Max Out SaaS Sales to SMBs

October 23, 2019

Bredin

INCREASING SALES TO SMBS

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INSIGHT

Topics

- Attitudes and usage
- Buyer identification
- Competitive perceptions
- Market segmentation
- Media behaviors / preferences
- Message / positioning testing
- Net promoter score
- Persona / buyer journey
- Purchase intent, behaviors, channels and preferences

Methods

- Qualitative
  - Live / online focus groups
  - In-depth interviews
- Quantitative
  - Custom online
  - SMB Pulse omnibus
  - Snap Poll

Output

Insight for CE / product / marketing strategy

Data for PR / content / social / collateral programs

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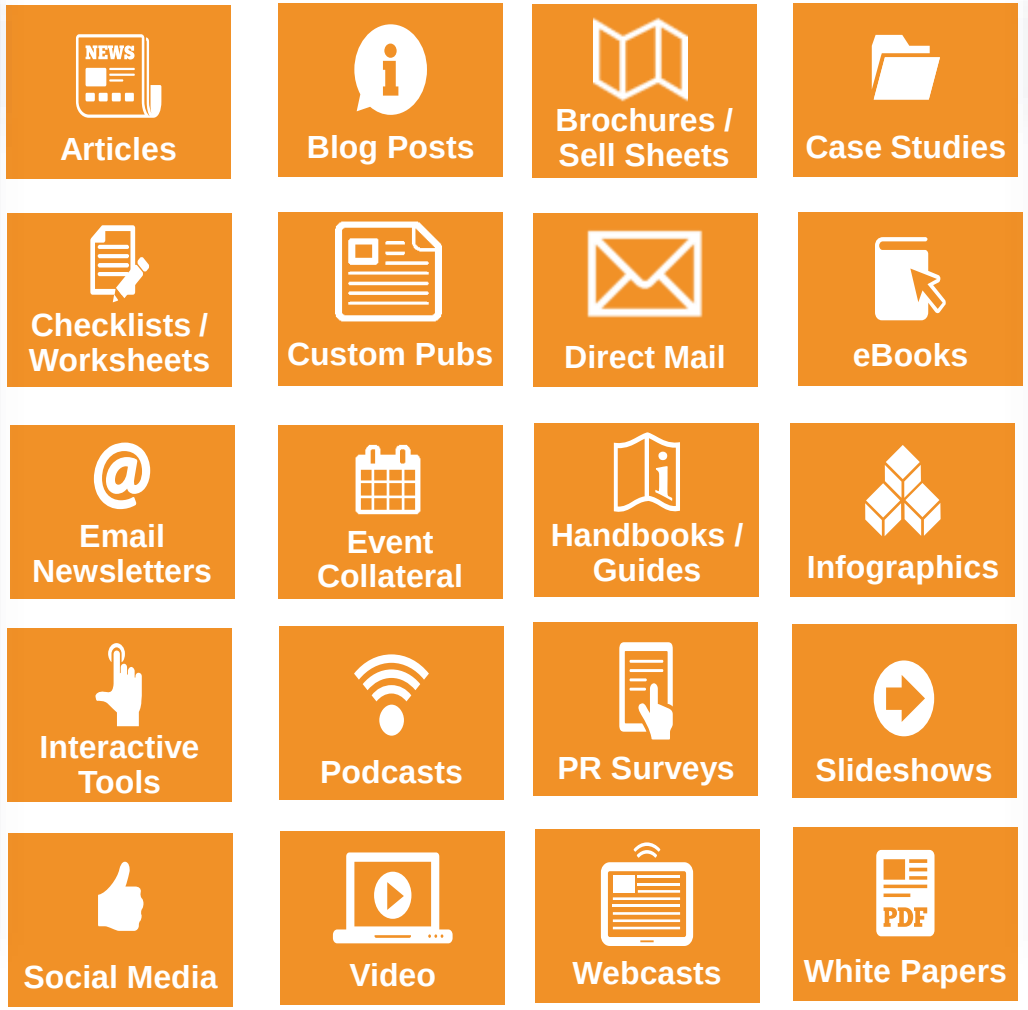
OUTREACH

Principles

- Expert
- Actionable
- Relevant
- Easy to understand
- Professional
- Brand-building
- Custom



Contribution

- Survey data
- Creative brief
- Editorial calendar
- Content development
- Content audit
- Analytics

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WHAT WE'LL COVER

Understand SMB cloud usage and adoption drivers

1. Business challenges
2. Application usage
3. Cloud usage and outlook
4. Adoption drivers
5. Vendor preferences

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METHODOLOGY

HOW

ONLINE SURVEY VIA THE BREDIN.COM/SMBPULSE

WHO

500 SMB PRINCIPALS AT U.S. COMPANIES <500 EMPLOYEES (+/- 4% CI)

Company Size Quotas

250 VSBs <20 employees (97.7% weighting)
150 SBs 20-99 employees (2% weighting)
100 MBs 100-500 employees (.3% weighting)

%	Indicates highest % in a given column
(A) / (B) / (C)	Indicates statistically significant difference between columns

WHEN

SEPTEMBER 18, 2019 – OCTOBER 1, 2019

Note: The SMB Pulse is open to marketer participation.

Some charts in this deck do not total to 100% due to rounding.

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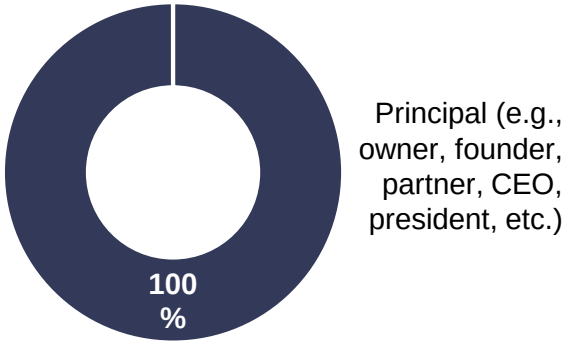
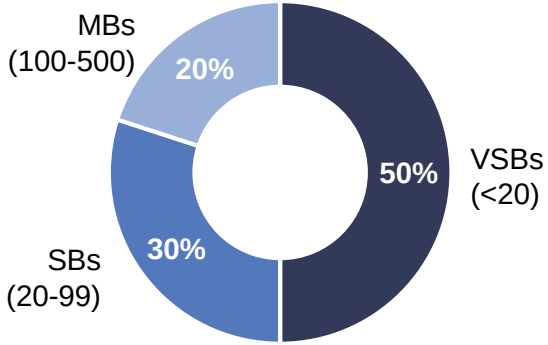
RESPONDENT CHARACTERISTICS

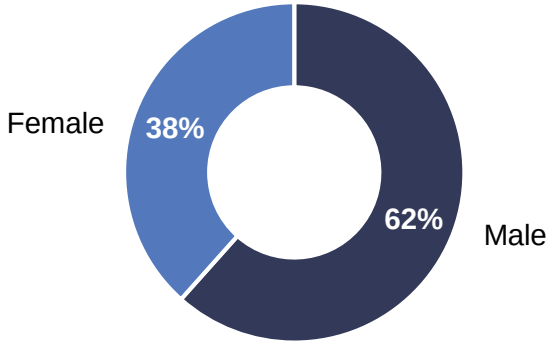
Title / Role



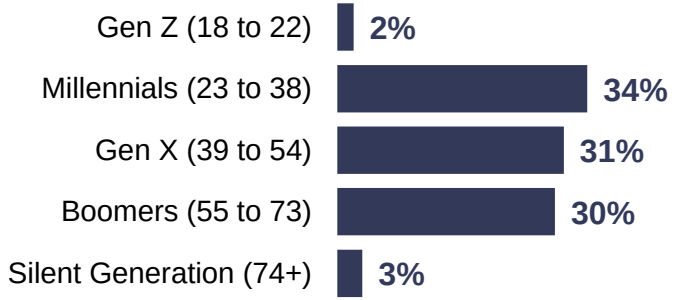
Company Size



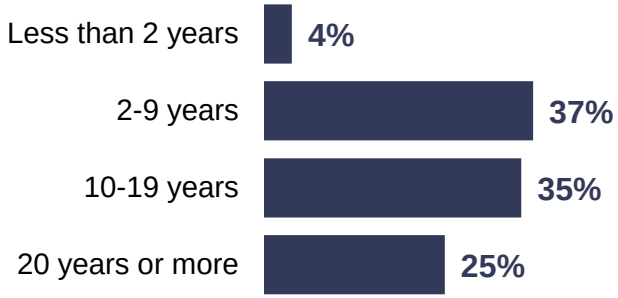
Gender



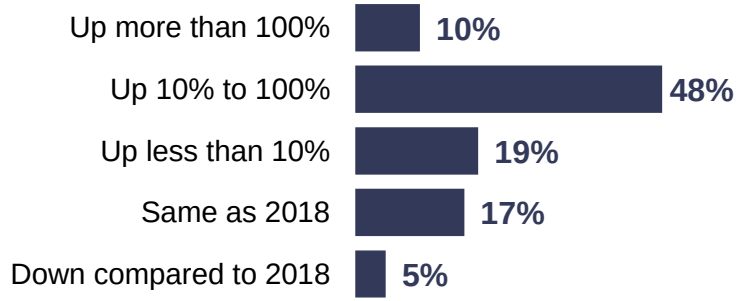
Respondent Age



Company Age



Business Outlook



n=500

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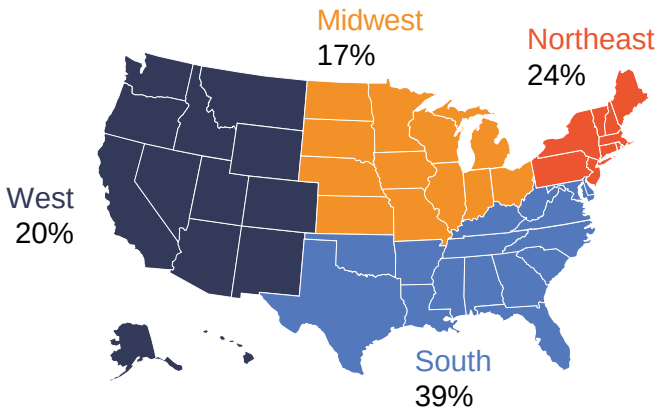
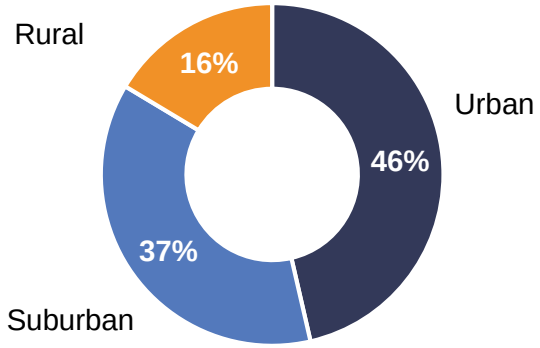
RESPONDENT CHARACTERISTICS

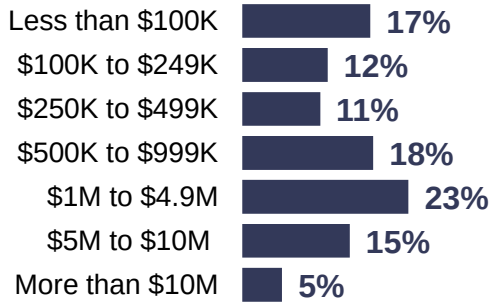
Geography



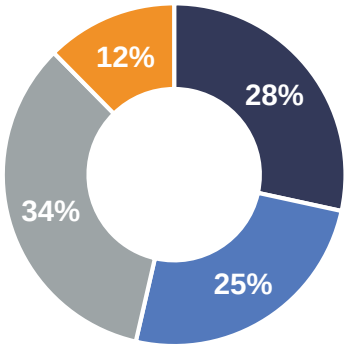
Population Density



Company Revenue



Industry



Professional Services

Computer Software/Internet	7%
Computer Services/Consulting	5%
Medical	4%
Financial Services/Accounting/Bookkeeping	3%
Banking/Insurance/Mortgage	3%
Advertising/Consulting/Design/ Marketing Services	2%
Legal	2%
Architect/Engineering	2%
Publishing/Printing/Media	0%

Retail/Wholesale

Retail	12%
Real Estate	6%
Food/Beverage/Restaurants	3%
Wholesale	2%
Entertainment/Recreation	2%
Travel/Hotel/Hospitality	1%

Manufacturing

Construction/Mining/Contracting/ Electrical/Landscape/Plumbing/etc.	18%
Manufacturing/Transportation and Warehousing	8%
Automotive	2%
Computer Hardware/Electronic Equipment	2%
Telecommunications	2%
Energy/Utilities	1%
Pharmaceutical/Medical Devices/Biotechnology	0%

