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Nikita Samylin

# Developing the B2B Offering and Pricing Models for the Case Company

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Author	Nikita Samylin
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The objective of this thesis is to develop the new B2B offering and pricing models for the case company. The new B2B offering in the scope of this work means developing new service packages with existing and potential added features. The main purpose of the new B2B offering and pricing models is to make the product of the case company more attractive for key customer groups and make the product profitable in the long run.

The thesis used applied action research as its research approach. It also utilized qualitative data collection methods, such as interviews, discussions, and document analysis. The process of creating the offering and integrating the new pricing models included several stages. It started with exploring the existing knowledge and best practices around the tools for analysing competitive environment, business modelling and pricing set-up, resource-based view (RBV), principles of value-based marketing, and pricing models including penetration pricing, competition-based pricing, value-based pricing, subscription pricing, tiered pricing, and pay-as-you-go pricing. In the current state analysis, the thesis focused on conducting competitor analysis, Gap analysis, and SWOT analysis of the current platform of the case company. It demonstrated that the platform has strong sides, such as a clear value proposition. The product addresses specific problems on the market, has clear target audiences, went through the proof-of-concept phase, and currently needs a strong competitive offering for the B2B customers to reinforce its overall business development efforts. This offering should become a part of the company's business development strategy. The new B2B offering in the scope of this work implies developing clear service packages with existing and potential added features of the platform for presenting and offering it to the potential key clients. These packages needed to reflect the value of the platform and its services for the clients and customized towards certain customer groups with attractive and meaningful pricing models included.

Keywords: Service pricing, platform, B2B offering, business model, service packages

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## 1 Introduction

In the modern business world, especially the B2B field, creating a competitive offering and defining an effective pricing model are key to the successful introduction of products and services. As noted by Porter (1985), strategy is not just about choosing what to do and what not to do, but also about choosing how to differentiate. This rule has a special significance when designing a valid business-to-business (B2B) offering and pricing model that both meet the needs of a customer base and secure the company's growth. The strong connection of a company's offering with competitive pricing models are in the core of the value proposition, having a profound influence on the customer perception, competition, and in the end the profits of the company.

The importance of designing a competitive B2B offering together with the strong pricing models greatly increases the chances of a successful service. According to a study by Hinterhuber (2008), companies exceling in their pricing can boost their profitability more effectively than through other similar improvements in similar costs or volume (Hinterhuber 2008). This highlights the critical role of pricing as a key element for value creation, beyond its regular function of covering fixed and variable costs and ensuring a sufficient profit margin. Additionally, the dynamics of B2B sales, characterized by longer cycles, complex decision-making processes, and the stronger need for customized and enterprise solutions, further strengthen the significance of diligently developed offerings and pricing models. This thesis focuses on developing and updating the B2B offering and pricing of the platform ITJobs.ai by the case company.

### 1.1 Business Context

CodeLine OY is a digital consulting company that focuses on developing and maintaining products in the IT industry. Its areas of expertise are web and mobile development, API development, data solutions, machine learning and more (Codeline OY). CodeLine acts as the case company of this thesis. The marketing of digital recruitment is known to be rapidly growing, dynamic, and highly competitive (Schmidt 2017). In 2020, the case

company launched its own product, a platform [ITJobs.ai](https://www.itjobs.ai), entering the market of digital recruitment. ITJobs.ai is a specialized search engine for jobs in the IT industry in Finland.

With the exponential growth across all digital sectors in the past decade, the labor market in IT and demand for IT talents has grown exponentially as well (Janco Associates 2020). This has created new opportunities and a new market for solutions built around matchmaking of job seekers and companies/employers. This is the market that CodeLine targeted with its new platform.

## 1.2 Business Challenge, Objective and Outcome

Digital recruitment presents a competitive market, represented by companies of all sizes, from dominant tech giants such as LinkedIn and Glassdoor, to new startups, regularly trying to enter the market. Despite the changes in the demand for IT talents, especially in the junior positions, brought by the AI revolution in 2023 (Waters 2023), this is still a relatively young market with a high growth potential. One of the main challenges for any startup company, entering this market, is building a strong business development strategy, which includes developing the correct offering and defining the right pricing models.

The case company entered the digital recruitment market in 2020 and first focused on developing its platform and building the user base of the job seekers (IT professionals) around it. With the successful growth of the user base and the proof of concept at least for the one side of the two-sided marketplace, the company is naturally interested in creating a business development strategy for the other side, i.e. paying customers, and exploring further monetization of its services with the help of the updated offering and, subsequently new pricing models.

Currently, the company has let the product grow organically, without focusing too much on monetizing it, testing only a basic pricing model that focuses on sponsored job posts. However, the current pricing model is still in its infancy, despite the product being on the market already for a few years. If the company wants to successfully monetize this product, it needs to focus on developing the offering and creating more versatile pricing models to be competitive and profitable in the long run.

The objective of this thesis is *to develop new B2B offering and pricing models* for making the product more attractive and profitable in the long run, as well as diversifying the revenue streams of the case company.

The outcome of the thesis is a plan for introducing new B2B offering supported by updated pricing models that should become an integral part of the company's business strategy. This should help the company to improve its offering to the business clients, support its processes within business development and create new revenue streams.

### 1.3 Thesis Outline and Scope

This thesis focuses solely on the services of the specific product for the case company (the platform ITJobs.ai). The other products and services of the case company are out of the scope. Also, business strategy, as well as any marketing or sales-related activities, and their implementation are out of the scope for this thesis. The product is currently available only on the domestic market (in Finland), so the thesis focuses on the offering and pricing models exclusively for the Finnish market.

This thesis consists of seven sections, where Section 1 is the introduction, Section 2 focuses on methods and material and describes the methodology of this thesis in details. Section 3 presents conceptual framework, Section 4 covers the current state analysis, Section 5 introduces the proposal, Section 6 describes the results of the validation and, finally, Section 7 presents the conclusions.

## 2 Methods and Material

This section covers the research methods and approach available, as well as the research method, approach, research design, data collection and analysis methods selected and used in this thesis.

### 2.1 Research Approach

Basic and Applied research are commonly utilized *research families*, where basic research aims at obtaining deep understanding and knowledge about the study subjects, without immediate application of this knowledge, whereas the applied research focuses on solving a specific issue and providing a solution to a real-life problem (Stokes 1997). While basic research explores and studies the matter for the sake of knowledge itself, applied research does it to solve a specific real-world problem.

Research can also be divided into desk research and field research. Desk studies focus on analyzing a phenomenon through already available data and results, as well as via the analysis of already published studies, whereas field studies collect data in the environment where the phenomenon takes place (Sobing 2024). On a general level, *research methods* can be categorized into qualitative, quantitative, and mixed, where qualitative methods focus on analyzing the data that cannot be quantified and are rather descriptive, while the quantitative research relies on using statistical methods, and the mixed method is a combination of both (Creswell & Plano Clark 2011). Qualitative research is most appropriate in the context where the new theories and hypothesis can be built, theoretical knowledge of a certain phenomenon is not sufficient, and this phenomenon requires a closer look and an extensive description (Kananen 2013). There are also different data collection and analysis *techniques* available. Commonly used data collection techniques for primary data collection, applicable both in academic and business environments, include interviews, surveys, field notes, observations, case studies, experiments, diaries, etc. (Taherdoost 2022).

Also, studies can be divided according to research strategies. The most common research strategies for the business field are Action research, Case studies, and some others. Action research, for example, is focused on implementing and studying change,



and its key characteristics are participative nature, correlation with an action, connection to problem solving and a sequence of events. (Coughlan & Coughlan 2002.) This means that Action research is in some ways an action itself, the learnings from this action provide important findings for the researcher. A smaller variant of Action research is Applied action research, a phenomenon, process or situation that are the object of improvement by applying the development of change for the background of Applied action research. It is a combination of research and development elements usually in relation to the ongoing improvements and positive changes in organizations, which makes it better described as a mix of different methodologies in research, used depending on a situation or a purpose for development. The focus of Applied action research is development work that is done within organization, for instance, for processes, products, services, and activities. The development work turns into research, being done with the usage of research techniques, i.e. collecting, documenting and analyzing data through research methods. Applied action research has more focus on implementing the change and the practical outcomes of the development. (Kananen 2013.)

In this thesis, Applied action research is selected since this work aims to solve a problem that is currently faced by the case company, namely, developing a solution to the problem and exploring fitting solutions is essential for this work. Field research is utilized for this thesis, as the thesis research gathers and analyses primary data for the current state analysis and proposal building, and finally for validation. Published data is used for conducting a competitor analysis.

In this thesis, qualitative research methods dominate due to the lack of numerical data at this stage in company's possession. The thesis mainly relies on the key stakeholder interviews (the management of the company), as well as workshops that provide a valuable insight and support the efforts for developing the monetization and pricing models, which is the main focus of this thesis.

## 2.2 Research Design

The graphic presents the research design of this thesis project.



Figure 1. The research design of this thesis.

As Figure 1 shows, the research design consists of several steps, starting with determining the objective. The Objective stage is followed by the conceptual framework exploring the areas that are relevant for B2B offering creation and pricing models. The

key topics are the business model and resource-based view, the principles of value-based marketing and monetizing innovation. It also covers techniques and frameworks used for analysing the competitive environment and the business model, for example, business model canvas, GAP analysis, SWOT analysis, and competitor analysis. The conceptual framework also examines pricing models and strategies.

The conceptual framework is followed by the current state analysis that focuses on the key challenges of the current B2B offering and its pricing, including the analysis of the product, its market fit, current offering and pricing with the reasons and prerequisites behind it, as well as competitive analysis. The competitor analysis mainly covers local products and services, operating in the industry of digital recruitment, focusing on the existing offering and pricing that they use. This part was important to the stakeholders as they have a special interest to competitors due to the high competition and dynamic pricing on the market. The knowledge that was gained in this step is not only one of the crucial factors to consider when drafting the proposal, but it also provides the management with an up-to-date overview of the market situation in 2023 - 2024.

The next step is drafting the solution. In combination with the results from the current state analysis, the identified relevant knowledge and best practices and another round of discussions with the stakeholders, the foundations for drafting the proposal are laid. The solution is developed in cooperation with the company management, especially the CTO & co-founder of the case company, who stands behind the platform creation (Data 2). The proposal building is based on the current reality of the market and a systematic and structural outlook to pricing.

After building the initial proposal, the validation sessions take place via the management workshop and a management questionnaire. Then the last adjustments are made, discussed during the co-founder feedback interview as the last data collection point and handed over to the company for further implementation and testing.

## 2.3 Data Collection and Analysis

This thesis relies upon several data sources. The data is collected during three data collection rounds. Table 1 below presents an overview of Data collection 1-3 rounds for this thesis.

Table 1. Data collections 1-3 used in this study.

Data 1 (CSA)				
Participant(s)	Data type	Topic(s)	Date	Documentation
CTO & Co-Founder	Phone Interview	Long-term vision for the platform, platform background history, current offering creation status and arguments behind it	05.03.2021	Field notes
CodeLine team	Employee Survey	Platform positioning, value, offering and pricing	07.03.2021	Online survey
N/A	Matrix	Competition. Competitors' offering and pricing	17.01.2024	Excel Sheet
Data 2 (Proposal)				
CEO, CTO & Co-founder	Online Workshop	Competitors analysis, current offering, market conditions, offering requirements, brainstorming for the new offering creation	18.01.2024	Field notes
Data 3 (Validation)				
CEO, CTO & Co-founder	Survey	Offering evaluation, feedback session	02.04.2024	Online survey
CTO & Co-founder	Workshop	Offering evaluation, feedback session	10.04.2024	Field notes
CTO & Co-founder	Phone Interview	Adjustments review, final evaluation	17.04.2024	Field notes

The data collection in Table 1 shows that the first data round supports the current state analysis and focuses on investigating the current services around the product, as well as the offering and pricing models of the services that exist now in the company. It also focuses on analysing the same services by relevant competitors providing services in digital recruitment (competitors). Thus, the sources of this data are both internal, providing the information from the company, and external, published in open access by competitors. The internal information is provided, above all, by the CTO & Co-Founder and the team of the case company, whereas the external information is collected via competitor analysis.

For better understanding of the initial value proposition, vision for the product, its purpose and relevance for the company it was decided to organize the interview with the CTO and co-founder of the company (Interviewee 1). The interview made it possible to collect

the most valuable and relevant background information about the product, its conception, target audiences, and monetization plans. The CTO and his team were behind the platform's concept, ideation, and development from the very beginning. In the circumstances of the startup and small team launching a new product, the data for a current state analysis is, unfortunately, limited and there is not much data to handle for the current state evaluation. Therefore, the co-founder interview was selected as the main source of data collection for the current state analysis for this stage.

The interview provided an overview and insights that were necessary to start the analysis and understand where the company stands now with its product, offering, pricing, and what plans they have for it in the future. Questions to the stakeholders focused on the topics are described in the table 2.

Table 2. Questions and discussion topics for the key stakeholders.

<b>General and Product</b>	ITJobs.ai founder story: Motivation behind the product creation and its main goals
	Resources available for the product development
<b>Offering and Pricing</b>	Long-term vision for the product
	Current offering and the process of the offering creation
	Self-evaluation of the current offering
	Pricing within the B2B offering and arguments behind it
	Weaknesses of the current offering and pricing
	Requirements and preferences for the new offering

To support the data received from the co-founder interview, a survey among employees (see Appendix 2) was conducted. It focused on the perception of the platform and its value proposition as well as current offering and pricing. The survey targeted the team members that focused on developing the platform, implementing it and focusing on its operations on a daily basis. According to Levenson (2014), employee surveys can support in measuring key processes from the perspective of most informed employees dealing with these processes every day.

The analysis of the data collected is evaluated in the corresponding sub-section, and then common and acknowledged business frameworks and techniques (business model canvas, competitor analysis, Gap analysis, SWOT analysis) are used to build upon it and help evaluate the product of the case company from several angles and perspective, providing a better picture on the current position of the company with its product and offering. The next round, Data 2 collects valuable insights and suggestions for building up the proposal, using a workshop, conducted within the company.

Data 3 focuses on collecting feedback that includes the scrutiny of potential flaws in the proposal and improvement suggestions. It is conducted via interviews and review sessions with the decision-makers among the informants (the CTO and the team). It serves for updating the proposal and preparing it for the final delivery.

#### 2.4 Research Quality Criteria

There are criteria that are used for research quality evaluation. Above all, they include credibility, dependability and transferability as key criteria that are common for Action research and qualitative research methods.

Based on Shenton's (2004), credibility is identified as an essential criterion that helps to ensure the correlation of the study result with the initial intention (Shenton 2004). Credibility could be improved by using the following: (a) Triangulation that draws conclusions based on a combination of research methods such as observation, document analysis, and individual interviews; (b) Practices that strengthen honesty of informants, for example, by giving a clear opportunity to refuse participating in the data collection, or feeding the field notes back to the informant to reinforce the correctness of responds, etc. (c) Peer scrutiny of the research project, provided by colleagues, and academics, and helping to increase the quality of the research; and other approaches. (Shenton 2004.)

As for dependability, the researcher can strengthen it by providing a detailed report that would allow the work to be repeated by another researcher. Here, the following steps can be taken by researchers: creating the research design, elucidating the details of the research process, documenting the detailed level of data gathering, etc. (Shenton 2004.)

Transferability focuses on the ability of the research project to be applied on a broader scale or utilized in a different environment. It is important for a researcher to clearly articulate the boundaries of the study and provide additional information that would be considered before deciding on the transference of the study. (Shenton 2004.) In action research especially, transferability is seen as rather problematic.

The researcher should provide such information as the number of organizations taking part in the study, any restrictions present, the number of participants, the data collection methods, the number and length of data collection sessions, and the timeline of these sessions. (Shenton 2004.)

This study aims to strengthen credibility through triangulation that would include individual interviews, internal document analysis, and group workshops. It also relies upon the debriefing sessions with the company management. Dependability will be strengthened via creating and sticking to the research design, whereas replicability would be strengthened through providing all necessary information and documentation, and clearly communicating the limitations, and boundaries of this thesis.

### 3 Best Practices of Designing B2B Offerings and Pricing Models

This section explores best practices and existing knowledge around tools and frameworks for analyzing business environment, creating a competitive B2B offering and selecting the appropriate pricing models for integrating into the offering. This section ends with the conceptual framework for crafting a compelling B2B offering and pricing models for a company.

#### 3.1 Tools and Frameworks for Evaluating a Business Model and Competitive Environment

This section focuses on discussion around tools and frameworks that exist for supporting the analysis of a business model and competitive environment. It provides an overview of existing knowledge that covers these tools and frameworks and includes business model canvas, competitor analysis, Gap analysis and SWOT analysis. These are the most popular tools used for business development and improvement.

##### 3.1.1 Business Model Canvas

Business model canvas was initially introduced by Osterwalder and Pigneur (2010). It is a framework that helps to get a more holistic picture on the business and move from a product-centric view towards business model thinking (Osterwalder 2013). It supports organizations with conducting structured and strategic discussions around new businesses or existing ones, allowing to collect all nine building blocks of the business in one place.

The business model canvas includes nine components of the business model according to Osterwalder (2013). The first component focuses on customer segments that help to identify the customer profiles more precisely and better understand for whom the company creates value. The second component is value propositions referring to promising the value that would be delivered by a product or service of a company, and that is the main reason why a customer would pay for this product or service and what value it would present to them (Osterwalder 2010, 2014). The third component highlights channels, i.e. the ways to reach the customers and interact with them. The fourth



component covers customer relationships and focuses on the topics of acquiring and retaining customers, maintaining the relationships with the customers, and integrating them into the business model. The fifth component is revenue streams, addressing the questions of what value customers are ready to pay, and discussing the revenue model and the pricing tactics. The sixth component is key resources, and it highlights the resources available for the company and required by value propositions. The seventh component is key activities that explores which activities are needed for the value propositions, which distribution channels are utilized, and which customer relationships and revenue streams are involved. The eighth component is key partners focusing on identifying the key partners and suppliers of the business and the resources and activities that the business received from these partners. Lastly, the ninth component is cost structure and it discussed the most important costs for the business model, and the cost of key resources and key activities. Figure 2 shows the business model canvas.

