

# Clear pricing. Fast deals. Big wins for Nearmap.

## The situation.

In its home country of Australia, Nearmap developed a licensing model that charged customers for the amount of data they consumed using the product.

Initially, this made sense because the more granular a customer wanted to view a specific location, the higher the data costs Nearmap would incur to provide it. With low data costs and limited competition in Australia, the company's powerful product enjoyed success. Nearmap imported that model to the U.S. market and quickly encountered difficulty closing sales. They struggled to penetrate small- and mid-sized customers, like real-estate developers and roofing or solar contractors and government contracts, and the enterprise customers they signed were at significantly discounted fees. They traced much of the problem to the data-usage pricing model, which made it difficult for customers to predict their costs when using Nearmap's solution. And in the U.S., unlike Australia, competitive options were readily available.

Nearmap engaged Software Pricing Partners (SPP) to devise a new licensing strategy that would help the company penetrate governmental and enterprise accounts, open small- and mid-sized company market segments, and scale the use of its solution within its customer base.

## The challenge.

Tasked with helping Nearmap improve its market penetration and long-term scalability, Software Pricing Partners identified several key challenges that needed to be overcome:

- The unpredictability of the data consumption pricing. Customers use the Nearmap solution in vastly different and inconsistent ways, making it difficult to predict the amount of data they consume in a given session or time period. This frustrated customers, who were vulnerable to surprisingly high bills at the end of the month, and slowed the decision-making process for potential customers.
- Shallow deployment within the company's customer base, particularly small- and mid-sized companies. Despite its product superiority, many customers were choosing to use the software for only a small portion of their business needs, because of the cost uncertainty of using it more consistently. Instead, they relied on other options (i.e., Google Earth) for some of their information needs, reserving Nearmap for only their largest and most critical projects.
- Nearmap leadership was initially cynical of their ability to establish an alternative to its data consumption pricing model that would be both fair to its customers and enable it to maximize revenue.



With new pricing that we implemented, we're closing small to mid-size deals in days and our enterprise pricing sales cycles have gotten smaller as well.

-Tony Agresta, Nearmap  
. Executive VP of Sales

Nearmap provides high-resolution, up-to-date aerial imagery to help its clients assess and measure work sites easily and accurately. Since being founded in 2007, Nearmap has evolved from a small online startup into a next-gen digital content leader and ASX 200 technology company. They offer business and government entities instant access to high-resolution aerial imagery, city-scale 3D datasets and integrated geospatial tools.

## The solution.

To properly revamp the licensing of the Nearmap solution, Software Pricing Partners dug deeply into the company's technology and target customer segments:

### Understanding the Customer

- SPP conducted a comprehensive review of how customers within each targeted segment used and derived value from the solution, including detailed interviews and observations, and a thorough study of product usage data.

### Understanding the Solution

- By immersing ourselves with company engineering and development teams into all aspects of the product's construction, we were able to identify if and how the product could support potential licensing alternatives.

### Defining New Licensing Options

- We designed, scored and ranked the impact of multiple licensing alternatives, then vetted them with customers to ensure they were understandable and would remove obstacles for buying the product.

Software Pricing Partners' engagement with Nearmap delivered significant and positive results, including:



Within the first month of rollout, closing rates skyrocketed to near 50%, and have held steady ever since.



SPP recommended carving out a previously embedded historical data archive—a valuable feature which allowed developers and government agencies to see precise changes to the view over time—and charging additional fees for this access.



Nearmap has secured more enterprise customers and significantly increased their average profitability



The company has greatly increased its penetration into small- and mid-market accounts, an entirely new market with strong growth potential.



Deal velocity has increased, with shorter sales cycles for both enterprise and small-to-mid sized deals.



We're shortening the time from initial conversation to the closed deal by having very succinct, clearly understood area-based pricing that we worked on with Software Pricing Partners—something that our customers can accept right away."

-Tony Agresta, Nearmap Executive VP of Sales

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