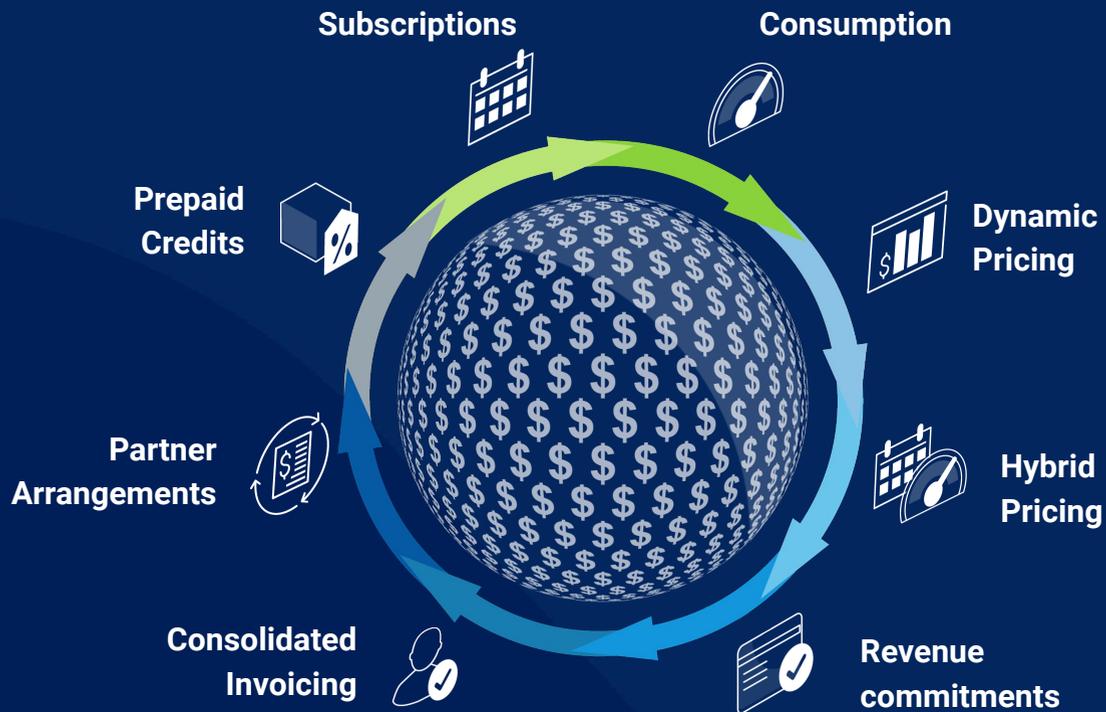


# The Definitive Guide to Modern Billing Models

Market proven strategies for advanced  
monetization methods



Every company has its own way to market and sell products, each with varying degrees of complexity. Often these complexities prove difficult to implement and result in delaying go-to-market plans.

Having the flexibility to design and deploy offers that go beyond basic subscriptions and compliment your unique business shouldn't keep you up at night.

See how 8 key billing models can be the difference from stagnating your growth to modernizing your approach to monetization and moving your business forward.



## Subscriptions

Subscription billing is a charging method that enables merchants to bill customers automatically on a fixed schedule (monthly, quarterly, annually) for a specific product or service.

### Benefits:

- ✓ Sell products and services on a recurring basis, providing for a steady and predictable revenue stream
- ✓ Offer customers the ability to use these services rather than own them
- ✓ Align price to value by user type



## Dynamic Pricing

Dynamic pricing is the ability to calculate a price based on complex formulas that take multiple conditions or attributes into account - the same concept as creating formulas in Excel.

### Benefits:

- ✓ Unlimited flexibility in pricing & packaging
- ✓ Offer exact pricing that is fair and logical



## Consolidated Invoicing

Consolidated invoicing has two meanings:

- 1) The ability to combine multiple subscriptions or purchases onto a single invoice for a set period of time
- 2) For customers with account hierarchies, the ability to consolidate invoices from multiple child accounts and roll-up into the parent account

### Benefits:

- ✓ Easy access to parent/child relationships within a company to see total sales, profits, churn etc. across the company in one place



## Partner Arrangements

Partner arrangements provide companies flexibility to define various billing arrangements. These arrangements could be with a reseller, distributor, partner, or through a marketplace.

### Benefits:

- ✓ Utilize partners as another channel to sell products and services to increase revenue potential and automatically settle commission
- ✓ Bill on Behalf Model
- ✓ Marketplace Model



## Consumption

Consumption-based billing is the ability to rate and bill based on the usage of a product – clicks, API calls, downloads, seats, text messages, minutes, bandwidth.

### Benefits:

- ✓ Lower price of entry could be a competitive advantage
- ✓ Generate additional revenue on top of basic subscriptions
- ✓ Customers pay only for what they use



## Hybrid Pricing

Hybrid pricing gives companies the ability to charge for both physical and digital goods.

### Benefits:

- ✓ Combine one-time, consumption and a la carte pricing models to create differentiated packages and bundles
- ✓ Hybrid pricing provides the best of subscription and consumption models - subscriptions provide predictability of revenue while consumption provides upside



## Revenue Commitments

Revenue commitments is the ability to allow customers to pay a flat rate for a set amount of usage (regardless if used in full or not) for a discounted rate.

### Benefits:

- ✓ Customer gets a discounted rate for the service(s)
- ✓ Business benefits from a predictable revenue stream as well as being protected against revenue decline of underperforming accounts



## Prepaid Credits

Prepaid credits provides the ability to offer customers and prospects a prepaid balance for a specific product or service valued with a specific monetary value and the ability to draw down over time.

### Benefits:

- ✓ Incent customer to use more products and services as a way to increase revenue, loyalty and as a way convert prospects to customers
- ✓ Flexible Discounts and Promotions