



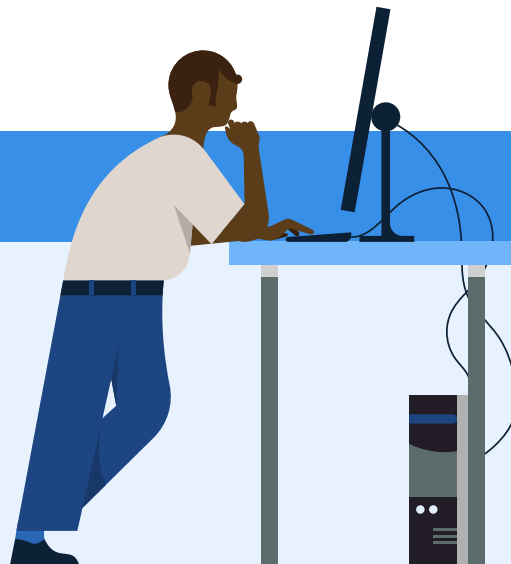
LinkedIn SaaS Buyer Survey 2024

Breaking out from the crowd

How businesses buy SaaS now and what it means for marketers.

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Selling SaaS is getting tougher.

The convenience and flexibility of software-as-a-service continue to attract new customers, and the future for SaaS providers is looking rosy. According to market analyst Straits Research, global SaaS revenue will grow by over 10% annually until 2030, when it will reach \$383 billion.

This growing appeal was evident when we surveyed 310 executives involved in SaaS purchasing decisions.

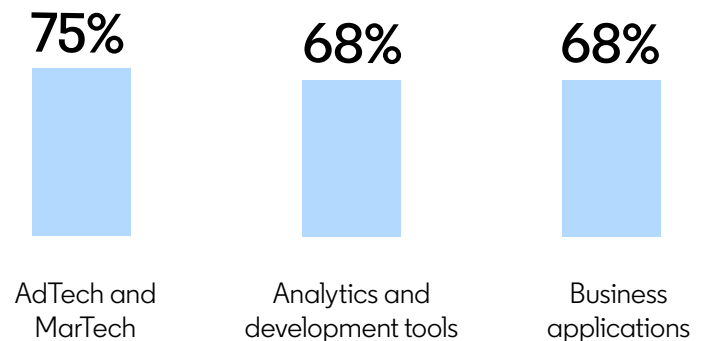
Most now use SaaS for at least half of their solutions in the three areas we investigated: business applications, analytics and development tools, and AdTech/MarTech. And at least two-thirds expect their use of SaaS to grow in all three of these areas.

But this growing adoption does not mean SaaS marketers have an easy ride ahead. In fact, our survey suggests that buyers are becoming more cautious in their SaaS purchases, no doubt to keep costs under control.



Figure 1. Most buyers expect their use of SaaS to grow in the next three years

% expect to grow



SaaS shortlists are increasingly competitive.

Across the market, buyers are becoming more selective when shortlisting potential SaaS providers. This means that SaaS businesses are competing for fewer chances to be considered.

“

The SaaS landscape has been through a revolution in the past decade. It's gone from a handful of companies to more than 30,000. But with many of them offering point solutions, customers are now asking, 'How can I break the silos and unify my customer experience?'"

*Bhargav Chandrababu
Director of Digital Marketing, Sprinklr*

Suppliers on the average SaaS shortlist three years ago:

6

Suppliers on the average SaaS shortlist today:

3.5



On average, buyers researched six suppliers for their most recent SaaS purchase worth over \$50,000. But only 3.5 made it onto the shortlist, they say. This compares to an average shortlist size of six suppliers three years ago.

Shrinking shortlists are most pronounced among enterprise buyers: 40% say a typical shortlist would include nine or more providers three years ago, while just 2% said that was the case today.

Buying groups are bigger...

While their shortlists are shrinking, buying groups are getting larger and their members more senior. As a result, SaaS marketers must engage a larger and more diverse community of stakeholders to influence the buying decision.

The average buying group has six members, our survey found – with 44% of buyers saying their number has grown in the past three years. Enterprises have the largest buying groups, with an average of eight members. They're also more likely to have grown, with 52% registering an increase in the past three years.

At the same time, nearly half of our survey respondents (46%) say senior members have joined their buying group in the past three years, compared to just 4% who say senior members have left.

...and buying cycles longer.

As buying groups get larger, they are taking longer to make decisions. In our survey, 63% of buyers say the time taken to choose a SaaS solution has increased over the past three years, compared to only 18% who say it has reduced.

This elongation of the buying process means SaaS brands need to stay top of mind for longer, calling for more touchpoints over a longer time period.

Under these conditions, SaaS providers need to reach a wider and more senior pool of decision-makers and need to engage them for longer, if they are to be shortlisted and selected.

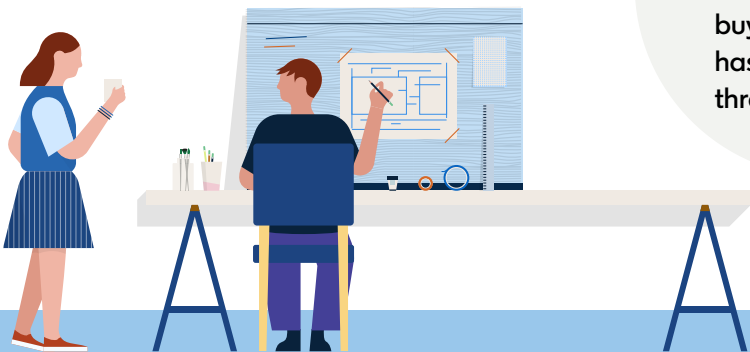
In this report, we share insight from our SaaS buyer survey that reveals how this can be achieved.

44%

of buyers say their buying group has grown in the past three years

63%

of buyers say they take longer to purchase a SaaS solution than three years ago



It's time to make your SaaS business stand out from the crowd >>>

As the SaaS market gets more competitive, the need to appeal to buyers is more important than ever...

This report explores how businesses buy SaaS solutions. Our survey digs into how they select and evaluate providers, and the opportunities this presents to influence the purchasing process.

