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The private equity guide to price increases

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Three 2026 cases of avoidable pricing friction, and a research-led approach to the next increase.

Abstract

The size of a price increase is only one part of the buyer's decision. Customers also interpret the billing period, the notice, the explanation, the scope they retain, and the reliability of the response when they ask a question. This paper examines three 2026 cases: Bitwarden's Premium repricing, Who Gives A Crap's subscription-notice error, and Amazon's Prime Video Ultra transition. They illustrate three different problems: a price change whose presentation drew transparency criticism, a modest increase miscommunicated as a dramatic quantity reduction, and a premium redesign that required some customers to repurchase an existing benefit. The public record does not establish that the three changes reduced profits or caused incremental churn. It does establish commercial questions an owner should answer before exposing a customer base. Pricing research can test whether buyers understand the actual bill, recognize the value claimed, accept the package change, and prefer the proposed offer to available alternatives. The paper translates those questions into a practical research and execution sequence for PE-backed businesses, with an explicit financial hurdle and customer-level measurement plan. The recommendation is to commission evidence about the decision and the communication together, rather than approve a percentage increase in isolation.

1 What the cases can teach an owner

An investor can be right that a business has price headroom and still approve a poorly designed increase. The proposed amount may be justified by customer value, while the implementation creates confusion, distrust, avoidable concessions, or an unexpected scope dispute. Better research should address both the economic offer and how the buyer experiences it.

The cases were selected for documented changes during 2026 and identifiable communication or packaging friction. They are a purposeful comparison, not a representative sample of price increases. "Poor handling" refers here to specific public criticism or an observed operational error. It does not mean the companies' financial strategies have been proved unsuccessful. Our proposed research tests are recommendations, not evidence that these companies failed to conduct research.

2026 case	Comparable price change	Problem examined
Bitwarden, January	US$10 to US$19.80 annually at the standard Premium rate; US$14.85 first renewal for eligible existing subscribers	Prominence and comprehension of the annual bill
Who Gives A Crap, July/August	A$66 to A$69.50 for 48 bamboo rolls, approximately 5.3%	An erroneous 24-roll notice reinforced by an AI support reply
Amazon, April	US$2.99 to US$4.99 monthly for the video add-on, approximately 66.9%	A price increase combined with moving 4K behind Ultra

The units and customer cohorts matter. The Bitwarden standard-rate change is not the first-renewal change for existing customers. Amazon's percentage applies to the add-on, not the entire Prime membership. The Who Gives A Crap quantity reduction was an error, not an implemented policy. Sources are discussed below.

2 Case one: Bitwarden and the bill customers must understand

The documented change

On January 21, 2026, Bitwarden announced an enhanced Premium plan at US$19.80 a year, expressed as US$1.65 per month billed annually. The previous annual price was US$10. Eligible existing Premium customers received a one-time 25 percent loyalty discount at their next renewal, making that charge US$14.85, before later standard renewals. The company specified notice 15 days before renewal and additional security and storage capabilities.[1, 2]

The standard annual increase was 98 percent; the discounted first renewal increased 48.5 percent. Treating every customer's immediate bill as doubling would misdescribe the migration. The distinction is important for both customer communication and an investor's revenue forecast.

The observed problem

In a February 1 column, Fast Company's Jared Newman criticized the prominence of the price change within a feature announcement, the timing of individual renewal notices, and emails presenting a monthly equivalent for annual-only billing without spelling out the annual total. The column reproduced customer objections to the communication. That is contemporaneous reported criticism, rather than a company admission of deceptive conduct. The official announcement now states the annual amount explicitly.[2]

The analytical problem is price comprehension. A monthly equivalent can help compare subscriptions, but the customer must still understand the amount that will be charged, when it will be charged, and how a temporary discount changes the following renewal. Feature value and bill clarity are separate propositions.

The pricing research that would answer the question

Test the actual renewal message, not a summary of it. Show customers a realistic notice and ask them to state, without prompting, their next annual charge, the subsequent annual charge, the effective date, and the options available. Misunderstanding on these questions is evidence about the communication even if the respondent remains willing to pay.

Then test the value proposition. Which added capabilities affect the buyer's workflow or risk? Which are already available through an alternative? Does the buyer prefer the richer offer at the new price, a narrower offer, or remaining with the existing arrangement if that were possible? These are choices to research, rather than benefits to assume because a feature has been added.

