Price Intelligently
by SBI

2025 State of SaaS Pricing Report

Part 1: 10 Insights for Building Market-Leading Pricing

Contents

Pricing: The most important (and misunderstood) SaaS growth lever 3

The Data 4

Build Market-leading Pricing & Packaging: 10 insights and recommendations 5

1. Sophisticated Pricing Is A Must-Have By $250M ARR
2. Complexity is the Rule, Not the Exception – Pricing Does Not Get Simpler by Default
3. Pricing via Intuition is Way too Common (and Kills Growth)
4. There's No Perfect Home for Pricing
5. Finding the Right Price Is the Hardest Part of SaaS Pricing
6. Company Strategy: The Least Used but Most Impactful Pricing Input
7. Outcomes-based Models are Still a Pricing Pipe Dream
8. Pure Usage-Based Pricing Officially Comprises 1/5 of SaaS
9. Selling AI Features As Add-On Destroys Adoption
10. Internal Alignment Is The Key To Effective AI Monetization

TLDR of 10 Pricing Insights: Advice for CEOs 15

How to revamp your pricing for H2 2025 16

Pricing: the most important (and misunderstood) SaaS growth lever

If you're not optimizing pricing in 2025, you're ignoring one of your most important levers for revenue retention and expansion.

98% of analyzed SaaS companies have some internal pricing function today. However, **nearly 60% of these companies still find pricing overly complex**, leading to muddled strategies and missed opportunities.

The result? There's huge growth potential and competitive upside for SaaS companies that *actually* understand pricing and can execute an effective strategy.

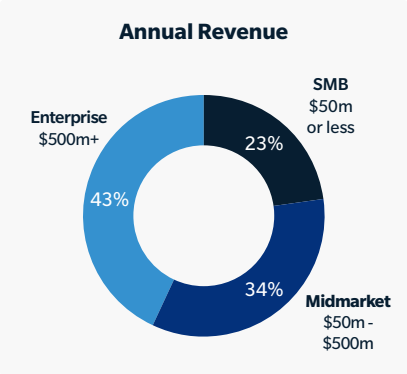
But what does a good pricing strategy look like? What tactics are working at similarly sized companies? How are SaaS leaders managing their pricing strategies, teams, and processes today?

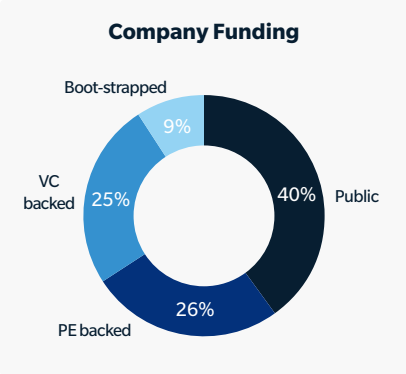
We surveyed **321 SaaS operators and executives** – all of whom own or influence pricing decisions – to dig deep into these and other challenges.

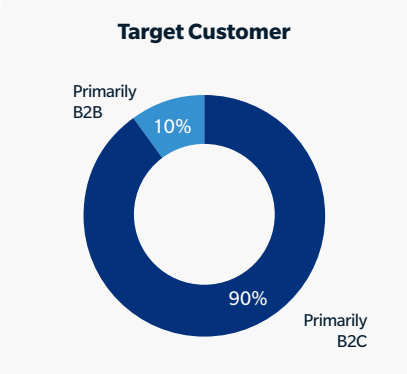
This report highlights the **10 pricing insights to help you hit your growth targets in 2025 and beyond**. Don't settle for pricing mediocrity. This report highlights the 10 pricing insights and recommendations from the 2025 State of SaaS Pricing Report to help you implement a best-in-class pricing strategy.

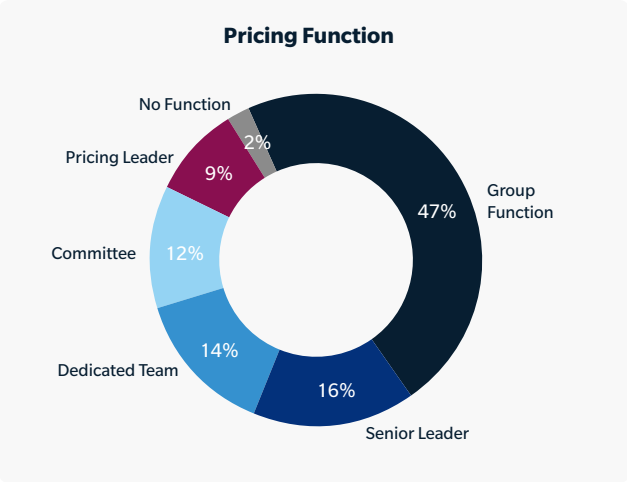
The Data

Below is the breakdown of responses from 321 SaaS operators and executives.









