

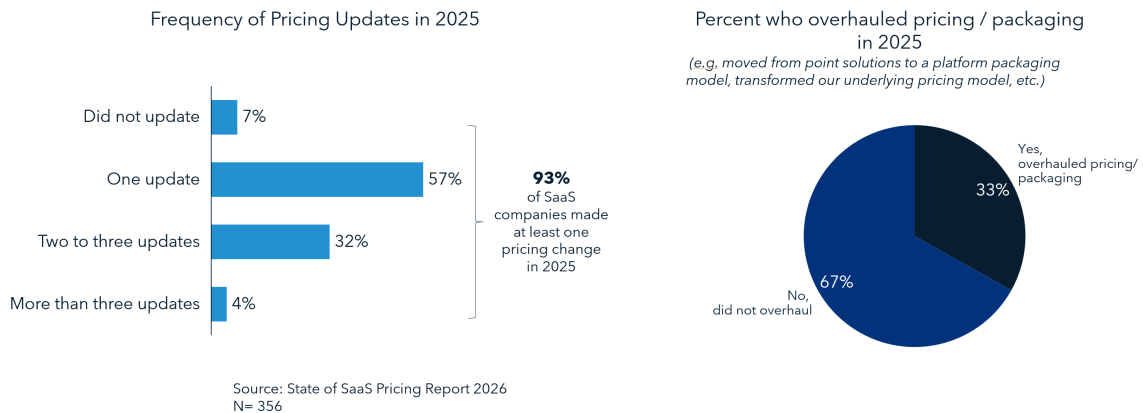
The Repricing Moment

Four rules for SaaS pricing changes that build trust and create demand.

The Pricing Conversation SaaS Can't Avoid

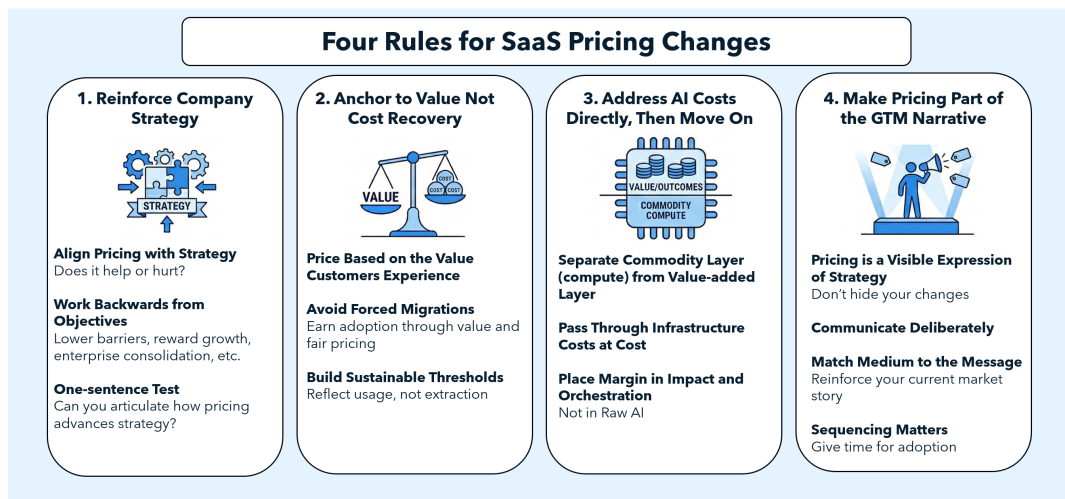
In March 2026, Clay announced a significant pricing restructuring. The co-founders recorded a video walking through every change, published their internal pricing memo, and engaged directly with customers in the comments. Within 48 hours it generated hundreds of responses and became one of the most visible pricing conversations in SaaS this year. The episode raised a question worth asking more broadly: why do so few SaaS companies treat pricing changes with this level of intentionality?

SBI's 2026 State of SaaS Pricing survey puts the stakes in context: 93% of companies updated their pricing or packaging at least once in 2025, and more than a third did it multiple times. One in three overhauled their model entirely, moving between packaging architectures or transforming their underlying pricing structure.



