Category

Commercial Excellence

Pricing for SaaS Tiers, Add-Ons & Usage Models Playbook

Designing tiers and add-ons around genuine customer segments, not arbitrary feature bundling

- Practitioner
- Intermediate
- Template Included

- Administrator
- 02 April 2022
- 3 minute(s)

Overview

A framework for SaaS tier, add-on, and usage model pricing design — structuring tiers and packaging around genuine customer segment needs and willingness to pay, avoiding arbitrary feature bundling that doesn't align with how different customer segments actually value and want to purchase the product.

How should SaaS companies decide which features belong in which

pricing tier? Based on genuine customer segment needs and willingness to pay for specific capabilities, validated through direct research — not arbitrary internal judgment about what feels like a reasonable progression, which frequently doesn't align with how customers

actually value different features.

What's the most common SaaS tier design mistake?

Bundling features into tiers based on internal assumption about logical progression rather than validated customer segment value perception, producing tiers that don't align with how different customer segments actually want to purchase and use the product.

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