

CASE STUDY

How Conversion Optimization From VWO Helped Powtoon Increase Its Revenue By 27.9%

27.9% ▲

REVENUE



INDUSTRY
Internet Software Services

COMPANY SIZE
51-200 employees

LOCATION
London, UK

CAPABILITIES USED
Conversion Rate Optimization

About PowToon

PowToon offers SaaS-based animation software services. Launched in 2012, the London-based company has over 12 million users worldwide. Powtoon uses its tool to create funny and engaging explainer videos. Its customers come from various business verticals.

Objective

PowToon's pricing model was based on features such as watermark removal, privacy control, quality, export options, and others. Storage was a recently-added feature.

Powtoon offered 3 plans:

- A free plan offering 100 MB storage
- A \$19 monthly pro plan that offered 2 GB storage
- A \$59 monthly business plan that offers unlimited storage

This is how PowToon's pricing page originally looked:



For any SaaS firm, the pricing page is closest to the funnel, so PowToon believed that optimizing this page would drive conversions.

Solution

Dan Rimon, Director of Product at PowToon, hypothesized that the “unlimited storage” feature offered under the business plan was an unquantifiable and vague commodity whose true value could not be perceived by prospective buyers.



We didn't know exactly how our target audience would perceive the 'storage' capability. Both our business plans (unlimited and 2 GB) offer practically unlimited storage. The fact that we were not able to crunch the feature in real numbers (unlimited) may have been leading to the wrong perceived value.



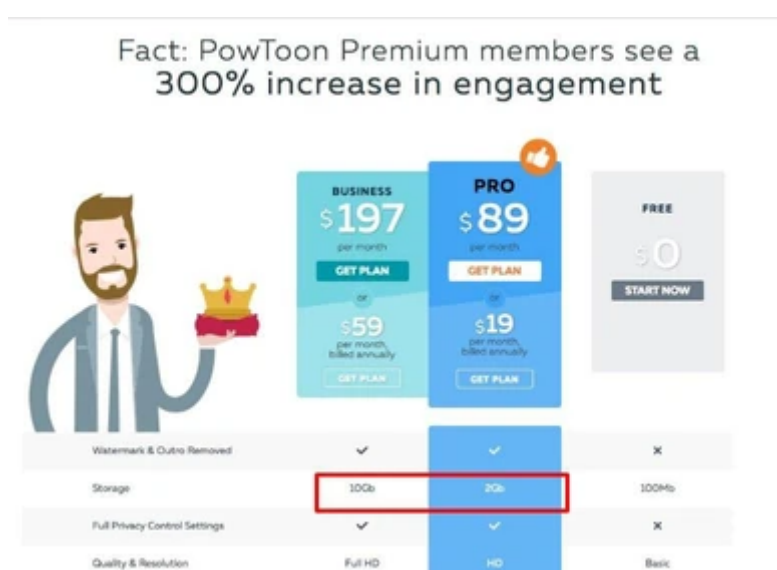
Dan Rimon
Director of Product



PowToon selected VWO services to test out different pricing levers. The plan was to test different storage values for the Pro and Business plans. Dan tested 3 versions against the original (which offered Unlimited versus 2 GB storage for the Pro and Business plans, respectively):

- 10 GB storage in the Business plan and 10 GB storage in the Pro plan
- 2 GB storage in the Business plan and 2 GB storage in the Pro plan
- 10 GB storage in the Business plan and 2 GB storage in the Pro plan

The third version with 10 GB storage for the Business plan versus 2 GB storage for the Pro plan turned out to be the winner. Here's the winning version.



The 27.9% increase in revenue was attributed to the new pricing page clearly enabling visitors to perceive the difference in value between the 10 GB and 2 GB options.



We attribute the results of the test to our users' abilities to really understand the value they were getting. Users responded better to a real number (10 GB) than “unlimited,” which frankly sounds lovely but is hard to quantify.



Dan Rimon
Director of Product



Conclusion

Delighted with the 27.9% increase in the revenue as a result of tweaking and testing its pricing page, PowToon has taken the route to continuous testing of its pricing page to keep optimizing it. Their product team runs a test every two weeks and shares the results and learnings internally- even if the test results are inconclusive.

Having tested the effect of storage plans as a revenue driver, the PowToon team used VWO solutions to test if the way their monthly and annual pricing plans were displayed psychologically impacted the way visitors chose a particular plan.

Although the original version outperformed the variation in this case, they nevertheless made this cool video to share the results internally. The ability to build hypotheses about different aspects of their website and test them has helped in transparent and objective decision-making within PowToon's web team.

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