

# AI Monetization, Done Right

A Practical Guide  
for Product and Pricing Leaders



## Introduction

As software producers grapple with rising AI infrastructure costs, unpredictable usage patterns, and evolving customer expectations, traditional monetization models are under pressure.

This guide outlines how product and pricing leaders can achieve sustainable AI profitability by aligning pricing, usage, and cost structures, with a focus on:



### Balancing Costs to Drive Profitability

Understand the economic realities of delivering AI and why aligning pricing to consumption is becoming unavoidable.



### Hybrid Pricing Strategies

Learn how to combine subscriptions and usage-based pricing to balance flexibility, scalability, and margin control.



### Growing Revenue with Data Insights

Review usage, entitlement, and customer behavior data to refine pricing, guide packaging decisions, and uncover new revenue opportunities.



### The Prepaid vs. Postpaid Debate

Evaluate the pros and cons of each approach and how they impact revenue predictability, customer experience, and risk.



### 6 Steps to Make Usage-Based Pricing Work

Apply six practical steps to operationalize consumption-based pricing with the right data, systems, and governance in place.

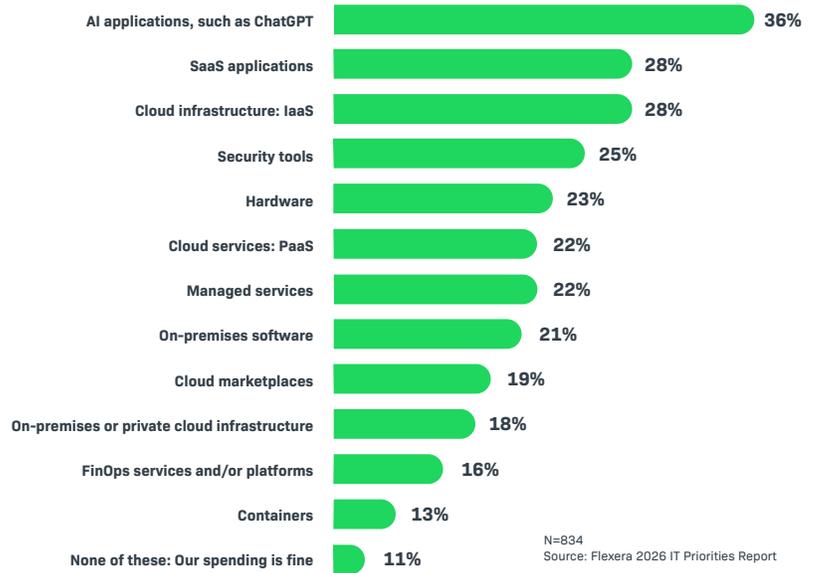
With the world of AI monetization still in its early stages, you need to build models that are commercially viable today and adaptable as the market matures. This guide offers practical advice from Revenera's team of software monetization experts.

## Balancing Costs to Drive Profitability

After surveying 501 product leaders, Revenera’s global [Monetization Monitor 2026](#) indicates 70% of those who currently offer AI-driven capabilities are struggling with delivery costs – particularly cloud spend – undermining profitability.

At the same time, Flexera’s [IT Priorities Report](#) highlights tension from the buyer’s perspective, with 36% of enterprise IT decision-makers believing they overspend on AI applications – the single biggest area of over-investment.

