

monday.com Developer Pricing Report

February 2024



un
tapped

About the Report

Who we are

Untapped Pricing is an award-winning pricing strategy consultancy. Our world-class team brings irresistible energy to the often overlooked topic of pricing.

We pride ourselves in giving teams the confidence to use pricing to full effect by demystifying pricing strategy, and providing the clarity and confidence to pricing.

Thank you for the opportunity to share this pricing expertise with the monday.com developer community.

If you have any questions about this report, please don't hesitate to reach out.



Jenny Millar
Untapped Founder
Pricing Specialist
jmillar@untappedpricing.co.uk



Ann Padley
Senior Partner
Design Specialist
ann@untappedpricing.co.uk

What to expect

This report summarises advice for developers looking to price—or update pricing—for their app(s) on the monday.com marketplace.

It has been designed to respond to the top pricing questions raised by developers across multiple monday.com developer channels. Advice applies specifically to [native monetisation on monday.com](#).

In pricing, there is no one-size-fits-all. Advice is intended to provide developers with a range of considerations to take into account when pricing their app(s).

..... We've helped 100+ companies transform their pricing



THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE



WARWICK BUSINESS SCHOOL



Key Decisions for Developers

Commonly asked questions amongst monday.com's developer community

1

Do I use seat-based or feature based plans?

2

How many plans should I offer?

3

What do I include in each plan?

4

How do I price each plan?

5

Should I offer a free plan or a free trial?

6

How should I use discounts?

7

When do I know if it's working?

8

What can I learn from other developers to maximise my income?

In a Nutshell

Use seat-based pricing if... your app targets a very specific customer need by doing just one thing really well rather than having a large feature set.

Use feature-based pricing if... your app has a variety of tools or features to offer. This is ideal for letting customers choose and pay for functionality that best fits their needs. It also works well for apps that measure usage, allowing you to create different plans based on different levels of use.

Learn More

When you're developing an app for the monday.com marketplace, one of the key decisions you'll face is selecting your pricing model. You can choose seat-based or feature-based pricing. Each has its strengths and considerations, and choosing the right one can significantly impact your app's success.

Seat-Based Pricing

Seat-based pricing is straightforward based on the volume of seats on a subscription. You organize and price your plans based on a range of seat volumes you set (for example, 2-5, 6-10 and 11-30 seats). Potential customers only see the plan that is relevant to the number of seats they subscribe to on monday.com.

Seat-based plan example

<p>\$0 / month</p> <p>Maximum of 5 users per month. Any seats beyond are paid for extra.</p> <ul style="list-style-type: none"> Feature 1 Feature 2 Feature 3 	<p>\$10 / month</p> <p>Maximum of 10 users per month. Any seats beyond are paid for extra.</p> <ul style="list-style-type: none"> Feature 1 Feature 2 Feature 3 	<p>\$15 / month</p> <p>Maximum of 20 users per month. Any seats beyond are paid for extra.</p> <ul style="list-style-type: none"> Feature 1 Feature 2 Feature 3
<p>\$25 / month</p> <p>Maximum of 50 users per month. Any seats beyond are paid for extra.</p> <ul style="list-style-type: none"> Feature 1 Feature 2 Feature 3 	<p>\$80 / month</p> <p>Maximum of 100 users per month. Any seats beyond are paid for extra.</p> <ul style="list-style-type: none"> Feature 1 Feature 2 Feature 3 	<p>\$140 / month</p> <p>Maximum of 200 users per month. Any seats beyond are paid for extra.</p> <ul style="list-style-type: none"> Feature 1 Feature 2 Feature 3

Advantages:

- **Simplicity:** This model is simple for developers and users alike. Users access the same functionality and pay based on the number of seats.
- **Scalability for Customers:** As a customer's team grows, they can simply add more seats.
- **Broad Appeal:** This model allows you to set suitable pricing for a wide range of user organizations, from small teams to large enterprises. Seat-based pricing can be perceived as more fair and equitable.

Considerations:

- **Customer Size:** Larger organizations might find this model expensive, so consider incorporating volume discounts for plans with more seats. Remember, you'll need more small business customers to equal the income from a handful of enterprise customers. Learn more here about [how many plans to offer](#).