For a B2B company, repeat the exercise with the user, budget owner, and procurement audience where those roles differ. A notice that is clear to the daily user may not contain the information an approver needs to renew. The original customer reference price can also differ by contract vintage.

The PE implication

Require the actual before-and-after bill in the approval package. If there is a transition discount, show both the transition year and the standard renewal. Model eligibility and timing by cohort. The public sources here do not establish a reversal or an incremental churn effect; the lesson is to resolve comprehension and value questions before relying on the resulting revenue assumption.

3 Case two: Who Gives A Crap and a false quantity reduction

The documented change and correction

SmartCompany reported on July 8, 2026, that an Australian bamboo-toilet-paper subscriber had been told a delivery would change from A$66 for 48 rolls to A$69.50 for 24 rolls, with an August 6 effective date subsequently given in the support exchange. An AI-generated support reply reaffirmed the incorrect quantity. The company told the reporter that the intended new price covered 48 rolls, corrected the cause, disabled the email agent, and sent a correction. The actual increase was approximately 5.3 percent for the same quantity.[3]

The company's Australian product page separately lists the 48-roll recurring price at A$69.50, distinguishing it from a first-order offer.[4] There is no evidence in these sources that customers were actually billed the erroneous price for half the quantity. The report explicitly identifies the follow-up reply as AI-generated; it does not establish that the original typo was generated by AI.

Why this is a pricing problem as well as a support problem

The buyer evaluates price per relevant unit and the scope received. If quantity is wrong, the perceived increase can be radically different from the intended one. A modest price adjustment and a substantial shrinkage are not the same proposition, even when a notice uses the same total currency amount.

The second interaction matters because it is the customer's attempt to verify the offer. A support process that confidently repeats an incorrect term can turn a recoverable ambiguity into apparently authoritative confirmation. The customer is then making a decision about an offer the business never intended to make.

This is not solved by willingness-to-pay research alone. The price specification, authoritative account data, notice generation, and escalation workflow must agree. Research can identify what buyers understand and what they question; operational validation must ensure that the answer is correct.

The research and validation that would answer the question

Give customers the real notice and ask them to calculate the quantity and unit-price change. Use both ordinary and deliberately difficult scenarios: a package-size change, a credit, a promotional rate ending, or two similar product names. The purpose is to discover predictable misunderstanding before live exposure.

Test the clarification journey as well. Present an internally contradictory quantity or an implausible price change to the support workflow. Does it validate the account against the authoritative record, recognize the discrepancy, and escalate appropriately? A fluent response is not a successful response unless it conveys the correct commercial terms.

For enterprise contracts, apply the same logic to included users, minimum transaction commitments, service entitlements, and free periods. A headline rate increase can become a different economic offer if any of those dimensions changes. A complete contract-to-bill test should accompany the buyer-comprehension study.

The PE implication

Treat communication accuracy as an implementation gate. Customer research and operational testing are complementary investments. The observed correction and agent shutdown establish a concrete workflow failure; they do not establish the company's broader customer or earnings outcome. Avoid using the incident as a speculative churn estimate.

4 Case three: Amazon and the benefit that becomes an upgrade

The documented change

Amazon announced Prime Video Ultra in March 2026, replacing the Ad Free add-on from April 10. The US monthly add-on moved from US$2.99 to US$4.99. Ultra included higher stream and download allowances and exclusive 4K/UHD access; Amazon stated that Prime membership pricing did not change. Contemporary reporting reproduced the subscriber notice and identified the removal of 4K from the base service.[5, 6, 7]

The add-on increase was approximately 66.9 percent. That does not describe the percentage increase in the customer's entire Prime expenditure. The economically relevant comparison also includes entitlements: what the customer previously received, what remains included, and what now requires the premium tier.

The problem: new value and restored value are different

The supplier can describe an enhanced tier, while an incumbent focuses on the benefit it must now pay to retain. A household that values additional streams may see meaningful new utility. A viewer who mainly wants the same 4K experience may interpret the change through a different reference point.

Our criticism concerns that value-framing and migration tension. The official feature table discloses the 4K restriction, so this is not evidence of an undisclosed or accidental change. Nor do the cited sources establish unlawful conduct, a reversal, incremental churn, or a failed financial strategy. The lesson is to research the installed base's comparison, rather than infer acceptance from the vendor's account of the new bundle.