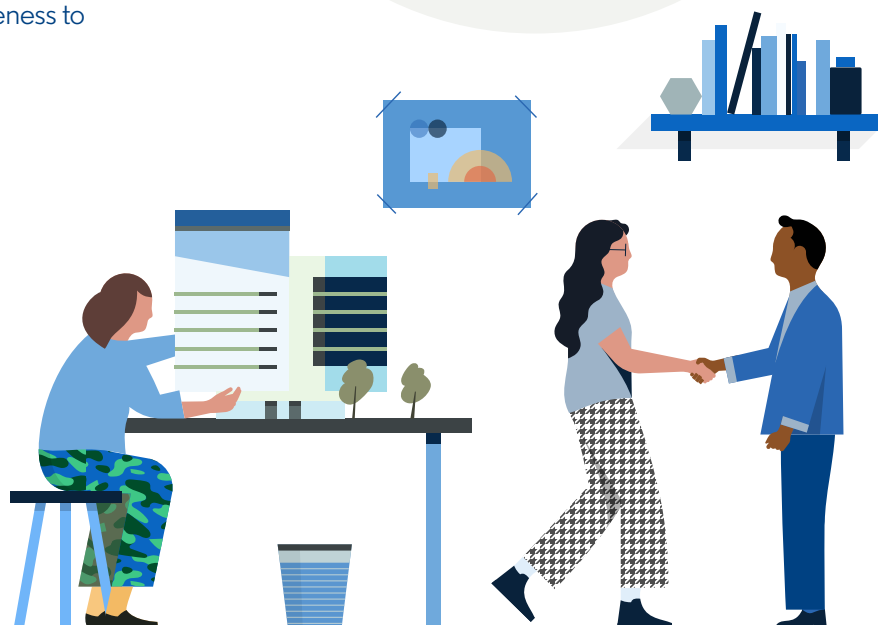
As we'll see, it requires "always on" brand marketing activity to establish differentiation. It calls for insightful content that is tailored to the buying groups' needs. And when it comes to AI, it calls for a compelling story that is nevertheless grounded in evidence.

The insights we've uncovered will enable marketing leaders to build stronger SaaS brands. We've pulled them together into four key themes that will enable you to promote your SaaS solutions to the businesses who need them most.

We've also included tactical approaches that marketers can employ to ensure their offerings stand out at every stage of the buying process, from brand awareness to the final evaluation.

Our approach

This report draws on the findings of a survey of 310 SaaS buyers, conducted in March 2024. For more details, please see the survey respondents and methodology section on page 23.



Buyers select SaaS providers early, even as the buying process gets longer.

Buyers choose SaaS providers early in the purchasing process and favor brands they already feel positively about.

- 47%** selected their most recent SaaS provider before evaluation began
- 82%** say it is important for buying committees to feel positively about a SaaS provider before the procurement process begins

They use a growing number of sources to research SaaS providers and look for technology insight and expertise.

- 75%** are using more sources to research providers than three years ago
- 45%** would engage with a SaaS provider that shows evidence of technical specialism

Content that addresses buyers' specific needs has the greatest influence on their perception of SaaS brands.

Buyers are more likely to engage with a SaaS provider if it understands:

- 40%** their company and its objectives
- 36%** the risk their company faces
- 34%** their personal interests and objectives

AI has become a key criteria for SaaS buyers when deciding on a provider.

- 73%** say AI, ML, and advanced analytics are important when selecting SaaS products

The most important AI capabilities are:

- Data visualization – **35%**
- Cybersecurity screening – **32%**
- Customer service operations – **32%**

Key themes

How SaaS providers can stand out from the crowd.



Theme 1

Build brand positioning and profile before buyers are “in market”

Don't wait until buyers are planning a purchase to build brand reputation and differentiation.



Theme 2

Engage and influence SaaS buyers with insight and expertise, not product features

SaaS brands need to be visible as the variety of research sources grows.



Theme 3

Get personal – generic content won't cut it with buyers

Buyers need to see that a SaaS provider understands them.



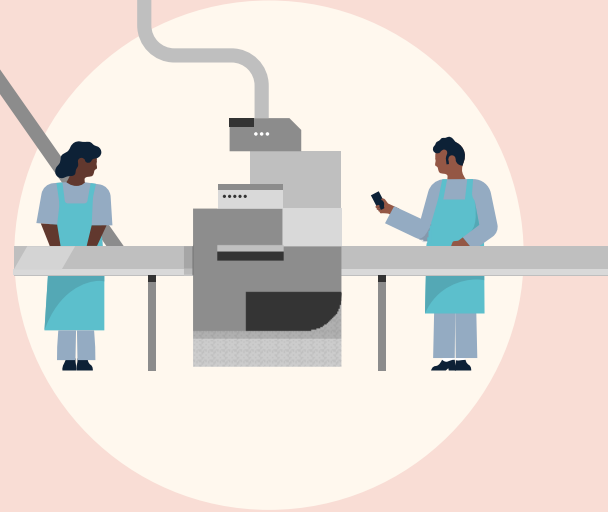
Theme 4

AI capabilities are a must-have.
Now buyers want proof of performance

AI functionality is in demand but buyers need hard evidence to back up SaaS providers' claims.

Theme 1

Build brand positioning and profile before buyers are “in market”



Most of your buyers are “out of market” at any one time. This means they’re not currently interested in engaging with you to make a purchase.

Research by LinkedIn’s B2B Institute has found that, on average, only 5% of customers for business services are “in market”.¹ For these buyers, marketing’s job is to help convert their demand into a sale.

But you shouldn’t forget about the other 95%. They may be “out of market” today, but that won’t always be the case. This figure includes your existing customers who you hope will either upgrade or renew, as well as future customers.

For this 95%, the job of SaaS marketers is to drive brand awareness and reputation. Because, as our survey shows, these directly impact their chance of being selected.

Buyers pick early and favor brands they know

We’ve seen that the SaaS buying cycle is getting longer and more cautious. Even so, buyers often pick a SaaS provider early in the process, our survey reveals.

