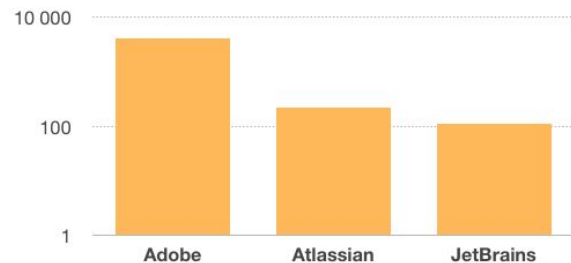# Task 3: Pricing

JetSCHOOL

1. Revenue comparison

Revenue comparison shows, that JetBrains takes reliable position on the market, but have all chances to extend its share up to Atlassian company.

| COMPANY	REVENUE, $M	YEAR	DATA PUBLICITY
Adobe	4 147	2014	open
Atlassian	215	2014	open
JetBrains	110	2014	closed

2. Renew rate calculation

There are some methods to calculate expected renew rate:

1. **Data Mining.** Analyze historical customer data to estimate churn-risk matrix for current users.
2. **Modelling.** Build Petri network/mass system service model in order to simulate events and get expected renew rate.
3. **Experiment.** Calculate renew funnel for part of users to extrapolate total rate.

3. AppCode personal pricing

Product	License Price	Upgrade Price
Sublime Text	70,00 $	30,00 $
Xcode	0,00 $*	0,00 $*
AppCode	99,00 $	59,00 $
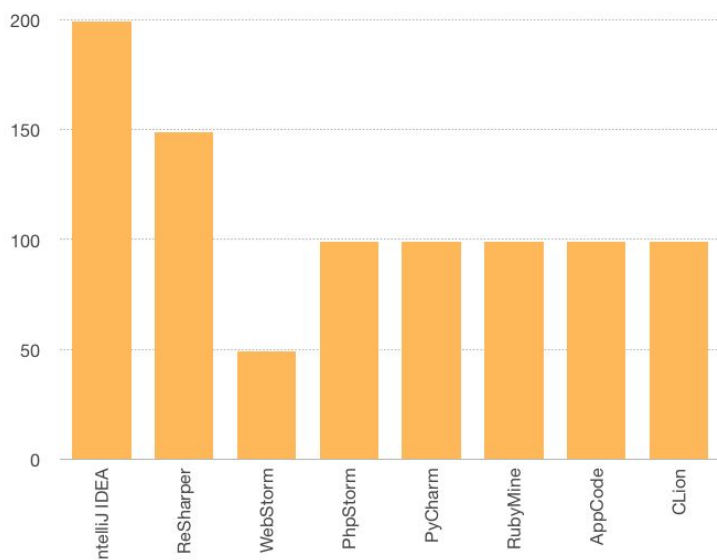
Paid competitors for JetBrains AppCode are Sublime Text and Xcode. There are some assumptions:

● Although Xcode is free, you need special hardware and operating system to run it, which costs additional money.

● Although Sublime Text is not full IDE, it is frequently used as alternative to XCode. Also, it could be used without license, kicked by notifications.

● If you would like to publish any application, you need to be member of Apple Developer Program with 99$ annual payment.

The cheapest price is >0$, the most expensive is 70$ for personal licence. Pricing strategy of AppCode is formed by influence of other JetBrains products. Comparing JetBrains platform prices on personal licenses, we see that the most expensive is IntelliJ IDEA and ReSharper due to their popularity. WebStorm is cheap because it will stop lifecycle soon. Other products have completely the same price.

AppCode strategy should be remade in order to penetrate on market. There is no ability to do this it completely free, because even XCode is not. We can shift payment up to upgrade period or give some promo on bundles.

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v1.1

4. AppCode promos

The main purpose of AppCode promos is market penetration and replacement of XCode IDE. Main problem is that XCode uses latent cost, so this race is not fair. There are possible promos:

- **First year of AppCode is free**. 90% off, 1 month. B2B/B2C segment, Apple Apps developers. Efficiency is in engaging, extension of installed copies, long try period, activation.
- **Discount on bundle AppCode + Apple Developer Program**. 30% off, 3 months. B2C segment, persons who are not members of Apple Developer Program, but Apple Apps developers. Efficiency in compound goods with higher conversion.
- **Discount on bundle AppCode + YouTrack + Upsource**. 50% off, 3 months. B2B segment, teams of Apple Apps developers. Efficiency in in compound team solution, tems promos.

Possible risks:

- Lack of attention
- Developers are binded to XCode
- Integration with Apple Developer Program/Partnership risks
- Unprofitability

Links

1. [Adobe Reports Strong Q4 and Fiscal 2014 Financial Results](#)
2. [Atlassian Posts Another Banner Year With 44% Revenue Growth](#)
3. [Code of winners: programmers from Russia received worldwide recognition](#)
4. [Apple: Choosing a Membership](#)