AI Product Packaging Strategies: Making Strategic Choices in the AI Era

While some SaaS businesses embed artificial intelligence (AI) directly into their platforms, others sell it as a premium add-on or adopt a hybrid model that blends embedded AI with usage-based monetization. With no standard pricing approach, vendors are experimenting — introducing per-interaction pricing, bundling AI into subscriptions and offering flexible, usage-based plans to meet evolving enterprise demand.

This is the second installment of our series on AI-driven pricing models, following our examination of how AI is reshaping the SaaS industry in Part 1.[1] Now, we turn to how companies structure and package AI-powered features within their products. Choosing the right strategy is key to driving adoption while optimizing revenue.

Three core approaches to AI integration

The three approaches described below influence how businesses monetize AI, differentiate their offerings and drive long-term customer value.

The add-on approach

This model offers AI as a premium add-on, with companies charging 30%-110% above base pricing, according to research by Tom Tunguz.[2] This model enables businesses to put commercial focus on the AI feature, accurately test demand and drive upsells without affecting the core packages. However, it also limits the immediate user base to which the AI feature is pushed, and fundamentally positions AI outside the core packages in a manner that may not be appropriate as these features become more standard across platforms.

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Notion[3] and Slack[4] follow this model, offering AI-powered tools — such as AI-assisted writing and summarization (Notion AI) and smart recaps and automated message threading (Slack AI) — **only** as separate add-ons for an additional cost per user, per month.

The embedded approach

In this model, AI capabilities are integrated directly into core packages, providing immediate access to all users who have access to the relevant tier(s). The tier system can take one of two forms:

- **Base tier embedding:** AI features are included in basic plans to drive widespread adoption
- **Premium tier embedding:** AI capabilities are reserved for higher-priced tiers, encouraging upsells

HubSpot's[5] integration of AI across its CRM, marketing and sales tools led to a 21% year-over-year sales increase, demonstrating how embedding AI can drive both adoption and revenue growth. Making AI a core feature, even at the base tier, enhances engagement and retention but requires careful margin management.

The hybrid approach

This strategy blends embedded AI with premium AI upgrades, offering multiple monetization paths:

- **Embedding basic AI in base tiers** while offering advanced features as add-ons
- **Distributing stratified AI capabilities across product tiers or as add-ons** to align with different customer needs

Zendesk[6] recently expanded access to its AI agent feature across all tiers while keeping advanced chatbot automation and workflow optimizations as premium add-ons. A recent analysis by Dave Kellogg[7] suggests this approach is gaining traction as companies balance accessibility with premium positioning.

As AI pricing models evolve, vendors are making real-time adjustments[8] to meet enterprise demand. Google bundled Gemini AI into its standard $14 Business plan — previously this required[9] an additional $20 add-on — signaling a shift toward embedded AI at lower price points to drive adoption. These shifts show an evolving industry where AI pricing remains in flux (and may also be a recognition of declining costs associated with AI usage).

EXECUTIVE INSIGHTS

AI packaging strategies across industries

AI pricing models vary based on how the technology integrates into specific industries or workflows (see Table A). Some categories, like productivity software and cybersecurity, favor embedded AI, making AI-powered features standard within core products. Others — such as healthcare and sales automation — are more likely to rely on hybrid or add-on models, balancing regulatory constraints, specialized functionality and value-based pricing.

Table A
Example AI pricing models by category

Category	AI use case	Primary pricing model	Example products
Productivity software	AI-powered automation embedded in everyday workflows	Embedded AI + premium tiers	Microsoft Copilot, Notion AI
Cybersecurity	AI-driven threat detection as a core feature	Embedded AI in all plans; automation in premium tiers	CrowdStrike, Palo Alto Networks
Sales and CRM platforms	AI insights for lead scoring and workflow automation	Hybrid (embedded AI + premium add-ons)	Salesforce Einstein AI, HubSpot Breeze
Developer and engineering tools	AI-powered code assistance	Hybrid (embedded AI + premium add-ons)	GitHub Copilot, GitLab Duo
Ecommerce and retail SaaS	AI-driven personalization and inventory forecasting	Embedded AI + premium tiers	Dynamic Yield, Salesforce Commerce AI
Financial services	AI-powered fraud detection and risk analysis	Usage-based AI pricing	BloombergGPT, Fico Falcon
Transportation and logistics	AI-powered fleet optimization and route planning	Hybrid (core AI embedded; advanced AI as add-ons)	Samsara, Convoy

Many industries have successfully balanced embedded AI and premium upgrades, but healthcare AI presents unique challenges.

Healthcare AI: A deeper look

Healthcare AI pricing is shaped by regulatory, operational and reimbursement constraints, requiring a balance of compliance, accessibility and ROI. Unlike market-driven adoption in ecommerce or DevOps, healthcare AI must integrate with clinical workflows, align with reimbursement models and demonstrate patient impact.

Table B (below) outlines how some healthcare AI prices are packaged, from outcome-based pricing that ties costs to clinical results to hybrid models that blend embedded AI with premium analytics upgrades.

