



# **Innovative Business Models that Increase Revenue:**

**Is a Consumption-Based Strategy the Silent Game Changer?**

## Innovative Business Models that Increase Revenue: Is a Consumption-Based Strategy the Silent Game Changer?

Unlike a decade ago, subscription-based billing models have become a common strategy. Subscription-based billing gives consumers a cost-effective and convenient way to take advantage of goods and service offerings. They get the ease and convenience of regularly needed goods and services paid for, ordered and delivered without the time and effort that they used to have to expend. For businesses, it provides a steady and predictable revenue stream from recurring fees, and they gain new possibilities when it comes to innovatively packaging and pricing offerings to maximize speed-to-market, revenue and customer satisfaction.

In 2000 Salesforce.com® disrupted the entire software industry with its per-user, per-month pricing model. Today this is a standard offering for most software providers, and a growing multitude of businesses of all kinds are shifting from transactional sales to recurring revenue models. What's more, consumers are growing more accustomed to "pay only for what you consume" options like utility usage or mobile phone plans. Businesses are being forced to re-think their go-to-market strategies even further. Industry-leading enterprise organizations are looking beyond the simple subscription model to a subscription offer with consumption-based services added on top of it.

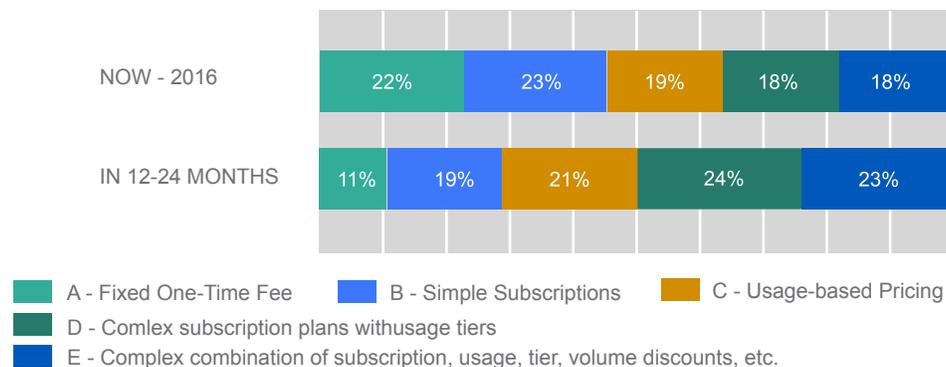
## Subscription + Usage for Pricing, Billing, Volume Discounting and More

Recent research from MGI Research provides evidence of this shift. Its State of Monetization 2016 study shows offering one-time fixed charges and simple subscription pricing models will decline by 50% and 17% respectively by 2018. This same study reveals that those models will be replaced by subscription offers coupled with consumption-based services and sophisticated pricing models (subscription, usage, tier and volume discounts), rising 33% and 27% respectively by 2018<sup>1</sup>.

Traditional and digitally native companies such as software, data centers, messaging, energy management and digital advertising are quietly experimenting with subscription + consumption strategies and preparing to launch at scale. Trends in the Internet of Things (IoT) and Over-the-Top (OTT) services strengthen the shift from one-time and simple subscription to the more sophisticated subscription plus consumption models as a revenue-generating differentiator.

Is consumption-based pricing and billing the next big pricing strategy disrupter? This white paper explores this question and what it takes to successfully support subscription plus consumption pricing and billing in your business.

What pricing plans does your company offer NOW and which will it offer in 12 to 24 months?



## What is Consumption-Based Billing?

Consumption-based pricing and billing provides the ultimate flexibility to package and price products in the way that maximizes value for both the business and customer. According to Gartner, “The next generation of business/pricing models will be hybrid models that offer a combination of subscription and pay-as-you-go and give rise to a la carte pricing scenarios, where providers will have the ability to charge for additional features, more bandwidth and so forth.” <sup>2</sup>

## 5 Benefits of Consumption-Based Pricing:

Consumption-based pricing and billing provides the following benefits:

- 1 Disrupt Competitors:** Long entrenched industries are being disrupted every day with more nimble digital natives. They are fundamentally shifting customer expectations based on service, convenience, experience and value. Introducing consumption-based pricing and billing can provide a level of transparency and differentiation when customers are evaluating benefit versus cost. This can begin to erode competitor value and take market share.
- 2 Experiment with Digital Offerings:** Consumption-based pricing and billing is a great model to experiment with new or transformative digital products and services. It better aligns the cost of the initiative to the value generated, and gives the market an opportunity to 'test drive' the offering based on usage rather than a lengthy, up-front commitment.

