

Beware! SaaS Marketing Hazards Ahead

Marketing software-as-a-service (SaaS) applications can be deceptive. On the surface, it looks a lot like marketing any other technology solution. You're building awareness, generating leads and supporting sales. You're using similar tactics as well: SEO, social media campaigns, events, email, or whatever else works.

But don't be fooled. Though the *goals* and *tactics* may be similar, the *strategy* is different. Not recognizing these strategic differences – in audiences, messages, and processes – can easily trip you up.

I'll point out a few of these hazards that you'll want to avoid.

Different Audiences

Attend to existing customers. First, a confession. When I marketed on-premise applications, I paid attention to existing customers only once a year... at the annual customer conference. These folks had paid their licensing fee already; marketing's job was to focus on *new* customers.

In the SaaS model, this is a recipe for disaster. [Marketing to existing customers](#) and renewing their subscriptions is essential. It costs a lot to win a customer; you can't afford to do it twice.

Educate procurement professionals. Put yourself in the position of the software procurement professionals. Over many years, they've developed their skills in assessing on-premise application contracts.

But then we drop a SaaS contract on their desk that's loaded with unfamiliar terms like "activation," "subscriptions," and "renewals." The result: the sales process comes to a skidding halt.

If Marketing can educate these procurement professionals, you'll see fewer red-lined versions of the contract bouncing back and forth, and a faster sales process.

Don't forget the CIO. Just because the SaaS application doesn't run in the data center doesn't mean the CIO doesn't care about it. In fact, a SaaS application puts that CIO in an uncomfortable spot: they don't control the solution, but they still get angry calls when it's not available.

For broad enterprise deployments, it's hard to simply sell around the CIO, so include the CIO among your target audiences. Show them your comprehensive policies and practices for security, performance, reliability and integration. Win their confidence and trust.

Different Messages

SaaS is a promise, not a product. When customers buy a licensed on-premise product, what they've bought is what they get. They'll enjoy the benefit of whatever functionality is in the product on the day they purchase it. Upgrades and enhancements are extra.

Not so with SaaS. Customers are buying an on-going stream of services to be delivered over the lifetime of the subscription. They're entering into a long term relationship with the SaaS provider, trusting that they'll reliably receive an increasingly valuable service over an extended period.

SaaS marketers need to earn that trust from prospective customers. You should show that you've consistently delivered valuable enhancements in the past, and that you have a realistic roadmap for delivering useful enhancements in the future.

Wrong Processes

Avoid burn-out. Remembering my own experience with licensed on-premise applications, we introduced a new version every 18- 24 months. We girded ourselves for a major launch – press & analyst briefings, events, introduction campaigns, etc. – and then caught our breath.

With a SaaS application, there's usually not much time to catch your breath. New features are sometimes pushed out quarterly or monthly. I've even heard of enhancements delivered daily!

In this faster-moving environment, the old product introduction process fails. You'll be forever struggling to keep up, and exhausted besides.

Spend carefully. The traditional on-premise model with its large, up-front license fees, gave us marketers some room to cover over ineffective programs.

With SaaS, there's less room for error. All the costs of acquiring a customer are paid up-front, while the revenues come in over the life of the subscription. SaaS marketers need to rigorously measure what programs are working and what's not, and make adjustments quickly. If a dollar spent on marketing is bringing in 70 cents of customer revenue, it's time for a change... and fast.

About the author

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