N = 321
Source: PriceInteligently 2025 State of Software Pricing Survey

Group Function: We have a group of people for whom pricing is part of their responsibilities.

Senior Leader: We have a senior leader (CMO, etc.) for whom pricing is part of their role.

Dedicated Team: We have more than one person who is specifically responsible for pricing strategy.

Committee: We have a formal pricing committee that meets regularly to determine pricing strategy.

Pricing Leader: We have one person specifically responsible for pricing strategy (Director of Pricing, etc.)

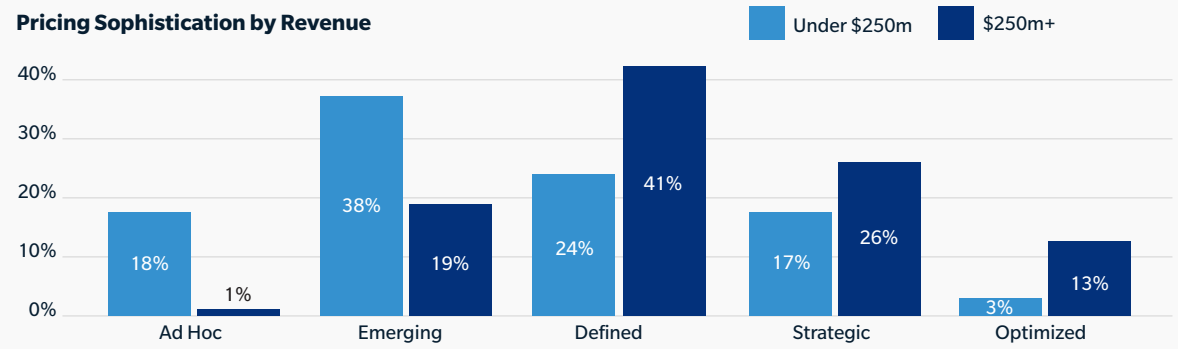
No Function: We don't have specific people or teams responsible for pricing strategy.

Build Market-leading Pricing & Packaging: 10 Insights & Recommendations

Don't settle for pricing mediocrity. These are the 10 pricing insights and recommendations from the 2025 State of SaaS Pricing Report to help you implement a best-in-class pricing strategy.

Sophisticated Pricing is a Must-Have by $250M ARR

TLDR: SaaS Companies at $50-250M ARR are still developing their pricing muscle - with more than 50% using an 'Ad Hoc' or 'Emerging' approach. **However, that switch flips at $250M** - nearly 70% of the market above and beyond this threshold have, at least, 'Defined' pricing sophistication - **If you're above this revenue threshold and still building, you're behind.**

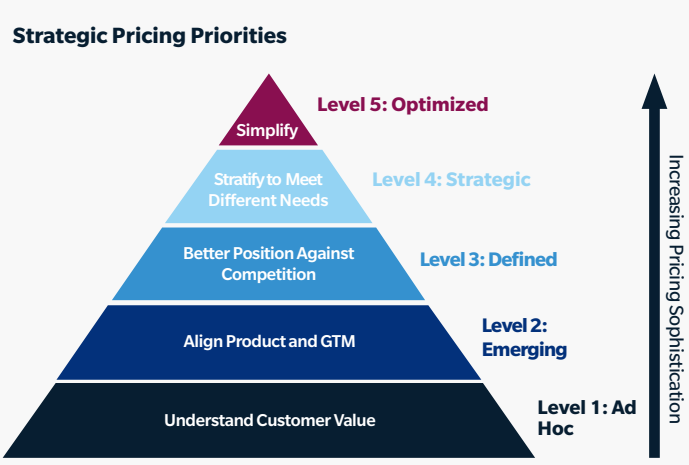


N = 321
Source: PriceInteligently 2025 State of Software Pricing Survey

RESEARCH HIGHLIGHTS

We asked operators to highlight their company's approach to Pricing and Packaging according to five levels of sophistication:

We also asked operators for their leading strategic pricing priority in 2025. **As companies' pricing approach grows increasingly sophisticated, strategic priorities evolve with strong correlation** - from better understanding customer value as a baseline for Ad Hoc operators to simplifying pricing for those truly Optimized pricing operators.



