SaaS Willingness to Pay (WTP) Checklist

This checklist provides a sequence of actionable steps to calculate, validate, and optimize your SaaS pricing based on customer WTP.

Phase 1: Foundation & Planning

- [ ] Define 3-5 distinct customer segments (e.g., SMB, Mid-Market, Enterprise) with specific pain points.
- [ ] Identify the primary **Value Metric** (e.g., usage, managed contacts, API calls) that aligns price with customer benefit.
- [ ] **Calculate License Utilization Rate:** Determine the rate for each application using the formula: Active Users / Licenses Purchased. Flag any app below 50% utilization as potential waste.
- [ ] Confirm that your chosen value metric scales profitably with your internal costs to avoid negative profit margins at high usage.
- [ ] List the top 5 product features that generate the most measurable value (ROI) for your customers.

Phase 2: WTP Research & Data Collection

- [ ] Prepare and launch a **Van Westendorp Price Sensitivity Analysis** survey across all defined customer segments (aim for $\approx 100-200$ responses per segment).
- [ ] Analyze the Van Westendorp data to pinpoint the **Optimal Price Point** and the acceptable price range for each segment.
- [ ] Implement a **Conjoint Analysis** study to determine the exact value (utility) customers place on high-value features and feature combinations.
- [ ] Gather competitive pricing data to establish a market context, but do not use it as the sole basis for your price setting.

Phase 3: Validation & Packaging

- [ ] Run a **Fake Door Test** on your website to validate the purchase intent for your target WTP price before full product development.
- [ ] Launch A/B tests on your live pricing page, experimenting with price points $\approx 15-25\%$ higher and lower than your WTP target.
- [ ] Compare Conversion Rate vs. ARPU from A/B tests to determine the most profitable price point.
- [ ] Design **Value-Based Packaging** by structuring tiers where price jumps align with measurable increases in customer value (e.g., capacity, speed).
- [ ] Create **Strategic Price Fencing** (e.g., lock SSO, $24/7$ support) to ensure high-WTP segments (Enterprise) must purchase premium tiers.

Phase 4: Optimization & Growth

- [ ] Implement continuous tracking for key metrics broken down by plan tier: **Churn Rate**, **ARPU**, and **LTV**.
- [ ] Invest in high-WTP-driving activities like improving product quality and adding high-value integrations.
- [ ] Ensure marketing collateral clearly articulates the product's **Return on Investment (ROI)** rather than just listing features.
- [ ] Schedule a comprehensive WTP re-evaluation (research and testing) at least once per year to adjust pricing to market changes.