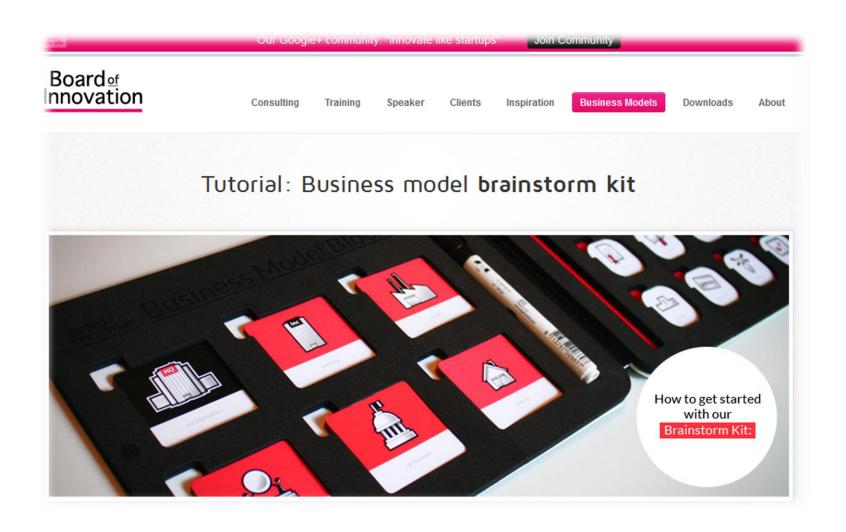
## Πώς σχεδιάζω το επιχειρηματικό μοντέλο - Business Model Kit

Δρ. Αγγελική Καραγιαννάκη

#### Board of Innovation: Business Model Kit



#### **Business Model Blocks**

#### 6 stakeholders













#### 10 items to transfer

















reputation





money

less money



data

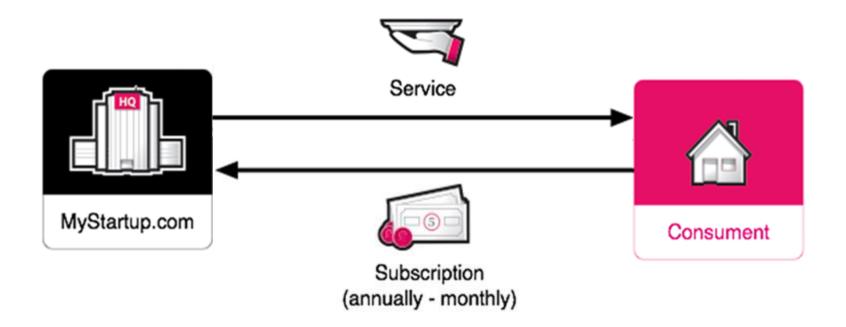


right

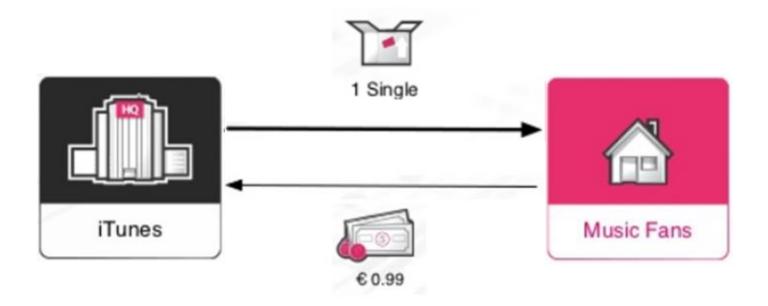


credits

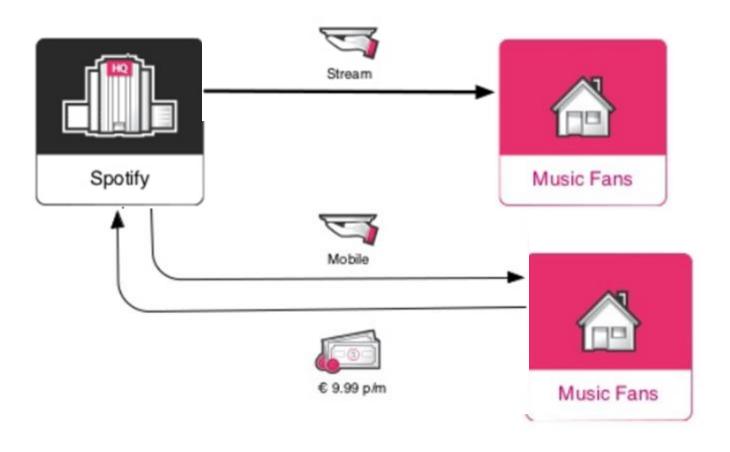
#### Start simple: Subscription model



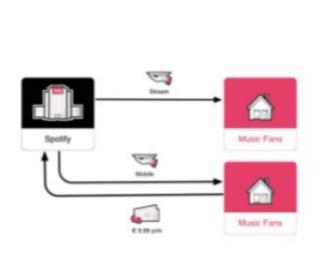
## Start simple: iTunes

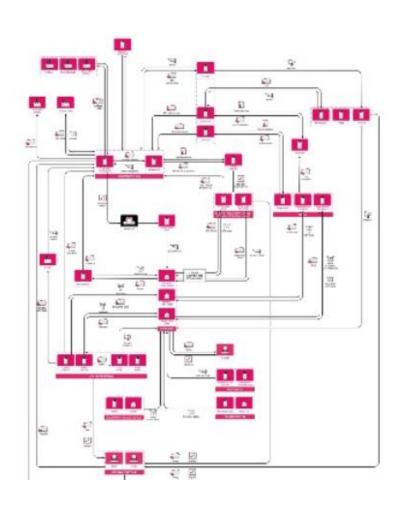


## Start simple: Spotify



## It works for simple and complex business models





## BUSINESS MODEL PATTERNS YOU SHOULD COPY



### What to pick?

for the user.

