

The three golden rules of AI pricing

1

Find what your customers value

Align your pricing metric to how customers measure value in their business

Discover what your customers truly value when using your AI. Focus on business metrics they already track: time saved, revenue increased, quality improved, or conversion rates enhanced.

2

Match pricing to value delivery

Ensure revenue scales proportionally as customers realize more value

When customers win more, you should earn more. Hybrid models combine predictable base revenue with unlimited upside tied directly to value creation.

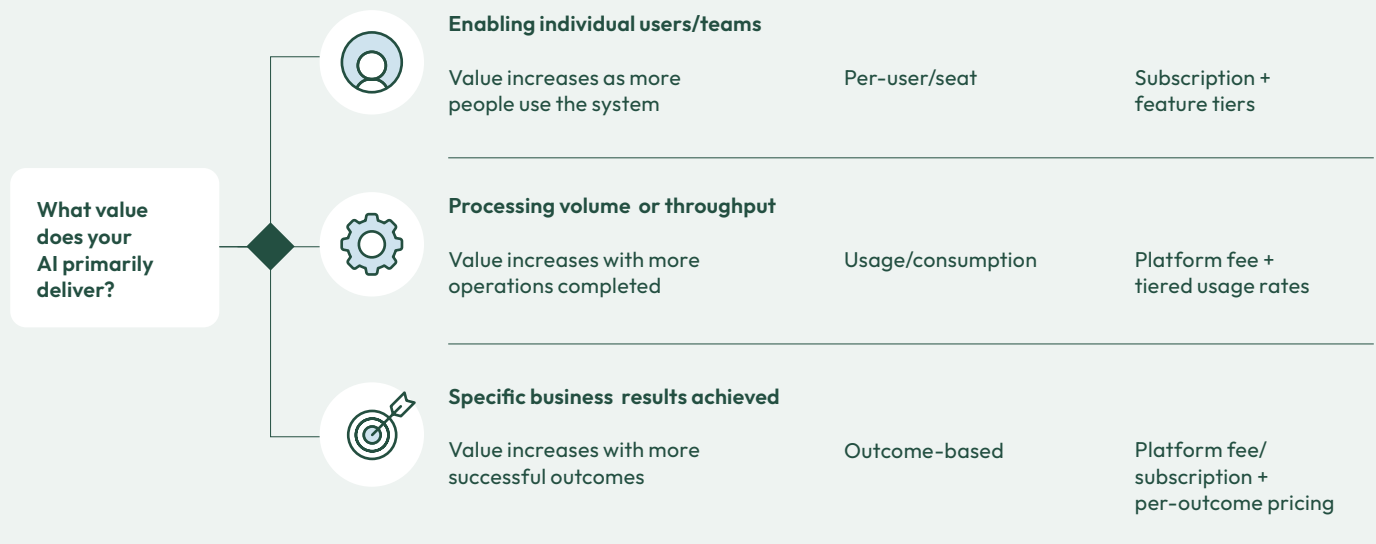
3

Build guardrails to protect

Implement guardrails that protect margins without limiting value creation

Protect both sides from volatility with usage limits, monitoring tools, and clear policies that maintain profitability while providing customers with predictability.

AI pricing decision tree



Value metric validation checklist

ESSENTIAL CHARACTERISTICS

- ✓ **Aligned with value:** Directly maps to how customers measure success
- ✓ **Acceptable:** Intuitive and easy for prospects to understand
- ✓ **Consumable:** Matches how organizations budget and purchase
- ✓ **Predictable:** Can be reasonably forecasted by both parties

LONG TERM CHARACTERISTICS

- ✓ **Scalable:** Grows naturally as customers expand usage
- ✓ **Auditable:** Can be measured clearly without disputes
- ✓ **Sustainable:** Remains relevant as markets and costs evolve
- ✓ **Differentiable:** Sets you apart from competitors

Hybrid model = base + value scaling



Base component

Subscription or platform fee



Value Scaling

Growth driver

PLATFORM FEE

Entry ticket/access charge, typically lower than full subscription

SUBSCRIPTION

Recurring payment for defined capabilities and features

PER USER/SEAT

When value is people-driven

USAGE-BASED

When value is activity-driven

OUTCOME-BASED

When value is results-driven

Base component options

Platform fee

An 'entry ticket' or access charge to use the platform at all

Best for products where most value (and cost) comes from usage or outcomes

KEY CHARACTERISTICS

Often lower than a full subscription

Usually charged per account/organization, not per user

May be flat or tiered by non-feature factors (e.g., company size)

COMMON EXAMPLES

API services with usage-based pricing

Data enrichment platforms with search/query-based pricing

AI infrastructure with pay-as-you-go models

REAL EXAMPLE

OpenAI—base platform access with per-token pricing

Subscription

Recurring payment for ongoing access to a defined set of capabilities

Best for products with predictable value delivery unrelated to usage volume

KEY CHARACTERISTICS

Predictable recurring revenue

Easy for customers to budget and forecast

Typically includes full access to core functionality

COMMON EXAMPLES

Knowledge management tools

Collaboration platforms

Project management software

REAL EXAMPLE

Notion—fixed monthly subscription with AI as add-on

Tiered subscription

Multiple subscription levels with increasing capabilities or limits

Best for products serving diverse customer segments with varying needs

KEY CHARACTERISTICS

Provides clear upgrade paths as customers grow

Allows price discrimination based on segment needs

Can combine feature differences and usage limits

COMMON EXAMPLES

CRM platforms with basic/pro/enterprise tiers

Marketing automation tools

Analytics platforms with graduated capabilities

REAL EXAMPLE

Hubspot—starter/professional/enterprise tiers with escalating capabilities

Decision factors

KEY QUESTION

IF YES

IF NO

Does most of your value come from usage volume of specific outcomes?

Consider platform fee

Consider subscription models

Do you have significant per-user infrastructure or support costs?

Avoid platform fee, use per-user pricing

Any model could work

Do you serve multiple distinct customer segments with different needs?

Consider tiered subscription

Simple subscription might suffice

Are your marginal AI costs high or unpredictable per customer?

Platform fee + usage-based component

Any model could work

Do customers expect budget predictability above all else?

Fixed subscription with clear usage limits

Consider usage-based models