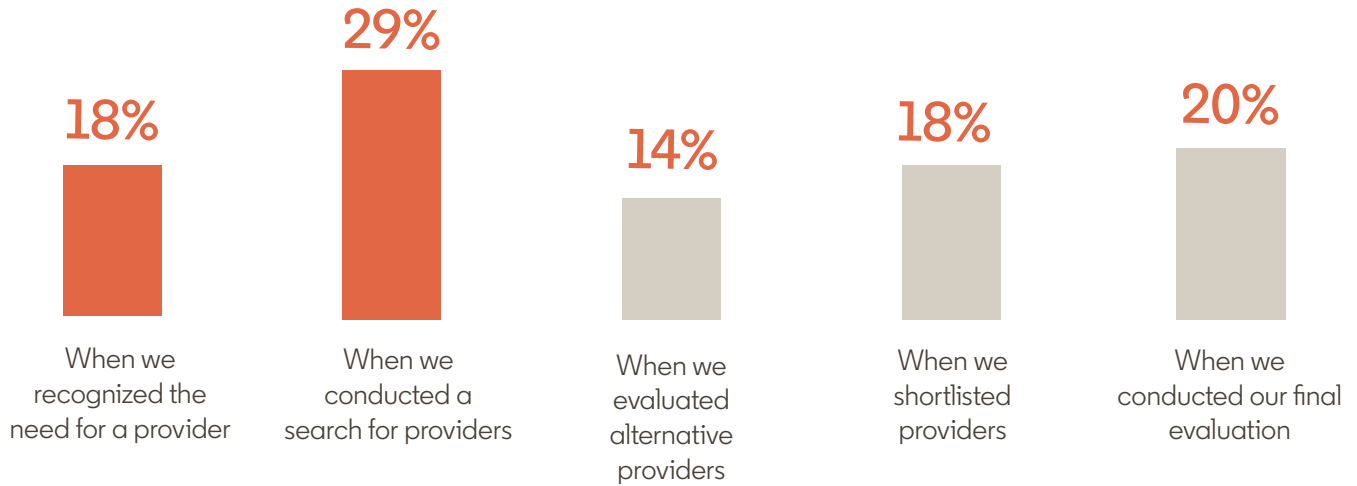
Almost half of the SaaS buyers we surveyed (47%) say the winning candidate in their most recent major purchase emerged before formal evaluation had begun.

This includes 18% of respondents who say the winning candidate first emerged when they recognized the need for a SaaS solution and 29% who say the successful provider was identified during their initial search.

SaaS providers that stand out in the early stages of the buying journey – when buyers are most influenced by brand perception – clearly have a greater chance of success.

¹ How B2B Brands Grow, LinkedIn B2B Institute, April 2021

Figure 2: In buyers' latest SaaS purchase, the winning candidate emerged:



Marketers know they need to be top of mind with “out of market” buyers

Added to this, buying groups prefer SaaS brands they already feel positively about before the purchase begins.

Most buyers (82%) agree it is important for the buying group to have a positive view of a SaaS provider before entering the procurement cycle.

Together, these insights show that unless providers put themselves on buyers' radars and influence their thinking before buying begins, their chance of being selected is greatly reduced.



Perception of “trust” and “innovation” is huge

What are buyers looking for in a SaaS brand? Trust and innovation are their most sought-after qualities, our survey shows.

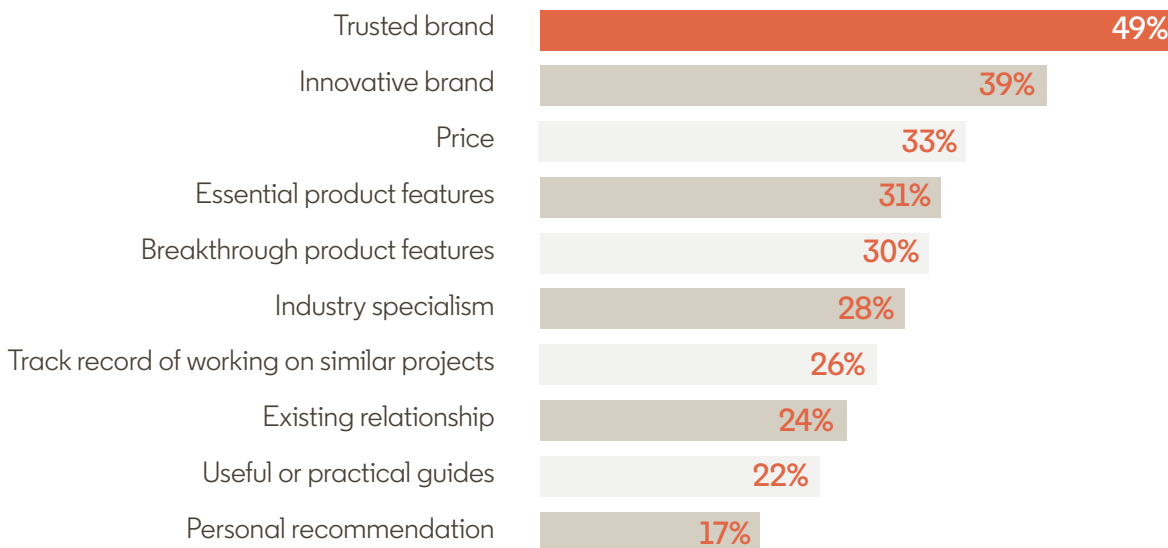
When we asked why they chose their most recent SaaS provider, a “trusted brand” was the most common response (with 49% placing it in their top three factors), followed by an “innovative brand” (39%). Both qualities rank above price and product features, once again illustrating the influence of brand.



“ Our strategy is to be top of mind for the 95% of buyers who aren’t in market and then be exceptional at capturing them when they are.”

Liam Bartholomew,
VP of Marketing, Cognism

Figure 3: Buyers’ reasons for selecting their most recent SaaS provider
% rank 1/2/3



Trust also influences how buyers assess SaaS products, with 51% saying that trust in the provider's brand is most likely to reassure them a solution meets their organization's needs.

