



The SaasAddict Free Course on SaaS Marketing and Sales.

Building a SaaS Marketing Plan

One of the most common questions I get is how to build a concrete and effective marketing plan for SaaS Products.

It seems to be a common belief that SaaS is especially difficult to market, given its unique nature and novelty in the public sphere. Despite being software, SaaS must be marketed as a service, which is a rather new concept with different rules.

If you followed my previous lesson and did the work, you already have much of the information you need to create a solid plan that should yield the wanted results.

What's Marketing All About?

Marketing is action of creating awareness to your brand and attract new prospects to use your software. This can be attained by using several different avenues to achieve these feats.



Here are several of examples of marketing avenues:

- Advertising
- Tradeshows
- Webinars
- Content distribution
- Media buying
- Pay Per Click Advertising
- Video

These are just a few examples of the many online and offline marketing approaches used by successful companies.

The singular and the multiple approach:

When it comes to marketing, there are no set rules. Some companies use a multiple channel marketing strategy utilizing as many channels as possible, while others focus on a few while optimizing and squeezing the most out of it.

Deciding which approach to take should be considered by the following:

1. Budget
2. Man power
3. Experience
4. Relevance to the market

Some markets are more prone to content materials while others respond better to video. Some are online while others need more offline oriented tactics.

Though you can never really know before you try, this is where your market research comes in handy.

Testing is everything:

So how do you know which the best is approach and marketing channel for your software?



I've discovered that the best way to know is simply by testing several approaches at once on a small scale.

Once you know which ones work, you can increase their budget while forsaking the rest.

This creates a great balance between innovation (trying new things) and optimization (making what works even better)

Getting started:

To help you get started in choosing the right marketing channels, I want you to choose 3 out of the following list and research to see if you connect with the subject.

This process may seem difficult since software demands a special approach when it comes to marketing, as do services. At first glance, it would appear that they hardly mesh. This may be true for the uninitiated, for startups, and for small businesses, where SaaS marketing can pose a challenge.

It can, in fact, be the make-or-break of a company, the main factor for success in this particular industry.

First, let's look at the opposing views from these two and figure out how they can be put to peace with one another (as these clashes are the biggest obstacle to overcome).

Traditional software used to be only available as a purchased item, meaning it was a commodity, not a service. A single purchase was a lasting purchase; term-oriented marketing drives single, one time purchases of a higher price. The vendors don't make guarantees about maintenance, support or rates, and must play only to the immediate needs of the customer to justify them.

On the other end of the spectrum, service marketing is around convenience and long term thinking, and usually pushes for a commitment to frequent small purchases via subscription. This marketing tactic seems utterly, diametrically opposed to the former.

Surprisingly, this isn't as difficult of a conflict to put to rest as you'd expect. Here's why: Part of SaaS's appeal is the fact that it eliminates the headaches of traditional software, both for the user and marketer. . Huge one-off, multi-license purchases are eliminated, as are the continued purchases of updates and patches and support (which are standard to a service based model).

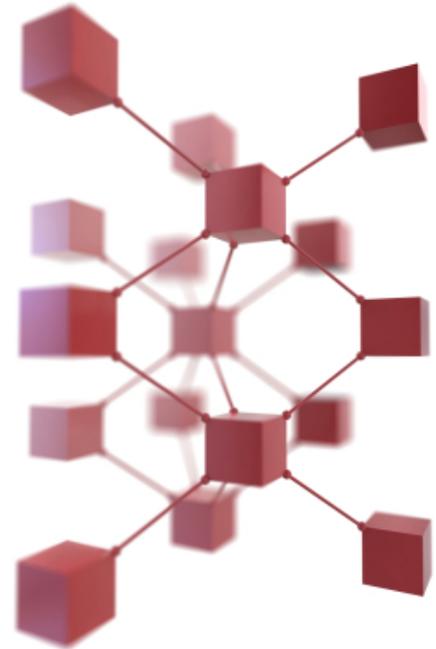
This is one of your strongest selling points in marketing SaaS - as a concept. I'll say more on that in a minute. ?Keep the features and functionality aspects of software marketing, and just sit them on top of the service marketing model's push to long term commitments, and it will balance itself out naturally.

So, we've gotten the scariest part of this whole SaaS issue demystified, which

is pretty cool, but ... surely there's more to it than that, right? You have several common models of marketing plans, and several factors to consider. These Two aspects must be weighed together, and that's where the genuine challenge lies.

You have to manage your budget, ie how much to invest in a workforce and take your demographics' mindset into account when choosing your model.

So, let's talk briefly about a few of the common models, and what it takes to balance those resources and demographics. The most basic model is entirely ad based, requiring no purchases from users. Like any free public web service, the more ads that are viewed by the public, the more money is made. Money is also made off of clicks of ads, though these are semi-rare and should not be depended upon as solid occurrences. An ad-based model is best when you have a decent work force but low monetary budgets. In terms of demographics, the ad-based model works best when using the software randomly, and not on a frequent, subscription-worthy basis. Entertainment and social SaaS thrive on this model, so if you have a good team but aren't wealthy in venture capital, this is a good model to approach.



Standard subscriptions, which do not use ads and require a monthly, semiannual or annual payment for access, are products that are used on a daily basis and for productive, professional purposes. Most business software follows this model. But, due to the expenses of verification, transactions and security outside your company, it requires a higher budget, as well as a heck of a good marketing team (a minimum of ten people to sell people on purchases).

A subscription marketing plan works well as a plan for professional

solutions- for businesses especially- but it doesn't work too well for entertainment.

Finally, there's the much discussed but seldom fully understood freemium model, which combines free access (often ad assisted), with subscriptions. The idea behind freemium is to lure the customer in through free use, but sell them on converting to a paid subscription through better features, absence of ads and other limitations being lifted entirely.

This is a hard model to get right, but when it's executed well, it works. Freemium plans are a bad idea for small or medium businesses because they require a vast overhead budget, and a huge workforce. If you have the man power and budget, though, it's probably the most demographic friendly and purpose-independent model out there. If you can afford the gamble, and have the resources, I'd say go for it! We've examined the marketing tactics, key factors and demographics behind SaaS and how they combine to lead to of the current, standard models. Now that we have a better understanding of these processes, there's something more fundamental to keep in mind: You must set realistic goals.

- Pick a demographic, and market primarily to them. Account for some overlap/
- Always be aware of new potential demographics, but focus on the one you know is the most important.
- Do not expect it to become a trans-demographic phenomenon absolutely, do not expect this to be instantaneous.

If you are turning any profit at all, after all wages and bills are paid, and it shows even the smallest sign of increasing over time, then you are in fact successful, and this is a good goal to set. The old adage of "slow and steady wins the race" is very true for SaaS.

So, while it is a challenging task, SaaS marketing is far from impossible. If you choose your approach wisely and understand your limitations, you can succeed. It all comes down to your product at this point...and alas! I cannot help you here, only your intrepid developers can!