**Where, if at all, are you currently overspending on technology?**



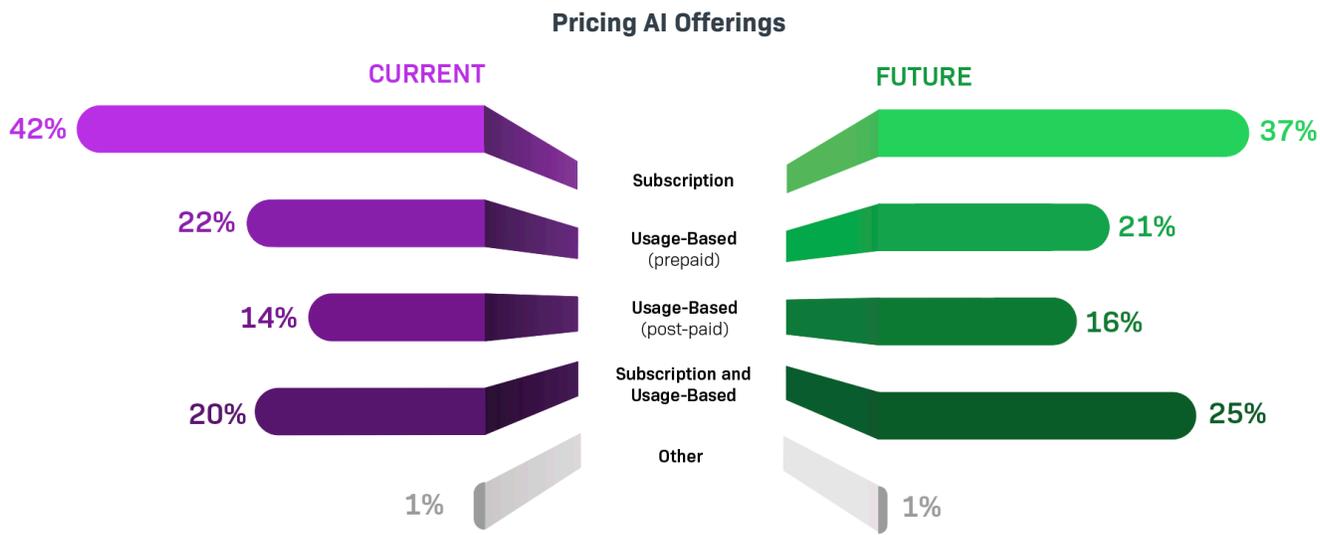
We’re at a critical juncture, as both buyers and suppliers feel the strain of a financial paradox where each side reports a raw deal, forcing a strategic rethink on how AI is priced, packaged, and delivered.

## AI Pricing Strategy Evolution

During the first wave of innovation, many tech companies introduced AI capabilities to existing products and subscriptions, enabling fast launches and early experimentation.

However, as the landscape matures and operational expenses are factored in – from cloud resources and compute power to data modeling and performance enhancements – there’s been a shift toward usage-based pricing models that ensure overheads are covered while providing more control over consumption.

Although subscription remains the most common framework for AI today, the Monetization Monitor forecasts pure subscription plans to decline by five percentage points over the next 12 months, with a more nuanced AI pricing strategy emerging in the form of blended subscription and usage-based models, which are set to grow by 5%.



In total, usage-based approaches – whether prepaid, postpaid, or combined with subscriptions – are set to make up 62% of all AI product pricing strategies by 2027, marking a shift away from traditional [software licensing models](#).

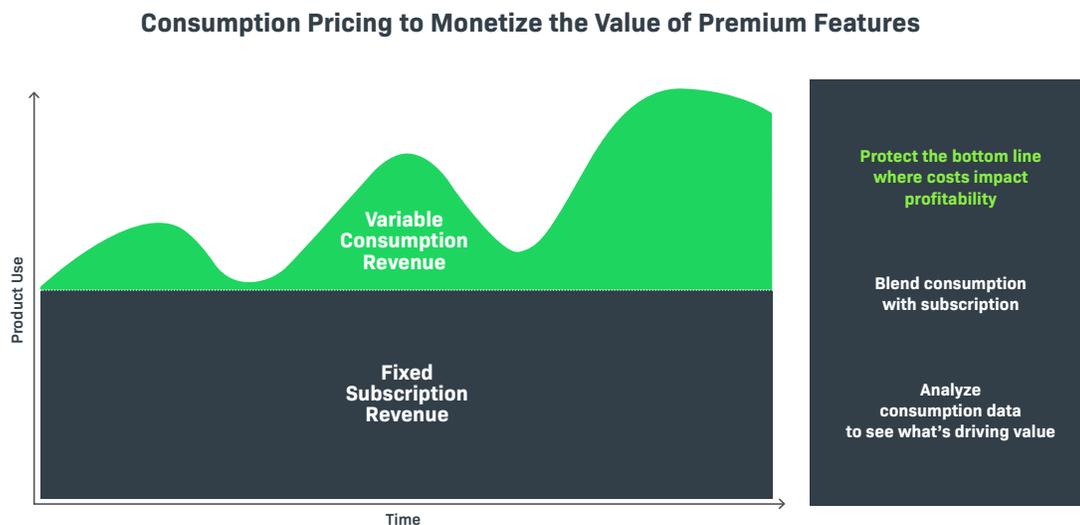
On the surface, adopting a consumption mindset solves the issue of squeezed margins, as producers can set prices to ensure resource-intensive AI functionality is appropriately charged. Furthermore, as cost is directly linked to usage, customers can measure value more accurately, potentially alleviating concerns around overspending.