The trigger is AI, which is changing how customers consume value, how products deliver it, and what the underlying cost structure looks like. The old logic, more users equals more seats equals more revenue, is losing its connection to reality. Most SaaS leaders understand this. Where they struggle is execution.

The default playbook is familiar: a quietly updated pricing page, a vague email about “new plans designed to better serve your needs,” a hope that nobody notices too much. Customers feel blindsided, sales teams can't explain the rationale, and the trust damage lingers for quarters. There is a better approach, and it has four rules.



1. Make Pricing Reinforce Company Strategy

Before touching a pricing model, answer one question: does this change help or hurt your company strategy?

Most companies fail it, not because the question is hard, but because pricing decisions get made in a finance or product silo, optimized for near-term revenue, and then handed to sales and marketing to communicate. The pricing change makes sense on a spreadsheet but contradicts the company's stated positioning, brand, or growth thesis. Sales teams can't explain it, customers feel managed rather than served, and the revenue bump that materialized in Q1 evaporates by Q3 when churn catches up.

The companies getting this right work backwards from strategy to pricing structure. Building a platform ecosystem driven by community advocates? Every pricing decision should lower barriers to adoption and reward growth. Executing an enterprise consolidation play? Pricing should incentivize multi-product attach and long-term contracts. Each element of a pricing change should answer a simple question: does this accelerate or contradict what we say our strategy is?

FOR PE INVESTORS

Ask management to articulate company strategy in one sentence, then explain how each element of the pricing change advances it. The gap between those two answers tells you more about execution risk than any financial model.

STRATEGY-ALIGNED

Palo Alto Networks. CEO Nimesh Arora's strategy is to become the consolidated security platform. Every pricing decision reinforces that objective. Free transition periods remove switching costs, multi-platform discounts reward consolidation, and deferred billing eliminates friction. Customers on all three platforms generate approximately 40x the lifetime value of single-platform customers.¹

STRATEGY-MISALIGNED

Unity. The company's mission centered on democratizing game development, yet the 2023 Runtime Fee introduced per-install charges creating higher costs for the most successful developers. The community pushed back hard, the fee was reversed under new leadership, and the reversal itself became a trust-rebuilding narrative.²

1. Sources: Palo Alto Networks Q2 FY2024 earnings call, February 2024; SDxCentral, "Palo Alto Networks offers 'no-cost' platform trial to move customers from legacy products," February 21, 2024; FinancialContent, "Palo Alto Networks Q2 2026 Earnings Preview," February 17, 2026.

2. Sources: Game Developer, "Unity CEO Matt Bromberg says Runtime Fee reversal is part of bid to become 'a fundamentally different company,'" September 12, 2024; Engadget, "Unity dumps the runtime fee that caused a developer revolt," September 12, 2024; CG Channel, "Unity scraps controversial Runtime Fee but raises prices," September 2024.

2. Anchor to Value, Not to Cost Recovery

The most common model design mistake is building the new pricing around your cost structure rather than around how customers experience value. Pricing anchored to cost puts the company on defense from the start. Every customer hears “you’re paying more because our costs went up,” which is a seller problem, not a buyer benefit. Two decisions determine whether a new model earns adoption or triggers backlash.

Migration policy. Forced migrations predictably produce a short-term ARR lift followed by a churn spike 6 to 12 months later. Grandfathering legacy customers and letting the new model earn adoption through product value sacrifices a near-term lever in exchange for retention and trust that compound over time.

Threshold design. Companies doing this well build pricing thresholds around actual customer usage patterns rather than optimizing for maximum extraction. When the majority of your customer base can look at the new model and see that it works for them at current usage levels, you have pricing that invites growth rather than penalizes it.

FOR PE INVESTORS

When a portfolio company proposes a forced migration, ask what the renewal cohort looks like 12 months post-transition, not just what the ARR bridge looks like at close.

OUTCOME-BASED PRICING AT SCALE

Intercom. Fin, its AI support agent, charges \$0.99 per successful resolution. The meter runs at the moment of customer value. Fin grew from \$1M to over \$100M in ARR on this model.³

MIGRATION POLICY MISSTEP

Canva. The 2024 Teams pricing adjustment raised the plan from \$120/year to \$500/year alongside expanded AI capabilities, applied to existing customers. Within six weeks Canva issued a “Pricing Promise” protecting legacy users.⁴

Forced migrations predictably produce a short-term ARR lift followed by a churn spike 6 to 12 months later. The revenue pop often looks better in the board deck than it performs in the renewal cohort.

