

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
- 27 September 2020
- 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.

```
{ "@context": "https://schema.org", "@type": "FAQPage", "mainEntity": [ { "@type": "Question", "name": "How should SaaS companies decide which features belong in which", "acceptedAnswer": { "@type": "Answer", "text": "pricing tier?\nBased on genuine customer segment needs and willingness to pay for\nspecific capabilities, validated through direct research — not\narbitrary internal judgment about what feels like a reasonable\nprogression, which frequently doesn't align with how customers
```

actually\nvalue different features." } }, { "@type": "Question", "name": "What's the most common SaaS tier design mistake?", "acceptedAnswer": { "@type": "Answer", "text": "Bundling features into tiers based on internal assumption about\nlogical progression rather than validated customer segment value\nperception, producing tiers that don't align with how different\ncustomer segments actually want to purchase and use the product." } }] }

Subscriber access

Unlock this playbook

This playbook — including every framework, template, and step-by-step section — is available free to Think Insights subscribers. Enter your email to unlock it instantly and get our weekly insights newsletter. No account needed, and access is remembered on this device.

First Name

Last Name

Email

Country

I agree to data processing in accordance with GDPR

Leave this field blank

References

Related playbooks

Commercial Excellence

Indirect Route-to-Market Optimization Playbook

A framework for indirect route-to-market optimization — evaluating and selecting indirect channel structures (distributors, resellers, agents) based on genuine

- Executive
- Advanced
- Template Included

[Read playbook](#)

Commercial Excellence

Joint Go-to-Market & Co-Marketing with Partners Playbook

A framework for joint go-to-market and co-marketing with partners — structuring genuinely shared investment, aligned objectives, and joint accountability, avoid

- Practitioner
- Intermediate
- Template Included

[Read playbook](#)

Commercial Excellence

Margin Management & Mix Optimization Playbook

A framework for margin management and product/customer mix optimization — deliberately steering commercial effort toward higher-margin mix, using genuine margin

- Executive
- Intermediate
- Template Included

[Read playbook](#)

Talk to us about SaaS pricing design

Tags

- SaaS Pricing
- Tier Design
- Usage-Based Pricing

Author

Administrator

Think Insights Administrator