

Business Operations Forum:
Free is more than advertising based -
diving deeper into the revenue potential of Freemium



Partner at Innovationlab



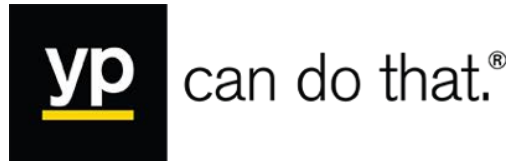
Freemium Expert



Avid Classifieds User



Your Interest ?



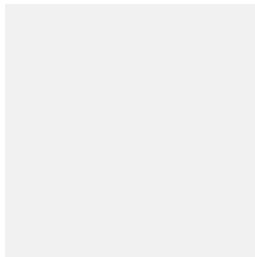
Focus on opportunity



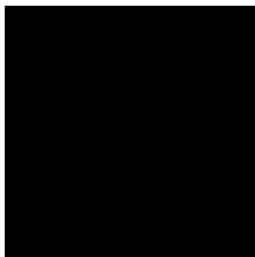
Not threat of failure



What is freemium?
How does it make sense?



Analytical perspective
How to identify potential?



What to do Monday morning
Tools and methods

What is Freemium?

Free

+

Premium

=

Freemium

Q. Why is this relevant ?

A. Digital disruption





*"If you are not using free
you are competing with free"*

2005



2014



A free trial is not freemium !



Freemium is not the only
form of free

Cross subsidy

The Gillette logo, featuring the word "Gillette" in a bold, blue, italicized sans-serif font with a registered trademark symbol.

Advertising

The Google AdWords logo, featuring the word "Google" in its multi-colored font above the word "AdWords" in a grey sans-serif font.

Gift Economy





<p>Great Complimentary products</p>	
	<p>Poor Complimentary products</p>

High possible reach

Low possible reach

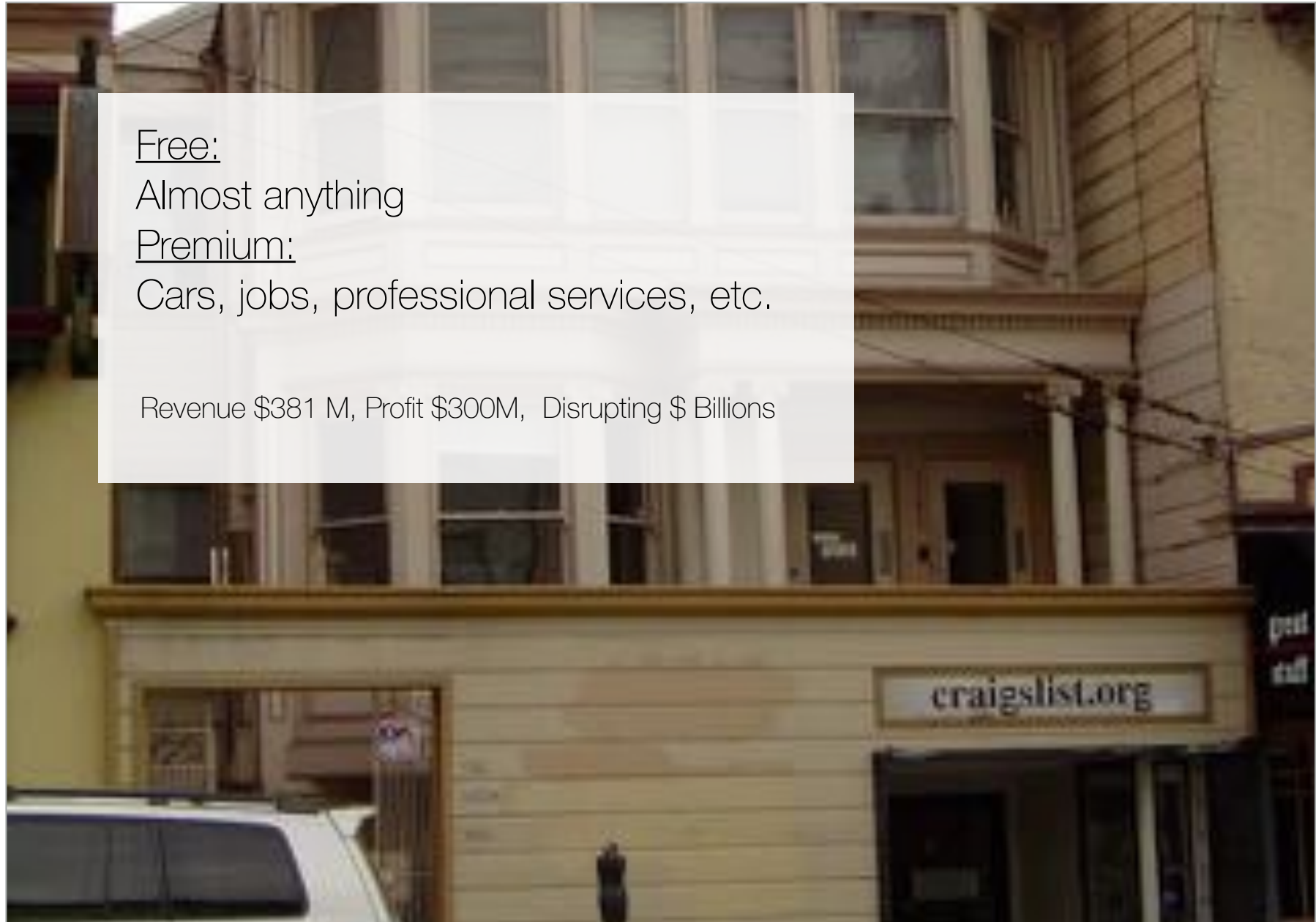
Free:

Almost anything

Premium:

Cars, jobs, professional services, etc.

Revenue \$381 M, Profit \$300M, Disrupting \$ Billions





Free: Profile and networking
Premium: Lead generation, recruiting, etc.

Free:

Basic functionality

Premium:

Undo swipes, and move location.

142 million registered users — 4.6 million paying subscribers

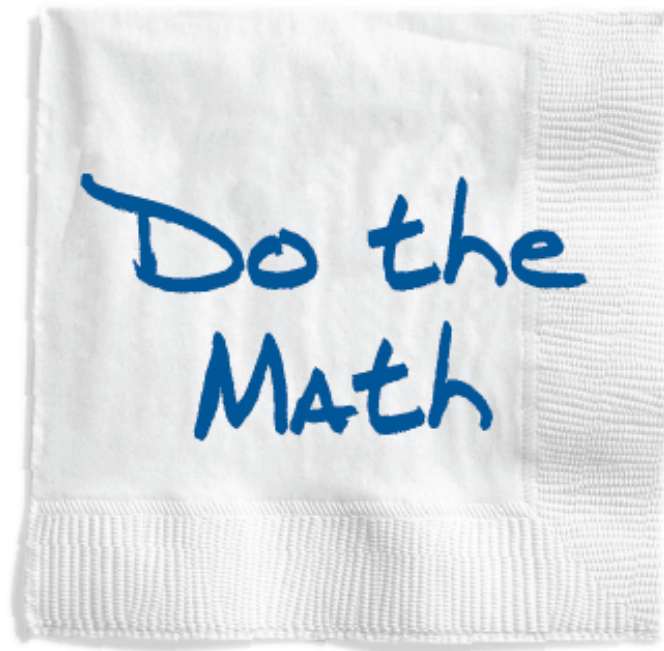
The Tinder logo, featuring the word "tinder" in a bold, red, lowercase sans-serif font. A red flame icon is positioned above the letter 'i'. A small "TM" trademark symbol is located at the bottom right of the word.



Free: full functionality

Premium: payroll and access to accountant

Questions?