Feature-Based Pricing: Pay-per-Value Model

In feature-based pricing, you charge based on the features or the level of service offered. You can create different plans, each with its own set of features, price points or usage limits.

Feature-based plan example

<p>\$0 / month</p> <p>Maximum of 5 users per month. Any seats beyond are paid for extra.</p> <ul style="list-style-type: none"> Feature 1 Feature 2 Feature 3 	<p>\$10 / month</p> <p>Maximum of 10 users per month. Any seats beyond are paid for extra.</p> <ul style="list-style-type: none"> Feature 1 Feature 2 Feature 3 	<p>\$15 / month</p> <p>Maximum of 20 users per month. Any seats beyond are paid for extra.</p> <ul style="list-style-type: none"> Feature 1 Feature 2 Feature 3
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Advantages:

- **Flexibility for Users:** Customers can choose a plan that fits their needs without paying for unnecessary features or consumption. Feature-based pricing can be more flexible, offering basic plans with the essentials and advanced plans with fuller functionality or higher usage limits.
- **Choice in decision making:** Offering choice can shift from a binary pricing decision to "which do I choose."
- **Attracts a Diverse Customer Base:** This model can appeal to a wide range of customer sizes and customer needs.
- **Upsell Opportunities:** There's potential to upsell customers to more expensive plans as their needs evolve.

Considerations:

- **Simplicity vs. Customization:** Feature-based pricing can be more complex but allows for greater customization and tailoring to specific customer needs.
- **Bundling:** You need to carefully assess how to bundle features into each tier to make each one attractive and valuable.

Identifying what adds value

Deciding between seat-based and feature-based pricing is about more than what your app can do, it's about what customers need and are willing to pay for.

Collect feedback from your current/prospective users through interviews or market surveys. Work to understand:

- What is the problem they need to solve?
- Where/when frequently does it occur?
- What does successfully solving the problem look like?
- How much is solving the problem worth (in time or money)?

Just as you would create a wireframe/prototype of your app to test, consider creating a prototype of your pricing you can bring into the conversation to get feedback from real users.

Understanding what your potential users prefer can guide your pricing strategy as well as your development plan.

Get Started

Respond to each question by adding a tick in the column that best answers the question. At the end, tally the responses to identify if seat-based or feature-based might be right for you.

	Seats	Features
What drives value most? Which increases the benefits of your app - more users (seats) or the range of features users can access./ usage volumes in your app (features)?		
What are the marketplace trends? Which is the prevailing pricing model on the monday.com marketplace for similar apps? Aligning with market standards can sometimes be beneficial in terms of user acceptance.		
Which allows for more flexibility and growth? Which model supports your growth strategy and development style: do you plan to introduce new features or functionality in the future or will growth be determined by new users/ users?		
Which model do users prefer? Create a prototype of your pricing and put it in front of customers. Evaluate their response to determine which model they prefer.		
Which enables the outcomes you want to see? Seat-based pricing offers consistent revenue, while feature-based pricing provides opportunities for upselling.		

Tip: Be open to experimenting with different models. The marketplace is dynamic, and it should be your approach to pricing.



In a Nutshell

If you use seat-based pricing... create up to 20 plans with varying seat counts, tailored to different business sizes. Users will only see the plan that is relevant to the number of seats on their monday.com account so a broad spectrum of options is manageable and not excessive.

If you use feature-based pricing... offer a small number of clearly distinguishable plans to cater to the different needs without overwhelming users with too many options. A simple, 3-tiered approach can work well; an entry-level plan with essential features, an enhanced plan for more complex needs, and a premium plan for full functionality.



Learn More

How many plans to offer when using a Seat-Based Model

If seat-based pricing is your model, consider establishing as many as 20 distinct plans, each with different seat capacities, to suit various organizational sizes. Since users view only the plan matching the seat count in their monday.com account, it is beneficial for users to see a plan where the seat thresholds feels relevant to their organisation.

