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Beyond seats: Pricing framework for GenAI

PwC Strategy& Value Creation

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Agenda

This report has been developed in collaboration with the Strategy& team, PwC's global strategy house. Together, we transform organisations by developing actionable strategies that deliver results.

The strategic imperative of GenAI

Generative AI (GenAI) has quickly emerged as a defining force in enterprise software, fundamentally altering how digital products create and deliver value. Software firms are embedding GenAI across their offerings, while AI-native players push boundaries with more autonomous, agentic systems. This innovation raises a pressing commercial question: how should these capabilities be priced and monetised? Before addressing this monetisation question, it is important to understand how GenAI is being deployed across the technology landscape – and how different types of capabilities give rise to different pricing opportunities.

Evolving GenAI capabilities: Enhancing vs. Transformative

We observe two broad archetypes of GenAI integration in software, each representing a different level of technological sophistication and customer impact.

Exhibit 1

"Strategy& – Future of Software", Archetypes of GenAI offerings

	Enhancing GenAI capabilities		Transformative GenAI capabilities	
Overview	**AI-enhanced interfaces:** Natural-language chat or semantic search without downstream action.	**Copilots and guided workflows:** Embedded in apps that draft content/ recommend actions – execution is under user control.	**Intelligent decision and workflow automation:** AI systems make decisions and execute workflows (within defined logic/rules).	**Fully autonomous AI agents:** Goal-oriented agents capable of independently planning and executing tasks.
Examples	AI-based videoconferencing assistant, letting users draft or summarise content across its tools using natural language prompts.	AI-enhanced code editor that infuses the traditional code editor interface to generate faster development.	A full-stack application development platform allows users to build apps, reducing development time and enabling non-developers to create software.	Agentic AI that autonomously resolves support tickets, reducing headcount needs while improving speed and consistency.

Source: Strategy& Research

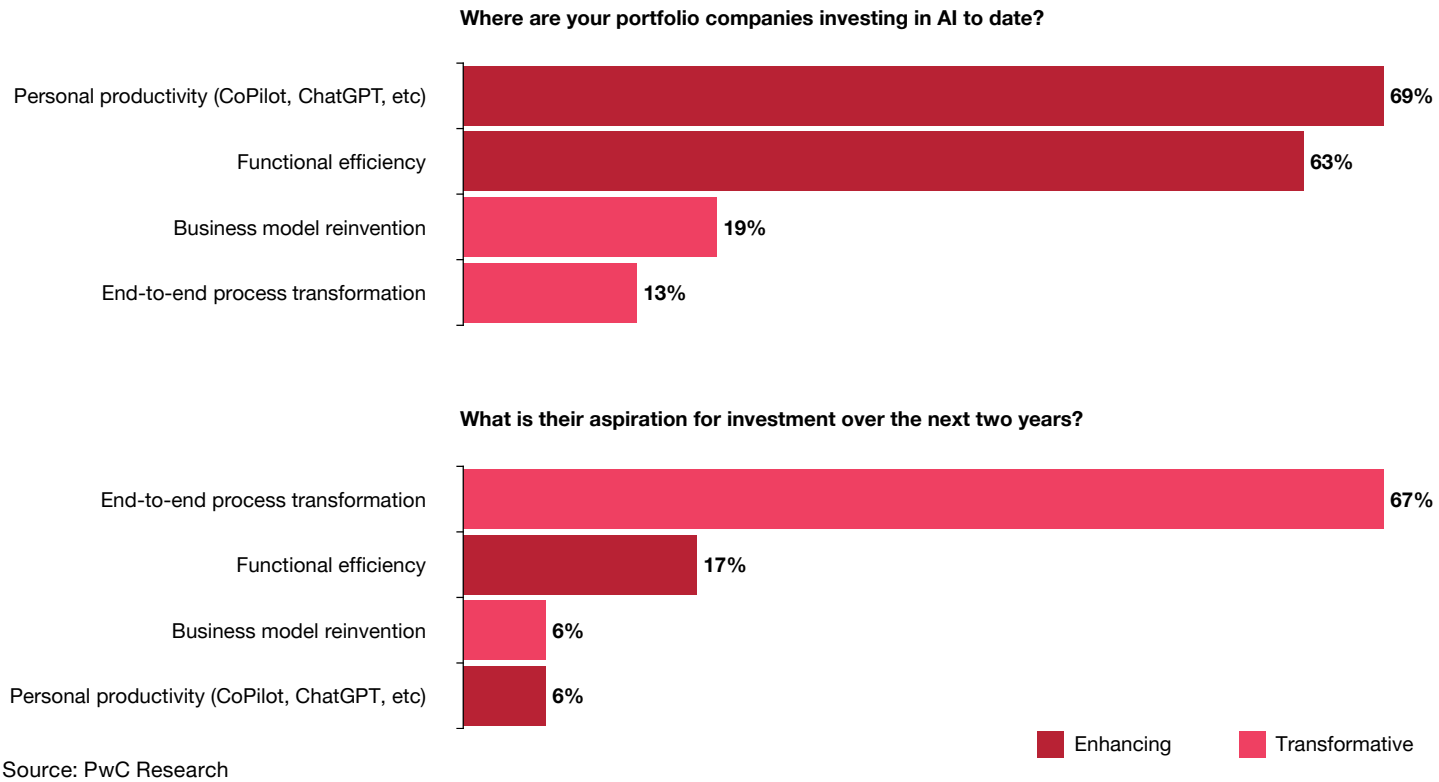
Understanding the archetype of the GenAI offering is crucial not just when designing its monetisation strategy, it also has profound implications on product positioning and go-to-market models.