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Source: PriceInteligently 2025 State of Software Pricing Survey

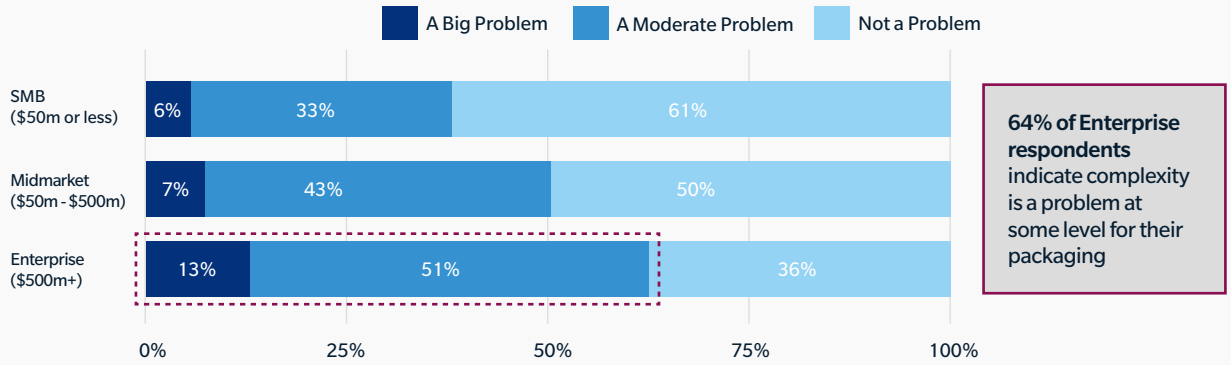
RECOMMENDATIONS

- Use the above framework to 'peek around the corner' at what your more advanced peers are prioritizing – and work to emulate. Defined pricing operators should focus on Stratification and Simplification to help accelerate their climb up the pricing sophistication ladder.
- If you're beyond $250M ARR but not yet at Level 3: Defined in sophistication, establish a pricing committee (leveraging recommendations cited in Insight #4) with a focus on cross-functional perspective, consistent process and continuous improvement to help progress levels.

Complexity is the Rule, Not the Exception – Pricing Does Not Get Simpler by Default

TLDR: The biggest problem across both pricing structure and packaging – reported by nearly 60% of all respondents – was **too much complexity, leading to confusion internally and externally.** This problem gets worse as companies grow larger with two-thirds of Enterprise reporting complexity as a leading pain point.

Packaging Pain Points - "Our packages are overly complex"



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Source: PriceInteligently 2025 State of Software Pricing Survey

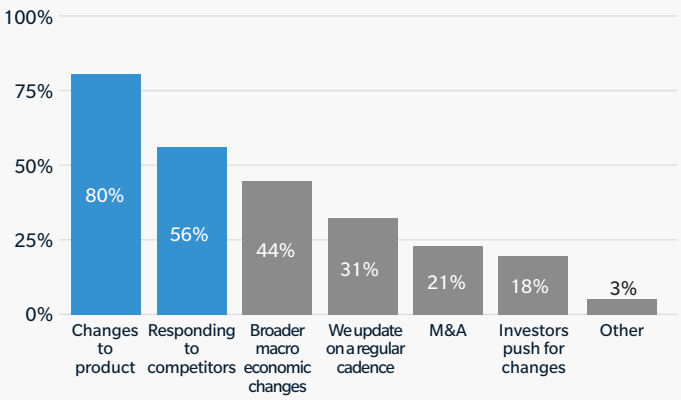
RESEARCH HIGHLIGHTS

Complexity proved more problematic than lacking scalability, alignment with customer segments and value, and enforceability of pricing rules.

As you grow, pricing becomes more complex due to product proliferation, M&A, and cross-functional overlap for those that haven't prioritized simplicity in their pricing process

80% of the market makes pricing and packaging updates in response to product changes and 56% in response to competitors – Reactive versus proactive pricing motions yield Frankensteined pricing structure and packaging rather than thoughtful, customer-centric orchestrations of your product

Reasons for Packaging Changes



N = 321
Source: PriceInteligently 2025 State of Software Pricing Survey

RECOMMENDATIONS

- **Refresh your customer account segmentations and segment definitions** as part of your commercial planning effort - *how* you price needs to align to *whom* you're pricing.
- Build pricing and packaging refreshes into your **M&A Integration Playbook** (pricing integration should carry similar weight to talent and technology).
- Make **SKU rationalization** part of your standard operating procedures – is this new SKU scalable or bespoke? Value-added or not? Differentiated or dilutive?