Other

Personal Services	7%
Education/Training	5%

n=500

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DETAILED FINDINGS

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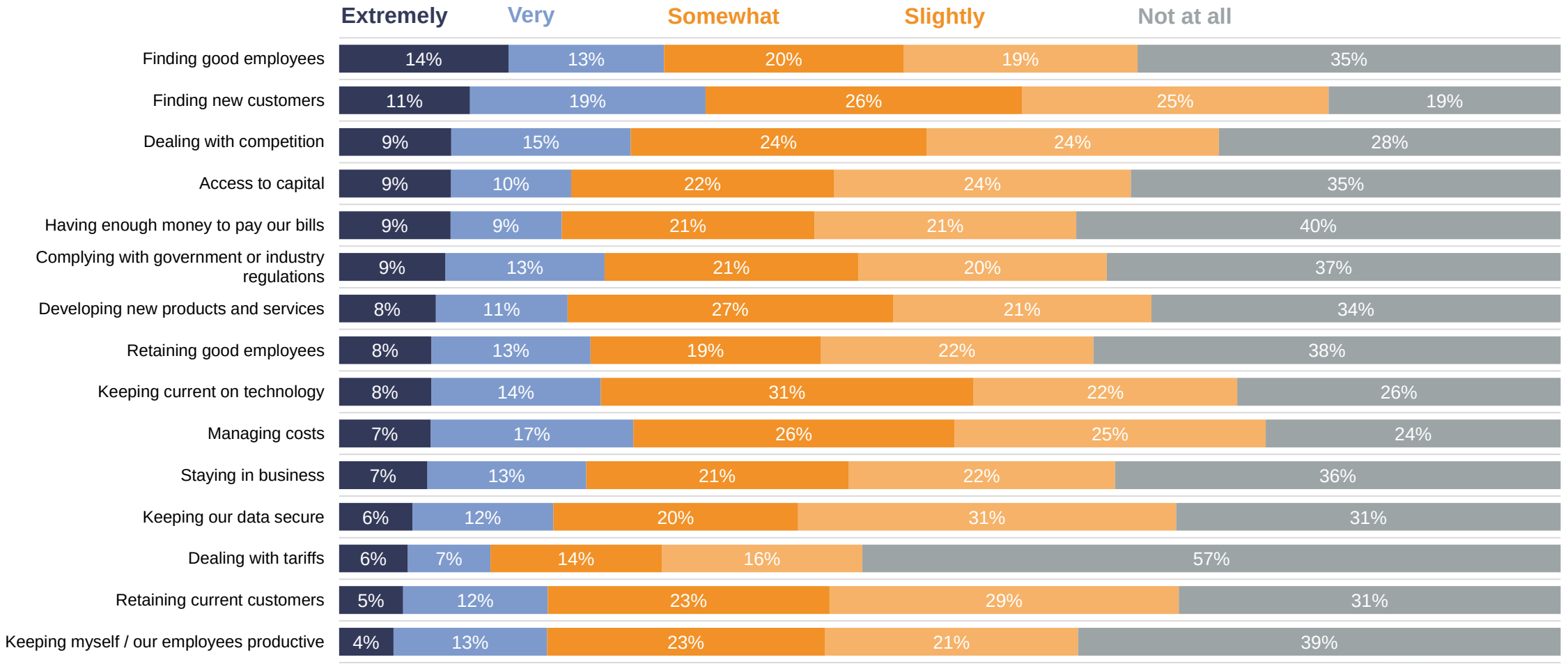
BUSINESS CHALLENGES

Employee and customer acquisition, and cash flow, are the leading challenges overall…

Please rate how challenging you find each of these business issues:



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Bredin

BUSINESS CHALLENGES: COMPANY SIZE

…but data security is the biggest challenge for MBs

Please rate how challenging you find each of these business issues:

	Headcount		
	VSBs (A)	SBs (B)	MBs (C)
Finding good employees	26%	**51% (A)**	65% **(AB)**
Finding new customers	**30%**	45% **(A)**	60% **(AB)**
Dealing with competition	23%	**51% (A)**	59% **(A)**
Access to capital	18%	43% **(A)**	56% **(AB)**
Having enough money to pay our bills	18%	43% **(A)**	58% **(AB)**
Complying with government or industry regulations	21%	42% **(A)**	57% **(AB)**
Developing new products and services	18%	47% **(A)**	63% **(AB)**
Retaining good employees	20%	43% **(A)**	63% **(AB)**
Keeping current on technology	21%	46% **(A)**	63% **(AB)**
Managing costs	24%	42% **(A)**	61% **(AB)**
Staying in business	20%	45% **(A)**	59% **(AB)**
Keeping our data secure	17%	46% **(A)**	**66% (AB)**
Dealing with tariffs	12%	44% **(A)**	60% **(AB)**
Retaining current customers	16%	44% **(A)**	59% **(AB)**
Keeping myself / our employees productive	16%	41% **(A)**	59% **(AB)**

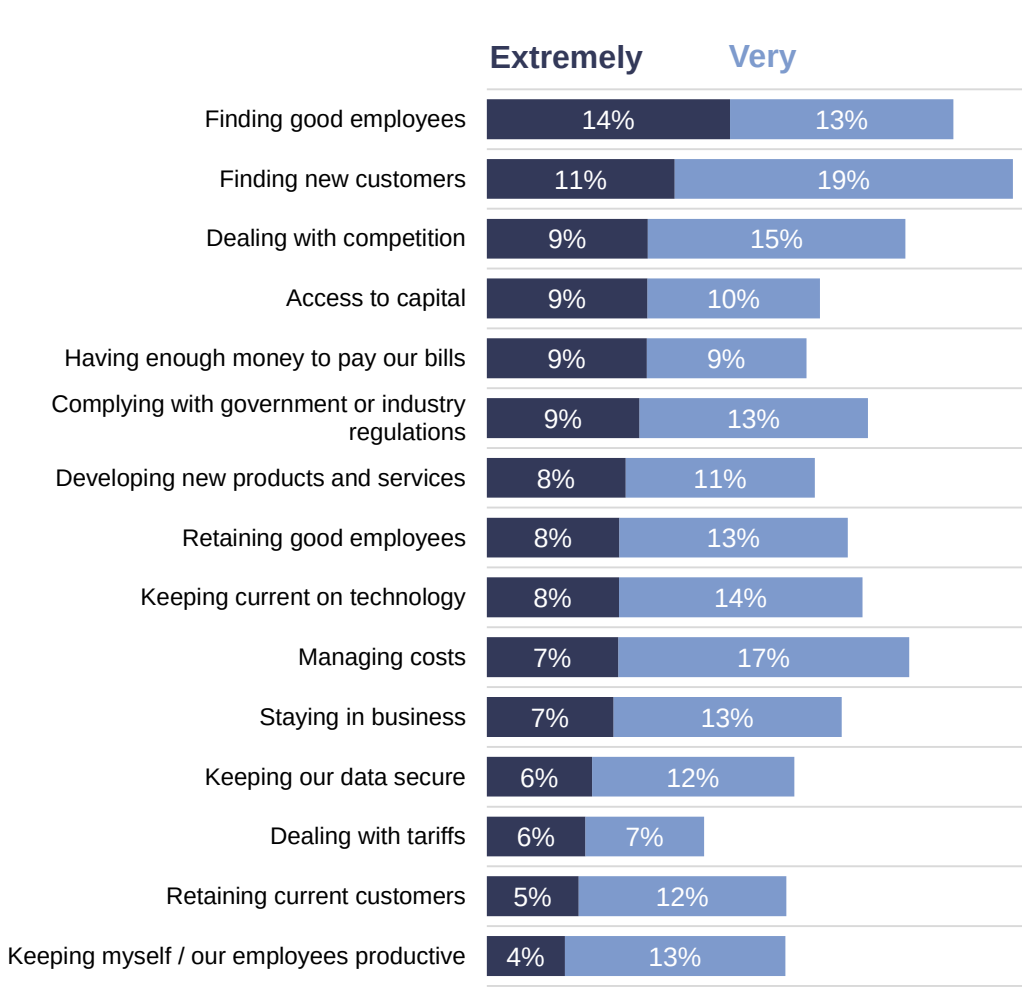
n=500

Bredin

BUSINESS CHALLENGES: INDUSTRY

Top business challenges also vary by industry sector

Please rate how challenging you find each of these business issues:



	Industry			
	PS (A)	RW (B)	M (C)	Other (D)
Finding good employees	**37% (BD)**	19%	29%	**24%**
Finding new customers	**37% (CD)**	**34%**	23%	21%
Dealing with competition	29% **(D)**	26%	20%	17%
Access to capital	24% **(B)**	14%	23% **(B)**	16%
Having enough money to pay our bills	24% **(B)**	13%	20%	19%
Complying with government or industry regulations	34% **(BCD)**	17%	23% **(D)**	12%
Developing new products and services	23%	15%	22%	16%
Retaining good employees	31% **(BD)**	13%	25% **(B)**	17%
Keeping current on technology	34% **(BD)**	16%	25% **(D)**	10%
Managing costs	26%	18%	**36% (ABD)**	16%
Staying in business	26%	17%	22%	17%
Keeping our data secure	27% **(BD)**	10%	20% **(B)**	14%
Dealing with tariffs	16%	11%	14%	7%
Retaining current customers	19%	15%	19%	17%
Keeping myself / our employees productive	19%	11%	23% **(B)**	17%

n=500

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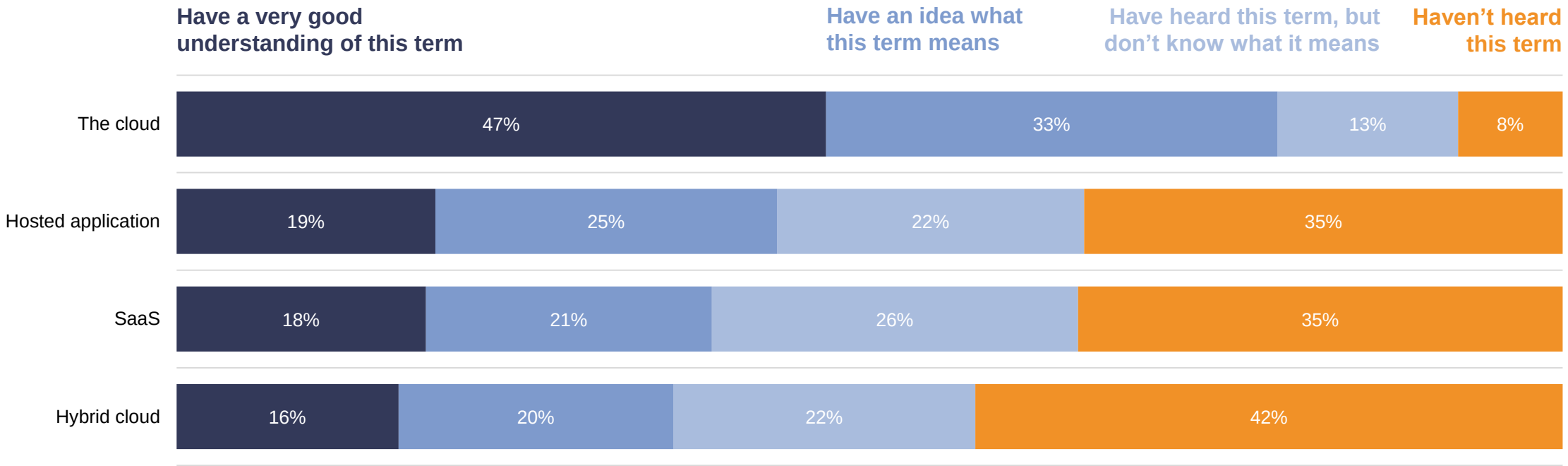
CLOUD TERMINOLOGY

SMBs are most familiar with the term ‘the cloud’

Please select the phrase that best describes your knowledge of each of these terms:



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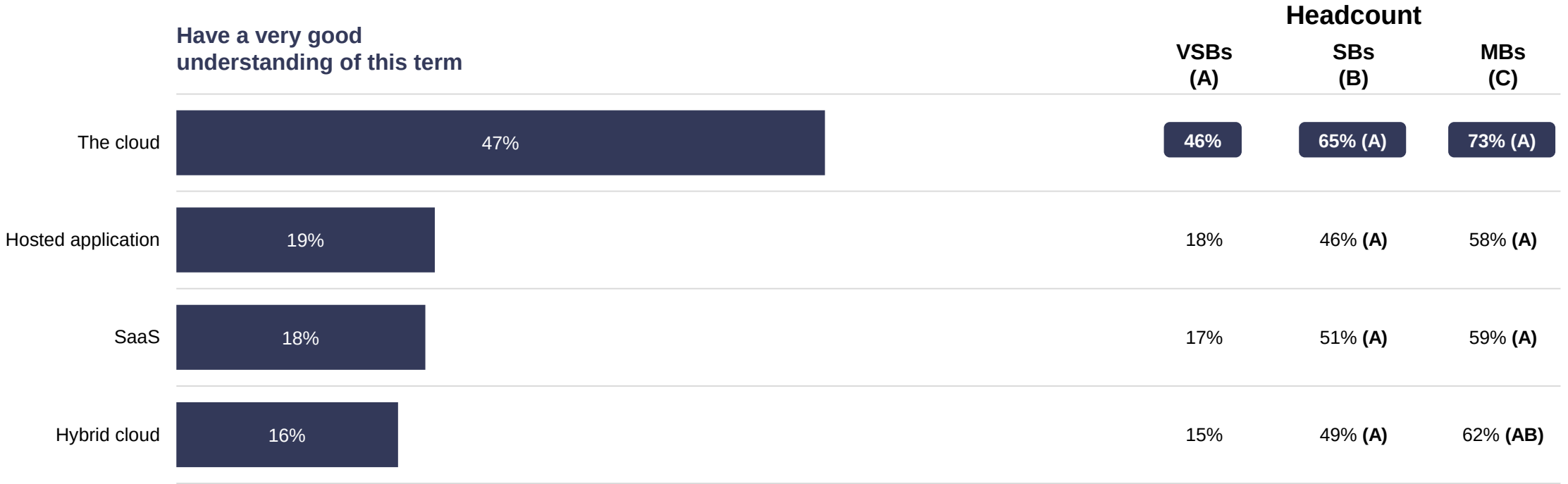
CLOUD TERMINOLOGY: COMPANY SIZE

