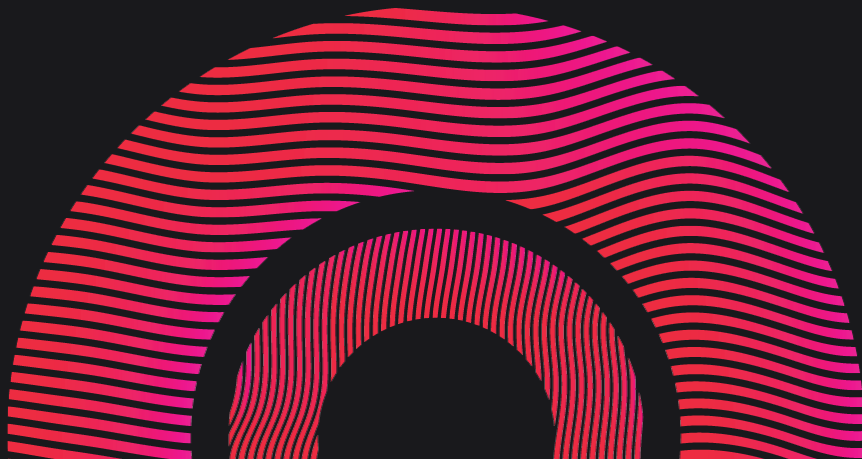



SaaS Stock

SaaS marketing:
A guide to marketing
your SaaS business





For growing SaaS companies, marketing is one of the most important ingredients fuelling your growth. Every company needs customers. And no matter how good your product is, you won't get any customers if no-one knows you exist. That's where marketing comes in.

This will be most relevant to early and growth stage SaaS founders and executives who are just getting started with their marketing efforts. Maybe you've never 'done' marketing before, or maybe you've got a team in place but are struggling to see results from your marketing activities.

(If you're a more experienced SaaS founder or SaaS marketer, but you're looking for marketing inspiration, [click here](#) to watch some of the top marketing sessions from SaaSStock 19. It's the perfect chance to learn from some of the superstar speakers who graced our stage in Dublin.)

This takes you through the essentials of marketing a SaaS solution: how it differs from traditional marketing, how to create a marketing strategy, and how to get started. It'll help you identify your top priorities, understand how to measure success, and get started marketing your SaaS business.






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An introduction to SaaS marketing

What is marketing?

Let's start with a definition:

Marketing

Noun



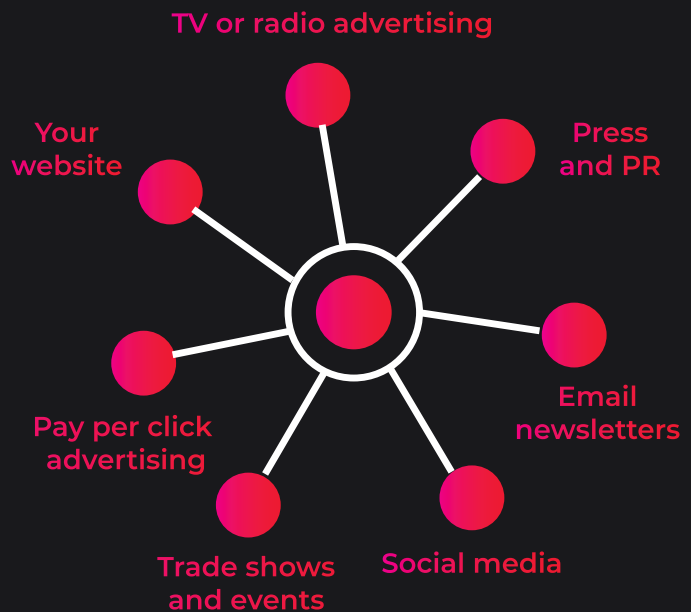
the action or business of promoting and selling products or services, including market research and advertising.

Marketing is how potential customers find out about your business. It covers everything from what you post on social media, to what goes on your banner at a trade show.

Marketing is a very broad discipline: there are dozens of different channels you could use. Trying to choose between channels, or tackling lots of channels at once, can be overwhelming.

So remember: you don't need to use every marketing channel available. Not all channels will be a good fit for your business.

As an example, here are some of the biggest marketing channels:



And there are dozens more. I look more closely at different marketing channels and strategies in this article.

An introduction to SaaS marketing

How is SaaS marketing different from other types of marketing?