This raises the question: what makes buyers trust a brand? We looked for some third-party research to help us answer that question.

Our first insight comes Forrester's Business Trust Survey, which has consistently found that "competence, consistency, and dependability" are the three primary trust drivers in B2B supplier relationships, across industries and geographies.² These characteristics "heavily drive perceptions of trust and mitigate perceptions of risk", Forrester says, indicating that SaaS marketers need to showcase these attributes.

Our second comes from the Edelman Trust Barometer, a global survey of brands that are trusted and why.³

In its 2024 edition, the Barometer found that 74% of people would trust "someone like me" to tell them about innovations and technologies – that's even more people than those who would trust technical experts from companies or CEOs to do the same thing.

Making your people visible and relatable in your content and communications can help to foster feelings of trust, this suggests.



² Are B2B Buyers Cowards?, Forrester Research, January 2024

³ 2024 Edelman Trust Barometer, Edelman, January 2024

Your next actions...



Be memorable.
Ensure consistency with future leads with "top of the funnel" brand advertising.



Advertising at the top of the funnel can be persuasive, but that's not its primary job.



Stand out with vibrant and visual advertising and ensure your brand is distinctive.



Signal your trustworthiness with positive and emotional advertising that captures both hearts and minds.

Theme 2

Engage and influence SaaS buyers with insight and expertise, not product features



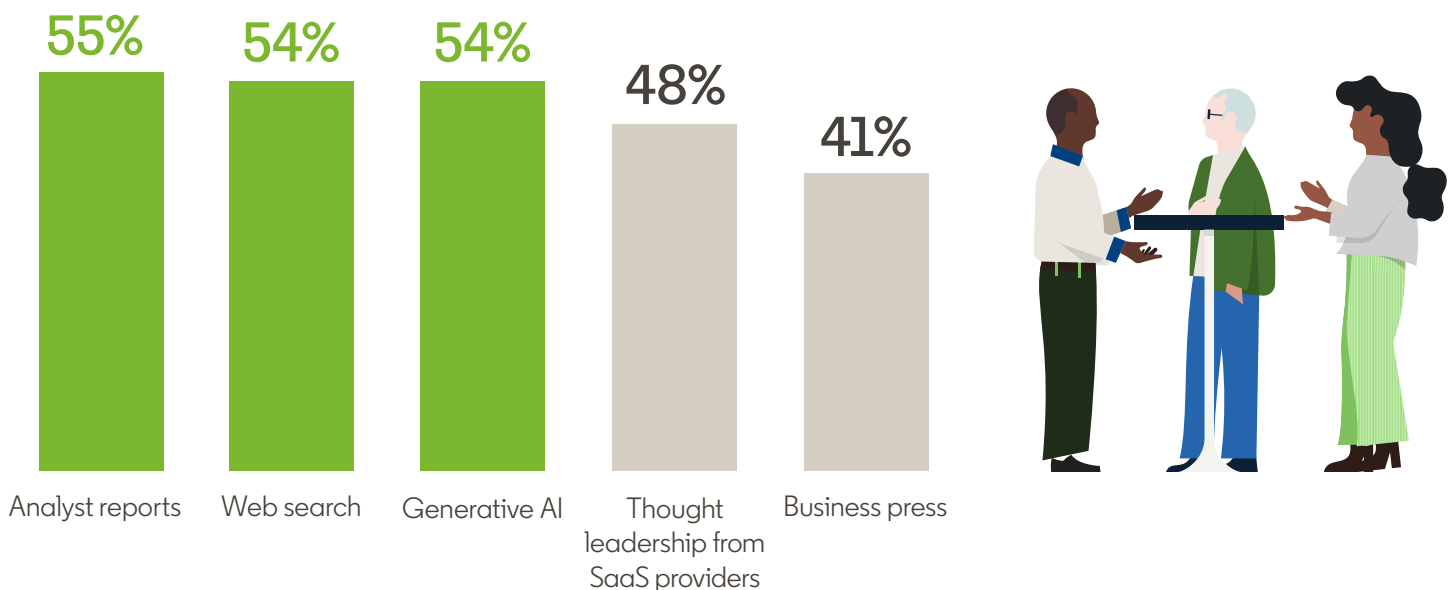
To be top of mind when buyers assess potential SaaS solutions, you must be present in the sources and channels they use to gather information.

This is getting harder, our survey tells us, as the range and variety of research sources used by businesses ahead of a SaaS purchase are growing: three-quarters of survey respondents use a greater variety of sources than they did three years ago.

Their most widely used sources are analyst reports, generative AI, and web searches, followed by thought leadership from SaaS providers and the business press.

Generative AI and research reports/whitepapers are the content formats that resonate the most with the buyers we surveyed. These findings reveal an appetite for content that is rich in information and insight.

Figure 4: SaaS buyers' most widely used research sources



Showcase your expertise

When it comes to evaluating potential SaaS providers, buyers want to see evidence of technical expertise, our survey shows. The most likely reason why a buyer might engage with a new provider, for example, is if it shows evidence of technical specialism such as AI or advanced analytics.

Similarly, 78% say that content is most likely to influence their perception of a SaaS provider if it includes coverage of technology innovation.

