Hello Peers,

After going through this week's readings, here are my thoughts on this discussion prompts:

To price their new communication software, More Sunny Day needs to consider the value it provides to customers versus alternatives. They should analyze what companies are willing to pay based on features, ease of use, integration, support etc. Competitive pricing data should be gathered. Using cost-plus pricing or value-based pricing models can help determine an optimal price range.

The price elasticity for this type of software is likely to be relatively inelastic. Communication tools are essential for companies adapting to remote work. Within reason, they will pay what is needed to enable employees to collaborate effectively. However, there are limits, and at too high a price point, cheaper options become more appealing.

Major competitors would include platforms like Slack, Microsoft Teams, Zoom, and Asana. These have wide adoption and network effects. More Sunny Day must differentiate their software and make a compelling case to convince companies to switch. Stress-testing with smaller customers can help prove value before targeting larger deals.

I'm interested to hear others' perspectives on optimal pricing strategies and assessing price elasticity for new SaaS products aimed at enterprise customers. How can More

Sunny Day best gauge customer willingness to pay? What creative pricing models could they employ? How should they frame their value proposition compared to alternatives? Looking forward to the discussion!

Reference:

Greenlaw, S. A. & Shapiro, D. (2018). Principles of microeconomics, 2e. Open Stax Rice University. https://d3bxy9euw4e147.cloudfront.net/oscms-prodcms/media/documents/Microeconomics2e-OP.pdfWord count: 246