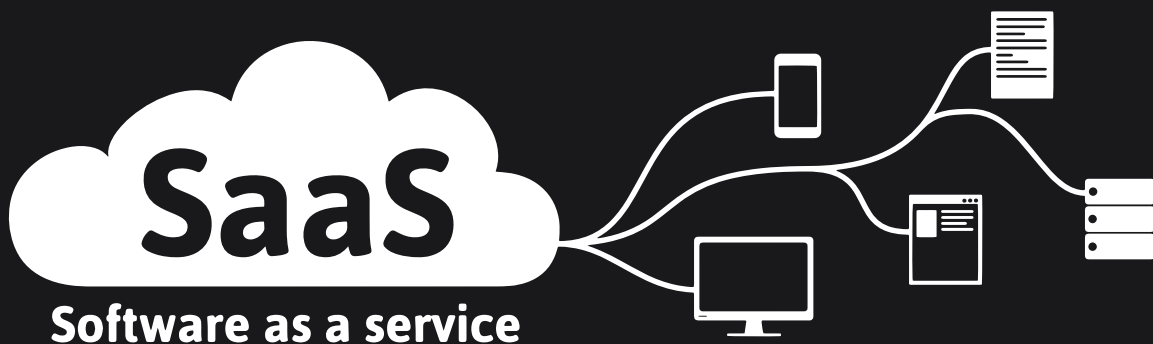
To quote  CoSchedule:



SaaS marketing is the process of promoting and selling a software product with license, or recurring revenue, cashflow.

There are several challenges unique to SaaS marketing:

- You're selling something intangible, not a physical product
- You're selling a service, not a product
- SaaS is a crowded market, especially if you're moving into an already established category
- You're competing against other startups - and also the status quo, people's established ways of working and solving whatever problem your SaaS solves



An introduction to SaaS marketing

But there's one thing unique to SaaS that makes marketing particularly important. And that's the way it generates revenue.

Recurring revenue is the lifeblood of any SaaS business:



Recurring revenue is the heart of every subscription business, and a key reason for the explosion of SaaS as a business model in recent years.

ChartMogul

This means customer retention is critical - perhaps more so than in any other industry. Your marketing has to cater for a much longer customer lifecycle than in other industries.

Not only do you need to **attract** customers in the first place, you also need to keep them **engaged** with your product and **convinced** of the value you're providing.

You're marketing for new, existing, and former customers - all at once.



An introduction to SaaS marketing

So why do SaaS companies need a marketing strategy?

Competition in the SaaS space is fierce - and it's going to get tougher in the years ahead:

75%

of cloud workloads will be SaaS by 2021.

(Cisco Global Cloud Index)

\$1 trillion

the mark that the cloud computing market worldwide is expected to cross by 2024.

(Market Research Media)

SaaS companies need to find a way to stand out from the crowd. It's no longer enough to "build it and they will come". In the hugely competitive SaaS space, marketing is essential for telling people about your business, and showing why you're the best option for your potential customers.

Here are three reasons marketing is essential for growing SaaS companies:

1

For business growth

To grow your revenue, you either need to find new customers or convince the ones you've got to buy more from you. Marketing plays a critical role in both of these scenarios.

2

For differentiation

Given the choice, why should a potential customer choose you over your competitors? Marketing helps communicate your unique advantages to potential customers so they understand you're the best option for what they need.

3

For building trust

How often do you hesitate when shopping online, faced with an unknown brand? Brand is a crucial part of marketing, and for SaaS startups brand building can be the difference between success and failure.

An introduction to SaaS marketing

While it's important to run marketing campaigns for the reasons outlined above, it's just as important to have a clear marketing strategy in place. Here are three reasons why SaaS companies need a marketing strategy to guide your execution:

1

To give your marketing direction

Your marketing activities should all have a clear goal.

Otherwise you run the risk of simply creating a load of content, or running a bunch of adverts with no purpose.

2

To make the best use of your budget

Unless you have infinite money, your marketing efforts will be run on a strict budget.

A marketing strategy will make it clear how to divide that budget between different channels and activities.

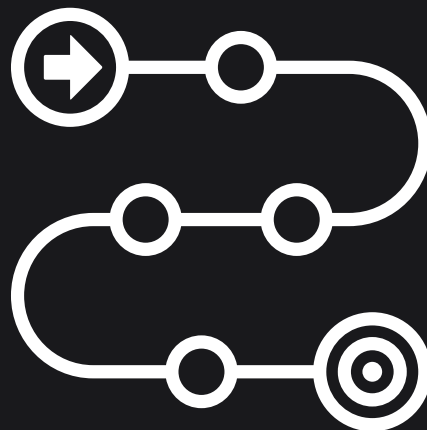
3

To define success

Your top-level marketing strategy will be set in line with your business goals.

You'll set targets for different channels that feed in to your top-level goals. This ensures your marketing activities drive real business growth, rather than chasing vanity metrics.

Marketing should form an integral part of your startup business plan - just like your product roadmap and sales targets - and should be just as thought-out.



Getting started: the foundations of your SaaS marketing strategy

How do you get started with SaaS marketing?

