TSL Marketing
plan • develop • manage

INSIGHTS FROM 330 SaaS MARKETERS

/// **SaaS MARKETING CHALLENGES AND OPPORTUNITIES**///

OVERVIEW

TSL Marketing
plan • develop • manage

Full-Service Marketing Agency

GLOBAL | INTEGRATED | AGILE

Full-Service Agency
Full-Service provider of marketing solutions and services
B2B Technology Marketing Experts
24 Years of Marketing Excellence

Integrated, Agile & Closed-Loop Marketing (SMART)
We implement integrated, agile, closed-loop marketing methodologies to maximize the value of marketing activities and ROI.

Global in Scope, Local in Focus
Locations and partners across the globe that understand local market requirements.

TSL Marketing
plan • develop • manage

WHO DO WE SERVE?

RECOGNIZED, KNOWN, TRUSTED

TSL has 24 years of global technology marketing experience in developing strategy and executing marketing efforts.

✓ **SaaS Providers**

✓ **VARs / Solution Providers**

✓ **Managed Services Providers**

✓ **Technology Manufacturers**

✓ **Independent Software Vendors**

✓ **Distributors**

TSL Marketing
plan • develop • manage

A GROWTH AGENCY SERVING B2B TECH FOR 24 YEARS

We offer a comprehensive portfolio of **Growth Services** to support strategic marketing initiatives along with pipeline and revenue growth.

Get Found by Those Searching

► Search Engine Optimization (SEO)

► Paid Search Ads

► Web Conversion Optimization

Build Awareness of Your Firm, Offerings & Expertise

► Social Media Management

► Paid Social Ads

► Marketing Automation Management (Nurture Campaigns)

► Creative Content

Build Sales Pipeline & Win New Customers

► Outbound Lead Generation

► Responder Follow-up and Qualification

► Lead Nurturing and Progression

TSL Marketing
plan • develop • manage

SURVEY RESULTS AND RECOMMENDATIONS FOR SaaS MARKETERS

SURVEY TARGETS

TSL surveyed hundreds of SaaS marketing leaders across North America. Our intent was to identify marketing best practices specifically for SaaS companies. We found the survey results were both exciting and insightful!

330

Total SaaS company survey responders

25-1,000

Survey targeted SaaS providers with 25 to 1000 employees

82%

% of responders were Director level or above within their SaaS organizations

TSL Marketing
plan • develop • manage

INSIGHTS FROM 330 SAAS MARKETERS

TSL Marketing collected 330 survey results from SaaS marketers. The responses were candid and insightful around the biggest marketing challenges faced by SaaS companies. Based on the responses and our experience, we have included *5 Key Recommendations for SaaS Marketers.*

Following our recommendations are the survey results.

We hope you enjoy this report. Feel free to reach out with comments or questions!

David English
443.718.4252 denglish@tslmarketing.com

TSL Marketing
plan • develop • manage

KEY RECOMMENDATION #1

Have a clear, focused and consistent strategy.

A clear and consistent business strategy is essential for success. This means having strong definition around who you are targeting and what your value proposition is to your audience.

Your value proposition should be easily understood and articulated by everyone in your organization. Adjusting your business plan and messaging based on marketing conditions is fine but can set your marketing efforts back tremendously depending on how you pivot.

An ongoing evolution of your messaging is better than frequent shifts that negate your existing messaging and digital presence. Having a clear strategy sounds simple, but the data shows that this is a common struggle for SaaS marketers.

TSL Marketing
plan • develop • manage

Align marketing and sales.

SaaS marketers consistently expressed that aligning sales and marketing is a challenge. Many also struggle with MQL to SQL conversion rates.

TSL Marketing has written about this topic over the years and recommends that SaaS marketers have documented agreements with the marketing team they support. This should include clear definitions of leads that will be passed to sales, the level of effort the sales team should place on these leads, and how sales should document their effort.

Additionally, companies who successfully implement a nurture program for the leads that are not passed to sales have a higher propensity to eventually progress those leads to closure.

TSL Marketing
plan • develop • manage

Get your entire organization to support your content strategy.

A common theme among SaaS marketers is the inability to create enough content for their needs given their budget. Obtaining a bigger budget for content is easier said than done.

A more practical recommendation is that content creation should be shared more broadly across the organization and not rest solely on the shoulders of marketing. This doesn't mean everyone in the organization has to be an expert writer, but your broader team may be able to assist with a variety of content types, ideas and generation.

TSL Marketing
plan • develop • manage

Build your brand and not just your MQLs.

SaaS firms spend a lot of money on digital advertising (over 36% spend >$10k a month). Yet only about 2% of SaaS marketers place importance on impressions.