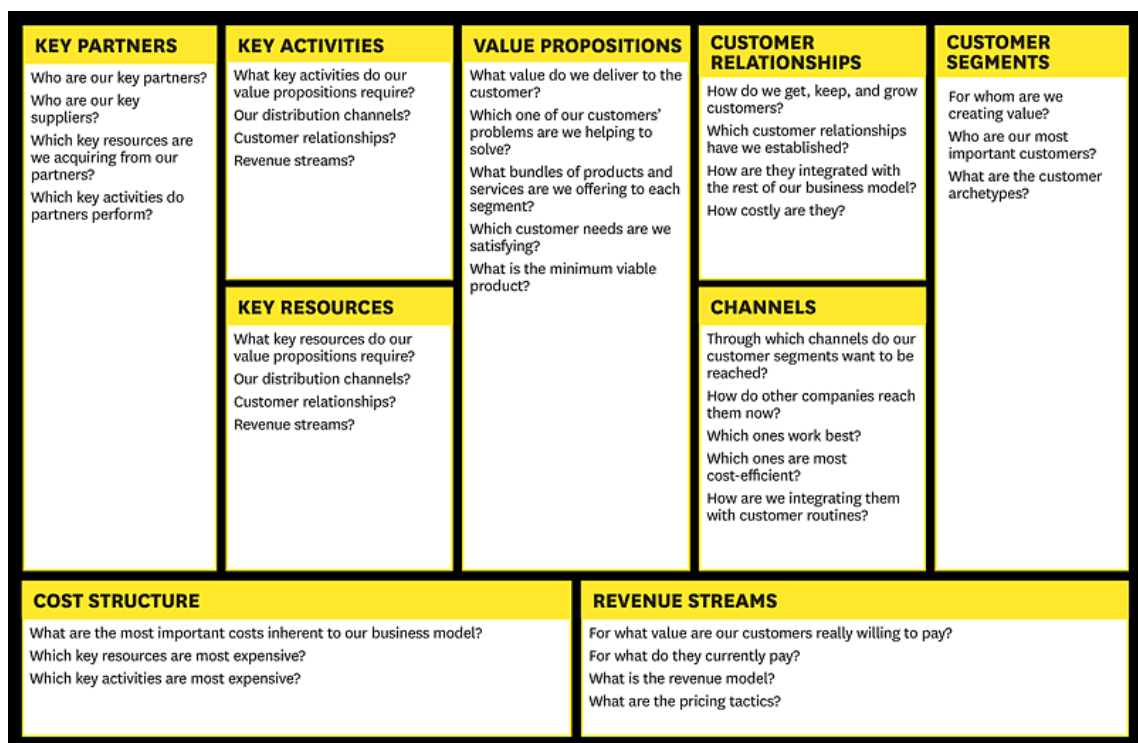


Figure 2. Business Model Canvas (Osterwalder 2013)

Business Model Canvas helps with assembling the major elements of a business and allows stakeholders to look at these elements holistically and align them to be able to create and capture value (Fischer 2020). All these components are considered crucial

for getting a holistic overview of the product and value it offers. Business model canvas is commonly used in the lean startup environment where it replaces the more traditional approach of creating a business plan, instead allowing founders to quickly assemble different components of a business model in one place with the summary of hypothesis to test. In its essence, it provides an overview of how a company creates value for itself and its customers. (Blank 2013).

Business model canvas by Osterwalder and Pigneur (2010) was later updated and transformed into the *Service Logic Business Model Canvas* by Ojasalo and Ojasalo (2015), adopting it for the service businesses. The Service Logic Business Model Canvas includes nine components just like the original business model canvas, keeping the original structure for the business model canvas. However, each component or block of the business model canvas was re-designed into being more service-oriented and includes the customer's point of view. (Ojasalo and Ojasalo 2015.) Figure 3 shows the business model canvas for services.

<p><b>Key Partners</b></p> <p>From our point of view:</p> <ul style="list-style-type: none"> <li>• Who are our key partners?</li> <li>• What are the roles of our partners?</li> <li>• What resources do we need from our partners?</li> <li>• How do the partners benefit from the cooperation?</li> </ul> <p>From customer point of view:</p> <ul style="list-style-type: none"> <li>• How does the customer experience our partners?</li> <li>• What kind of partnerships does the customer have and how should they be taken into account?</li> </ul> <p style="text-align: right;">⑦</p>	<p><b>Key Resources</b></p> <p>From our point of view:</p> <ul style="list-style-type: none"> <li>• What skills and knowledge do we need?</li> <li>• What other material and immaterial resources and tools are required?</li> </ul> <p>From customer point of view:</p> <ul style="list-style-type: none"> <li>• What skills and knowledge is required from the customer's side?</li> <li>• What other customer's material and immaterial resources and tools are required?</li> </ul> <p style="text-align: right;">⑥</p>	<p><b>Value Proposition</b></p> <p>From our point of view:</p> <ul style="list-style-type: none"> <li>• What value are we selling?</li> <li>• What are the elements of our offering?</li> <li>• What is unique in our offering?</li> </ul> <p>From customer point of view:</p> <ul style="list-style-type: none"> <li>• What value is the customer buying?</li> <li>• What are the elements of customer needing?</li> <li>• Which customer's challenges and problems need to be solved?</li> </ul> <p style="text-align: right;">②</p>	<p><b>Value Creation</b></p> <p>From our point of view:</p> <ul style="list-style-type: none"> <li>• How is our offering embedded in the customer's world?</li> <li>• How can we facilitate the customer to reach their goals?</li> </ul> <p>From customer point of view:</p> <ul style="list-style-type: none"> <li>• How does the value emerge in customer's practices (also from mental and emotional experiences)?</li> <li>• How are customer's long term benefits accomplished?</li> </ul> <p style="text-align: right;">③</p>	<p><b>Customer's World and Desire for Ideal Value</b></p> <p>From our point of view:</p> <ul style="list-style-type: none"> <li>• How do we get a deep insight and holistic understanding of customer's world (context, activities, practices, experiences), their future strategies, and customer's customers' world?</li> </ul> <p>From customer point of view:</p> <ul style="list-style-type: none"> <li>• Why does the customer buy?</li> <li>• What kind of benefits does the customer aspire?</li> <li>• Functional</li> <li>• Economic</li> <li>• Emotional</li> <li>• Social</li> <li>• Ethical</li> <li>• Symbolic</li> <li>• If there were no limits, what would be the customer desire for ideal situation and world?</li> </ul> <p style="text-align: right;">①</p>
<p><b>Cost Structure</b></p> <p>From our point of view:</p> <ul style="list-style-type: none"> <li>• What are the costs inherent in our business model?</li> <li>• What are our other sacrifices?</li> </ul> <p>From customer point of view:</p> <ul style="list-style-type: none"> <li>• What costs and other sacrifices are required from the customer?</li> </ul> <p style="text-align: right;">⑨</p>	<p><b>Revenue Streams and Metrics</b></p> <p>From our point of view:</p> <ul style="list-style-type: none"> <li>• What is our earnings logic and how is our financial feedback generated?</li> <li>• How can we apply customer value-based pricing?</li> <li>• What else valuable do we get than money?</li> <li>• What are the key performance metrics of our business success?</li> </ul> <p>From customer point of view:</p> <ul style="list-style-type: none"> <li>• For which benefits is the customer really willing to pay and how?</li> <li>• What is the financial value that the customer gets?</li> <li>• What are the key performance indicators of customer's business and how are we following them?</li> </ul> <p style="text-align: right;">⑤</p>			
	<p><b>Mobilizing Resources and Partners</b></p> <p>From our point of view:</p> <ul style="list-style-type: none"> <li>• How do we coordinate multi-party value creation?</li> <li>• How do we utilize and develop partners and resources?</li> </ul> <p>From customer point of view:</p> <ul style="list-style-type: none"> <li>• How can the customer utilize and develop partners and resources?</li> </ul> <p style="text-align: right;">⑧</p>		<p><b>Interaction and co-production</b></p> <p>From our point of view:</p> <ul style="list-style-type: none"> <li>• How can we support customer co-production and interaction between us and the customer?</li> </ul> <p>From customer point of view:</p> <ul style="list-style-type: none"> <li>• What are customer's activities during the use and different use contexts?</li> <li>• What are the customer's mental models of interacting with us?</li> </ul> <p style="text-align: right;">④</p>	

Figure 3. The Service Logic Business Model Canvas (Ojasalo and Ojasalo 2015).

The changes to the original business model canvas and adopting it for the service businesses include re-naming of the first block (originally *Customer segments*) into “Customer’s world and desire for ideal value” with prioritizing the customer-oriented way of thinking for this block (Ojasalo and Ojasalo 2015). The second block of the canvas is called ‘Value Proposition’ and emphasizes the significance of what the customer buys in reality from the supplier’s offering. The third block is re-named into ‘Value creation’ and focuses on how the customers are utilizing the value proposition for reaching their goals. The fourth block is named ‘Interaction and co-production’ and discusses how customers are involved into the activities of a company and how they use the company’s resources. The fifth block ‘Revenues and Metrics’ describes the company earnings and other benefits such as customer, brand, etc. The sixth block ‘Key resources’ emphasizes core competences and brings the customers upfront as an important operating resource for the company. The seventh block focuses on key partners and narrows its focus solely to the partners beyond the customer relationship and directly participating in the value creation for the customer. (Ojasalo and Ojasalo 2015.)

The eighth block is re-named into ‘Mobilising resources and partners’ emphasizing integrating resources as a key activity of stakeholders participating in service relationships (Vargo and Lusch, 2008, cited in Ojasalo and Ojasalo 2015). The ninth block focuses on cost structure and analyses the costs and sacrifices involved for the customer in addition to company’s cost (Ojasalo and Ojasalo 2015.)

To sum it up, both Osterwalder and Pigneur (2010) and Ojasalo and Ojasalo (2015) provide frameworks with essential components and blocks for creating and analysing a business model with the value creation and value proposition as the central element. The business model canvas of Osterwalder and Pigneur (2010) has more focus on the internal point of view of a company, whereas Ojasalo and Ojasalo (2015) adopt this canvas for the service-oriented business model by bringing the customer’s point of view into the spotlight and making it dominant for shaping the whole business model.

### 3.1.2 Competitor Analysis

Competitor analysis or competitive analysis is a tool utilized in strategic management for evaluating of the strengths and weaknesses of competitors, providing strategic context that helps to identify opportunities and threats (Fleisher and Bensoussan 2007).

Competitor analysis provides support for understanding the company's relative position on the market and better understanding of the industry. Competitor analysis is considered a highly valid management technique (Hatzijordanou 2019). It is also described as a driver of an organization's strategy and helps organizations to measure and assess where they stand amongst competitors (Adom et al. 2017).

Fleisher and Bensoussan (2007) formulated 10 commandments for business and competitive analysis, as shown in Table 3 below.

Table 3. 10 Commandments for Business and Competitive Analysis (Fleisher and Bensoussan 2007).

Commandment 1	Every competitive and strategic decision should have analysis as an underlying and integral part.
Commandment 2	Only analyzed data should be used for driving competitive decision-making, and planning.
Commandment 3	Analysis should be performed in time and results delivered prior to the decision-making, giving a client sufficient lead time.
Commandment 4	Analysis should include decisions and recommendation.
Commandment 5	Data complications, newsletters, digests or summaries should not be confused with analysis.
Commandment 6	Analysis must be characterized by FAROUT© evaluation scheme (Future-oriented, Accurate, Resource-efficient, Objective, Useful, Timely), and balance these elements.
Commandment 7	The outputs of the analysis will be negotiated based on requirement and specifications from the clients.
Commandment 8	All relevant data available from legitimate sources should be reflected in the analysis.

Commandment 9	The best and most contemporary tools and methods should be utilized.
Commandment 10	Analysis should be regularly evaluated and aligned with the organization's mission and goals.

Another framework for analyzing the competitive environment was introduced by Porter in 1979 and is called Porter's Five Forces (Porter 1979). According to this framework there are five forces that shape the structure of profit within an industry. It determines how economic value is created. A company might win over that value through the rivalry among existing competitors. However, this value can also be gained through the power of suppliers or the power of customers. It can also be pushed by the threat of new entrants or the threat of substitutes. (Porter 2008.)

Thus, five forces are rivalry among existing competitors, the bargaining power of suppliers, the power of customers, the threat of new entrants and the threat of substitute products or services (Porter 2008). Figure 4 shows the Five Forces Model.

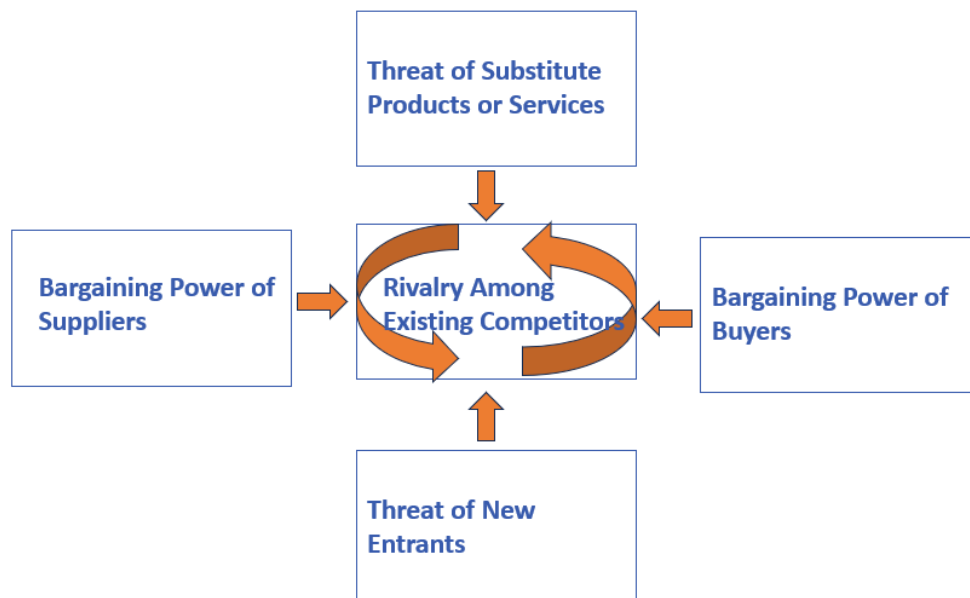


Figure 4. The Five Forces (Porter 2008)

Rivalry among existing competitors is defined by the intensity of competition and is characterized by the number of competitors, quality differences, other differences, switching costs and customer loyalty. The bargaining power of suppliers includes the number of suppliers, their location, their uniqueness, ability to substitute and cost of changing. The bargaining power of buyers is characterized by the ability of customers to drive the prices down or demand more services for the same prices. It is evaluated through the criteria of the number of customers, the size of customers, differences between competitors, price sensitivity, ability to substitute and cost of changing. The threat of new entrants can push the existing competitors to lower the prices and is evaluated through such factors as barriers to entry, time and cost to entry, specialist knowledge, technology protection and cost advantages. Finally, the threat of substitution is defined by potential different products and services that can satisfy similar customer needs or make a replacement with a different solution, characterized by the substitute performance, trend performance and cost of change. (Porter 1985; 2008.)

The success, recognition and power of the Five Forces Model can be explained by giving a clear picture of the business activities and showing the whole chain of economic activities from suppliers to buyers with a memorable and powerful visualization (Brandenburger 2002).

The Five Forces Model has also been facing some critique, especially in the past years in terms of focusing more on large organizations and being less beneficial when it comes to analyzing a competitive environment of small and medium-sized enterprises (SMEs) that have different dynamics, financial and organizational structure and being affected by different competitive behaviors (Bruijl 2018). Thus, Porter's Five Forces is a framework that is widely adopted and efficient for analyzing the general competitive, especially of the large organizations, but is less considerate of small companies that are facing different business and competitive dynamics in comparison with large organizations.

### 3.1.3 SWOT Analysis

The origins of SWOT analysis tool are often credited to Stanford University's Albert Humphrey in 1960 – 1970's, but there are different opinions that exist about this and

several alternative versions, considering that there is not enough evidence for crediting it solely to Albert Humphrey (Friesner 2011). Other researchers credit the invention of the SWOT analysis to Stanford University's R.F. Steward or identify Humphrey and Steward as co-creators of the SWOT analysis (Puyt et al. 2023).

SWOT is an analytical technique in strategic management that has been regarded as one of the most used and applied techniques for years. SWOT is an acronym for describing relevant strengths, weaknesses, opportunities, and threats that are considered as strategic factors for a company. (Hunger and Wheelen 2014). SWOT analysis is also described as a powerful tool when it comes to challenging the product and its value from different angles and identifying key opportunities for the product (Helms 2010).

Alan Sarsby (2016) visualizes the SWOT technique with the following diagram, adding elements, crucial for its understanding and utilization. Figure 5 shows the SWOT diagram.

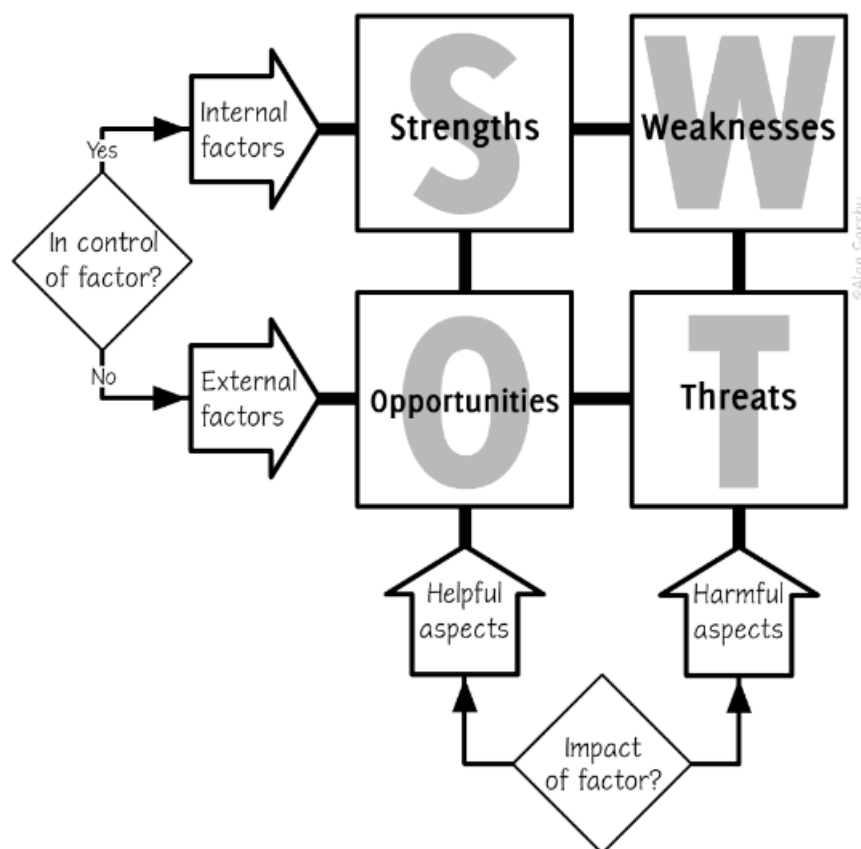


Figure 5. The SWOT diagram (Sarsby 2016).

The factors within the SWOT technique are divided into internal (strengths, weaknesses) and external (opportunities, threats), depending on who has the control over these factors. Another categorization divides the factors into helpful and harmful aspects, depending on their impact.

The advantages of SWOT analysis include simplicity, high level of visualization, ability to be applied on different levels and depths, and being able to scale depending on complexity of organization (Sarsby 2016). At the same time, the common critique of SWOT analysis emphasizes that it has no tools for priority distribution, generates extensive lists, requires a single level of analysis, and does not establish logical linking to strategic implementations (Hunger and Wheelen 2014).

SWOT analysis is the technique that is easy to apply on any level of an organization with clear visualization. However, its utilization alone might be not sufficient and lack of sufficient depth of analysis or lead to lengthy lists that would not provide a clarity on which aspects have higher priority. Therefore, it could be more efficient to utilize the SWOT analysis in addition to other existing frameworks and techniques.