However, implementing a usage-based AI pricing strategy requires careful execution, as it carries inherent risk while also generating insights that can unlock new revenue opportunities.

## Managing Hybrid AI Pricing Strategies

Much in the same way that bundling high-cost AI features into subscriptions risks eroding profitability, [consumption-based licensing](#) creates uncertainty as revenue becomes more unpredictable.

This is why many companies are evaluating hybrid models that combine subscriptions with consumption-based elements, offering core features through annual or monthly plans while providing AI capabilities on a pay-per-use basis.



This layered approach maintains recurring revenue for standard access while mitigating costs for premium functionality.

Benefits aren't limited to cost recovery, though, as selling units of usage (i.e., credits, consumptive tokens, API calls, or whatever terminology you prefer) introduces a flexible revenue stream that scales with demand, making this a commercially viable AI pricing strategy that supports sustainable growth.

The biggest growth lever, however, lies in the depth of information captured by usage-based systems, allowing product leaders to conduct meaningful [customer data analysis](#) that identifies value drivers, highlights differentiators, and guides roadmap innovation.

## Growing Revenue with Data Insights

While there’s urgency to adopt AI pricing strategies that [align profitability with value](#) – especially amid ongoing media speculation about the durability of AI investment levels – data-driven software producers are looking at the bigger picture: not simply balancing costs, but studying usage to understand customer outcomes and benefits.

This strategic approach turns raw data into actionable insights, enabling you to:



**Pinpoint high-impact features:** Identify which capabilities drive adoption and deliver the greatest customer value – and shape your sales strategy accordingly.



**Refine pricing and packaging:** Ensure offerings reflect how customers actually use your product, improving revenue capture as the relationship between pricing and value becomes clearer.



**Strengthen retention:** Detect underutilized features or engagement gaps and [proactively reduce churn](#) by educating customers on what they’re missing.

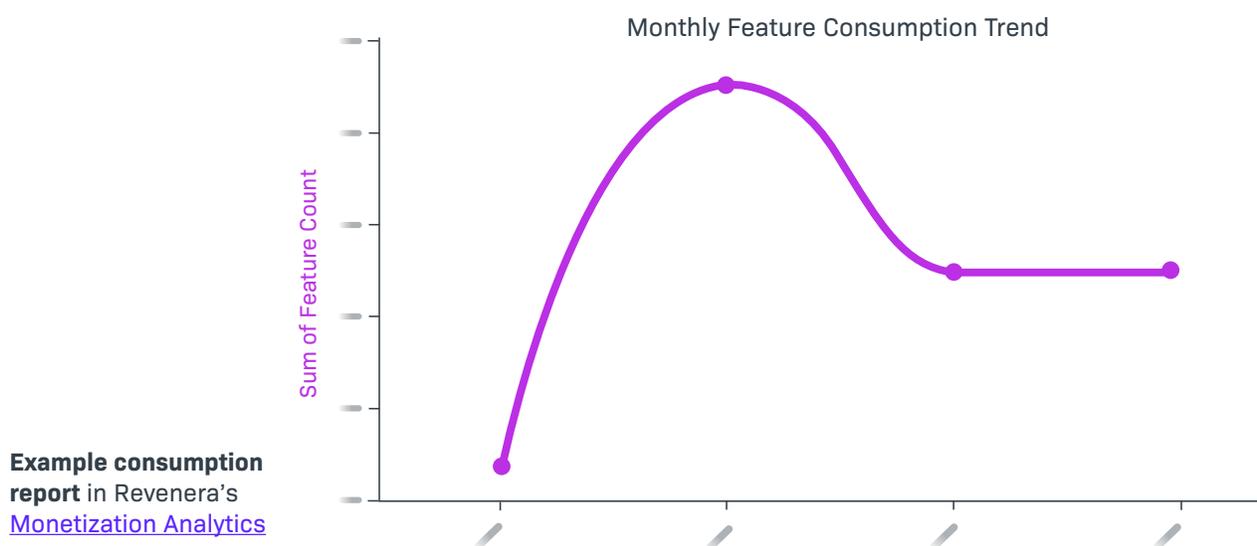


**Prioritize innovation:** Direct roadmap decisions toward areas with the greatest commercial and customer impact to ensure your product remains “sticky.”