Before your team jumps in and starts executing, it's important to lay the foundations. Here are five things to think about before running your first marketing campaigns:

Choose your market

You've got an awesome product. Everyone's going to love it, right?

Wrong. If you try to market to everyone, you'll end up missing the mark and appealing to no-one. That's why it's important to identify a niche market to target.

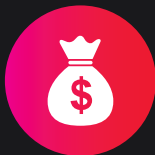
How do you choose a target market?

There are three main factors to consider:



Market size

How many potential customers are in your target market? Is it big enough to sustain your startup - plus some competitors?



Wealth

Is there money to spend on your product?



Competition

How many competitors are already in that market? Is your product offering compelling enough to appeal within a crowded market?

Getting started: the foundations of your SaaS marketing strategy

Identify your ideal customers

At the highest level, is your SaaS B2B (business-to-business) or B2C (business to consumer)? Is it a marketing tool, a sales tool, a communications tool...

When thinking about your ideal customers, keep two things in mind:

- Who will use your product?
- Who will buy your product?

In B2C, it's likely to be the same person. But in B2B, the end user and the budget holder are likely to be different people.

This affects your entire marketing strategy, as you'll need to understand the needs and motivations of each party, in order to effectively market your SaaS.



Getting started: the foundations of your SaaS marketing strategy

Agree on key messages and value proposition

Once you know your market and your ideal customer, you can think about your value proposition.

As a starting point, consider your product from your customer's point of view.

- 1**
What does your product do for your ideal customer?
- 2**
What problems does it solve for them?
- 3**
How does it improve their life or work?

Once you've got answers for those questions, take a look at some of your SaaS competitors.

- 1**
How do they describe their product and the value it provides their customers?
- 2**
What makes your SaaS different?
- 3**
Why should customers choose you, not your competitor?

Crucially, don't do this the other way around, and start by looking at your competitors. Otherwise you run the risk of borrowing heavily from their marketing, and positioning yourself as a copy of them, rather than something new.

Getting started: the foundations of your SaaS marketing strategy

Set a budget

David Skok attributes high customer acquisition costs as one of the leading causes of startup failure:



...the second biggest cause of startup failure: the cost of acquiring customers turns out to be higher than expected, and exceeds the ability to monetize those customers.

How much can you afford to spend on your SaaS marketing strategy?

It's important that, in the long term, the amount you spend acquiring new customers doesn't exceed the amount of revenue each customer generates.

If you don't have any customers yet, or just a handful so you don't yet have a good idea of your customer lifetime value, it's OK to take an educated guess.



Setting a budget early on - even if it's based on guesswork - will help focus your marketing efforts. You won't be tempted to try everything all at once; you'll be more likely to test new channels gradually and build upon what's already working.

Getting started: the foundations of your SaaS marketing strategy

Define success

What is the goal for your marketing?

- Driving free trial sign-ups?
- Generating new leads?
- Building brand awareness?

For many startups you'll have several goals, but to maximise your chances of success, **pick one** that's most important for your growth, and focus all your marketing efforts on that goal. This is your North Star metric, which Grow defines as:



The one metric that matters—it's a specific metric that best captures the core value your product delivers to customers. Focusing on and optimizing company-wide efforts to improve your NSM is key to driving long-term sustainable growth in your company.



Success is different for every startup - and it'll change over time as you grow and your product evolves. Some may define it based on sign-ups, trial conversions, revenue or profit. It doesn't matter how you define success, as long as it's tied to real growth, not vanity metrics.

A word of warning: The easiest way to undermine the success of your marketing efforts is to move the goalposts every single month - especially if one month you're targeting new sign-ups, and the next you're focused on trial conversions. Define what success looks like for your marketing efforts - and stick to it.

Creating a marketing strategy

Once you've got the foundations in place, you can start to build your marketing strategy. There are three key components:

1 Set targets

We just looked at the importance of defining success for your marketing efforts. When you're setting out your marketing strategy, it's time to translate that into clear, actionable targets:

- If your success metric is new sign-ups, how many do you need each month to grow your SaaS?
- For trial conversions, what's your current conversion rate, and what are you aiming for?
- Or if your success metric is revenue, what's an ambitious but not unachievable target? Break that figure down into number of sales, and use that as the basis for your marketing targets.

You may have other, additional targets for your marketing efforts. For example, leads generated or increased brand awareness.

It's good to have goals in these areas (which are both areas that marketing can directly influence, unlike revenue targets). But be careful you don't just chase ever-higher numbers there without translating any of those gains into real business growth.



Creating a marketing strategy

2 Choose channels

The next step is to choose the marketing channels you want to start with. This article offers a run-through of 25 common SaaS marketing strategies, explaining what each is, and how to tell if that strategy is a good-fit for your business.