Evolving GenAI capabilities: Enhancing vs. Transformative

While both archetypes are advancing, the long-term trajectory favours Transformative capabilities. PwC's "Beyond the hype: Practical applications of AI in private equity" research in 2025 shows current investment is concentrated on Enhancing capabilities – with 69% focused on personal productivity tools like Copilot and ChatGPT, and 63% on functional efficiency improvements. By contrast, only 19% of current investments are targeting business model reinvention, and just 13% end-to-end process transformation. However, the forward-looking picture flips: 67% of respondents plan to prioritise end-to-end process transformation instead over the next two years.

Exhibit 2

PwC's "Beyond the hype: Practical applications of AI in Private Equity", June 2025



Source: PwC Research

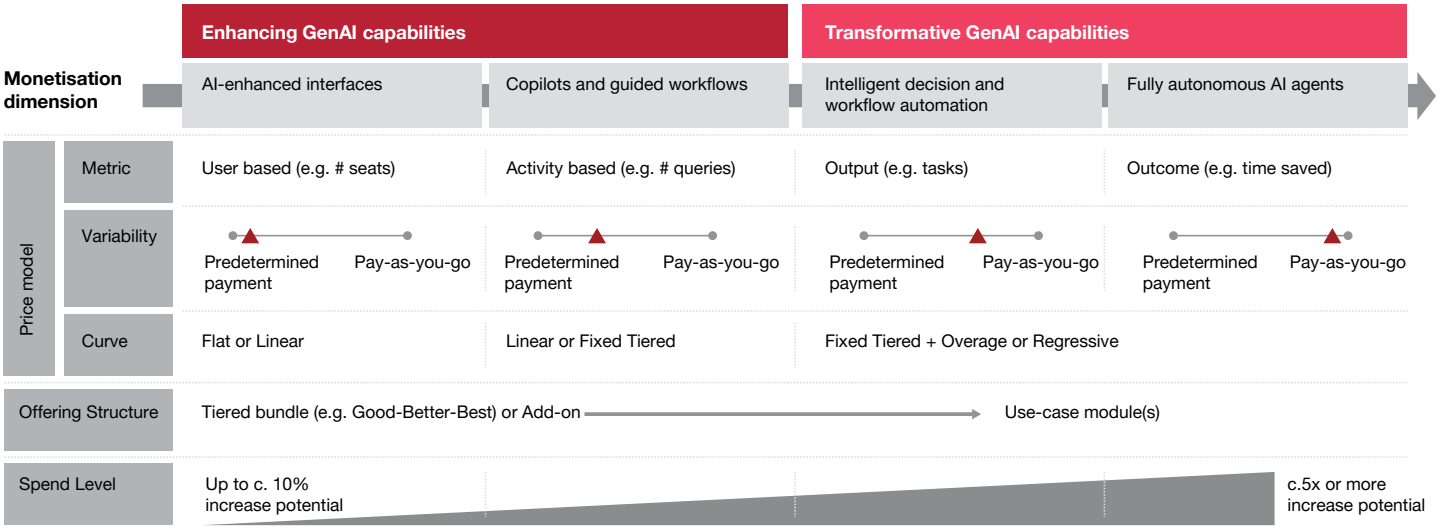
This signals a decisive shift and suggests that also monetization efforts will need to adapt as more transformative capabilities are deployed.