- 3 Drive Revenue:** Businesses can grow incremental and net-new revenue by capitalizing on new, untested or under-valued products, services or features. Providers who add consumption-based services to offerings create additional revenue on top of their standard subscription-based model. The subscription gives the predictability, while consumption gives the upside.

- 4 Attract New Customers:** Pay-as-you-go models have risen in popularity, particularly with Millennials who prefer renting and "experiences" over ownership. By offering consumption-based pricing and billing, businesses are capitalizing on these trends to capture a new generation of buyers.

- 5 Adapt to Changing Customer Preferences.** Having the capabilities required to offer consumption-based pricing and billing has another benefit: the ability to track, analyze and act based on product or service use. This real-time feedback can help increase customer life-time value and keep companies relevant in the market.

## What are the Considerations of Consumption-Based Services?

Adopting consumption-based pricing and billing does not come without its challenges, especially for established businesses accustomed to one-time charges and basic subscription services such as warranties, maintenance or support. Here are a few things business line owners must think about before launching consumption-based offerings:



**Bill Shock:** Bill shock is a term used to describe a negative reaction a subscriber has to unexpected charges on a bill making it higher than anticipated. The most widely experienced example of bill shock is from wireless carriers for data or roaming charges on a mobile device.

Companies moving to consumption-based billing should incorporate usage alerting functionality as well as sophisticated rate plans such as tiers and pooling (see pg. 13 for more information) to ensure customers are not surprised and/or churn.



**Customer Engagement:** While usage is often paired with a one-time purchase or subscription, the most successful pay-as-you-consume models continuously monitor and encourage customers to fully extract value from their consumption-based services. Promotions,

discounting, alerts and product/services innovations need to be considered as part of the go-to-market strategy to maximize revenue potential.



**Pricing Metrics:** Some B2B subscription providers price their products based on employee count or revenue transacted through the system. These metrics do not align well for consumption-based charging as they do not reflect usage of any particular component or feature. For

net new customers, adjusting metrics to reflect one-time, subscription and consumption-based charges is easy. For existing customers, this transition can have a negative impact as it often results in additional costs. New negotiations, grandfathered contracts and phased migrations need to be planned in advance of any pricing metric changes.



**Revenue Recognition:** Subscription services are a predictable, recurring revenue stream which makes revenue recognition relatively easy. With consumption-based services, the revenue can be 'lumpy' and difficult to forecast. Usage tiers, e.g. ranges of consumption, can help minimize revenue fluctuations, but some level of unpredictability will always exist. Additionally, consumption-based revenue must be recognized in the time frame by which it was consumed. Near real-time usage monitoring, rating and revenue recognition capabilities can streamline the process and provide clean audit trails.



**Penny Chasing:** Emerging markets like the Internet of Things are experimenting with consumption-based pricing for connectivity, data uploads, etc. Yet new advances in technology such as low power, low bandwidth sensors and network capabilities are quickly commoditizing and reducing service costs to fractions of pennies. For consumption-based services to yield revenue, they need to be kept at the feature, application or service level.



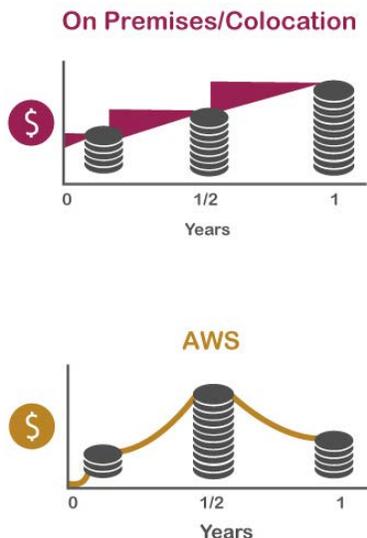
**Supporting Systems:** Consumption-based services require a different set of systems and processes than traditional one-time or basic subscription services. Near real-time usage monitoring, mediation and rating capabilities as well as entitlements, provisioning and revenue recognition are necessary to offer these services at scale. Cloud-based intelligent billing systems offer this functionality and can stand-alone or act as an adjunct engine to the existing CRM and ERP applications.