Pricing via Intuition is Way Too Common (and Kills Growth)

TLDR: The majority of SMBs (59%) rely heavily on 'Leadership Intuition' to set prices. However, the minority - SMBs that use objective approaches to guide pricing & packaging decisions - were nearly **10x more likely to exceed their growth targets than those led by Leadership Intuition.**

RESEARCH HIGHLIGHTS

SMB

Most founders don't get into the game because they're good at pricing. The earlier you **adopt an objective, rigorous approach to pricing** the sooner you'll become truly dangerous to your Midmarket and Enterprise counterparts.

Financial and usage data analyses are a resource-light alternative to market research and consultants to rigorously guide pricing decisions, **but more than 40% of SMBs aren't flexing this lever.**

Midmarket & Enterprise

You're 2x more likely to engage outside consultants on pricing than your SMB counterparts, affording you both a capacity and capability advantage.

RECOMMENDATIONS

SMB

- Use established, repeated processes to get pricing right and redirect leadership intuition towards product and GTM.
- Flex external market research and customer perspective to add confidence where possible. When this is too resource intensive, use financial and usage data to ground decisions in customer realities.
- When increasing prices on legacy customers, build customer cohorts based on the following considerations and adapt price increases by cohort to mitigate change risk:
  - Account History (upgrades, downgrades, price increases past)
  - Product Adoption (single vs. multi-product, denoting stickiness)
  - Feature Engagement (transactional vs. strategic feature user)
  - Proposed Price Hike (10% vs. 100% price jump will swing reception).
- Use telemetry data to assess real adoption of your product and features to gauge what's working vs. not.
- Pit this data against sales conversation data (via AI-enabled notetaking at scale) to see which value drivers and features resonate with the market at first blush and how that coincides (or conflicts) with usage to help design 'land' vs. 'expand' packaging.

Midmarket & Enterprise

- Use your elevated access to external consultants to better understand which smaller alternatives pose a real competitive threat to your installed base (versus those just making noise),
- Challenge leadership intuition with credible, objective third party perspective (so you don't fall into the same trap as SMB).

4 There's No Perfect Home for Pricing

TLDR: Although Product most commonly owns pricing across all segments (narrowly beating out Sales, Finance, and the CEO's Office in SMB; and Finance in Midmarket & Enterprise), **there's no consensus across SaaS on the perfect home for pricing.**

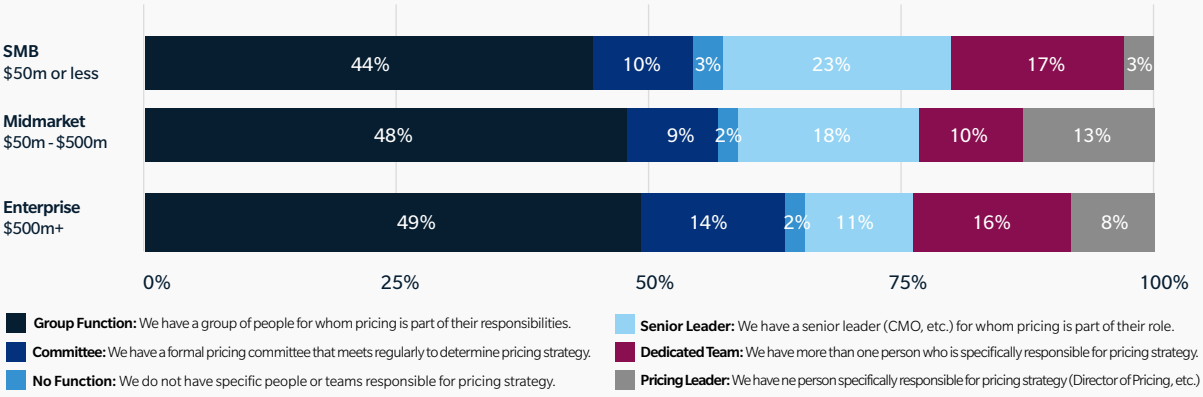
RESEARCH HIGHLIGHTS

Despite misalignment around *who* should make final SaaS pricing decisions, **90% of respondents think their company currently has the right answer here** (either no shoe fits every foot or we're seeing the Dunning-Kruger effect in action).

In 73% of SaaS companies, pricing is not the responsibility of just one person– it's organized around a functional group or committee. This is true regardless of company size.

