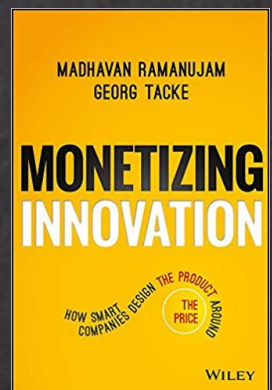


# MONETIZING INNOVATIONS #3

- 1 Have the **WTP** talk **early**
- 2 **Segment!** One size fits all doesn't work!
- 3 The core: **Product configuration** and **bundling**
- 4 **Monetization model:** How you charge trumps what you charge
- 5 Pick the winning **price strategy:** Skimming vs. penetration
- 6 **Outside-in business case:** from hoping to knowing
- 7 **Value communication:** The product as such is not sufficient
- 8 Use **behavioural pricing** to fine-tune
- 9 Maintain your **price integrity**

BEST

BETTER



# Successful bundling requires a thorough understanding of the role of different features

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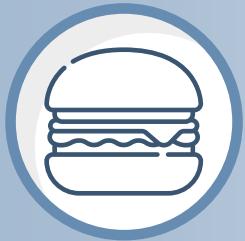
Understand  
the role of  
your value  
features:

What is your  
**Big Mac?**



# Understand the role of your value features; What is your Big Mac?

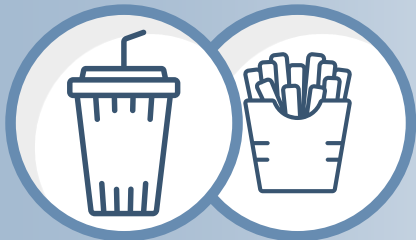
## A successful bundle needs ...



... a “leader”  
product

Big Mac™

A **high value product** that most customers want to or “must” buy



... “filler”  
product(s)

Coke & Fries

**Medium value products** that most customers consider “nice to have”



... **NO “killer”**  
product(s)

Coffee

Products with a **low value** for many, which can **diminish value** of the bundle

# Remove killers and strengthen leaders to increase financial performance

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Simon-Kucher project example

## Old offer

Monthly charge **\$39**

**Minutes**  
Any-net **40**

**SMS**  
Any-net **20**

**Internet** **750 MB**  
**+ Music**

## New offer

Monthly charge **\$39**

**Minutes**  
Any-net **50**

**SMS**  
Any-net **20**

**Internet** **750 MB**

## Financial performance

**> 5%**  
Subscribers



**> 10%**  
Profit

- Customers don't want to pay for something they won't use (killer)
- Customers pay more for something they find very important (leader)

# Differentiate your offering, evaluate and detail the optimal proposition structure

## Degree of customer flexibility

*Least flexible, but simple*

*Most flexible, but complex*