Given that, it's not surprising that many SaaS marketers are missing the mark on how brand awareness can impact qualified lead conversion. TSL's own market testing has shown, for example, that the exact same content targeted at the exact same audience can have a 3x delta in performance simply due to a logo change. The value of a brand is evident in conversion rates. We should note that for larger firms with multiple brands, awareness is needed at more than just the company level. It is also needed at the brand or product level.

We recommend SaaS marketers get intentional about awareness and nurture marketing by having a detailed impression marketing and nurture plan. This additional focus will help boost ROI including lowering your cost per MQL and increasing MQL to SQL conversions.

TSL Marketing
plan • develop • manage
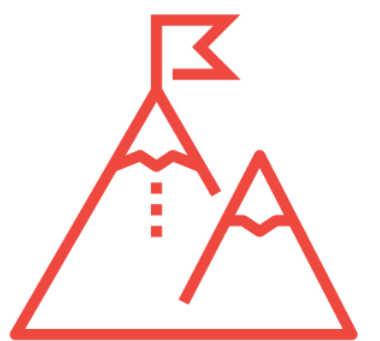
Leverage channel partners.

59% of SaaS marketers sell through the channel as one of their routes to market. However, almost none of the open-ended comments by SaaS marketers mentioned the channel.

Among other pros, the channel can be a great source of content. Co-creation of content with channel partners can extend your content dollars and give channel partners greater interest in proactive marketing of that content to their own customers and prospects.

In addition, channel partners can help you extend your marketing dollars through joint marketing campaigns. This can be especially helpful when you are resource constrained in going after multiple market segments.

TSL Marketing
plan • develop • manage

SAAS SURVEY RESULTS

SURVEY QUESTIONS

1. Who do you market and sell to?

2. Do you sell your Software direct to the customer or through a channel?

3. Is your Software company venture capital (VC) funded?

4. How many Marketing team members do you have on staff?

5. What type of leads are important to you?

6. How would you rate the quality of the leads you generate and pass on to sales on a scale from 1 (poor quality) to 5 (excellent)?

7. Is your website generating new leads and customers for your Software?

8. How much do you invest in Digital Advertising per month (SEM, PPC, Social, etc.)?

9. Have you ever engaged with a marketing agency for any of the following activities?

10. What are the top 3 challenges related to your marketing strategies, plans and activities?

TSL Marketing
plan • develop • manage

WHO DO YOU MARKET AND SELL TO?

1

Most SaaS firms targeted other businesses with only a handful exclusively focused on B2B or B2C.

- B2B (Business-to-Business) – 314 (261 were exclusive B2B)

- B2G (Business-to-Government) – 34 (4 were exclusive B2G)

- B2C (Business-to-Consumer) – 40 (11 were exclusive B2C)

TSL Marketing
plan • develop • manage

DO YOU SELL YOUR SOFTWARE DIRECT TO THE CUSTOMER OR THROUGH A CHANNEL?

2

A majority of firms surveyed sell Direct and through Channels. A substantial minority of firms surveyed (41%) sell only direct.

- Direct to the Customer – 316 (136 are exclusive Direct)
- Channel – 194 (14 are exclusive Channel)
- Both Direct and Channel - 180

TSL Marketing
plan • develop • manage

IS YOUR SOFTWARE COMPANY VENTURE CAPITAL (VC) FUNDED?

3

Our survey responders were evenly split between firms funded with venture capital and firms not funded from venture capital.

VC funded responders have slightly bigger marketing teams and spend slightly more than their non-VC funded counterparts, but not substantially so (next slide).

Category	Number	% of total
No	162	49.09%
Yes	168	50.91%

TSL Marketing
plan • develop • manage

SAAS FIRMS WITH VC FUNDING (COUNT = 168)

Mktg Team Size	Total Audience	% of total Audience	VC Funded	% of VC funded
0 Team Members	1	0.30%	2	1.19%
1 Team Member	13	3.94%	0	0.00%
2-3 Team Members	92	27.88%	36	21.43%
4-9 Team Members	123	37.27%	68	40.48%
> 10 Team Members	101	30.61%	62	36.90%

Lead Quality (1 low, 5 high)	Total Audience	% of total Audience	VC funded	% of VC funded
1	6	1.82%	2	1.19%
2	22	6.67%	9	5.36%
3	139	42.12%	75	44.64%
4	126	38.18%	66	39.29%
5	37	11.21%	16	9.52%

Digital Spend	Total Audience	% of total Audience	VC Funded	% of VC funded
$0	18	5.45%	4	2.38%
<$1k	40	12.12%	10	5.95%
$1,001 to $2,500	56	16.97%	24	14.29%
$2,501 to $5,000	52	15.76%	25	14.88%
$5,001 to $10,000	44	13.33%	27	16.07%
$10,001 to $25,000	60	18.18%	39	23.21%
> $25,000	60	18.18%	39	23.21%

TSL Marketing
plan • develop • manage

HOW MANY MARKETING TEAM MEMBERS DO YOU HAVE?