#### 3.1.4 Gap Analysis

Gap analysis is a tool that helps to identify the 'gaps' and differences between a current situation of an organization and what state the situation wants to reach, in other words, where it wants to be (Kim and Ji 2018). A Gap analysis evaluates the current state in comparison to the organization's vision and desired state and leads to identifying which processes, strategies, expertise, and resources are missing for reaching this vision (Weller 2018).

Gap analysis is commonly used in IT project management for finding the missing elements between the milestones and the current state of the projects (Anderson et al. 2006). It is also considered a crucial part of creating product's roadmap (Leonard and Bottorff 2022). Gap analysis includes four main blocks identified by the block's objective: current state, desired state, gaps, remedies, or recommendations, as shown in Table 4.



Table 4. Gap analysis (Stumbles 2023).

Current State (from)	Identifying the current state of an organization or process according to their goal that is relevant for this state.
Desired State (to)	Clear identifying of the target or a state where that the organization wants to reach.
Gaps	Identifying what is causing the discrepancies between the two states above.
Remedies	Identifying which actions could help with overcoming these obstacles and removing the above-mentioned discrepancies.

The gap analysis can be helpful for finding the obstacles or weaknesses in certain processes that might be major blockers for reaching organizations' goals and deliver insights for the areas that need improvements within organizations. The challenges and disadvantages of the gap analysis include its inaccuracy for fast-moving and dynamic industries, when the situation constantly changes, and large organizations. (Weller 2018.)

Thus, gap analysis is a tool that can be utilized across various industries, including IT project management. It can be helpful for identifying missing elements that block organizations processes towards moving to their goals. However, its findings might get outdated relatively quickly within large organizations or highly dynamic industries with fast changes due to ever-changing situation in these organizations and industries.

### 3.2 Offering in the business context

This part focuses on the concept of an offering in the business context and examines important elements that a B2B offering includes. Offering can be described as products or services created for bringing value to customers, whether it is for satisfying customer needs, or customer desires or both (Mariadoss 2015).

Grönroos (1997) defines the offering as a phenomenon that includes both the core product and the various services provided to the customer. He also connects it to the value created for the customer with the offering being the core of this value. In

combination with resources and other activities the offering's purpose is to satisfy the customer's needs. Mariadoss (2015) separates B2C and B2B offerings and divides B2B offerings into five primary categories, as shown in Table 5 below.

Table 5. Five primary categories of B2B offerings (Mariadoss 2015).

Offering Category	Category Description
Capital equipment offerings	Any equipment purchased and used for over one year and being depreciated with time.
Raw materials offerings	Materials that companies order for manufacturing their products.
Original equipment manufacturer (OEM) offerings	Original final products or ready parts of the original final product ordered from another company.
Maintenance, repair, and operations (MRO) offerings	Products and services to keep the company functioning.
Facilitating offerings	Products and services, supporting company operations but not belonging to the final product.

Almquist et al. (2018) also connect B2B offering to the concept of value and value proposition and define 10 elements that help with improving the B2B offering and making it more attractive for customers, taking IT industry as an example. The 10 elements are product quality, expertise, responsiveness, hope, integration, vision, risk reduction, cultural fit, simplification, time savings. Each element can help a company improve their value proposition. Similarly, Gross et al. (2021) include the offering into the drivers of B2B sales generation and emphasize the importance of content that should articulate the value of a B2B offering in a simple and understandable manner. The B2B offerings are also described as highly commoditized, being more and more affected by subjective factors and sometimes personalized concerns from the buyers (Almquist et al. 2018).

Thus, the offering in general and the B2B offering are strongly related to the concept of value creation, value proposition and the company resources and other activities of the company that focus on satisfying customer needs.

### 3.3 Resource-based view (RBV)

This sub-section explores the phenomenon of Resource-based view (RBV) and its aspects that could be helpful and applicable to finding a competitive advantage of the business model.

The Resource-Based View (RBV) is a theoretical framework, used in strategic management. It focuses on internal resources of a company as its main or sole source of competitive advantage. Originating from the work of Penrose (1959) and further transformed and expanded by scholars like Wernerfelt (1984) and Barney (1991), the RBV claims that resources and the ability to use them may become the basis for the development of sustainable competitive advantages. These concepts are still highly applicable both for more traditional companies and corporations, and startups. In case of startups, it is essential to identify and exploit their unique abilities. This could be agility, ability to innovate, and leverage advanced technological assets. (Eisenhardt & Martin, 2000).

According to RBV, companies own resources, that enable them to reach the peak performance long-term. There are two categories of the resources: they can be divided into tangible resources, e.g. financial and physical assets, and intangible, for instance, brand, knowledge, know-how, skills, and internal corporate social responsibility. One of the key ideas of RBV is that for a resource to deliver competitive edge to a firm, it must be valuable, rare, inimitable, and non-substitutable (VRIN). (Barney 1991.) An extension of the RBV, the VRIN framework is an analytical tool used to assess organization's resources based on four dimensions: Value, Rarity, Imitability, and Non-substitutable quality. With the help of the VRIN method, one can determine whether a resource and capability really offer a sustained competitive advantage. (Barney 1991). Table 6 shows an overview of the VRIN method that helps organizations to better understand which unique resources could be utilized to reach the competitive advantage.

Table 6. The original VRIN framework (Barney 1995).

<b>Value</b>	<b>Rarity</b>	<b>Imitable</b>	<b>Non-substitutable</b>	<b>Competitive implication</b>
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Brings value to business or customers	Controlled by only a few (or one)	Expensive or impossible for others to re-create	Cannot be substituted by another resource	If all are answered "yes", a sustained competitive advantage is likely.
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This original VRIN framework was later expanded by Rothaermel (2013), separating sustained competitive advantage from temporary competitive advantage, competitive parity, and competitive disadvantage. Figure 6 shows the adopted VRIN framework.

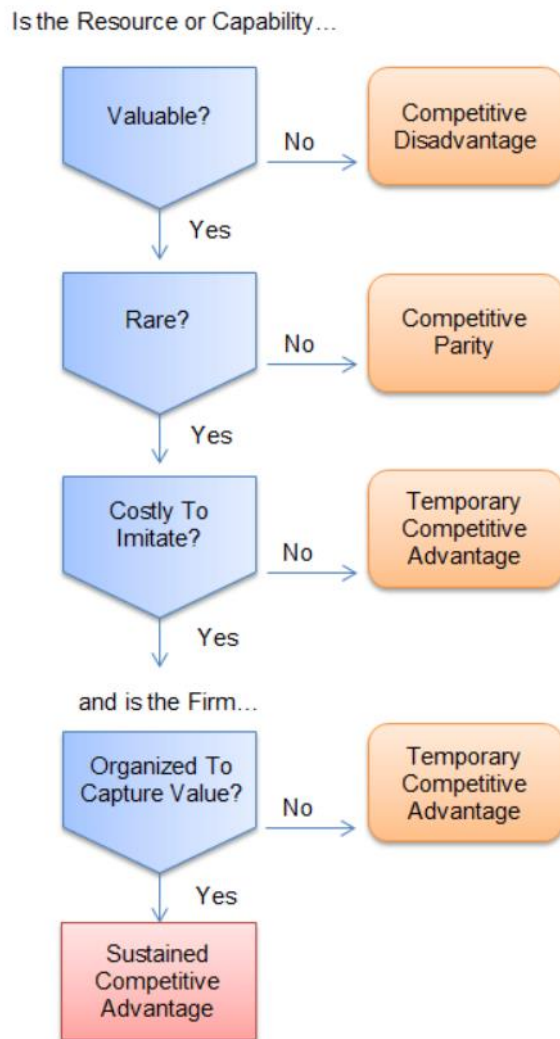


Figure 6. Adopted VRIN framework (Rothaermel, 2013, cited in: Jurevicius 2023).

As shown in Figure 6, four questions help with better understanding of the competitive advantage quality. First, the question of value answers if the resource helps organization to increase the value to the customers. Second, the question of rarity explores if the resource can be obtained only by one or a few companies. Third, the question of imitability helps to identify if a company can achieve at least temporary competitive advantage through a rare resource. Fourth, the question of organization challenges if the resource is organized in a way that can help to create a competitive advantage and capture value. If all four questions are answered positively, then the competitive advantage can be identified as sustained. (Jurevicius 2023.)

Once a firm has identified its VRIN resources, the next stage in the RBV framework is to exploit these assets to advantage competitive opportunities. In this regard, exploiting resources refers to employing them strategically to take advantage of the opportunities in the market and build on strengths and weaknesses. Naturally, firms must focus on building capabilities around their key resources to exploit them effectively (Peteraf, 1993). The purpose of the RBV and VRN frameworks is to help the organizations with identifying its competitive advantages which adds important aspects to building or refining the business model of a company and connects it to the concept of value creation for customers.

### 3.4 Value-based marketing

Value-based marketing is a marketing strategy that puts the unique value that products deliver to customers into the spotlight and prioritizes it over the product features in marketing communications. In other words, the focus of this marketing strategy shifts from the product and its features to the value created for customers and how the customers perceive this value (Anderson et al. 2006). This perceived value should not be only stated and articulated by a company but actively promoted and articulated through the marketing efforts via different channels (Doyle 2000). Value-based marketing was further refined by Payne and Frow (2014) and characterized as a phenomenon in which customers' perception of the value exceeds the product's price and cost. All provided definitions unite around the central role that the customer perception of value plays and the importance of the ability to communicate the value properly.

Customer-centric approach, communicating value and establishing long-term relationship are three pillars that value-based marketing builds upon. A company needs good understanding of customer needs, should build its marketing strategies around the benefits according to these needs, and make sure to nurture these relations through marketing and communication efforts. (Woodall, 2003.)

This strategy of value-based marketing is widely adopted by SaaS (software-as-a-service) companies. For instance, companies like Hubspot (<https://www.hubspot.com>) and ActiveCampaign (<https://www.activecampaign.com>) both build their slogans and focus their marketing communication on growth, provided to customers, instead of describing the features and technologies they offer (email marketing, CRM, marketing automations). This way the customer value perceptions shifts towards a higher value and the customers are buying and paying for the perceived alleged growth of the company instead of email marketing and CRM tools.

This adoption of the value-based marketing by SaaS companies and startups is logical because it can provide a huge advantage in differentiation and positioning of the company when advertising their products or services, or for instance, crafting and communicating their company offering. Available resources, competitive advantage and value perception are useful components to be relied on in the offering creation. However, there are also monetizing innovation components and pricing aspects to be examined for creating a comprehensive offering. These concepts are explored in more detail in the following sub-sections.

### 3.5 9 rules of monetizing innovation

The monetization aspect lies closely to the area of offering creation and is strongly connected to the pricing aspects. Therefore, it is important to inspect the rules of successful monetization. The 9 rules of successful monetizing innovation are outlined by Tacke, Desmet, and Kuester (2016) and focus on a few key aspects of innovation monetization that should be considered when choosing the approach towards monetization. The framework of successful monetization, consisting of nine rules, is presented below in Figure 7.



Figure 7. 9 rules of successful monetization (Tacke et al. 2016).

The further explanation and the break-down of the 9 rules for successful monetization is presented in Table 7.

Table 7. 9 rules of successful monetization explained (Tacke et al. 2016).

Rule	Description
<b>1. Start 'Willingness-to-Pay' Talk Early</b>	Involve potential customers in the process of development at an early stage for identifying their willingness to pay.
<b>2. Don't Go for 'One-Size-Fits-All'</b>	Customize products, features and services to diverse customer needs for maximizing value capture.
<b>3. Configuration and Bundling Should Be Science Rather Than Art</b>	Use analytics and data for strategizing your product development and its configuration
<b>4. Go Below the Price Point (5 Monetization Models)</b>	Analyse different monetization models and find the most efficient one below the expected price point.
<b>5. Pick the Winning Pricing Strategy</b>	Chose a pricing strategy according to the value perception by customers and competitive analysis.
<b>6. Build Outside-In Business Case</b>	Begin with the needs on the market and create the business case from the customer's point of view.

<b>7. Communicate the Value</b>	Articulate the value clearly to make sure that customers understand what they are purchasing.
<b>8. Use Behavioural Pricing Tactics</b>	Take advantage of the tactics in pricing that focus on customer psychology and behaviour.
<b>9. Maintain Price Integrity</b>	Make sure that the pricing remains consistent and fair. Prioritize establishing long-term customer relationship built on trust and value perception.

Thus, 9 rules of successful monetizing innovation are relevant in the context of discussing and evaluating services, potential monetization and pricing strategies for innovative companies and products.

### 3.6 Pricing

The first definition of pricing presents it as the process of setting up the price at which a product or service would be sold in the market, which includes costs, competition, market conditions and the perceived value to the customer (Monroe 2003). Another perspective defines pricing is a process of determining what the company wants in return for provided products and services. This decision that is not crucial for the day-to-day operations only but rather strategic and serves as reflection of the perceived value of the product or service. The strategic perspective is essential since pricing is defined as a part of the strategic aspect that determines the balance between revenue maximization and customer satisfaction. (Nagle and Müller 2017.)

As part of strategic decision-making pricing is naturally a very broad area that consists of a multitude of aspects, including pricing strategies, pricing models and psychological pricing methods that are described further.

#### 3.6.1 Pricing strategies

The pricing strategies are examined in this part. There are a few key pricing strategies that companies leverage for effective outreach to the target markets. The first strategy is *penetration pricing*. It involves setting a low price when launching a new service or product. Its main purpose is a fast customer acquisition, which consequently delivers a



significant market share to a company. The low price allows to enter the market rapidly, driving the customers away from competitors. (Kotler & Armstrong 2020.)

The second strategy is called *skimming pricing*. If compared to penetration pricing, the skimming pricing strategy, on the contrary, sets a high price when launching a new service product to gain maximum revenues. This usually leads to making less sales, which are more profitable and can compensate the lack of sales by the high margins. (Kotler & Armstrong 2020.)

The third strategy is *competition-based pricing* that focuses on setting the price in relation to prices and strategies of competitors and offerings on the market. Companies can choose how they want to position themselves in relation to their competitors and in which pricing segment they want to enter (Hinterhuber A. 2008).

The fourth pricing strategy is *value-based pricing*. According to Nagle & Müller (2017), value-based pricing focuses on the value perception for customers. It is commonly utilized by startups offering innovative solutions and optimized operations. The value-based pricing is characterized through the focus on the customer and customer's perception as the central element and communicating the value of product and services. This is an efficient strategy, as it might provide competitive advantage, leveraging the value for the customers, and bringing the competitive edge into the pricing. It also aligns with the value communication and allows sufficient segmentation. However, this strategy implies the risk of overestimating the value and overpricing the product and services. This strategy might also demand excessive resources, as it is required to do frequent customer and market analysis, and permanent value communication. (Nagle & Müller 2017.)

The fifth pricing strategy that is examined is *Cost-plus pricing*. According to Monroe (2003), the cost-plus pricing is a strategy that focuses on adding a standard margin in addition to fixed and variable costs. This strategy has its benefits as it is transparent and straight forward and allows to cover all existing costs. It is also easy to adjust, and it can remain stable. However, the critique of this model emphasizes the lack of competitive analysis in building this strategy and ignoring the demand on the market. It also ignores

the value perception from the customers and might have a huge disadvantage in the competitive environment. (Monroe 2003.)

The sixth pricing strategy is dynamic pricing. Dynamic pricing focuses on building and changing pricing based on current demand, allowing to adjust the prices in real-time, maximize the revenue and maintain market responsiveness. For instance, energy companies often set the pricing depending on energy demand or airlines setting prices depending on available seats. (Talluri & Van Ryzin 2004.)

Thus, the discussed pricing strategies have their advantages depending on the business model and priorities of a company. The penetration pricing prioritizes the market entry as the key priority, whereas the cost-plus pricing focuses on transparency and covering the costs. The skimming pricing sets prices high for creating an exclusive perception, commonly utilized for the luxury products. The key focus of value-based pricing and competitive pricing is providing a competitive advantage and addressing the customers and the value perception, with the regular monitoring of the market and competition.

### 3.6.2 Pricing models

This part explores existing pricing models in the context of the company offering and pricing. For selecting the most appropriate and useful pricing models for integrating them into the offering for the case company, it is important to analyse the most common pricing models applicable for companies of different scales. The common pricing techniques, their benefits and weaknesses are described in the Table 8.

Table 8. Common pricing models with key benefits and disadvantages.

Pricing model	Description	Key advantages	Key disadvantages
Subscription Pricing (Zuora 2022)	Frequently utilized by software companies that provide similar services on a regular basis	Customer retention, more predictability with the revenue stream, scalability.	Churn risk, delayed revenues, more complexities in subscription management
Tiered Pricing	Model that allows addressing different customer segments	Strong market and customer segmentation,	Complex structure, creating additional 'noise' for customers,

(Tzuo & Weisert 2018)	depending on the scale and needs	upselling opportunities.	excessive administration.
Pay-as-You-Go Pricing (Osterwalder & Pigneur 2010).	A flexible model that enables charging only for the features and service used by the customer	Cost-efficiency, scalability, transparency, easy to use for customer acquisition.	No predictability for revenue, potential increased churn.

Thus, the subscription pricing model and tiered pricing focus on maintaining customer retention, more predictable revenue, and creating upselling opportunities. The tiered pricing allows an advanced customer segmentation. Pay-as-you go pricing is a more straight-forward and flexible model that is beneficial for attracting new customers with transparent pricing that does not require long commitment in case of customer uncertainty.

### 3.6.3 Psychological pricing

Psychological pricing is a marketing strategy leveraging cognitive patterns for gaining the influence over consumers' perception of the product's and offer's value. The price modified through the psychological pricing tactics might appear more attractive than it is. It takes advantage of psychological tactics that connect to the perception of pricing. For instance, odd pricing, charm pricing, price anchoring and others. These tactics' aim to affect buyers' decision-making process on the subconscious level. (Hinterhuber and Liozu 2012). These are the key features that belong to psychological pricing, as shown in Table 9.

Table 9. Key features of psychological pricing (O'Brien 2021).

<b>Charm Pricing</b>	Setting a price below the round number, for example 99 EUR instead of 100 EUR, which might affect the price perception and make it appear lower than it is.
<b>Odd Pricing</b>	Similar to odd pricing but having broader application. Refers to prices ending with 1, 3, 5, 7, 9.
<b>Decoy Pricing</b>	Based on so called 'decoy effect' that affects the choice between options when intentionally presented with a less attractive option.
<b>Price Anchoring</b>	Introducing the higher price before introducing the actual product to affect the value and the pricing perception.

<b>Luxury Pricing</b>	Setting overly high prices on purpose to convey high quality, exclusivity, and luxury element of the product.
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In general, the practices of psychological prices are more commonly used and known to be especially efficient for the B2C model and in retail. However, some aspects of psychological pricing are also applicable for the B2B cases. (Hinterhuber & Liozu 2014)

### 3.7 Conceptual Framework for Developing the B2B Offering and Pricing Models

The section discussed literature and best practices around developing B2B offerings and pricing models. On the general level, the conceptual framework includes tools for analyzing business model and competitive environment, and business modeling. The tools include business model canvas examined mainly through the works of Osterwalder and Pigneur (2010), Osterwalder (2013, 2014), and Ojasalo and Ojasalo (2015); competitor analysis, its key advantages and ten commandments (Fleisher and Bensoussan 2007) and the Five Forces Model by Porter (1985); SWOT analysis and gap analysis, their utilization, advantages, and critique.