# Market Leaders Embracing Consumption-Based Services

As previously mentioned, the telecommunication and utilities industry have long embraced usage-based pricing models for long-distance calls, data services and kilowatts consumed. Other high tech businesses who have entered the consumption-based services space charge based on the number of transactions completed, number of API requests, amount of storage consumed and number of active users. This is the tip of the iceberg for consumption-based pricing and billing because with the right technology and connectivity, if it can be measured, it can be billed, literally.

## Amazon Web Services (AWS) <sup>3</sup>

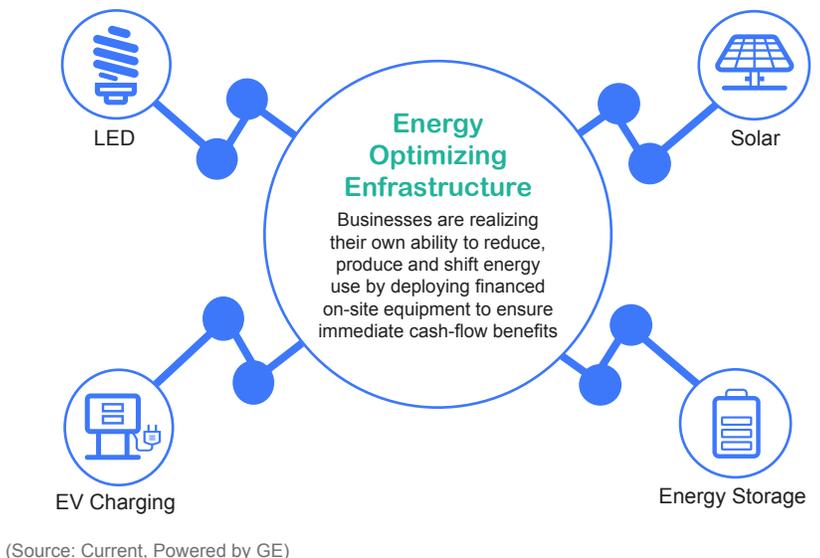
Amazon has embraced the pay-as-you-go approach for their 70+ cloud services. The value proposition is compelling: rather than building costly data centers that have large, up-front expenses and often go underutilized, customers only pay for what is used for as long as needed. They require no long-term contracts, complex dependencies or licensing requirements across their broad set of global compute, storage, database, analytics, application and deployment services. Tiered pricing and volume discounting options gives customers economies of scale as their needs change and grow.



(Source: AWS)

## Current, powered by GE <sup>4</sup>

GE, one of the most respected companies in the world and an icon of the industrial sector, is re-inventing itself as a digital innovator. Its insulated start-up, Current, is working to deliver “energy-as-a-service” and enable a diverse set of customers from retail to healthcare to government to better understand and proactively manage their energy consumption. To make this a reality, Current’s platform supports the ability to manage highly granular rating and billing of power usage while also providing insights into the economics of power consumption. Its efforts are bringing a level of intelligence to the energy sector never seen before.



(Source: Current, Powered by GE)

## Trend Micro <sup>5</sup>

Trend Micro Deep Security-as-a-Service delivers hosted security capabilities for cloud environments. It augments the cloud provider's security controls and certifications with proactive intrusion detection and prevention (IDS/IPS), firewall, anti-malware, web reputation, integrity monitoring and more. Trend Micro uses a pay-per-use model for its deep security services, charging by the hour. Its pay model matches that of AWS and Microsoft Azure, allowing customers to scale up and down its security services as they do its cloud computing.

AWS EC2 INSTANCE SIZE	MICROSOFT AZURE VIRTUAL MACHINE	HOURLY PRICE (USD) PER INSTANCE
Micro, Small, Medium	1 core: A0, A1, D1	\$0.01 US
Large	2 cores: A2, D2, D11, G1	\$0.03 US
Xlarge and above	4+ cores: A3-A11, D3-D4, D12-D14, G2-G5, D3, D4, D12-D14, G2-G5	\$0.06 US

(Source: Trend Micro)

## Progressive Snapshot <sup>6</sup>

Pioneered by Progressive Insurance Company and General Motors Assurance Company, usage-based insurance is a way to align driving behavior with premium rates for auto insurance. In-vehicle telecommunication devices (telematics) measure a variety of usage-based elements such as miles driven, time of day, location, rapid acceleration, hard braking, hard cornering and airbag deployment<sup>7</sup>. Snapshot rewards drivers for safe driving, helping their customers save hundreds on insurance premiums.



