

SaaS Pricing Strategies & Models

Cheat Sheet

STRATEGIES

1

Penetration

Positioning:
new to the market

Packaging:
introductory /
temporary offer

Pricing:
low, discounts, low fees

Example:
Netflix

2

Captive

Positioning:
affordable entry-
level

Packaging:
single product, extra
plans

Pricing:
low or free for core
product

Example:
Semrush

3

Skim

Positioning:
premium, innovative

Packaging:
exclusive offer, high-
quality

Pricing:
high, goes down over
time

Example:
Apple

4

Prestige

Positioning:
luxury, high-end

Packaging:
single offer, rounded
price

Pricing:
high and stays high for
lifecycle

Example:
Hubspot Sales Hubv

5

Free Trial

Positioning:
entry-level product

Packaging:
limited-time free trial

Pricing:
free for a set amount
of time

Example:
Adobe CC

6

Cost Plus

Positioning:
newcomer to the
market

Packaging:
engineered for
specific price tiers

Pricing:
tied directly to the
formula

Example:
Everlane

7

Value-based

Positioning:
useful, valuable product

Packaging:
value-based packages

Pricing:
low or free for core product

Example:
Starbucks

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M O D E L S

A

Flat-Rate

Definition:
single flat price for the entire user base

Great for:
simple products & single users

Example:
The New York Times

B

Usage-based

Definition:
pay based on how much you use.

Great for:
trackable products

Example:
AWS

C

Tiered

Definition:
multiple packages with various prices

Great for:
standard expected pricing

Example:
Semrush

D

Per-user

Definition:
single price point for one seat

Great for:
customers who aren't growing

Example:
Hubspot Sales Hub

E

Per-active-user

Definition:
same as per user, inactive users don't get billed

Great for:
large enterprises with inactive users

Example:
Slack

F

Per-feature

Definition:
mix and match features

Great for:
complex products & use cases

Example:
AWS Price Calculator

H

Freemium

Definition:
free product, paid extra plans / features

Great for:
businesses that can support a large user base

Example:
YouTube

In the SaaS universe, getting pricing right from the start is key to our survival and growth. If we can marry pricing with product design, flexibly adapt to customer demands, and harness insights from data, we've got a winning formula. Essentially, it's about using the unique strengths of the subscription model to keep delivering value to our customers that's off the charts.



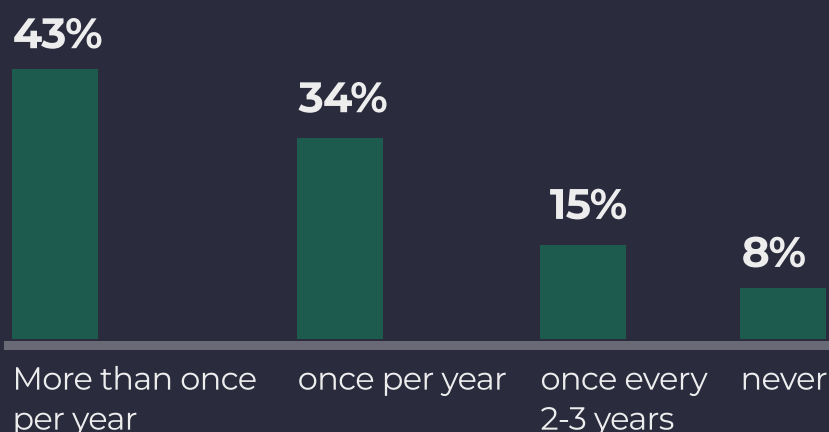
Philipp Wolf
Founder & CEO - Custify

Pricing is an Ongoing Struggle

According to [Openviewpartners](#), nearly four-in-five successful SaaS companies said they change their pricing at least once per year, and most of those change pricing multiple times per year. Later stage companies do tend to revisit pricing less frequently than earlier stage ones, but even they still revisit it once per year on average.

Pricing is never 100% done

Frequency of revisiting pricing



Takeaways

- You can expect to ever “set and forget” your pricing
- Pricing need to be revisited on a regular basis looking at data points like win/loss, average, deal size, conversion rates, discounting behavior and competitor pricing.