Analytical perspective

*"People don't want to buy a quarter-inch drill.
They want a quarter-inch hole!"*

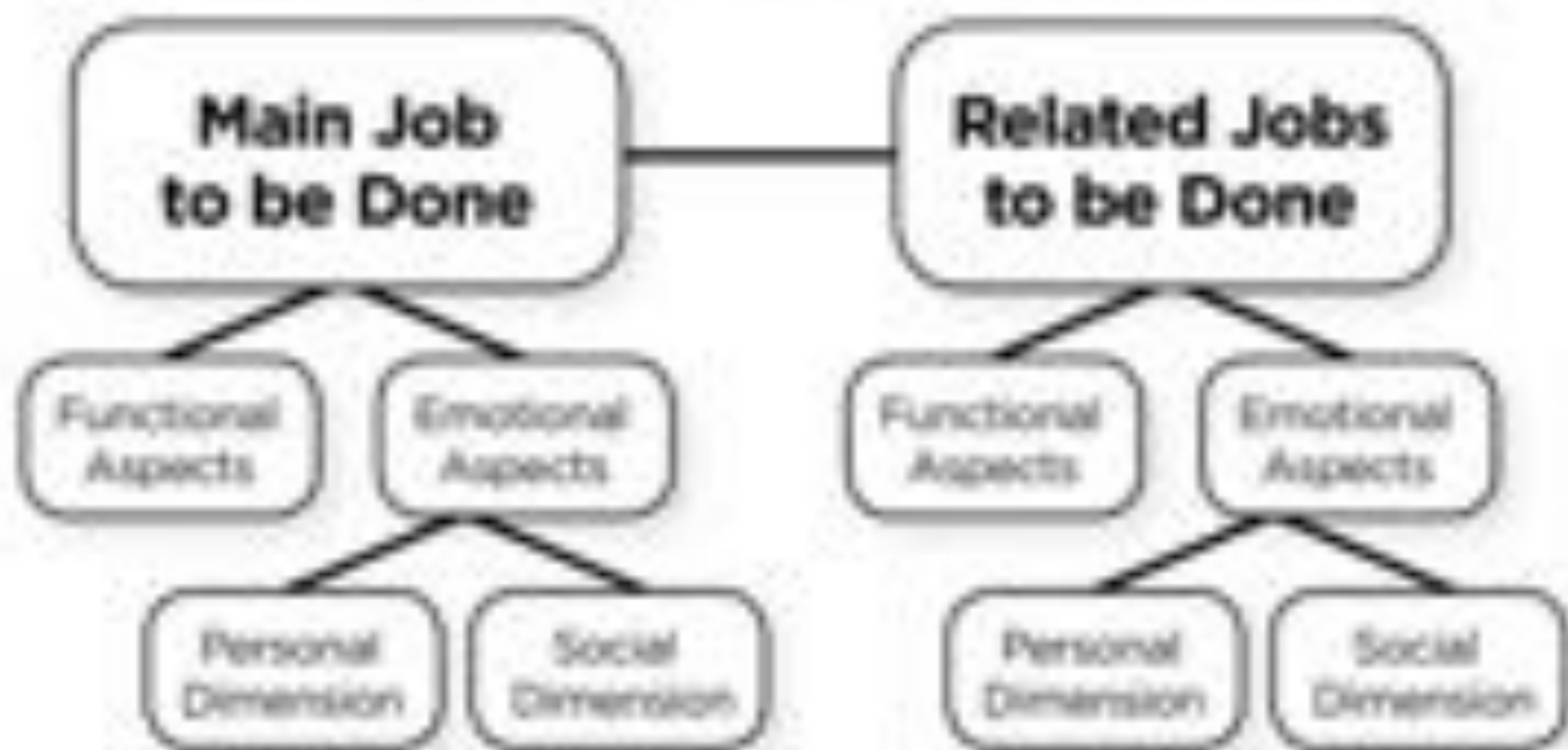
Theodore Levitt



Milkshake



Jobs to be Done Breakdown



JOB5-TO-BE-DONE

FREE

FUNCTIONAL:

To help remember a variety of things when online.

EMOTIONAL

To appear organized and professional.

PREMIUM

FUNCTIONAL:

To help remember a variety of things when online.

