

2025 SBI SPRING REGIONAL SUMMIT

MAY 13-14, 2025 ATLANTA, GEORGIA

BLUEPRINT

for Sustainable Growth



Driven by Insights
Delivered from Experience



Adjusting Pricing & Packaging for Today's Buyer

May 2025



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1

**A powerful but often misunderstood
growth lever in SaaS**

Pricing is a powerful, but often neglected and misunderstood, SaaS growth lever

Profitability impact

10% price increase



**12.5% boost to
profit margin**

Growth impact¹

Companies that cite “company strategy” as the primary driver of pricing decisions are **most likely more likely to outperform growth targets** than those who base pricing on costs, competitors, or even customers alone

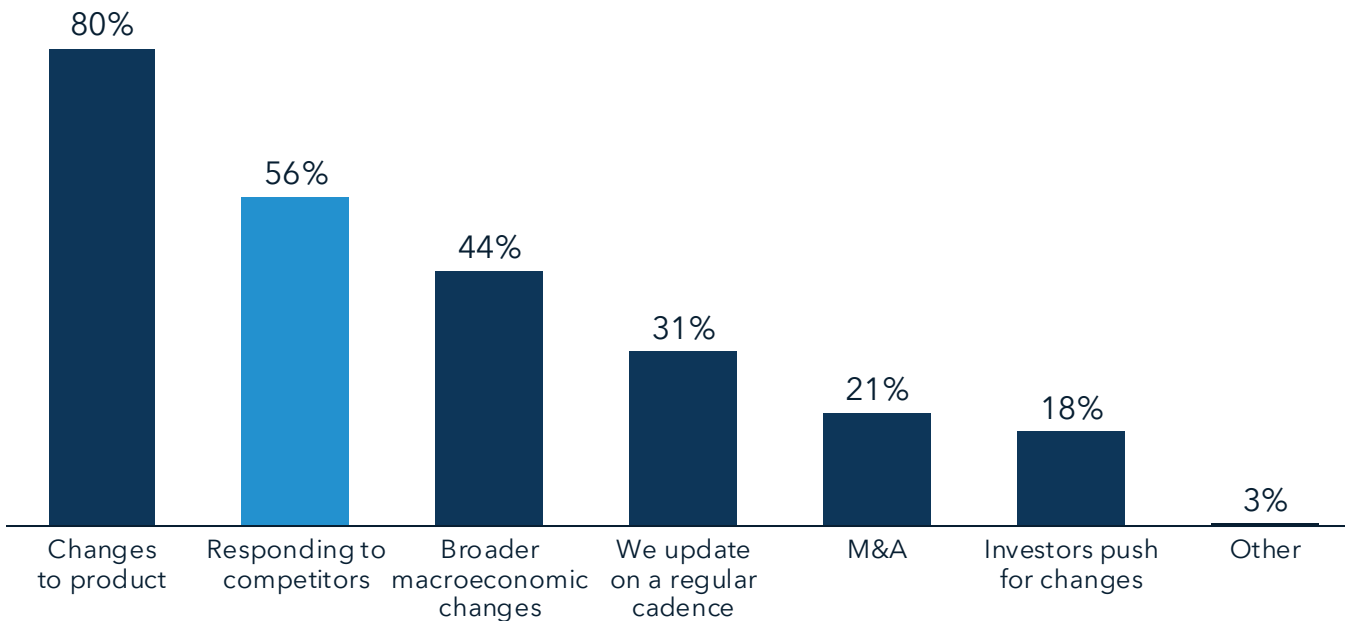
¹ SBI's 2025 State of SaaS Report

2

Prevent desperation pricing

80% of the market adjusts pricing in response to product changes (proactive), but 56% of the market updates in response to competitors (reactive)¹

Reasons for Pricing Changes



Insights:

- Reacting isn't bad, unless it's on their terms
- More than half the market follows vs. leads
- This can lead to "Frankensteined" packaging - disjointed and not customer centered