### Limit hard brakes

This also includes rapid accelerations. Just go easy on the gas pedal and avoid slamming on your brakes.



### Avoid 12am - 4am on weekends

Driving between 12am - 4am on weekends can be more dangerous. Try to limit your trips during that time.



### Drive less overall

This one's tough. If you're a low-mileage driver or can carpool, you could be on your way to a big discount.

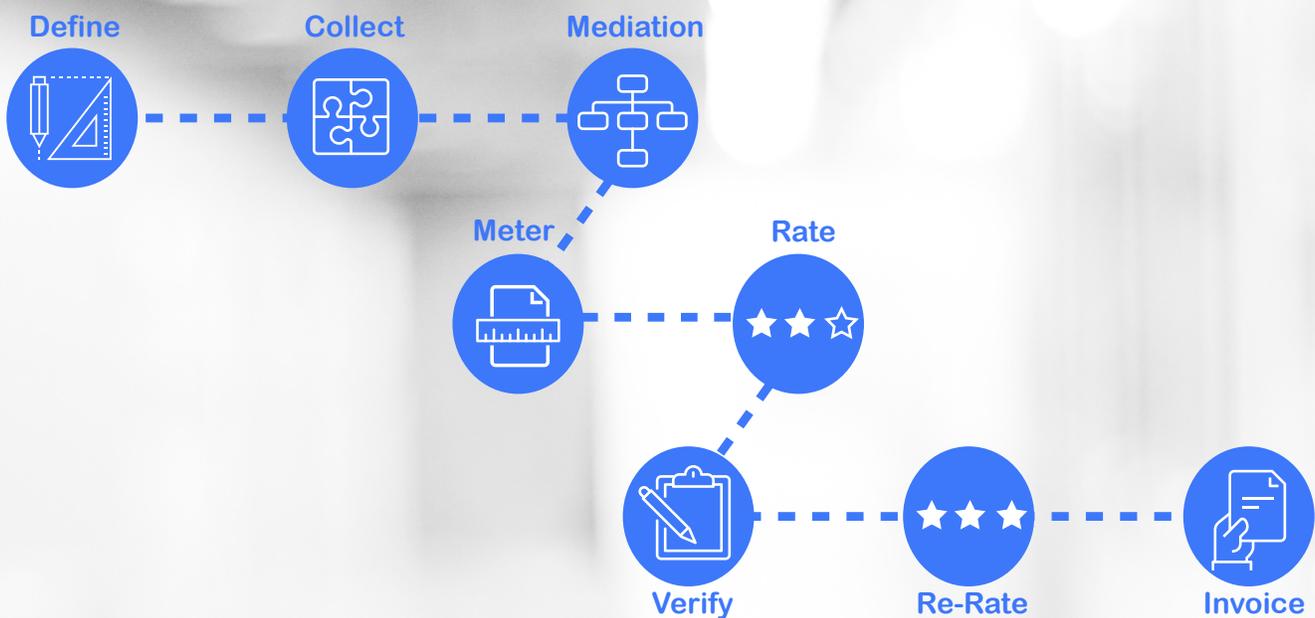
(Source: Progressive)

These are just a few examples of how technology, connectivity and consumption-based pricing are helping businesses differentiate themselves while capturing revenue and market share.

## Mechanics of Consumption-Based Pricing and Billing

Consumption-based pricing and billing seems straightforward yet the mechanics are quite different than supporting one-time or subscription-based offerings. Although these mechanisms were deeply intertwined in the telecommunication or utilities proprietary systems historically, new cloud-based intelligent billing systems are bringing consumption-based functionality to the modern-day business.