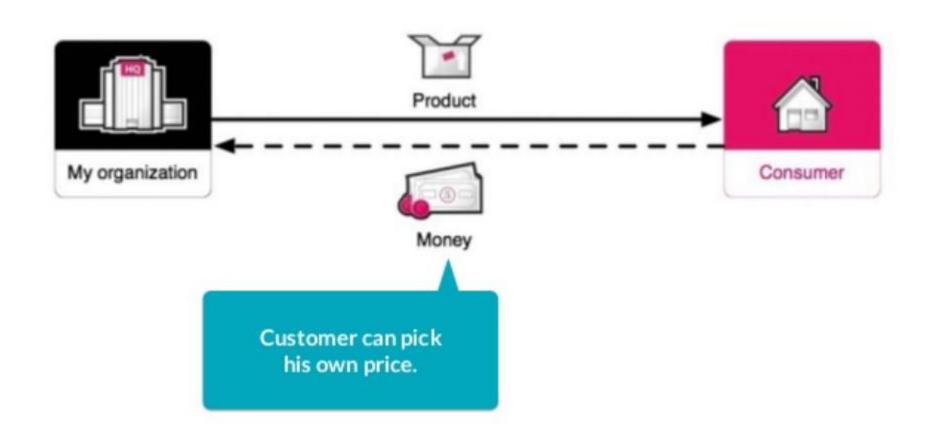
Paid! the user = client.

#### Free?

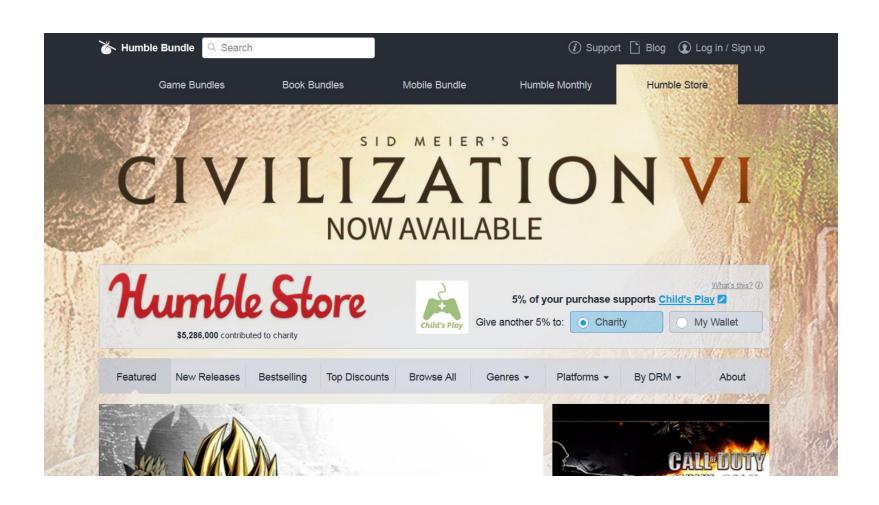
## Free \neq Free

There are so many variations on 'free'

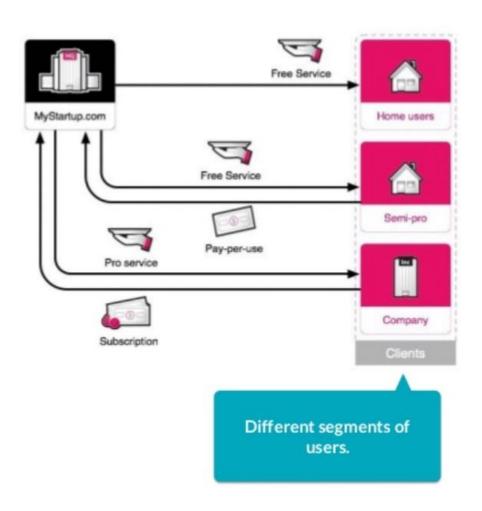
#### Pay-what-you-want



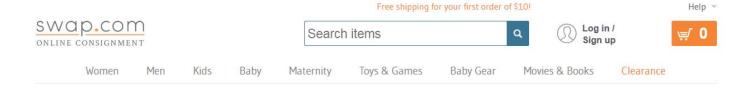
#### Pay-what-you-want



### Free, for some



## Swap goods, give something else in return



#### The Largest Online Consignment and Thrift Store

Women's, Men's, Baby & Kids' Clothing and Accessories



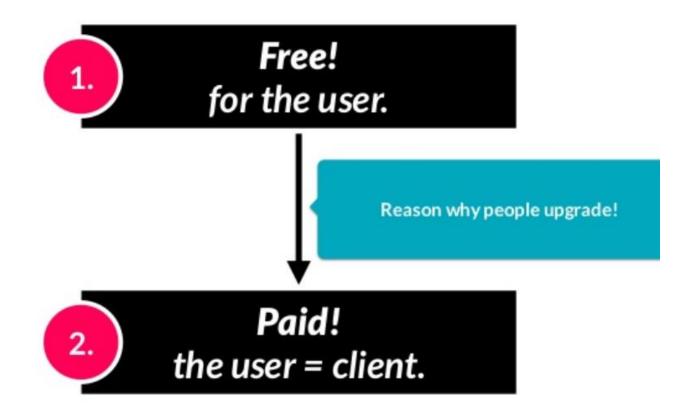


#### **CLEARANCE SALE!**

"The best prices just got *better!*"

