



Nimonik

Industry Standards Subscription Pricing Best Practices for SDOs and NSBs

Standards Development Organizations (SDOs) and National Standards Bodies (NSBs) produce valuable intellectual property that services a global demand. The last 25 years have seen major shifts in this market — most notably from the retail purchase of printed documents to organizational digital subscriptions.

This guide outlines some lessons learned and best practices for increasing return on investment and optimizing subscriptions.

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Executive Summary

This document focuses on optimizing subscription pricing for standards produced by SDOs and NSBs. It highlights an opportunity to refine pricing models to better match customer needs, increase revenue, and expand the adoption of standards.

The paper recognizes that many organizations rely on one-time purchases or unauthorized access to standards — not due to lack of value, but likely because current pricing models don't align with customer expectations or purchasing power. The document advocates for more flexible, data-driven subscription models to convert these users into long-term subscribers, benefiting both customers (broader usage of standards) and organizations (increased, recurring revenue for content development).

- Optimizing subscription pricing for standards is crucial for SDOs and NSBs to increase revenue, expand adoption, and better serve customer needs. Currently, the biggest opportunity for growth lies in shifting users from one-time purchases, or unauthorized access, to a long-term user plan.
- Flexible, data-driven subscription models that consider factors like user types (core vs. occasional), company size, and geographic location, can significantly improve subscriber acquisition, as well as renewal rates and revenue per subscriber.
- Regular review and adjustment of pricing strategies — coupled with transparent communication and collaboration with partners like Nimonik — are essential for ensuring fair pricing, maximizing customer satisfaction, and sustaining the development of high-quality standards.

The document recommends that SDOs and NSBs regularly review their pricing strategies and engage with partners like Nimonik, who can provide cross-industry insights and market intelligence.

It presents key insights, market observations, and peer comparisons to support efforts in reviewing and optimizing pricing models. Ultimately, this paper invites discussion to tailor a pricing strategy to specific organizational goals.

We invite you to send all comments or inquiries to Nimonik at info@nimonik.com

Introduction

This guide outlines the current state of subscription pricing in the engineering industry standards market and highlights paths for future optimization. It also contextualizes the current situation, highlights the pros and cons of different pricing models, and helps both SDOs and NSBs learn from their peers as well as other industries.

It should be noted that the term “standards” is used broadly in this document; the engineering document that we are discussing includes guides, manuals, specifications, best practices, technical papers, and other documents that engineers and managers require to ensure compliance with their operations and products.

Nimonik empowers owners of intellectual property to optimize their subscription offerings, drive net new revenue, and reduce churn or lost subscribers. Based on our market analysis, there remains a high percentage of organizations that need to use critical standards, but do not have subscriptions and opt for one-time purchases, piracy, or other methods to obtain the information. While there will always be a group of users who do their best to avoid paying the market price for a good or service, if this group represents a high percentage of theoretical buyers this likely indicates an imbalance between price and purchasing power. As such, all businesses should periodically review and optimize their pricing models to drive the best return on products and services sold.

At its core, pricing matters because we know that all customers desire a positive pricing experience. Customers will choose to pay for a valuable product as long as the pricing model makes sense to them and it fits within their budget and business model. Aligning your pricing with the customers’ business reality is a key objective of any organization that sells goods or services.

Standards drive high quality and compliant operations, so the goal of proper pricing should be greater access to this essential content. At the correct price point, we believe all businesses that need standards will likely purchase a subscription and – ultimately – fund the development of new and improved intellectual property. Therefore, the million dollar question is, “How do you get customers to buy and use more standards?”

As a partner to numerous publishers, Nimonik is deeply interested in the answer. Our aim is to grow the use of standards across a broad section of industries.

We hope this document will be helpful as you work to strengthen your subscription offerings.

Why Do Standards Cost Money?

Standards require significant development resources, including research, consultation with industry experts, and public reviews. SDOs such as ISO, ASTM, API, and IEC rely on sales of industry standards to fund this process. The fees cover maintaining, updating, and distributing standards globally, ensuring they remain relevant and up-to-date.

The cost side of a business can be optimized as well, since reductions in overhead, administrative fees and other factors often result in major impacts on the bottom line. This document will focus on the potential revenue optimizations for standards bodies, but we encourage all organizations to carefully analyze their costs and consider potential optimizations.

Standards Incorporated by Reference (IBR)

Governments commonly incorporate established standards by reference into laws and regulations, rather than developing their own. that allows governments to adopt established industry standards, rather than developing their own. There are ongoing court cases, debates, and various projects to make more standards incorporated by reference freely available. Most publishers offer reading rooms where these standards can be viewed without charge, though certain jurisdictions (France and China, for example) have made many standards completely free and downloadable if they are incorporated by reference.

While this affects a minority of standards, the total number is still in the tens of thousands – many of which are big sellers for the various organizations that publish them. As a result, IBR is viewed as a threat to the standards market. However, in numerous circumstances, organizations have leveraged their own freely available intellectual property to drive successful sales of the same or related material.

One of the challenges facing the standards market is creating awareness and exposure that effectively bolster sales. Strategically selecting which standards are freely accessible, and how they can be accessed, could be a powerful approach to increase revenue.

SDO and NSB Business Models

Each organization is different. Therefore it is important for each standards publisher to strategically consider the value of their standards, subscription pricing, and the various tradeoffs that inevitably arise in any pricing model.