**Unlock growth:** Reveal upsell and cross-sell opportunities by analyzing signals that indicate readiness to buy, such as approaching usage thresholds, activating advanced functionality, or increased logins across global teams.

When customer outcomes are clearly understood and continuously optimized, usage-based revenue becomes easier to scale over time.



## The Prepaid vs. Postpaid Debate

While the benefits of consumption models are widely recognized, there continues to be debate around whether prepaid or postpaid structures are best.

Producers grounded in subscription models benefit from upfront payments, which establish a predictable, evenly distributed revenue recognition cycle.

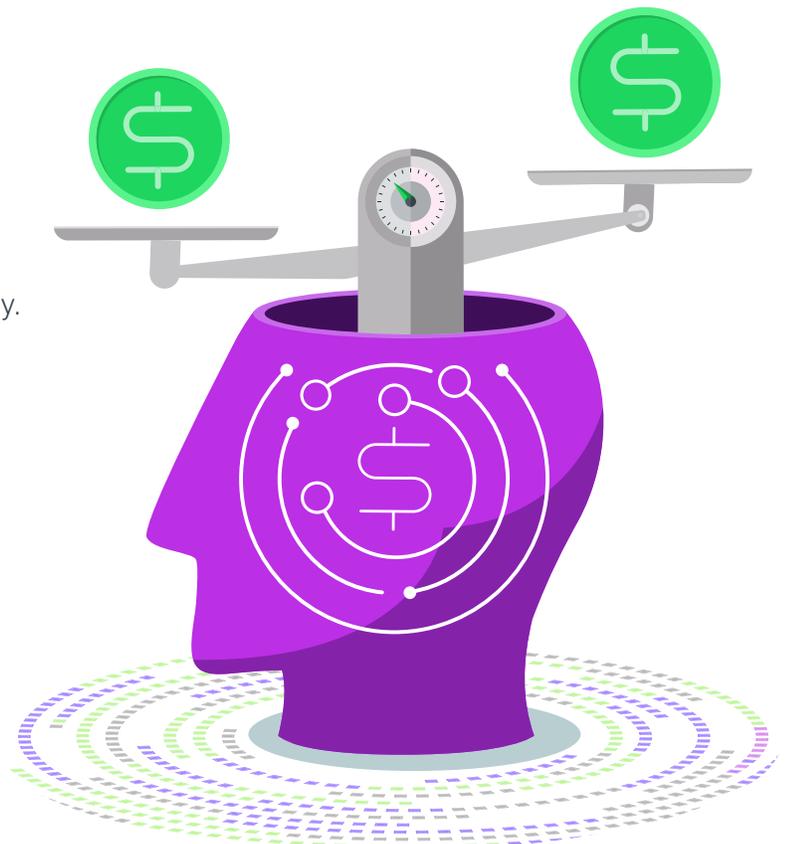
By contrast, a purely postpaid model exposes you to fluctuating usage habits, resulting in sporadic revenue.

Research has long suggested that customers prefer postpaid agreements, as they avoid upfront commitment and can justify costs after experiencing value. More recently, however, analysts have noted a shift in buyer sentiment. Prepaid models are gaining acceptance as organizations recognize the need to control spend – committing to a defined budget and limiting usage accordingly.

With appropriate guardrails in place, prepaid consumption can be distributed more evenly across a business period, stabilizing expenditure for customers while creating a more predictable revenue pattern for suppliers.

This shift in buyer preference may be a reaction to “bill shock” – a common risk in postpaid models when sudden usage spikes translate into unexpectedly high invoices, which can be particularly expensive for compute-intensive AI workloads.

Whether tracking consumption for prepaid models or building visibility and trust for postpaid billing, the fundamental need is real-time visibility into consumption data, enabling proactive controls, clearer communication, and fewer surprises.



## Visibility is the Foundation of Trust

AI doesn't behave like traditional software, and neither does its usage.