EMOTIONAL

To appear organized and professional.

VALUE PROPOSITION

FREE

An easy to use memory service and information storage for the web surfer with limited storage need.

PREMIUM

An easy to use memory service and information storage for the web surfer with limited storage need.

CUSTOMER SEGMENT

FREE

Online users who cross many platforms every day and need a platform for storing thoughts and ideas connected to these.

Online users who need checklist in their daily doings.
People with a self-management need.

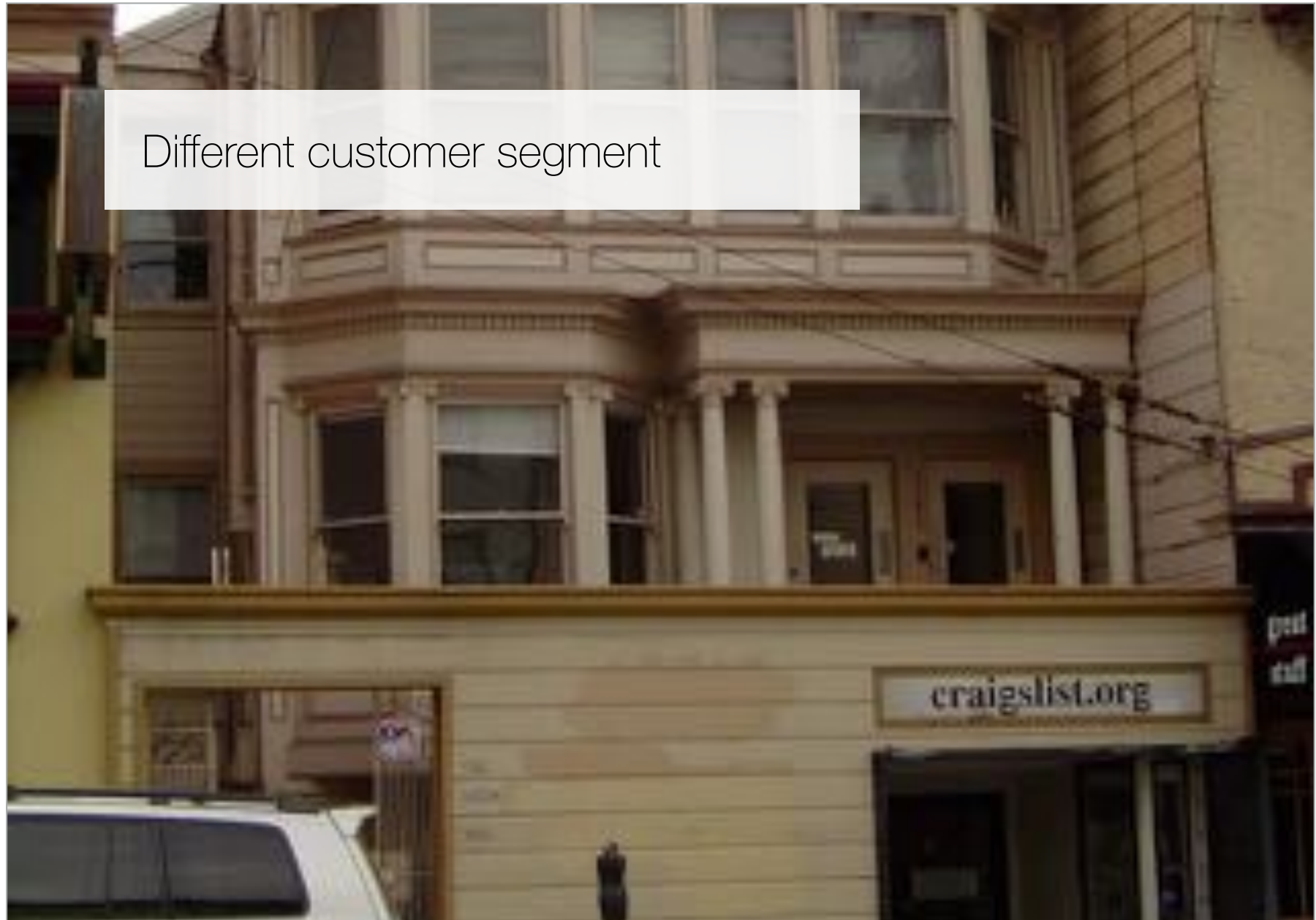
PREMIUM

Online users with a large need of storing information found across the net with attached notes.

