

Checklist for Implementing SaaS Tiered Pricing

Phase 1: Foundation & Strategy

- ☐ **Understand Your Customers:** Identify core customer segments, their unique needs, size, budget indicators, and how they derive value from your product.
- ☐ **Analyze the Market:** Conduct a detailed analysis of competitor tiered pricing models, their differentiation, and price points.
- ☐ **Define Your Tier Basis:** Choose the primary metric for differentiation (Feature, Usage, User Count, or Hybrid) that best aligns with customer value and your cost structure.
- ☐ **Determine the Number of Tiers:** Decide on the optimal number of standard tiers (often 3-4) to cover your segments without causing confusion.

Phase 2: Building & Pricing Tiers

- ☐ **Differentiate Each Tier:** Define the specific features, usage limits, user counts, and support levels included in each chosen tier. Ensure clear value progression between tiers.
- ☐ **Calculate Costs:** Estimate the operational and support costs associated with delivering service at the scale required for each tier.
- ☐ **Assess Customer Value:** Quantify the value (e.g., ROI, time saved) your SaaS provides to the target segment of each tier.
- ☐ **Set Price Points:** Determine monthly and annual prices for each tier based on costs, perceived value, and competitor benchmarks, considering volume discounts if applicable.
- ☐ **Define Pricing Logic:** Establish clear rules for annual discounts, overages (if usage-based), and upgrade/downgrade handling.

Phase 3: Optimization & Growth

- ☐ **Evaluate Complementary Models:** Decide if adding a Freemium tier or specific Add-ons makes strategic sense for your product and market.
- ☐ **Establish Key Metrics Tracking:** Set up systems to monitor critical tiered pricing performance indicators like Expansion MRR, Upgrade MRR, and Net Revenue Retention (NRR) by tier.
- ☐ **Plan for Ongoing Review:** Schedule regular intervals (e.g., quarterly, annually) to monitor performance metrics, gather customer feedback, and assess the need for tier or pricing adjustments.