Why monetising GenAI deserves new thinking?

Determining how to package, price, and position GenAI capabilities, whether Enhancing or Transformative, requires a differentiated approach. To guide the assessment, we created a GenAI monetisation framework, outlining a set of emerging market behaviours and expected patterns across four dimensions.

Exhibit 3

S& Commercial Excellence GenAI monetisation framework



Source: Strategy& Analysis

Each dimension (model, structure, and level) pose a fundamental rethink on how value is created, delivered, and captured, diverging substantially from traditional SaaS pricing (typically seat-based, tiered packages, with gross margins often exceeding 80%, etc.). As a result, we are observing various trends:

Price Models are evolving

As autonomous GenAI reduces human input, its usage carries substantial yet degressive costs, predetermined flat seat-based pricing loses relevance. Output or outcome metrics in a pay-as-you-go tiered model better reflect how to measure AI-driven value creation.

Offering Structures get modularised

Autonomous GenAI substitutes specific human work, offering structure must reflect the value of task performed and domain of expertise to deliver it, demanding more tailored modules.

Spend Level taps into cross-functional budget

Transformative GenAI capabilities shift purchasing from IT to business units, where larger budgets are tied to headcount or service delivery.

This framework is not intended as a prescriptive model but offers a conceptual lens to interpret market behaviours and anticipating how pricing strategies may evolve between Enhancing and Transformative GenAI as they deepen in value and integrate more fully into operations.

Price model

With GenAI features, the role of price model (disentangled for simplicity in three components: “metric”, “variability”, “curve”) is pivotal in the overall monetization to ensure full price-value alignment and risk mitigation.

Metric

When deciding what metric (i.e. the basis on how to measure the value delivered) to use, software vendors face four broad categories: Input, Activity, Output, and Outcome.

Exhibit 4

Range of price metrics

	Input	Activity	Output	Outcome
Overview	Transaction occurs based on the volume of inputs	Transaction occurs once a certain set of processes are executed. Success defines a transaction	Transaction occurs when a pre-defined output is created	Success defines a transaction
Examples	#users	#usage credits	#completed task	% revenue generated

Source: Strategy& Research

The more the following statements hold true, the more likely a company is to select an output or outcome as a metric for its Enhanced or Transformative GenAI capability:

01 **Depth of specialisation –** Is the GenAI capability domain-specific or workflow-integrated?

02 **Performance measurability –** To what extent can the AI’s output be clearly measured and directly attributed to a defined result or outcome?

03 **Ownership of job to be done –** What level of human oversight is required (user driving the interaction, or agent acting independently)?

Price model

This logic plays out clearly through real-world examples:

Exhibit 5

Price metric real-word examples

	Enhancing GenAI capabilities	Transformative GenAI capabilities
Company	Energy platform	Customer support
AI capability	AI-enabled system to manage core energy operational tasks	Image generator
Capability monetisation approach	Dual metric: • A fixed licensing fee (linked to platform access and activity). • A performance-based fee (output metric) tied to share of cost-to-serve savings achieved.	Successfully resolved ticket (outcome metric)
Rationale	AI is specialised in energy sector workflows, operates autonomously and delivers critical outcomes.	AI is deeply integrated into customer support workflows and operates with minimal oversight, justifying “outcome” metrics.

Source: Strategy& Research

Variability

When looking at payment variability (i.e. the degree to which the pay is fixed), software vendors can select from among three main archetypes: Predetermined, Hybrid or Pay-as-you-go.

Exhibit 6

Range of price variability

	Predetermined	Hybrid	Pay-as-you-go
Overview	A predetermined committed fee, regardless of actual usage.	A minimum committed fee that covers baseline usage, with additional charges scaling based on actual consumption.	No minimum commitment – customers pay only for what they use, based on usage volume or activity.
Examples	Pay £X monthly for # users	Pay £X monthly for # users and Pay £Y for each completed task	Pay £Z for each completed task on a rolling-basis

Source: Strategy& Research

The more the following statements hold true, the more likely a company is to select hybrid or pay-as-you-go for its Enhanced or Transformative GenAI capability:

01

Cost predictability – Is the cost highly dependent on usage patterns and difficult to meter?