Familiarity with all terms increases with company size

Please select the phrase that best describes your knowledge of each of these terms:



n=500

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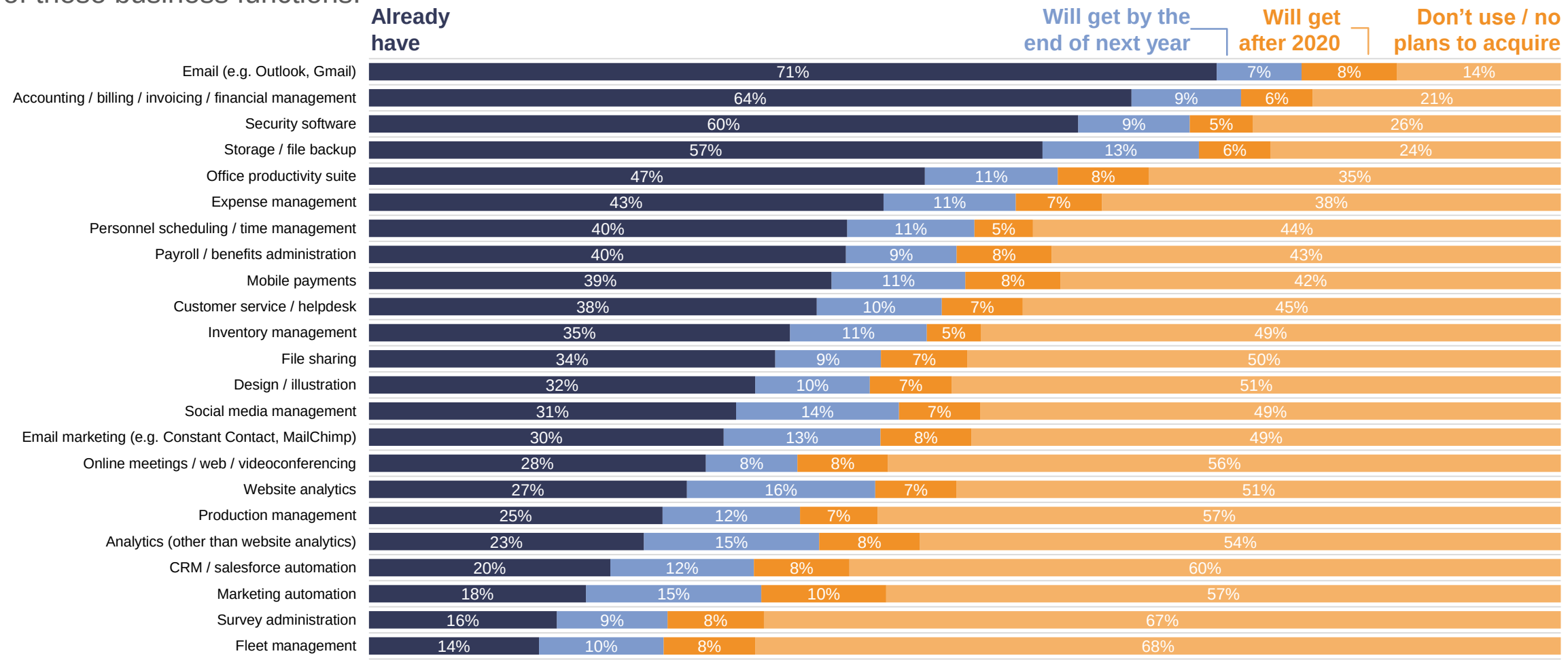
APPLICATION USAGE

SMBs are most likely to have email, followed by accounting and security

Please indicate whether your company uses, or plans to use, a software application for each of these business functions:



n=500

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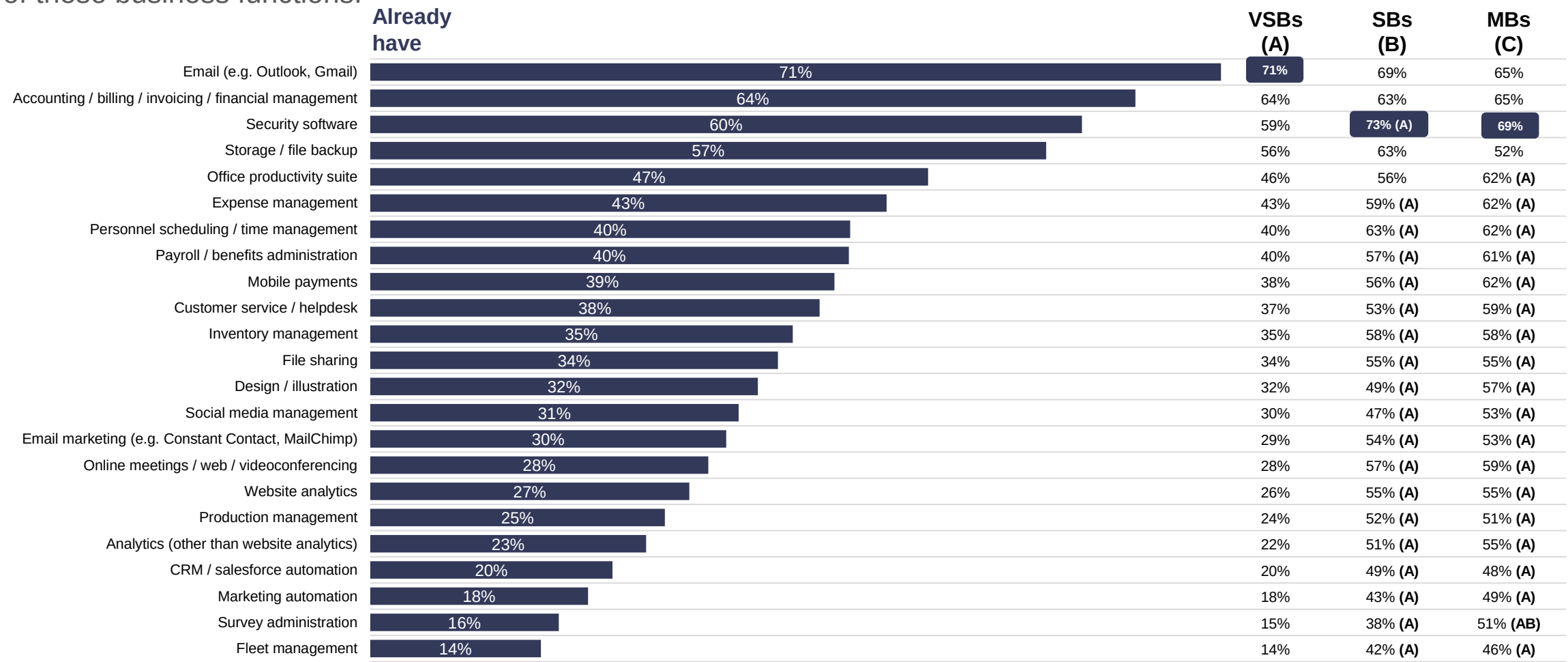
APPLICATION USAGE: COMPANY SIZE

SBs and MBs are much more likely to use every application category

Please indicate whether your company uses, or plans to use, a software application for each of these business functions:



 n=500

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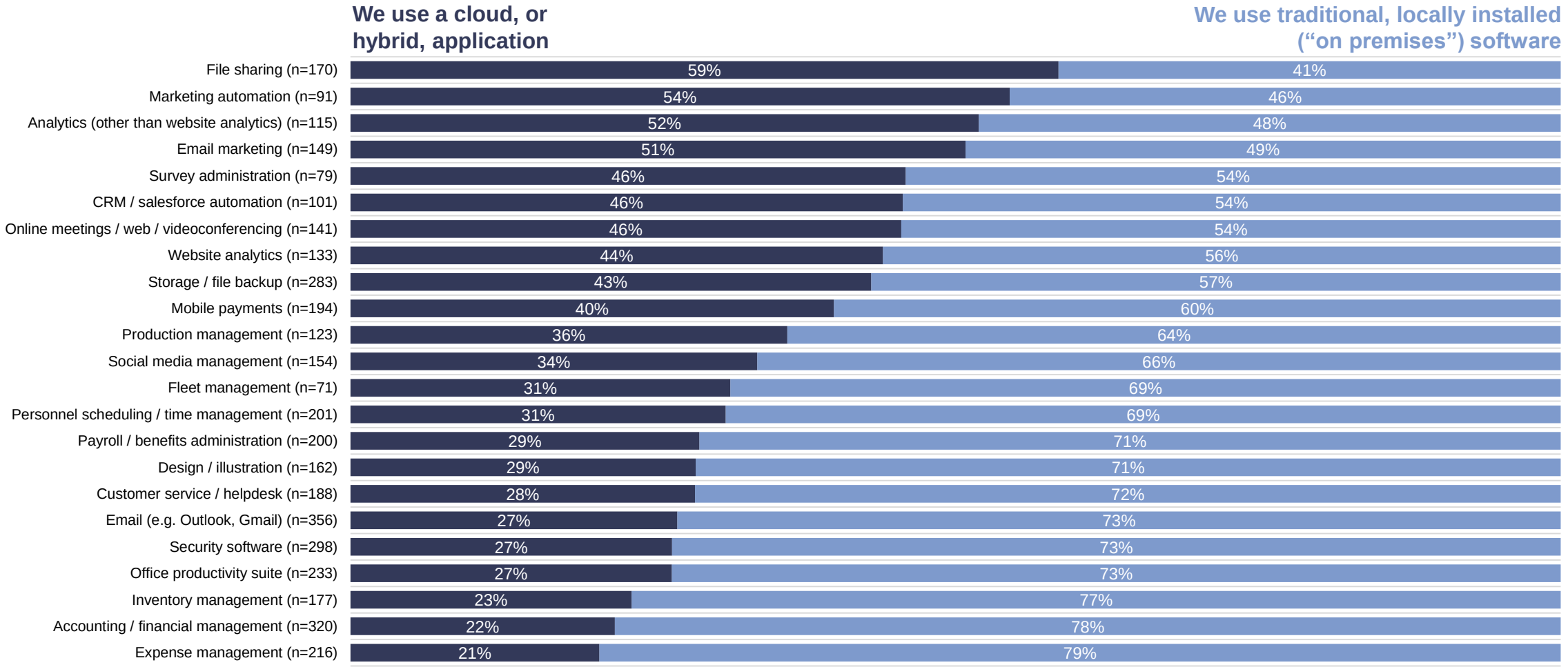
APPLICATION TYPE

In aggregate, SMBs are most likely to use file sharing apps in the cloud…

[IF USING THIS SOFTWARE] Please indicate what kind of software you use:



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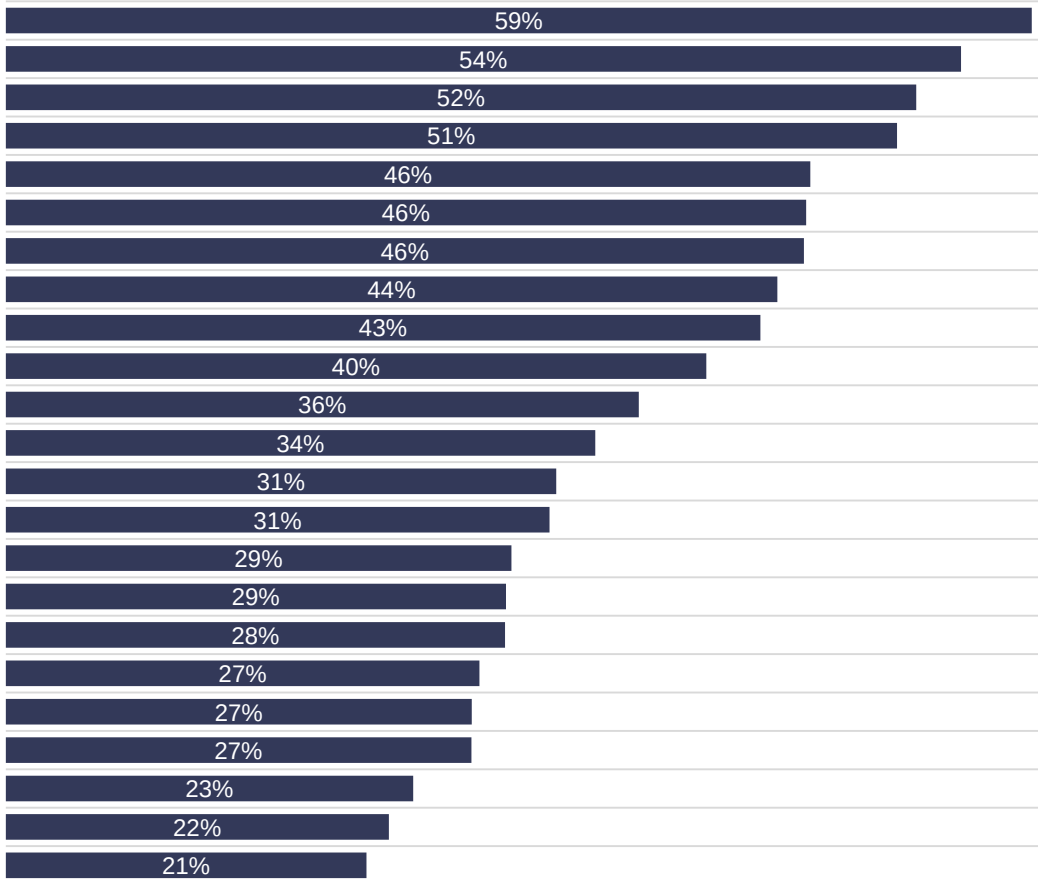
APPLICATION TYPE: COMPANY SIZE

