

Digital Services Platform: Revitalizing Growth with Strategic Pricing and Packaging

The Challenge

A digital product service company with \$20 million ARR and 100% NRR faced stagnant growth. Their existing pricing model was misaligned with the value delivered and didn't scale with usage. The packaging model lacked flexibility, hindering market expansion.

The Solution

Ibbaka developed a comprehensive, and customer validated, value model. This model informed the redesign of package offerings and pricing strategy. A platform with an extension pattern was adopted, allowing customers to select functionalities tailored to their needs. A hybrid pricing model was introduced, consisting of a platform fee and a scaling fee based on usage. Compelling value stories were created for the sales and customer success teams.

The Outcome

The strategic overhaul led to a remarkable turnaround in growth:

- Renewed growth with accelerated new logo acquisition;
- Improved NRR by nearly ten percentage points, reflecting increased customer satisfaction and retention;
- Product innovation, leading to the development and market introduction of new products.

By aligning pricing with value and offering flexible packaging options, the company overcame growth challenges and positioned itself for sustained success.