The research that would answer the question

Segment current customers by actual use and value: 4K viewing, ad sensitivity, concurrent streams, downloads, and the breadth of the wider membership relationship. These groups can evaluate the same package differently. The average response may conceal a concentrated problem among customers losing an important entitlement.

Test complete menus, including an option that retains the current benefit in the base tier and an option that moves it into premium. Ask respondents which offer they would choose, what they believe they would lose, and how they expect their bill to change. Test comprehension separately from perceived fairness and purchase choice.

For PE-backed software, the analogous risk appears when a governance feature, integration, report, or usage entitlement moves into a higher tier. A capability that looks like a new premium differentiator to the product team may look like a repurchase to an incumbent. Research the migration population separately from new prospects.

The PE implication

Approve the package migration and the rate change as one commercial decision. Model movement to lower tiers, upgrades, contraction, concessions, and cancellation relative to a credible baseline. Additional features do not establish that the customers paying more value those features enough to accept the revised exchange.

5 A common research sequence before an increase

The three cases point to different unknowns. A sensible research scope should distinguish them rather than commission a generic satisfaction survey.

1. **Define the full change.** Reproduce the old and proposed bill, scope, quantity, billing period, transition terms, and effective date for representative accounts.
2. **Understand the buyer's reference point.** Investigate delivered value, credible alternatives, prior commitments, purchase approval, and benefits the customer considers already included.
3. **Test the actual offer and message.** Measure bill comprehension, perceived value, fairness, and choice among realistic alternatives. These are distinct outcomes.
4. **Model the response.** Translate the evidence into segment-level assumptions for net realization, contraction, retention, migration, and cost.
5. **Validate execution.** Test quoting, notices, support, entitlements, invoicing, and exceptions against the authoritative commercial specification.
6. **Stage exposure and measure.** Use a credible comparison, retain the assigned population, and observe a window appropriate to the contract cycle.

The research should answer which policy to implement, with whom, and under which terms. It should also identify what remains uncertain and what evidence the rollout will supply. A framework helps specify the work; it cannot provide the missing customer observations.

6 Set a financial hurdle without inventing a safe increase

There is no universally safe percentage. The relevant tradeoff is incremental contribution on retained business versus contribution lost through the response. For a simplified homogeneous cohort, let g be the realized net increase, m the baseline contribution margin, and c the incremental quantity loss relative to counterfactual retained units:

$$\frac{\Delta K}{R} = g(1-c) - mc.$$

Ignoring additional operating expense, break-even incremental loss is $c^* = g/(m+g)$. At a 6 percent realized increase and 80 percent contribution margin, the simplified threshold is approximately 6.98 percent. This is arithmetic under stated assumptions, not a churn prediction or an acceptable loss target.

Include implementation cost, ongoing administration, concession leakage, concentration, and future expansion where material. Preserve ordinary expected churn in the baseline. A large account lost after the increase may dominate the economics, and the timing of renewals determines the current-year result.

Measure outcomes without price effects obscuring quantity. A higher renewal bill can mask fewer seats, lower scope, or a lost expansion. Track the comparable unit price, retained quantity, total net revenue, and contribution together. The purpose of the research is to narrow the response assumptions that drive this calculation.

7 Conclusion: research the increase customers will actually receive

The cases show why approving a percentage is insufficient. Bitwarden highlights the annual bill and transition path; Who Gives A Crap highlights quantity accuracy and the clarification workflow; Amazon highlights the distinction between adding new benefits and charging to retain an existing one. Each creates a specific question that management can research before rollout.

Pricing research should establish what buyers understand, which value claims matter, what alternatives constrain the decision, and how different segments choose among the proposed offers. Contract and operating data establish when the change is available and whether it can be delivered correctly. Together, those inputs produce a more defensible policy and financial case than an assumption that customers will accept an increase because costs rose or competitors charge more.

Curly's Consulting's **Pricing Transformation** combines size-of-prize modeling, primary buyer research and willingness-to-pay analysis, pricing and packaging design, and direct execution support. Commission a scope around the population, renewal window, offer, and customer questions that determine your increase. If the opportunity has not yet been assessed, the **Pricing Upside Report** provides conditional revenue and EBITDA scenarios and a prioritized action plan; it does not include original buyer research or implementation.

Research the next increase before exposing the base

Request a Pricing Transformation quote. If the first decision is whether the opportunity is material, buy the Pricing Upside Report.

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