68% of firms surveyed have more than 4 people on their marketing staff with over 30% having more than 10. The nature of SaaS marketing requires sophisticated marketing teams and skills.

4

Category	Number	% of total
0 Team Members	1	0.30%
1 Team Member	13	3.94%
2-3 Team Members	92	27.88%
4-9 Team Members	123	37.27%
> 10 Team Members	101	30.61%

TSL Marketing
plan • develop • manage

WHAT TYPE OF LEADS ARE IMPORTANT TO YOU?

5

Note how few marketers are focused on "impressions." We believe this is due to difficulties in measuring awareness and a focus on immediate results. We suspect this also drives up paid ads targeting only immediate purchasers versus building a long-term audience and mindshare.

Category	Number
Impressions	6
Marketing Qualified Leads (MOFU-Middle of Funnel Leads)	26
Marketing Qualified Leads (MOFU-Middle of Funnel Leads), Sales Qualified Leads (BOFU-Bottom of Funnel Leads)	53
Responders (TOFU-Top of Funnel Leads)	11
Responders (TOFU-Top of Funnel Leads), Marketing Qualified Leads (MOFU-Middle of Funnel Leads)	10
Responders (TOFU-Top of Funnel Leads), Marketing Qualified Leads (MOFU-Middle of Funnel Leads), Sales Qualified Leads (BOFU-Bottom of Funnel Leads)	163
Responders (TOFU-Top of Funnel Leads), Marketing Qualified Leads (MOFU-Middle of Funnel Leads), Sales Qualified Leads (BOFU-Bottom of Funnel Leads), Impressions	1
Responders (TOFU-Top of Funnel Leads), Sales Qualified Leads (BOFU-Bottom of Funnel Leads)	10
Sales Qualified Leads (BOFU-Bottom of Funnel Leads)	49
Sales Qualified Leads (BOFU-Bottom of Funnel Leads), Impressions	1
Impressions - All	8
Responders (TOFU-Top of Funnel Leads) - All	195
Marketing Qualified Leads (MOFU-Middle of Funnel Leads) - All	253
Sales Qualified Leads (BOFU-Bottom of Funnel Leads) - All	267

TSL Marketing
plan • develop • manage

HOW WOULD YOU RATE THE QUALITY OF THE LEADS YOU GENERATE AND PASS ON TO SALES ON A SCALE FROM 1 (POOR QUALITY) TO 5 (EXCELLENT)?

6

Just over half of responders rated their leads average or below. Only 11% gave their lead quality an excellent rating. Note that these results are from people in marketing (vs sales or other areas).

There is not a lot of correlation in responders of ad spend and team size in terms of lead quality (next slide). However, the largest marketing teams of 10+ people are more likely to have higher perceived lead quality.

Category	Number	% of total
1	6	1.82%
2	22	6.67%
3	139	42.12%
4	126	38.18%
5	37	11.21%

TSL Marketing
plan • develop • manage

SAAS FIRMS WITH 4/5 LEAD QUALITY (163)

Category	Total Audience	% of total Audience	4/5 lead quality	% of 4/5 quality
Impressions - All	8	2.42%	4	2.45%
Responders (TOFU-Top of Funnel Leads) - All	195	59.09%	98	60.12%
Marketing Qualified Leads (MOFU-Middle of Funnel Leads) - All	253	76.67%	128	78.53%
Sales Qualified Leads (BOFU-Bottom of Funnel Leads) - All	267	80.91%	134	82.21%

Digital Spend	Total Audience	% of total Audience	4/5 lead quality	% of 4/5 quality
$0	18	5.45%	12	7.36%
<$1k	40	12.12%	15	9.20%
$1,001 to $2,500	56	16.97%	25	15.34%
$2,501 to $5,000	52	15.76%	19	11.66%
$5,001 to $10,000	44	13.33%	26	15.95%
$10,001 to $25,000	60	18.18%	34	20.86%
> $25,000	60	18.18%	32	19.63%

Mktg Team Size	Total Audience	% of total Audience	4/5 lead quality	% of 4/5 quality
0 Team Members	1	0.30%	0	0.00%
1 Team Member	13	3.94%	5	3.07%
2-3 Team Members	92	27.88%	39	23.93%
4-9 Team Members	123	37.27%	57	34.97%
> 10 Team Members	101	30.61%	62	38.04%

TSL Marketing
plan • develop • manage

IS YOUR WEBSITE GENERATING NEW LEADS AND CUSTOMERS FOR YOUR SOFTWARE?