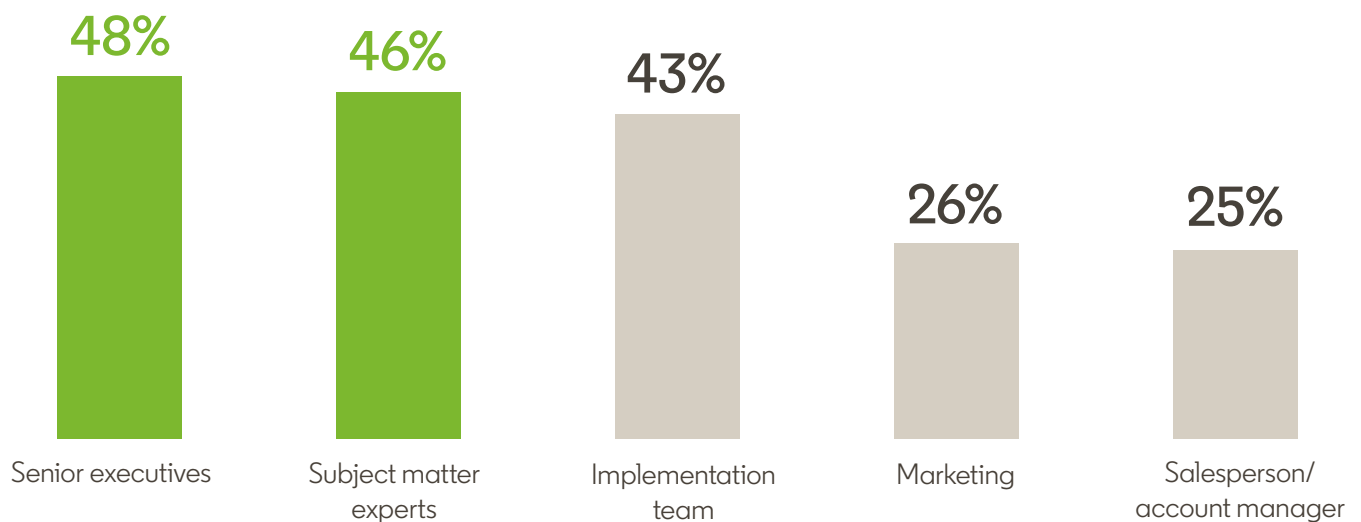
It is not only the insight that SaaS providers share that determines how receptive buyers are, but also who delivers it.

Half of our respondents say senior executives are very influential, with the implementation team and subject matter experts following shortly behind. But only about a fifth say the same of marketing and salespeople.

This shows that you need to make the right people visible to your prospects, not just the right content and topics.



Figure 5: The most influential SaaS provider representative

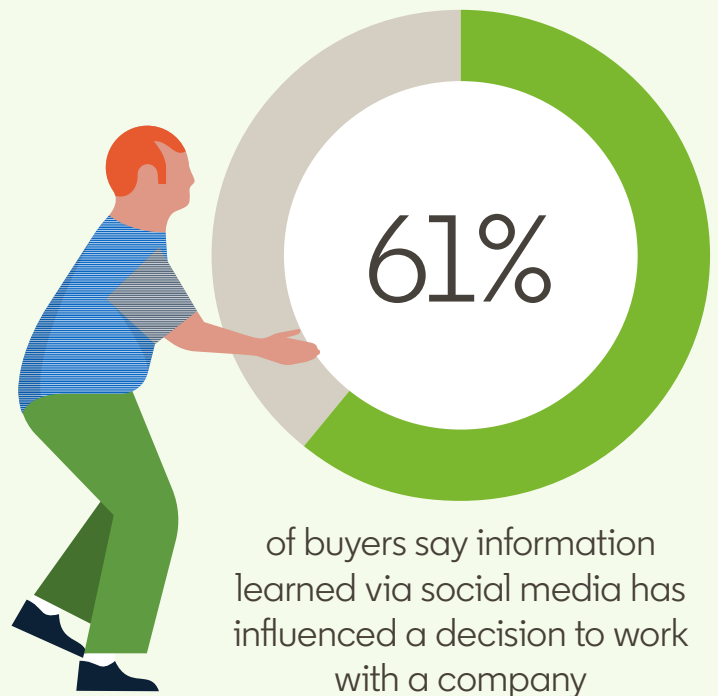


Use social media to showcase your insight and expertise

When it comes to engaging buyers with this insight, content, and expertise, social media is an effective channel, our survey shows.

Buyers use social media to consume information about SaaS providers at every stage of the buying process, our survey shows. And it directly influences their purchasing decisions: 61% of buyers say information learned via social media has influenced a decision to work with a particular company.

In summary, to engage buyers, SaaS providers need to be present in the right places, offering insightful content and the expertise of key individuals.



Your next actions...



Invest in high-quality thought leadership and associate individual executive voices with key topics.



Leverage endorsements, awards, certifications, partnerships, and more to gain the attention of buyers.



Customer testimonials and case studies should illuminate the specific and unique value supplied by your brand.

Theme 3

Get personal – generic content won't cut it with buyers



With limited time and no shortage of content to choose from, SaaS buyers place little value on generic content that doesn't speak to their specific needs.

Instead, buyers are clear that they want to see content from providers that is personalized and highly relevant to their industry and their organization.

Just over 80% identify personalization as the most influential attribute of content on their perception of a SaaS provider's brand. This was followed closely by its relevance to their business and industry (78%).

We've already seen that evidence of technology specialism is the quality that is most likely to make buyers engage with a SaaS provider. After that, the most common answers related to the supplier's understanding of the buyer's circumstances.