Considerations:

- **Understand Your Market:** Identify which sizes of organizations are most likely to benefit from your app. Concentrate your plans around the seat volumes that align with these core users.
- **Be Sensitive to Organisational Size:** Use your allocation of plans wisely. If your app targets enterprise, set more granular seat sizes for plans with higher user volumes. If your app targets smaller organisations, set more granular plans designed for lower user volumes.
- **Respond to User Behaviours:** Regularly review which plans are favoured by your users and make adjustments over time to better align with user preferences.
- **Learn and Adapt:** Stay agile and ready to modify your plans and pricing to keep pace with market trends and customer feedback, ensuring you remain competitive and relevant.

How many plans to offer when using a Feature-Based Model

In a feature-based pricing model, streamline your offerings into a small number of plans to avoid overwhelming your users. [Consider a 3-tier system:](#) a basic plan covering fundamental features, an intermediate plan for more advanced needs, and a top-tier plan with all-inclusive functionality. You can also set plans based on different levels of use, for example, send 500 emails per month on Basic and unlimited emails on Pro.

Name your tiers in a way that helps to make the differences between tiers easy to recognise. For example, you might see other plans on the platform with names like: *Individual, Pro, Enterprise* or *Free, Basic, Advanced*.

See the section [What do I include in each plan?](#) for more information on how to design your plan.

Step-by-Step Guide to Designing your Feature-Based Plans

1. **Feature Analysis:** Start by categorizing your app's features based on value and complexity. Identify core features that every user needs and premium features that offer advanced capabilities.
2. **Plan Design:** Create a small set of plans, typically 3 to 5, each with a progressively richer set of features. Ensure each plan offers distinct value or appeals to different segments of your target market.
3. **Market Feedback:** Gather feedback from your users and analyze market trends. This information is crucial for adjusting the number of plans and their features to align with user needs and preferences.
4. **Competitor Benchmarking:** Take a look at your competitors. Understand how they structure their feature-based plans and use this insight to refine your own offerings.
5. **Plan Review:** Especially when offering a variety of features, review your plan to evaluate if the presentation is simple and understandable. Make it easy for customers to understand the value proposition of each plan and understand why they would choose one over another.
6. **Iteration:** Be ready to modify your plans in response to new market developments, new functionality you create, or shifts in user expectations. This flexibility is key to staying relevant and competitive in the dynamic monday.com marketplace.



In a Nutshell

If you use seat-based pricing... each plan will include the same features and functionality. Write 3-5 bullets to capture the most valuable capabilities or benefits your app has to offer.

If you use feature-based pricing... use the design of each plan to cater to different user needs and encourage upgrades as user's requirements grow. Clearly differentiate each plan by its features, limitations, and intended user base. Use the plan descriptions to convey a few words why a user should select each plan.



Learn More

The single-plan model (for seat-based pricing)

For seat-based models, users will only see the plan that's relevant to them based on the number of seats in their plan.

Since users don't see different plans to compare and contrast, each plan needs to stand on its own so be sure to include a great description that conveys the value of the app and list the top benefits or features.

The good-better-best model (for feature-based pricing)

A simple, 3-tiered approach can work well for feature-based pricing models. In this approach, each tier builds on the previous tiers:

- **Base plan:** an entry-level plan with essential features or light usage (good)
- **Mid-tier plan:** an enhanced plan for more complex needs or medium usage (better)
- **Top-tier plan:** a premium plan with full functionality or higher/unlimited usage limits (best)

Base Plan (Free or entry-level price point):

- Include basic features that demonstrate the app's value proposition.
- Provide core functionality that satisfies the primary needs of the user.
- Consider implementing usage limitations (e.g., on the number of projects, storage space) to encourage upgrades.

Mid-Tier Plan:

- Identify and understand the different segments of your user base and what each segment values the most. (Find more here on [understanding value](#))
- Add features that are tailored to a different user segment or more complex needs, such as additional customization options, advanced tools, or increased limits.
- Consider including features that enhance productivity and efficiency for power users.

Top-Tier Plan:

- Offer advanced features that cater to high-end users, such as extensive analytics, superior support, and integration capabilities.
- Include exclusive features that justify the higher price, encouraging users to upgrade for the best experience.
- For plans with different usage levels per plan, consider unlimited usage here.

Signposting

The plan description provides an opportunity to convey in a few words why a user should chose each plan and highlight the differences between the plans you offer.

Using clear and simple language will ensure users understand their choices and feel empowered to make their decision.