Operating as a stand-alone system or as an adjunct engine to the existing technology stack, intelligent billing and dynamic monetization systems are tuned to process usage data at scale. Usage processing can occur in batch or in near real-time, depending on the need. There are eight core tenants of consumption-based billing:



**“Consumption-based services require a different set of systems and processes than traditional one-time or basic subscription services.”**

## The Eight Core Tenants of Consumption-Based Billing:

- 1. Define the Quantifiable Metric(s):** A measurable unit that can be defined/calculated and tracked must exist. Examples of quantifiable metrics include: number of transactions, number of hours, number of API calls, amount of storage used, etc. Metrics that will be billed by consumption are often called 'events.'
- 2. Collect the Data:** Mechanisms to track, collect and, if necessary, store the data.
- 3. Normalize the Data (Mediation):** This process formats, enriches, aggregates, de-dupes, etc. raw event data from disparate sources in multiple formats. The result is normalization for validation, rating, billing and reporting.
- 4. Meter the Data:** Metering is the continuous monitoring of event data for thresholds and notifications/warnings. It often is associated with a rate of data collection (per sec/min/hour/day/etc.).
- 5. Rate the Data:** This process determines the costs applied to the event and applying a charge to them. A rating engine controls rules for rate plans, rollovers, allowances, balances, quality of service (QoS), time-of-day, 'special' days, etc. The ability to rate multiple variables on one usage type prevents usage unit proliferation.
- 6. Verify the Data:** Quality assurance steps including voiding, editing or preparing the data for re-rating.
- 7. Re-Rate the Data:** A critical step that quickens processing time for rating and invoicing. The re-rate function is typically invoked as part of the requirements for usage pooling, shared allowances or tiered pricing. In these scenarios, the usage must be re-evaluated across many services based on complex rating parameters, and crossing into higher tiers requires the re-rating of all previous events with the new rate.
- 8. Invoice:** Produce an itemized bill that includes the consumption amounts, rates, individual charges and total charges with corresponding terms to be paid.

It is these steps that allow for creative packaging and pricing strategies, as discussed in the next section.

## Packaging, Pricing and Rating Models for Consumption-Based Services

The rating engine, one of the eight core components of consumption-based billing, is a major enabler of dynamic monetization. It provides the ultimate flexibility in pricing while having clean, clear lines to billing and revenue recognition. This allows for innovation in how consumption-based services can be packaged to maximize adoption. Here are the most common consumption-based models:

### Flat Rate

Flat rate is the simplest consumption model. It is a fixed price per consumption unit that does not vary with volume, time of use, repeat customer or any other factor.



### Time-based

This model uses effective dates and/or times of day the service is consumed to determine the rate to charge. For example, using a rideshare service such as Uber or Lyft during rush hour can cost more than using the service mid-day. Another example could be the price online stores pay for bandwidth during peak shopping times such as the holiday season.

### Volume-based

This is another simple model where the price fluctuates based on the volume consumed. Typically, discounts are given for higher consumption. Examples of this can be seen in tiered and tapered models described on page 13.

### Demand-based

Sometimes referred to as surge or dynamic pricing, this model capitalizes on the high demand of a finite resource. Examples range from airfare to cloud computing.



## Allowance-based

An allowance is a pre-determined consumption amount included as part of a subscription service. In this case, a customer is charged the same amount per period up to the exact allowance amount. A common example is cell phone plans which often have a data component to their service. This allows for a set amount of data usage per month. Going over or under the allowance, or starting a new service mid-period, could trigger the following scenarios:

**Overage charges** are fees incurred by going over the allotted allowance. These fees could be a fixed amount per consumption unit or a flat or variable fees based on consumption ranges.

**Roll over** is when the unconsumed balance from the previous period is added to the allowance for the next period.

**Proration** controls what percentage of the allowance is applied in the first period of service provided the service was ordered after the period had begun. A simple example would be a service that allows a subscriber to watch 30 movies per calendar month. If the subscription started on January 20, then the allowance for the remainder of January would be 10 movies since only 30 percent of the period remains. On February 1, the allowance would be reset to 30.

## Minimum

Minimum is a contracted base amount of consumption over the period. If the minimum is not reached, then the business charges a fee. The fee can be a set amount or the difference between the actual and committed consumption amounts.

## Stored Value

This model is most commonly applied to pre-paid services. In this case, a service has set number of consumption units and each unit is given a value. As the service is consumed, the balance is 'drawn down' until it reaches pre-defined threshold. At this threshold, the consumption can be suspended until the balance is replenished or it can trigger an automatic payment. A familiar example is toll road easy pass services. With each use of a toll road, the easy pass balance is decremented by the toll amount. When the balance falls below the threshold, the customer's credit card is charged to replenish the balance to the original balance.