02

Usage patterns – Would used volume be linked to certain business, market or operational dynamics, or is disjointed and difficult to predict?

03

Interaction within workflows – Does the feature initiate downstream actions that carry costs, usage limits, or service-level implications?

This logic plays out clearly through real-world examples:

Exhibit 7

Price model real-word examples

	Enhancing GenAI capabilities	Transformative GenAI capabilities
Company	Low-code/no-code website building and hosting company	Image generation software company
AI capability	Build own website	Image generator
Capability monetisation approach	Included in predetermined subscription	Variable model sold via credit-based (# credits differs based on resolution and computational complexity)
Rationale	Richer value proposition for its customers. Financially, the costs are not significant, as customers only design their website once.	Cost are highly variable based on image characteristics, and the result is highly dependent on AI output.

Source: Strategy& Research

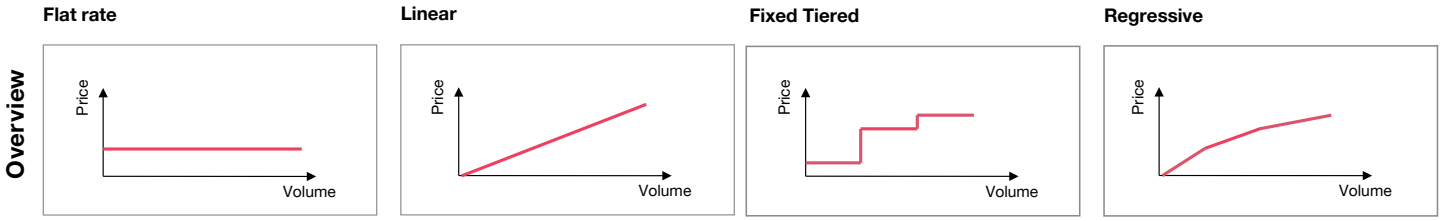
Price model

Curve

When looking at pay curve (i.e. the relationship between billed price and used volume), there are plenty of alternatives, however for simplicity we spotlight only four options: Flat, Linear, Fixed Tiered, Regressive.

Exhibit 8

Range of pay curve



Source: Strategy& Research

The more the following statements hold true, the more likely a company is to select tiered or regressive for its Enhanced or Transformative GenAI capability:

01

Compute efficiency gains – Are the costs decreasing the higher marginal usage implying scalability has a net positive impact on vendors' costs?

02

Adoption benefits – Would GenAI capability improve itself the more it is adopted?

03

Performance measurability – To what extent can the AI's output be clearly measured and directly attributed to a defined result or outcome?

This logic plays out clearly through real-world examples:

Exhibit 9

Price model real-word examples

	Enhancing GenAI capabilities	Transformative GenAI cpabilities
Company	Low-code/no-code website building and hosting company.	Image generation software company
AI capability	Build own website	Image generation
Capability monetisation approach	Flat pay curve	Fixed tiered pay curve
Rationale	No significant costs and limited incentive on extending usage.	Costs are highly variable based on image characteristics, the performance is trackable and more adoption improves overall GenAI capability.

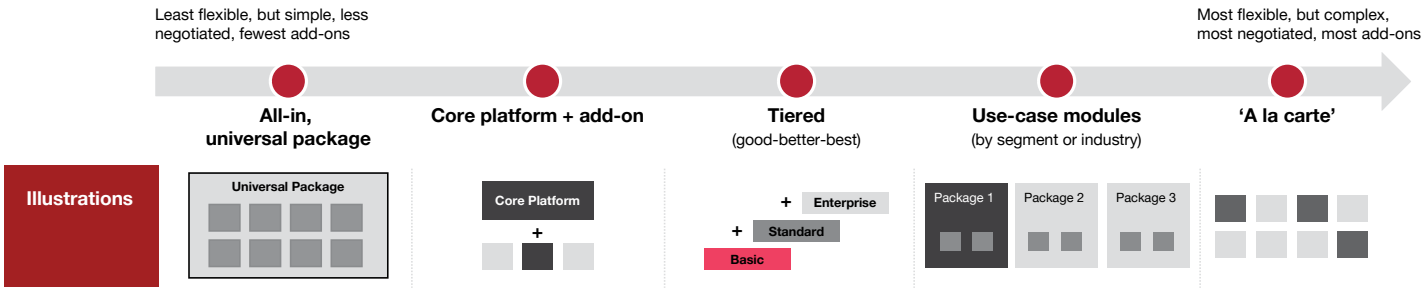
Source: Strategy& Research

Offering structure

The way a feature is offered often shapes how its value is perceived. When it comes to it, there are five major structures which apply: All-you-can-eat, Core Platform + add-on, Tiered (good-better-best), Use-case modules and “A la carte”.