At the center of the framework is the Resource-Based View (RBV), that outlines a company's unique available resources, that help with creating and identifying a competitive advantage (Barney 1991), and finding a sustained competitive advantage (Rothaermel, 2013, Jurevicius, 2023). The opportunities to leverage competitive advantage through the offering and pricing are further discussed with works by Porter (1985) and Kotler (2000). These principles support articulating a clear value proposition and emphasizing value creation for paying customers.

The principles of value-based marketing and pricing were examined for the purpose of exploring the further role of value creation in connection with priorities for developing and improving company's pricing models. It included '9 rules for successful monetizing innovation' by Tacke et al. (2016). The monetizing rules work as supporting principles for the offering creation process. The main goal of referring to these principles is to make sure that the offerings are focused on the users' needs.

On the further topic of pricing models, there are commonly adopted pricing models across industries such as software, online marketplaces, and Software as a Service (SaaS), with support of work by Osterwalder and Pigneur (2010), providing a comprehensive overview of the impact of pricing models on business model innovation.

The conceptual framework for developing the new B2B offering and pricing models is shown in the graphic below. It has three levels. The first general level presents the tools for analyzing business model and competitive environment. The second level focuses on the overall offering-related concepts, whereas the third level provides guidance for pricing.

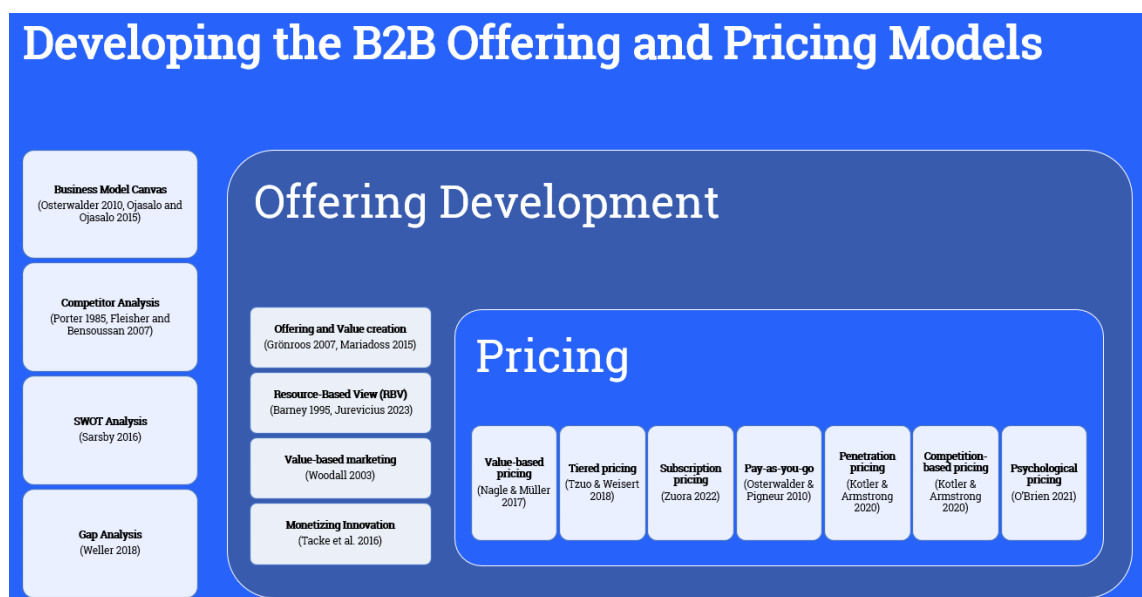


Figure 8. Conceptual framework for creating a startup B2B offering, including pricing.

On the offering level, there are the methods and concepts that support the offering development and explore value creation, identifying which features need to be included and presented to customers for the maximum efficiency and attractiveness for the customers. The other selected frameworks are Resource-based view (RBV), and particularly the elements of competitive advantage around innovation and automation, value-based marketing and its focus on value perception and chosen principles of monetizing innovation.

On the pricing level, the conceptual framework is built upon value-based pricing, tiered pricing, subscription model and pay-as-you-go model. The pricing element of the conceptual framework also includes penetration pricing, value-based pricing and competition-based pricing strategies. Ultimately, it also includes the elements of psychological pricing, that serves to enhance the pricing aspect for the customer value perception.

All selected concepts and methods are relevant for the context of developing a B2B offering and pricing models. The tools and framework for analyzing business model and competitive environment are utilized for the current state analysis in the next section.

#### 4 Current State Analysis of the Company's Product, Services and Pricing Models

This section discusses the results of the current state analysis (CSA) focusing on evaluating the current operational status, the position of the product on the market, the existing offering and pricing, competition, and main challenges.

The purpose of the current state analysis was to identify the position of the product in the market, the demand for the product, its potential for the demand, the product's offering, value, and its place within the existing competition. It was important to understand the expectations for the product from the management of the case company and align with the key stakeholders on the long-term vision and goals for the product.

This CSA consists of 5 sub-sections: (1) Data collection, (2) business model canvas, (3) Competitor analysis, (4) Gap analysis, (5) SWOT analysis and (6) pricing model analysis. The logic behind this structure and the argumentation for choosing this structure are further explained below in the CSA structure break-down.

*Step 1, Data Collection*, is done for understanding what the reasons were behind creating the product, the vision for it, how the initial market research was conducted, where the product currently stands and what are the expectations from the key stakeholders. It was needed to collect initial data. Due to the startup nature of the project, lack of complex processes and existing data, it was decided to proceed with the stakeholder interviews and employee survey as key data sources for this CSA.

*Step 2, Business Model Canvas (BMC)*, is used as a tool for the current state analysis that helps to look at the existing business model from various perspectives. One of its main benefits is the holistic overview that BMC provides. All these components are considered crucial for getting an overview of the product, its service, customer segments and value it offers for considering the insights for the offering development.

*Step 3, Competitor Analysis*, provides support for understanding the company's relative position on the market, better understanding of the industry, and benchmarking when working on the company offering and pricing. Competitor analysis is crucial in all industries, but it is especially relevant for the startups that usually exist in a state of

increased uncertainty, which makes competitor analysis a highly valid technique. In the competitor analysis for the case company the focus was on the following key aspects: product offering, pricing, and market position.

*Step 4, Gap Analysis*, was conducted to identify discrepancies between the current offering of ITJobs.ai and industry best practices. The gap analysis helps with pinpointing missing elements for developing a competitive offering.

*Step 5, SWOT Analysis* was done using the data collected and having a holistic overview over the product and the value it creates. This analysis helps with evaluating where the company currently stands with its product.

*Step 6, analysis of the existing pricing model*, helps to identify which pricing models is currently used for the product and what it includes, and how the pricing for the product and services was determined.

Based on the insights received from the co-founder of the company and the team that developed the platform, it was established that ITJobs.ai platform is a side project for the case company, and the team puts minimum resources into the further development and maintenance of the product at this stage. However, it is also evident that the team had a clear vision for the project and understood its customer groups and potential demand.

*“The platform aggregates open positions in the industry from all open sources across the web, so that you have all relevant up-to-date positions in one place. Then you can set up filters and notifications, to receive only the updates that you need”* (Interviewee 1).

It was possible to map out and understand at which stage of the project the team currently is and which milestones have already been reached. The journey of the team with the product is visualized below in Figure 9.

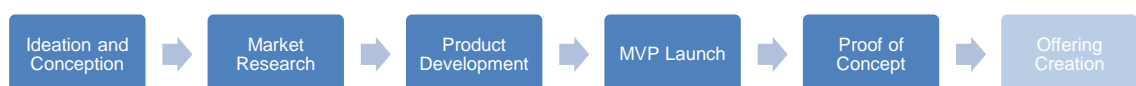




Figure 9. Milestones for the product journey and the current stage

This means that the team has realized a need and identified a problem in the industry, as well as potential solutions, went through ideation and creating a concept, did its market research to see what solutions currently exist. Then the team worked on developing the platform and launching the MVP, followed by the proof of concept done via marketing test campaigns and sales efforts. These are all complete milestones for the product journey. What still hasn't been finalized is a valid B2B offering. This is why it is still marked as incomplete.

*“The offering to the customers is still basic and early-stage: sponsored jobs for 1 or 2 weeks. You purchase a package, and your open positions show on top in relevant categories as sponsored jobs, having best visibility. The principle is similar to SEM in Google. When you search for something relevant, you first see the positions that are sponsored via ads. What comes to pricing, it is aligned with the penetration pricing strategy, offering the cheapest solution on the market. Brief research was done about pricing of the direct competitors, and the pricing was set to be below what competitors offer. This model cannot be sustainable in the long term, but the pricing was not the highest priority at the launch phase” (Interviewee 1).*

Both in the co-founder interview and employee survey (Appendix 2) the offering and the pricing included are described as early-stage, developed with minimum resources invested, and in the testing phase. All data collected clearly indicates that developing a compelling and versatile offering has not been a priority at this stage, and this is exactly where the case company currently stands with its product and needs support with. For the pricing, only a basic preliminary market research was conducted, and penetration pricing strategy was evaluated and chosen for testing, i.e. the prices of direct competitors (job boards in Finland) were analyzed and it was decided to lower the price and keep it beyond the market average, setting the initial price with a hunch and based on business sense and intuition to test and monitor its further performance.

At the same time, the data collected shows confidence in the strong use case for the platform across the team and the value it offers. Also, AI technology that allow the maximum level of automation for the product maintenance and operations, as well as independently providing real-time aggregation of all open positions from all open sources

for the end users is perceived as a strong side of the platform by the company management. This allows to draw a conclusion that a more diverse, complex, and compelling offering is exactly what the product could be missing to move into the further adoption, articulate its value and attract more demand. For better understanding of the value and supporting this statement, the platform is further evaluated and analysed in the industry context through business model canvas, competitor analysis, SWOT analysis and gap analysis.

#### 4.1.1 Business Model Canvas of the B2B offering

As discussed in the conceptual framework, business model canvas helps to get a more holistic picture on the business and move from a product-centric view towards business model thinking. In this case, it is used to analyze and understand the already existing model of the platform to better understand its offering context. Looking beyond the product focus with business case optics is helpful for the analysis, as it provides insights and visualizes important aspects such as the value proposition, customer segments, revenue streams, channels, etc. Analyzing the case of the product through business model canvas delivers the following results.

First, as for *the Customer Segments*, the company's product is a classic example of a multi-sided platform and needs two independent customer segments, in order to provide its services. As it offers a platform for the job search in IT industry in Finland, it needs a substantial user base of job seekers. However, it also needs customers from the side of recruiters and recruitment departments, who would be interested in buying ads and financing sponsored job posts, in order to monetize the services on the platform.

Second, as for *the Offer / Value Proposition*, the value proposition is divided into two parts, depending on which side of the marketplace it addresses. As the topic of this thesis is the B2B offering to the paying customers (recruiting side), the focus of the value proposition is mainly on this side of the marketplace: to the recruiters and advertisers the product offers a fresh promotion channel with a highly targeted audience, that mostly consists of IT professionals, actively or passively looking for a new job. In this sense, the model of the product strongly depends on its traffic, and the number of its targeted users, that can be of interest for advertisers as qualified leads. To the job seekers it offers a

convenient way to get a quick overview of all available open positions in one place, instead of searching across multiple job boards and websites.

Third, as for *the Channels*, the users of the platform are mainly attracted through the biggest and most established digital marketing channels with the best outreach for the target audience: X (former Twitter) and LinkedIn. Google is also used as a marketing channel, and so is Reddit, as it has been showing good results in terms of the target audience (IT professionals).

As for the recruiters / advertisers, the company uses similar channels. In this case, the team uses the following approach: social media platforms are used for B2B marketing and brand awareness, whereas sales and offer delivery happen through the direct outreach and more targeted channels, i.e. LinkedIn and e-mails.

Fourth, as for *the Customer Relationships*, relationship with two customer segments are established, maintained, and nurtured in different ways. The relationship with paying customers (recruiters, companies / advertisers) is based on personal assistance, whereas the relationship with users / job seekers is based on self-service (automated).

Fifth, as for *the Revenue Streams*, the company gets revenue from one customer segment (advertisers) and offers free service to another customer segment (job seekers). The more job seekers come to the platform, click on sponsored jobs and submit their applications, the more value the platform will create for recruiters and sell more ad placements, accordingly.

Sixth, as for *the Key Resources*, the Key Resource is the platform, that connects recruiters and job seekers in the IT industry. Thus, as common for a digital product, its Key Resources are rather focused within the intellectual and human field, as the team and its know-how are crucial for the existence and growth of the company. This also includes the marketing team, that has the knowledge, experience, and skills of attracting the targeted user base to the platform, that has value for the paying customers.

Seventh, as for the Key Activities, for a platform for IT jobs which belongs to a platform / software category, its Key Activities are platform/network – related. Key Activities of the

company relate primarily to the platform management and platform promotion. It needs to maintain the platform, and constantly improve its UX and UI, to stay up-to-date, attractive, and useful for the users (job seekers). At the same time, it needs to find the interested users, and grow the user base via promotion, to deliver better results for advertisers and attract more paying customers.

Eighth, as for *the Key Partnerships*, the distribution and promotion channels play a crucial role for this model, as attracting users to the platform is what brings the revenue to the company, at the end. This is why, in this case, such promotion channels as Google, Facebook, Twitter, LinkedIn, Reddit, etc. also have a role of suppliers, and can be identified as Key Partners. Another significant group is presented by HR and recruitment agencies that also have a dual role: they can be paying customers, and order ads / sponsored jobs for themselves or their clients, or they can refer their clients to advertising on the platform, in order to create more value for them, or deliver better results, in which case they take a role of Key Partners.

Ninth, as for *the Cost Structure*, the start-up company operates within the cost-driven model, trying to minimize the cost, where possible, maintaining the growth. Its costs are mostly fixed. They are, above all, hourly rates (from salaries) and operating costs for the maintenance of the platform.

However, as marketing and promotion are crucial for the business model of the company, its marketing spending belongs to variable costs. As the company focuses a lot on growing its user base, and delivering results to its paying customers, the marketing costs change a lot, depending on the amount of advertisers, internal goals for the marketing team, user behavior and marketing channels (which channels it uses, their cost per impressions, cost per click and other metrics).

The current business model of the case company is summarized below in Figure 10.

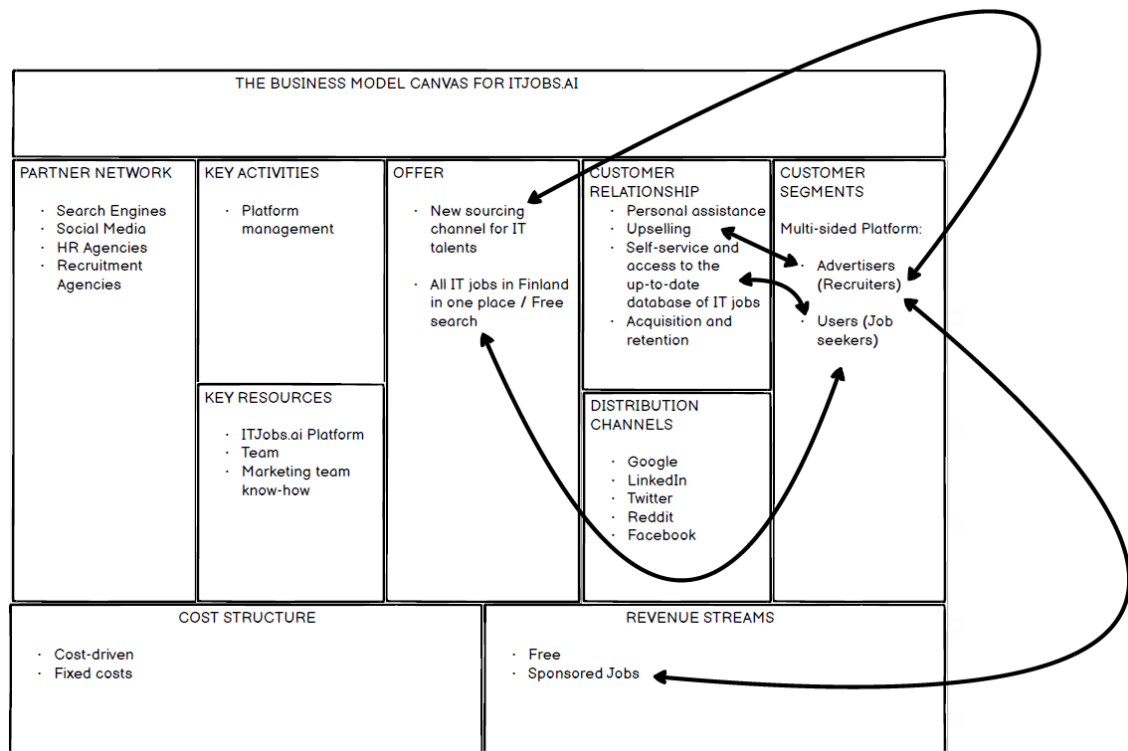


Figure 10. Business Model Canvas for the case company.

To summarize the findings with the help of business model canvas, the cooperation with the paying customers side (recruiters and advertisers) is crucial. The platform has a strong value proposition for this customer segment, and this customer group including recruiters and recruitment agencies are present in a few key aspects of canvas being not only in the role of customers, but also key partners. This model has a strong dependence on traffic, and digital marketing. Lots of focus is put on the process automation.

#### 4.1.2 Competitor Analysis

For this analysis of the current state of the product and its offering, it was crucial to conduct competitor analysis and examine what features, packages and price range are offered by the direct competitors, to take them into consideration when evaluating the current company offering and pricing and building the proposal.

The conducted competitor analysis (see Appendix 3) identified 7 direct competitors with diverse offerings packed in bundles and priced at range from 8200 EUR (for a bulk offer and enterprise-level offer) to 249 EUR (for a minimum subscription with one job promotion) depending on features offered, job post amount, duration and scale. This means that there are a lot of offers on the market and this is a highly competitive field, considering a relatively small Finnish market and the niche focus of the product. The price range also indicates the diversity of potential paying customer groups and scalability of competitors' offerings.

For the competitor analysis the biggest job boards and recruitment websites were researched, based on the following two criteria: first criterium is that they operate in Finland, and the second criterium is that they cover IT industry. Based on these criteria, the offering and pricing of the following platforms were selected and examined in Table 10.

Table 10. Key direct competitors of ITJobs.ai platform.