Broadly speaking, most SDOs and NSBs can be categorized into one of the following types:

Standards-Driven

These organizations are heavily dependent on revenues from the sale of standards. Organizations, such as the American Society of Mechanical Engineers, derive the majority of their revenue from standard sales. While other business lines exist (Learning, Engineering Services, etc.), they can't compare with the main revenue engine.

Membership-Based

Membership-driven SDOs charge membership fees as their principal source of revenue. Sometimes, membership is required to work in a certain industry or deliver a particular service. Organizations such as the American Welding Society derive most of their revenues from memberships and connected services.

Accreditation-Focused

Other organizations offer accreditation services that generate substantial revenues. This is the case for groups such as CSA, UL, and others who publish standards as well as certifying products.

Industry-Driven — Freemium/Open Access Model

These publishers rely on a variety of revenue sources including sponsorship, consulting, training, contribution from industry members, and/or premium services. The standards are usually offered free of charge to maximize adoption and nurture future revenue.

Government-Funded or Mandated Model

These publishers rely on government funding and their standards may be offered free of charge or sold, depending on the need to generate supplemental revenue.

Combination of Revenue Streams

Nearly all standard organizations have a combination of services that drive their organization. However, standards remain a core pillar upon which to focus their efforts and build out complementary services.

History of Standards Sales

Standards have existed for centuries and their sale, originally in the form of print publications, began as early as the standards themselves. Over time, publications were offered in digital formats and then in subscription formats. Today, there are still two principal ways to purchase industry standards.

Retail/One-Time Purchases

- **Single Standard Purchase:** Ideal for individuals needing specific standards for personal use. Available in:
 - **PDF Format:** Digital copies.
 - **Print Format:** Physical copies.
 - **Bundle Discounts:** PDF and print versions of the same standard at a reduced price.
- **Multi-User Licenses:** Some publishers allow sharing PDFs among up to five users, reducing costs.
- **Read-only online access:** Some publishers provide paid or free access through proprietary software with read-only option licensed as single or multiple users.

Subscriptions

Subscriptions to standards started to emerge in the late 1990s with online tools making centralized libraries of standards available. Established companies, such as IHS (now Accuris), started to market subscription offerings with the convenience of remote access to standards and licensing throughout an organization.

Since then, subscriptions have become the dominant portion of the standards market, representing over 50% of global standards sales. During this same time period, the consumer and business market have come to accept subscription services for both software and content. This comes with a variety of benefits for both parties and allows for the centralized management of accounts and services.

Many organizations opt for annual subscriptions, providing access to multiple people through an online system. The advantages of a subscription compared to retail are substantial, but there remains great variation between publishers and offerings. Most publishers offer benefits for subscribers, such as access to historical documents, redline capability, update services, and more. While this is compelling for some companies, it is not always available and pricing can sometimes be prohibitive for some organizations.

What Is the Objective of Subscriptions?

Many businesses have transitioned from one-time sales to a subscription model. This notably happened in the music, television, and movie industries, thanks to streaming services and platforms that now deliver the content. This transition took nearly twenty years and was a challenging and painful period for many creators of content as well as distributors. Nimonik analyzed the lessons from the music industry in its White Paper titled [Listen to the Music Industry: Lessons for Standards Publishers](#).

For any organization that is offering subscriptions to its content and services, the principal objective should be to optimize revenue and profitability. In the context of subscriptions, the levers that can be pulled to improve these metrics typically boil down to the number of **subscribers, the renewal rates, and the pricing models**. Pulling one lever may impact another metric and therefore the challenge lies in finding the right balance between the three key elements of your business model. A successful improvement on all three metrics has a compounding benefit on revenues and profitability, as illustrated in this simple example:

Scenario	Subscribers	Renewal Rate	Price	Effective Subscribers Next Year	Revenue	% Increase from Baseline
Baseline	1,000	80%	\$100	800	\$80,000	—
+2% Subscribers	1,020	80%	\$100	816	\$81,600	+2.00%
+2% Renewal Rate	1,000	81.6%	\$100	816	\$81,600	+2.00%
+2% Price	1,000	80%	\$102	800	\$81,600	+2.00%
All Three +2% (compounding)	1,020	81.6%	\$102	832.32	\$84,897.60	+6.12%

Increase Number of Subscribers

Organizations often only seek to expand their subscriber base as a path to company growth. However, it is worth noting that a wider base also has the benefit of limiting negative business impacts if a sector faces economic downturn, budget cuts, or threats.

There are a variety of ways to increase the number of subscribers to your content — notably, more marketing, lower prices, reduced friction, and increased value. While the first two can have a great impact, they are complex enough to require their own dedicated discussions. As such,

we will focus on **reducing friction to purchasing standards and offering greater value to subscribers.**

Improve Renewal Rates

Identifying the ideal distribution is critical in any industry, and standards publishing is no different. One avenue that has clearly demonstrated success is that of bundling multiple services to reduce churn, or lost renewals.

Customers who purchase publications from many publishers are more likely to switch from retail to subscription. Once subscribed, they tend to renew year after year, creating a stable revenue stream for the publishers. By offering publications via aggregators alongside other publishers, it is likely more subscriptions will be sold and greater revenue will be generated.

Improve Pricing and Revenues per Subscriber

There are many ways to improve pricing and therefore revenues. Each publisher needs to find its own path, but there are core principles that any standards organization can implement to strengthen revenues without sacrificing margin.