Tasks once handled by individual users are increasingly executed by AI agents, often operating continuously and in coordination with one another. These agents can invoke services at scale, generating volumes of activity that far exceed human-driven interaction.

That shift matters for monetization. Pricing models built around “per user” assumptions risk underestimating activity while infrastructure costs continue to climb, whereas usage-based pricing grounded in real-time data ties revenue to actual consumption – whether driven by people, agents, or a combination of the two.

Real-time usage data ensures transparency so customers can see usage as it happens, allowing them to understand which teams, users, or agents are driving consumption, and apply internal governance before costs escalate. Without this visibility, usage-based billing can feel opaque and risky – particularly in postpaid models.

For producers, visibility is just as important. New AI features rarely come with reliable usage baselines. Real-time data allows teams to monitor early adoption, detect anomalies, and project trends before those capabilities are fully commercialized. In that sense, usage data becomes more than a billing input – it's a readiness signal that informs product rollout, customer communication, and pricing.

## Triple-A Data Confidence

For consumption billing to be accurate and defensible, the data must meet three criteria:



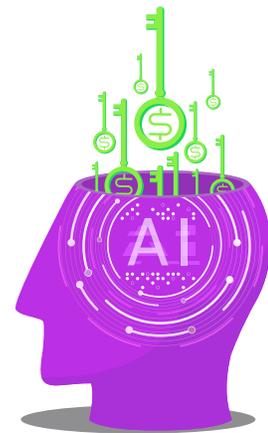
**Accessible:** Usage data must be readily available to both internal teams and customers.



**Attributable:** Consumption should be traceable to a specific action – whether a user request, an AI agent invocation, or an automated background task.



**Auditable:** Data must accurately reflect what occurred, giving producers confidence in their invoices and customers clarity on what they're paying for.



Without these qualities, [usage-based pricing](#) quickly breaks down. Disputes increase, trust erodes, and finance teams lose confidence in the model.

## Monetization Architecture Matters

The choice between prepaid and postpaid models has architectural consequences.

Prepaid models rely on upfront credit purchases that are drawn down as usage occurs. While this eliminates surprise bills, it requires strong “showback” capabilities – real-time visibility into how balances are being consumed.

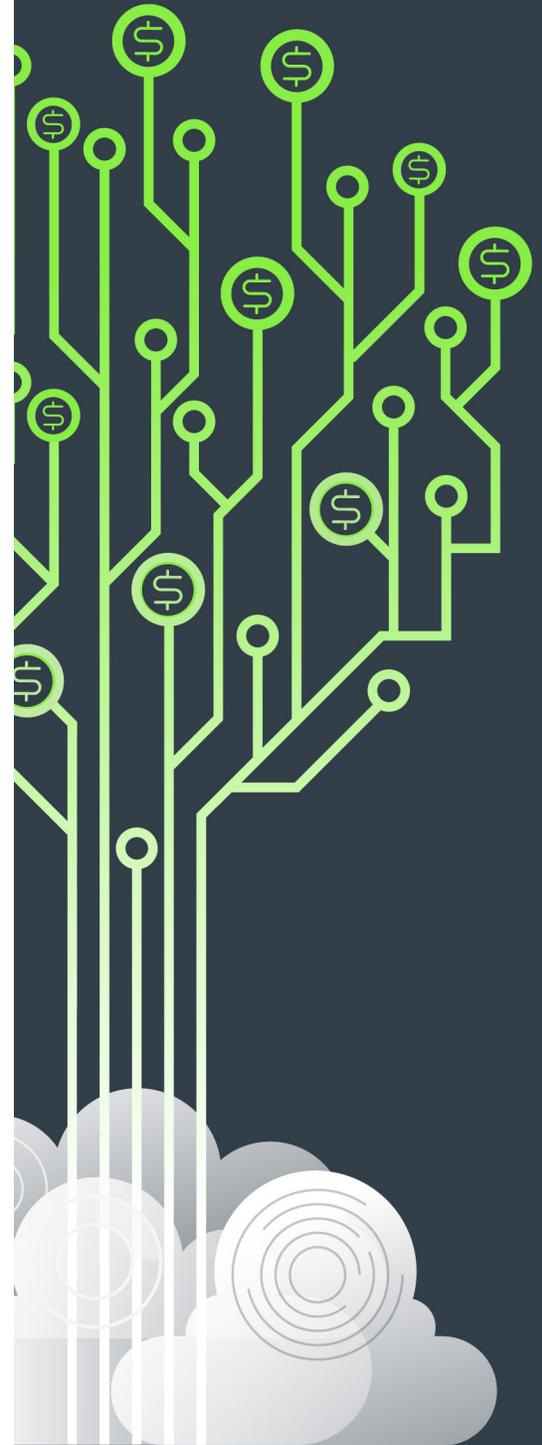
Postpaid models reverse the flow. Usage is captured first and billed later, placing heavy demands on real-time, high-fidelity usage capture. Gaps in accuracy or latency can lead to delayed invoices, disputes, or revenue leakage.

