

Recap & Brainstormer's Cheatsheet - What to Remember about Revenue Models

RECAP

Here is what you should remember about Revenue Model Innovation:

- Innovating on **Revenue Models** can be extremely rewarding and it's not very risky.
- Innovative revenue models include **Subscription** (pay Netflix per month to get access to their whole catalog, or pay SockFancy to get a monthly delivery of new socks), **Usage-based** (pay for how much you use like Google Drive, the more space you need, the more you'll pay), **Freemium** (part of the service is free to keep a lot of users and only the best features are paid like Spotify, Tinder, LinkedIn...), **Micropayments** (pay many transactions of small amounts, which is very popular in mobile games like Pokémon Go but also AAA titles like Rocket League on PC and consoles), **Advertising** (Facebook, Google and Snapchat, but it's extremely difficult to make a small business based on advertising alone), **Commission-based** (ex.: multi-sided platforms like Airbnb), and **Licensing/Franchising**.
- You can try to change the common revenue model of your industry for something totally different like Spotify did (paying for music with advertising and monthly subscription instead of paying for a whole album or per track). Just think about the product you're selling, what is your current revenue model and the one of your industry, and think if you could try out a different revenue model from those listed above.

BRAINSTORMER'S CHEATSHEET

Here's a list of questions to help you innovate on Revenue Models:

- What is the **dominant revenue model** in your industry?
- Can you try a **different revenue model**? Did some competitors attempt to innovate on revenue models? If yes, how did it go?
- How many revenue models do you have? One or several?
- Can you make isolated **tests of innovative revenue models** for your product/service?
- Did you consider subscription? Micropayments?
- Can you increase the revenue of your company by **displaying advertising**?
- Have you thought of **affiliates** who would sell your product for a commission? Try to identify companies that have access to the same audience as your main target customers.