Revenues can potentially be increased by offering value-added services and new technology around standards (ex: management software to track compliance, AI tools to interact with standards or other software). However, pricing can almost always benefit from the optimization techniques that we will cover here – geographic pricing, industry targeting, and better standards packaging, to simply name a few mechanics that can increase revenues per subscriber.

Common Pricing Models & Constraints

Publisher Licensing Models

Royalty Model

A royalty model is the most common model for standard distributors, whereby a standards reseller remits a royalty to the publisher based on predetermined variables and factors. In some cases, quotes and pricing needs to be approved by the publisher. This model ensures that the standards publisher controls the pricing of their intellectual property and manages the impact of any price changes. It should be noted that, while publishers set the royalties and the fees to the aggregator, the aggregator may add or change the prices and the publishers do not control the final total.

Revenue Share Models

In some cases, publishers agree to a model where a portion of the reseller's standards revenue is remitted to the publisher. This is generally a fixed percentage and fluctuates based on the price at which the reseller sells the standards.

This pricing model is highly advantageous to the reseller as it allows them to increase and decrease pricing at will. Resellers will often increase the price when they need to improve margin on a contract and they will decrease price when they need to cut costs to win/retain a client. The publishers ultimately suffer the consequences and lose control over the pricing of their intellectual property. This can lead to confusion and frustration by both the publisher and the customer.

Resellers will often place publisher content into broader 'Packages' to mask these changes. This packaging, similar to the cable television model, allows the reseller to blend products together to optimize the subscription for profitability of the reseller. Publishers should be wary of this arrangement which may seem simple on the surface, but poses substantial risk to any publisher's bottom line.

Subscription Pricing for End Users

Named User Model

A named user-based pricing model sets a price per user who has access to the content and then increases that price with more users. This can be done on a simple named user count basis or in a ladder-type approach with distinct pricing for 20 users, 50 users, etc. This approach is quite common in many software applications, but it comes with some downsides. Notably, companies with power users – who need the content regularly – pay the same as users who only consult the content periodically. This can create substantial cost increases for larger organizations that pay for a long tail of users who only sporadically review the content. As a

result of this perceived waste, companies will seek out alternatives (ex: retail purchases) to avoid increasing their subscription prices.

Simultaneous Users

This pricing model, which increases prices based on the number of users who can simultaneously look at documents from a given publication, comes from the world of physical libraries. When you borrow a book or publication from a physical library, no one else can use it. Under a simultaneous user model, when a user is looking at a document, another user cannot consult it.

This method avoids the problem that plagues the named user pricing system where large companies pay too much. It allows flexibility between power users and infrequent users, and ensures that subscribers pay a fair price for their organization. It should be noted that there are still workarounds, such as offline access, where simultaneous users are not counted. This can undermine the value of the simultaneous user model and its capacity to set fair pricing for buyers and subsequently control their use of the standards.

Locations or Sites

This pricing method also takes inspiration from the physical world, where it still exists. When standards were only available in a physical format, you had to purchase a separate copy for each location. This concept was then transferred to the digital world where companies were expected to pay more if they had more locations. It is likely the most problematic pricing element in the standards world today.

There are three main reasons why this is so problematic. First, the proliferation of work-from-home practices means that sites have become very hard to track accurately. Additionally, many people will also work on projects for multiple sites and therefore need to be associated with multiple sites, undercutting the logic of this model. Lastly, many companies have sites with very large discrepancies in sizes. Imagine a large factory with thousands of workers, and then smaller regional offices with engineers or sales people. It is not reasonable to have such different locations pay the same amount to access publications.

While pricing by site is a proxy for the size of an organization, it is very difficult to manage. As a result, this is the area where publishers and distributors play the most pricing games. Customers generally dislike this model. They would rather move to something that better matches the organization's needs and its actual budgetary setup.

Membership Fees & Discounts

Certain publishers offer memberships. Members of these SDOs typically obtain a series of benefits, as well as additional value including various publications, conferences, communications, certifications, or other elements. In the context of standards, we observe

SDOs offering their members discounted standards or even free standards. Membership fees, which can have their own distinct pricing model, offer numerous benefits to the publisher including stable revenue and insight into their user base. If a distributor of your standards is able to pass along membership discounts to SDO members, this can be an interesting model for SDOs to create stability and maintain contact with the end customer.

A concern with membership is that many organizations may not be your core audience or a membership candidate, but they are still interested in purchasing and using a selection of your publications. With this in mind, membership offerings need to consider non-core companies who could still purchase standards from you and ensure they can access those standards at a fair price.

Summary Table of Pricing Levers

	Pros	Cons
Named Users	Matches size of user base	Power users and occasional users are treated the same
Simultaneous Users	Company has more flexibility in usage without price increases	Difficult to explain to buyers, challenging for companies to manage
Locations or Sites	Somewhat maps to organizational size	Remote work and sites can vary in size, creating difficult pricing models that customers circumvent
Memberships	Keeps a relationship with the end user	If linked to prices, it may reduce subscriptions. Difficult for aggregators to manage and transfer discounts or free standards.

Common Standards Subscription Models

The majority of standards organizations offer some form of subscription package in the following format.