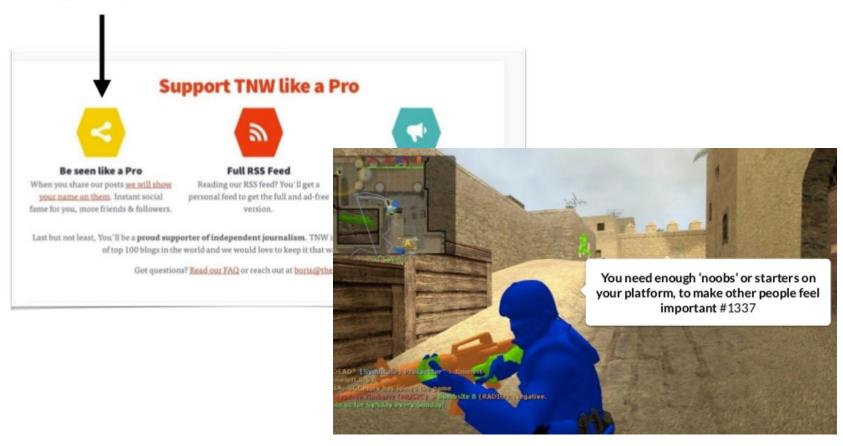


#### What to pick?



### Vanity/ reputation

#### Vanity is so powerful!

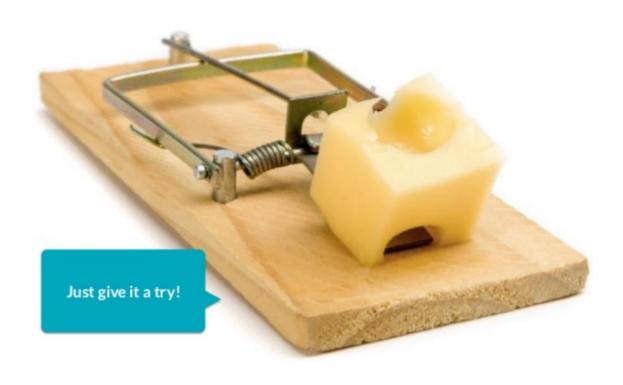


# Pay to get noticed (to rise above the crowd)

Would you pay to get seen by your friends on facebook?



### Lure people in with free + lock-in



#### Pay-as-you-go model



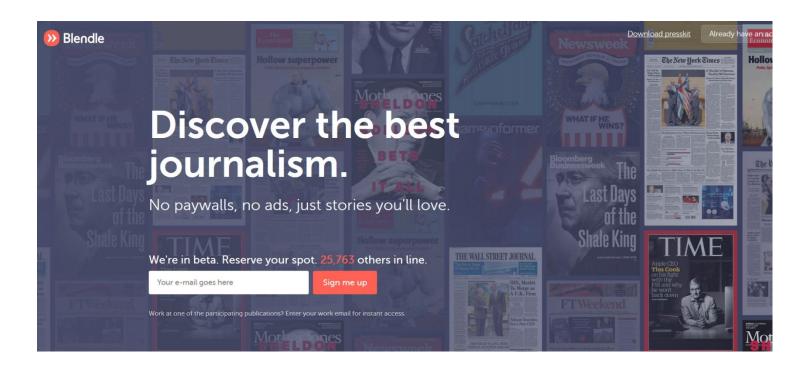
#### Pay-as-you-go model

Switching cost? A lot of hassle to change to a competitor...

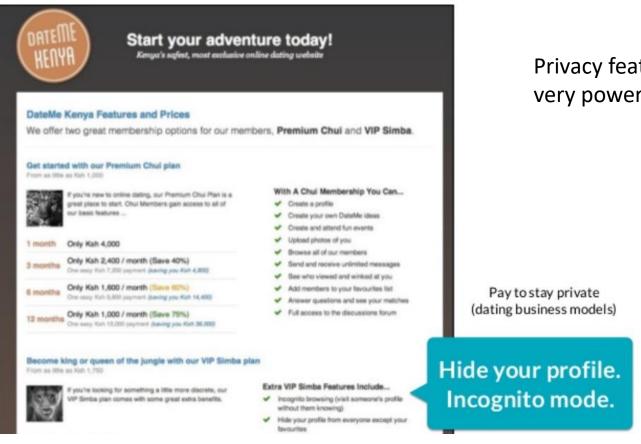


#### Pay-per-use

Blendle – itunes for journalism, you only pay for those news articles that you read



#### Pay-to-stay-private



Privacy features are very powerful!

#### Mystery crates (& surprise upgrades)

Similar to lottery system = very lucrative!



#### The power of Zynga-like games

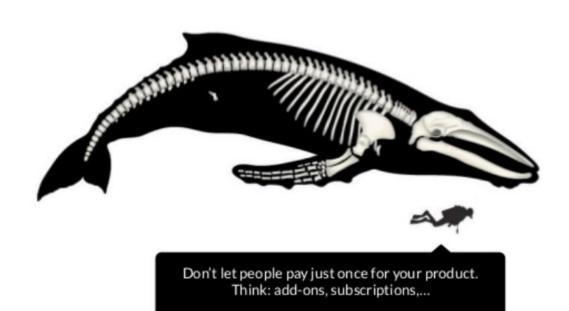




### Learn from gaming

#### Question:

Do you allow people to spend (all their) money?

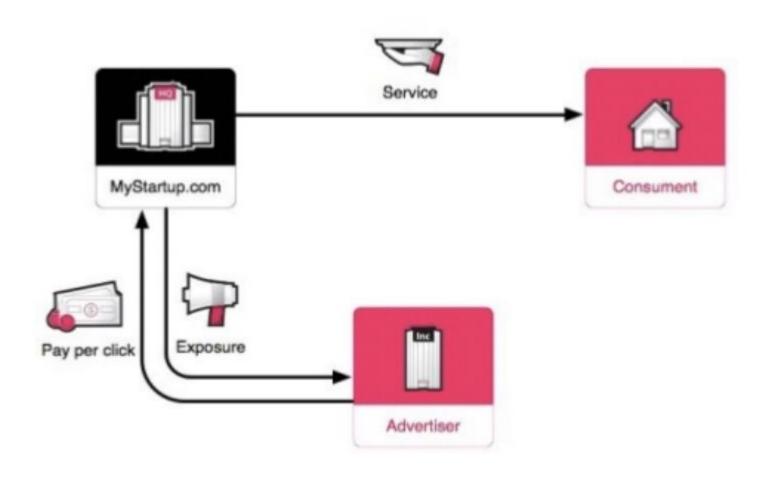


Learn more from "Whales" in the gaming industry.

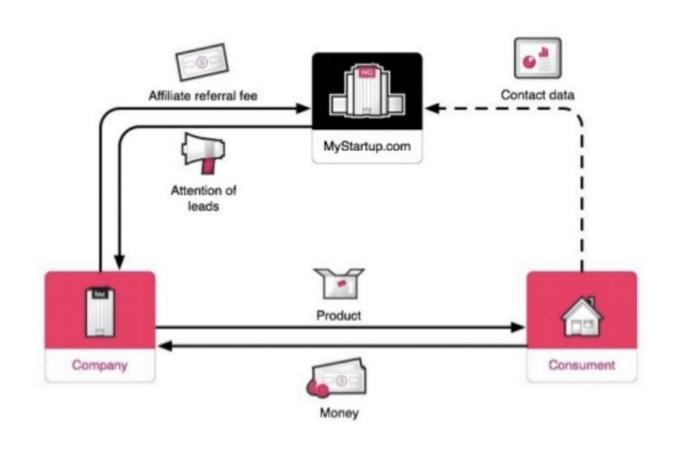
#### What to pick?