A best-in-class pricing engine seeks input from every functional area. However, ruling by consensus leaves everyone responsible and no one accountable – hence the need for a cross-functional committee and a single decision-maker.

Pricing Function Structure



N = 321
Source: PriceInteligently 2025 State of Software Pricing Survey

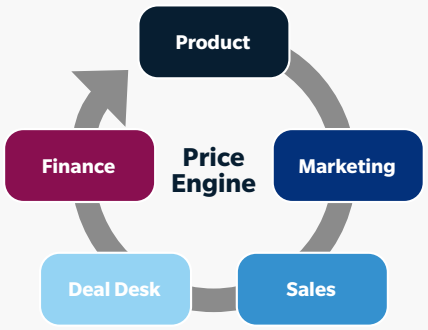
RECOMMENDATIONS

There is no one-size-fits-all approach, but as a rule of thumb your pricing committee should be: **cross-functionally informed and motivated and equipped to balance strategy and execution.** If you find pricing decisions are being made in a vacuum, or your committe delivers a lot of ideas by not a lot of action, you've missed.

For best effect, seek input from the following stakeholders on these subjects in this order:

- Product - builds the what (to price)
- Marketing - develops the why (we priced it that way)
- Sales - adds the how (prices land in-market and feeds back whether the why and what are still relevant)
- Deal Desk - adds the how not (to price it, based on the above)
- Finance - keeps score
- Rinse and repeat.

Sequence of Pricing Imput



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Source: PriceInteligently 2025 State of Software Pricing Survey

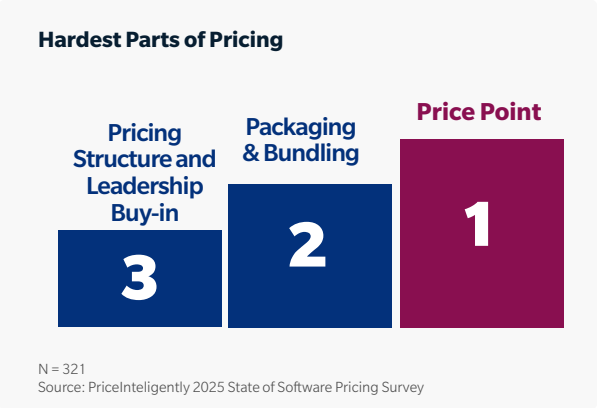
Finding the Right Price Is The Hardest Part of SaaS Pricing

TLDR: Despite increases in pricing research, rigor, and resource across SaaS, figuring out **what price to charge remains the most difficult part of SaaS pricing**. Price points are followed in difficulty by how to package, how to charge (pricing structure) and getting leadership buy-in for a change.

RESEARCH HIGHLIGHTS

Research Note: we asked respondents to rank the top three hardest parts of pricing and packaging - with '1' being the hardest. Options included figuring out...

- How much to charge
- How to charge
- How to package/bundle
- Enabling sales to execute
- Getting leadership buy-in
- Executing necessary product changes
- Implementing in financial/billing infrastructure
- Rolling out changes to existing customers.



Price Point. The dollar amount on the pricing page or proposal continues to strike fear into SaaS operators, begging the age-old question:" **am I over-charging and turning buyers away to competition or under-charging and leaving money on the table?"**

- **Identifying the ideal price point is especially difficult for Vertical SaaS (ranking 1.6 out of 3) - limited TAM means less room for error on price.**

Packaging. How you package your features and bundle your products is the second hardest element to get right in SaaS.

- **Packaging becomes difficult quickly.** Even SMBs, which are less likely to have multiple products or untenable product complexity, found packaging tough (ranking 1.8), signaling that packaging will get unruly without concerted effort and governance to rein it in.

Pricing Structure. How to charge for your product ranked third most difficult. Pricing Structure proves especially challenging early in the pricing journey – landing on the right value metric early can be the difference maker between scale and stagnation – as well as late – Enterprise scale demands models that flex and scale with a wide range of customer segments and use cases.

Garnering leadership buy-in for change tied with Pricing Structure for third most difficult. This is a good reminder that pricing is part art, part science, and part politics.

RECOMMENDATIONS

Pricing is hard – don't make it harder by trying to tackle it all at once. Isolate the component parts of pricing that are proving most difficult for your organization and work to resolve, considering interdependencies along the way. Here are some common pricing problem 'symptoms' to help:

You might have a pricing problem if...