## Tiered

With tiered models, prices are set for various ranges, or levels, of consumption. In the case of standard tier rating, the price is based on the most recent tier the consumption unit falls into. For example, hosting company ACME Services charges for their cloud storage services in the following way:

Gigabyte (GB) Consumption Ranges	Price Per Gigabyte (GB)
0 – 50	\$1.00
51 – 100	\$0.75
101+	\$0.50

If a client consumes 40GB over the course of their service period, the charge will be \$40 (40 x \$1). If the client consumes 75GB over the course of their service period, then the charges use the next tier of pricing. In this case, the charge will be \$56.25 (75 x \$0.75).

## Tapered

Like tiered models, tapers also have prices are set for various ranges of consumption. The difference is in how the price is calculated. Usage will be charged at one price for the first range, then charged at a different price for the next range, and so forth. Continuing with the per gigabyte example:

Gigabyte (GB) Consumption Ranges	Price Per Gigabyte (GB)
0 – 50	\$1.00
51 – 100	\$0.75
101+	\$0.50

40GB of consumption over the service period is still \$40 (40 x \$1). In a tapered model, however, 75GB of consumption costs \$68.75. The charge is calculated by moving “up” through the ranges. The first 50GB are charged at \$1/GB (\$50). The remaining 25GB is charged at the new rate of \$0.75 (\$18.75). This is added together for a total of \$68.75.

## Flat Rate Tiered and Tapered

Tiers and tapers can also be established that have flat rates. Rather than charging a cost per consumption unit, the cost is at a fixed rate for the entire consumption range. A flat rate cost structure for storage at ACME Services may look like the following:

Gigabyte (GB) Consumption Ranges	Price
0 – 50	\$1.00
51 – 100	\$0.75
101+	\$0.50

With a tiered model, 40GB consumed would cost \$1 whereas 75GB would cost \$0.75. In a tapered model, 40GB would still cost \$1, but 75GB would cost \$1.75 (first 50GB would cost \$1 and the next 25GB would cost \$0.75 for a total of \$1.75).

# Enabling Consumption-Based Services with Intelligent Billing & Dynamic Monetization Systems

Consumption-based services require a different set of systems and processes than traditional one-time or basic subscription services. Near real-time usage monitoring, normalizing, rating, verifying and invoicing is at the heart of an intelligent billing system. To fully enable consumption-based services, enterprises need to manage the entire quote-to-cash workflow, from initial order to revenue recognition, at scale.

Here are five characteristics of a sophisticated intelligent billing system.



## 1. Flexible Product Catalog

The product catalog is used to list and maintain all the information needed to sell products and services. This includes the relationships, dependencies and/or prerequisites between the products and services, how they are sold, what is sold, and for what price. Product catalogs in traditional systems (ERP/CRM) are not

natively architected to support dynamic and adaptive business models such as consumption, resulting in product catalog proliferation, also known as SKU sprawl. This is a major pain point for companies as it leads to customer confusion, missed cross-sell or up-sell opportunities, wrong orders, product cannibalization and ultimately missed revenue.

Intelligent billing systems offer a sophisticated and flexible product catalog that scales to support future products, services and growing business volumes without adding additional SKUs for things like different countries, currencies or even price overrides. They allow businesses to create and manage limitless combinations of products and services, along with a flexible pricing structure that enables a wide array of discounts, subscriptions and usage charge rules. Intelligent billing systems should also accommodate the unprecedented volume of unique billing configurations made possible by new consumption-based services and support a wide array of order configuration—from simple subscriptions, to complex, multi-product purchases.



## 2. Smart, Real-time Rating Engine

Because the rating engine is at the crux of consumption-based services, it is worth discussing two other attributes that allow for sophisticated usage models: rules-based (smart) and near real-time.

A rules-based rating engine, or smart rating engine, allows businesses to apply logic to rate calculations. The best engines use an intuitive and self-testing user interface to describe the complex

rating rules. Rules can include multiple and unlimited attributes (or variables) about the usage data which then can be parsed, processed, combined, etc. to determine the final rates for the service. Additionally, the values of the attributes can be used to access external data such as external rate tables, customer negotiated rate tables and discount tables. A rules-based rating engine makes complex rating simple, maximizing pricing flexibility while automating consumption-based billing.

