

5 Models to Monetize Your Business

You created an amazing product. Your marketing campaign will totally go viral. But how are you going to sell it? Retaining customers and maximizing their lifetime value should be top considerations when choosing a monetization model. Here's a few ways it can be done.



1 One-Time Sales

One-Time sales are easy: Cash is exchanged for goods or services, buyer and seller part ways. Bang. Boom. Done.

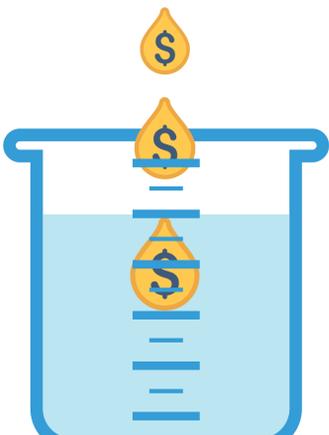
- ✓ **PROS:** Simple, tried-and-true way to sell.
- ✗ **CONS:** Retaining customers is hard, finding new ones is expensive.

2 Flat-Rate Subscriptions

A flat-rate subscription is an easy way for customers to buy your product, and a simple way for you to retain customers.



- ✓ **PROS:** Retaining a customer costs 10x less than finding a new one. Builds CLV.
- ✗ **CONS:** It has its limitations and doesn't provide a lot of choice.



3 Usage-Based

Consumption-based models can be used with anything that can be measured from minutes to mileage. When combined with memberships, you build a solid customer base with great recurring revenue.

- ✓ **PROS:** Fair for the customer, lowers cost of entry, builds CLV.
- ✗ **CONS:** Can complicate billing and accounting processes.

4 Tiered Pricing

Not everyone needs the same level of service. Provide the bare minimum bronze, something in the middle silver, and the grand gold package with all the bells and whistles. Prices can also increase or decrease with usage.



- ✓ **PROS:** Gives customers more choice, and allows easier bundling of existing products.
- ✗ **CONS:** Basic billing software might not be able to handle tiered billing.



5 Hybrid Monetization

Mix-and-match! For example, tiered models are frequently usage/tiered hybrids, like a Gold data package that lets you use more bandwidth and pay less per unit, and gives you upgraded customer service.

- ✓ **PROS:** Maximizes customer choice and potential revenue moments.
- ✗ **CONS:** Basic billing systems may not be able to handle complex hybrid models.

What's Right for Your Business?

Unless you are selling houses, one-time transactions may not be the best way to go. When you look at using any of the other models, you have to start thinking about your technology and processes that will handle the transactions, allow for customer self-service, and assist customer service. Basic solutions leave you holding the bag, doing things manually, and making mistakes. Advanced monetization platforms like Aria automate most processes, increasing customer choice and satisfaction. In the end, you'll keep more customers around for longer.



See how it works at ariasystems.com

