

4 secrets to better subscription pricing psychology

Getting subscription pricing right in today's SaaS-driven climate is an art form. Below, we explore four different ways to use pricing psychology to increase your subscriptions and revenue.



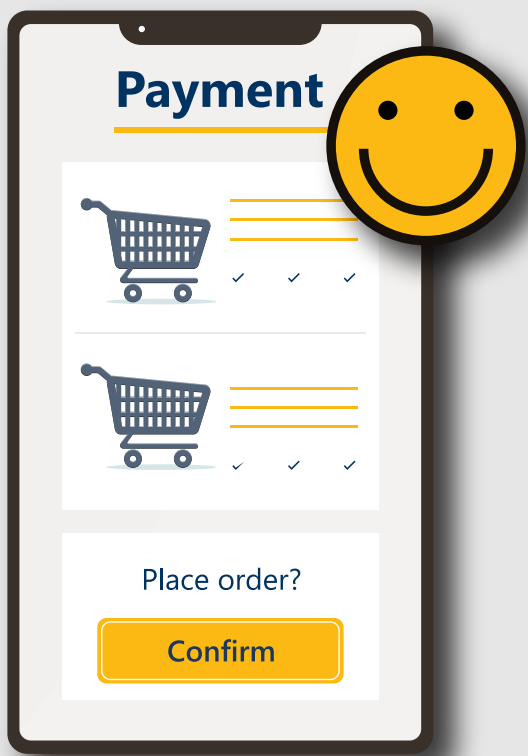
1. Pay attention to median pricing

Successful use of tiered pricing comes down to The **Goldilocks Principle**. Customers are most likely to choose the median option. They like to think they can afford more than the lowest tier and exercise savviness by avoiding the most expensive tier.



2. Give your customers billing options

Only 20% of SaaS companies offer both annual and monthly plans. Conversions will be noticeably lower if you tie consumers into monthly payments who would rather pay upfront or insist on an annual fee from subscribers who can't afford the full price upfront.



3. Put customers in a good mood

Decisions often come down to the mood we're in when we make them. It may feel as if you have little control over how customers feel when they're on your pricing page, but by investing in good user interface and experience, design, and copy, you can reduce customer frustrations.



4. Beware the anchoring effect

We tend to rely on a single piece of information to make a decision. It is often the first piece of information we see, so when it comes to pricing—first impressions count. Consider carefully which prices or elements to highlight.

Want to learn more?

Read our full blog on pricing psychology for subscription billing here.

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