Monetizing AI often combines both approaches. A common strategy is prepaid access up to a defined threshold, with postpaid “overages” applied when usage exceeds that limit. This model is typically applied where trust is high or when uninterrupted service is critical for customers, even after prepaid rights are exhausted.

In all cases, best practice is to separate usage capture from billing logic. Usage data should be collected, normalized, and enriched in a dedicated layer, then passed downstream to billing platforms as needed.

This separation becomes especially important for organizations operating multiple billing, ERP, or CRM systems – often the result of growth through acquisition. A unified usage layer enables consistent AI monetization across the portfolio without first consolidating every downstream platform.

Tying this in with an [entitlement management system](#), which records and tracks all monetization activity – perpetual, subscription, and usage – creates a single view to make sense of the entire portfolio across the business, as well as at individual account levels.



## 6 Steps to Make Usage-Based Pricing Work

Launching usage-based monetization isn't just a pricing exercise, it's a business transformation. Here are six steps to getting it right, and what to watch out for.

### ① Define What "Usage" Means for Your Business

**Why it matters:** Consumption is one of the most disputed terms in pricing because there's often disagreement on what the metric should be and how exactly it should be monetized. If stakeholders aren't aligned, projects stall or fail.

**Watch out for:** Conflicting definitions between product, pricing and technology teams. Sales teams may also need convincing on the approach, so it's crucial to get their buy-in.

**Pro tip:** Document your definition early and get sign-off. Decide if usage is prepaid or postpaid, if caps apply and how overages are handled.

**Pro tip:** Bring Finance and Sales into the conversation early. Model best-case, conservative and medium scenarios. Don't just show great growth expectations; be transparent about potential revenue dips and volatility.

### ② Secure Executive Alignment

**Why it matters:** Nearly 50% of projects fail because the C-suite isn't fully on board. Usage-based pricing impacts ARR, the sales methodology, revenue recognition and finance processes

**Watch out for:** Objections from CFOs or the board worried about predictability or Sales leaders worried about their sales process or quota achievement.

### ③ Bring Customers Along

**Why it matters:** Customers hate surprises. If they can't predict costs, they'll push back.

**Watch out for:** Introducing a new model without giving customers visibility into their usage history or abrupt launches without a customer and partner feedback cycle.

**Pro tip:** Start with usage reporting before monetization. Show customers their patterns for 3–6 months so they can plan.

### ④ Choose the Right Technology

**Why it matters:** Engineering will often say it's easy to build, but homegrown solutions often create technical debt, incorrect reporting and inconsistent experiences.

**Watch out for:** Disjointed customer experience across product lines, insufficient integration and automation and unreliable usage tracking.

**Pro tip:** Invest in systems that deliver reliable telemetry, audit trails and standardized views for entitlement vs. consumption across all product lines.

**Pro tip:** Collect telemetry data early. Validate usage patterns and seasonality before setting rates and take a broader customer cohort into account for modeling to capture different usage patterns and types across customer size, industry, etc.