¹ SBI's 2025 State of SaaS Report

Success requires proactive pricing

and precise, disciplined responses to market shifts

Proactive strategies that win:

1. New capabilities or features that warrant increasing the product's price
2. Pricing model evolution
3. M&A activity

Reactive pricing isn't always a bad thing:

1. Price adjustments based on usage patterns, customer preferences, & product value propositions
2. Package refinement
3. Value messaging adjustment

There are a variety of strategic actions you can take, both today and over the next few months, to mitigate the effects of economic uncertainty

Today:

1. Increase prices of sticky add-on's
2. Multi-year contracts
3. Smart bundling

Medium / long term:

1. Add new product features that warrant increasing the product's pricing
2. Increase prices for highly adopted products
3. Don't shy away from decreasing prices in products with lower adoption
4. Move towards usage-based pricing
5. Processes

more than **20%**

of companies reported having a primarily usage-based model¹

3

How to execute pricing changes while mitigating friction & churn

Pricing changes succeed when messaging and internal teams clearly communicate customer value and practical details

A lot has changed in Slack—and the world—since we launched. Over the years, we've released so many innovations and expanded our offerings, including flexible tools to connect in more ways, robust security features, app integrations, workflows, and much more. What some people may have once thought was "just another messaging app" has now become the indispensable [digital HQ](#) for hundreds of thousands of customers, connecting their teams, tools and partners in one place.

Value is clearly communicated:

- "...we've released [so many innovations and expanding our offerings](#)."
- Appeals to customers' sense of fairness – pricing isn't going up because of costs, but because of additional value customers can enjoy

Pro users

On September 1, 2022, monthly Pro plans will increase from \$8 USD to \$8.75 USD per user per month, and annual Pro plans will increase from \$6.67 USD to \$7.25 USD per user per month (pricing for other countries is available [here](#)).

What / who / how much / when
are clearly communicated

Current customers on an annual Pro plan can lock in the existing annual rate of \$6.67 USD per user per month for another year by early-[renewing the annual Pro plan](#) before September 1. Customers currently on a monthly Pro plan can also lock in the existing annual rate for one year by [switching to an annual Pro plan](#) before September 1.

Incentivize renewals & include resources to easily facilitate (CTA's)

¹ [Image source](#) – note that the blog post images aren't exhaustive / reflective of the entire communication

Southwest Airlines Case Study

What not to do when changing your pricing

March 2025

Robert E Jordan
Southwest Airlines CEO

"The short answer is that it's about securing our future. **We're announcing changes to our business that will help us return to the levels of profitability we all expect, and to support our collective long-term success.**

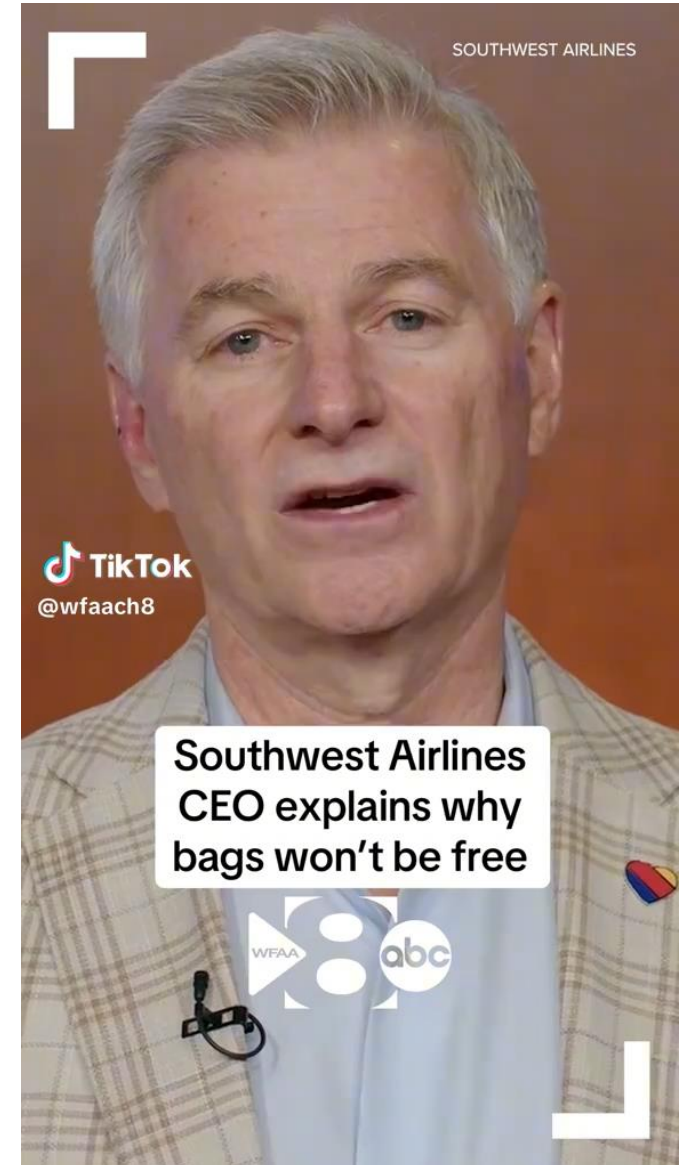
Customers don't care about your margins - they care about the value they get