	Pros	Cons
Publisher Collection	Cost-effective if most documents in the collection are needed. Allows less popular documents to obtain visibility.	Expensive if only a subset of documents are needed.
Custom Collection	Allows customers to pick and choose needed documents.	Most popular documents are purchased, but many documents are never sold.
Blocks	Allows flexibility, customers can add documents up to the size of the block throughout the year. Publishers receive up-front payment, even if the block is not fully used.	Upfront payment for the customer, management costs to ensure documents are added with approval.
Aggregator Collection	Allows aggregator to put documents from multiple publishers into a single thematic collection (i.e. upstream oil & gas) Allows aggregators to optimize margin by inserting high margin products into the collection.	Customers obtain documents they do not need. Publishers lose visibility into customers and pricing models. If a customer also buys other items, they may end up paying twice for the same content.

Observed Particularities in the SDO/NSB World

Minimum Number of Documents or Minimum Spend

Certain publishers require that companies purchase a minimum number of documents to obtain a subscription – presumably, to set a floor or minimum price. However, a subscriber can simply purchase the document they really need and then reach the minimum document requirement by adding very low cost documents to their order. This constraint generally adds administrative costs, frustrates the end user, and does not deliver meaningful revenue to the publisher. It basically increases the friction and barriers to a subscription, decreasing the likelihood of an organization subscribing in the first place.

Competition between NSBs for ISO

One true oddity in the standards world is the purchase of ISO. Though you can purchase the original ISO documents through a National Standards Body, there are other and more cost effective ways to purchase them. For example, the most common workaround is to purchase adoptions of ISO from a national standards body. Many NSBs adopt these international standards verbatim and then sell them at a price that is substantially lower than the original document. This undercuts revenue to ISO, but allows customers to buy equivalent documents at a fraction of the price.

Monopolies by Geographic Territory

Another interesting pricing constraint for standards is that many NSBs require a monopoly of sales of their documents within their territory. This limits the competition for the standards, makes them harder to obtain if you need other standards and reduces competition around connected service, customer support, and other elements. It is questionable if this is a best practice as the objective for any organizations should be to maximize revenues and monopolistic behaviour is not always the best path in that regard.

Minimum Spend

Certain SDOs require resellers to deliver a minimum amount of revenue per year, regardless of sales. This mechanism allows them to set a floor and expectation for a given reseller, which can be a helpful tool to incentivise resellers to promote and sell publisher material. However, it needs to be used judiciously as it can also reduce the incentive for companies to partner and help promote publisher material, if the cost and perceived risk is too high. Instead of a minimum spend, one option is to offer a base block of standards (10, for example) that makes it attractive to start small and grow.

Exclusivity

Certain SDOs or NSBs offer their content exclusively through their own platforms or through a specific selected reseller. By definition, exclusivity limits access to a product and makes it more challenging to purchase. From the publisher's view, there is an apparent gain in simplicity, since only one organization or platform represents you and has to interact with you. This can seem appealing, but you are fundamentally "placing all of your eggs in one basket", which comes with risks. The end customer will suffer if the selected provider fails to provide good service or fair pricing and it is possible the customer will blame both the publisher and the reseller.

Though a reseller may offer a bonus payment in exchange for exclusivity, they often turn around and increase the prices of that same content for the end user to recover their costs, leading to higher prices for the customer.

Very few brands around the world distribute their product through a single retailer. As a result, publishers of standards should question the long-term impact of signing exclusivity agreements with resellers, as well as exclusive content access through their own platforms.

Platform Fees & Considerations

Aggregators

Certain aggregators charge platform fees and others do not. This is a business decision that each one makes based on their platform and the margins they are seeking to obtain from the customer. Some aggregators now offer a tiered pricing model for their platforms, with different versions of their platforms at different price points. If possible, this model seems beneficial to both the end user and the aggregator.

SDO Platforms

Among publishers who offer their own platforms, such as SAE, IEEE, NFPA, ASTM, CSA, BSOL and DIN, some charge platform fees and others do not. The advantages of selling direct to customers are clear: higher margins without a reseller and direct contact with the customer. While owning and operating your own platform makes sense, publishers should be cautious on two fronts.

Platforms require constant investment, maintenance and operational costs. There is also the capital costs of building the platform. In some situations, there may be a "sunk cost fallacy" where the publisher focuses too much on obtaining a return on their investments into the platform, and they neglect other sales channels that could drive revenue and profitability.

The second area for concern is when publishers limit certain key documents, pricing, or functionality on their own platform. This may be done for two primary reasons.

First, the people who purchase from a publisher's platform may be the power users who need specific information (journal paper, conference proceedings, etc.) and certain functionality. In this context, it would make sense to keep that information within your platform rather than a distributor's.

The second reason to keep key items on your own publisher is to drive people to buy from your platform instead of a partner's. This argument makes less sense however, as you may be creating confusion in the marketplace and reducing the sale of your content by reducing its distribution. In business, better distribution usually means better sales. This should be carefully considered when determining what you put on your platform and what limitations you want to place on partners who distribute your content.

Customer Voice

There is a concept referred to as the "Willingness to Pay", which refers to the customer's perceived value of a product and how much they are willing to spend on it.

If the perceived price for a standard is set too high, companies may opt for retail purchases, consider not purchasing the standard, and perhaps even turn to piracy. The willingness to pay will vary based on a number of factors, notably the location and size of the company, their respect for intellectual property, and the criticality of the standard to the organization. In many circumstances, companies will choose a modest subscription to minimize recurring costs, but will then allow individuals within the organization to purchase standards on a need-by-need basis for their individual use. This hybrid approach works fairly well, but wastes an opportunity to capture more subscription revenue through flexible pricing models.

