Pricing Strategies of Software Vendors

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Abstract
Due to the economic characteristics specific to the software industry, pricing concepts existing in other industries cannot be transferred without adaptation. Therefore, this article provides an overview of pricing models for software. In this context we discuss the six parameters formation of prices, structure of payment flow, assessment base, price discrimination, price bundling, and dynamic pricing strategies. Furthermore, we refer to recent software delivery models, such as Software as a service. The results are based on literature research and empirical studies.

Keywords
Pricing strategy – Software vendor – Software industry

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