Core lesson: **always lead with value**

It's also about adapting to what our customers want. Many things have changed post-COVID. The loss of short-haul demand, a rise in premium demand, and a change in customer preferences. They're more than the logo on our planes.

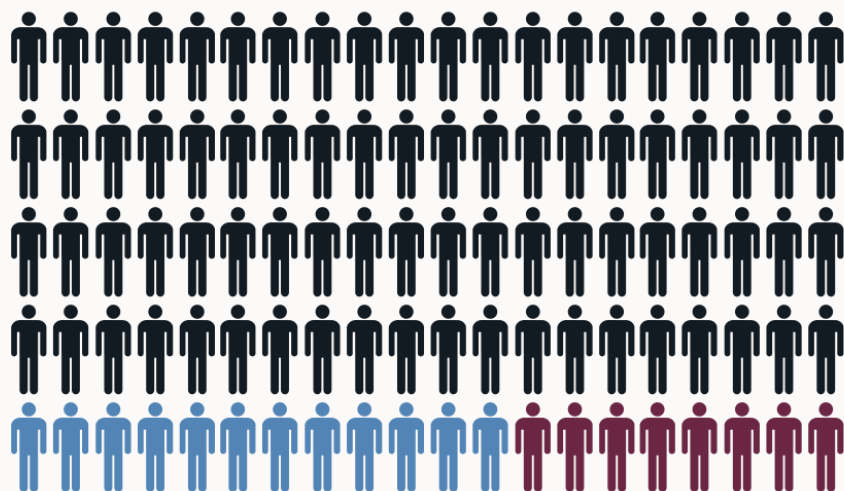
Our DNA isn't open seating, or even bags fly free. It's a dedication to service and hospitality, and to the golden rule for each other and for our customers. **It's our commitment to customer service that is in a class of its own. A strong network with the most non-stop flights in the U.S., and a loyalty program that delivers real value to Rapid Rewards members.**"

Southwest *should've* led with this statement



4 AI pricing: hype vs. reality

Despite the market's hype, AI products drive low adoption and engagement - especially when AI is sold as an add-on¹



Of **100** Net New Customers
Only **20** will buy your AI add-on
And only **8** will ultimately use it

Insights:

Companies selling AI-powered features as add-ons see just 8% adoption - add-on's are not an effective way to monetize AI

¹ SBI's 2025 State of SaaS Report

AI revenue potential is capped by pricing that misrepresents value, creates barriers to use, and limits scalability

What's not working

- 1 Offering AI as an add-on
- 2 Misaligned pricing model with product value
- 3 Per-seat pricing models
- 4 Overly complex credit systems

3 *Jasper AI:*

Creator	\$39 month/ seat	Pro	\$59 month/ seat
Powerful AI features to create & improve your content everywhere you work online.		Advanced AI features to create content for multiple brands & collaborate on campaigns.	