Another point of customer frustration is unforeseen price changes to content and/or platform fees. The publishers cannot control the platform fees of the reseller, but very often the customer views the total cost of their standard subscription as one item. They do not necessarily differentiate between the content and the technical standards pricing. Changes in pricing models by publishers, moving from one model to another, also creates confusion for the customers. Customers may have worked with their aggregator to optimize the subscription models, sites, simultaneous users, or other variables. However, if the pricing model is suddenly changed by the publisher, this can undo substantial work and create increased costs for the customer. Consequently, they may opt to reduce subscriptions, not renew, or otherwise spend less money with the publisher. It can also lead to bad will and challenges in the relationship between the publisher and the content's end users.

Ultimately, if a subscription is too expensive or if there are restrictions such as minimum spend, customers will opt for one-time retail purchases with common internal sharing mechanisms like screenshots or copy-paste or shared folders. This risk needs to be carefully considered when designing subscription pricing for content.

Transparency

Customers greatly appreciate transparent and clear pricing. In the standards world, a key way to deliver this is to provide an itemized invoice that clearly shows the price per publisher. Hiding pricing inside packages and collections can generate tremendous frustration amongst buyers who are trying to compare offerings and obtain the best value for their spend. Conversely, many businesses have succeeded by offering fairly transparent pricing. Most people who shop at Costco understand that the store operates on a maximum margin of 7% and requires a membership to drive profitability and loyalty. The low prices and clear pricing keeps the customers happy and loyal.

Approving Quotes for Resellers

Certain publishers prefer to approve quotes for standard sales rather than leave it up to the distributors. This is a legitimate and fair practice as long as it is an impartial process. If approvals vary between distributors and are based on factors such as platform favoritism, grandfathered pricing from a historic agreement, or other factors that are outside the control of the customer or the reseller, then the approval process can create additional costs and confusion for all parties involved.

Approvals should be done to ensure consistency across channels and verify that the end customer is buying the correct configuration of the standards.

Pricing Speed

Everyone enjoys prompt and rapid customer service. (How often do you want to be put on hold?) When it comes to pricing, all customers show a clear preference for fast, rapid, and accurate pricing from publishers. For publishers who require approval of quotes, customers generally appreciate when the turnaround time is limited to within two to three business days. Anything that drags out more than five business days can harm the sales process.

Equal Pricing Across Distribution Network

Customers like consistent pricing. To achieve this across all distribution channels, the publisher needs to set and control the pricing of their content. As soon as pricing is left to each distributor, or too much flexibility is allowed, pricing becomes inconsistent and confusing. When a reseller provides a higher price than a competitor, it creates confusion in the marketplace. Publishers should aim to offer consistent, fair, and clear pricing across their channels.

Pricing Principles and Best Practices

Pricing is a vast and complex topic that involves analysis of competitors, products, users, market trends, and customer behaviour. There is no one-size-fits-all approach and each

organization must analyse its own needs. A few tools and principles that may be of interest are outlined below.

First and foremost, pricing of a product or its pricing model in the business-to-business area is fundamentally a balancing act between two key elements:

1. The method you use to determine what a customer pays
2. The way you differentiate price between two customers based on a set of variables

Fencing

The concept of fencing is to offer your product to different customer categories that can be clearly defined and who have different needs, budgets, and buying processes. This allows you to offer tailored products and custom pricing without offending other customers. It is critical that the fences be clearly defined and accepted by the customers. Fencing should not be confused with market segmentation, where product offerings are modified based on a customer's budget or ability to pay.

Consider the question, "Is there an obvious way to separate our customers into distinct categories that will make all subsequent packaging and pricing easier?"

Potential Fences by Organizational Type

- For-Profit Corporation
- Government Body
- Educational Institution
- Non-Profit Organization

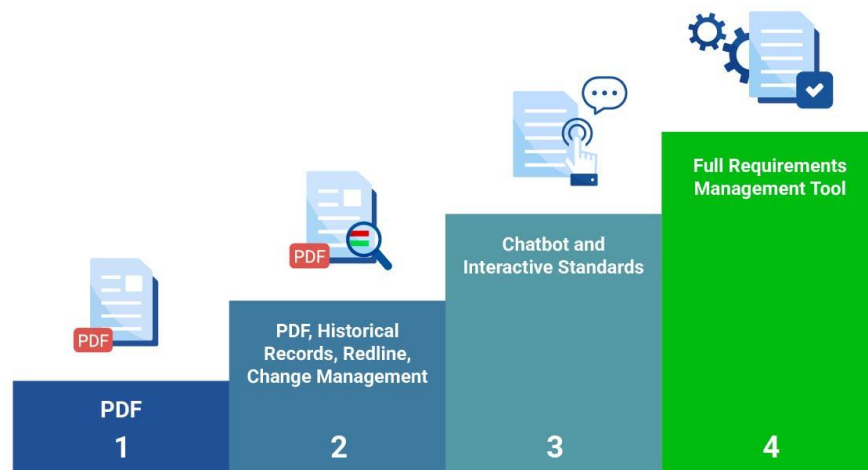
Some potential customer fences for publishers could include non-profit organizations, educational institutions, governmental bodies, corporate customers, and members of the publisher organization. All of these categories are clearly understood by all parties and tailored offerings can be developed by the publisher if there is an opportunity to improve sales in these categories.

Ladders

This structure is commonly used to improve sales on your existing customer base by introducing more value in the form of features and content. Some publishers attempt to do this within their own delivery platforms, but extending ladder pricing to aggregators and resellers is worth considering as well. Ultimately, ladders allow you to sell more products and services to existing customers.