Near real-time rating is the ability to process usage and apply charges as fast as the rating engine can receive the event. Near real-time rating gives businesses the following advantages:

- Notify customers when consumption tiers are reached or crossed to help avoid bill shock
- Advise end-customers of the actual costs of the service(s) before, after or as the service is being used (aka Advice of Charge capabilities)
- Actively manage stored value balances which are drawn down in real-time, triggering the automatic replenishing of the account or suspending service
- Know the status of the company's consumption-based revenue at any given point in time
- Speed invoice processing time by distributing the rating processing time over the entire service period instead of processing it in bulk at the end

Some intelligent billing platforms are flexible enough to serve as an adjunct rating engine, sitting beside and augmenting an existing billing system rather than replacing it. For very large enterprises, adjunct rating engines are often the most cost-effective solution to rapidly bring consumption-based services to market.



### 3. Native Revenue Recognition

The need to have standardize accounting practices for companies around the globe has been a major catalyst for the FASB and IASB to jointly develop new revenue recognition standards, namely ASC 606 and IFRS 15. In these new standards, the traditional “rules-based” approach for recognizing revenue is replaced with a “principle-

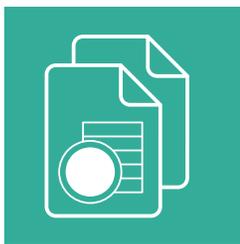
based” approach which will rely more upon the judgement of financial professionals. With these new accounting standards being adopted, combined with the increasing popularity of new business and pricing models, there is a growing need for companies to automate revenue recognition to ensure accurate, reliable and timely revenue reporting.

Intelligent billing and monetization systems have a configurable, native accounts receivable (AR) subledger to handle complex revenue recognition effortlessly and within compliance. Daily or periodic revenue recognition can occur for consumption-based services while also taking into consideration various factors including but not limited to: service period, agreement length, customer lifetime metrics and milestones. Partner settlements, revenue sharing and allocations based on consumption/usage data can occur all within the native revenue recognition functionality.



**The ability to analyze consumption data, at the most granular detail, helps companies reduce customer churn and ultimately improve the average lifetime value of their customers.**

General ledger (GL) rules engines and pre-configured revenue recognition posting rules help finance automate the process, quicken the overall time-to-market for launching services with consumption-based components. Typically, intelligent billing systems have an extensive library of APIs and pre-configured connectors to sync the relevant general ledger information to the master ERP. This visibility into the smallest increments possible means better future forecasting, cleaner audit trails and faster times to close the books, especially for consumption-based offerings.



#### **4. Granular Invoicing**

Billing disputes are a major source of pain and frustration for companies and customers alike. MGI Research found that almost 60% of companies cite billing disputes as a significant source of customer friction and another 30% of companies indicating that billing issues are impacting their financial results<sup>8</sup>.

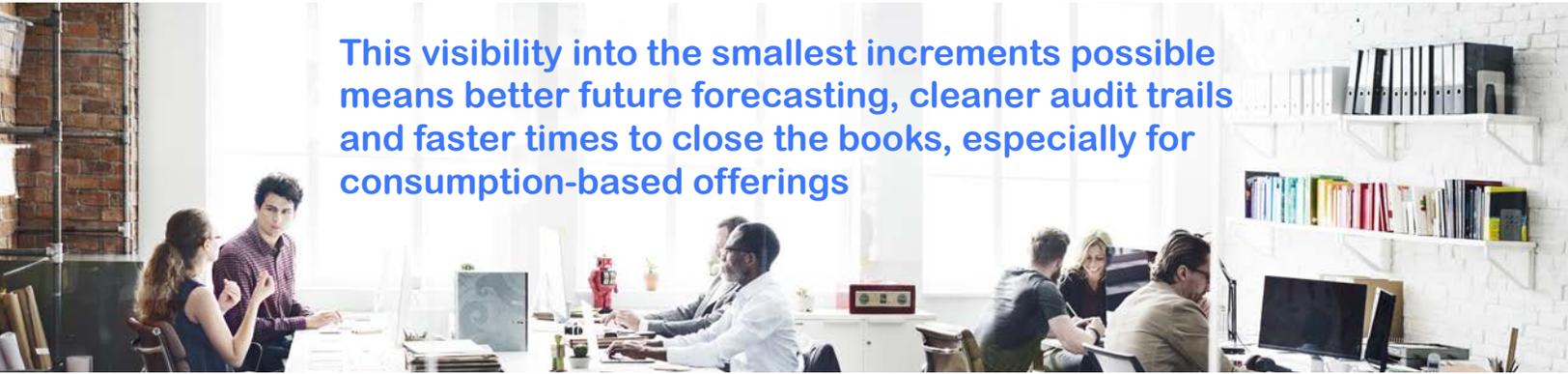
Generating highly-detailed, clear customer invoices starts with the right mechanisms—product catalog functionality, rating engine, ability to handle massive usage at scale, etc.—upstream from the invoice artifact. This helps prevent obscure line items that produce more calls to customer support than payments. It also gives customers a clear itemization of all their charges in a single, comprehensive invoice. Intelligent billing systems natively streamline invoicing and chargebacks with support for complex hierarchical models and consolidate billing for all offers and charges on a single invoice. This is critical for supporting ‘mix and match’ rating models for consumption-based services.