Figure 6: Characteristics of content that influence brand perception
% important

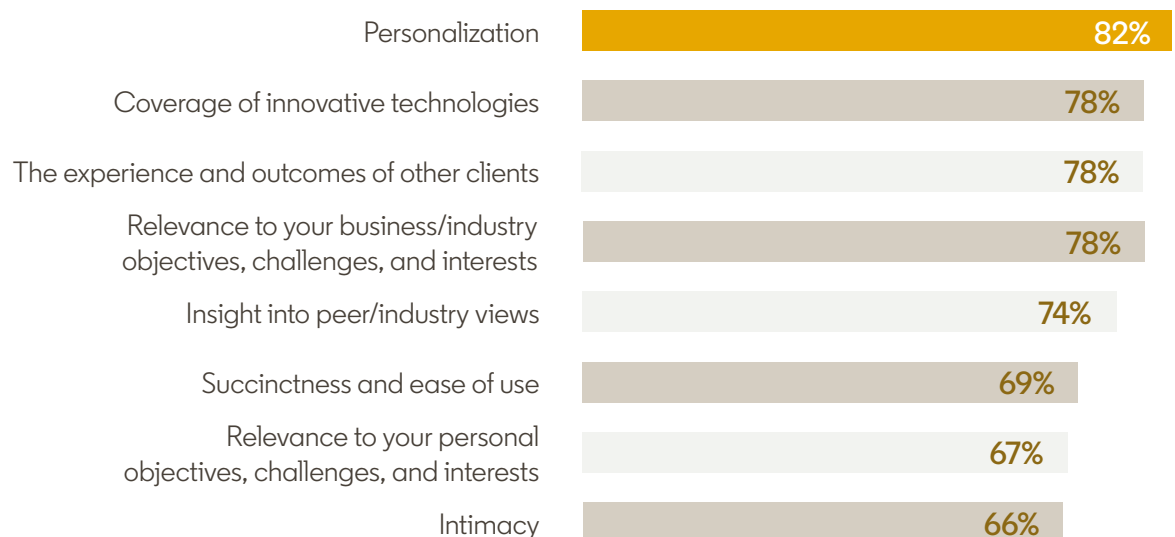
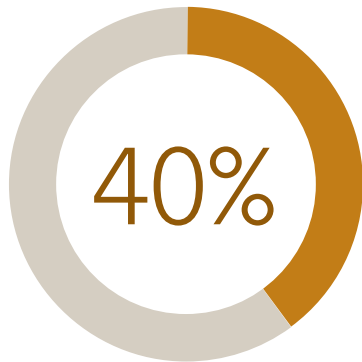
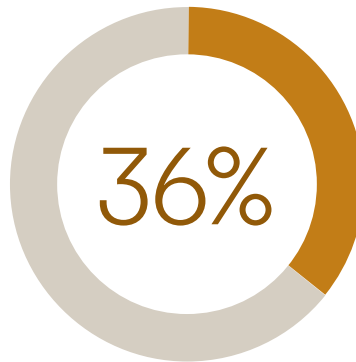


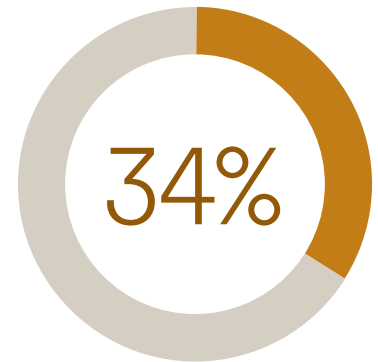
Figure 7: Buyers are more likely to engage with a SaaS provide that shows:



knowledge of their company and its objectives



an understanding of the specific risks their company or industry faces



knowledge of their personal interests and objectives makes

All of this means poorly targeted campaigns are unlikely to elicit a positive response from buyers and could do more harm than good.

Instead, marketers need to establish effective brand-building activities to create a receptive audience, then target and personalize campaigns with highly relevant content for each audience.

This requires an understanding of what drives targeted segments and accounts, and personalized content that speaks to their specific concerns.





We consider LinkedIn to be an effective channel because of its ability to target specific personas across different levels of seniority within a company, with ease and accuracy. The audience also responds well to our campaigns as we try to address their specific challenges and aspirations in our ad creatives.”

*Bhargav Chandrababu
Director of Digital Marketing, Sprinklr*

Your next actions...



Outline the full buying committee, their role-specific needs, and how best to target them.



Understand the buying triggers for a new project and publish content that explores those specific conditions.



Engage different buyer personas with relevant content that addresses their key challenges and areas of focus.



Supplement your broader, upper-funnel activity with highly personalized nurture streams.

Theme 4

AI capabilities are a must-have. Now buyers want proof of performance

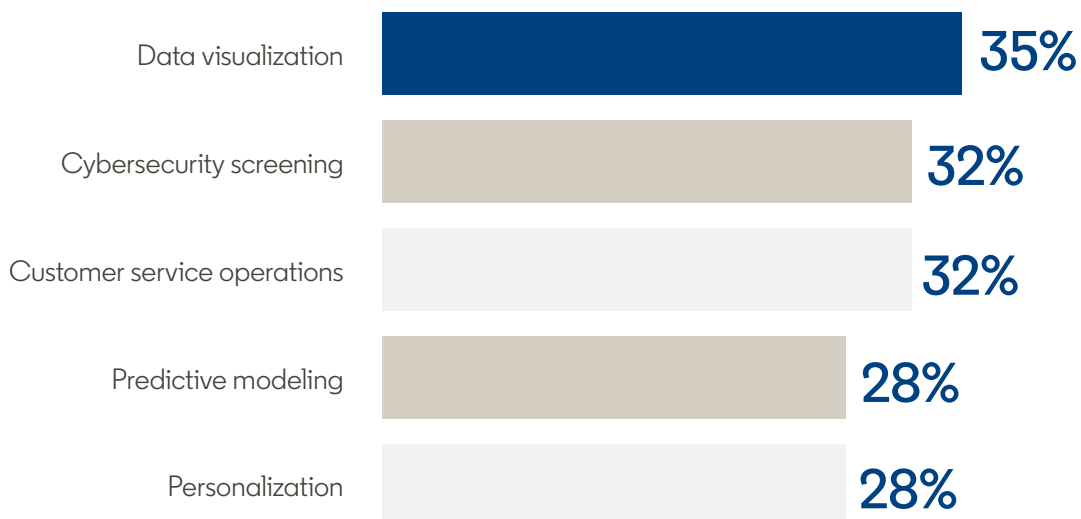


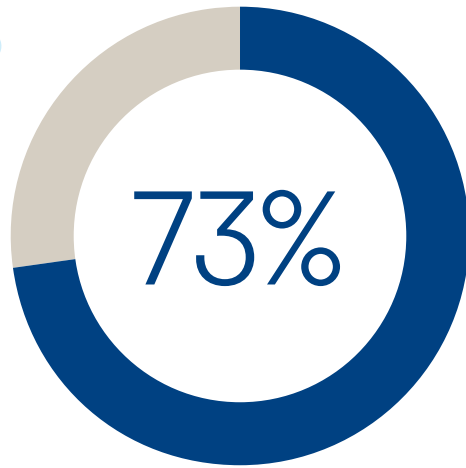
Artificial intelligence has been the breakthrough technology innovation of the past decade or more. Most organizations lack the expertise to develop their own AI systems, however, and they look to their technology suppliers to help make AI accessible.

