

SaaS Pricing Strategy Checklist

Understand Your Target Audience

Define your Ideal Customer Profile (ICP):

- Identify the demographics of your ideal customer (e.g., company size, industry, location).
- Understand their psychographics (e.g., values, goals, challenges, motivations).
- Analyze their technographics (e.g., existing tech stack, preferred software, technical expertise).
- Create detailed buyer personas to represent your ICPs.

Assess Customer Needs:

- Identify the specific problems your SaaS solves for your ICP.
- Understand their critical needs, frustrations, and pain points.
- Analyze how your SaaS addresses these needs better than alternatives.
- Conduct customer interviews, surveys, and focus groups to gather feedback.

Determine Willingness to Pay:

- Assess the perceived value of your SaaS to your ICP.
- Quantify the value your SaaS delivers (e.g., time savings, cost reductions, increased efficiency).
- Conduct pricing surveys or experiments to gauge price sensitivity.
- Research industry benchmarks and competitor pricing.

Choose a Pricing Model

Analyze Your Options:

- Consider factors like value proposition, target audience, competitive landscape, revenue goals, and implementation complexity.

Evaluate the pros and cons of different pricing models:

- Flat-rate pricing
- Usage-based pricing
- Tiered pricing
- Freemium
- Hybrid pricing

Select the Best Fit:

- Choose the pricing model that best aligns with your overall business strategy and target audience.
- Ensure the chosen model reflects the value you deliver and supports your revenue goals.

Set Your Prices

Determine Your Pricing Strategy:

- Consider different pricing strategies:
 - Cost-plus pricing (calculate costs and add a markup)
 - Value-based pricing (price based on perceived value)
 - Competitive pricing (align prices with competitors)

Analyze Key Metrics:

- Calculate your Customer Lifetime Value (CLTV).
- Determine your Customer Acquisition Cost (CAC).
- Set your desired profit margins.

Set Price Points:

- Establish specific price points for each plan or tier.
- Ensure your prices reflect the value you offer and are competitive in the market.

Refine and Optimize

Test and Iterate:

- Continuously monitor key metrics (e.g., conversion rates, churn rate, ARPU).
- Experiment with different pricing models and strategies using A/B testing.
- Analyze results and gather customer feedback to identify what works best.

Adapt and Adjust:

- Regularly review and adjust your pricing strategy based on market trends, customer feedback, and performance data.
- Remain flexible and willing to adapt your pricing as your business evolves.