- 1. Free! 3. Third party pays the bills.
- Paid! the user = client.

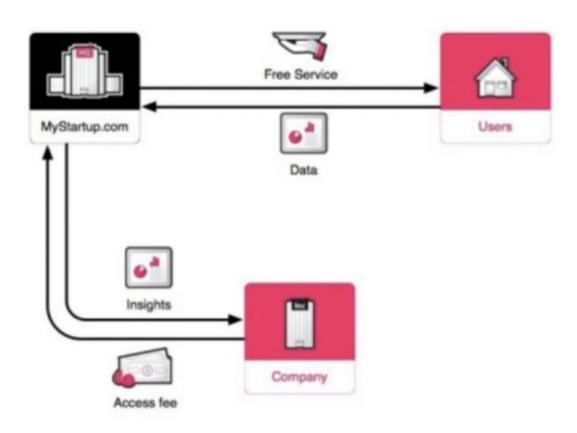
#### Ad-based model



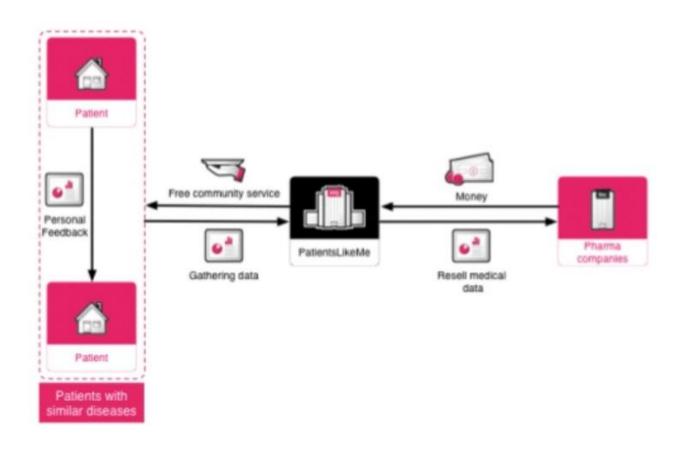
## Referral models: Drive sales for another



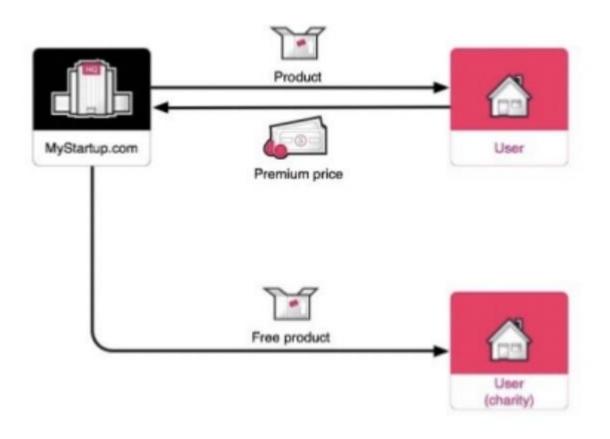
#### Resell data



#### Example: Patients like me



# Another client pays for your product (could be anonymous)



## Suspended coffee

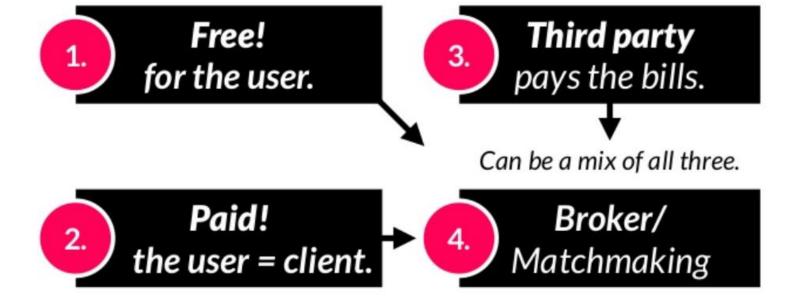


## One laptop per child

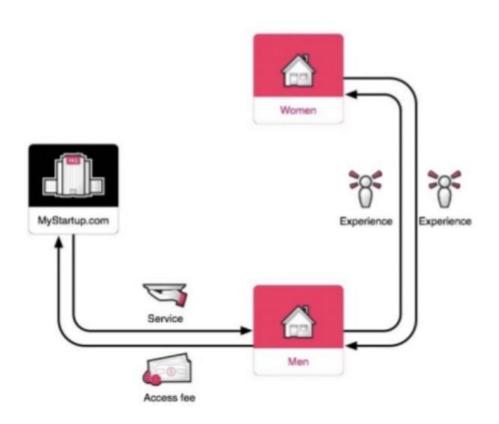


Pay double the price so someone else could get a laptop for free.

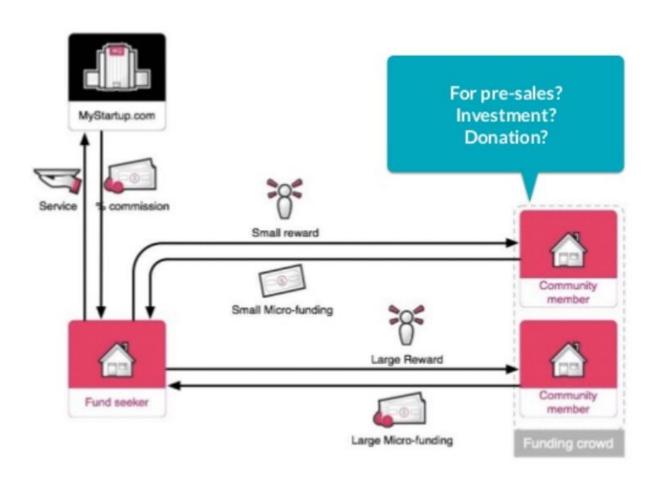
#### What to pick?