7

The need for a top-quality digital presence should seem obvious for SaaS organizations. Most all SaaS firms generate leads and customers from their website, although a handful do not.

Category	Number	% of total
No	39	11.82%
Yes	291	88.18%

TSL Marketing
plan • develop • manage

HOW MUCH DO YOU INVEST IN DIGITAL ADVERTISING PER MONTH (SEM, PPC, SOCIAL, ETC.)?

8

There is a strong variation in digital advertising budgets with most every SaaS company doing some form of digital advertising.

Category	Number	% of total
$0	18	5.45%
<$1k	40	12.12%
$1,001 to $2,500	56	16.97%
$2,501 to $5,000	52	15.76%
$5,001 to $10,000	44	13.33%
$10,001 to $25,000	60	18.18%
> $25,000	60	18.18%

TSL Marketing
plan • develop • manage

HAVE YOU EVER ENGAGED WITH A MARKETING AGENCY FOR ANY OF THE FOLLOWING ACTIVITIES?

9

Over 84% of responders outsource some level of their marketing activities to an agency or agencies. This is likely due to the level of sophistication required in SaaS marketing efforts. Content, Web/SEO, and Digital Advertising are the common areas of outsourcing.

Category	Number	% of surveyed who said yes
Content	155	46.97%
SEO	183	55.45%
Website Development	182	55.15%
Digital Design	133	40.30%
Digital Advertising	143	43.33%
Email Marketing	65	19.70%
Events	66	20.00%
Telemarketing	47	14.24%
Lead Nurturing & Progression	49	14.85%
Marketing Strategy & Planning	93	28.18%
Marketing Education & Enablement	30	9.09%
We do not outsource any marketing services	52	15.76%

TSL Marketing
plan • develop • manage

WHAT ARE THE TOP CHALLENGES RELATED TO YOUR MARKETING STRATEGIES, PLANS AND ACTIVITIES? (COMMON ANSWERS)

We found many common answers to this open-ended question despite the fact that every SaaS firm is unique. Here are a few of the top responses:

10

- **Limited Resources / Budget** – This was the most common response and it cut across companies of different sizes and funding levels, even firms with the largest budget. There is also a segment of smaller SaaS firms with small teams and almost no budget struggling to grow. A few responders mentioned marketing talent acquisition and retention in the context of limited resources.

- **Content Development** - Content Development was a very common theme. In some cases this was directly tied to resources / budget. In other cases, it was due to lack of availability of Subject Matter Expert (SME) resources to support. Many did not specify what aspect of content development is a challenge but felt they did not create enough content. One notable comment was around challenges determining what content is needed during each buying stage and then producing enough content for each stage.

- **Documenting ROI and attribution** – Attribution was mentioned more often that ROI. As SaaS firms drive Web traffic and leads from a variety of sources and over multiple touches, measuring true ROI by channel is a challenge.
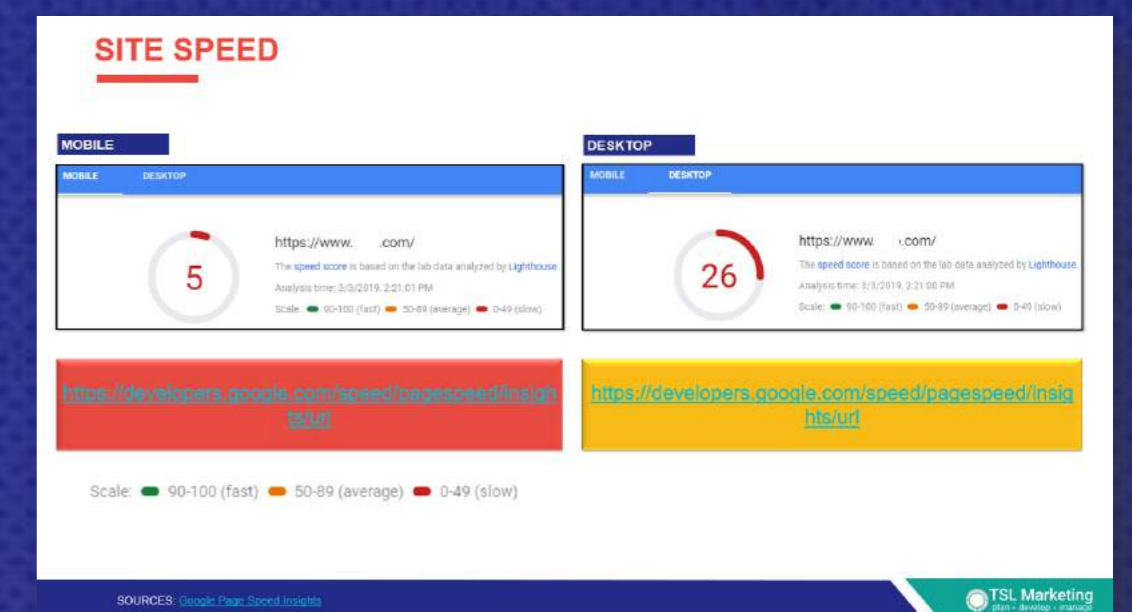
TSL Marketing
plan • develop • manage