Name	URL	Type
Duunitori	<a href="https://duunitori.fi/rekrytointi/in-english">https://duunitori.fi/rekrytointi/in-english</a>	Job board
Jobly	<a href="https://www.jobly.fi/tyonantaja/tuotteet">https://www.jobly.fi/tyonantaja/tuotteet</a>	Job board
Laura	<a href="https://laura.fi/en/post-a-listing">https://laura.fi/en/post-a-listing</a>	Job board
Jobs in Helsinki	<a href="https://www.jobsinnetwork.com/recruiters/pricing">https://www.jobsinnetwork.com/recruiters/pricing</a>	Job board
Euro Tech Jobs	<a href="https://www.eurotechjobs.com/post_job">https://www.eurotechjobs.com/post_job</a>	Job board
Työpaikat Oikotie	<a href="https://tyopaikat.oikotie.fi/tyonantajalle">https://tyopaikat.oikotie.fi/tyonantajalle</a>	Job board
Meetfrank	<a href="https://meetfrank.com/business/pricing">https://meetfrank.com/business/pricing</a>	App

Most of the competitors are job boards (with one exception: Meetfrank which is an app). They all operate in Finland and have a selection of jobs in IT industry, but not limited to them. They also serve as data sources for ITJobs.ai for aggregating all positions and displaying them on the platform.

The competitor analysis focused on the product, their offering, features advertised and pricing, as well as the number of tiers within the offering. This detailed analysis allowed to draw the conclusions outlined in Table 11.

Table 11. The summary of the competitor analysis with the focus on the offering and the pricing.

<b>Offering</b>	Package amount range: 2 – 8, most competitors offering more than 4 packages.
	Job post duration: 7 – 60 days
	Views range: 400 – 6000 views (only view-based offers are considered here, annual subscriptions or other models are out of scope).
	All competitors do not limit only to job postings on their websites but offer and articulate additional features and promotion channels.
<b>Pricing</b>	General price range: 249 – 8200 EUR, meaning that the current price from the case company (89 EUR for 1 week of sponsored jobs) is the lowest on the market, and, moreover, much below what any company charges for similar services.

The position of the case company with its product was also analyzed based on the following criteria: affordability, IT jobs focus, traction (using SimilarWeb), diversified offer, added value offered, trustworthiness and paid advertising (see Appendix 4).

This analysis shows that the case company strongly leads in affordability and IT jobs focus with its product, but it is behind the competition in all other criteria as shown in Figure 11.

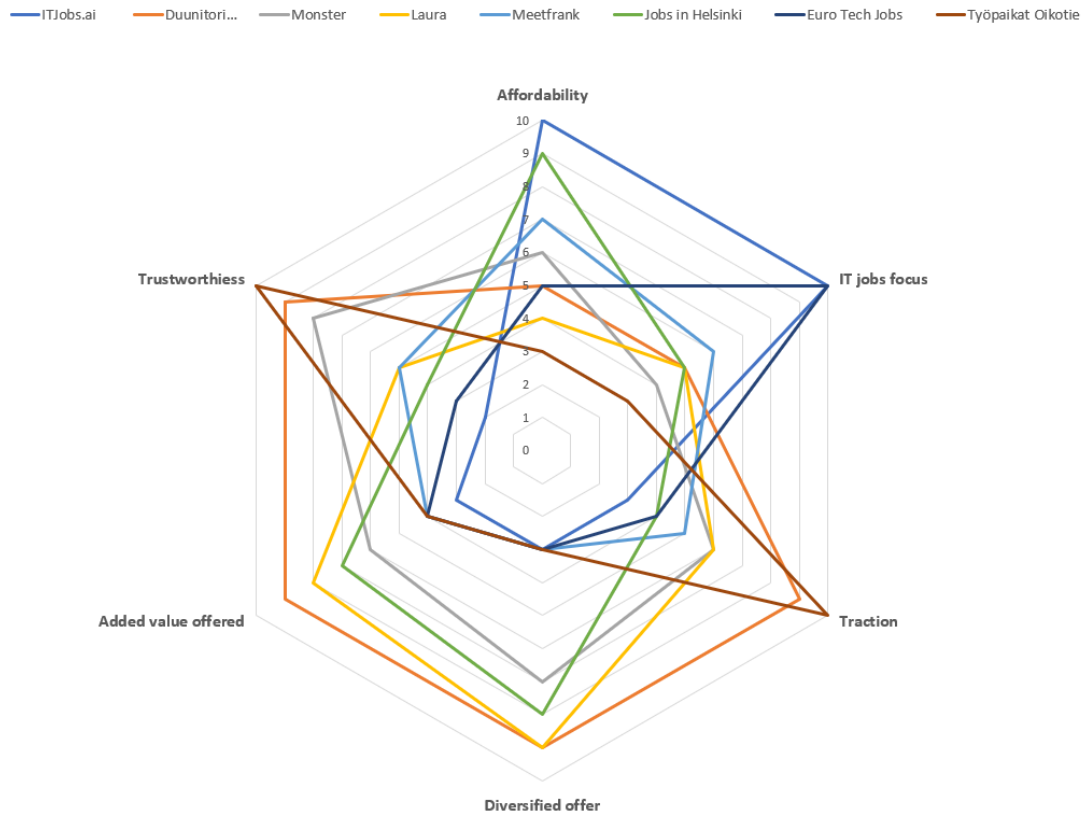


Figure 11. Competitor analysis (criteria-based).

This analysis shows that the case company strongly leads in affordability and IT jobs focus with its product, but it is behind the competition in all other criteria.

#### 4.1.3 Gap Analysis

A gap analysis is used to identify the 'gap' between where the case company stands now and where it wants to be with its product in the future and what is defined by its vision. The gap analysis was necessary to determine where the platform and its offering stand now, what the company wants to achieve, and what measures the team needs to take, in order to reach the desired state.

As for the current state, the company offers only one service and one pricing model to the paying customers: advertising on the platform (sponsored job posts) and cost per impressions. For the other side of the marketplace (the job seekers) the service is free



of charge, i.e. monetization and revenue generation are possible solely through the paying customers (companies, recruiters who order advertising and sponsored jobs on the platform).

The pricing model of the product is static and has not been updated since the launch. It is not regularly maintained and adjusted depending on the market conditions and competitors. It was developed with minimum resources invested into the researched and did not have a strong focus on the value perception at the development phase.

As for the Desired State, the case company wishes to generate stable revenue with their platform and showing at least moderate growth, with loyal customers and key accounts of different scale. The customers would be able to purchase different service packages, optimize costs and be attracted to purchase ads in bulk. The company also wishes to have clear up-selling options, and recurring subscriptions that make revenue more predictable and under control. The desired state includes, a dynamic, competitive, versatile, and advanced pricing models, based on market conditions, pricing within competition, value provided to the customers, and targeting different potential customers groups, from startups and small business to agencies and enterprise-level customers.

As for the Gaps, the current basic revenue model (sponsored jobs) limits the potential revenue, appears not adjusted for bigger customers, and does not support upselling or recurring purchases. The offering is limited and early-stage. The lack of services articulated makes the value of the product and its services hidden from the potential paying customers.

The current pricing model (cost per impression) focuses neither on small business and startups, nor on enterprise-level clients. The current pricing model does not support the first sale or makes the first order attractive. It also does not make purchasing ads in bulks a more appealing option.

#### 4.1.4 SWOT Analysis

Based on the data collected and evaluated, and business model canvas, competitor analysis and gap analysis conducted, the SWOT analysis was performed for the case company and its product, and its results are shown in Table 12.

Table 12. SWOT analysis for the case company.

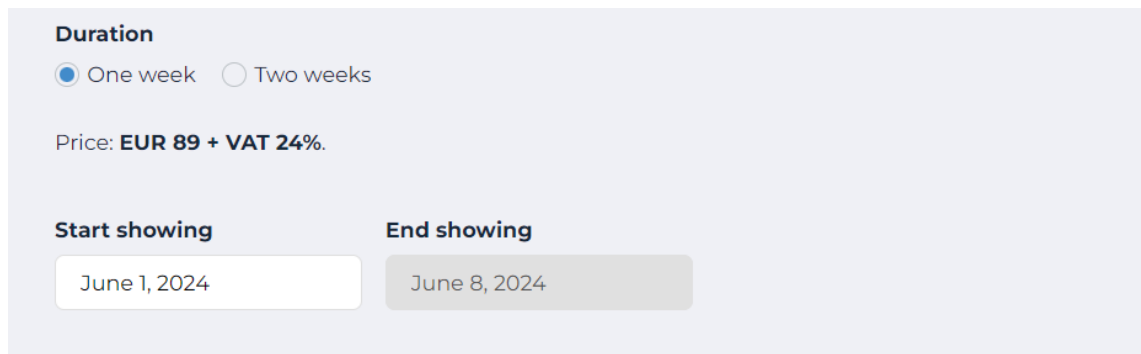
<b>Strengths</b>	<ul style="list-style-type: none"> <li>• <b>Clear niche and focus:</b> The portal focuses on jobs in a specific industry (IT) and within one market (Finland). This creates an advantage of collecting very comprehensive database of jobs in one industry per country and becoming a go-to-place for job search in IT in Finland.</li> <li>• <b>Clear target audience:</b> Specialized platform means that the traffic and user base come from the IT background, which makes targeting for companies looking for IT talents very easy and efficient.</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>• <b>Growth limit:</b> the current setting also creates limitations and brings a hard cap on the product growth opportunities. The Finnish market is small and there are only that many open positions in the IT industry.</li> <li>• <b>Lack of consistent offering and pricing:</b> The value proposition for one side of two-sided marketplace, i.e. paying customers, is not clearly communicated and articulated in the offering. The offering of the platform is early-stage, does not target different targeted groups and does not clearly communicate the value of the product.</li> <li>• <b>Pricing</b> The chosen pricing model and pricing did not have sufficient resources and time invested. No comprehensive research has been done for creating the pricing.</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• <b>New markets:</b> In case of a successful proof-of-concept and a sustainable business model, the platform can be expanded to the new markets, and operate there in the same automated and autonomous way.</li> <li>• <b>New partnerships:</b> potential partnerships with IT companies, offering them exclusive job postings and advertising opportunities.</li> <li>• <b>New paying customer groups:</b> creating a sales pipeline with the new customer groups via updated company offering.</li> <li>• <b>Customized and scalable offering</b> The B2B offering addressing different key customer groups would optimize and support establishing the sales pipeline.</li> </ul>

<b>Threats</b>	<ul style="list-style-type: none"> <li>• <b>Competition:</b> there is a high amount of various general job boards and apps that might greatly limit the market share for the case company.</li> <li>• <b>Market Changes:</b> Despite global IT industry demonstrating a steady rapid growth in the past decades, the new technologies and trends such as AI might have a huge impact on the whole industry and the global demand for IT talents.</li> </ul>
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The SWOT analysis shows that the product is strong in its niche and has a clear target audience, and the weaknesses are in the business development area, with the offering and pricing being early-stage and not diversified enough to target all relevant customer segments.

#### 4.2 Pricing model analysis

The current pricing model of the platform offers one service: displaying sponsored jobs with the priority placement in the top of the list for the search based on relevant keywords with two options: one week (89 EUR + VAT) and two weeks (178 EUR + VAT), as shown in Figure 12.



**Duration**

One week  Two weeks

Price: **EUR 89 + VAT 24%**.

**Start showing**

**End showing**

**Duration**

One week  Two weeks

Price: **EUR 178 + VAT 24%**.

**Start showing** **End showing**

June 1, 2024 June 15, 2024

Figure 12. Current pricing and offer on ITJobs.ai for sponsored job posts (Case company 2024).

This is a classic example of a pay-as-you-go pricing model, that is characterized by transparency, simplicity, and straight-forwardness.

The interview with the co-founder of the case company (Data 1) showed that this pricing model was chosen for its simplicity, which is important for the current stage, and its focus on attracting new users to the platform that they are not familiar with. The same data also clarified that the current pricing was not determined through lengthy research and did not have many resources invested into developing it. The pricing was determined through a quick analysis of the pricing for the similar offering from the competitors, aiming to set the lowest price on the market. The specific amount was set up intuitively, relying more on a hunch at this stage, with the plan to adjust the prices depending on demand and performance.

#### 4.3 Key Findings from the Current State Analysis of the Product and its Pricing

Based on all collected data and activities conducted during the current state analysis, it was possible to identify key findings and draw conclusions, divided into three categories: (1) general, strong sides of the platform, focusing on the product in overall, its value proposition and journey, (2) offering-related findings, which can be characterized as weak sides of the platform, dealing with the current state of the B2B offering, its components and origins, and (3) pricing, also belonging to the weaknesses of the platform, showing the current status of pricing and where it would be necessary to start

when working on selecting the right pricing models and integrating them into the company offering. The key findings are presented in Table 13.

Table 13. Key findings from the current state analysis.

<b>General (strengths)</b>	The product has a clear value proposition and positioning on the market.
	The platform addresses clear problems for specific groups and has a clear niche.
	The platform successfully went through the proof-of-concept phase.
<b>Offering (weaknesses)</b>	Currently the company has early-stage offering that was not based on profound research and creation process, with minimum resources invested. It is not diversified and does not address all relevant target groups.
	The company needs completely new and diverse offering.
<b>Pricing (weaknesses)</b>	The pricing is the lowest on the market. However, it does not clearly articulate and communicate the value of services offered to the paying customers.

The described findings are considered and utilized for building the new B2B offering and pricing models for the case company fitting for the platform of this type and SaaS products.

## 5 Building Proposal for the New B2B Offering and Pricing Models

This section focuses on the general process of building the proposal for the company. It includes all activities involved into the proposal building and presents the initial proposal and the logic behind it.

### 5.1 Overview of the Proposal Building

This section covers the steps and key activities involved into creating the proposal for this study. The objective of the proposal is the new B2B offering and pricing models for the case company. The management of the case company expects that the new offering would help the company in its efforts to make the product more attractive and profitable in the long run, ultimately, diversifying the revenue streams of the company.

The results of the current state analysis (CSA) in Section 4 showed that despite having a clear value proposition and differentiator on the market, and successfully going through the proof-of-concept phase, the case company needs a new and more detailed B2B offering for the paying customers which would support successful monetization of the product, as well as clear and diverse pricing connected to the offering and addressing different relevant customer groups. As a result of the CSA, it was clear that the current offering and pricing are early-stage and had minimum resources invested into developing them. The brand-new B2B offering and pricing need to be developed, using the findings from Section 4, described above, and best practices outlined in Section 3, such as leveraging competitive advantage identified through the methods of Research-based view (RBV), best practices of value-based marketing, key rules of successful innovation monetization and widely adopted pricing models and techniques that are most suitable for SaaS companies, innovations and startups.

9 rules of successful innovation monetization, described in Section 3, are examined in the context of the case company, so that only the relevant ones are selected and provide support and guidance for the proposal building process. The outcome of this analysis is presented in Table 14.

Table 14. Analysis of the monetizing innovation rules in the context of the case company.

Rule	Relevance for the Case Company
1. <b>Start 'Willingness-to-Pay' Talk Early</b>	<b>Not relevant at this stage.</b> According to the CSA, this has already been done at the product ideation and conception phase.
2. <b>Don't Go for 'One-Size-Fits-All'</b>	<b>Relevant at this stage.</b> Benefits of customization and fitting diverse needs can be still considered for the offering creation.
3. <b>Configuration and Bundling Should Be Science Rather Than Art</b>	<b>Not relevant at this stage</b> due to lack of data and analytics. This could be an important aspect to consider in the future but not now.
4. <b>Go Below the Price Point (5 Monetization Models)</b>	<b>Relevant at this stage.</b> Monetization models (and pricing models accordingly need to be analyzed and utilized for the company offering).
5. <b>Pick the Winning Pricing Strategy</b>	<b>Relevant at this stage.</b> Advantages of different pricing strategies could be beneficial for crafting a competitive offering.
6. <b>Build Outside-In Business Case</b>	<b>Not relevant at this stage.</b> This is more significant for the early stage of the product development.
7. <b>Communicate the Value</b>	<b>Relevant at this stage.</b> As highlighted in the previous sub-sections about Resource-based view and value-based marketing, value perception could be the central element in the attractive company offering.
8. <b>Use Behavioral Pricing Tactics</b>	<b>Relevant at this stage.</b> Psychological and behavioral pricing tactics could be examined for the benefits of the offering.
9. <b>Maintain Price Integrity</b>	<b>Not relevant at this stage.</b> As per current goals identified during the CSA, the company aims for testing and experiment, and testing different pricing methods is relevant. However, this would be a relevant aspect in the later phase with the established offering.

Based on the analysis done for the case company, 5 out of 9 monetization rules are relevant for the case company and the offering creation at this stage. Therefore, the pricing aspects, including pricing models, strategies, and psychological pricing, articulated in the rules are taken into consideration when developing the offering.

The existing pricing models, described in Section 3, were evaluated in the context of the case company and its product to select the most relevant ones for the discussion with the key stakeholders. Table 15 presents the analysis of the pricing models in connection with their relevance for the offering creation for the case company.

Table 15. Pricing model evaluation in the context of the relevance for the case company.

Pricing model / technique	Relevance for the case company
<b>Cost-Plus Pricing</b>	<b>Not relevant for the case company</b> , as its costs for operating and maintaining the platform is minimal, and penetrating the market is the highest priority at this stage.
<b>Value-Based Pricing</b>	<b>Highly relevant for the case company</b> as it perfectly aligns with the goals of the offering and integration of value-based marketing and resource-based view.
<b>Dynamic Pricing</b>	<b>Not relevant for the case company</b> as it does not fit the software business model and does not align with the offering goals.
<b>Subscription Pricing</b>	<b>Highly relevant for the case company</b> as a software with an expectation for a recurring nature of service providing.
<b>Tiered Pricing</b>	<b>Highly relevant for the case company</b> according to the CSA and expectations outlined by the management in terms of addressing different customer segments.
<b>Pay-as-You-Go Pricing</b>	<b>Could be relevant for a case company</b> . It is the current pricing model of the platform (charging only for sponsored jobs by weeks). It might still be relevant and considered for including into the offering

The process of building the proposal for the new offering and pricing included evaluating the key elements of the current state analysis and conceptual framework, followed by the workshop with the management (Data 2) where the results of the CSA analysis were presented, and the key elements of the conceptual framework were explained. This first step was arranged for sharing the most important insights, getting instant feedback, collecting management suggestions for establishing a starting point of proposal development. The insights obtained were later used for crafting the offering and pricing with the following steps: identifying the relevant customer groups, establishing the number of tiers, features per tier, price determination, assembling all components into the corresponding structure, adding marketing copy and phrasing for presenting to the



stakeholders with presentation to potential customers in mind. As the outcome the proposal with the new B2B offering and pricing was ready for validation.

## 5.2 Findings and Insights Utilized for the Proposal Creation (Data 2)

This section focuses on the key findings and insights that play a pivotal role in shaping the new B2B offering and pricing for the case company. These key inputs originate from the data collected and analyzed during the current state analysis (CSA), knowledge and insights gained during the development of the conceptual framework (CF), and the data collection round from the proposal building phase.

This part covers the insights and recommendations received from the key stakeholders during the second data collection round (Data 2). First, the stakeholders were presented with the key findings from the CSA, and the fact that a brand-new more detailed offering needs to be created. This statement was open for discussion and needed a confirmation from the key stakeholders. The stakeholders agreed with this conclusion based on the evidence provided (Data 1, Competitor analysis, Gap analysis).