### One side pays



#### Crowdfunding (many variations)



# What to pick?

for the user.

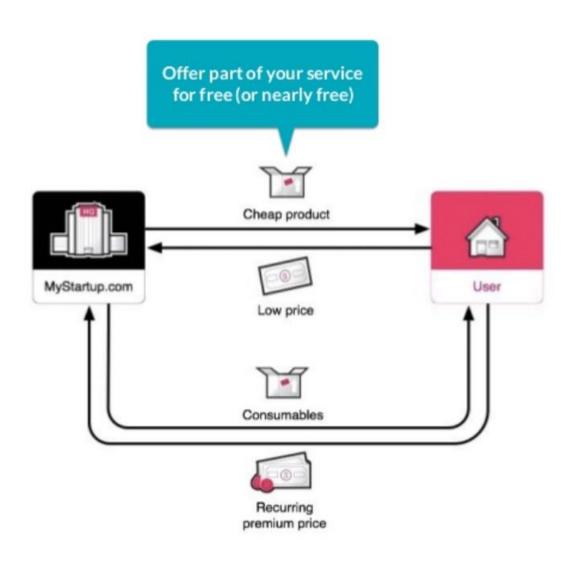
3. Third party pays the bills.

Paid!
the user = client.

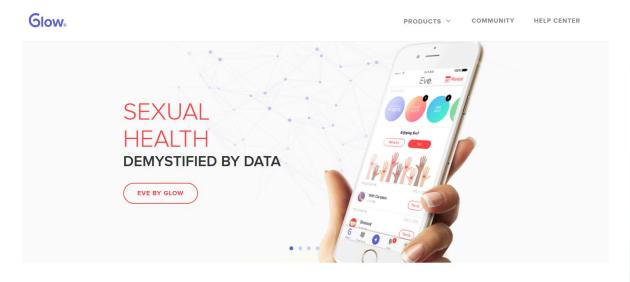
4. Broker/ Matchmaking

5. Mixed model
Subsidised

# Pay for recurring upgrades or consumables



# How to combine different transactions?



Personal health tracking from period to parenting.



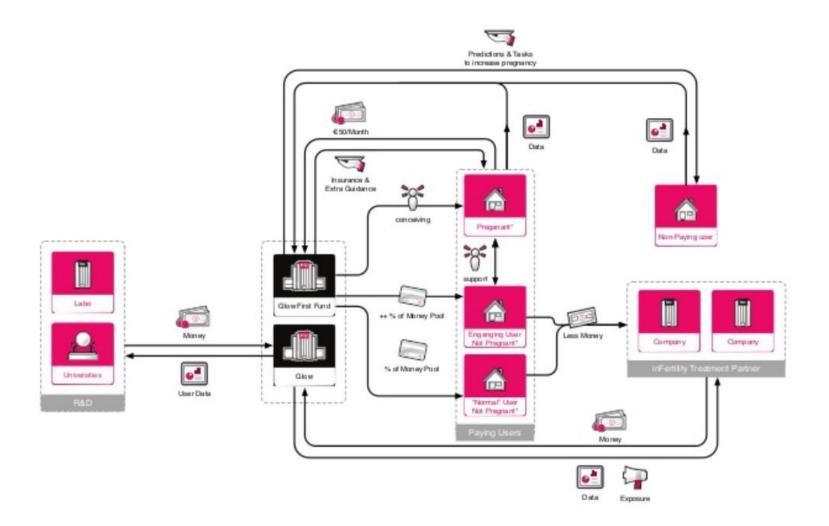




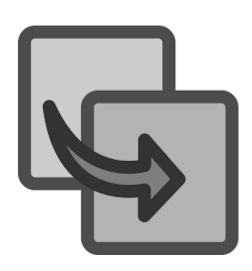




# Glowing.com



### **BUSINESS MODEL EXAMPLES**



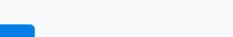
## Dropbox





# We'd love to have you back on Dropbox Pro, Angeliki!

Learn more about features and functionalities you'll gain when you upgrade to Pro.





or try Business Free for 30 days



### **DROPBOX**

Dropbox is a web-based file hosting service that uses cloud storage to enable users to store and share files and folders with others across the internet, using file synchronization. Dropbox has a free basic plan and several payable subscription plans for more storage.

Go to Brainstrom Cards





Category:

Network/Hosting

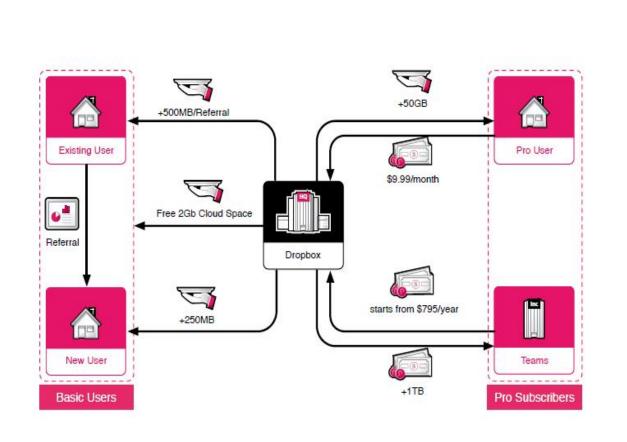
Website:

www.dropbox.com

#### Cocktail of:



- ° Freemium-model
- o Internet start-up
- ° Cloud Storage
- ° Paypal Sign-up Bonus



Boardof Innovation



Can you give a basic version of your product for free to hook your users up to a paid version?

Dropbox has a freemium model, where users can use 2GB of cloud data for free, if they want to access more space, they can opt for a payable subscription.

How can you set-up a referralprogram, which rewards users who refer your product to new users?

Dropbox referral program rewards existing users who succeed to bring in new users with an additional 500 MB storage space. For joining the invite, new users get 250MB space in addition.