Remember that feature-based plan can also be designed for different levels of usage such as the number of operations or actions per month. If your pricing is based on usage, ensure the differences between usage levels is clearly reflected in the descriptions or bullet points.

The Power of Choice

Offering a choice of packages taps into buyers' desire for control and personalization in purchasing decisions. By providing options, you empower the buyer to choose a plan that best fits their perceived value and budget.

Tiered pricing also leverages the "decoy effect," where a higher-priced option can make the other options seem more reasonably priced, often guiding customers towards a middle option that represents a balance of features and cost. This can lead to increased customer satisfaction and perceived value, as users feel they are making a more informed and tailored choice. It can also make higher-tier plans seem more valuable and justifiable, thereby encouraging upgrades.

Design Guide for feature-based plans

Plan Name

1-2 words. Use aspirational language or words that indicate which audience the plan is suitable for.

Monthly Price

In whole USD. Consider price ending in 9 to lower the perceived magnitude of the price.

Plan Description

A few words to describe why a user should select this plan and how it differs to others you are offering.

Bullet Points

The most valuable features or outcomes your app has to offer (3-5 recommended)

Recommended Badge

Apply this optional label to one plan to highlight the best choice for your users

Recommended

Enterprise 1000

\$110 / month

Generate up to 1,000 documents per month

- ✓ Unlimited users
- ✓ Unlimited templates
- ✓ Unlimited teams
- ✓ Assistance in creating air templates

*In a Nutshell*

Remove the guesswork in setting your prices by having a clear understanding of the costs you incur and what customers are willing to pay for the value your app delivers to them.

Researching the pricing of competitive apps can give you a useful benchmark, and talking to your target customers will dramatically improve your understanding of what unlocks willingness-to-pay.

*Learn More***Remove the Guesswork**

When setting your prices, a logical place to start is to think about how much you need to make for it to be worth your time. This is an important number to factor in, however, be careful in making too many gut-led decisions when it comes to pricing.

There are two other important factors at play: your costs to maintain the app and the value it creates for the customer.

Remove the guesswork in setting your prices by having a clear understanding of the costs you incur and what customers are willing to pay for the value your app delivers to them. Your price should be higher than your costs (this is your margin) but be careful the price doesn't exceed the value it delivers to the customer.

**Evaluate your Costs**

There's a lot to consider when assessing the true cost of creating, maintaining and scaling your app. Getting a full picture tells you how much money your app needs to make to become profitable. This is key information for making pricing decisions.

- **Development costs** - Are there costs associated with the initial creation, design, and testing of your app that you want to recoup?
- **Ongoing costs** - What are the costs for making regular updates, server hosting, bug fixes, and customer support?
- **Scaling costs** - What are the costs to support additional users, new features and increased demand for customer support as your user base grows?

Understand Value

A customer's willingness-to-pay is rooted in the outcomes or benefits that your app realizes for them. Value can take many forms—for example, peace-of-mind, risk reduction or time savings—and is likely to look different for different audiences.

Don't guess how the market will respond to price changes of any kind. Gather the evidence before setting your strategy. A simple way to do this is to run 5 interviews with prospective users to gauge early reactions.

4 Questions to Uncover Willingness To Pay

Asking carefully worded, open questions can provide a deeper understand of the appeal of your app and a customer's willingness to pay. Try these 4 questions often used in pricing research called the Van Westendorp Method.

At what price would it (the product/service) be...

- a bargain—a great buy for the money?
- starting to get expensive, but you might still consider it?
- so expensive that you would not consider buying it?
- so low that you would question the quality?

Similar questions can be used in surveys as well to gauge Willingness to Pay (WTP) at a larger scale. You can then use the insights you uncover from fieldwork like interviews and surveys to understand the different needs and preferences of your user base and segment your pricing plans to cater to various user groups, from basic users to power users.

Benchmark Price

Taking competitive benchmarks into consideration is crucial for ensuring market relevance and competitive pricing. Understanding the features, pricing strategies, and user satisfaction levels of similar apps in the marketplace can help you identify gaps and opportunities.

Try it: [Go to the marketplace](#) and find 3 apps with similarities to yours.

- Where does their pricing sit compared to yours?
- How does the offering compare?