Then the stakeholders were briefly presented with the CF, covering key concepts and ideas that are relevant for crafting the offering in the given context, including the importance of leveraging the competitive advantage and articulating it within the offering; ensuring that the offering focuses on the perceived value of the product and services for customers and conveys this value, and, finally, the selected pricing strategies, methods and techniques that are included into the pricing development.

On the competitive advantage level, the stakeholders suggested that both AI technologies and matchmaking, and the high level of automation would be the key advantages to leverage within the offering, but in different ways. *“AI technologies/matchmaking and high level of automation are the key advantages and should be leveraged by the offering. The AI core technology and its matchmaking must be communicated and highlighted by the offering as a service. Based on the unique advantage of AI powering the platform, new features could be invented and offered.*

*High level of automation brings the maintenance and service providing costs to minimum. This is important for setting up the price and gives an opportunity to bring the prices of services as low as possible at this stage, to win the market share by low-priced services vs. the competition, without having to worry about fixed and variable costs” (Interviewee 1).*

Thus, The AI core technology of the platform should be communicated and highlighted across the whole offering, for instance, by showing AI matchmaking as a service provided to the clients, as well as being reflected in the other features provided. Some features should be invented and included, based on the unique advantage of AI powering the job board.

This conclusion proceeded into a brainstorming session with the management, which aimed to identify potential new features that could be offered to the customers. As a result of this brainstorming session, that included presenting the opportunities of AI technology within the platform, provided by the CTO, it was established that AI could provide more useful features to the potential customers, and go beyond the lead generation. For instance, as a more valuable feature at a higher cost, there could be added a feature of job seekers submitting applications directly on the platform, and AI-powered algorithms could do pre-screening of the job seekers' CV and match them with the sponsored positions. It could go further and analyze the profiles of the job seekers who apply for the sponsored positions and select the top candidates. This should be the premium feature with an exclusive feel provided in the most expensive tier (most likely, Enterprise). It could be packaged as a service providing ready candidate profiles to the company.

The second key competitive advantage does not necessarily require communication within the offering but should be considered as an advantage in the sense that it provides a high level of autonomous operating for the platform, bringing the maintenance and operating costs to minimum. This is a very important factor for the pricing creation as it creates an opportunity to bring the prices of services to a low level, in comparison to the competition, disregarding the fixed and variable costs at this stage.

The perceived value was also discussed and identified during the workshop exercise. As indicated by one of the key stakeholders *“The platform allows anyone hiring in the IT space to generate leads from qualified candidates with just a few simple steps by submitting the job posts for sponsored positions. The perceived value can be formulated as getting high-quality leads and candidates from IT industry with low efforts and high automation and targeting level’. The descriptions within the offering should be value-based and serve as slogans, reflecting this perceived value”* (Interviewee 1).

Therefore, the key value was determined as ‘getting high-quality leads and candidates from IT industry with low efforts and high automation and targeting level’, meaning that the platform allows anyone hiring in the IT space to generate leads from qualified candidates with just a few simple steps by submitting the job posts for sponsored positions. It was established that the descriptions within the offering should be value-based and serve as slogans, reflecting this perceived value.

Pricing-related requirements for the offering were part of the discussion as well. The presented pricing models from the CF were discussed and challenged. As a result, the stakeholders confirmed the elements for subscription pricing, tiered pricing, and pay-as-you go pricing and wanted these pricing models to be reflected in the company offering: *“Subscription pricing, tiered pricing, and pay-as-you go pricing should be used for building the offering. The penetration pricing strategy should be priority and if needed competition-based pricing can be included as well. The highest priority at this point is customer acquisition and gaining market share at low cost”* (Interviewee 1).

The pricing strategies were also evaluated. The inputs from the stakeholders were highlighting the pivotal role of customer acquisition and the urgent need of gaining a significant market share for the platform at low cost. Therefore, the preferred approach of focusing on the penetration pricing strategy with support of competition-based pricing and value-based pricing was fully supported by the stakeholders.

The principles of psychological pricing were also presented as a suggestion to the stakeholders. However, based on the feedback from stakeholders they were labeled as unnecessary at this stage, despite evidence provided. This decision was justified by personal preferences of the stakeholders, considering this deceiving (charm pricing) with

the risk of making the offering unnecessarily complicated (for decoy pricing and price anchoring): *“It is unnecessary at this stage. Such prices are fitting for retail, shops, and B2C but here they could seem deceiving and might overcomplicate the offering, if we add additional elements just to deceive the clients and use behavioral tactics. The offering should be straight-forward and reflect the value of the product and services”* (Interviewee 1). Thus, the stakeholders wanted the prices to be straight-forward and reflecting the quality of services providing without using common retail-techniques and out of concern that these over-used and common techniques of pricing deception might affect the perception of the service quality by corporate clients.

Finally, the general wishes and preferences from the stakeholders included the importance of considering different customer groups and segments and extracting the key customer groups into separate tiers within the offering so that each key customer group could find the reflection of their needs in the offering. A quick exercise and discussion for identifying these key customer groups allowed to form the following groups that need addressing in the offering: (1) startups and small companies due to small budgets and a common lack of recruitment departments within their companies; (2) recruitment agencies that are directly targeted by the services for purchasing ads; (3) large companies with big recruitment departments, whose needs go beyond only leads from potential customers; it was brought up for discussion by the stakeholders that they want to target the companies that additionally focus on employment branding and general marketing-oriented features that could be reflected in the offering; (4) all other smaller groups from sole entrepreneurs to recruitment managers from small- and medium sized companies willing to test the platform and purchase services from it, not necessarily on a regular basis.

Based on the inputs from the key stakeholders, the discussed competitive advantages (AI technology powering the platform and providing it with matchmaking and aggregation features, and maximum level of process automations) are examined through the VRIN method to identify whether it serves as a competitive advantage as shown in Table 16.

Table 16. Analysed competitive advantages of the case company's product based on VRIN method.

Resource	Value	Rarity	Imitable	Non-substitutable	Competitive implication
Powered by AI	Yes, facilitates the job search for the job seekers by aggregating all positions in one place and provides core audience for employers.	Yes, currently this is the unique platform that aggregates positions from all open sources and can enable AI matchmaking features	Takes time to develop for other companies and would require re-building the whole business model for the job boards.	Substituting through manual processes would be complex, very resource-consuming, and impossible. AI is the most powerful and efficient tech for this case.	Yes, AI element and AI-powered features serve as a competitive advantage for the case company.
Fully automated	Yes, brings value to the company, allowing to minimize resources invested into operating the platform, works independently and does not require lots of maintenance.	Yes, this is a unique business model, as direct competitors function as job boards and have lots of manual processes involved.	No, it would require a huge change of the whole organization and business model for competitors and changing technology of their platforms.	Yes, substituting through other resources would not be possible and manual processes would not make sense in this case	Yes, full automation can be considered a competitive advantage for the case company

All suggestions from the key stakeholders are structured in Table 17 for the further utilization for building the proposal.

Table 17. Suggestions from the key stakeholders for the focus areas.

Key focus area from CSA (Data 1)	Input from literature (CF)	Suggestions from stakeholders for the Proposal, summary (based on Data 2)
Developing brand-new B2B offering, with new key elements to identify	Competitive advantage based on Resource-based view (RBV)	(1) leverage and articulate AI matchmaking in the offering, (2) consider the opportunities of full automation in the context of low

		maintenance cost and, consequently, capacity to lower the pricing for customers within the offering.
Offering attractiveness	Principles of value-based marketing	Ensure communicating and articulating the formed perceived value across the whole offering: <i>getting high-quality leads and candidates from IT industry with low efforts and high automation and targeting level.</i>
Newly established pricing is necessary	The pricing models and techniques: subscription pricing, tiered pricing, and pay-as-you-go pricing.	Accepted and confirmed, should be reflected, and leveraged in the offering.
	The pricing strategies: penetration pricing, value-based pricing and competition-based pricing.	Penetration pricing is crucial as entering the market and gaining the market share at lower cost is the highest priority. However, the competition and value perception should be also taken into consideration.
	Psychological pricing (charm pricing, decoy pricing and price anchoring).	Considered unnecessary, deceiving, and overcomplicating the offering on this stage. Suggesting disregarding this technique for now.
Diversification, and scalability of the offering and pricing, addressing different key customer groups.	Tiered pricing designed for different needs, customers, and scale.	Consider key customer groups and segments, addressing their needs directly and separately within the offering. The customer groups to address: (1) startups and small companies (2) recruitment agencies (3) large companies with big recruitment departments – with employment branding and extended marketing features; (4) miscellaneous, all other smaller groups from sole entrepreneurs to recruitment managers from small- and medium sized companies, irregular purchases.

The penetration pricing strategy was selected as the leading pricing strategy for calculating the initial prices within the offering with support of the competition-based and value-based pricing strategies. It presents most interest as it follows the goal of a rapid

customer acquisition and gaining a market share quickly, which is important for a startup type of a company that is trying to enter a new market. The competition-based pricing could be relevant for the needs of establishing positions on the market as a new innovative player and a more cost-efficient solution because the case company operates in a highly competitive space with its product, as previously shown in the competitor analysis. The skimming pricing has less relevance for the case company, as it would go against the startup goal of reaching lots of new customers fast and at low cost.

All suggestions and inputs allow to establish the foundation for the offering creation: addressing four different customer groups based on tiered pricing model, potentially having four tiers according to the customer groups, and including subscription model and pay-as-you go pricing; articulating the AI component within the offering and highlighting features based on AI; maintaining the price on low level, sticking to the penetration pricing strategy and going below competition for a quicker customer acquisition; leaving psychological pricing out of scope.

This foundation is then taken into development and the offering structure is filled out with content during creative process and analysis of each element. The outcome of this process is the Initial proposal, described in the next part.

### 5.3 Initial Proposal for the New B2B Offering and Pricing

Based on the results of the current state analysis (CSA), conceptual framework (CF) and suggestions from the key stakeholders received during the management workshop (Data 2), it was possible to create the foundation for the new offering and the basic structure to work with. Taking the key customer groups and the accepted tiered model as a starting point, the following starting structured was outlined, where the first row displays the tiers based on customer groups identified, the second row is a placeholder for the description/slogan that should articulate the value of the services to the clients, and the third row contains the suggested features included into each tier, starting with the sponsored jobs as the key features being sold on the platform, extended with other features and services offered to corresponding customer groups, which was discussed during the stakeholder workshop session. This way the initial structure was drafted, presented in table 18.

Table 18. Foundation and structure for the proposal development.

Customer Group:	Startups (Tier 1)	Agencies (Tier 2)	Enterprise (Tier 3)	Mixed (Tier 4)
Tier description / slogan	Addressing Startups + value communication	Addressing agencies + value communication	Addressing large companies + value communication	Addressing various customer groups + value communication
Features	Sponsored jobs + more	Sponsored jobs + more	Sponsored jobs + more	Sponsored jobs + more

This structure was then expanded into the full Proposal with extended features, value communication and prices using the subscription pricing model, i.e. a commonly adopted monthly subscription model.

Thus, the initial proposal for the new B2B offering and pricing models is presented below in Figure 13.

Startup (150 EUR / month) <i>Unlock top talents for your startup journey!</i>	Agency (starting 500 EUR / month) <i>Power up your recruitment with exclusive features.</i>	Enterprise (starting from 1000 EUR / month) <i>Promote your employer brand and get the best talents.</i>	Pay-as-you-Go (depends on the click package) <i>Flexible solutions, one click at a time.</i>
✓ Sponsored Jobs	✓ Sponsored Jobs	✓ Sponsored Jobs + Employment ads	✓ Sponsored Jobs
✓ AI matchmaking	✓ AI matchmaking	✓ AI matchmaking	✓ AI matchmaking
✓ 3 job posts (appr. 200-250 views)	✓ 10 job posts (appr. 1000 – 1200 views)	✓ Starting with 20 job posts (appr. 2000-2500 views)	✓ 1 job post: 50 EUR
✓ Basic analytics	✓ Customized job templates	✓ Employment branding toolkits	✓ 50 views (min 1 week duration)
	✓ Manual targeting	✓ Native application function	
	✓ Collaborative dashboard	✓ CV pre-screening	
	✓ Advanced analytics	✓ Ready candidate as a service	
		✓ Content marketing integration	

Figure 13. The proposal for the new B2B offering and pricing models.

This proposal was built and filled out tier by tier based on the initial structure that was laid out, starting with the *Startup tier* targeting startups and small companies that usually insist within strong financial limitations and cannot afford high costs in recruitment and expensive recruitment services or departments. Therefore, this is the most modestly priced subscription, offering the minimum number of services.



Due to the selected penetration pricing strategy, the subscription price for the most affordable package is set up significantly below the overall competition presented in the CSA and set at 150 EUR for 3 job posts per month, averaging at 200-250 views on the platform, based on the previous service delivery where a sponsored job post was offered at 89 EUR per week with the average of 70-80 views.

As said, the features added to this Tier are basic and minimal, as it is the most affordable tier, so the features are: Sponsored jobs (core service), AI matchmaking, i.e. bringing qualified traffic to the sponsored jobs positions, which allows to promote AI component and competitive advantage of the platform within the offering. Then the descriptive part is added, explaining what the potential customer would be getting (number of jobs, which is set to 3 per month and approximate number of views received). In addition, the basic analytics is added to the Tier 1. This is the service that the customers are already receiving, as they are getting basic reports about the views and clicks received for positions. However, previously it has not been articulated anywhere to the customers.

Lastly, the description/slogan addressing the potential customer and communicating the perceived value, is added to the tier as 'Unlock top talents for your startup journey!'. As discussed in the CF Section and according to the principle of value-based marketing, focusing on communicating the value to the customer instead of the product or features, as well as 'Communicate the Value' monetizing innovation rule, the slogan focuses on the goal of using the service by this customer group, which is hiring talents for their startup to succeed.

The second tier is focusing on the agencies that need a huge traffic of potential candidates, more job posts, and generally have more versatile needs when it comes to collaboration and targeting. Again, the price for this tier was set as the lowest on the market at 500 EUR per month, with sponsored jobs as the key feature provided, and AI matchmaking for conveying the competitive advantage of AI-based innovations across the whole platform. For the testing purpose, and due to the lack of blueprint within the case company for working with agencies and their needs and the same blueprint missing among competitors, the amount of job posts in this package is set to testing of 10 job posts, a number that is set between the first package and the third package.

As agencies work with multiple companies and brands, the feature of customized templates is added to the feature list, and due to the collaborative nature of agency work, more advanced collaboration features are presented, as well as advanced analytics, compared to the basic tier 1, for increasing attractiveness of the package. The description of the tier focuses on powering the recruitment as the broad perceived value articulated to the agencies.

The third tier addresses large companies, and it is labeled as 'Enterprise'. The pricing is set up according to the penetration pricing strategy as lowest on the market for a similar offering and competition-based pricing, originating in competitor analysis from CSA and bringing the price significantly below what the competitors offer for large Enterprise level packages, e.g. Duunitori and Jobly charging from 1700 EUR to 3150 EUR for the packaging ranging from 2000 to 2500 views. As a premium tier it would need to be provided with the premium quality and value for money. Therefore, it would be suggested to increase the traffic for the Enterprise job posts by 20% averaging on 100 views per job post and sent an approximate number of available monthly job posts to 20 per month with approximately 2000 – 2500 views on average.

In addition to the basic features of Sponsored jobs and AI matchmaking, the new premium features are added. These features focus on the aspects, highlighted by the key stakeholder during the offering development workshop, which are employer branding services, marketing support, application integration into the platform and advanced opportunities of the AI tech, utilized for screening the CV submitted in the applications and selecting top candidates matched with the job description.

The features reflecting these aspects are Employment branding toolkits, Native application function, CV pre-screening, 'Ready candidate as a service', content marketing integration.

The description of the tier addressing the Enterprise clients and communicating the value to this customer group is drafted as 'Promote your employer brand and get the best talents' highlighting the perceived value on two sides: employment branding (with the focus on premium features) and bringing talents to the companies from the sponsored jobs.

Finally, the fourth tier is added, addressing the mixed clientele not fitting into any of the previous tiers and offering on-demand services. It includes basic features, similarly, to Tier 1. However, unlike the other tiers, it does not use the subscription model, but works as an on-demand service, aimed for customers not ordering sponsored jobs on the regular basis (as per Data 2 and keyholders suggestions), it uses pay-as-you-go pricing model, as the model suggests paying only for the selected services received as the name suggests.

Following the same penetration pricing strategy, and in balance with the other tiers and their average cost per job post, 1 job post is priced at 50 EUR with the cap of 50 views per post. Sponsored jobs and AI matchmaking are offered as key features, just like in the other tiers. The description of this tier focus on the value of the tier and the model itself, i.e. its flexibility, in broad terms, leaving room for interpretations: Flexible solutions, one click at a time.

Thus, the initial draft of the new B2B offering and pricing models for the case company is built upon the findings of current state analysis and best practices from conceptual framework. It follows the suggestions and inputs from the key stakeholders, received during the offering discussion workshop. This initial draft was delivered to the key stakeholders (company management) for validation, which is outlined in the next Section.

## 6 Validation of the Proposal

This section focuses on the validation of the proposal. It includes the overview of the validation process and all key activities taken for the proposal validation. It also analyses feedback from the key stakeholders and covers the further developments in the proposal.

### 6.1 Overview of the Validation Stage

This section provides an overview of the proposal validation process, the feedback from the key stakeholders, final adjustments made in the offering and the final version of the new B2B offering and pricing models for the case company.

The validation of the proposal was conducted in the format of the key stakeholders' evaluation that took place in three phases (Data 3): proposal evaluation survey for the management, evaluation meeting with the key stakeholders (management) and final proposal discussion with the co-founder to confirm the adjustments and receiving the final proposal.

The logic behind these validation steps is the following. First, it was decided to conduct a basic survey (see Appendix 6) about the offering feedback, with a few simple questions, to get the general sentiment about the offering and give the management a chance to provide unflattering feedback (in case it would have been negative) in a more comfortable way, without having to be diplomatic in the face-to-face meeting format. Second, the results of this survey were used as a starting point for the management evaluation session in the online meeting, where the offering and the logic behind it were presented and a productive discussion about the offering, its strong and weak sides, took place.

Third, the feedback both from the survey and from the evaluation session were used to make the final amendments and additions to the proposal. Once these were done, the final offering was sent to the management, with a follow-up call with the key stakeholder (co-founder) to confirm receiving the final offering, getting final feedback, checking if everything is in place as expected, and discussing the next steps and recommendations.

Unfortunately, on this stage it was impossible to conduct a more profound validation through testing the offering and evaluating the first results and potential changes in sales pipeline and demand. However, this is something that the case company will conduct at a later point and that will be out of scope for this work and the proposal validation. This is a weak spot of this validation process. However, the validation is still considered complete due to a detailed feedback and evaluation arranged with the key stakeholders.

## 6.2 Developments to the New B2B Offering and Pricing Models (Data 3)

The conducted validation activities, i.e. the management survey and evaluation session, allowed to receive both the general feedback about the drafted proposal, and also dive in detail into the offering and identify the components that the management considered beneficial for the offering and that were still missing from the offering draft.