Table B
Healthcare AI pricing models

Healthcare AI application	Description	Pricing model	Example companies/products
Clinical AI and diagnostics	AI-assisted imaging, diagnostics and decision support tools used in hospitals and labs	Outcome-based pricing (per scan, test or diagnosis)	Tempus, Viz.ai
Electronic health records (EHR) and workflow automation	AI-powered automation for medical records, billing and clinical documentation	Embedded in enterprisewide EHR systems	Epic, Nuance Dragon One, Oracle Health AI Agent
Predictive analytics and population health	AI-driven risk prediction, personalized treatment planning and operational forecasting	Hybrid: basic insights included; advanced analytics sold as premium add-ons	Health Catalyst, Closed Loop
Medical devices and diagnostics	AI-enhanced medical devices for diagnostics, monitoring and treatment	Product-based pricing with integrated AI features	Medtronic (AI-integrated pacemakers, insulin pumps)

By structuring pricing around regulatory and operational realities, healthcare AI companies can drive adoption while ensuring compliance and financial sustainability.

The rise of AI-embedded platforms

AI is no longer just an add-on — leading SaaS companies now embed it across their platforms to boost engagement, automation and scalable monetization. This industry shift integrates AI into core workflows, making it essential to the user experience.

Rather than charging separately, companies increasingly package AI within existing ecosystems, reserving premium features for higher-tier plans or usage-based pricing. This approach maximizes adoption while managing AI-driven costs.

At the enterprise level, Microsoft and Salesforce embed AI throughout their entire platforms while refining pricing in bespoke ways to drive adoption and profitability.

Microsoft Copilot

Integrated across Word, Excel, Teams and Outlook, Copilot automates document drafting, data analysis and email responses within familiar workflows. The free Copilot Chat provides GPT-4o-powered assistance, while enterprises can access AI agents via metered pricing. For deeper integration into Microsoft 365, Copilot Pro is available as an add-on for $30 per user, per month (see Figure 1).

Figure 1
Microsoft 365 Copilot pricing page, March 2025
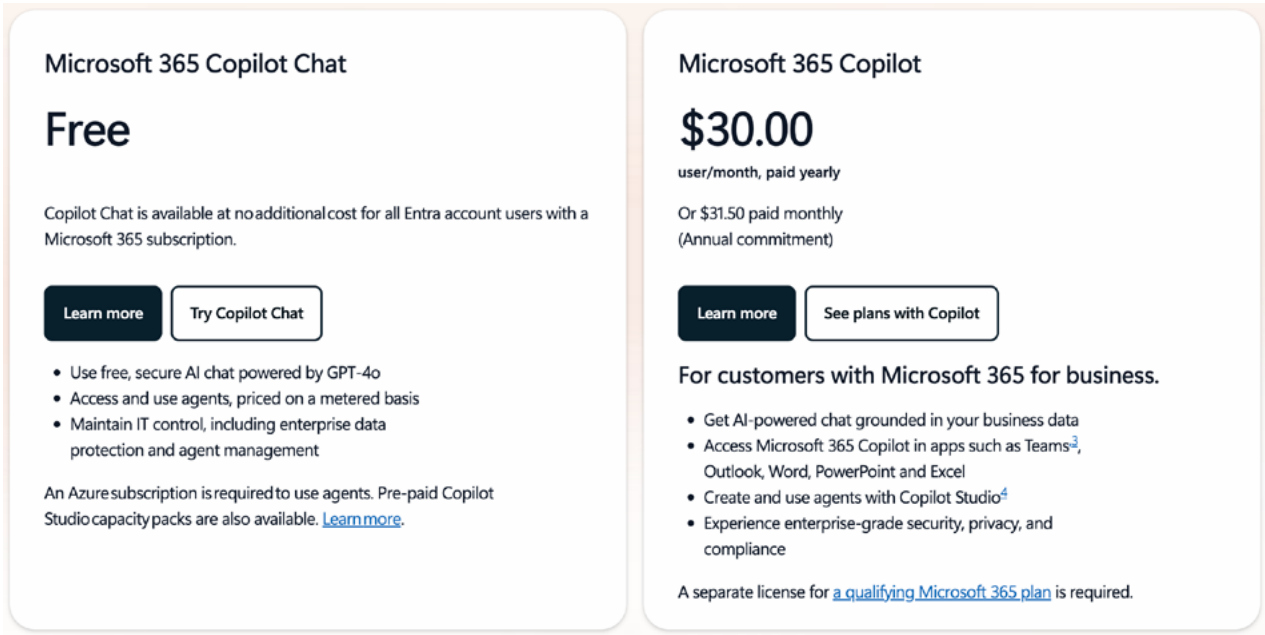
Source: Microsoft[10]

Salesforce Einstein

AI is embedded throughout the Salesforce ecosystem, providing predictive insights, automated recommendations and workflow automation. While some Einstein features are included in standard editions, Einstein GPT and advanced AI tools require separate licenses, starting at $50 per user, per month (see Figure 2).

