

# \_An analysis of Revenues



Revenues



## Revenues

In economics, revenue refers to the total income generated by a business or a firm from its operations, typically through the sale of goods and services to customers. It represents the money received from the sale of products, services, or other business activities.



As a simplification....

$$R = P * Q$$



*\_Revenues*

But...

$$\text{Total } R = (P_a * Q_a) + (P_b * Q_b) + (...) + (P_n * Q_n)$$



Can you think of different ways to generate revenues?



# Revenues

Can you think of different ways to generate revenues?

Product only?

Service only?

Product + Service?

Operation fee?

Platform fee?

Dynamic pricing?



# The case of Apple



## 1976-1980: The Early Years

- ✓ Apple I (1976): single-board computer
- ✓ Apple II (1977): mass-produced microcomputer
- ✓ Apple III (1980): attempt to compete with business-oriented computers



## 1984-1990: Macintosh Era and Expansion

- ✓ Macintosh (1984): revolutionary personal computer
- ✓ Macintosh Portable (1989): first portable computer
  - ✓ Macintosh (1990): affordable computers



## 1991-2000: Resurgence and New Product Lines

- ✓ PowerBook (1991): line of laptops for professionals
- ✓ Newton (1993): personal digital assistant (PDA)
- ✓ iMac (1998): all-in-one Macintosh desktop computers



## 2001-2010: The iPod and iPhone Revolution

- ✓ iPod (2001): iconic portable music player
  - ✓ iTunes Store (1993): online music store ⊕
- ✓ iPhone (2007): smartphone – redefined mobile industry



## 2010-2020: Further Expansion and New Innovations

- ✓ iPad (2010): tablet computer
- ✓ Apple Watch (2015): entry into the wearable tech
- ✓ Apple Music (2015): subscription-based music ⊕



## 2020-Present: Continued Growth and New Services

- ✓ Apple Silicon (2020): Intel-based to own ARM-based
- ✓ Apple Fitness+ (2020): subscription-based service
- ✓ Apple TV+ (2019): video streaming service



The outcome: diversification of revenues!!!



*\_Revenues*

Product

Service

Product (+)

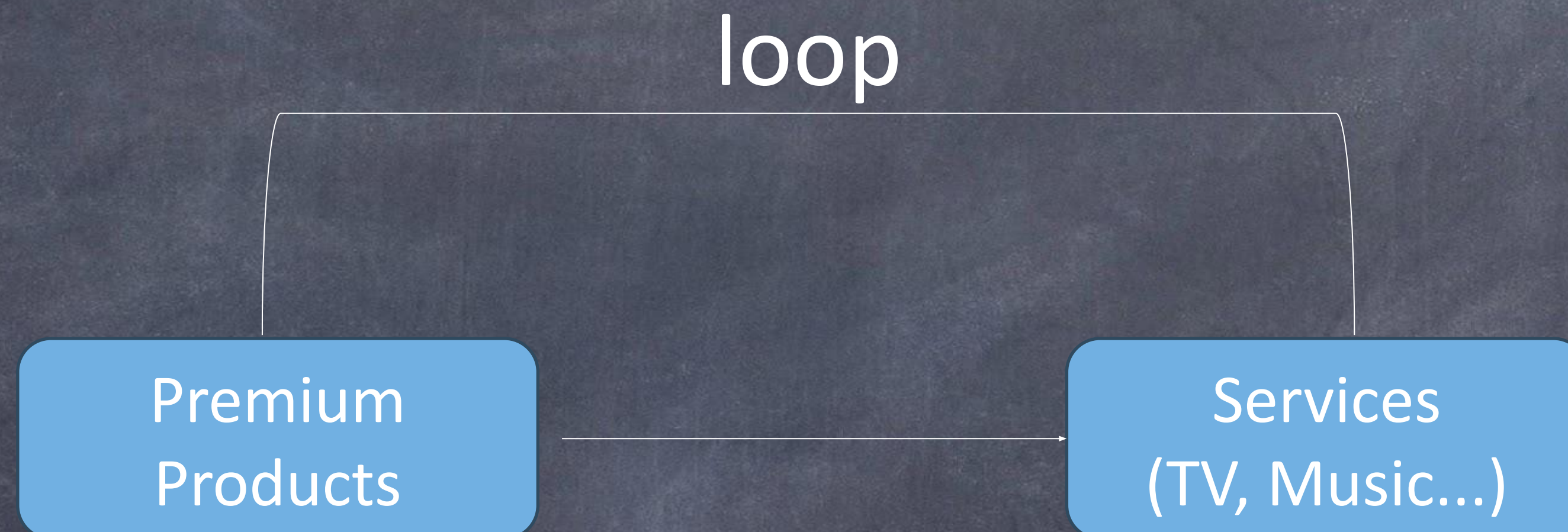
Engine













Different ways to generate revenues:

- ✓ Subscription models
- ✓ Other recurring revenues
  - ✓ Freemium
  - ✓ Dynamic pricing
  - ✓ Marketplace
  - ✓ ...



# The case of Instagram





## 2010-2012: Early Growth and Acquisition

- ✓ Launch (2010): photo-sharing app was introduced with its user-friendly interface and filters
- ✓ iOS (2012): expansion to iOS users, further increasing its user base and visibility
- ✓ Acquisition (2012): by Facebook on April 9



## 2013-2016: Monetization Initiatives

- ✓ Sponsored Posts (2013): business to promote their products and services to a broader audience
  - ✓ Direct (2013): private messaging
  - ✓ Ads (2015): various advertising formats
- ✓ Business Profiles (2016): analytics and promotion



## 2016-2018: Expansion and New Features

- ✓ Stories (2016): competition with Snapchat
  - ✓ Live (2016): live streaming
- ✓ Shopping tags (2018): business to tag products



## 2019-2021: Diversification and E-commerce Focus

- ✓ IGTV (2018): ability to share longer videos
  - ✓ Reels (2020): competing with TikTok
- ✓ Checkout (2019): users to purchase products



## 2022-Present: Further Monetization and Enhanced Features

- ✓ Creator Shops (2022): ability to sell merchandise
- ✓ Reels (2020): ability to include sponsored content





*\_Revenues*

First two years: NO revenues  
(...)





*\_Revenues*

IG way to monetize is to grow first, then sell



*\_Revenues*

The case of Uber



Revenues

As a leveraged platform?



As a leveraged platform?

✓ Real-time Demand-Supply Analysis



As a leveraged platform?

- ✓ Real-time Demand-Supply Analysis
  - ✓ Surge Zones Identification



As a leveraged platform?

- ✓ Real-time Demand-Supply Analysis
  - ✓ Surge Zones Identification
  - ✓ Encouraging More Drivers



As a leveraged platform?

- ✓ Real-time Demand-Supply Analysis
  - ✓ Surge Zones Identification
  - ✓ Encouraging More Drivers
    - ✓ Dynamic Adjustment



To come:

✓ An analysis of Costs



See you on next session :)