The general feedback was positive: *“It is a strong and solid offering, reflecting all important aspects that were expected. It communicates the value of the platform and addresses the right customer groups. It should be an improvement to the current business processes. Hopefully the potential customers will better connect with the platform by understanding the value. This offering is a great contribution into further developing of the sales pipeline”* (Interviewee 1).

Thus, the offering was evaluated as ‘strong and solid’ and accepted as an improvement to the current business processes that should better connect with the potential customers and communicate the value of the platform. The proposal was validated and confirmed with several comments about potentially missing elements that would be good to have within the offering and would improve the attractiveness of the offering, according to the key stakeholders. For example, the feedback included the discussion about pricing and attractiveness for the new users.

*Subscription model is appropriate and monthly subscription works well for this platform. However, the annual subscription format is missing which could improve the customer retention and sales. Customers should be encouraged to commit more. Customers purchasing annual subscriptions have a great impact on revenue generation and retention. It would be good to leverage this and implement the annual subscription into*

*the offering. The goal is to penetrate the market, so a generous deal on the annual subscription, up to 30% discount, could be offered. Free trial is also missing. It could be very helpful in acquiring new users for the platform. We shouldn't miss this opportunity"* (Interviewee 1).

Another important aspect from the feedback concerned expanding 'ready candidate-as-a-service' feature: *"Ready candidate-as-a-service feature should be more present in the offering. It is a promising new feature. However, it is offered only in one tier (Enterprise). It is clear why it is like that as it should be exclusive and premium. However, it also could be a good revenue generator. It could be added at least to one more tier. The Startup tier would be fine. Startups often need a full external hiring service and in this feature the substitution of such service could be offered. Startup package should not fully focus on this feature, but it could be added as an option on demand for startups"* (Interviewee 2).

The detailed feedback from the key stakeholders is presented in Table 19.

Table 19. The feedback for the proposal from the key stakeholders.

Element 1 of the Initial proposal	Parts commented in Validation	Description of the feedback (Data 3)	Developments to the Initial proposal
Pricing	Subscription model is appropriate and monthly subscription works well. However, the annual subscription format is missing which could improve the customer retention and sales.	Even though monthly subscription is the best way to go with such services, it is a common practice to also offer the same subscriptions as annual subscriptions with a significant discount, making a commitment for a year more attractive. Customers purchasing annual subscriptions have a great impact on revenue generation and retention. It would be good to try to leverage this and implement the annual subscription into the offering. We want to penetrate the market, so we can offer a generous deal on the annual subscription, up to 30% discount.	Annual subscription option is added to the offering, with the discount of 25-30%  Startup: 150 EUR per month; 100 EUR per month with the annual subscription  Agency: 500 EUR / 350 EUR  Enterprise: starting from 1000 EUR / 700 EUR
Offering 1: Free trial	Free trial is missing from the offering,	It is a common practice in the industry to offer free trial and a	Free trial is implemented for

	which could be helpful in acquiring users for the new service.	chance to test the services, as customers are often afraid to commit and purchase services from the platform that is not so well known and is not a strong brand. The most basic service could be offered once per client for free.	all tiers across the offering: the first sponsored job post is free for 1 week (with maximum 50 views per job post)
Offering 2: 'Ready candidate' feature	'Ready candidate as a service' could be more present in the offering	It is a very promising new feature promoted in the offering: Ready candidate as a service (on demand at extra cost). However, it is offered only in one tier (Enterprise). The logic behind this is clear. This feature should be exclusive and premium. It also could be a good revenue generator, so we could add it at least to one more tier, for instance, the Startup tier. As startups often need a 'full external hiring service' and in this feature the substitution of such service is offered. It is not needed to build the Startup package around this feature but could add it as an option on demand for startups.	'Ready candidate as a service' is added to the startup tier as an on-demand feature at extra cost

Based on the received feedback and discussion, the Final proposal was drafted, presented in Figure 14.

Startup (150 EUR / month) 100 EUR / month if billed annually <i>Unlock top talents for your startup journey!</i>	Agency (starting 500 EUR / month) 350 EUR / month if billed annually <i>Power up your recruitment with exclusive features.</i>	Enterprise (starting from 1000 EUR / month) 700 EUR / month if billed annually <i>Promote your employer brand and get the best talents.</i>	Pay-as-you-Go (depends on the click package) Free trial <i>Flexible solutions, one click at a time.</i>
<b>Try it for FREE! Offering free trial for the first sponsored job post for 1 week (max. 50 views)</b>			
✓ Sponsored Jobs	✓ Sponsored Jobs	✓ Sponsored Jobs + Employment ads	✓ Sponsored Jobs
✓ AI matchmaking	✓ AI matchmaking	✓ AI matchmaking	✓ AI matchmaking
✓ 3 job posts (appr. 200-250 views)	✓ 10 job posts (appr. 1000 – 1200 views)	✓ Starting with 20 job posts (appr. 2000-2500 views)	✓ 1 job post: 50 EUR
✓ Basic analytics	✓ Customized job templates	✓ Employment branding toolkits	✓ 50 views (min 1 week duration)
✓ Ready candidate as a service (on demand at extra cost)	✓ Manual targeting	✓ Native application function	
	✓ Collaborative dashboard	✓ CV pre-screening	
	✓ Advanced analytics	✓ Ready candidate as a service	
		✓ Content marketing integration	

Figure 14. Final Proposal, new B2B offering and pricing models for the case company.

It is recommended to push this offering into implementation on the platform and into the business and sales processes once the missing features are finalized by the tech team.

These recommendations were passed to the key stakeholders along with the final proposal and were discussed during the last feedback session on a call with the co-founder. It was confirmed that the final version of the offering is accepted, and it would be taken into implementation at a later point.



## 7 Conclusion

This section presents the conclusion for this thesis. It provides the overview of the work that was done in the form of an executive summary. It also covers next steps and recommendations for further implementations and focuses on the evaluation of this thesis.

### 7.1 Executive Summary

The objective of this project was to develop new B2B offering and pricing models for the case company. The main purpose of the new B2B offering and pricing models is to make the product more attractive for more customer groups and become profitable in the long run.

To reach this objective, the research design in this thesis consisted of several crucial stages. It started with the current state analysis, focusing on the platform's value proposition, challenges, general current offering to the clients, pricing, its origins, and logic behind it, as well as competitor analysis, Gap analysis and SWOT analysis. The current state analysis demonstrated that the current B2B offering was early-stage and was not developed further on. It had minimum research and resources invested, and, therefore, the brand-new B2B offering and pricing needed to be developed, disregarding the existing ones. It was also demonstrated that the platform has strong sides, such as a clear value proposition. It addresses specific problems on the market, has clear target audiences, went through the proof-of-concept phase, and currently needs a strong competitive offering for the B2B customers to reinforce its overall business development efforts.

To address this need, the study moved to exploring the existing knowledge and best practices around the aspects that are relevant for the offering creation and pricing set-up, including resource-based view for identifying competitive advantage to articulate in the offering, innovation monetization rules, principles of value-based marketing, and common pricing models and strategies.

The key findings from the current state analysis were presented to the key stakeholders and validated during a collaboration session focusing on establishing key preferences for the offering creation at the proposal building phase. This collaborative session, supported by the results of the current state analysis and conceptual framework, in cooperation with key stakeholders allowed to lay the ground foundation and core structure of the initial proposal that was then filled out with details and content and shaped into a complete initial version of the B2B offering and pricing models.

The initial proposal presents the new B2B offering and pricing models for the case company in the form of a table divided into four tiers. The logic behind the creation of this proposal and its structure starts with four key B2B customer groups that the offering addresses (defined in cooperation with the key stakeholders): startups, agencies, enterprise customers and others (a mixed group of different audiences interested in testing the services). Each tier varies in its pricing and features, tied to the potential needs of the corresponding customer groups, and ranging from 150 EUR per month to 1000+ EUR per month, with the special fourth tier built on the pay-as-you-go basis, and starting with 50 EUR per job post.

This initial proposal was validated by presenting it to the key stakeholders (company management) during the evaluation session. The key stakeholders accepted the new B2B offering and pricing models and gave valuable feedback that could potentially improve the proposal. The comments were taken into work, three amendments were made to the offering and pricing models and the final proposal was shared with the key stakeholders, which they accepted.

Thus, the outcome of the thesis is a ready B2B offering supported by the new pricing models. The offering consists of four tiers, targeting different customer groups. This offering should become a part of the company's business development strategy. The new B2B offering in the scope of this work implies developing clear service packages with existing and potential added features of the platform for presenting and offering it to the potential key clients. These packages needed to reflect the value of the platform and its services for the clients and customized towards certain customer groups with attractive and meaningful pricing models included.

The broader understanding of the offering, that would include the business model as a whole or strategic development for the company are intentionally left out of scope and not included into this work, as agreed with the key stakeholders from the very beginning.

The new offering with updated pricing is relevant for the case company in its current phase and in the business context where it operates. The product of the case company was launched as a startup product, targeting two sides of the marketplace: job seekers and employers / hiring side. Whereas the value of the platform was clear for the job seekers, the case company was struggling with clear articulation and communication of the services and their value to the potential paying customers. The barrier that should now be overcome by having a clear B2B offering consisting of service packages and integrating it into the platform.

The new B2B offering and pricing models will be later implemented by the case company and are considered as a necessary element for its product at this phase. It adds a missing piece that was needed for the team to start attempts for the further platform monetization, addressing different groups of paying customers and conveying the value of the product to them in a concise yet effective form of the offering and subscription models. Without the detailed offering, business development efforts could be weakened by a lack of clear customer segmentation and value articulation. Now the company can move to the new phase with its product and start working on its sales pipeline, and lead generation, reinforced by the new B2B offering and pricing models.

## 7.2 Next Steps for the Offering Implementation

As for the next steps for the offering implementation, first, the new features, introduced in the offering, accepted, and validated by the key stakeholders, need to be taken into production and developed by the tech team, bringing minor changes to the platform and its functionality. Once this is done and the technical implementation is complete, then marketing and sales team would need to integrate the created offering into the platform and display it on the website as the second step. Professional experience shows that the visibility of the offering on the home page and the page directly addressing the corresponding customer groups are of very high importance.

Third, the new offering needs to be considered and included into the sales pipeline of the product, and only then it would be possible to move it into a testing phase. Testing phase is crucial in this case. It is important to introduce the new offering to the existing leads, communicating the value and the positive development with introducing new subscription models, which is usually part of efforts done by marketing and communications team.

However, only the testing phase will truly show how efficient is the new offering and how it resonates with existing and potential customers. The dynamics and evaluation would be done by comparison with the previous old processes and offering, and the positive change in demand and sales would be the indicator of the successful implementation.

Finally, it is important to remember that when it comes to marketing, sales, and business development efforts, including the product offering, nothing can be regarded as 'set in stone', neither the pricing, nor the structure or the content of the offering. Constant minor changes in strong connection with testing would help to identify a perfect shape of the current offering that would help to maximize sales and increase the revenue generated by the platform.

### 7.3 Thesis Evaluation

The objective of this thesis focused on developing the new B2B offering and pricing models for the case company, a startup product operating in the digital recruitment space. This offering is needed for addressing key B2B customer groups and reinforcing business development efforts of the company. In this regard, the thesis delivers the outcome that was initially expected, namely, the new B2B offering and pricing models that were validated and taken into further production.

However, the weaker side of the whole process was in the validation of the proposal. An ideal validation would consist of the key stakeholders' validation and testing the offering on the market, by integrating it into the company processes immediately. Observing the real impact and confirming the positive change would be a rewarding experience and would empower the validation phase on the higher level. Unfortunately, the immediate integration of the offering was not possible in this case, due to lengthy technical

implementations needed in-between and prior to the testing phase. These implementations would be made into a separate process fully in hands of the technical team. Therefore, the testing phase is out of scope for this thesis.

As for the research quality criteria, the key criteria of credibility, dependability and transferability were used for evaluation of this thesis, which is common in case of the qualitative methods research. In terms of credibility, this thesis focused on completing the steps taken for establishing credibility, from problem identification, through conceptual framework, current state analysis, proposal creation to validation, and co-creation in close cooperation with the key stakeholders. However, as mentioned above, the validation phase would have benefited from testing the proposal in the real-world, which, unfortunately, has not happened.

As for dependability, the detailed report was provided so that the same process with the similar elements could be repeated by another researcher working on creating a B2B offering and pricing models for the case company, in the context of a startup, IT products, especially SaaS products.

Transferability of the thesis is rather limited as it includes elements and models that are most utilized in the industry of startup products, IT products and SaaS. Here, it is important to take into consideration that the offerings of the large IT products might require different approach involving more complicated processes due to a larger scale and corporate structure, in comparison with the common agile approach adopted by startups. IT products is where this project might reach its limits of transferability as other industries, depending on their complexity, might prioritize different elements and best practices.

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## Appendix 1: WRITTEN STATEMENT on the use of AI-based tools in this thesis

by Nikita Samylin, the student of BI Master's Degree Programme

Thesis title: Developing the B2B Offering and Pricing Models of a Case Company

According to the "Guidance for addressing the use of AI-based tools in studies at Metropolia Business School (for written submissions)" from August 2023, I make this statement on the use of AI-based tools in my submitted Master's thesis.

1) Which AI-based large language models or other AI-based tools I used

ChatGPT 4

2) In which parts of the thesis which tools were used, and for which tasks (*please make a list*)

4.1 Resource-based view

4.2 Value-based marketing

3) What portion of the text was helped with these tools, for each use

No text was generated with AI models. The AI model was used for finding and tracking academic sources.

4) Which prompts were asked, exactly (*please indicate the page number in the text where used*)

*Which scientific and academic sources are relevant for the discussion about the Resource-based View? (pp. 24-25)*

*Which scientific sources should be studied for better understanding the Resource-based View? (pp. 24-25)*

*Which scientific and academic sources are relevant for the discussion about the value-based marketing? (p. 28)*

*Which scientific sources should be studied for better understanding the value-based marketing? (p. 28)*

*Help me track this source: [Source].*

*Is this source [Source] available online in open sources? Where can it be found (provide link to the open source)?*

- 5) Here, I describe what continues an ethical and reliable use of AI-based tools that I used (*use, for example, the recommended documents from “MBS Guidance” referred to above*)
1. ARENE. ARENE´s Recommendations on the use of Artificial Intelligence in Universities of Applied Sciences. 12 June 2023. 7 pages. In Finnish and English: <https://arene.fi/julkaisut/raportit/arenen-suositukset-tekoalyn-hyodyntamisestaammattikorkeakouluille/>
  2. European Commission, Directorate-General for Education, Youth, Sport and Culture. Ethical Guidelines on the use of Artificial Intelligence (AI) and data in teaching and learning for educators. Publications Office of European Union. 25 October 2022. <https://education.ec.europa.eu/news/ethical-guidelines-on-the-use-of-artificial-intelligence-and-data-in-teaching-andlearning-for-educators>
- 6) Here, I describe how ethically and reliably I used the AI-based tools in my thesis submission

The AI model was used for getting a list of academic sources about certain topics for selecting the sources to use in the research and for tracking the selected sources. The usage of the AI-based tools is similar to the usage of the search engine, as AI based tools provide more efficient solutions and partly substitute the functions of the search engines.

This written statement makes part of my thesis and is done to help in evaluation and assessment.

25.05.2024 Vienna

*(Data and place)*

X

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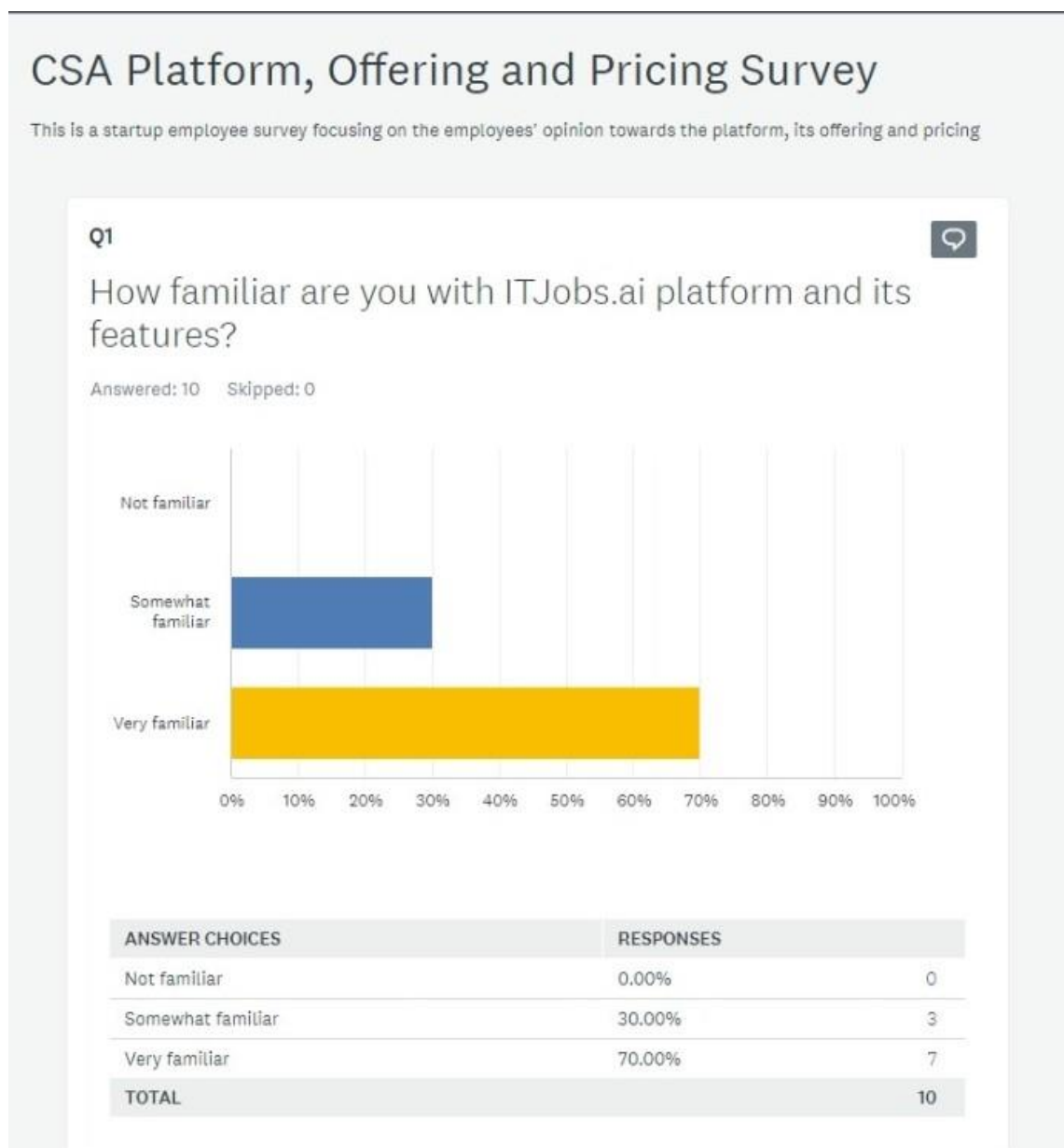
Nikita Samylin

*(Signature)*

## Appendix 2: Employee Survey (CSA: Platform, Offering, Pricing)

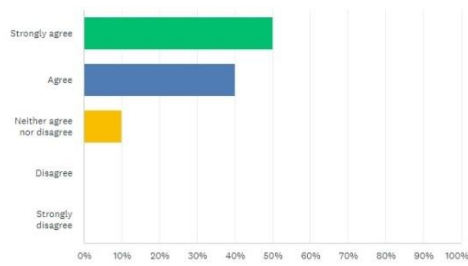
Timeline: March 2021

Link to the survey results: [https://www.surveymonkey.com/results/SM-xbo5GoGXSCQ\\_2Bfwr422wCZg\\_3D\\_3D/](https://www.surveymonkey.com/results/SM-xbo5GoGXSCQ_2Bfwr422wCZg_3D_3D/)



Do you agree that the product has a strong use case and delivers value to job seekers?