PRICE POINTS	PACKAGING / BUNDLING	PRICING STRUCTURE
You don't lose any deals on price (or lose all on price due to sales strategy)	You offer multiple products but rarely see multi-product attach	Deals stall at contracting due to complexity or price-value mismatch
You sell internationally but don't localize for local price sensitivity	You serve multiple segments but have one-size-fits-all packaging (often customized to close deals)	NRR is weak even though churn is healthy
You're consistently discounting over 15% to win deals	Buyers don't upgrade or cross-grade	Customers with very different usage levels are paying the same amount

Company Strategy: The Least Used but Most Impactful Pricing Input

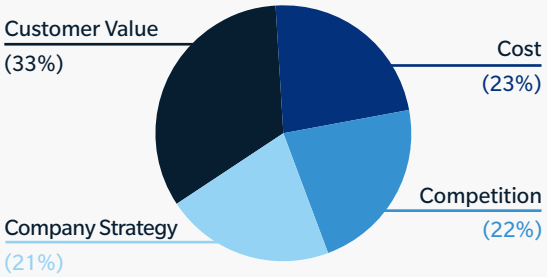
TLDR: Across all respondents, 'Company Strategy' was the least important input to pricing strategy. But **among those that performed far above their growth targets in 2024, Company Strategy was the most important** – weighted 40% more heavily than the next closest input.

RESEARCH HIGHLIGHTS:

The factors that most commonly informed pricing strategy in aggregate were:

- Customer Value (33%)
- Cost (23%)
- Competition (22%)
- Company Strategy (21%)

Factors That Inform Pricing Strategy



N = 321
Source: PriceInteligently 2025 State of Software Pricing Survey

Sound pricing design should incorporate all four of the following. Using Price Points as a simple proxy:

- Cost - provides your price floor
- Competition - helps frame the potential price universe and industry expectations
- Customer Value - dictates price stratification and scale across your base
- Company Strategy - guides whether your price lands at the low-end, high-end, or middle of the market

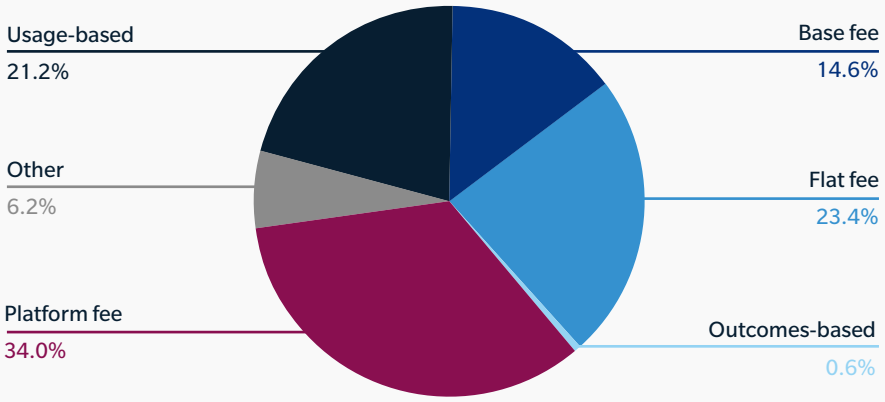
RECOMMENDATIONS:

- Start every pricing committee meeting with your company strategy written on the whiteboard. **Does your pricing strategy help or hurt your company strategy?**
- **And manage pricing the same way you manage your company** – market-back, always-on, customer-centric, stage-appropriate, and grounded in first principles (versus assumptions).

Outcomes-Based Models are Still a Pricing Pipe Dream

TLDR: Only 2 respondents out of 321 reported using an Outcomes or Performance-Based pricing model - **fewer than 1%.**

Pricing Structure



N = 321
Source: PriceInteligently 2025 State of Software Pricing Survey

RESEARCH HIGHLIGHTS

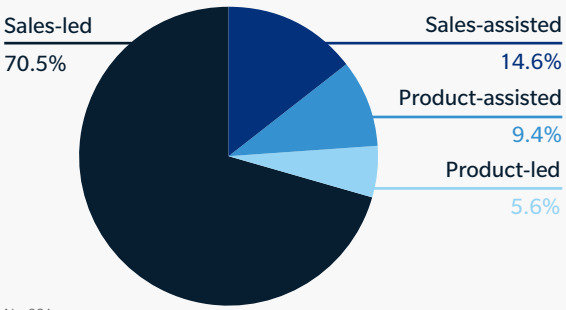
Despite heavy airtime on LinkedIn, **charging based on delivering customer outcomes or performance improvements remains very rare in practice.**

- The gap between hype and reality isn't totally attributable to tooling or tracking – 'implementing pricing changes in financial and billing infrastructure' was regarded as the easiest part of pricing – but rather value delivery. It's very rare to deliver a truly discrete, self-contained customer outcome today. This is likely to change with the advent of agentic AI in SaaS.