…although SBs are most likely to use cloud-based survey tools, and MBs, storage

[IF USING THIS SOFTWARE] Please indicate what kind of software you use:



	Headcount		
	VSBs (A)	SBs (B)	MBs (C)
File sharing (n=170)	58%	64%	58%
Marketing automation (n=91)	55%	51%	65%
Analytics (other than website analytics) (n=115)	52%	54%	56%
Email marketing (n=149)	51%	54%	51%
Survey administration (n=79)	45%	68% (AC)	47%
CRM / salesforce automation (n=101)	45%	58%	63%
Online meetings / web / videoconferencing (n=141)	45%	58%	58%
Website analytics (n=133)	43%	63% **(A)**	62% **(A)**
Storage / file backup (n=283)	43%	60% **(A)**	73% (A)
Mobile payments (n=194)	40%	50%	53%
Production management (n=123)	35%	58% **(A)**	59% **(A)**
Social media management (n=154)	33%	52% **(A)**	57% **(A)**
Fleet management (n=71)	29%	59% **(A)**	57% **(A)**
Personnel scheduling / time management (n=201)	30%	50% **(A)**	50% **(A)**
Payroll / benefits administration (n=200)	28%	44% **(A)**	48% **(A)**
Design / illustration (n=162)	28%	59% **(A)**	44% **(A)**
Customer service / helpdesk (n=188)	28%	42%	54% **(A)**
Email (e.g. Outlook, Gmail) (n=356)	26%	53% **(A)**	60% **(A)**
Security software (n=298)	26%	57% **(A)**	59% **(A)**
Office productivity suite (n=233)	26%	49% **(A)**	58% **(A)**
Inventory management (n=177)	22%	60% **(A)**	53% **(A)**
Accounting / financial management (n=320)	21%	48% **(A)**	45% **(A)**
Expense management (n=216)	20%	50% **(A)**	48% **(A)**

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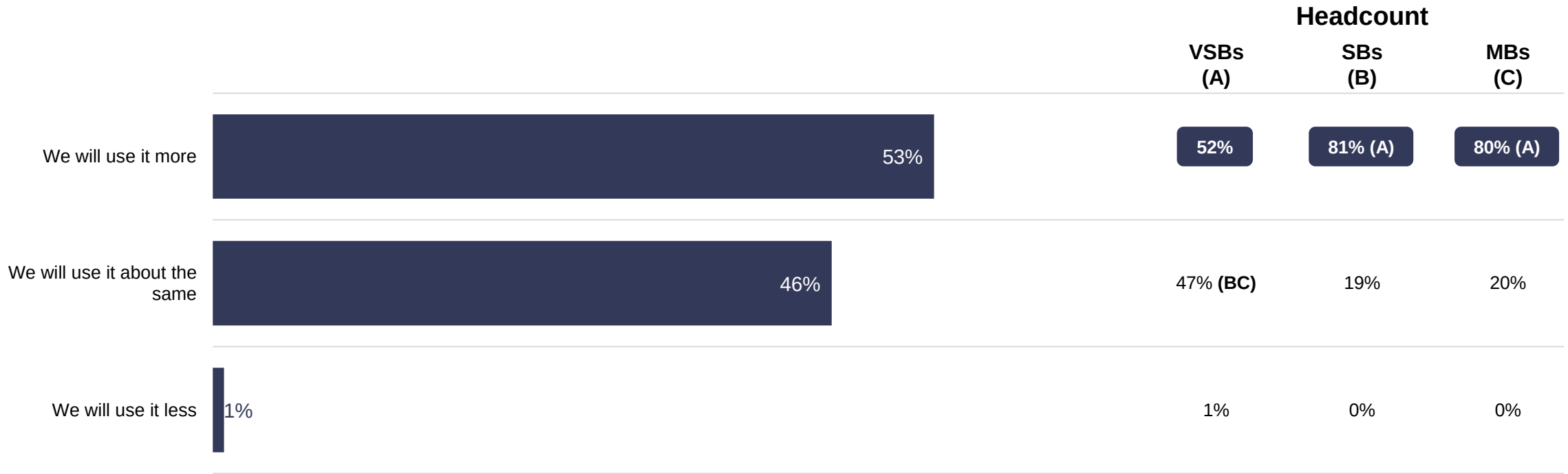
CLOUD USER OUTLOOK

The majority of cloud-using SMBs expect usage to increase

[IF USING A CLOUD SOLUTION]

How do you expect your use of cloud applications will change over the next two years?



	Headcount		
	VSBs (A)	SBs (B)	MBs (C)
We will use it more	52%	81% (A)	80% (A)
We will use it about the same	47% **(BC)**	19%	20%
We will use it less	1%	0%	0%

n=234

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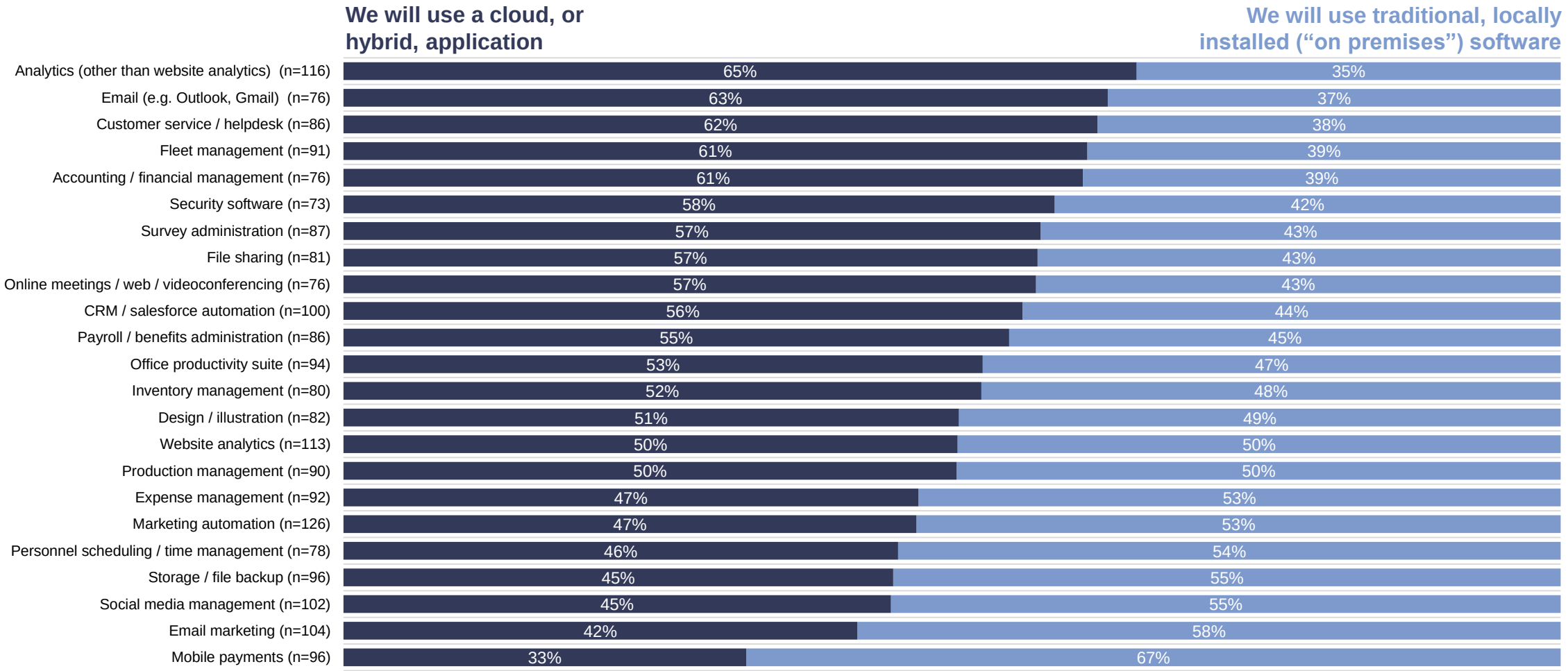
CLOUD ADOPTION OUTLOOK

In aggregate, most SMBs plan to adopt cloud solutions in most application categories…

[IF PLANNING TO USE THIS SOFTWARE] Please indicate what kind of software you will use:



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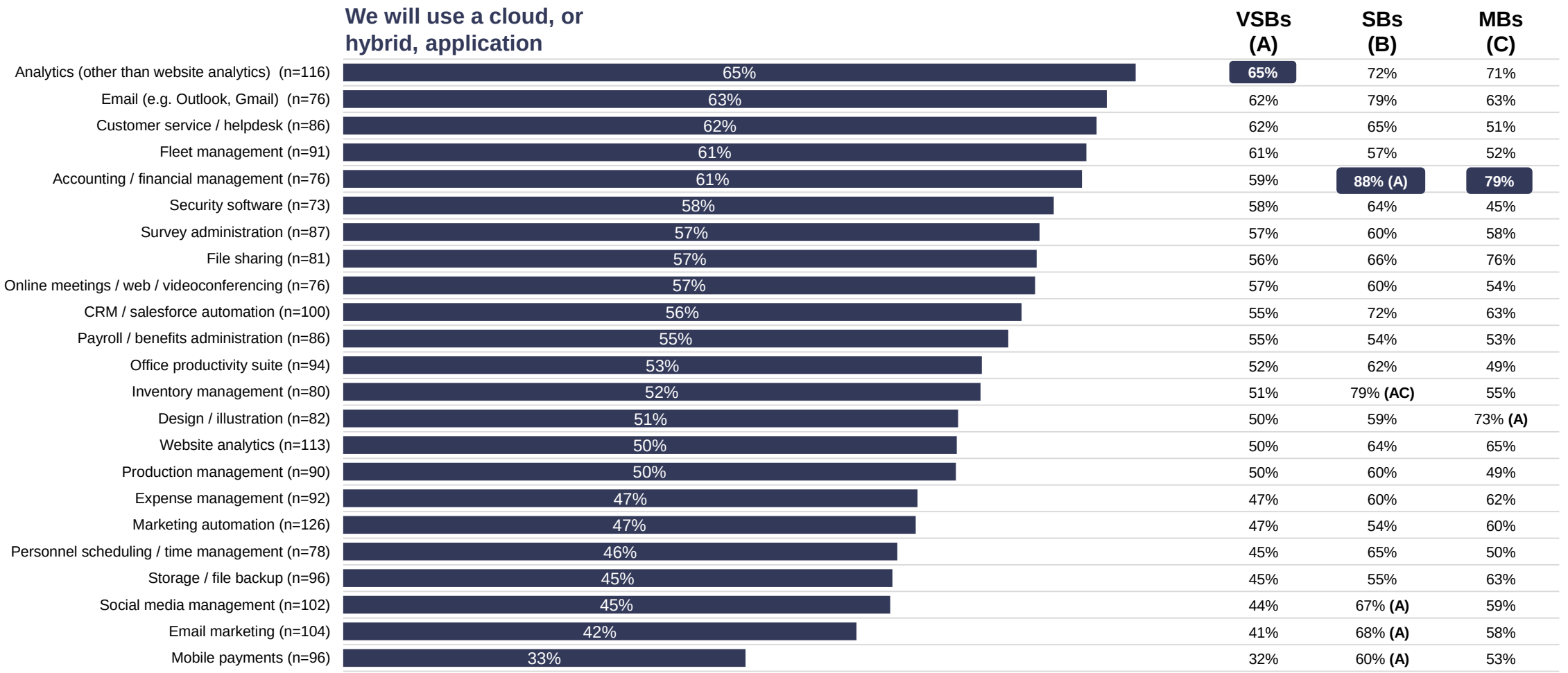
CLOUD ADOPTION OUTLOOK: COMPANY SIZE