SaaS is no exception: 73% of buyers say that AI, machine learning, and advanced analytics capabilities are important to their final selection of SaaS products, including 36% who say it is very important.

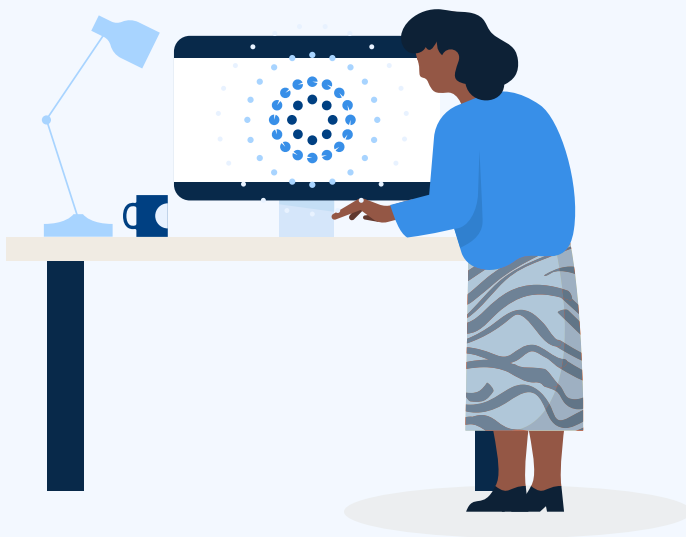
Data visualization, cybersecurity screening, and customer service operations are the AI features most valued by SaaS buyers, although differences exist across different business segments. Enterprise and SMB buyers place most value on cybersecurity screening, for example, while small businesses place the most importance on pricing optimization.

Figure 8: Top 5 most important AI capabilities:





of buyers say that AI capabilities are important to their selection of SaaS products



Buyers want hard evidence of AI claims

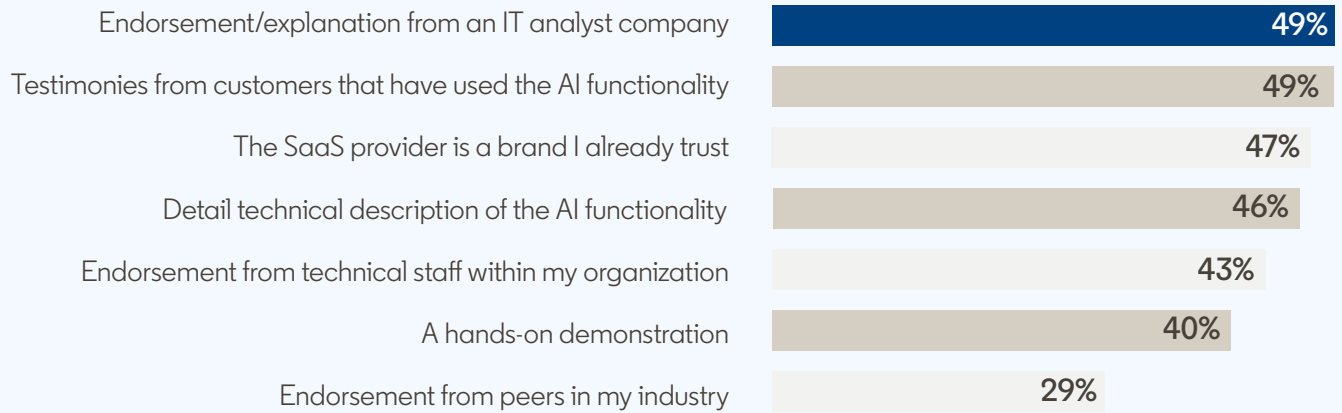
Buyers are keen to make use of the AI functionality offered by SaaS providers, but they know there's a lot of hype around AI and want hard evidence to back up claims.

Two factors are most likely to reassure buyers: endorsements or explanations from IT analysts or equivalents, and testimonies from named customers that have used the AI functionality. Each of these points was ranked as a top three requirement by 49% of buyers.

Although only selected by 40% of respondents as a key reassuring factor, customer experience SaaS provider Sprinklr has found that hands-on demonstrations are an effective way to present evidence.

The company offers self-service versions of its products that allow buyers to do a free trial before purchasing an extensive enterprise version.

Figure 6: Characteristics of content that influence brand perception
% important



“It makes it easier for them to understand the power of the product,” says digital marketing director Bhargav Chandrababu. “We say, ‘Why don’t you try it out for yourself?’”

With many SaaS providers proclaiming their AI credentials, marketers need to find a way to tell their AI story in a way that stands out from the noise. Sprinklr, for example, talks

about looking beyond traditional conversational AI chatbots and creating a “digital twin” – an AI version of your brand, teams, and employees.

However, SaaS brands of every kind must ensure they can back up claims with testimonials and endorsements to help potential customers move beyond the healthy skepticism they currently feel about vendors’ AI claims.

Your next actions...



Define and communicate a clear AI value proposition that speaks to the concerns of potential customers.



Demonstrate moment-in-time value with the early adopters of your technology that can help verify your credentials.



Stake out a clearly defined position on AI and own that space through your marketing and comms.

Conclusion

A quick recap of our key themes.

The SaaS buyer's landscape has changed. The transition from on-premises to SaaS continues across all main software categories, with buyers overwhelmingly favoring SaaS models for new purchases.

Yet there is an opportunity here. Brands that can be distinct by telling the right stories, at the right time, in a compelling way, can set themselves ahead of the competition.

Here are our four big research takeaways:



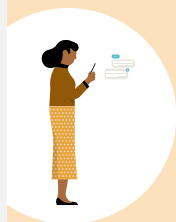
Theme 1 Build brand positioning and profile before buyers are “in market”

With many buyers choosing their preferred SaaS provider before evaluation begins, marketers need to think beyond lead generation and invest in early influence.



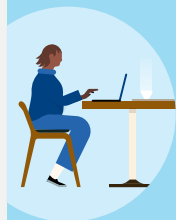
Theme 2 Engage and influence SaaS buyers with insight and expertise, not product features

Use your content not to talk about features, but to showcase original insights on innovation and to surface your leaders and internal experts.