Similarly aspirational, **only 6% of respondents reported using a Product-Led sales motion** (with 10% Product-Assisted, 14% Sales-Assisted, and 69% Sales-Led) – while 'PLG flywheel' sounds sexy, the reality is more mundane.

- Note, however, that our respondent pool leans upmarket (~40% Enterprise), so doesn't heavily reflect the concentration of Product-Led Growth in the downmarket longtail. But if you're a mature business leveraging product to directly drive sales, you're unique.

Primary Sales Motion



N = 321
Source: PriceInteligently 2025 State of Software Pricing Survey

RECOMMENDATIONS

- Avoid getting distracted by unproven or impractical pricing models. Most companies have significant room for further pricing maturation - point your focus there in the short and medium term.
- If you aspire to outcomes-based pricing in the long term, ensure your 18-24-month product roadmap is aligned to (and even driving) that shift. Your product will need to deliver self-contained outcomes and near perfect attribution to realize your outcomes-based dream, at scale.

Pure Usage-Based Pricing Officially Comprises 1/5 of SaaS

TLDR: The **usage-based model didn't exist 15 years ago in SaaS,** outside of AWS. Now, usage-based pricing is one of the most prominent pricing models in SaaS with more than 20% of companies using it.

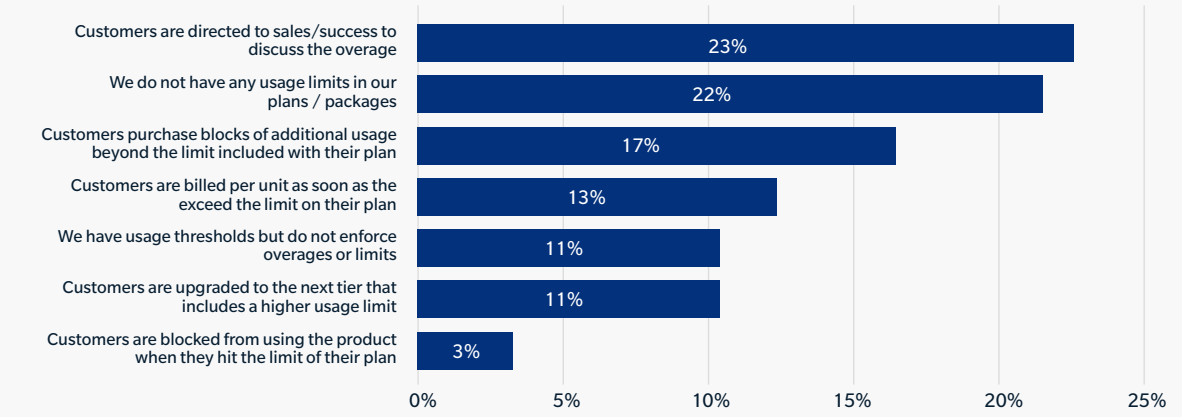
RESEARCH HIGHLIGHTS:

'Pure Usage-Based' pricing (~21%) is now second only to 'Flat Fees with No Usage Included' (23%) and 'Platform Fees with Usage Included' (37%) in prevalence across SaaS pricing models.

There's no runaway winner or loser on pricing models in terms of performance against growth targets, though companies pricing on Usage or Platform Fees do have stronger upside – they're more likely to exceed their growth targets than their Base Fee or Flat Fee counterparts.

Among respondents using a pricing model with some type of usage component, nearly **25% are still leveraging sales or customer success to enforce overages on customers – the most common enforcement method.**

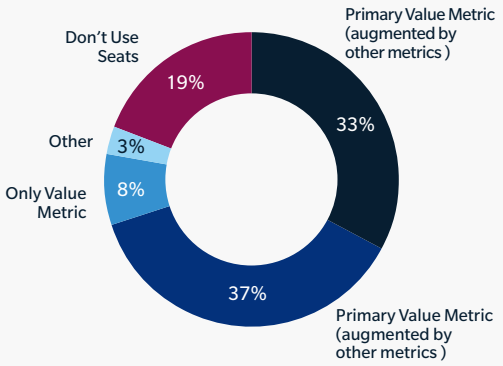
Enforcement Methods for Usage Overages



N = 321
Source: PriceInteligently 2025 State of Software Pricing Survey

Seats are tough to dethrone. **More than 80% of respondents (still) use some sort of seat-based pricing metric.**

