

# Price Elasticity Checklist

Use this checklist to prepare, execute, and analyze your SaaS pricing experiments with precision. This sequence ensures you capture clean data while minimizing the risk to your existing revenue streams.

## Phase 1: Pre-Calculation Setup & Data Hygiene

- Define the specific user cohort for the test to ensure external variables like geography or industry do not skew your baseline.
- Record the current starting price () including any active discounts or legacy "grandfathered" rates.
- Calculate the current average revenue per user (ARPU) to establish a revenue baseline.
- Export the exact number of active, paying subscriptions () for this cohort over the last three billing cycles.
- Confirm that no major product updates or marketing campaigns are scheduled during the 60-day testing window.
- Evaluate the competitive landscape analysis to ensure a competitor isn't running a counter-promotion.

## Phase 2: Pricing Experiment Execution

- Determine your new target price using SaaS price anchoring techniques to maintain perceived value.
- Update your SaaS pricing page for new sign-ups only to test new user elasticity without impacting current renewals.
- Document the exact date and time the price change goes live for accurate "Before vs. After" comparison.
- Monitor your SaaS lead generation volume to see if higher prices immediately slow down top-of-funnel traffic.
- Track the trial conversion rate daily for the first 30 days of the new pricing.

## Phase 3: Calculation & Financial Impact Analysis

- Gather the new quantity of active subscriptions () at the end of the first full billing cycle.
- Input your and into the Midpoint Price Elasticity Formula.
- Compare the resulting elasticity coefficient against your customer acquisition cost (CAC).
- Use a SaaS churn rate calculator to determine if the price hike caused a churn spike exceeding your revenue gains.
- Verify if the increased revenue pushes your business into new SaaS sales tax thresholds in specific jurisdictions.

## Phase 4: Branding & Retention Alignment

- Identify features with low usage and remove them from the core bundle to improve SaaS pricing optimization.
- Deploy b2b brand awareness tactics that justify the price increase through new case studies or whitepapers.
- Review your customer lifetime value (CLV) to ensure the long-term ROI is higher despite potential volume loss.
- Schedule a follow-up customer churn analysis for 90 days post-implementation to capture lagging reactions.