It's also important to benchmark the core monday.com subscription your app will be building on to. You'll want to consider how your packages relate to the core subscription price. For example, if a basic core plan is \$9 per seat per month and your app is \$18 per seat per month, that's 200% more to pay for 1 app than for the entire core platform.

Try it: Review the [monday.com pricing](#). How does your app pricing compare to the monday.com plan(s) you expect the majority of your users would be subscribed to?

Consider price differences for annual vs. monthly subscriptions

On monday.com you'll provide both a monthly price and an annual subscription price. It's common to see discounts ranging from 10% to 20% off the monthly price for those spring for an annual subscription.

Considerations for Monthly and Annual Subscription Pricing

Choosing the depth of discount on your annual plans requires balancing the expected behaviour and preferences of your users with your own target profit margins.

Monthly Subscriptions

- Offers customers the freedom to upgrade, downgrade, or cancel at any time, reducing upfront financial commitment.
- Allows developers to manage cash flow without large upfront payments.

Annual Subscriptions

- Subscribers expect to receive a discount for committing to a year, lowering the overall cost compared to monthly payments.
- Encourages longer customer commitment, reducing the monthly churn rate and providing more-predictable revenue streams.

Explore the Optics of Pricing Plans

Particularly for feature-based apps, effectively pricing your app involves more than setting the top-line number; it's about crafting a pricing structure that resonates with perceived value and subtly guides user behaviour. Avoid simplistic even increments like \$5, \$10, \$15, which can seem disconnected from the actual value offered. Instead, set prices based on value where each plan's price increase is directly tied to a noticeable increase in value. Use a pricing ratio that reflects the value differential between tiers, such as a 1-2-5 ratio (\$5, \$10, \$25), clearly illustrating the step-up in value at each level.

In your tiered structure, strategically restrict high-value features and premium services to the higher priced plans. This creates a compelling upgrade path, making it intuitively obvious why a user would benefit from moving to a higher plan.

*In a Nutshell*

On monday.com, all apps must have a free trial, free plan or a combination of both.

Offer a free trial if...your app is feature-rich and takes time for users to learn. A free trial allows users to explore the full capabilities of your app and realise its value, which can be hard to achieve with a limited free plan.

Offer a free plan if...your app can be easily segmented into essential (basic) and premium (advanced) features. A free plan can attract a higher volume of users who experience your core functionality, giving you the opportunity to upsell advanced features.

Offer both when...free plan users will need time explore the full capabilities of your app before committing to an upgrade.

*Learn More*

Like all pricing decisions you will make, deciding to offer a free trial or a free plan depends on your business goals, your product, what similar apps offer and the value your app creates for users.

There is no right or wrong decision, the best choice will depend on your specific circumstances.

Here's a brief overview of each to help you make an informed decision:

Free Plan**Advantages**

- **Engagement:** Users who might not be ready to commit to a paid plan can use your service which may lead to eventual conversion to a paid plan.
- **Word of Mouth:** Satisfied users of the free plan are more likely to recommend your app to others, potentially increasing your user base through word-of-mouth.
- **Feedback:** A broader user base, especially early in development, can provide valuable feedback and data on how your app is used, helping you to iterate and improve your product.

Disadvantages

- **Resource Consumption:** Supporting a large number of free users can lead to increased server costs and support demands without direct revenue from these users.
- **Lower Conversion Rates:** Users on free plans might have less incentive to upgrade to a paid plan unless the paid features are significantly more valuable.

Free Trial**Advantages**

- **Full feature set:** For feature-rich apps, it can take time for users to learn (and love) an app. A free trial exposes users to the full range of capabilities as they get started rather than giving them a stripped back free plan.
- **Limited Commitment:** Offering a free trial for a limited period (e.g., 14 or 30 days) creates an upsell moment at the end of the trial. This adds a sense of urgency compared to an 'evergreen' free plan that has no set end date.

Disadvantages:

- **Time Pressure:** Users may feel rushed to evaluate your app within the trial period.
- **Delayed Income:** An app won't make an income to cover any associated costs for a free trial until it converts to paid.