- **Lead Quality, Lead Nurturing, Lead Progression and Sales Alignment** – We put these unique answers together as they are related areas. Many SaaS responders have the challenge of both improving lead quality and the ability of the sales team to increase lead conversion. Comments like, "the sales team can drop the ball" were not uncommon. Many responders expressed a challenge of getting sales to follow-up on leads. Others had challenges in getting the type of quality leads required by the business. Increasing MQL to SQL conversion rate was a common focus area.

- **Brand Awareness** – It was interesting how often "brand awareness" came up give almost no responders measure impressions. Some firms seem to acknowledge that lack of awareness is an issue, but do not have awareness building as a key objective.

- **Message Clarity / Strategy / Focus / Strategic Planning** – We put together a group of answers here. There were a number of responders that mentioned changing or unclear corporate priorities and how that impacts the ability to effectively market. Others talked about an unclear or undifferentiated message being a drag on results. Some responders also talked about often being suddenly given special projects which take away from ongoing focus areas.

- **Targeting** – Another common challenge is targeting niche audiences and filtering out responders and prospects that are a bad fit or unsuitable for the offerings.

TSL Marketing
plan • develop • manage

◆ EXCLUSIVE OFFER ◆

/// COMPLIMENTARY DIGITAL MARKETING ASSESSMENT ///
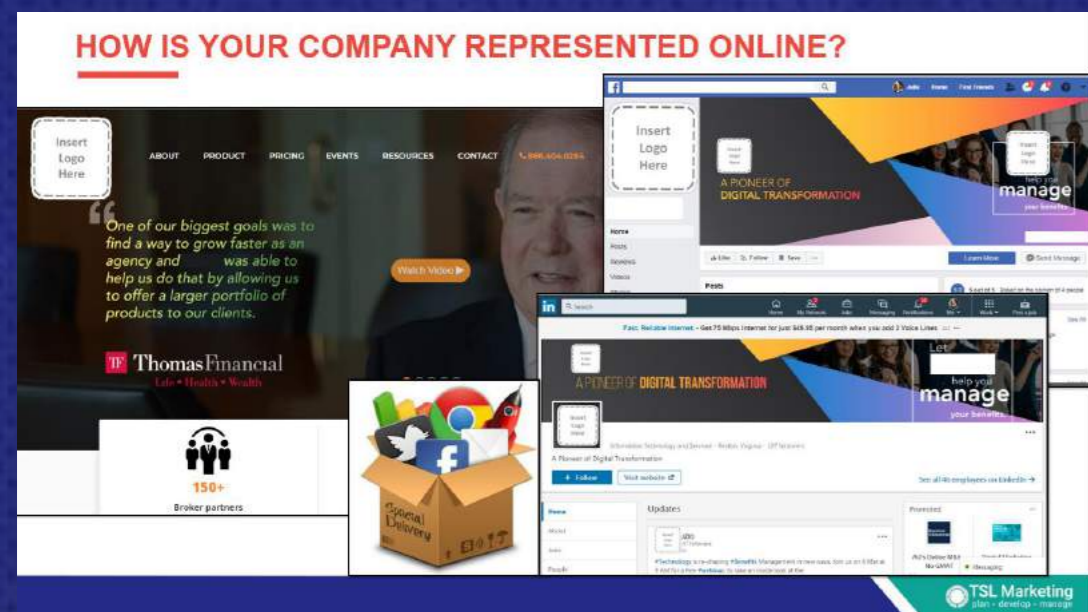
CLICK HERE
To Sign Up for a Complimentary SaaS Digital
Marketing Assessment (*valued at $1,500*)

TSL Marketing
plan • develop • manage

DAVID ENGLISH

President

443.718.4252 (o) 617.905.3499 (m)

denglish@tslmarketing.com

https://www.linkedin.com/in/davidwenglish/