



Zuora's product, product rate plan, product rate plan charge, subscription, rate plan and SKU

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What is a zuora product?



A product is an **item or service** that your company sells. In the subscription economy, a product is generally a service that your customers subscribe to rather than a physical item that they purchase one time.



For example, customers subscribe to a service that provides them a car when and where they need a car rather than buying a car outright.



A Product object contains all of the items in a specific product, especially product rate plans and product rate plan charges.



Each Product object can have multiple product rate plans, which in turn can each have multiple product rate plan charges. Each rate plan charge can have multiple tiers. Taken together, all of these items create a single product.

Example

- A cell phone family calling plan is a single product called Family Plan with the following characteristics (3 product rate plans, each product rate plan has 3 product rate plan charges):

Product: Family Plan

Product rate plan: Topaz

Product rate plan charge: One-time fee: \$50 for activation

Product rate plan charge: \$40 for 500 minutes

Product rate plan charge: Usage fees

Product rate plan charge tier: 1-200 minutes, 60¢ per minute

Product rate plan charge tier: 201-400 minutes, 30¢ per minute

Product rate plan charge tier: 401+ minutes, 15¢ per minute

Product rate plan: Ruby

Product rate plan charge: One-time fee: \$50 for activation

Product rate plan charge: \$60 for 800 minutes

Product rate plan charge: Usage fees

Product rate plan charge tier: 1-200 minutes, 40¢ per minute

Product rate plan charge tier: 201-400 minutes, 20¢ per minute

Product rate plan charge tier: 401+ minutes, 10¢ per minute

Product rate plan: Diamond

Product rate plan charge: One-time fee: \$25 for activation

Product rate plan charge: \$80 for 1000 minutes

Product rate plan charge: Usage fees

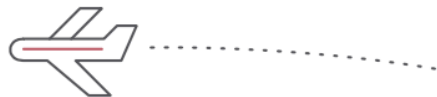
Product rate plan charge tier: 1-200 minutes, 20¢ per minute

Product rate plan charge tier: 201-400 minutes, 10¢ per minute

Product rate plan charge tier: 401+ minutes, 5¢ per minute

Supported calls and use cases

- Can use this object with following calls – create(), query(), update() and delete()
- Create products in the product catalog
- Update existing products in the product catalog
 - Modify rate plans
 - Modify rate plan charges



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What is a product rate plan?



A product rate plan is the part of a product that your customers subscribe to.



Each product can have multiple product rate plans, and each product rate plan can have multiple product rate plan charges, which are fees for products and their product rate plans.



Recall: A product is an item or service that your company sells. In the subscription economy, a product is generally a service that your customers subscribe to rather than a physical item that they purchase one time.

Using the same example

Product: Family Plan

Product rate plan: Topaz

Product rate plan charge: One-time fee: \$50 for activation

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What is a product rate plan charge?

- Product rate plan charges are the fees that you charge your customer when they sign up for your product. They also include the rules surrounding those fees. Each rate plan can include any number of charges (or fees; these terms are used interchangeably).
- There are **three different types of product rate plan charges**: one-time charges, recurring charges, and usage-based charges.
- **One-Time**: One-time charges are the simplest type of charge that can be included in a rate plan. One-time charges occur once only, with no recurrence, and can be used for activation, cancellation, or setup fees.
- **Recurring**: Recurring charges are the most common type of charge for subscription-based businesses. Recurring charges are used for basic subscription fees that are invoiced on a **periodic basis**, in advance, on a periodic basis until the subscription ends.
- **Usage**: Usage-based fees are used to track resources that are metered (counted) and charged based on amount consumed. Usage charges can vary by the amount of your product or service that a customer uses. Such charges are billed on a periodic basis after the customer's usage is incurred.

What is a subscription?

A subscription is a product or service that has **recurring charges**, such as a monthly flat fee or charges based on usage.

Subscriptions can also include **one-time charges**, such as activation fees. Every subscription must be associated with an account. At least one active account must exist before any subscriptions can be created.

The Subscription object contains the information needed to create and maintain a subscription associated with an Account object. This SOAP API reference describes the supported calls, limits, and fields associated with the Subscription object.

Supported calls and Limits

- Use this object with the following calls:
- `subscribe()`
- `query()`
- `update()`
- `delete()`
- To create a subscription, use the `subscribe()` call
- 3000 subscriptions are allowed on an account

What is a rate plan?

- A rate plan is part of a subscription or an amendment to a subscription, and it comes from a product rate plan.
- Like a product and its product rate plans, a subscription can have one or more rate plans.
- Rate plans are sometimes called subscription rate plans. Rate plans that are part of an amendment are sometimes called amendment rate plans.
- Rate plans **represent a price or a collection of prices for a service you sell**. An individual rate plan contains all charges specific to a particular subscription. Use a RatePlan object to create a Subscription object-specific structure of pricing and terms.
- You can think of a ProductRatePlan object as a template for creating a subscription. The Subscription object's individual RatePlan objects are constructed from the ProductRatePlan "template."

What is a rate plan? (cont'd)

- A RatePlan object can have multiple RatePlanCharge objects, which can be one-time fees, recurring fees, or usage fees.

Recall:

- A one-time fee is a charge that your customer pays only once. One-time fees don't recur. Upfront setup fees and activation fees are examples of a one-time fee.
- A recurring fee is a fee that repeats on a regular basis. You can set the schedule to be monthly, quarterly, semi-annually, or annually. Once the charge is triggered, the customer is automatically charged on the appropriate dates in the future. Monthly charges for satellite TV is an example of a recurring fee.
- A usage fee is a fee based on the amount of units, such as media storage, that customers use during a given billing period. Usage charges are billed based on a customer's actual usage. Per-minute charges for phone calls and GB of media storage are examples of usage fees.

Supported Calls and use cases

- Use this object with the following calls:
 - create()
 - query()
 - update()
- Here are some common ways to use this object:
 - Query for a rate plan that's been removed
 - Add a rate plan to a subscription
 - Amend a subscription's rate plan

What is SKU?

- Recall that the product catalog relies on products, product rate plans and product rate plan charges
- Important to first set up product catalog to ensure the products and rate plans are available to select from
- **SKU:** Like the product name, SKUs also identify the product item and must be unique for each product. SKUs are auto-generated by Zuora Billing upon creation of a new product. You can override them with a custom SKU.

References

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