Final considerations

- **Demand and Value:** If your app solves a critical pain point for monday.com users, a free trial might be enough to convince them of its value.
- **Competitive Landscape:** Remember to look at what competitors are offering to understand the tradeoffs customers are considering when making their purchase decision. If similar apps provide free plans or trials, you might need to offer one as well to remain competitive. Or, if most competitors don't offer any try-before-you-buy options, you might have an opportunity to leverage a free trial/plan to stand out among the competition.
- **Hybrid Approach:** It's also worth considering a hybrid approach, where you offer a free trial that leads into a limited free plan, combining the benefits of both strategies.
- **Pricing Confidence:** Finally, be confident in the value your app creates for users and approach any 'free' and '[discount](#)' offerings strategically. Giving away too much can risk de-valuing your app or anchoring your users on free so much that it's difficult to monetise that value later.



In a Nutshell

Offer discounts when...they can be used strategically to incentivise behaviours you want to drive at critical decision-making points; for example upgrades, conversions, or retention.

Avoid discounting when...they could undermine the perceived value of your app, erode your margin, or target users already likely to convert or remain loyal without a price incentive.



Learn More

Using discounts strategically can be a powerful tool to enhance user acquisition, conversion, and retention for your app on monday.com.

A common discount for subscriptions ranges from 10% to 25%, as it offers a noticeable saving to the customer without significantly diminishing the perceived value of the product or service. Be careful not to over-discount as it can devalue your product in the eyes of customers, potentially harming long-term brand integrity and profitability. Use the [Tips for Effective Discounting](#) below to help find the right balance for your app.

One thing to keep in mind on monday.com is that that discounts can only be offered to specific accounts before they purchase a plan, meaning blanket sales like such as "50% off for Cyber Monday" are not possible through the platform. Learn more about [discounts and trial extension capabilities here](#).

Here are some strategies to effectively apply discounts:

1. Targeted Discounts for Trial Users Nearing the End of their Trial

Offering a discount towards the end of a trial period can be an effective nudge for users who are still on the fence about subscribing. By analyzing user engagement and activity during the trial, you can identify high-potential users who might just need that extra push to convert. However, avoid offering discounts to users most likely to convert.

Tip: You can reach out to trial users in-app or via email as user emails are collected when they install the app.

2. Encourage Free Plan Users to Upgrade

If your app includes a free plan, targeted discounts can incentivise these users to move to a paid option. Engage with active free plan users, especially those who are approaching the limits of what the free plan offers, and present the discount as a valuable opportunity to unlock more features at a lower cost.

3. Upsell to Higher Tiers

For users who are consistently hitting the upper limits of their current plan, personalized discounts can encourage them to consider an upgrade. Direct communication highlighting the added value and benefits of the next tier, coupled with a discount offer, can make the decision to upgrade more appealing.

4. Exclusive Offers for Loyal Customers

Reward loyal customers or those with high engagement by offering them exclusive discounts for plan upgrades or renewals. This not only shows appreciation for their loyalty but also encourages continued use and deeper integration of your app into their workflows on monday.com.

5. Discount to Reduce Churn

Use targeted discounts to reduce churn by offering them to users showing signs of disengagement or considering cancellation, thereby incentivizing them to stay and continue using the app.

Tips for Effective Discounting

Avoid

Avoid Cannibalising Full-Priced Sales

Be cautious not to offer discounts to customers who would have been willing to pay full price. Targeted discounts for users who are hesitant or need an extra nudge to convert are more effective than broad discounts for all.

Avoid Discounting Without a Clear Objective

Every discount you offer should have a clear goal, whether it's increasing user acquisition, encouraging upgrades, or reducing churn. Avoid giving discounts without a specific, measurable objective in mind.

Avoid Over-Reliance on Discounts

Relying too heavily on discounts for customer acquisition and retention can be a slippery slope. Strive to build value in your offering that stands on its own, with discounts serving as a strategic tool rather than a crutch.

Embrace

Embrace Strategic Timing

Timing your discount offers can significantly impact their effectiveness. Consider offering discounts during periods of high engagement or when users are most likely to be evaluating their subscription decisions, such as at the end of a billing cycle or fiscal quarter.

