Category

Data & AI

AI-Native Business Model Design & Monetization Playbook

Pricing and packaging AI capability as a genuine product, not a feature bolted onto the old price list

- Executive
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- Administrator
- 07 October 2021
- 4 minute(s)

Overview

A framework for designing AI-native business models and monetization strategy — outcome-based pricing, usage-based models suited to AI's variable cost structure, and packaging decisions that reflect genuine AI value delivery, rather than defaulting to traditional software pricing models that don't fit AI's distinctive economics.

Why doesn't traditional per-seat software pricing work well for

AI products? AI capability often has a genuinely different cost structure (variable compute cost per usage) and value delivery pattern (outcome achieved, not just access granted) than traditional software, making flat per-seat pricing a frequent mismatch that either underprices

heavy usage or overprices light usage.

What's the most common monetization mistake in AI product

launches? Defaulting to a traditional software pricing model without reassessing whether it fits the AI product's actual cost structure and value delivery pattern — an easy default that often leaves genuine value capture on the table or creates unsustainable margin dynamics.

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