## 5. Business Intelligence, Analytics and Reporting

Intelligent billing systems with strong consumption-based support provide a window into usage at any given point in time. This data can be exposed externally through customer portals for self-monitoring and self-service, helping to prevent bill shock or billing disputes.

Consumption data is also crucial for internal teams. With usage trends, businesses can identify the best customers to target for cross-selling of additional products or services. They can predict, with a high degree of accuracy, which customers are likely to accept an upsell to a higher level of service. Usage data also can reveal customers with patterns of low usage who may be unsatisfied or who may not be fully utilizing a particular product or service.



**This visibility into the smallest increments possible means better future forecasting, cleaner audit trails and faster times to close the books, especially for consumption-based offerings**

The ability to analyze consumption data, at the most granular detail, helps companies reduce customer churn and ultimately improve the average lifetime value of their customers.

Another key capability of intelligent billing systems is forecasting capabilities, particularly “what-if” analysis on consumption. What-if analysis can help both customers and businesses see the effects of changing consumption patterns. For example, a grocery store can simulate the energy savings or incremental costs associated with frozen inventory restocking times.

These five characteristics are just a few key features to consider when evaluating intelligent billing systems to support consumption-based offerings. To learn more, our [Executive Guide](#) steps through decision criteria, technology considerations, build vs. buy, the vendor landscape and more when evaluating intelligent billing platforms.

## Conclusion

Is the ability to bill by consumption a silent game changer for the 21st century? We think so. While the bill (or invoice) is the artifact, it is the upstream ability to price, package and sell in innovative new ways that is the new competitive differentiator. Industry giants like Amazon, GE and Progressive are already capitalizing on the pay-as-you-go models, with more companies adding consumption-based services to their portfolio of offerings every day.

The ability to monetize usage data stems from the ability to capture, analyze, and rate the data intelligently. This technology was once only available in propriety behemoth applications for telecommunications and utilities. Today, cloud-based intelligent billing systems are leveling the playing field, allowing businesses to pursue and experiment with offering consumption-based services to drive their adoption, stickiness and revenue.

goTransverse has an unmatched reputation for powering the most stable and reliable dynamic billing relationships between enterprise organizations and their consumers. We give you the flexibility and control to produce new revenue streams from cross-sells, up-sells, renewals, and net-new revenue by unlocking your billing intelligence. Our scalable, highly configurable intelligent billing platform reduces your costs over time, and is shareable across functional enterprise groups, allowing you to capture incremental revenue from your existing customer base in near real-time. Now you can rapidly launch new products, configure bundled products and services, and produce dynamic promotions quickly and easily — including sophisticated consumption-based services.

<sup>1</sup> [MGI Research, State of Monetization 2016](#)

<sup>2</sup> [Gartner, Disruption in Software Business Models Creates New Opportunities for Monetization](#)

<sup>3</sup> <https://aws.amazon.com/pricing/>

<sup>4</sup> <https://www.gotransverse.com/blog/gotransverse-to-power-ges-intelligent-energy-initiatives/>

<sup>5</sup> <http://www.trendmicro.co.uk/products/deep-security-as-a-service/#flexible-pricing>

<sup>6</sup> <https://www.progressive.com/auto/snapshot/>

<sup>7</sup> [http://www.naic.org/cipr\\_topics/topic\\_usage\\_based\\_insurance.htm](http://www.naic.org/cipr_topics/topic_usage_based_insurance.htm)

<sup>8</sup> [MGI Research, State of Monetization 2016](#)