SBs generally have the most aggressive cloud adoption plans

[IF PLANNING TO USE THIS SOFTWARE] Please indicate what kind of software you will use:



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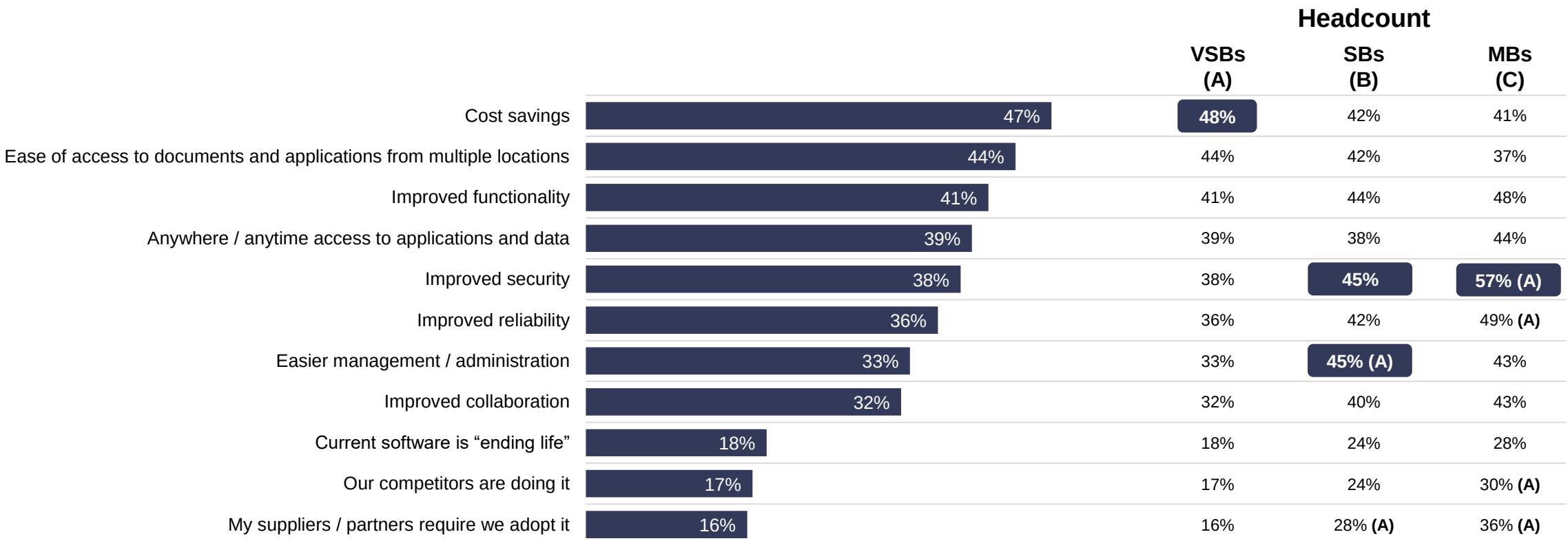
CLOUD ADOPTION DRIVERS

‘Cost savings’ is the biggest overall motivator for cloud adoption

[IF USING OR PLAN TO USE CLOUD APPLICATIONS]

Please select all of the reasons you use, or will adopt, cloud applications:



n=269

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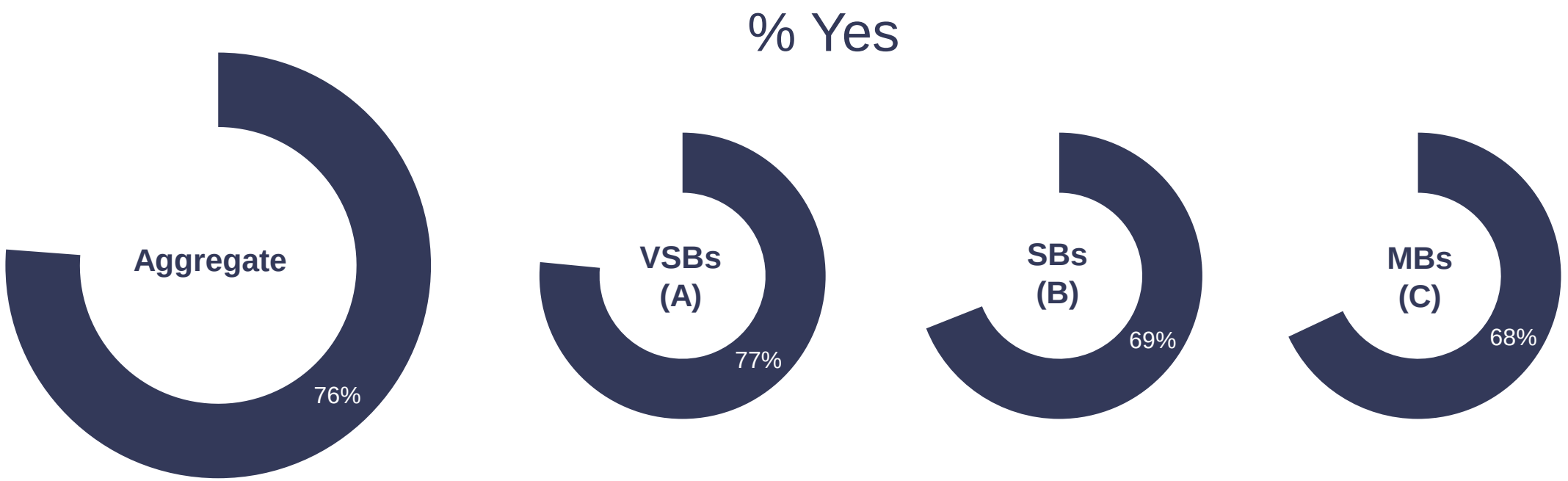
FREEMIUM USAGE: COMPANY SIZE

Three in four cloud-using SMBs have trialed a freemium SaaS application…

[IF USING A CLOUD SOLUTION]

Did you start using any of your cloud applications on a free or no-cost basis?



n=234

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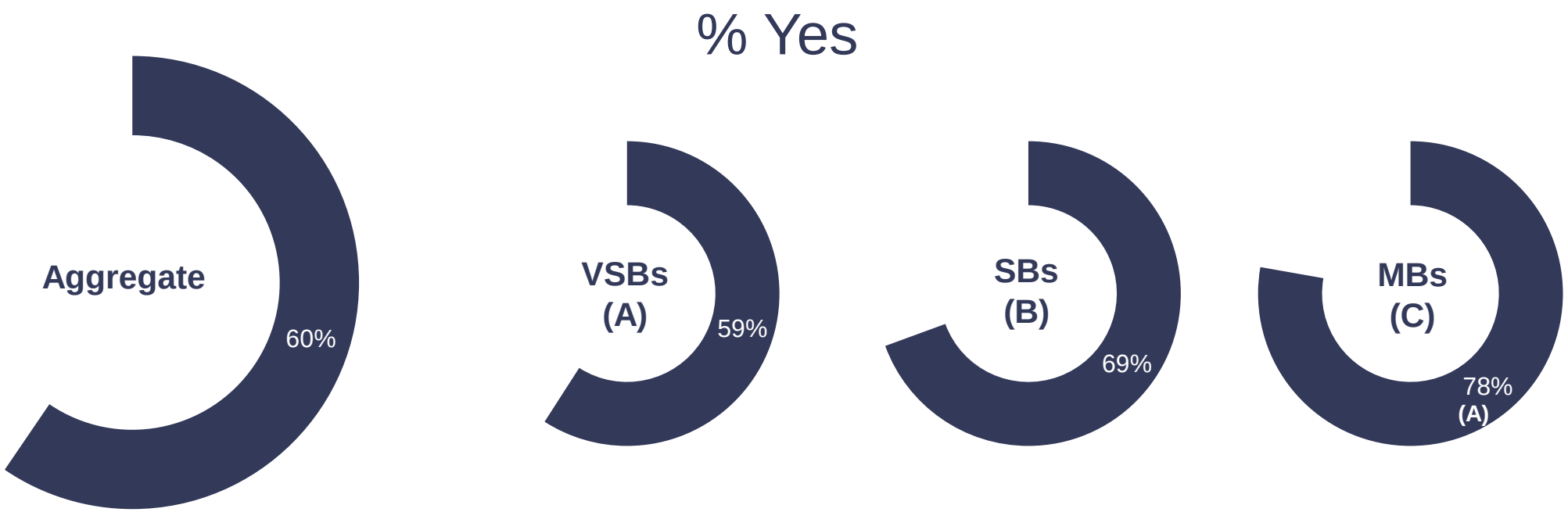
FREEMIUM CONVERSION: COMPANY SIZE

…and three in five ‘freemium’ users upgraded to a paid subscription

[IF STARTED USING A FREE CLOUD SOLUTION]

For the cloud applications that you stared using for free, have you since upgraded any of them to paid subscriptions?



45% of paying cloud-using SMBs (and 54% of MBs) started with a freemium version

n=179

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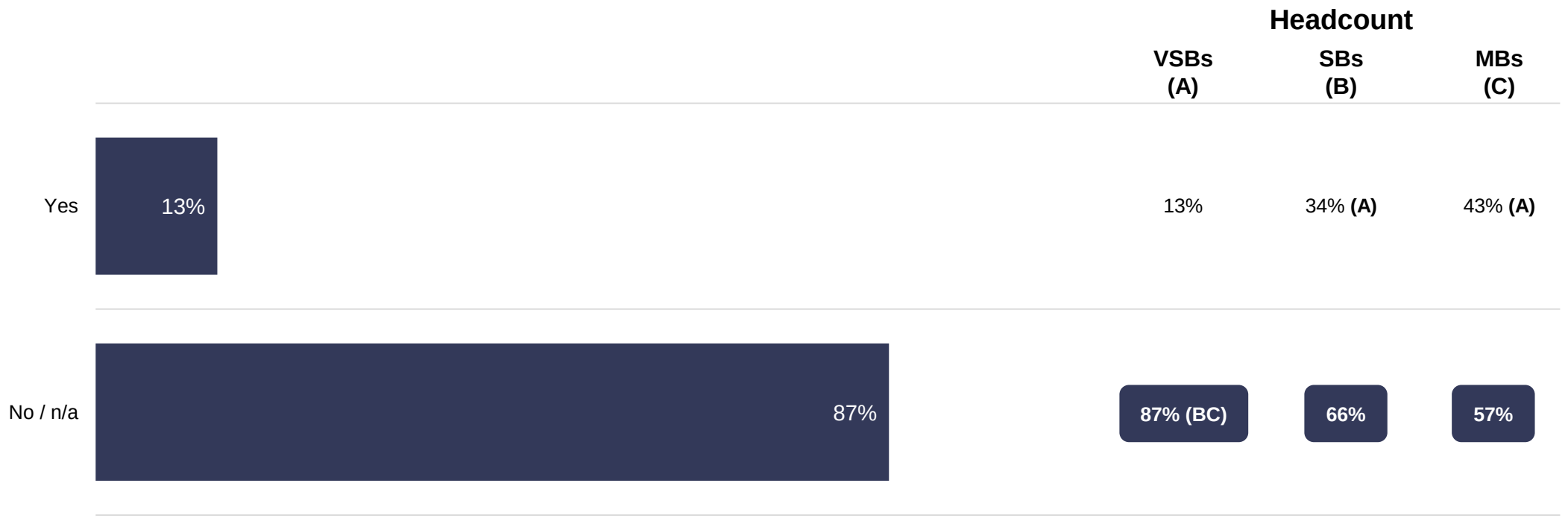
REVERSION TO ON-PREMISES

More than 1 in 10 SMBs have moved from a cloud solution back to an on-premises solution

Have you migrated any data or applications from the cloud back to on-premises?



n=500

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ON-PREMISES REVERSION RATIONALE

Security and ease of use are key reasons for reverting to on-premises

[IF MIGRATED BACK TO ON-PREMSE] Why?

 n=51

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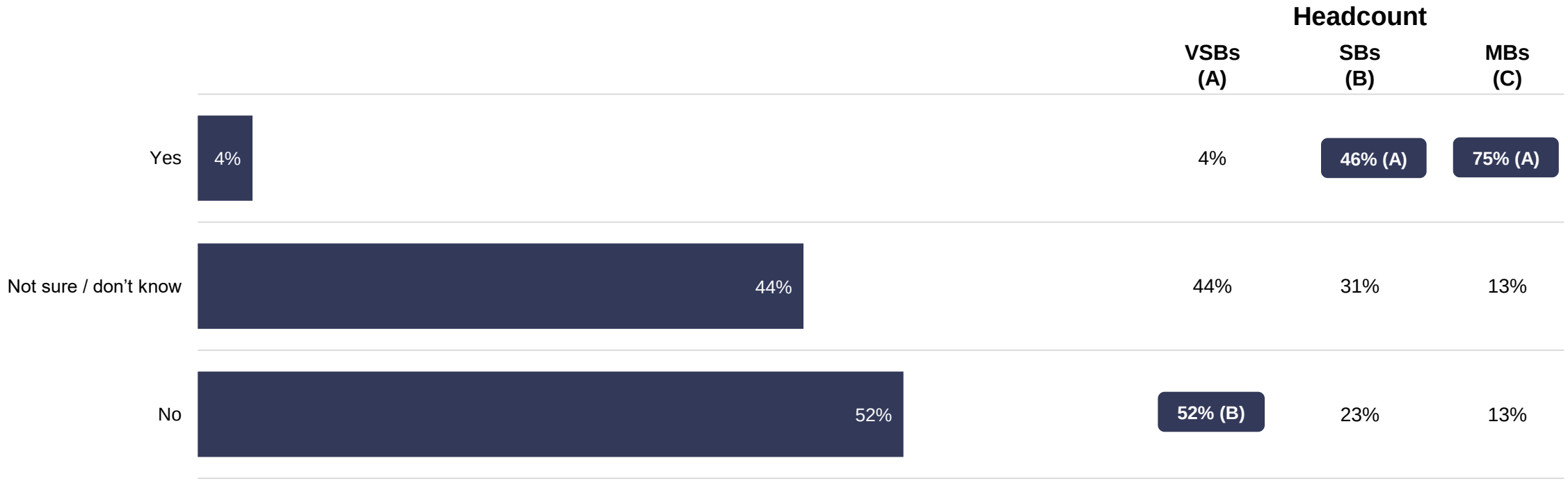
CLOUD NON-USER OUTLOOK

Three in four non-cloud-using MBs plan to move to the cloud

[IF NOT USING A CLOUD SOLUTION]

Do you expect to adopt cloud applications in the next two years?