As a starting point, here's a short list of marketing channels that offer a good starting point for many startups:



**Social media
marketing**



**Content
marketing**



**Email
marketing**



**Pay-per-click
marketing**



**Product
marketing**

These offer a mix of short-term and long-term returns, and balances lead generation with brand building. So while this list won't be a perfect fit for all SaaS companies, you may find it a good starting point when choosing your own marketing channels to focus on.

Creating a marketing strategy

Alternatively, you may have strengths on the team that allow you to focus in other areas. For example video or podcasting, or you may have budget to invest in other areas, like marketing to your customers face-to-face via event marketing.

Here are the key considerations for choosing an initial mix of channels for your SaaS marketing:

- ✗ Don't put all your eggs in one basket** - don't just focus on one marketing channel. If that suddenly becomes really expensive, or stops delivering good-fit leads, that can cause real problems for your startup.
- ✗ Don't just opt for short-term wins** - some marketing channels can offer immediate (or very short-term) returns, for example pay-per-click advertising. Over the long-term these are expensive if you rely on them as your main source of leads.
- ✗ Don't just opt for long-term wins** - it's important to invest in marketing channels that compound over time, like content marketing. But that takes time to deliver and reach peak effectiveness. Your startup can't afford to wait 6+ months to for your content to start bringing in new leads and customers.

Creating a marketing strategy

3 Measure success

To quote Peter Drucker:



*If you can't measure it,
you can't improve it.*

Once you've set targets, chosen the channels you're going to run with, and started executing, it's important that you keep an eye on your marketing performance to know what's working and what's not.

As well as your North Star metric, here are some marketing-specific metrics to track:

- ✓ **Unique website visitors** - the number of people that visit your website over a particular period of time (normally a month)
- ✓ **Email subscribers** - people who have subscribed to your newsletter or mailing list. They're interested in what you're saying, but not necessarily what you're selling.
- ✓ **Leads** - visitors to your website who have filled out a form, usually in exchange for some content or on your 'contact us' page.
- ✓ **Marketing qualified leads (MQLs)** - a lead who has been deemed more likely to become a customer compared to other leads. This qualification is based on what web pages a person has visited, what they've downloaded, and similar engagement with your content.
- ✓ **Free trial or demo requests** - these demonstrate genuine interest in your SaaS product. But for each of these keep an eye on your conversion rates: if hardly anyone turns into a paying customer, then high numbers of trials or demos are just vanity metrics and don't deliver real growth.

Creating a marketing strategy

4 Start executing

Now's the time to get started with your SaaS marketing. Start running campaigns, producing content, sending emails...

You've laid the foundations, now's the time to start executing, bringing in new leads and building brand awareness for your business.

As a reminder, here's a short list of marketing channels that offer a good starting point for many SaaS startups:



Social media marketing

Being present and active on social media helps your SaaS startup look more legitimate, which is crucial for building trust with your earliest customers. It also gives potential customers a direct way to contact you, making it the perfect channel for engaging with new and existing customers.



Content marketing

This is where you share helpful resources such as blog posts, podcasts and videos, to attract and engage your target audience. Content marketing is used to build trust with your potential customers, and to position your SaaS as a reliable solution to their challenges. Content marketing is a long-term marketing strategy if you want to generate organic traffic and leads, so is best combined with channels that offer shorter-term returns.

Creating a marketing strategy

4

Start executing...continued



Email marketing

Email marketing isn't a new channel, but it still delivers. It can be incredibly effective for most SaaS startups: it gives you a way to communicate directly with your prospects. It's also easy to get started - you don't need thousands of people on your mailing list before you send your first email.



Pay-per-click marketing

Simply put, PPC is a way to pay for relevant traffic to your website. You pay a fee every time someone clicks on one of your adverts. It can deliver a boost in traffic almost instantly, so works well combined with content marketing: people see and engage with your content before it starts driving organic traffic to your site.



Product marketing

Product marketing is how you market your product to your customers, with a key focus on positioning and messaging. This includes deciding on messaging ahead of launch, ensuring that your marketing and sales teams understand the product and key messaging, and ensuring that your customers understand the product. Product marketing is worth including in your marketing mix to help align all your marketing and sales materials with your product functionality as it develops.

Key takeaways

For SaaS founders and executives, getting your marketing right - generating leads, and aligning with sales - is incredibly important.

There was a lot of information in this article, so here are five key takeaways to consider when planning your marketing activities:

- 1** Not all marketing channels will be right for you. Don't feel the need to do everything at once.
- 2** Start small, and build out your marketing process as you grow and learn.
- 3** Your marketing strategy is essential for success. Don't be tempted to skip it and just 'see what happens'.
- 4** When choosing marketing channels and tactics, choose ones that offer a mix of long and short-term returns, so you're not overly reliant on one channel for growth.
- 5** Measure what matters. Focus on metrics that deliver real business growth, rather than chasing vanity metrics.



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