

Acquisition - Team Projects

Computations

- # Invitation flows completed = (invitation flow completion rate) x (learners that start the invitation flow)
- # Invitations per invite = (Invitation flows 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 complete signup flow)
- Basic Plan: (Recipients that complete the signup flow) x 80% (Basic Plan)
- Pro Plan: (Recipients that complete the signup flow) x 18% (Pro Plan)
- Premium Plan: (Recipients that complete the signup flow) x 2% (Premium Plan)

Acquisition - Paid Referrals

Computations

- % Learners that start the the invitation flow = (% learners that start the invitation flow) x (combined total of non-paying + upgrades)
- Invitation flow completion rate = (% learners that start the invitation flow) x (invitation flow completion rate)
- # Invitation per inviter = (invitation flow completion rate) x (# of invitations per invite)
- % Recipients that open the invitation = (# Invitations per inviter) x (% of recipients that open the invitation)
- % Recipients that click invitation = (% recipients that open the invitation) x (% recipients that click invitation)
- % Recipients that finish signup flow = (% recipients that click invitation) X (% recipients that complete signup flow)
- Basic Plan: (% Recipients that complete signup flow) x 80% (Basic Plan)
- Pro Plan: (% Recipients that complete signup flow) x 18% (Pro Plan)

- Premium Plan: (% Recipients that complete signup flow) x 2% (Premium Plan)

Product Improvements

The following product improvements intend to increase the size of customer base and increase revenue.

1. Remove signup process friction

- a. Make the signup process frictionless.
- b. Remove any and all user interface distractions that might decrease the signup rate.

2. Introduce flexible upgrade plans

- a. More flexible update plans like customized plans by giving price value to each service.
- b. Plans can be A/B tested with customized users vs. control group.

3. Cancellation friction with feedback

- a. Cancellation options should be deemphasized. The UI for cancellation should also introduce some element of friction.
- b. It would be beneficial to introduce a very short survey to elicit both qualitative and quantitative feedback to help analyze reasons for churn.
- c. Prior to the immediate step of cancellation, the user should be presented with alternate plans, perhaps, available at a discount or a promotional deal.

The results of the analysis should be passed to the following departments: marketing, user experience design, data analytics and executive leadership.

Proposed Change to Original Pricing Scheme

1. Have a more focused target group of personas. This will in turn increase the revenues in the modified pricing scheme.
2. Overage charges have an advantage because the company earns more revenue due to the over usage.

Original pricing scheme under 'Revenue Accounting':

Jan 2019 Breakdown:

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

Modified pricing scheme under 'The Revenue Accounting':

Jan 2019 Breakdown:

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 Jan 2019: \$ 10,534,342.71

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

Three Cons of the Modified Pricing Scheme:

1. Overage Charges: If customers are charged overages without warning, they may become frustrated and dissatisfied.
2. Charging for the Free Account tier after trial-end: If customers are charged for the free account tier, then they may feel disinclined to convert in the future. An email notification that a paid subscription is set to begin would prevent unintended payments.
3. Revenue Churn due to lost customers not happy with overages:

Our revenue churn for Jan 2019 (Original Scheme) is \$ 181,329.22 and By year end, it is \$ 155,850,955.10

On the (Modified scheme), Jan 2019 had \$256,374.45. By year end, it was a total of \$157,163,077.81.

Three Pros of the Modified Pricing Scheme:

1. Increase in reactivated revenue
2. Increase in total revenue on the Original Pricing Scheme
3. Increase in the Expansion Revenue