	Headcount		
	VSBs (A)	SBs (B)	MBs (C)
Yes	4%	46% (A)	75% (A)
Not sure / don't know	44%	31%	13%
No	52% (B)	23%	13%

n=266

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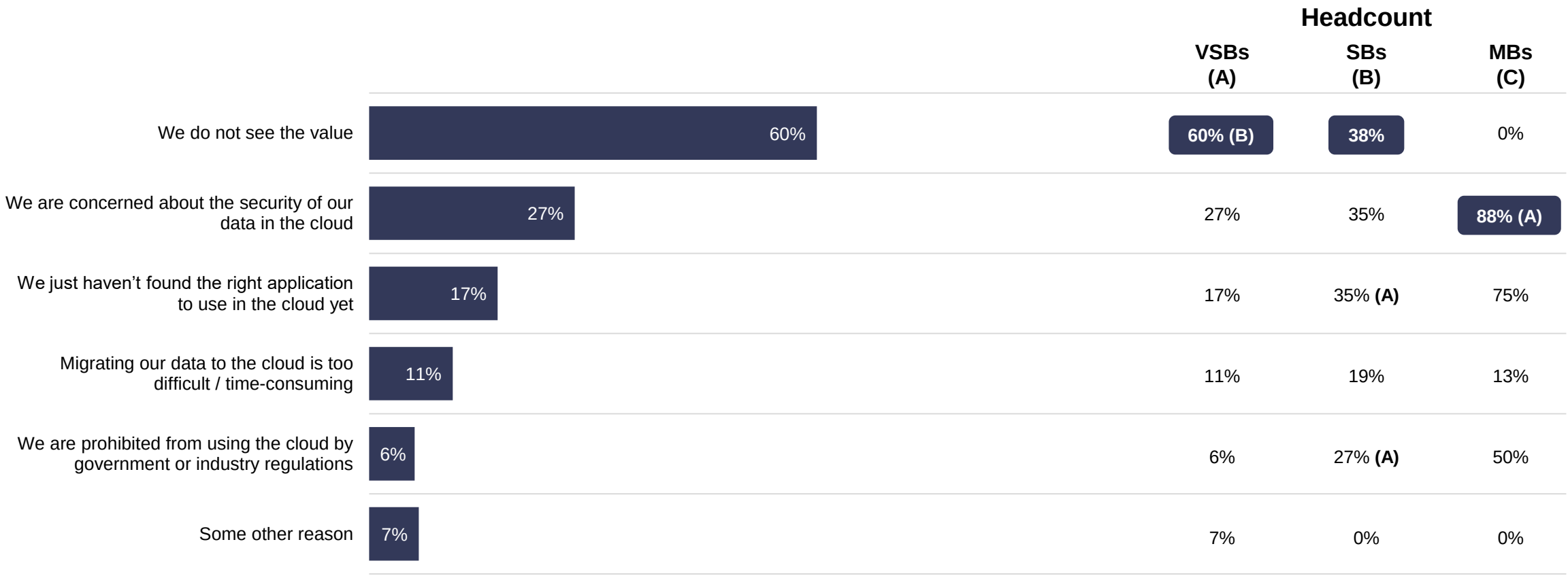
REASONS FOR CLOUD NON-ADOPTION

‘Lack of perceived value’ is the top overall reason for avoiding the cloud

[IF NOT USING A CLOUD SOLUTION]

You indicated that you do not use any applications in the cloud. Why is that? Select all that apply.



n=266

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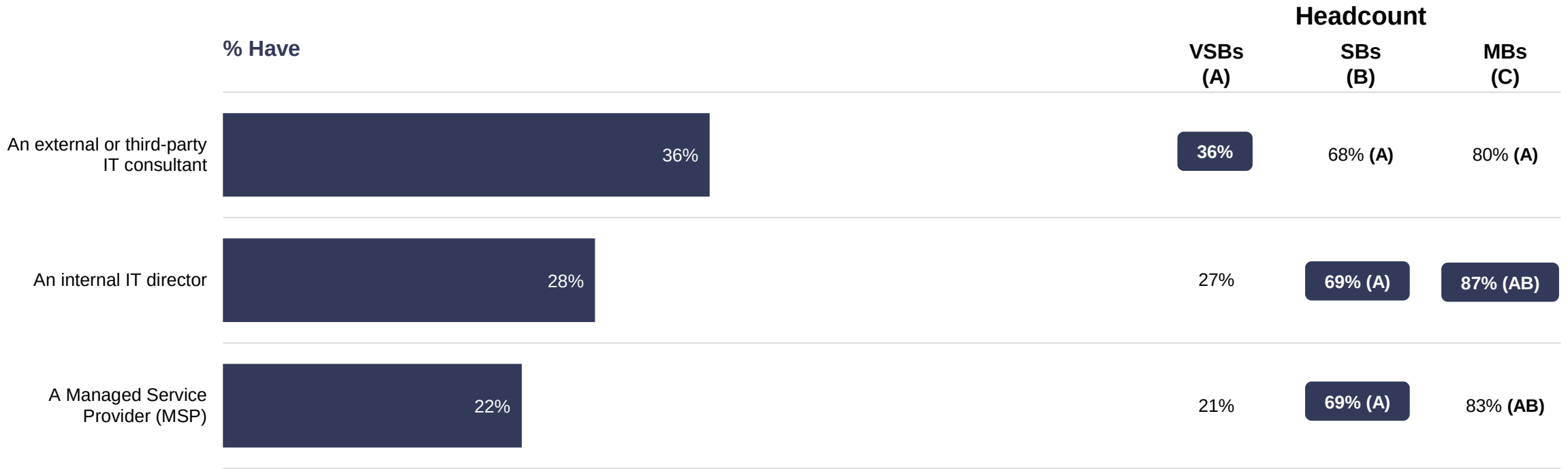
IT RESOURCES: COMPANY SIZE

The presence of an IT director, consultant or MSP increases sharply with company size

Do you have:



n=500

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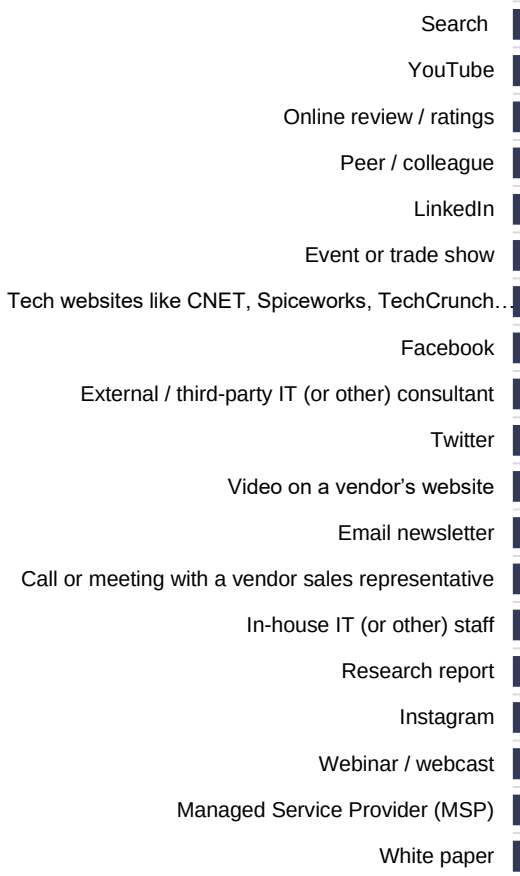
CLOUD AWARENESS SOURCES

Search is the most likely source for SaaS product discovery…

[IF USING OR PLAN TO USE ANY CLOUD SOLUTIONS]

How would you expect to **first become aware** of or learn about a cloud solution for your business? Please select all that apply.



	Headcount		
	VSBs (A)	SBs (B)	MBs (C)
Search	38%	30%	28%
YouTube	23%	27%	30%
Online review / ratings	21%	24%	30%
Peer / colleague	21%	20%	18%
LinkedIn	20%	20%	31%
Event or trade show	20%	17%	16%
Tech websites like CNET, Spiceworks, TechCrunch…	19%	20%	30%
Facebook	18%	26%	32% (A)
External / third-party IT (or other) consultant	18%	17%	19%
Twitter	17%	26%	23%
Video on a vendor's website	15%	18%	27% **(A)**
Email newsletter	14%	24% **(A)**	23%
Call or meeting with a vendor sales representative	14%	23%	16%
In-house IT (or other) staff	14%	15%	24%
Research report	13%	18%	9%
Instagram	12%	23% **(A)**	26% **(A)**
Webinar / webcast	12%	15%	20%
Managed Service Provider (MSP)	11%	16%	19%
White paper	11%	15%	16%

n=269

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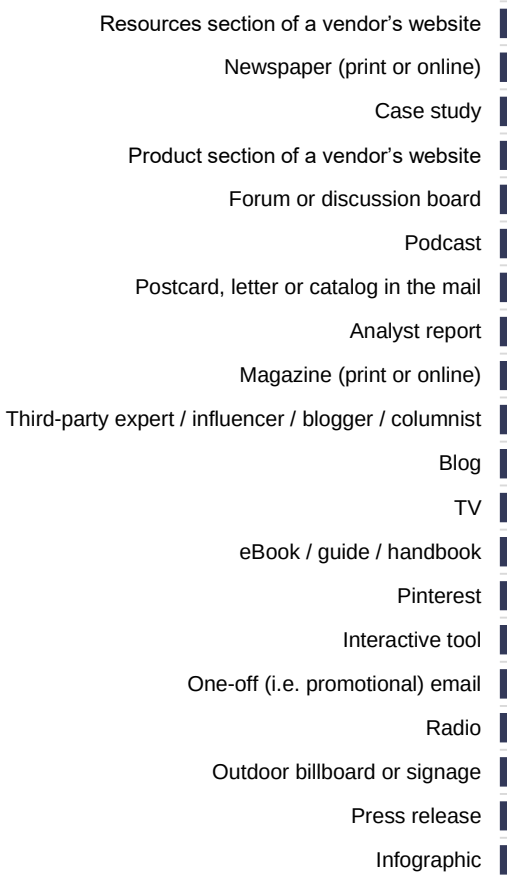
CLOUD AWARENESS SOURCES (CONTINUED)

…mass media rates relatively low for SaaS solution awareness

[IF USING OR PLAN TO USE ANY CLOUD SOLUTIONS]

How would you expect to **first become aware** of or learn about a cloud solution for your business? Please select all that apply.