4 *Eleven Labs:*

Free	Starter	Creator	Pro
For individuals who want to try out the most advanced AI audio	For hobbyists creating projects with AI audio	For creators making premium content for global audiences	For creators ramping up their content production
10k credits/month	30k credits/month	100k credits/month	500k credits/month
\$0 per month	\$5 per month	<div>FIRST MONTH 50% OFF</div> <div>\$22</div> <div>\$11 per month</div>	\$99 per month

Companies winning with AI pair value-driven pricing models with simplicity and tight internal execution

What is working

- 1 Bundled into higher tiers
- 2 Usage and outcome-based models
- 3 Simple credit systems
- 4 Internal alignment

2 *Intercom's Fin AI:*

**Just \$0.99 per resolution
for human-quality service**

With Fin, you only pay for the outcome you care about most—resolved conversations. There's no minimum spend, and you can manage your usage by using limit controls.

[View demo](#)

[Contact sales](#)

3 *Microsoft's Copilot:*

What are AI credits?

AI credits measure your use of AI features within Microsoft 365 and Windows applications. Each action you take involving AI, such as generating text, creating a table, or editing an image, uses a credit. For example, asking Copilot to “summarize my inbox” would deduct one AI credit. Your AI credits will deduct automatically as you use Copilot.

Key takeaways



Pricing strategy is business strategy – revisit it regularly



Reactive pricing is smart if it's intentional and not desperate

Short-term plays: raise sticky add-on's pricing, introduce multi-year deals, & bundle smartly

Long-term moves: align pricing with adoption (raise/lower), shift toward usage-based models, & build effective governance structures



Your pricing strategy is moot without thoughtful execution – lead with customer value, align internally, consider full costs



Hype won't monetize AI – success comes from pricing that captures value, scales with use, and is backed by internal alignment

Double click: **key takeaways**

How to use pricing as a growth lever:

- **Pricing signals value** – it shapes internal and external perception
- **Small price increases drive big impact** – even modest changes create profit
- **Lead with strategy** – pricing should follow company goals, not competition
- **Execution is everything** – cross-functional collaboration is imperative
- **Pricing is not a side-project** – it requires regular iteration and focus
- **Make it a growth discipline** – review and test it like any core GTM lever

Make pricing work for you:

Proactive vs. Reactive:

- Lead, don't follow
- Price with intent & with alignment to customer value
- Balance proactivity with reactivity

Short-term plays:

- Raise prices of sticky add-ons
- Offer multi-year contracts
- Smart bundling

Longer term plays:

- Roll out features to justify price increase
- Align pricing with adoption (raise / lower)
- Move towards usage-based model
- Build effective governance structures

Executing pricing changes:

Considerations:

- Review pricing at least annually and avoid “set it & forget it”
 - Align with product announcements, market shifts & customer value
- Budget for the true cost of change
- Anticipate customer reaction
 - Transparency & value-based framing can mitigate risk

Tips for communication:

- Lead with value, not price
- Be specific & transparent
- Enable internal teams first
- Multi-channel, multi-touch rollout
- Incentivize & reward loyalty

AI pricing:

What's not working:

- Offering AI as an add-on
- Misaligned pricing model with product value
- Per-seat pricing models
- Overly complex credit systems

What's working:

- Bundled into higher tiers
- Usage and outcome-based models
- Simple credit systems
- Internal alignment

Additional Resources:

- Lindsay.Callahan@sbigrowth.com
- [2025 State of SaaS Report](#)
- [Pricing Leader Resource Center](#)

Pricing Leader Resource Center

Break out of reactive pricing with strategic tools, benchmarks, and real-world examples.



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- 1. Questions**
- 2. Subjects we didn't cover**
- 3. Learn more about how we can help**