Embrace Feedback and Continuous Improvement

Use discounts as an opportunity to gather feedback. Engage with users who take advantage of your discount offers to understand their decision-making process, the perceived value of your app, and areas for improvement. This can inform future pricing and discount strategies.

By following some simple guidelines, you can ensure that your discount strategy enhances your app's value proposition, supports your business goals, and fosters a healthy, long-term relationship with your users on monday.com.



In a Nutshell

Identify key metrics you can use to evaluate progress after launching your app. These will provide invaluable insights into customer behaviour, sales performance and the effectiveness of your pricing.

Schedule quarterly reviews to track progress and set milestones for continuous improvement.

Consider switching pricing models if you find you have too much functionality packed into seat-based or too little into feature-based plans. Check out our [4-point questionnaire below](#) to identify if it's time to make changes.



Learn More

When pricing your app, it is a good idea to set your own metrics up front so you know how to evaluate progress towards your goals after launch. Start by choosing 3-5 metrics you have the ability to track on an ongoing basis and will provide the insight you need. Schedule quarterly reviews to track progress and set milestones for continuous improvement.

Metrics that Matter

The follow metrics will give you invaluable insight into the effectiveness of your pricing.

1. Total Revenue

Total revenue is the complete sum of income generated in a particular month, from both annual and monthly subscriptions.

Find MRR in your analytics dashboard.

2. Annual Recurring Revenue (ARR)

ARR represents the amount of revenue that you can expect to recur annually from your subscribers. It can help you understand the long-term viability and growth trajectory of your app. Typically, a growing ARR indicates effective customer acquisition and retention strategies, suggesting that users see the long-term value in your app.

Find ARR in your analytics dashboard.

3. Monthly Recurring Revenue (MRR)

MRR is the total amount of predictable revenue that your app generates each month from all active subscriptions. This metric provides month-to-month snapshot of your cash flow. An increasing MRR signifies successful customer acquisition and retention efforts on a month-to-month basis and may help you link feature changes or marketing efforts to results.

Find MRR in your analytics dashboard.

4. Conversion Rate

The conversion rate from free trial or free plan to paying customers is a direct indicator of your pricing's effectiveness. A healthy conversion rate suggests that users find enough value in your app to pay for it.

5. Churn Rate

Churn rate measures how many customers stop paying for your service over a certain period. A low churn rate indicates that customers find ongoing value in your app, suggesting that your pricing might be aligned with the perceived value. High churn, especially soon after conversion, may indicate that customers do not perceive the value for the price paid.

6. Customer Lifetime Value (CLV)

CLV is the total revenue you can expect from a customer over the duration of their business relationship with you. If your pricing strategy enhances CLV it's a sign that it's working. Retaining users longer, growing the number of users (on a seat-based plan) or upselling into a higher package (on a features-based plan) are all ways to improve CLV.

7. Average Revenue Per User (ARPU)

ARPU is the average amount of revenue each active user contributes over a specific period. An increasing ARPU is a positive sign that your pricing strategy is effective in either upgrading users to higher-tier plans or selling additional services.

8. Break-even Analysis

Understanding at what point your revenue from sales covers all your fixed and variable costs can guide your pricing decisions. If your current pricing structure means a high volume of sales is required to break even, you might need to reconsider your pricing strategy or find ways to reduce costs.

Don't set it and forget it!

Remember, pricing is not static; it should evolve with your product, customer needs, and market conditions. Regularly reviewing your apps performance and being open to adjusting your strategy will help ensure your pricing remains effective over time.

Confidence Boosters

- **Ask for customer feedback:** Reach out to your users regularly. Direct feedback from your users can provide insights into whether your pricing feels fair and aligned with the value they're receiving. You may even find you have more headroom on price than you expected. Learn more about [talking to your customers here](#).
- **Gather market research:** Stay informed about pricing trends within the monday.com ecosystem and the broader SaaS market to ensure your pricing remains competitive.
- **Make product enhancements:** Continuously improve your app's features and value proposition to justify and support your pricing model, especially if/when considering a price increase.

Time for a Change?

If you say yes to any of these, it's time to try something new with your pricing!

	Yes	No
My app has evolved over time and has a lot of functionality packed into a seat-based plan.		
Only one tier of my multi-tier feature-based plan is selling well.		
I have a high variable costs tied directly to the volume of actions taken by users, but my pricing model doesn't account for this.		
I'm not making enough money even though users love my app		



What can I learn from other developers to maximise my income?