Function of Seats in SaaS Pricing Model



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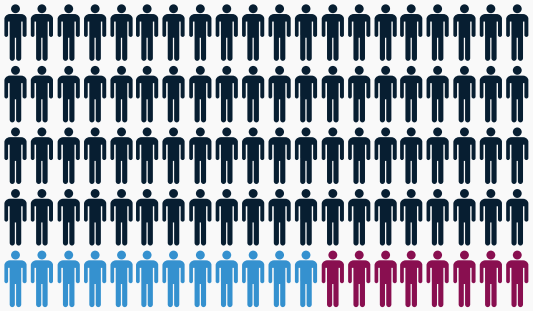
RECOMMENDATIONS

- If you're among the quarter of companies leveraging sales and success to manually enforce usage overages, consider an automated, in-product enforcement alternative (especially for high velocity accounts). This will deliver a more frictionless experience for your buyers – improving experience and incenting additional usage – and free up resource for sales and success.
- While seats are rarely the perfect proxy for customer value, there's something to be said for the simplicity and accessibility of seats in looking at the top tier of our strategic priority pyramid (i.e. 'Simplify' as cited in Insight #1). Be careful over-rotating away from seats in favor of an overwrought web of value metrics and metering - might help you justify your price in theory but make it harder to actually make money in practice.

Note: this report will not go deep into AI pricing (too much content), but we'll be publishing a follow-on report that explores AI pricing behaviors, trends, and what good and bad look.

Selling AI Features as an Add-On Destroys Adoption

TLDR: Companies that monetize their AI-powered features as add-ons (20% of the market) will **only see 8% of all net new customers adopt those AI-powered features.**



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

RESEARCH HIGHLIGHTS

20% of net new customers will purchase AI add-ons and only 38% of those purchasers will actually use them.

Those making AI central to their product strategy over the next few years (just about everybody – 77% of enterprise companies have AI-powered features currently live in product) will simply not get enough reps to keep up with the market if monetizing AI via add-on.

RECOMMENDATIONS

- Don't sell your AI features as add-ons unless they serve niche segments or use cases.
- Embed your AI capabilities in existing plans and flex the functionality to differentiate from competition and/or raise base package prices.

Internal Alignment Is The Key To Effective AI Monetization

TLDR: Companies with **strong internal alignment around how best to monetize AI are 8x more likely** than those companies with limited alignment to realize significant monetization of their AI capabilities.

RESEARCH HIGHLIGHTS:

We asked respondents how aligned internal stakeholders were around their AI pricing approach – **about 40% of the market reported having 'strong alignment' and another 40% reported 'partial or no alignment', with 20% constantly evaluating.**

Despite the external misalignment, debate, and general noise around AI pricing, it pays to get on the same pricing page – **62% of those seeing significant monetization via AI have strong internal alignment.**

Significant AI monetization is 8X mor likely with strong internal alignment.

RECOMMENDATIONS:

- **Prioritize building internal alignment over perfection in the early innings of AI monetization.** Leaders that are worrying less about market trends and more about driving action – with tightly aligned strategy, pricing process, and practicality – are already winning.
- And while AI is transforming how we operate, **the fundamentals of good pricing should remain intact** – continue to use value delivered to your customers and your company strategy as guiding lights in monetizing AI for best results.

TLDR of 10 Pricing Insights: Advice for CEOs

Pricing can be a powerful, capital efficient growth lever for your business – if you can get it right.

But nailing pricing and packaging is difficult. You need a pricing approach that prioritizes data and process over intuition, aligns to your company's strategy, and focuses on customer value. No matter your stage, investing in a cross-functional pricing committee to hone pricing strategy and an executive sponsor to make final decisions proves to be an asymmetric bet. And as you lead your team further into the uncharted territory of AI, seek internal alignment above all else to help realize early returns on product investment and uncover learnings as you go to help secure your future success.

For more info, read our pricing strategy guide. DOWNLOAD OUR PRICING STRATEGY GUIDE

Ready To Revamp Your Pricing For H2 2025?

Check out Part 2 of out State of SaaS Pricing Report 2025 in which you'll get deep benchmarking insights into:

- How SaaS is priced today
- The most popular approaches to setting price points
- Industry benchmarks
- Common packaging strategies
- Methods to level up your pricing sophistication.

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