“When analyzing successful freemium models, the difference between free and premium is usually in one or more of four ways;

- 1 Premium targets a different customer segment than free
- 2 Premium offers a different value proposition than free
- 3 Premium addresses a different Job-To-Be-Done than free
- 4 Premium addresses the same Job-To-Be-Done as free, but does it radically better.”

Different customer segment





Different job

Partially different target group

Gets job done radically better

tinder™





Different customer segment
Different job



can do that.®



3 prams
2 rocking devices
1 baby chair
1 baby alarm
3 beds...

...and counting

dba

[DBA Guide](#) [Hjælp](#)**Søg****Opret annonce****Min DBA**

Biler

Camping

Biltilbehør

Boliger

Have og byg

Til boligen

Til børn

Tøj og mode

Sport og fritid

Både

Cykler

[Vis alle kategorier](#)

Kan du lide os?

Synes godt om

100 tusind

Send dine pakker billigt med DBA

For eksempel en pakke på 4 kg. for kun kr. 49,-

**dba**

Lige oprettet på DBA



75 kr.

Træmeseng, b: 60 x 119, ...



75 kr.

Lampe, Sirius, Buzz Lighty...



1.000 kr.

Babyseng, Babybay Bedst...



3.500 kr.

Babyseng, Leander Velma...

Forsideannoncer



*"People don't want to buy a quarter-inch drill.
They want a quarter-inch hole!"*

Theodore Levitt





≠



Find out how much I should reasonably pay/charge



Find the right model pram to buy



Inspecting the pram and getting it home



Making sure you can snap up get a good deal



Cover out of pocket expenses





≠





iPhone

Android



BØRNEFAMILIERNES LOKALE MARKEDSPLADS

Køb og salg af brugte børneting fra familie til familie.
Nemt og trykt i dit eget nabolag.



LEJLIGHED

Super fin børnevogn fra
Ochles. Har kun nået tode



Den vil jeg gerne købe!
Kommer forbi nu. OK?