Crucially, your product ladder must function as a story that you can tell the customer. (You start here, you go here, then you end up here.) This can be done in partnership with your distribution partners.

Nimonik offers a variety of added value features to its customers with the approval of publishers. These include interactive XML versions of the standards that allow for annotation, commenting, creation of specification sheets, as well as creation of audits and inspections. Nimonik also offers Secure Standards Chatbots to help customers access and interact with standards. These secure chatbots are sold as a value added service for subscribers and they help drive discovery as well as increased subscriptions.



Publishers could certainly augment their offerings of standards with other content, functionality, and toolkits that would interest end users.

Small Companies vs. Large Companies

Larger companies generally have an ability to pay more. They are also more likely to have dedicated staff to help maintain a library of standards, negotiate contracts and optimize costs. Large companies are also more likely to respect copyright and intellectual property rights. Though many large companies have subscriptions to standards, a few still do not. In contrast, most small companies do not have subscriptions to standards, largely due to their lack of personnel with strong knowledge of standards purchasing, budget, and understanding of the service offering.

Publishers could consider simpler and lower cost options based on total company size (headcount) to encourage smaller companies and startups to legitimately obtain standards. Many companies offer “Starter Packs” for smaller and newer companies, allowing them to learn about an offering at a reduced price. This provides two clear benefits; the first is an increase in subscribers, revenue and users of your standards. Secondly, as a company grows, they are more

likely to increase their spending if they are already on a subscription, as opposed to those who start with no subscription.

These lower cost options would also greatly help companies that suffer under the usual methods that publishers use to price customers. While the number of sites or locations are a proxy for company size, they remain a poor proxy. For example, Nimonik has about 55 full-time employees, but we operate in Montreal, Oakland, Shanghai, France, and Dubai, and we have numerous remote workers. Our type of organization would be charged a very high price for standards, even though we are a relatively small company – reducing our ability to purchase a subscription and pushing us towards single user retail purchases for staff who need specific standards.

Core Users vs. Occasional Users

With nearly all products, there are power users who experience all aspects of a product and occasional users who only capture part of the value. This is equally true for standards. Certain companies require standards for their core product, for the development of their product, or for certification. These companies typically get more value out of a standard that is tied to the core business. Within the companies, certain users will be using the standards heavily (ex: design engineers) and others may only verify them occasionally. Whenever possible, pricing should take into account if a company and certain users are core users of a standard – and thus extracting more value – or if they are occasional users who obtain minimal value. Ideally, a standards subscription plan should reflect the customer's usage, since it would be perceived as unfair to charge both parties the same amount.

When a company has team members who only occasionally need a standard, they will often exclude the document in question from their subscription package and turn to a single-copy pdf, print, or even piracy. By making pricing flexible with regards to usage, you can potentially increase the number of subscriptions sold and the amount of content in those subscriptions – driving better revenue and higher retention of customers.

Geographic Pricing

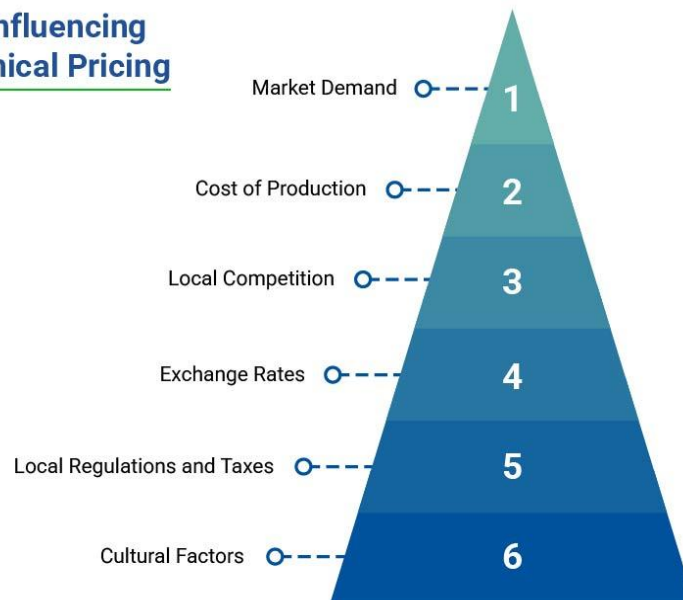
Certain countries have different purchasing power. In certain cases this is due to the level of economic development, but in many cases the purchasing power of a person or company is largely dependent on the exchange rate of their currencies at any given time. Regardless of the cause for this discrepancy, if prices remain the same for all geographies, companies in countries with lower purchasing power will inevitably be less likely to purchase standards and therefore turn to illicit alternatives.

While managing this imbalance across different geographies can create a sense of unfairness, there are ways to manage it properly. Linking the price of publications to the head office of the

company can be a first step. Once there is clarity on the location that drives pricing, a currency adjustment can be made to compensate for a strong US dollar.

For example, the music streaming service Spotify employs this method (in partnership with the record labels) to capture more market share. Spotify subscription prices range from \$0.56 to \$16.11 per month in different parts of the world. Nigeria, Egypt, and Pakistan are the cheapest places in the world and, unsurprisingly, Switzerland is the most expensive country.

