Category

Commercial Excellence

Pricing Architecture & Value Metric Design Playbook

Choosing a value metric that scales with what the customer actually gets, not what's easiest to bill

- Executive
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- Administrator
- 23 March 2018
- 3 minute(s)

Overview

A framework for pricing architecture and value metric design — selecting a pricing metric that genuinely scales with customer-perceived value, avoiding the common mismatch between billing convenience and genuine value alignment that produces pricing customers perceive as unfair or that doesn't scale appropriately as usage grows.

What makes a pricing value metric "good" versus just convenient

to bill? A good value metric scales proportionally with the value the customer actually receives — customers perceive pricing as fair when it tracks genuine value received, while a metric chosen purely for billing convenience can feel arbitrary or unfair even if administratively simpler.

What's the most common value metric design mistake?

Choosing a metric that's easy to measure and bill (seats, for instance) without validating whether it actually correlates with the value customers perceive receiving, producing pricing that customers push back on because it doesn't feel aligned with genuine value.

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