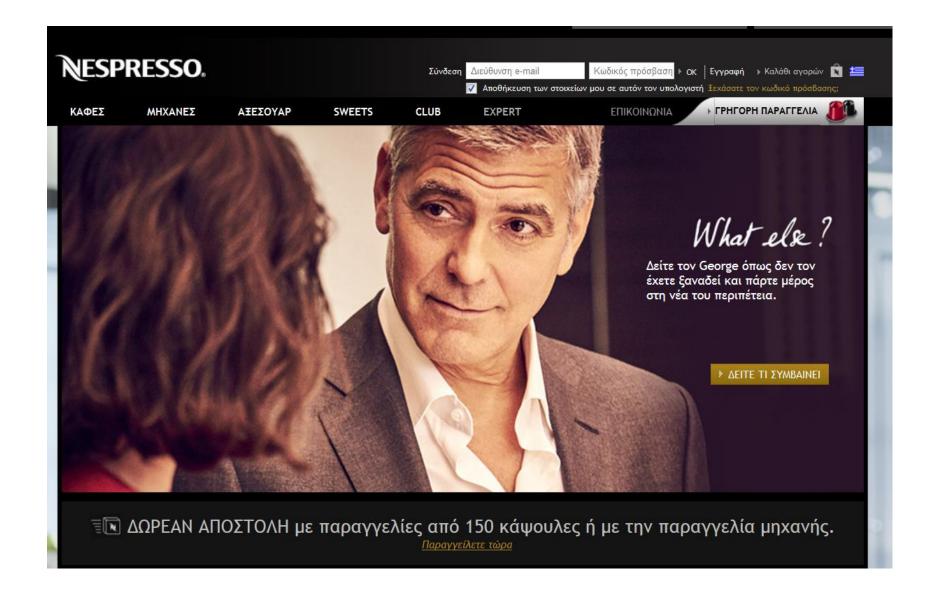
Can you make partnerships with other companies to embed your service in their products?
What would you give in return?

In May 2011, Dropbox struck deals with Japanese mobile service providers Softbank and Sony Ericsson. As per the terms of the deal Dropbox will come preloaded on their mobile phones.

How can you encourage your community to develop "unofficial" add-ons for your service?

There are a large number of official and unofficial Dropbox addons that are available, mostly created by the Dropbox community. These addons are both in the form of web services such as SendToDropbox and desktop applications such as MacDropAny

## Nespresso



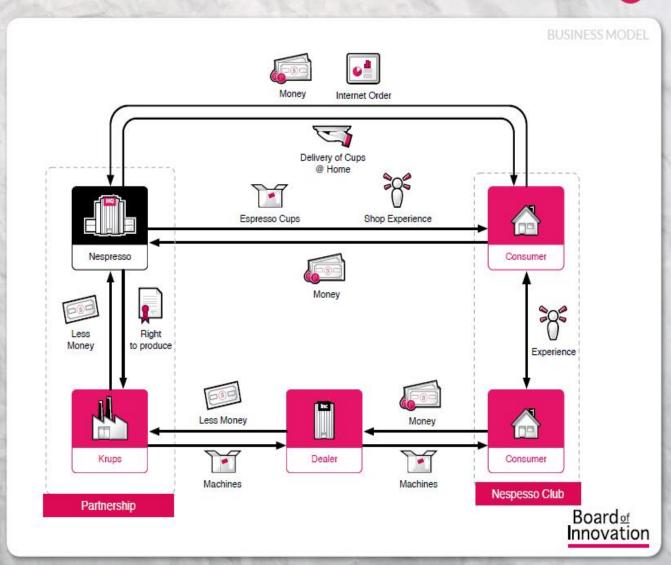
### **NESPRESSO**

Nespresso is the brand name of Neslté Nespresso S.A., an operating unit of the Nestlé Group. Nespresso machines brew espresso from patented coffee capsules, a type of pre-packed single-use container of ground coffee and flavourings. With their special club system, they built an experience model around a commodity. The concept (machines, capsules, service) is subject to over 1700 patents, which protect Nespresso's ownership until the first patent expires (2012).

Go to Brainstrom Cards









#### Can you sell your product or service as a durable with consumables?

Nespresso machines are relatively cheap, but you only buy them once (we call them durables). It's the high price of the capsules (consumables) that provides the highest profit for the company. We call this the bait & hook model. Other bait & hook examples can be found in the print industry (printers & cartridges), but also other consumer brands like Gillette, Febrèze, Pez, etc. make use of this model.

## How can you make your customers feel special, exclusive?

Although the cost per serving is up to three times higher than that of alternative brewing methods, more than 10 million people have joined the "Nespresso Club". With their special Nespresso Card, members have access to worldwide stores & the club's online store. With newsletters printed on high quality paper, even their mail will make you feel special.

# Can you provide variations of your product or service to reach different customer segments?

Nespresso offers 16 different flavors or "Grand Cru", as they call them. Two limited edition Grand Crus are released every year as well as a set of variations of flavored espresso capsules. Some people love extra strong coffee, others only drink Lungo and others drink a specific coffee for every day of the week. The fact that people can choose between a whole range of flavours, makes it more personal. As every flavor has its own color, people make their choice more easily.

# Have you ever thought of an annual limited edition of your product or service?

Every year, Nespresso offers their club-members one or more "limited editions" of a new coffee. They also offer coffee-variation with a special flavour (e.g. chocolate, cherry,...). The prices are slightly higher, but people are willing to pay more for personalised product. Every special edition is branded with a newsletter and its own particular feeling. Customers are presented with the phrase: "Have you tried our limited edition?" in Nespresso stores worldwide.

## Groupon





# Up to 59% Off a New Sam's Club Membership Package Two Options Available

VIEW DEAL >

Things To Do 1385	
Beauty & Spas 2108	
Food & Drink 1338	
Electronics 2811	
Travel 771	
Health & Fitness 1633	
NEW Delivery & Takeout	



Sammy's Red Hots

10% Cash Back at Sammy's...

Claim this deal and get 10% cash back rewards when you pay with your linked Visa card at Sammy's Red Hots

Old Town • 1.8 mi

Claim This Deal











### **GROUPON**

Groupon features a daily deal for the best stuff to do, see, eat, and buy in more than 565 cities around the world. By promising businesses a minimum number of customers, Groupon can offer deals that aren't available elsewhere. Groupon originated the concept of using collective buying to get a daily deal on local goods and services, and is a spinoff of The Point.com, an online community launched in 2007 for organizing all forms of group action and fund-raising around a "tipping point" of required participants.

