HSLU Hochschule Luzern

Lucern University of Applied Sciences and Arts
Hochschule Luzern - Technik & Architektur

Bachelor-Thesis Wirtschaftsingenieur | Innovation
Pricing Models for XaaS Providers - Alexander Hein

Purpose

The bachelor thesis examines how Everything-as-a-Service (XaaS) providers can develop hybrid pricing models that both increase customer value and ensure business profitability. The aim is to provide practical strategies that are flexible and scalable in a highly competitive market. The focus is on combining standardisation and customisation of pricing to best meet different customer needs.

Applied Competencies

Iterative Process | **Delphi-Interviews** | **Literature Review** | **Strategic Thinking** | **Customer Value Mapping**

To achieve the objectives, a comprehensive literature review, two rounds of Delphi interviews and a customer value analysis were carried out. In the first round, 17 experts were interviewed to identify challenges and approaches. In the second round, the models were validated in depth with seven experts. the qualitative methods were complemented by tools such as strategic thinking and customer value mapping to enable iterative refinement of the models.

Results

Hybrid pricing models suitable for XaaS have been evaluated. **Performance-based pricing** was considered the most **customer value-oriented** model, as it directly links fees to measurable outcomes. However, it requires robust data analysis, transparent KPI tracking and close collaboration with customers to be successfully implemented. Other models identified include **Subscription + Usage-Based Overages,** which combines predictable base fees with scalable usage fees, and **Good-Better-Best (G-B-B) with Add-ons,** which offers tiered service packages tailored to customer segments. Each model offers unique benefits and addresses different market needs.
XaaS providers should rely on transparent communication, iterative refinement and modular pricing structures to meet the diverse needs of their customers. Developing robust analytics and working with customers to jointly define KPIs is critical to the successful implementation of these models.

Customer Value Mapping:
Maps hybrid pricing models by perceived value and effort/cost, highlighting optimal strategies such as performance-based models for high value and low effort/cost.