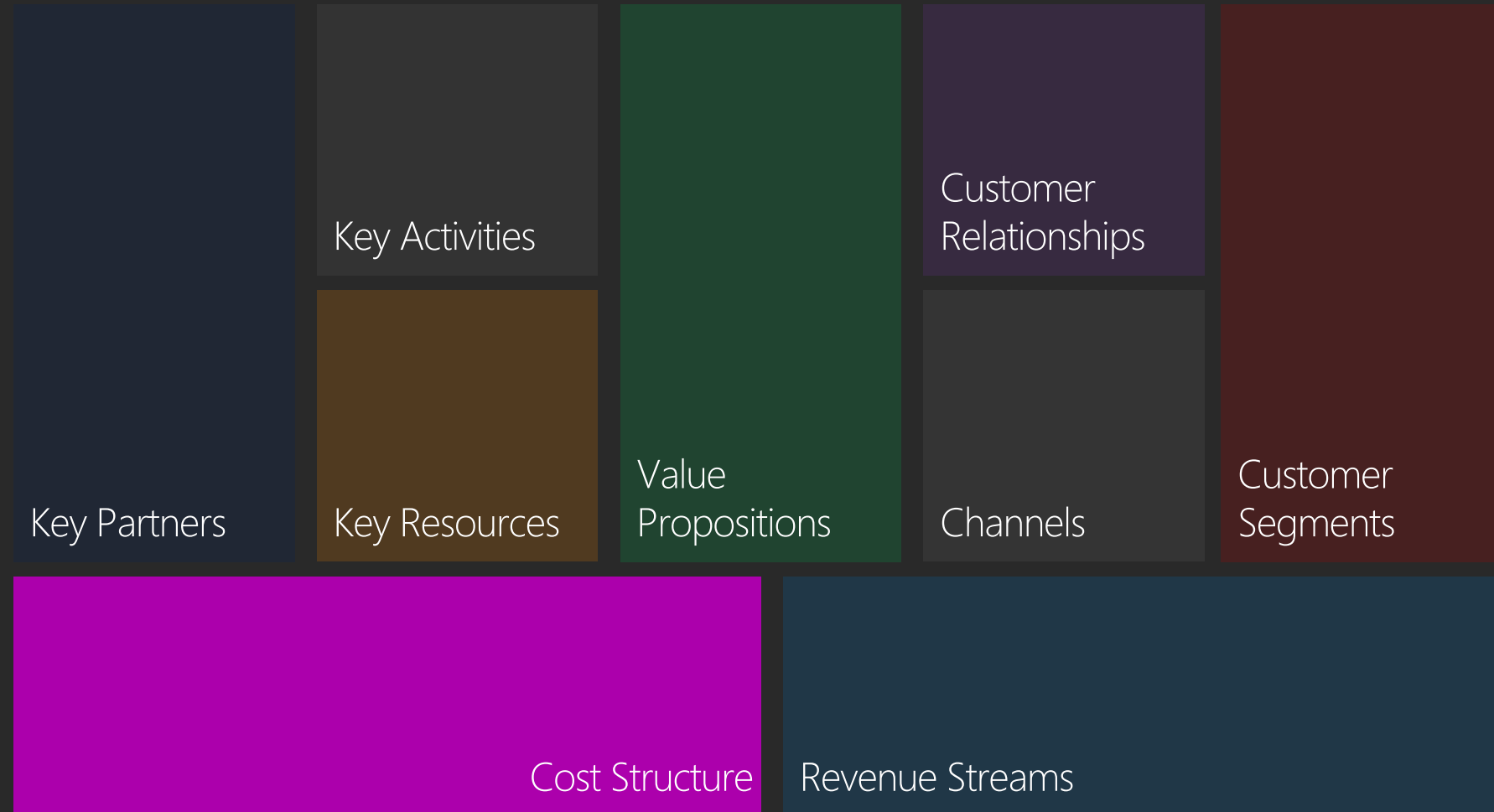
# key partners and suppliers

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



# most important costs

Fixed costs  
Variable costs  
Economies of scale  
Economies of scope





# conclusion



there are many business models for Apps



bmc is a great tool to create yours