Go to Brainstrom Cards





Founded:

2008

**Employees** 

Category:

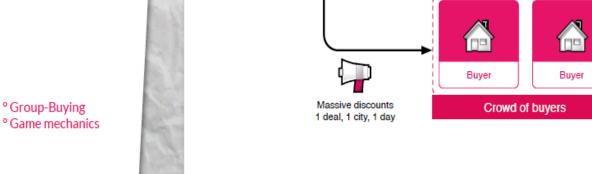
Consumer Web

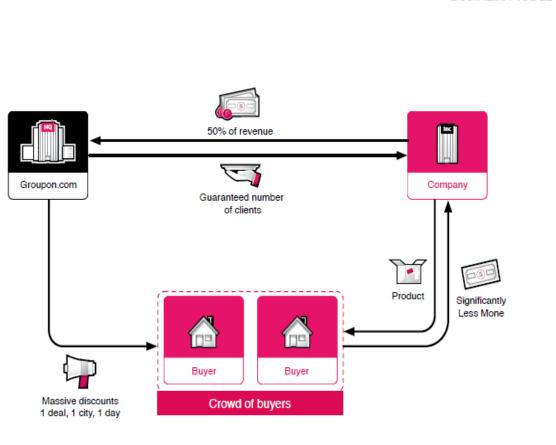
Website:

www.groupon.com

Cocktail of:







Board of Innovation



## How can you build a loyal customer base?

Many merchants believed that Groupon deals would help them build a loyal customer base that would deal directly with them, without Groupon as a middleman. However, in many cases a Groupon deal merely attracts one-time bargain hunters who do not return until they encounter another Groupon deal that suits them.

# Can you provide daily information about new products and/or services?

The company offers one "Groupon" per day in each of the markets it serves. The Groupon works as a guarantee using ThePoint's platform: if a certain number of people sign up for the offer, then the deal becomes available to all.

#### How can you act more locally?

Unlike classified advertising, the merchant does not pay any upfront cost to participate: Groupon collects personal information from willing consumers and then contacts only those consumers, primarily by daily email, who may possibly be interested in a particular product or service.

# Can you make group-deals for your products and/or services? What are your limits?

A successful deal could temporarily swamp a small business with too many customers, risking a possibility that customers will be unsatisfied. Gap, a large clothing retailer, was able to handle 445,000 coupons in a national deal (although it experienced server problems at one point), but a smaller business could become suddenly flooded with customers.

# Quirky



How It Works

Join Us

Start Inventing

Shop

**Forums** 

Blog

#### What Is Quirky?

Quirky is a community-led invention platform.

Our mission is to partner with inventors in making their ideas successful.

We are dedicated to empowering everyday problem solvers to share their ideas with the world.



## **QUIRKY**

Quirky is an industrial design company that uses crowdsourcing to determine which products to design and to manufacture. The company collects ideas for new products via its website. Ideas are then voted for by community members, as well as by employees of the company. Products that are chosen will be designed, manufactured and marketed by Quirky. The inventor of the product and any other contributors receive up to 30% of any resulting revenue.

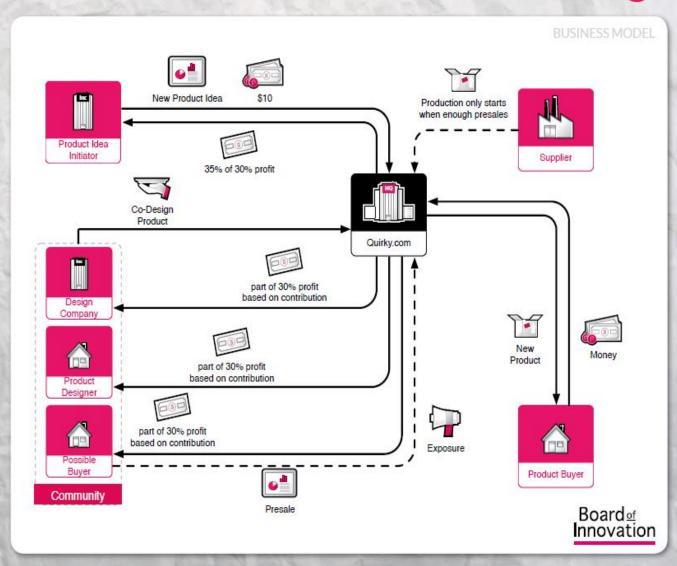
Go to Brainstrom Cards

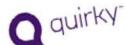




°Co-Creation

°Crowdfunding





# How can you co-create new products or services with all your stakeholders?

Ideas selected to go to market are co-created by the Quirky community. This means everyone can contribute in taking this idea to a final product. Quirky uses influence to measure community members' contributions to a project. You can either influence by submitting a winning idea, or by supporting and refining that winning idea. People can vote, comment, share improvements, etc.

# How can your current users decide which new product you will launch?

Community members of Quirky can vote on every idea in every step of the product development process. At the end of every round, two groups will be awarded influence for each winning product: 1) people that voted for that product, 2) people that voted for products that were under consideration, but were ultimately passed on during the course of that round. The catch is that users are limited to casting 15 votes per day.

## How could you pre-sell a new product or service?

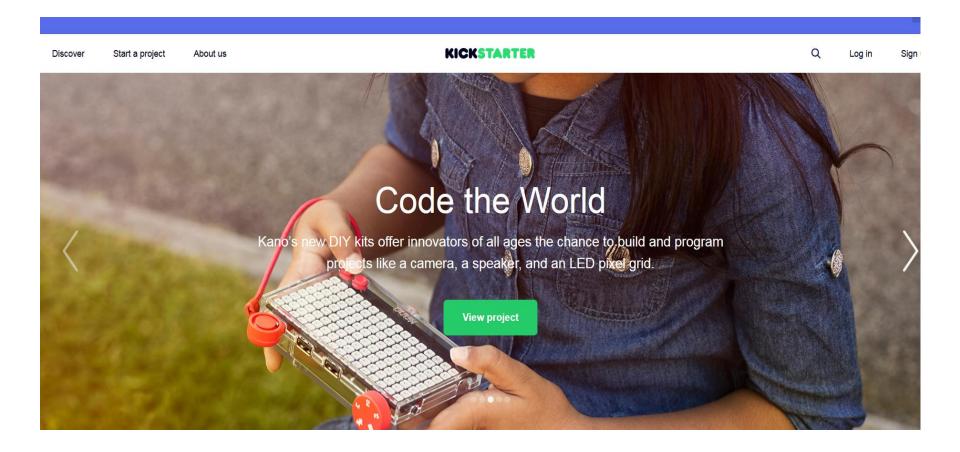
You can make a fancy product, but even the slightest problem in the go to market process (wrong price, wrong focus) might render your innovative product worthless.

