Redefining the relationship between sales and marketing:

Lessons from the SaaS and software sector

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Introduction

The sales and marketing landscape, especially for 'Software as a Service' (SaaS) and other software products, has drastically evolved in recent years. The internet and digital platforms have transformed how customers research and make purchase decisions, with many customers now conducting extensive online research before even engaging with a sales representative.

Research by Forrester shows that up to 70% of the buying cycle is completed before the buyer invites the sales organisation to engage. Moreover, Gartner estimates that 80% of B2B sales interactions between suppliers and buyers will occur in digital channels by 2025.[1]

SaaS and software is a growing sector worth more than £4 trillion, and it is also an industry in which change happens at phenomenal speed. How companies sell and market their software can offer an insight into the future relationship between sales and marketing for other service (and product) industries.

Whilst many non-software companies are evolving their sales and marketing strategies in similar ways, the SaaS and software sector has been at the forefront of adopting many of the new technologies and processes. Prospective customers often compare different options, look at reviews, and check out "top five" or "best in category" lists on websites. They seek opinions from their peers on social networks and from industry colleagues on professional forums.

As a result, marketing on these platforms, where prospects conduct their research, has become crucial. Professional salespeople have found that their methods need to evolve to this new reality of more informed, more discerning customers.

> 80% of B2B sales interactions are predicted to occur in digital channels by 2025.
>
> ## The result?
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> A new, redefined relationship between the sales and marketing functions is emerging.

Marketing's role and priorities

Ensuring that products and services are present and favourably represented on the platforms where potential customers conduct their research is imperative. This includes comparison websites, review sites, social media, professional forums, and more.

To achieve this, marketing teams are increasingly prioritising:

- **Building relationships with platform owners:** This can help ensure that their product or service is included in "top five" or "best in category" lists.
- **Encouraging and managing customer reviews:** Positive reviews can greatly influence prospects' perceptions and decisions.
- **Producing high-quality content:** This includes comparison charts, blog posts, white papers, case studies, and other materials that can help prospects understand their product or service, and how it compares to others. This content should be based on verifiable evidence and relevant to the business model and industry.
- **Investing in SEO and SEM strategies:** To ensure visibility on search engines when prospects search for solutions or compare options.

By focusing on these areas, marketing teams can influence the early stages of the customer's buying journey, helping to shape their perceptions and preferences even before they engage with a salesperson or account manager.

"Marketing can influence the early stages of the customer's buying journey."

Aligning sales approaches to marketing activity

A traditional tension between sales and marketing has often been the 'passing' of leads and the extent to which these are qualified. Technology can help streamline the lead management process. The sales processes in SaaS and software contexts have evolved, adopting advanced digital technologies and data analytics to better respond to changing customer behaviours and preferences.

Opportunities for an enhanced alignment between sales and marketing include:

### Increased use of marketing automation and CRM systems

Marketing teams now use advanced tools to automate and track marketing activities, from the top of the funnel (awareness) to the bottom (decision stage). Customer Relationship Management (CRM) systems are used to store and analyse this data. This means that when a lead is handed over from marketing, the salesperson can see the prospect's entire history of interactions with the company.

Improved lead scoring

Lead scoring models are becoming more sophisticated, evaluating not just demographic data, but also behavioural data (such as website visits, content downloads, etc). This helps to identify when a lead is sales-ready, reducing the risk of salespeople wasting time on leads that are not yet ready to buy.