3. Sources: Intercom pricing page (intercom.com/pricing); GTMnow, “How Intercom Built a \$100M AI Product with \$0.99 Pricing,” February 2026; Intercom Help Center, “Fin AI Agent Outcomes.”

4. Sources: Creative Bloq, Canva Teams price increase coverage, September 2024; DesignWhine, Canva pricing reversal coverage, October 2024; PetaPixel, Canva “Pricing Promise” coverage, November 2024.

3. Address AI Costs Directly, Then Move On

Every SaaS company adding AI capabilities faces the same design challenge: how do you price something when the underlying compute cost is volatile, model-dependent, and opaque to customers? The temptation is to over-engineer, building a proprietary “AI credit” that abstracts the relationship between usage and cost. The companies getting this right do the opposite. They separate the commodity layer (data, compute, inference) from the value layer (workflow, automation, outcomes) and price each accordingly.

Customers know compute costs are falling. Companies that built their margin into the infrastructure layer will face sustained pressure to pass those savings through, and most will. The margin lives in what customers do with AI, not in the raw compute underneath. Price the impact. Pass through the commodity.

TRANSPARENT AI PRICING

PostHog. Their AI product pricing starts with \$20/month in free AI credits, and beyond that they charge at LLM provider rates with an explicit 20% markup, stated openly. Customers know exactly what they’re paying for commodity compute versus PostHog’s value-add, and pre-paid plan customers can roll over half their remaining credits.⁵

OPAQUE BUNDLING

Notion. The May 2025 adjustment retired the standalone AI add-on (\$8-10/user/month) and moved AI capabilities exclusively into the Business tier at \$20/user/month, removing the consumption dimension entirely. No credit system, no usage metering, no way for customers to see the relationship between their AI usage and what they’re paying.⁶

5. Sources: PostHog pricing page (posthog.com/pricing); Growth Unhinged, AI credit pricing analysis, 2025.

6. Sources: Growth Unhinged, Notion AI add-on bundling coverage, May 2025; SaaS CRM Review, Notion AI pricing analysis, 2025.

Pricing is one of the most visible expressions of a company's strategy, its relationship with customers, and how it thinks about value.

4. Make Pricing Part of the GTM Narrative

Pricing is one of the most visible expressions of a company's strategy, its relationship with customers, and how it thinks about value. Treating it as operational housekeeping, update the page, send the email, avoid attention, signals that you're not confident in the change. Customers read that signal clearly.

The right question is how this pricing change reinforces the story you're already telling the market. Communication should be as deliberate as the model itself, and the medium should match the GTM motion.

GTМ-INTEGRATED LAUNCH

GitHub. Made its Copilot free tier a keynote moment at GitHub Universe. CEO Thomas Dohmke presented it as democratizing AI-assisted development. Within months, Copilot reached 20 million developers.⁷

SEQUENCING GAP

Cursor. Shifted from fixed requests to usage-based credits without a clear upfront announcement. Some users experienced billing increases before the explanation arrived 18 days later. The model was well-designed; the sequencing was not.⁸

Most Companies Will Get This Wrong

The AI transition will force most SaaS companies to restructure their pricing within the next 12 to 18 months. The companies that treat it as a back-office exercise will face backlash, churn, and narrative risk. The companies that treat it as a strategic moment, one that can build trust, reinforce positioning, and create demand, will come through the transition stronger.

None of this is complicated. Most of it is uncommon.

7. Sources: GitHub Blog, "GitHub Copilot Free," December 18, 2024; SaasPricePulse, Copilot pricing analysis, 2025; Checkthat, GitHub Copilot adoption data, 2025.

8. Sources: CometAPI, Cursor pricing change analysis, June 2025; Simon Willison, "Clarifying Our Pricing" coverage, July 2025; Oreate AI, Cursor pricing timeline, July 2025.

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