SYNOPSIS

Financing, discounted upfront pricing, monthly fees, value added services, and contract lengths are all variables that can be used to drive adoption, revenue, and profit. This research quantifies price sensitivity of demand for upfront and recurring prices and contract lengths and evaluates package combinations that can drive sales.

ANALYST INSIGHT

“The entry of low-cost, DIY security offers with professional monitoring fees priced well below the current market is not new. However, new players are combining aggressive pricing with significant marketing investment, making the potential for disruption more likely. Low-cost solutions certainly can help the industry by expanding the market, but at the same time, low-cost solutions have the potential to drive considerable churn among current subscribers.”

— Tricia Parks, CEO, Parks Associates

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