	Headcount		
	VSBs (A)	SBs (B)	MBs (C)
Resources section of a vendor's website	11%	18%	16%
Newspaper (print or online)	10%	18%	27% **(A)**
Case study	10%	18%	15%
Product section of a vendor's website	10%	16%	21% **(A)**
Forum or discussion board	10%	14%	13%
Podcast	10%	12%	13%
Postcard, letter or catalog in the mail	10%	9%	15%
Analyst report	9%	14%	13%
Magazine (print or online)	8%	18% **(A)**	16%
Third-party expert / influencer / blogger / columnist	8%	12%	23% **(AB)**
Blog	8%	12%	14%
TV	8%	24% **(A)**	32% **(A)**
eBook / guide / handbook	8%	9%	16% **(A)**
Pinterest	7%	12%	21% **(A)**
Interactive tool	7%	12%	11%
One-off (i.e. promotional) email	6%	16% **(A)**	12%
Radio	5%	14% **(A)**	16% **(A)**
Outdoor billboard or signage	5%	8%	10%
Press release	4%	7%	10%
Infographic	4%	7%	13% **(A)**

n=269

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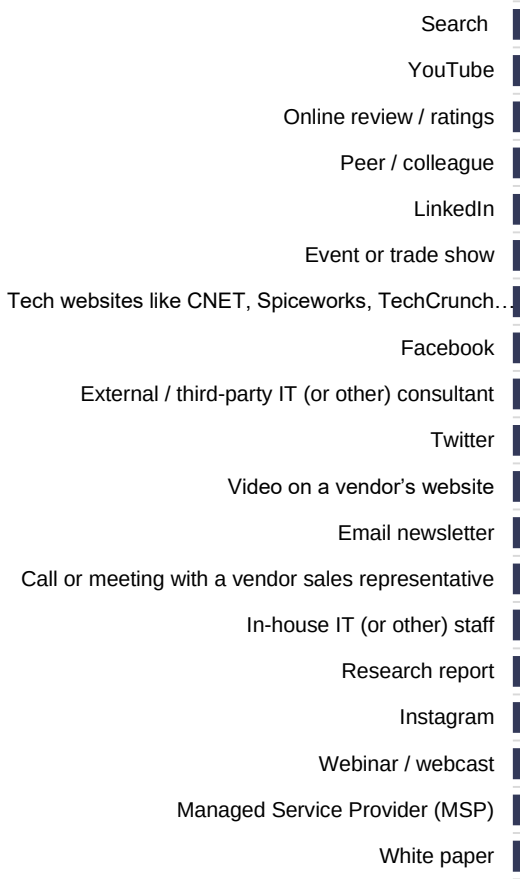
CLOUD AWARENESS SOURCES: RESPONDENT AGE

Millennials and Gen Z are heavy YouTube users…

[IF USING OR PLAN TO USE ANY CLOUD SOLUTIONS]

How would you expect to **first become aware** of or learn about a cloud solution for your business? Please select all that apply.



	Respondent Age		
	18 to 38 (A)	39 to 54 (B)	55+ (C)
Search	36%	41%	36%
YouTube	38% (BC)	15%	15%
Online review / ratings	31% **(B)**	9%	23% **(B)**
Peer / colleague	20%	22%	21%
LinkedIn	18%	15%	25%
Event or trade show	15%	22%	21%
Tech websites like CNET, Spiceworks, TechCrunch…	18%	17%	21%
Facebook	23%	15%	17%
External / third-party IT (or other) consultant	20%	17%	17%
Twitter	21% **(C)**	27% **(C)**	6%
Video on a vendor's website	16%	15%	15%
Email newsletter	18%	15%	11%
Call or meeting with a vendor sales representative	14%	17%	13%
In-house IT (or other) staff	14%	13%	17%
Research report	16%	5%	17%
Instagram	25% **(B)**	8%	4%
Webinar / webcast	12%	10%	15%
Managed Service Provider (MSP)	12%	12%	11%
White paper	12%	8%	15%

n=269

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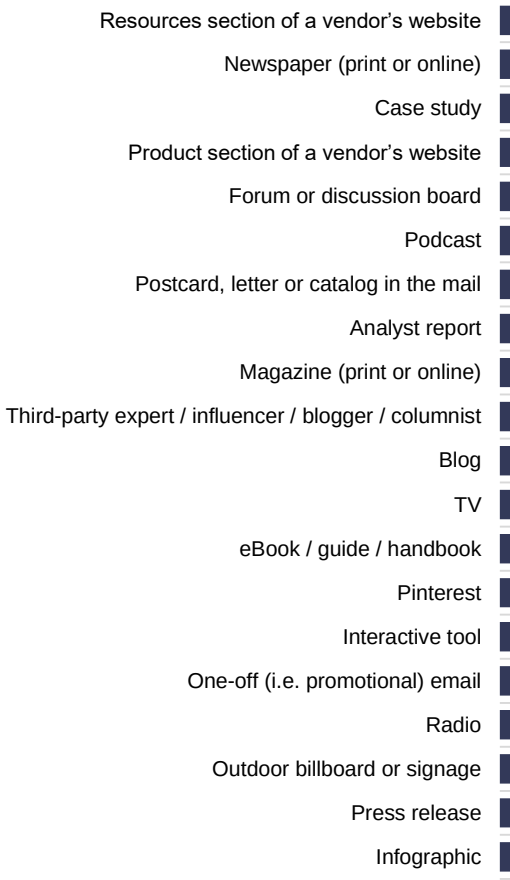
CLOUD AWARENESS SOURCES: RESPONDENT AGE

…and generally heavier consumers of every information source

[IF USING OR PLAN TO USE ANY CLOUD SOLUTIONS]

How would you expect to **first become aware** of or learn about a cloud solution for your business? Please select all that apply.



	Respondent Age		
	18 to 38 (A)	39 to 54 (B)	55+ (C)
Resources section of a vendor's website	12%	12%	9%
Newspaper (print or online)	16% **(C)**	8%	6%
Case study	12%	10%	9%
Product section of a vendor's website	10%	10%	11%
Forum or discussion board	14%	7%	8%
Podcast	18% **(B)**	8%	4%
Postcard, letter or catalog in the mail	11%	10%	8%
Analyst report	11%	3%	13%
Magazine (print or online)	16%	6%	4%
Third-party expert / influencer / blogger / columnist	12%	5%	9%
Blog	14%	7%	4%
TV	14%	1%	9%
eBook / guide / handbook	16%	8%	0%
Pinterest	14%	5%	2%
Interactive tool	18%	1%	2%
One-off (i.e. promotional) email	7%	3%	8%
Radio	9%	5%	2%
Outdoor billboard or signage	11%	5%	0%
Press release	5%	3%	4%
Infographic	2%	5%	4%

n=269

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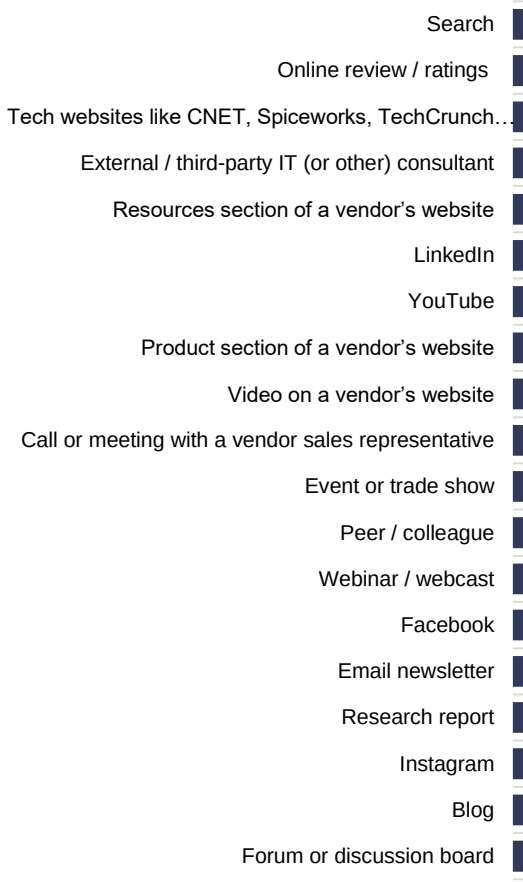
CLOUD RESEARCH SOURCES

Search, reviews and tech websites are the most heavily used research sources…

[IF USING OR PLAN TO USE ANY CLOUD SOLUTIONS]

After you've become aware of a cloud solution, what information sources do, or would, you use to **research** (or learn more about) that solution? Please select all that apply.



	Headcount		
	VSBs (A)	SBs (B)	MBs (C)
Search	32%	31%	27%
Online review / ratings	27%	22%	22%
Tech websites like CNET, Spiceworks, TechCrunch…	22%	17%	26%
External / third-party IT (or other) consultant	19%	16%	22%
Resources section of a vendor's website	17%	13%	27% **(B)**
LinkedIn	17%	17%	24%
YouTube	16%	32% (A)	30% **(A)**
Product section of a vendor's website	16%	18%	18%
Video on a vendor's website	16%	17%	23%
Call or meeting with a vendor sales representative	15%	20%	21%
Event or trade show	14%	15%	14%
Peer / colleague	14%	15%	17%
Webinar / webcast	14%	12%	17%
Facebook	13%	23% **(A)**	33% (A)
Email newsletter	13%	22%	21%
Research report	13%	15%	24% **(A)**
Instagram	12%	23% **(A)**	31% **(A)**
Blog	12%	14%	13%
Forum or discussion board	12%	9%	17%

n=269

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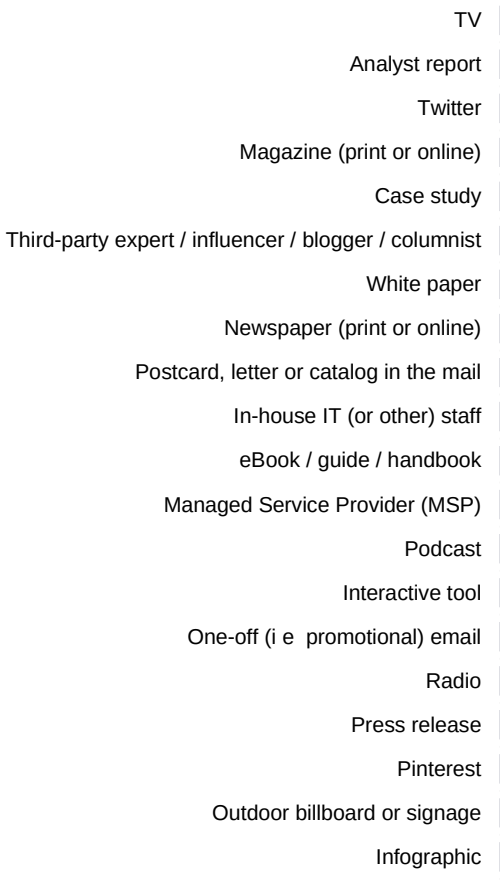
CLOUD RESEARCH SOURCES (CONTINUED)

…while Twitter is surprisingly popular among MBs

[IF USING OR PLAN TO USE ANY CLOUD SOLUTIONS]

After you've become aware of a cloud solution, what information sources do, or would, you use to **research** (or learn more about) that solution? Please select all that apply.



	Headcount		
	VSBs (A)	SBs (B)	MBs (C)
TV	11%	23% **(A)**	22% **(A)**
Analyst report	11%	13%	14%
Twitter	10%	18%	30% **(AB)**
Magazine (print or online)	10%	15%	18%
Case study	10%	14%	17%
Third-party expert / influencer / blogger / columnist	10%	12%	14%
White paper	9%	14%	21% **(A)**
Newspaper (print or online)	9%	13%	12%
Postcard, letter or catalog in the mail	9%	7%	13%
In-house IT (or other) staff	8%	12%	21% **(A)**
eBook / guide / handbook	8%	12%	17% **(A)**
Managed Service Provider (MSP)	7%	13%	17% **(A)**
Podcast	6%	11%	14% **(A)**
Interactive tool	6%	10%	7%
One-off (i e promotional) email	5%	14% **(A)**	13% **(A)**
Radio	5%	11%	21% **(AB)**
Press release	5%	9%	14% **(A)**
Pinterest	5%	17% **(A)**	22% **(A)**
Outdoor billboard or signage	5%	7%	8%
Infographic	4%	9%	12% **(A)**

n=269

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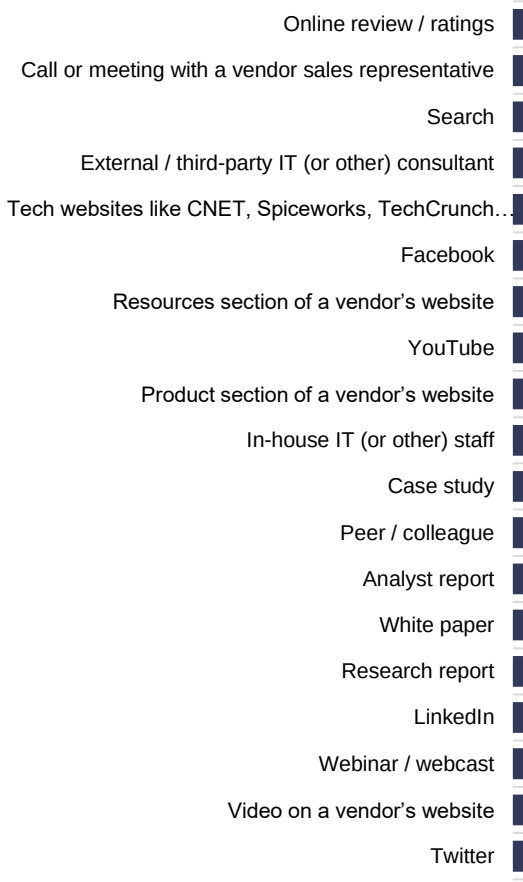
CLOUD PURCHASE SOURCES

Online reviews are very important for VSBs; Facebook for SBs and MBs

[IF USING OR PLAN TO USE ANY CLOUD SOLUTIONS]

After you've researched a cloud solution, what information sources do, or would, you use to **make a final purchase decision** on that solution? Please select all that apply.