## ⑤ Understand the Data

**Why it matters:** Pricing on assumptions is risky. Not every feature lends itself to a consumption model.

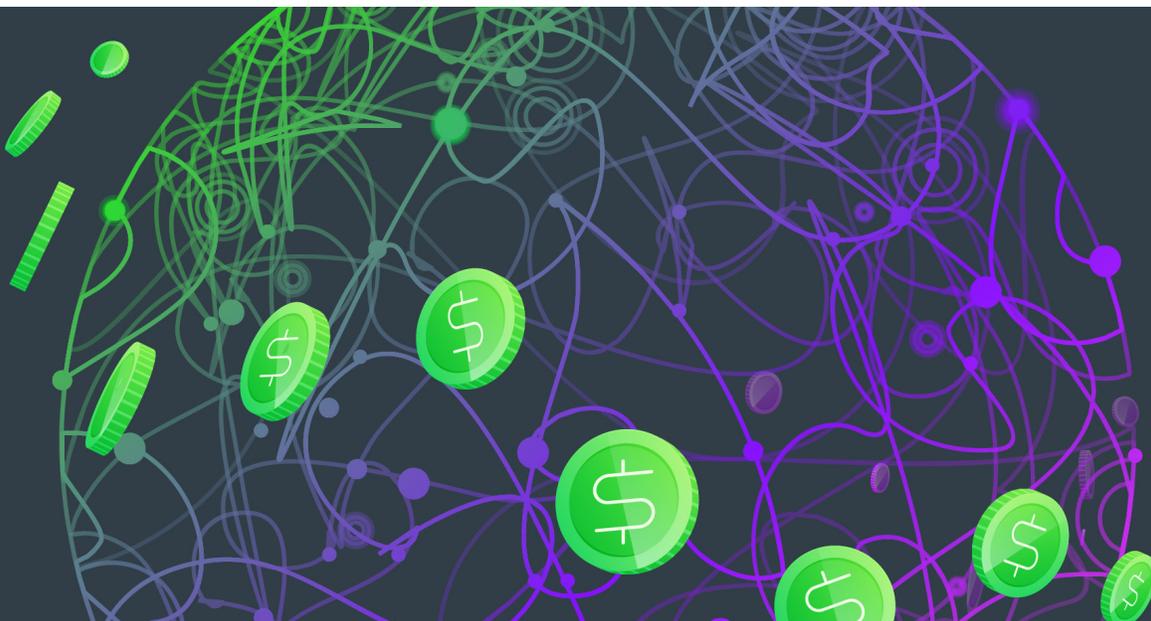
**Watch out for:** Basing metrics on what Product Managers think is valuable instead of what customers actually use.

## ⑥ Start Small and Iterate

**Why it matters:** A “big bang” rollout can backfire if rates or metrics are off.

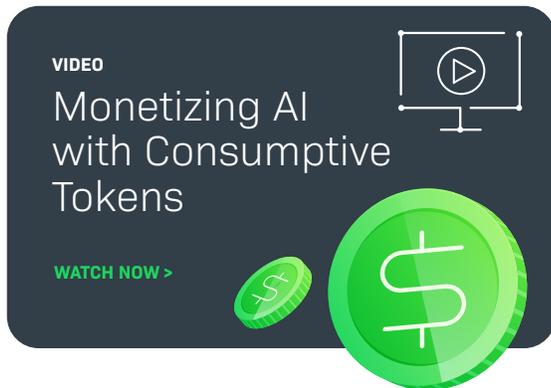
**Watch out for:** Locking in rate tables without room for iteration.

**Pro tip:** Launch with a small customer set, apply simple rate tables and refine based on feedback.



## Practical AI Monetization Advice

Reverera's [Dynamic Monetization](#) is designed with flexibility in mind, supporting hybrid approaches that extend beyond flat-fee subscriptions. In this short video, Reverera's Jim Berthold demonstrates how it enables AI monetization via consumptive tokens:



By delivering scalable, real-time, and auditable usage capture, Dynamic Monetization supports both prepaid and postpaid AI pricing models. It decouples usage measurement from billing systems, operates across complex environments – including connected and air-gapped deployments – and provides the transparency customers increasingly expect.

Crucially, Dynamic Monetization also empowers producers to make changes at speed. Rate tables can be instantly adjusted and new packaging configurations quickly introduced, providing agile flexibility to adapt pricing and monetization strategies as usage patterns and cost structures evolve.

With adjustable rate tables, real-time data, strong guardrails, and easy API integrations, Reverera's Dynamic Monetization provides a flexible platform to scale your AI monetization initiatives.

**If you you'd like expert guidance on implementing your AI pricing strategy and to learn more about Dynamic Monetization, [please contact us to arrange a discovery call](#).**

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