Theme 3 Get personal – generic content won't cut it with buyers

Build on your brand marketing activities with targeted and personalized campaigns that show that you understand your buyer's context objectives and challenges.

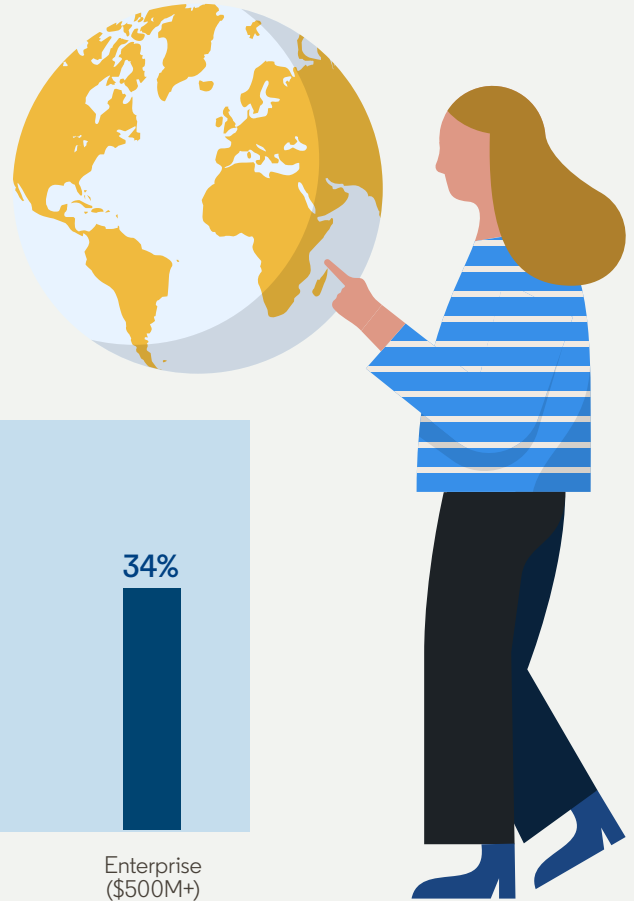


Theme 4 AI capabilities are a must-have. Now buyers want proof of performance

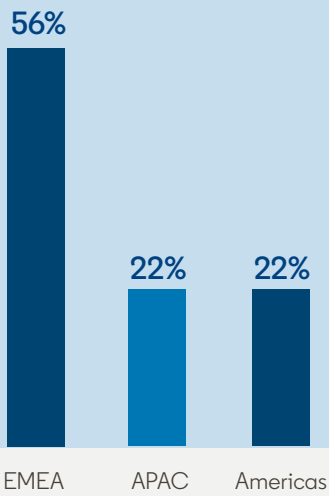
Every SaaS provider needs an AI story to tell, but it must be rooted in evidence about performance to influence skeptical buyers.

Survey respondents and methodology

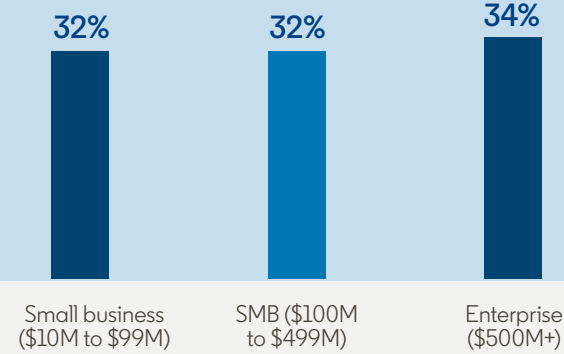
The data for this report was collected through an online survey conducted by Momentum ITSMA in March 2024. The demographic profile of survey respondents is as follows:



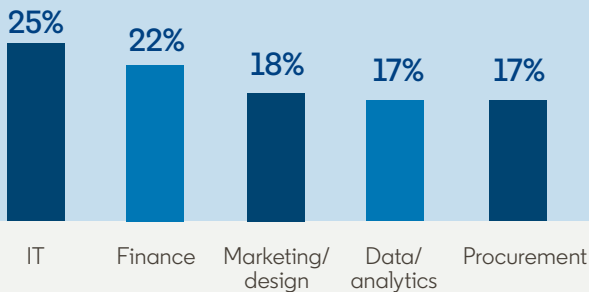
Geography



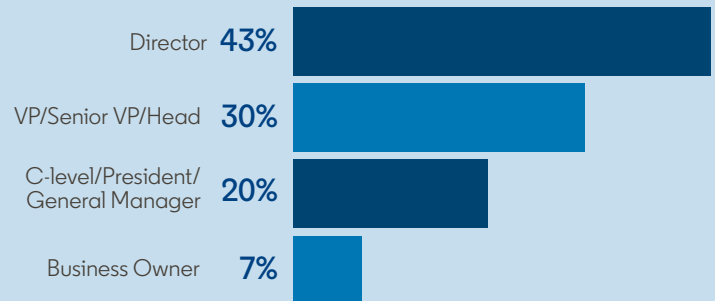
Business size



Function



Seniority





Breaking out from the crowd

How businesses buy SaaS now and what it means for marketers.

How LinkedIn can help SaaS marketers

There is a tremendous opportunity ahead for B2B marketers to leverage creativity, bold messaging, and customer empathy. B2B is evolving, rewiring the way we live, work, shop, and consume.

B2B is growing. B2B is receiving massive investments. And more than ever now, B2B is showing up on LinkedIn, not because we have the world's largest professional audience, but because we have the data, tools and solutions allowing B2B brands to reach them in a meaningful way. At LinkedIn, we are committed to keeping pace with your needs. We understand and respect the B2B world you evolve in, and how could we not? We were built for B2B.

**For additional technology marketing resources,
visit lnkd.in/techhub**

About LinkedIn

LinkedIn connects the world's professionals to make them more productive and successful and transforms the way companies hire, learn, market, and sell. Our vision is to create economic opportunity for every member of the global workforce through the ongoing development of the world's first Economic Graph. LinkedIn has over 1 billion members and has offices around the globe. www.linkedin.com