Exhibit 10

Range of offering structures



Source: Strategy& Research

The more the following statements hold true, the more likely a company is to select a tiered or modular offering for its Enhanced or Transformative GenAI capability:

01 **Indirect financial upside –** Is the capability able to realise adjacent financial benefits?

02 **Role of the capability –** Would the capability represent a strong value differentiator?

03 **Depth of specialisation –** How domain-specific is the capability?

This logic plays out clearly through real-world examples:

Exhibit 11

Offering Structure real-word examples

	Enhancing GenAI capabilities	Transformative GenAI capabilities
Company	Project management software	CRM software
AI capability	Automate task prioritisation, alerts and other workflows	Agents managing workflows
Capability monetisation approach	Tiered, included in premium package at first; after scaled into medium and premium package	Specific use-case
Rationale	AI costs were high, would not generate revenue upside from current model and the feature was a differentiator (when launched). Inclusion in more plans used to accelerate adoption	AI was highly domain-specific, product was positioned as a ‘hero’ solution with a unique value proposition.

Source: Strategy& Research

To conclude, the structure should not be used just to organise GenAI features, but to reinforce their value and effectively position it and communicate it to the customers.

Spend level

Determining the spend level for GenAI capabilities is particularly challenging as few benchmarks exists, and traditional pricing techniques fail to capture evolving willingness-to-pay. Hence, spend levels must be shaped through deep understanding of buyer budgets, which impacts strategic choices around no price uplift, minor (5-15%) or significant (5-10x) price increase.

The more the following statements hold true, the higher the potential spend a company can command for its Enhanced or Transformative GenAI capability:

01 **Size of indirect financial upside –** Are the adjacent financial benefits resulting from the capability's uptake likely to be limited or minor?

02 **Depth of specialisation –** Is the capability trained on proprietary or client-specific data, or is it generalist?

03 **Cost efficiency potential –** Is the capability as critical to be sold into IT budgets, functional budgets, or displaced headcount cost pools or driving down other costs for client?

This logic plays out clearly through real-world examples:

Exhibit 12

Spend level real-word examples

	Enhancing GenAI Capabilities	Transformative GenAI Capabilities
Company	Professional social network	Conversational AI platform for customer experience
AI capability	Rewrite sentences	Agents that deliver experience itself
Capability monetisation approach	No price increase at launch, c.5-10% spend uplift over time	Premium price point (c.50% higher vs. generic solutions)
Rationale	Uptake considered key, feature not trained on any specific data and not generating any substantial cost-saving for clients.	Highly domain-specific agents tailored to each client, ability to replace some costs.

Source: Strategy& Research

As a final point, there is no single prescriptive spend level approach. We notice often that where pricing too high risks stalling adoption at first, software vendors may also choose "entry-low and ramp" models, i.e. starting with modest spend that increases as ROI becomes clearer.

Where to start?

For executive teams, the question is no longer whether to invest in GenAI, but how to capture its value. Based on our experience, here are four practical steps to get started:

Define

Identify the Ideal Customer Profile and tailor a GenAI value proposition to its needs.

Apply

Use the GenAI monetisation framework to shortlist viable monetisation concepts.

Test

Experiment and refine selected pricing and packaging approaches through direct customer engagement.

Execute

Build a roadmap to transition from pilots to full-scale monetisation.

Ready to explore how to monetise your GenAI innovations?

Get in touch with the Strategy& Commercial Excellence team to explore how we can help you on your GenAI monetisation.

About Strategy&

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The result is an authentic strategy process powerful enough to capture possibility, while pragmatic enough to ensure effective delivery. It's the strategy that gets an organization through the changes of today and drives results that redefine tomorrow. It's the strategy that turns vision into reality.

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