Quirky embeds a pre-sale service where they can get an idea of the market value of a single product. By doing this they get a clear overview of all market possibilities: price setting, volumes to take, and so forth. What advantages could you gain from pre-selling your product or service?

## How do you filter your customer's input?

Every week Quirky releases a pitch to which people can react with product-ideas in that category. A prospective inventor with his own idea can submit an idea for consideration at a cost of \$10 (previously \$99). Each week, one product is selected for going to market. Factors considered include uniqueness, manufacturing complexity and intellectual property rights. Quirky has a unique way for filtering unwanted messages.

## Kickstarter



### **KICKSTARTER**

Kickstarter is a crowdfunding website for creative projects. This means they facilitate gathering money from the general public. People have to apply to Kickstarter in order to have a project posted on the site. Project owners choose a deadline and a target minimum of funds they want to raise to realize their project. If the chosen target is not met by the deadline, then no funds are collected. If, on the other hand, the target is reached, "investors" get rewards in return.

Go to Brainstrom Cards







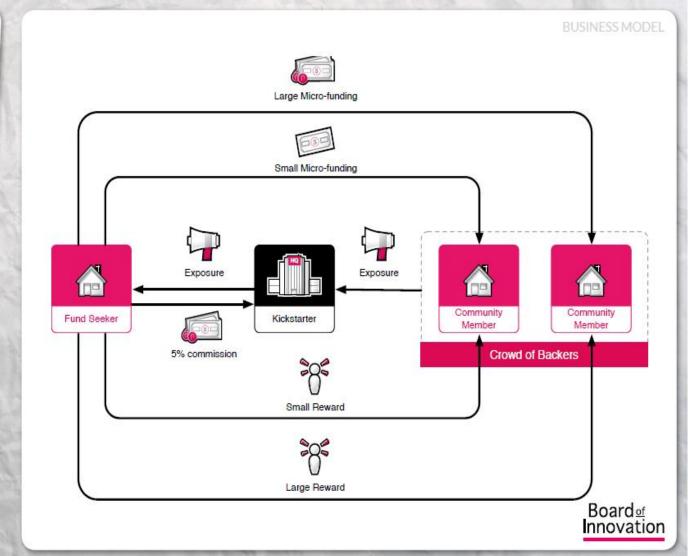
Category: Finance

Website: www.kickstarter.com

Cocktail of:



°Crowdfunding °Reward system





## How can you motivate a large group to reach a single goal?

Crowdfunding (sometimes called crowd financing or crowd sourced capital) describes the cooperation, attention and trust of people who pool their money and other resources together, usually via the internet, to support efforts initiated by other people or organizations. Lots of people give a small amount, and compete against the traditional investors (e.g. banks).

#### How can you allow possible users to constantly discover new things within your service or product?

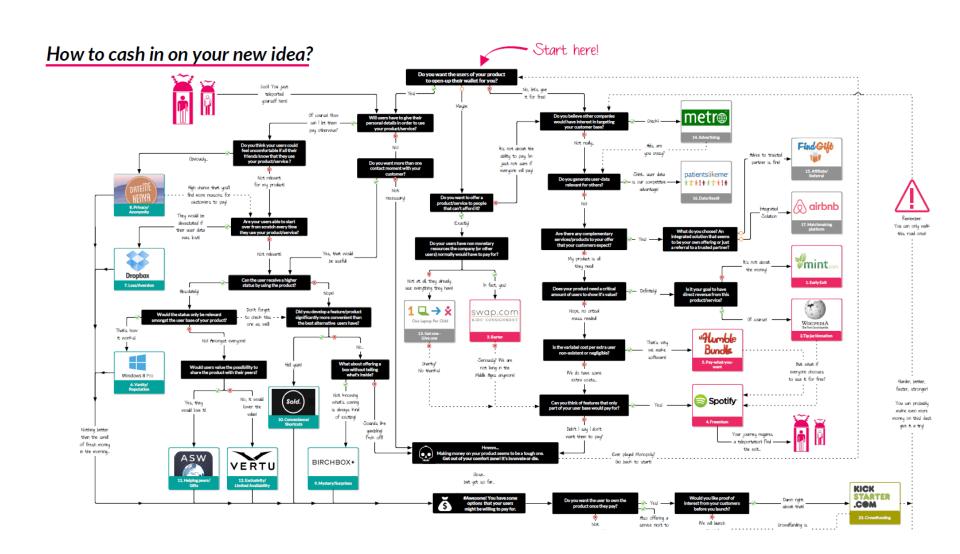
Every day new projects are listed in several categories on the Kickstarter website. People interested in a certain category can discover new projects day by day and become a kickstarter follower. Additionally, you can discover new projects by following the kickstarter twitter account or facebook-group.

# How can you show possible buyers what your popular products or services are.

Kickstarter operates on an all-or-nothing funding model where projects must be fully funded or no money changes hands. Projects must set a funding goal and a length of time to reach it. Making the status of the funding goal and remaining time visible for all website visitors, people get a quick view at how popular a project is, which can encourage their attention.

# Can you bring your customer to become an ambassador for your product or service?

Crowdfunding projects rely on click-to-click "advertisement". People can share projects on social media, "like" features and place comments on the Kickstarter website. By spreading the news through online social media groups, projects can reach a large number of people very quickly.



### Where do you find these tools?

- Business Model Canvas www.businessmodelgeneration.com
- Business Model Kit www.boardofinnovation.com

## Key lessons & take-aways.

Learn to detect & understand the patterns.

Look in different industries!

Copy & Remix multiple models.