Factors Influencing Geographical Pricing



By making the price more attractive in certain countries, you will likely communicate to customers that you understand their situation and are willing to collaborate. This behaviour is done by many companies around the world who sell globally and it has proven benefits. If you are not currently selling many standards in certain countries, modifying your prices based on geography allows you to convert new audiences into first-time users, and non-subscribers to subscribers. Done correctly, it can also discourage piracy – which is typically higher in territories of low purchasing power. Ultimately, flexibility in pricing by geography can drive net new revenue and improve your distribution.

Grandfathering

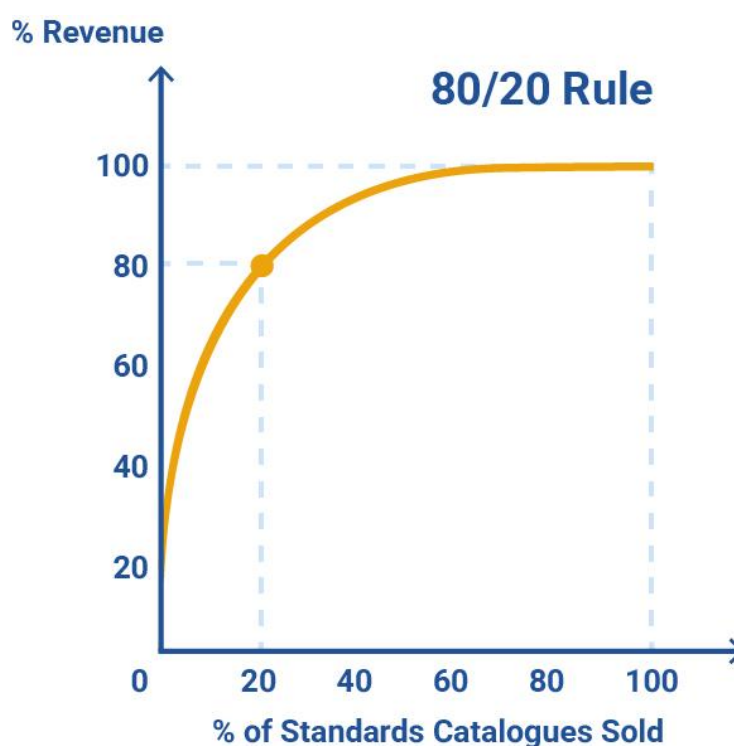
It is often traditional to grandfather old accounts on their previous pricing models. However, this is generally a bad idea. Grandfathering can create tiers of customers and, when you do it multiple times (which is inevitable in an organization that regularly updates their pricing), this quickly becomes unmanageable. Whenever possible, companies should be moved to a new pricing plan when it is put in place. To avoid grandfathering, the simplest solution is to implement annual price changes that are modest in size. For price changes to be successful,

the new plan cannot create massive increases in price and it must be acceptable to the customers. It is critical that fair prices align with customer needs, before being deployed in an organized and predictable manner through your distribution channels.

If grandfathered pricing is inevitable, a good practice is to label your pricing so that you can track it through time. For example, companies who are on a pricing format from 2020 should be labelled as such. As you introduce new pricing models, simply introduce new labels that can follow the customer through their buying journey and allow you to monitor returns by pricing cohort.

Advertisement-Supported Standards Distribution

Numerous companies offer ad-supported products for free or at a lower cost than their premium offerings. Examples include Roku Television systems, Spotify Music, ad-supported versions of Netflix, Disney+, etc. These ad-supported approaches allow you to generate revenue from your existing IP and live in parallel with paid offerings or even replace certain paid offerings. Generally speaking, the standards revenue for most publishers follows the classic 80/20 rule. Under this principle, publishers generate the bulk of their standards revenue from a small subset of high-demand standards. The remainder of their revenue comes from a long tail of interesting, but less popular standards.



Advertising is an easy and viable option to boost the revenue of less popular standards, so that they can be accessed for free and still improve the bottom line with advertisement support. This would also increase the awareness of your organization and its standards, potentially generating interest in your paid offerings.

Make Costs Visible

Another option is for standards publishers to publicly outline their costs for developing and maintaining standards. This can be used to set a minimum price for a standards subscription

and/or explain why certain standards are more expensive than others. Similar to how airlines list taxes, airport fees, and other surcharges for the client, standard publishers can highlight how much it actually costs to produce a standard and ensure its high quality.