UN
topped



In a Nutshell

Maximise income by understanding both the technical aspects of creating valuable apps and the strategic approaches to market them effectively within the monday.com ecosystem.



Did You Know?

- There are more than 180K monday.com customers
- The monday.com app Marketplace has more than
 - 400 apps
 - 2.5M visitors
 - 700k app installs



Inspiration

On monday.com

Developer Slack

A channel dedicated to monday.com developers

[Join Slack Group >](#)

Developer Community

Discussions about app development including apps framework, GraphQL API, SDK and general programming.

[View Community >](#)

Developers' Website

Overview of resources, ideas and monetization advice

[View Page >](#)

Developer YouTube

Subscribe to the channel to see new videos

[View Playlist >](#)

Partner Community

A monday.com community for knowledge sharing

[View Page >](#)

Other resources

The Mom Test (Book)

How to get great feedback from users

[Read >](#)



Learn More

Successful developers on monday.com maximise income by understanding both the technical aspects of creating valuable apps and the strategic approaches to market them effectively within the monday.com ecosystem.

11 Best Practices to Borrow

1. Building Highly Useful and Integrative Apps

Observe and learn from popular apps within the monday.com marketplace to identify common features that address widespread needs. Focus on creating apps that solve specific problems, enhance productivity, or add unique value to the monday.com platform. Monday.com customers are often power-users and have a high awareness of native functionality, they are unlikely to pay for an app if they can achieve their goal with existing functionality.

2. User Experience and Design

Pay attention to the user interface (UI) and user experience (UX) of successful apps. A seamless, intuitive design that aligns with monday.com's aesthetics can significantly improve adoption rates and user satisfaction, leading to better ratings and higher income potential.

3. Knowing your audience

Going after larger/enterprise contracts may require more technical work on the security of your app and you'll want to design more granular plan sizes that scale well for a higher number of users. Focusing on accounts with fewer users may be easier to attract with your app but may be more hesitant to pay. For example, if a business is on a five-seat plan, paying \$10 per month for an app can add up to about 20% percent of your monthly subscription.

4. Effective Monetization Strategies

Study how top developers monetize their apps. This includes understanding pricing models that work best within the monday.com ecosystem, such as [subscription-based models](#), [tiered pricing plans](#), and [freemium models](#) that offer basic functionality for free with the option to upgrade.

5. Marketing and Promotion

Learn marketing strategies from successful developers, including how they promote their apps within and outside the monday.com marketplace. Effective use of case studies, testimonials, and social proof can enhance your app's credibility and attract more users.

6. Customer Support and Engagement

Notice how leading developers manage customer support and engagement. Prompt, helpful customer service can lead to higher satisfaction rates, positive reviews, and recommendations, all of which contribute to increased income.

7. Leveraging Monday.com Features

Understand how to leverage monday.com's features and APIs to the fullest. Apps that integrate well with existing workflows and add significant functionality can become indispensable to users, leading to higher retention and conversion rates.

8. Networking within the Monday.com Developer Community

Engage with the monday.com developer community through forums, developer events, and hackathons. Networking can lead to collaborations, insights into what users need, and advanced notice of platform updates that can impact your app development.

9. Continuous Improvement Based on Feedback

Successful developers actively seek and incorporate user feedback to improve their apps. Regular updates based on user suggestions and needs can keep your app relevant and popular, sustaining and growing your income over time. Read more about [getting feedback from your users here](#).

10. Adapting to Platform Changes

Stay informed about updates and changes to the monday.com platform. Developers who quickly adapt their apps to new features or platform changes can maintain a competitive edge and ensure their apps remain compatible and relevant.

11. Strategic Use of Discounts and Trials

Learn how and when to [effectively use discounts and trial extensions](#) to attract new users or encourage upgrades. Strategic offers can boost adoption rates and convert trial users into paying customers, increasing your app's revenue.

By adopting these strategies and continuously learning from the success of others on the platform, you can enhance the appeal and value of your apps, effectively engage with the monday.com community, and maximize your income potential as a developer on the platform.