Figure 2
Salesforce Sales Cloud pricing page, March 2025
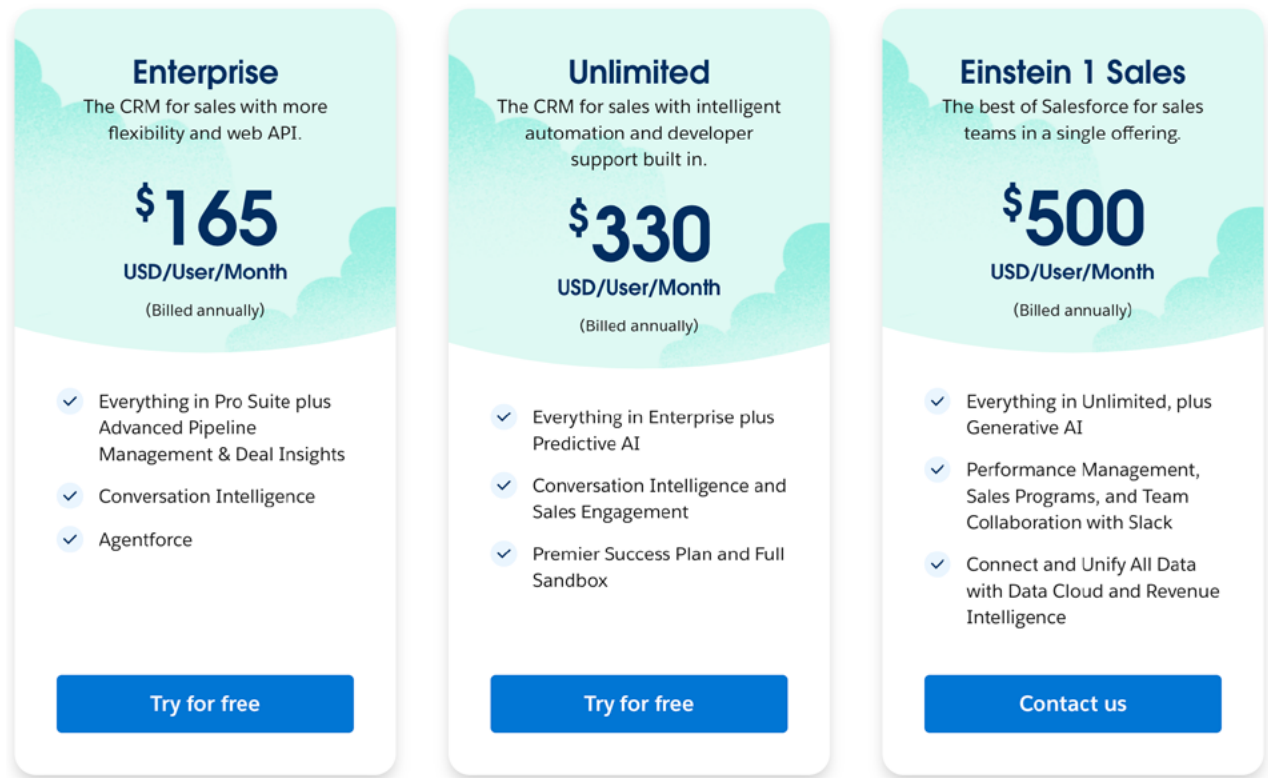
Source: Salesforce[11]

This platformwide, embedded AI approach represents a fundamental shift in SaaS pricing — ensuring AI is accessible while monetizing its most advanced capabilities. As AI adoption accelerates, companies will continue refining platformwide integration strategies to balance value, cost and competitive differentiation.

AI pricing remains fluid as vendors balance accessibility with profitability. A key challenge is managing inference costs,[12] or variable AI-related costs — an ongoing expense that scales with usage. To maintain margins, companies are shifting toward hybrid and consumption-based pricing models.

AI usage costs in your packaging strategy

AI introduces variable costs not typically associated with traditional SaaS features, primarily due to ongoing expenses from real-time model operations. While AI development involves substantial up-front investments, the primary recurring financial concern stems from unpredictable customer usage, making cost management crucial.

While computer-driven pricing models (similar to cloud-based billing) align costs directly with resource usage, ensuring sustainable margins as adoption scales, they often increase customer budgeting complexity and anxiety.

Ultimately, vendors must balance accessibility with financial sustainability, structuring AI pricing to reflect actual usage costs.[13] Striking this balance — keeping AI adoption straightforward for customers while realistically managing the financial demands of large-scale AI deployments — is essential.

Charting the path forward

Generative AI is transforming SaaS packaging and pricing, demanding a balance among value creation, adoption and profitability. As companies weigh adoption friction, cost recovery and monetization potential, success depends on managing variable AI costs, setting clear usage limits and responding to market shifts. The winning approach aligns with your market position and customer needs — those balancing financial sustainability with customer expectations will gain competitive advantage.

In our next article in this series, "Pricing Models for AI Features," we'll explore pricing structures that complement these packaging strategies — from consumption-based to value-based models — helping you both package and price your AI offerings for maximum success.

L.E.K. Consulting helps SaaS businesses navigate AI pricing and packaging strategies. To explore the right approach for your business, please contact us.

Endnotes

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