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**GROWTH PRODUCT MANAGER NANODEGREE**

**MONETIZATION STRATEGY**

**PROJECT 3: PRICELESS PENNY**

**OCTOBER 9, 2022**

Link to excel [sheets](https://docs.google.com/spreadsheets/d/1T5jpD_wvRiDxCuO950caohaya7qIyv3l/edit#gid=525676294)

**PART II**

**Question 4:** Analyze the base models and come up with a list of product improvements that can potentially improve the size of the customer base and revenue. You should share at least three improvements for each of the six stages of the customer journey:

* Sign-up
* Convert to paid customer
* Upgrade plan
* Downgrade plan
* Cancel account
* Re-subscribe

After analyzation of the base model, there are multiple changes that can be incorporated into the list of product improvement to potentially improve the size of customer base and revenue.

* **Sign-Up** – The signup strategy can be improved by making the forums easily accessible to learners of all tiers as it’ll entice new customers to sign up. Furthermore, the inclusion of successful stories on the landing page of the sign up to help increase the rate of visitors arriving on the page to optimize the sign-up process by 5%. Lastly, we should invest in social media marketing like Instagram, Facebook (Meta), TikTok and SnapChat to maximize the acquisition channels.
* **Convert To Paid Customer** – This category can be improved by reduction of Referred User Bonus from $50-$30 and increasing the referral bonus to $65 which will inspire the learners to increase the referral process. Also, the inclusion of free classes to learners who complete successful referral completion by sending invitation to sign ups should be provided to encourage the referral program. Lastly, the initiation of multiple payment methods like Google/Apple Pay and eCheck in addition to debit and credit cards.
* **Upgrade Plan** – To improve the upgrade plan and increase leaner’s involvement in the product, we ought to have legitimate success stories accessible to the new customers to increase belief in the product. We can also run periodic seasonal promotions within the course of the year and constantly increase engagements through the benefits available with the upgraded plan by email/SMS. This strategy, when properly implemented, can increase the upgrade score by 2-4%.
* **Downgrade Plan** – To optimize our product to minimize the downgrade plan, we should make a mentor accessible to learners once a week to help with unforeseen circumstances. We can also perform surveys to further understand the learner’s pain points and add features to keep the learners engaged. Nonetheless, the art of honesty and truthfulness is fundamental. We should explicitly explain the contents we provide to the learners to prevent mistrust. This strategy, when properly implemented, can increase retention, and prevent downgrade.
* **Cancel Account** – To prevent learners from canceling their accounts, it’s imperative we stay in constant communication with the learner and provide features that entice them but unfortunately, churning is inevitable. To help reduce this plight, on the attempt of cancellation, we must add further steps and provide a reminder of benefits they will lose from cancellation of the products and services. We can also keep the customer engaged by sending blogposts and new features and upcoming classes. Lastly, we should take surveys to further understand the rationale behind the cancellation of the platform to prevent further cancellations.
* **Re-subscribe** – For resubscription improvement, it’s paramount to constantly improve our marketing and engagement tactics to within the student community and improve provided services through customer service to ensure the students’ concerns are heard. Seasonal discounts can be provided for quarterly and annual promotions to encourage learners to resubscribe. Furthermore, it’s critical to communicate at least 7-21 days prior to end of subscription to remind them and plan.

**PART III**

**Question 7:** Propose a change to the Original Pricing Scheme, either in the number of tiers, or the feature organization per tier, or the pricing metric, or the personas, or some other aspect discussed in the course. Then describe how this change will help the monetization goals.

To help increase monetization by making changes to the original pricing scheme, I will propose a reduction in the price of the free plan from $75.00 to $30.00 for the free subscription for the first month once a 7-day trial is complete to help ‘sample’ our products and services to the user. This will enable the user to fully understand features within the product which will eventually lead to them committing. Also, I will target specific personas like college students, companies and working professionals looking to upskill their employees or make career changes thus increasing the market segmentation.

**Question 9:** Analyze the impacts of the new Modified Pricing Scheme presented here, and list at least three pros and three cons.

**Advantages**

* The reduction of the price from $75-$30 and a free 7-day trial will encourage the users to adopt the platform. This strategy will increase customer acquisition compared to a price of $75 initial asking price with no trial period.
* The user tends to see the full value of the platform through this marketing strategy hence removing any doubts and aid in making positive referrals and reviews/feedbacks.
* Even though the initial drop in the price point may seem negative, but strategically increases the market segmentation hence eventually skyrocketing the future revenue overtime.
* Targeting a specific persona will enable us to increase the revenue through customer acquisition and produce maximum value.

**Disadvantage**

* Due to the alteration in the price plan, both the churn rate and contraction revenue have surged.
* In comparison to the old model, the Net Dollar Retention practically stays the same.
* There are other e-learning platforms that provide services and would likely acquire part of the customer base.