The shift from MQLs to SQLs

Traditionally, marketing would hand over Marketing Qualified Leads (MQLs) to sales. These are leads that have shown some interest in the product (e.g. by downloading a whitepaper). However, there's a growing trend towards focusing on Sales Qualified Leads (SQLs) instead, which are vetted by sales as being ready for a direct sales follow-up. This can help to improve sales efficiency and conversion rates.
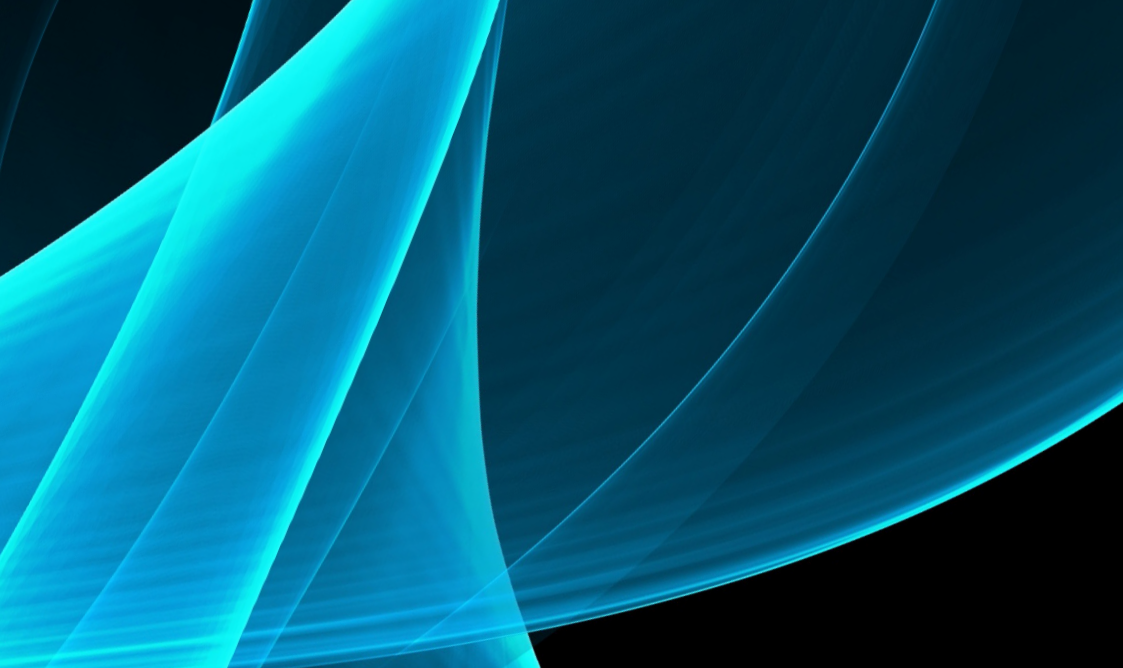
Increasing adoption of Account-Based Marketing (ABM)

This practice involves sales and marketing working together to target specific high-value accounts. Instead of marketing handing over individual leads to sales, they work together to engage and nurture entire accounts. This approach requires a high level of coordination and communication between sales and marketing.

More collaboration between sales and marketing

There's increasing recognition of the need for sales and marketing to work closely together throughout the entire sales process. This might involve regular meetings to discuss lead quality, joint development of content and messaging, and shared goals and metrics. This helps to ensure a smoother handover and a more consistent customer experience.

In conclusion, the relationship between sales and marketing in SaaS and software industries has become more data-driven, more collaborative, and more focused on quality rather than quantity. It's about ensuring that salespeople have the information and resources they need to engage effectively with leads and deliver a seamless customer experience.

Discovery and understanding of true pain points

In the SaaS and software sales process, the discovery phase is crucial. This is the stage where salespeople engage directly with the potential customer to uncover their true needs, challenges, or 'pain points'.

While customers may have done their research and have an idea of what they're looking for, they might not be fully aware of the depth or complexity of their needs or how different solutions might address them.

Understanding these true pain points is important for several reasons:

- Enables the salesperson to position their product as a solution to these specific issues, making it more relevant and appealing to the prospect.
- Creates an opportunity for the salesperson to add value by providing insights or suggesting solutions that the prospect might not have considered.
- Helps to build a deeper, more consultative relationship with the prospect, positioning the salesperson as a trusted advisor rather than just a vendor.

A thorough discovery process requires excellent listening skills, empathy, and the ability to ask insightful questions. It's about digging deeper than surface-level needs and understanding the prospect's business, their goals, and the challenges they face.

Sales and marketing must collaborate to understand customers' IT and SaaS pain points. Sharing insights from customer interactions allows both teams to better comprehend the customer's needs. Marketing can create targeted content that resonates with specific pain points, while sales can tailor their approach to position offerings as solutions. Cross-functional meetings, shared customer data, and open communication are crucial for a unified, customer-centric approach.

"It's about digging deeper than surface-level needs"

Dispelling or reaffirming buyer perceptions

Given the abundance of information available online and the increasing influence of digital platforms in shaping buyer perceptions, salespeople are often faced with the challenge of debunking preconceived ideas about products, including their own and those of their competitors. This requires a careful approach and advanced sales skills.

Sales and marketing alignment is essential for effectively managing buyer perceptions through consistent messaging, addressing common objections, showcasing success stories, and developing thought leadership content. By working together and maintaining open communication, sales and marketing can collaboratively reinforce positive perceptions, dispel misconceptions, and ultimately build trust and credibility with potential buyers.

Hard debunking

This involves addressing a buyer's preference for a competitor's product. The salesperson must tactfully challenge the prospect's current understanding without appearing aggressive or dismissive. It's important to remember that the goal is not to degrade the competitor, but to highlight the unique value that their own product brings to the table.