Answered: 10 Skipped: 0

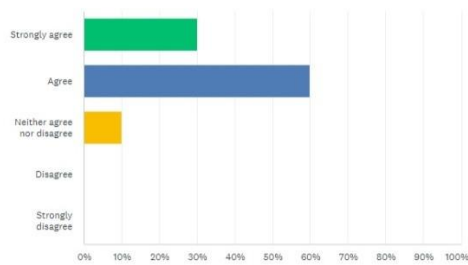


ANSWER CHOICES	RESPONSES
Strongly agree	50.00% 5
Agree	40.00% 4
Neither agree nor disagree	10.00% 1
Disagree	0.00% 0
Strongly disagree	0.00% 0
<b>TOTAL</b>	<b>10</b>

Q3

Do you agree that the product has a strong use case and delivers value to anyone hiring in the IT industry?

Answered: 10 Skipped: 0

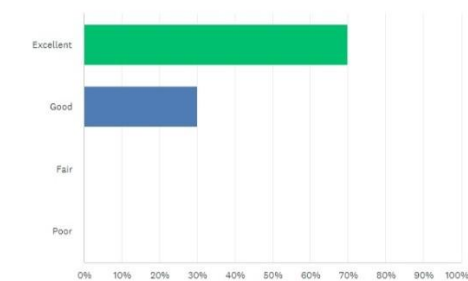


ANSWER CHOICES	RESPONSES
Strongly agree	30.00% 3
Agree	60.00% 6
Neither agree nor disagree	10.00% 1
Disagree	0.00% 0
Strongly disagree	0.00% 0
<b>TOTAL</b>	<b>10</b>

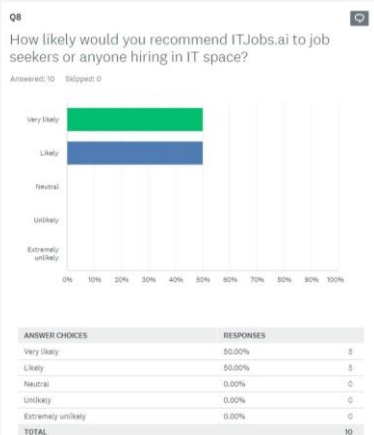
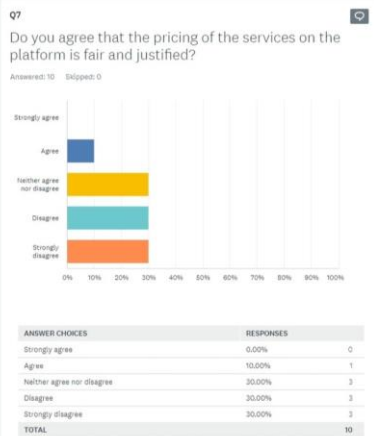
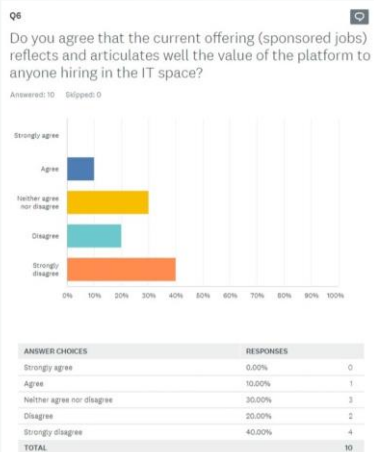
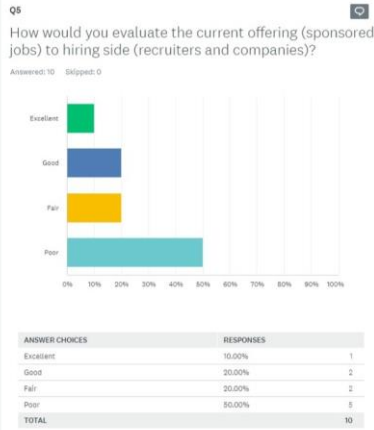
Q4

How would you rate your overall attitude towards the platform?

Answered: 10 Skipped: 0



ANSWER CHOICES	RESPONSES
Excellent	70.00% 7
Good	30.00% 3
Fair	0.00% 0
Poor	0.00% 0
<b>TOTAL</b>	<b>10</b>





### Appendix 3: Competitor Analysis Matrix (Offering and Pricing)

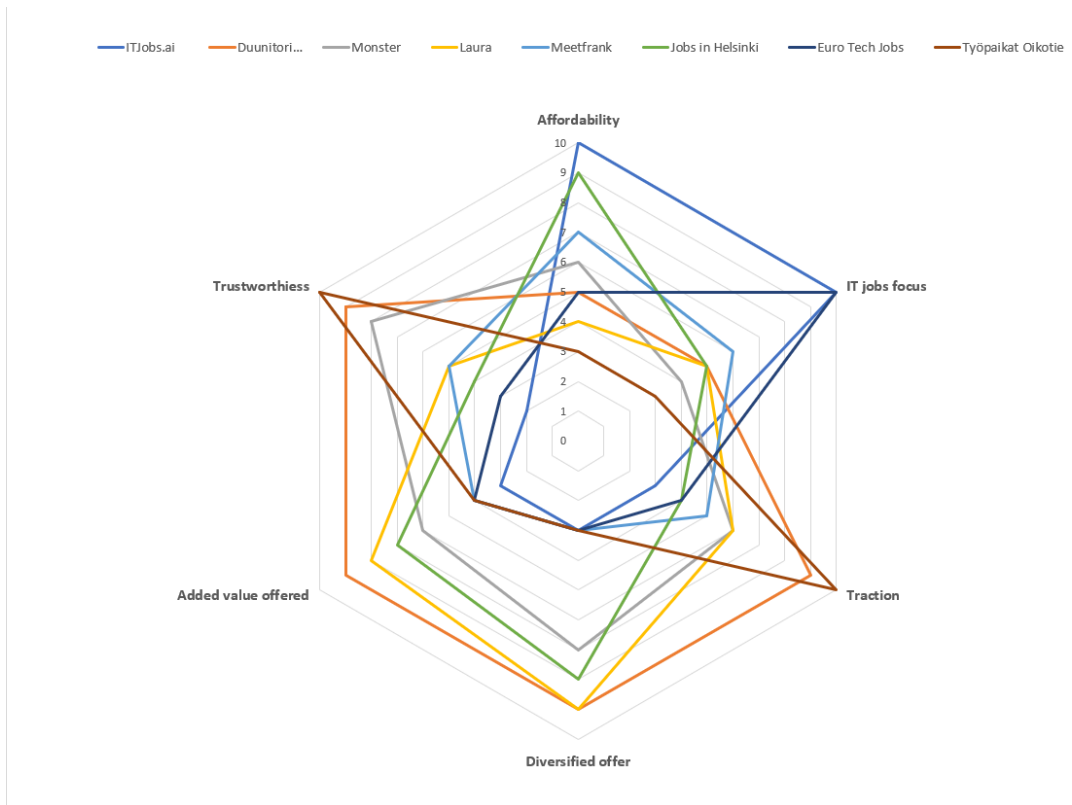
Company	Service	Includes	Duration / Views	Price
Duunitori	Free	Employer's logo and an image of choice Visibility in Duunitori search engine	20	400 EUR
	Featured post (Basic)	1) avg. 200 views/readings (lukukerta)		
		2) Featured on the platform		
	Standard campaign	1) avg. 500 views/readings (lukukerta)		975 EUR
		2) Featured on the platform		
		3) Promoting on owned media (SoMe)		
		4) Promoting via paid ads: facebook, IG, Google ads, RTB House		
	Premium Campaign (Tehokampanja)	1) avg. 900 views/readings (lukukerta)		1375 EUR
		2) Featured on the platform (higher visibility)		
		3) 'Multichannel ad campaign tailored by their marketing team'		
4) Promoting via paid ads: facebook, IG, Google ads, RTB House				
Super Campaign (superkampanja)	1) avg. 1500 views/readings (lukukerta)		1990 EUR	
	2) Featured on the platform (higher visibility)			
	3) Expert recruitment (Asiantuntijarekrytoinnit)			
	4) Needs to recruit more / more often employees			
	5) Targeted paid advertising to reach passive applicants even in challenging locations. Promoting via paid ads: facebook, IG, Google ads, RTB House, LinkedIn, Smartly			
	6) Mobile application			
Hyper Campaign (hyperkampanja)	1) avg. 2600 views/readings (lukukerta)		3150 EUR	
	2) Featured on the platform (higher visibility)			
	3) Expert recruitment (Asiantuntijarekrytoinnit)			
	4) Needs to recruit more / more often employees			
	5) Targeted paid advertising to reach passive applicants even in challenging locations. Promoting via paid ads: facebook, IG, Google ads, RTB House, LinkedIn, Smartly			
	6) Mobile application			

Company	Service	Includes	Duration / Views	Price	
Duunitori	Free	Employer's logo and an image of choice Visibility in Duunitori search engine	20	400 EUR	
	Featured post (Basic)	1) avg. 200 views/readings (lukukerta)			
		2) Featured on the platform			
	Standard campaign	1) avg. 500 views/readings (lukukerta)			975 EUR
		2) Featured on the platform			
		3) Promoting on owned media (SoMe)			
4) Promoting via paid ads: facebook, IG, Google ads, RTB House					
Premium Campaign (Tehokampanja)	1) avg. 900 views/readings (lukukerta)			1375 EUR	
	2) Featured on the platform (higher visibility)				
	3) 'Multichannel ad campaign tailored by their marketing team'				
	4) Promoting via paid ads: facebook, IG, Google ads, RTB House				
Super Campaign (superkampanja)	1) avg. 1500 views/readings (lukukerta)			1990 EUR	
	2) Featured on the platform (higher visibility)				
	3) Expert recruitment (Asiantuntijarekrytoinnit)				
	4) Needs to recruit more / more often employees				
	5) Targeted paid advertising to reach passive applicants even in challenging locations. Promoting via paid ads: facebook, IG, Google ads, RTB House, LinkedIn, Smartly				
	6) Mobile application				
Hyper Campaign (hyperkampanja)	1) avg. 2600 views/readings (lukukerta)			3150 EUR	
	2) Featured on the platform (higher visibility)				
	3) Expert recruitment (Asiantuntijarekrytoinnit)				
	4) Needs to recruit more / more often employees				
	5) Targeted paid advertising to reach passive applicants even in challenging locations. Promoting via paid ads: facebook, IG, Google ads, RTB House, LinkedIn, Smartly				
	6) Mobile application				

MeetFrank	Starter	1 Job opening		249 EUR / month
		Features: Chat with applicants, access active people, rate applicants, automated interviews, full-service freelance hiring, ATS integration		
	Each extra job opening		249 EUR	
	Unlimited	Equivalent to Enterprise Features: Chat with applicants, access active people, rate applicants, automated interviews, full-service freelance hiring, ATS integration		Ask for price
Jobsinnetwork (Jobs in Finland)	Standard		30 days	250 EUR
	Premium	Includes: logo, stands out, top of search,	60 days	400 EUR
	Featured	Includes: + multiple locations, visibility boosters, auto refresh, SoMe promo, newsletter promo	60 days	480 EUR
	Premium	12 Months unlimited jobs per slot		1700 EUR
Euro Tech Jobs	Standard Job		10 days	680 EUR
	High Visibility	Shown first in all job searches and emails Highlighted in postings Featured on every page - on rotation in Top Jobs box		1020 EUR
Työpaikat Oikotie	Perusilmoitus / Basic			850 EUR
	Annual	1 branded employment template		2100 EUR

**Appendix 4: Competitor Analysis (Comparison and Positioning)**

	ITJobs.ai	Duunito	Monste	Laura	Meetfra	Jobs in I
<b>Affordability</b>	10	5	6	4	7	9
<b>IT jobs focus</b>	10	5	4	5	6	5
<b>Traction</b>	3	9	6	6	5	4
<b>Diversified offer</b>	3	9	7	9	3	8
<b>Added value offered</b>	3	9	6	8	4	7
<b>Trustworthiness</b>	2	9	8	5	5	4



## **Appendix 5: Data 2: Workshop agenda of the management workshop**

### **Workshop agenda:**

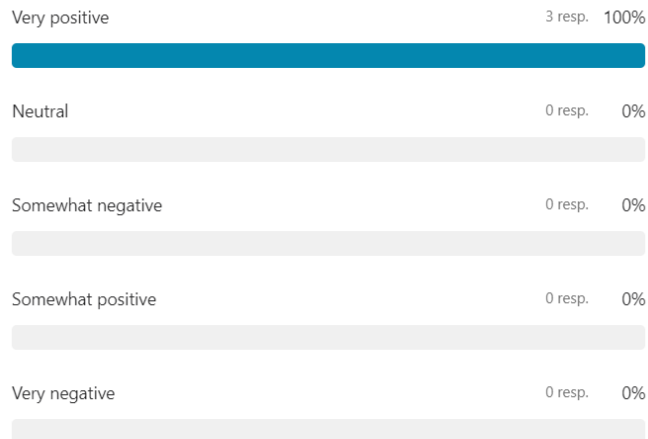
1. Introduction
2. Presentation and discussion about the key findings and focus areas from the CSA
3. Presentation of key concepts and knowledge areas from the CF. Topics: competitive advantage, value-based marketing, pricing models, psychological pricing
4. Discussion around the CF: competitive advantage
5. Brainstorming session: new features to offer and include into the offering
6. Defining product value
7. Pricing models
8. Pricing strategy
9. Psychological pricing
10. General wishes and preferences

## Appendix 6: Proposal Validation: Management Survey (Data 3)

### Response summary

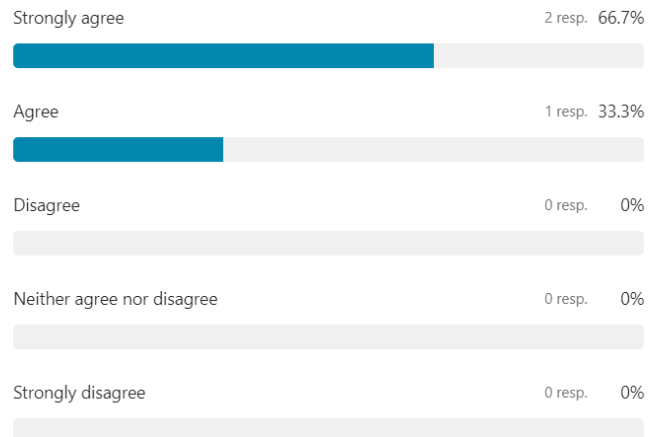
#### ✓ 1 What is your general Impression of the proposed B2B Offering and pricing?

3 out of 3 people answered this question



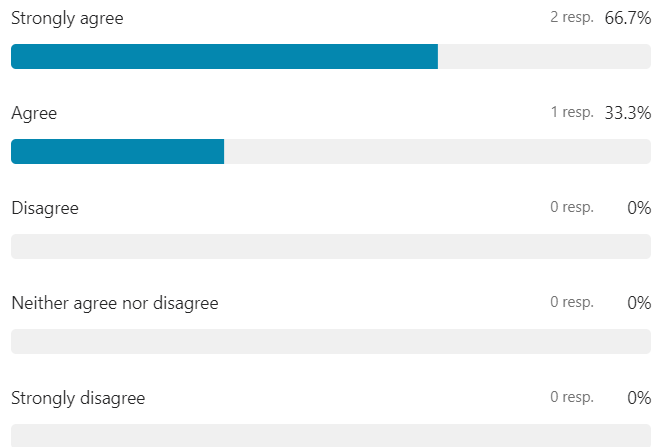
#### ✓ 2 The offering covers all relevant key customer groups.

3 out of 3 people answered this question



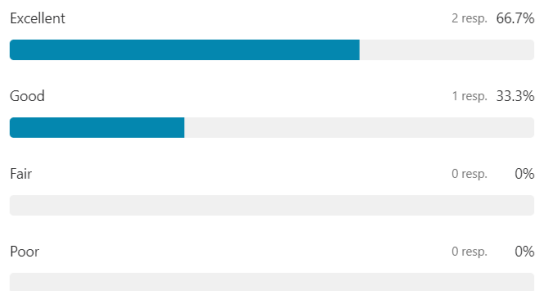
✓ 3 The offering clearly articulates value of the platform

3 out of 3 people answered this question



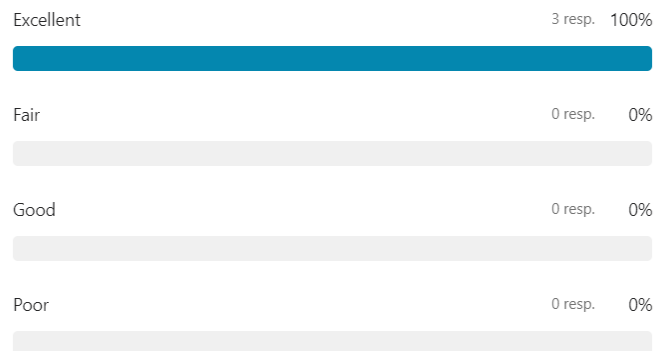
✓ 4 How would you describe the pricing models of the offering?

3 out of 3 people answered this question



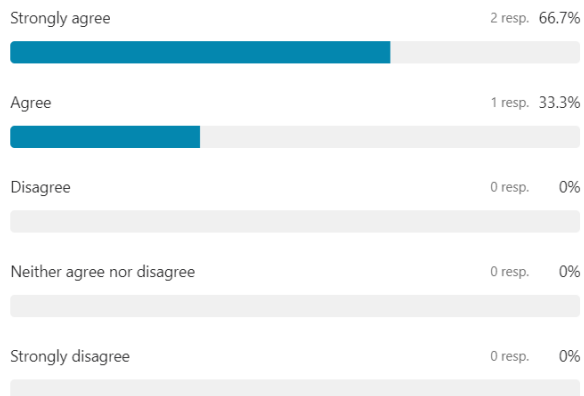
✓ 5 How would you describe the content and the features presented in the offering?

3 out of 3 people answered this question



✓ 6 Do you agree that the new offering and pricing will have a positive impact on business development and sales processes?

3 out of 3 people answered this question



✓ 7 Would you include this offering into the platform and implement it into the sales pipeline?

3 out of 3 people answered this question