Potential Action Item for Publishers

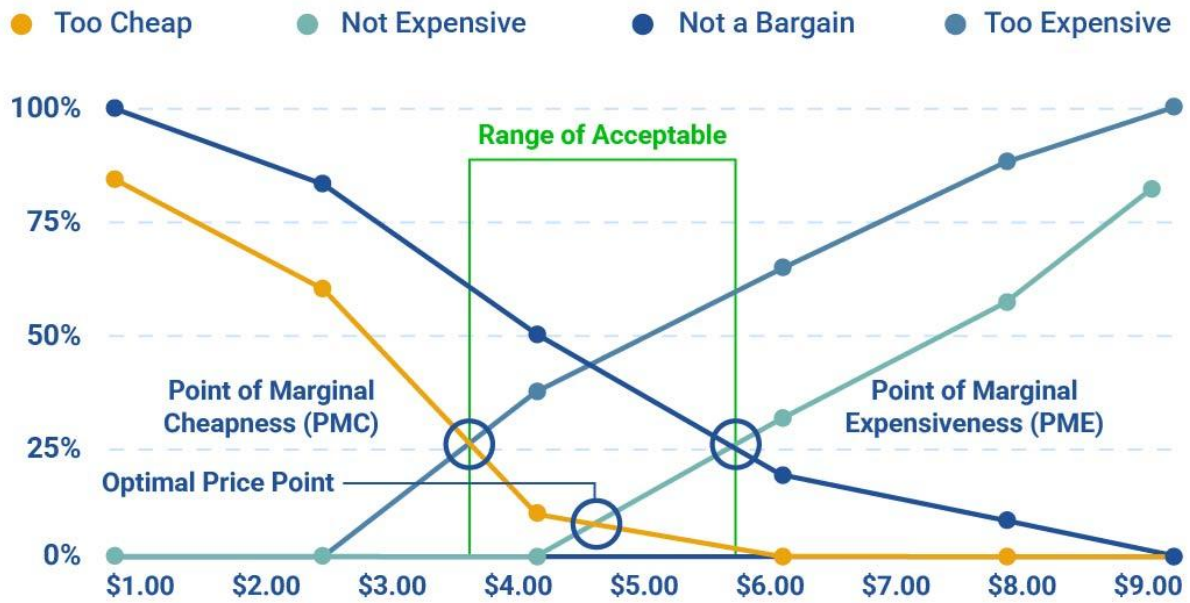
Publishers have a strong interest in controlling the pricing of their publications and ensuring they are aligned with best practices. To accomplish this, resources need to be spent on pricing research, communication, and adjustment. An easy starting point is with a pricing committee who engages with partners, end users, and publisher stakeholders (staff, management, technical committees...). They can organize discussion settings, conduct surveys, and propose changes to management. For certain publishers, it may be beneficial to bring in an external pricing expert to help in this exercise. Nimonik works with certain pricing experts and is happy to provide guidance. In short, publishers should determine if pricing can be improved (nearly always the case) and then develop a plan to improve on their pricing model. Ideally, these pricing models should then be reviewed annually.

Sample Survey for Pricing – Van Westendorp

The Van Westendorp survey is a simple and classic pricing survey which may be a good starting point for many publishers. The four questions are as follows:

1. At what price would you consider the product to be so expensive that you would not consider buying it? (Too expensive)
2. At what price would you consider the product to be priced so low that you would feel the quality couldn't be very good? (Too cheap)
3. At what price would you consider the product starting to get expensive, so that it is not out of the question, but you would have to give some thought to buying it? (Expensive/High Side)
4. At what price would you consider the product to be a bargain? (Great bargain)

The output looks like this:



The core insight of the Van Westendorp price sensitivity meter is the resulting overlap of “That feels expensive” with “Great bargain” to identify the most acceptable price points. It also provides a strong argument against outliers who claim that standards should be free.

Conclusion

In summary, optimizing subscription pricing for industry standards is a multifaceted endeavor that requires careful consideration of various business models, historical sales trends, and customer needs. The transition from one-time purchases to subscriptions presents significant opportunities for SDOs and NSBs to increase revenue, expand access to critical information, and ensure the continued development of high-quality standards. By shifting towards flexible, data-driven pricing models, publishers can better align with customer expectations and purchasing power, ultimately fostering long-term relationships and sustainable revenue streams.

The document has highlighted key principles and best practices for effective subscription pricing, emphasizing the importance of transparency, fairness, and a customer-centric approach. Implementing strategies such as fencing, ladders, and geographic pricing can help tailor offerings to diverse customer segments, while considering the differences between core and occasional users ensures equitable value exchange. Furthermore, embracing technology and value-added services can enhance the subscription experience, making it more appealing and justifying the cost. Regularly reviewing and adjusting pricing strategies in collaboration with partners like Nimonic is essential to adapt to evolving market dynamics and maintain a competitive edge.

It is crucial for SDOs and NSBs to recognize that pricing is not merely a transactional matter but a strategic lever that can significantly impact their mission and sustainability. By carefully balancing revenue goals with the broader aim of disseminating knowledge and promoting compliance, publishers can create a win-win scenario for themselves and their customers. Ultimately, well-structured subscription models facilitate wider access to standards, which in turn drives innovation, safety, and quality across industries.

In conclusion, the path to optimizing subscription pricing is an ongoing process that requires continuous evaluation, adaptation, and a willingness to engage with customer feedback. By embracing the insights and recommendations provided in this document, SDOs and NSBs can confidently navigate the complexities of the standards market and unlock new opportunities for growth and impact. This will ensure the long-term viability and continued success of these vital organizations in supporting global industries and fostering best practices.

Additional Resources

Spotify Costs Around the World

<https://www.androidauthority.com/how-much-does-spotify-cost-around-the-world-3360533/>

Lehrskov-Schmidt, Ulrik. The Pricing Roadmap: How to Design B2B SaaS Pricing Models That Your Customers Will Love (pp. 162-163). Houndstooth Press.

Confessions of the Pricing Man: How Price Affects Everything [Hermann Simon](#) (Author)

SBI Growth Research Library <https://sbigrowth.com/research-library>

About Nimonik

Nimonik was established in 2008 and services 900+ companies with software and content from 90+ standards publishers and regulations from 500+ jurisdictions around the world. Nimonik aims to help businesses and organizations structure and control the requirements they have for their operations, their products, and their services.

Global Standards and Regulatory Compliance Software

Organize and control requirements.

Comments and feedback are always welcome. Please contact Nimonik with any thoughts concerning the ideas in this document.

Please contact us at info@nimonik.com or **+1-888-608-7511** to discuss how we can help your standards publishing organization improve access to standards, deliver more value, and drive more revenue.