Skills required for hard debunking include:

- **Deep product knowledge:** Salespeople must have a thorough understanding of their own product, as well as an awareness of competitor products, their features, benefits, and potential shortcomings.

- **Empathy and listening:** Salespeople must listen to the customer's reasons for preferring the competitor's product, acknowledge their perspective, and then present alternative viewpoints.

- **Effective communication:** Salespeople need to articulate the advantages of their product clearly, compellingly, and without resorting to overtly negative tactics against the competitor.
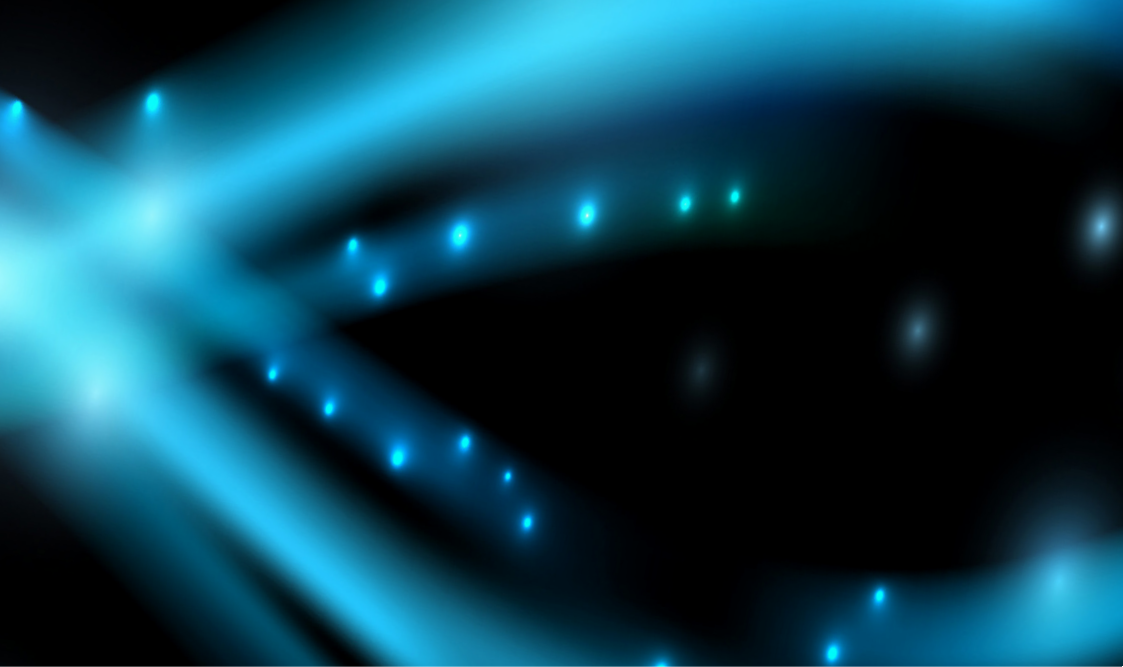
Soft debunking

Soft debunking involves subtly helping the buyer to reaffirm their preference for the salesperson's product. This is less about challenging preconceived ideas and more about reinforcing the value of the product and addressing any lingering doubts or concerns.

Skills required for soft debunking include:

- **Reinforcing value:** The salesperson should consistently highlight how the product addresses the customer's pain points and meets their needs.
- **Building trust:** Through ongoing, meaningful interactions, salespeople need to establish themselves as reliable and trustworthy partners to their customers.
- **Addressing concerns:** Any doubts or concerns the buyer might have should be addressed promptly and thoroughly. This could involve providing additional information, offering a demonstration, or sharing customer testimonials.

In both hard and soft debunking, the overall objective is the same: to guide the buyer towards recognising the value in the product the salesperson is offering. This requires a balance of product knowledge, an understanding of customer needs, and excellent communication skills. With the increasing influence of digital platforms, these skills have become even more crucial for modern salespeople.

Delivering value as a trusted partner in the buyer's journey

In a highly competitive sector such as software, organisations enhance their position when they are seen as trusted partners to their client.

To deliver a true partner experience on the buyer journey, it's essential to prioritise transparency, empathy, and expertise.

- Begin by actively listening to the buyer's needs and concerns, seeking to understand their unique challenges.

- Offer honest and unbiased advice, even if it means steering them away from your own products or services when they're not the best fit.

- Provide relevant insights and solutions that demonstrate industry knowledge and expertise, supported by credible cases studies and other collateral provided by the marketing team.