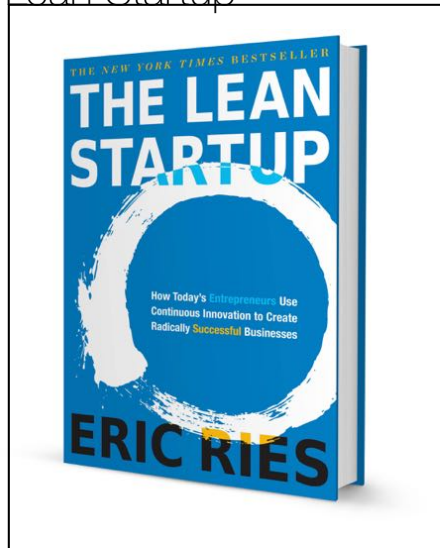
Your Experience



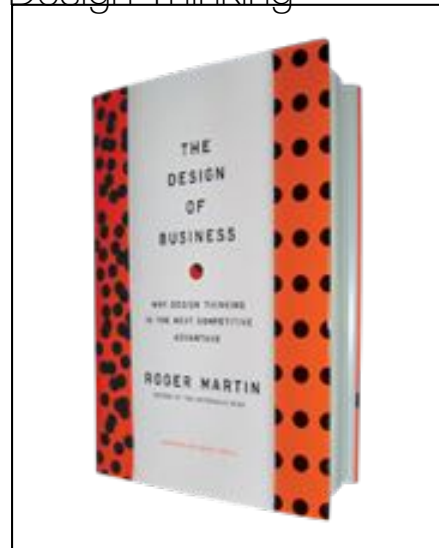
What to do Monday morning

New Innovation Paradigm

Lean Startup



Design Thinking

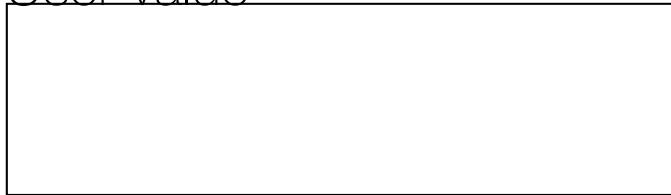


Business Model Canvas



Four characteristics

User value

An empty rectangular box with a black border, intended for notes related to the 'User value' characteristic.

Visual and creative

An empty rectangular box with a black border, intended for notes related to the 'Visual and creative' characteristic.

Testing

An empty rectangular box with a black border, intended for notes related to the 'Testing' characteristic.

Iterative

An empty rectangular box with a black border, intended for notes related to the 'Iterative' characteristic.

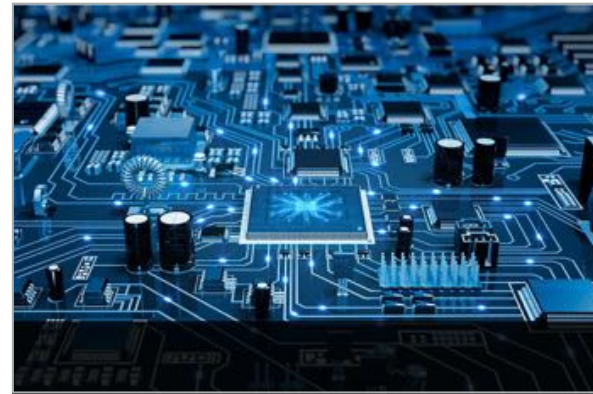
Traditional paradigm



Development as the application of science.

- Works very well in predictable conditions
- Linear planning
- Business plan
- Context with few disruptions

New Innovation Paradigm



Development as the application of science.

- Works very well in uncertain conditions
- Discovery driven planning
- Iterative rigorous testing
- Context with many disruptions

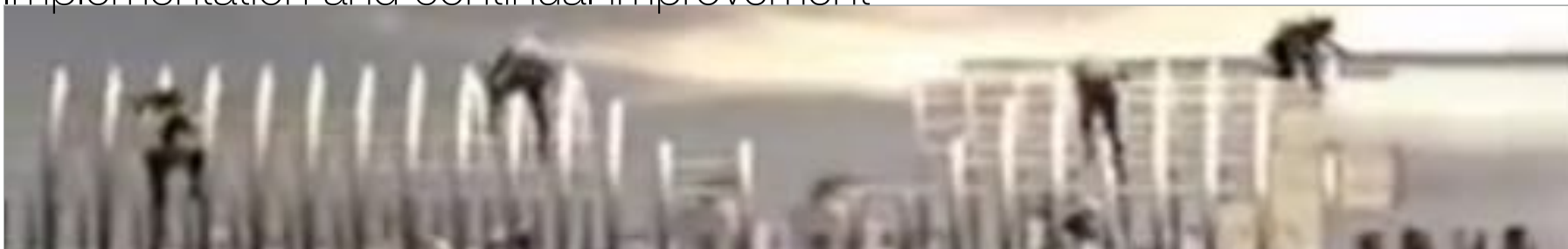
Understanding and hypothesis



Systematic and rigorous testing



Implementation and continual improvement






Create strategical hypothesis
based on user needs



Set up experiment to quickly
test hypothesis



Hypothesis & test
with your own case

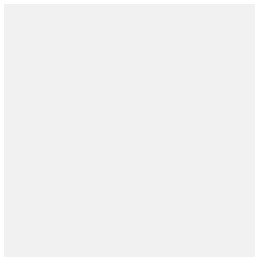
Investigation as a craft



Innovation as a craft



What is Freemium?



Jobs-To-Be-Done in Classifieds



New Innovation Paradigm in Classifieds

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