- Consistently follow through on promises, meet deadlines, and communicate openly.

By putting the buyer's best interests first in both sales and marketing functions, and providing valuable guidance throughout their journey, the salesperson is able to establish themselves as a trusted advisor, fostering long-term relationships built on trust and mutual respect.

Relationship selling

While the focus on relationship selling might seem diminished in the face of digital platforms and online research, in reality it's more important than ever. As customers are bombarded with information and options, the value of a trusted advisor cannot be overstated.

Salespeople now need to build relationships based not just on personal rapport, but on the value they can provide. This involves cultivating a deep understanding the prospect's needs and challenges, providing useful insights, and positioning their product as the best solution.

Taking a proactive and involved interest in the customer's research process, providing useful content, answering questions, and generally being a helpful resource is essential. In addition, engaging with prospects on the platforms where they're conducting their research, such as social networks, forums, and review sites is a valuable activity.

Relationship selling has evolved from just building personal connections to being regarded as a trusted and valuable resource for prospects in their buying journey. This shift emphasises the importance of being customer-centric and providing real value at every stage of the sales process.

Demonstration skills

With customers having easy access to a wealth of information online, salespeople need to bring more value to the table. One of the ways to do this is by providing excellent product demonstrations.

Demonstrations not only showcase the product's features, but also, and more importantly, they illustrate how the product can solve the prospects' specific problems. The ability to effectively demonstrate a product can help a salesperson stand out in a crowded market, it helps to build credibility and trust, and it can be a decisive factor in the purchasing decision.

Depending on the size, complexity and availability of the product or service, demonstrations can be done at the prospect's site or at the vendor's premises. For larger scale products or services, a demonstration at an existing customer site can be a powerful combination of both showcasing the technology in action and a recommendation from a previous purchaser. In this situation, the prospect may also feel more comfortable talking to an existing user about the operational features of the product and any concerns they have, rather than the salesperson.

Ambassadors and advocates

The trusted partner approach comes full circle with the development of customer ambassadors and advocates. By offering a genuinely value-driven service, successful salespeople are able to carefully cultivate and nurture customers to eventually become ambassadors and advocates for their brand, products and services.

These ambassadors and advocates are essential for creating credible marketing collateral such as case studies and white papers. They can also be utilised to help with demonstrations, offer a user experience discussion to prospects, and support the promotion of the product or service at events, trade shows and in the media.

Conclusion

The advent of digital platforms and online research has indeed changed how SaaS and software are sold, placing greater emphasis on demonstration skills and a more value-based form of relationship selling. These changes, which are increasingly spilling over into other sectors and industries, should be seen as an opportunity to provide more value to prospects and enhance the profile of the product or service in a crowded market.

There is also an opportunity for much stronger synergy and alignment between the sales and marketing functions. The SaaS and software sector has evolved in response to changes in customer behaviour, but there are lessons here for sales and marketing teams across a range of industries.

Delivering a seamless and effective buyer journey, from the initial online research phase to the final purchase decision, can be achieved by working closely together, utilising technology, and placing the focus on building trust and adding value.

Key lessons learned

1. Marketing plays a crucial role in influencing the early stages of the customer's buying journey through various digital platforms and content.

2. Sales and marketing need to align their approaches and work collaboratively throughout the entire sales process for better lead qualification and customer experience.

3. Understanding the customer's true pain points is essential for salespeople to position their product as a relevant solution and build a consultative relationship.

4. Salespeople must skilfully dispel or reaffirm buyer perceptions about their own and competitor products, using a balance of product knowledge, customer understanding, and communication skills.

5. Delivering value as a trusted partner involves prioritising transparency, empathy, expertise, and consistently following through on promises.

6. Relationship selling has evolved to focus on providing value and being a helpful resource to prospects throughout their buying journey.

7. Effective product demonstrations showcase how the product solves the prospect's specific problems and can be a decisive factor in the purchasing decision.

8. Cultivating customer ambassadors and advocates is essential for creating credible marketing collateral and supporting product promotion.

9. The SaaS and software sector has adapted to changes in customer behaviour, providing lessons for sales and marketing teams across various industries.

10. Delivering a seamless buyer journey requires close collaboration between sales and marketing, utilising technology, and focusing on building trust and adding value.

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[1] https://www.gartner.com/en/newsroom/press-releases/2020-09-15-gartner-says-80--of-b2b-sales-interactions-between-su

We used ChatGPT to locate some information about the topic of the report, which we verified and confirmed for accuracy and validity.

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