	Headcount		
	VSBs (A)	SBs (B)	MBs (C)
Online review / ratings	29%	20%	26%
Call or meeting with a vendor sales representative	18%	17%	24%
Search	18%	13%	18%
External / third-party IT (or other) consultant	17%	9%	19% **(B)**
Tech websites like CNET, Spiceworks, TechCrunch…	16%	16%	23%
Facebook	15%	25% (A)	33% (A)
Resources section of a vendor's website	14%	10%	17%
YouTube	14%	23%	26% **(A)**
Product section of a vendor's website	14%	18%	17%
In-house IT (or other) staff	14%	13%	23% **(B)**
Case study	13%	11%	13%
Peer / colleague	12%	15%	20%
Analyst report	12%	13%	10%
White paper	12%	10%	12%
Research report	11%	11%	15%
LinkedIn	10%	15%	20% **(A)**
Webinar / webcast	10%	7%	14%
Video on a vendor's website	9%	13%	20% **(A)**
Twitter	8%	18% **(A)**	33% (AB)

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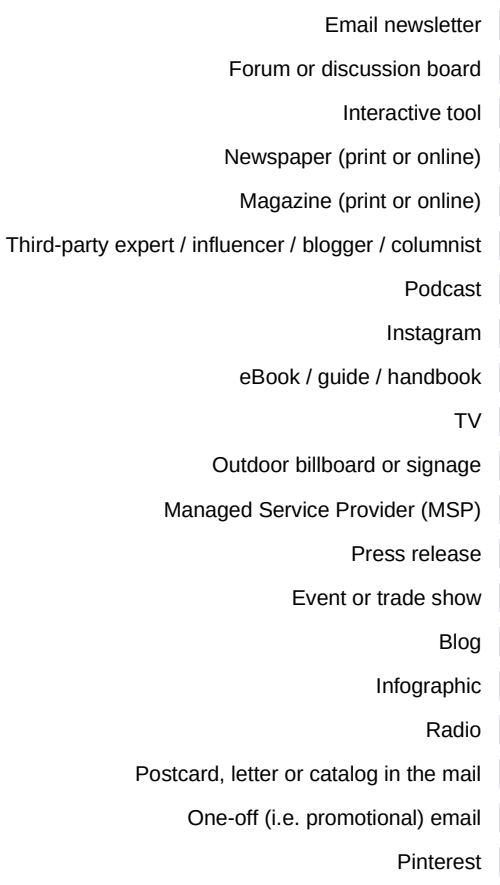
CLOUD PURCHASE SOURCES (CONTINUED)

TV is also relatively important for MBs

[IF USING OR PLAN TO USE ANY CLOUD SOLUTIONS]

After you've researched a cloud solution, what information sources do, or would, you use to **make a final purchase decision** on that solution? Please select all that apply.



	Headcount		
	VSBs (A)	SBs (B)	MBs (C)
Email newsletter	8%	17% **(A)**	21% **(A)**
Forum or discussion board	8%	8%	15%
Interactive tool	8%	14%	16% **(A)**
Newspaper (print or online)	8%	12%	17% **(A)**
Magazine (print or online)	7%	16% **(A)**	23% **(A)**
Third-party expert / influencer / blogger / columnist	7%	12%	16% **(A)**
Podcast	7%	8%	20% **(AB)**
Instagram	6%	19% **(A)**	18% **(A)**
eBook / guide / handbook	6%	9%	17% **(AB)**
TV	5%	18% **(A)**	28% **(A)**
Outdoor billboard or signage	5%	12% **(A)**	10%
Managed Service Provider (MSP)	5%	8%	18% **(AB)**
Press release	5%	4%	10%
Event or trade show	5%	11%	20% **(AB)**
Blog	5%	9%	11%
Infographic	5%	7%	19% **(AB)**
Radio	4%	9%	18% **(AB)**
Postcard, letter or catalog in the mail	4%	8%	14% **(A)**
One-off (i.e. promotional) email	3%	9%	13%
Pinterest	2%	10%	15%

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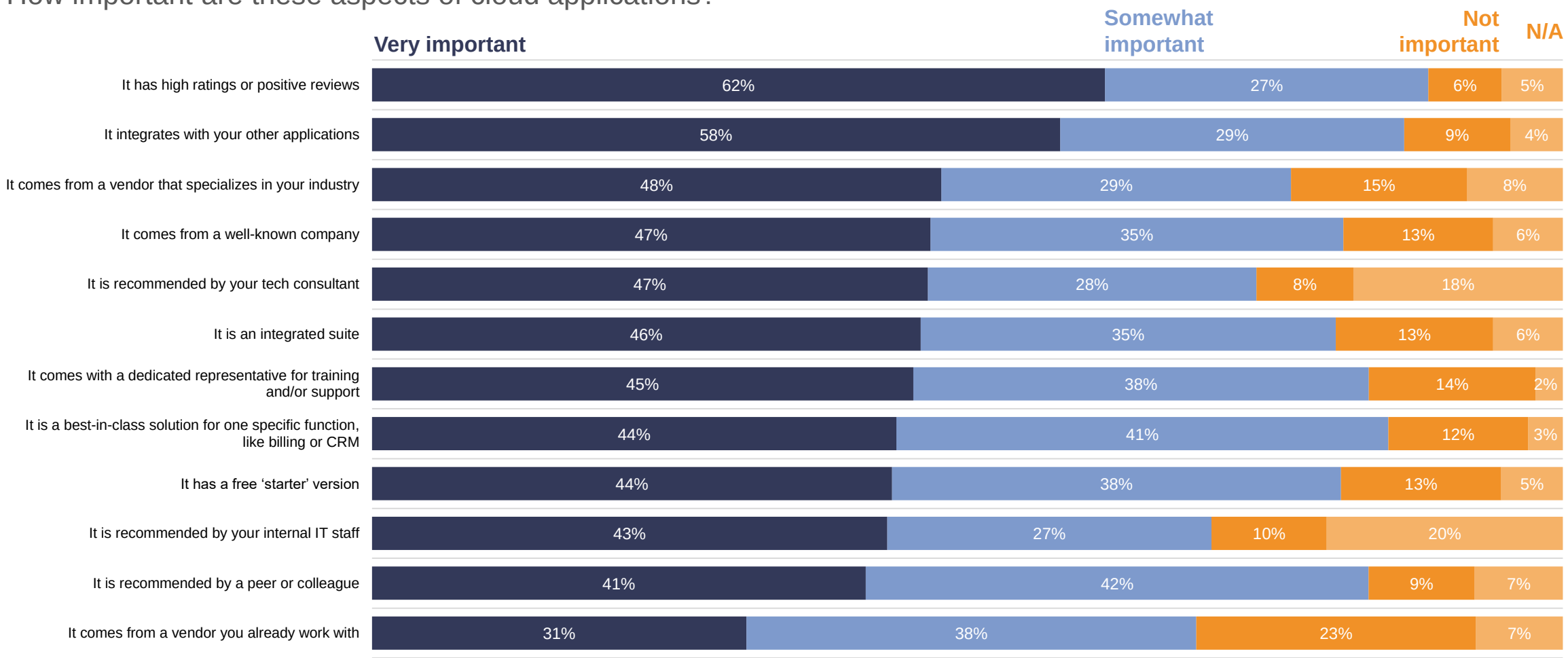
CLOUD BENEFIT RATINGS

Positive reviews are a key purchase criteria overall…

[IF USING OR PLAN TO USE ANY CLOUD SOLUTIONS]

How important are these aspects of cloud applications?



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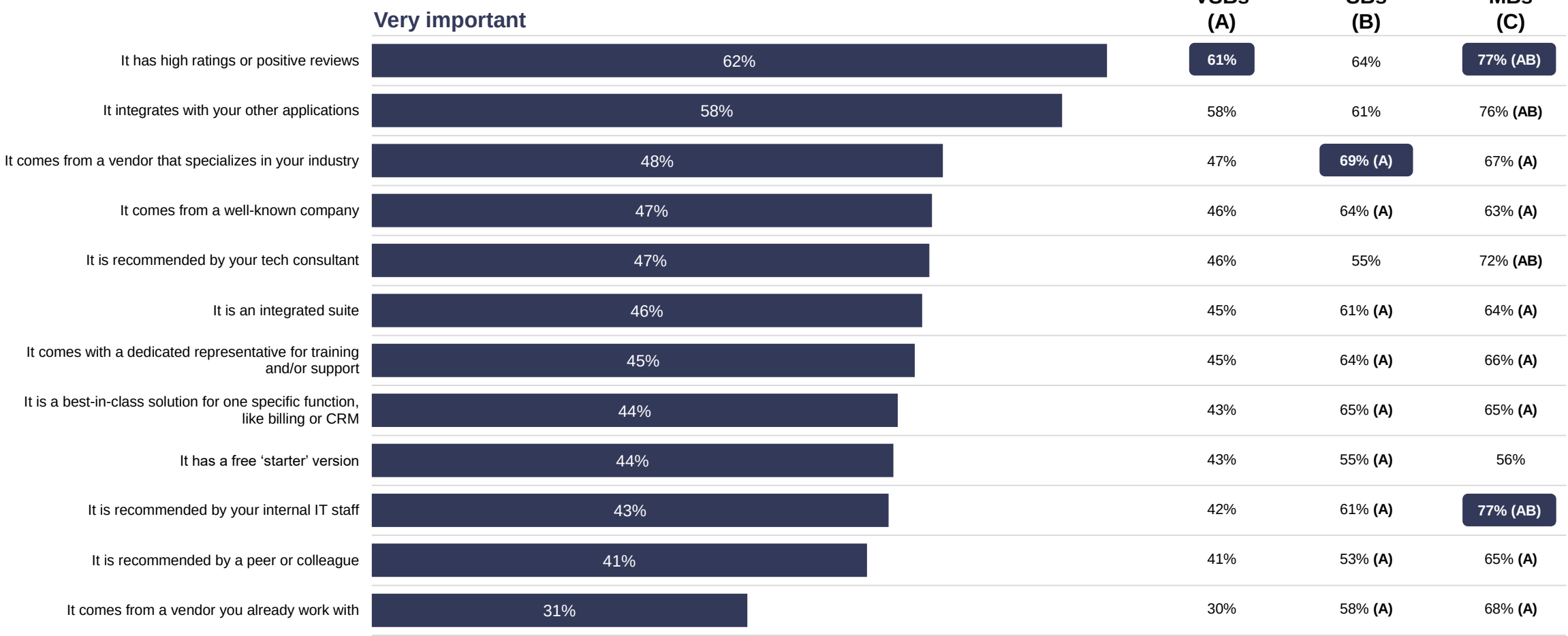
CLOUD BENEFIT RATINGS: COMPANY SIZE

…while industry specialization is most important to SBs, and internal recommendation to MBs

[IF USING OR PLAN TO USE ANY CLOUD SOLUTIONS]

How important are these aspects of cloud applications?



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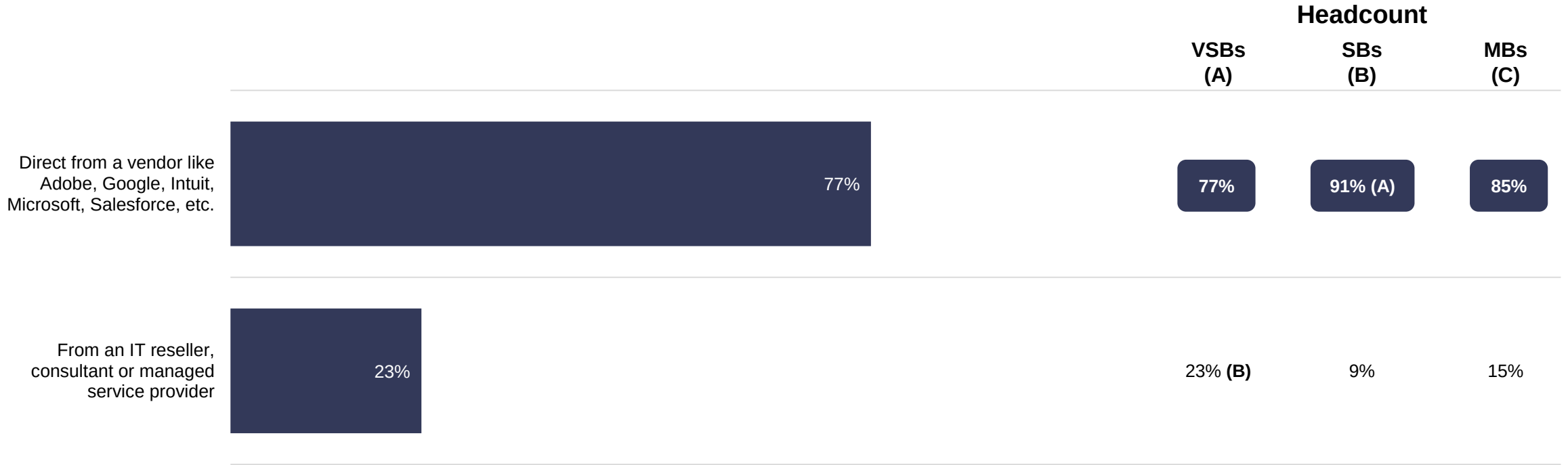
CLOUD CHANNEL PREFERENCE

Most SMBs prefer to buy cloud solutions direct

[IF USING OR PLAN TO USE ANY CLOUD SOLUTIONS]

Would you rather buy a cloud application:



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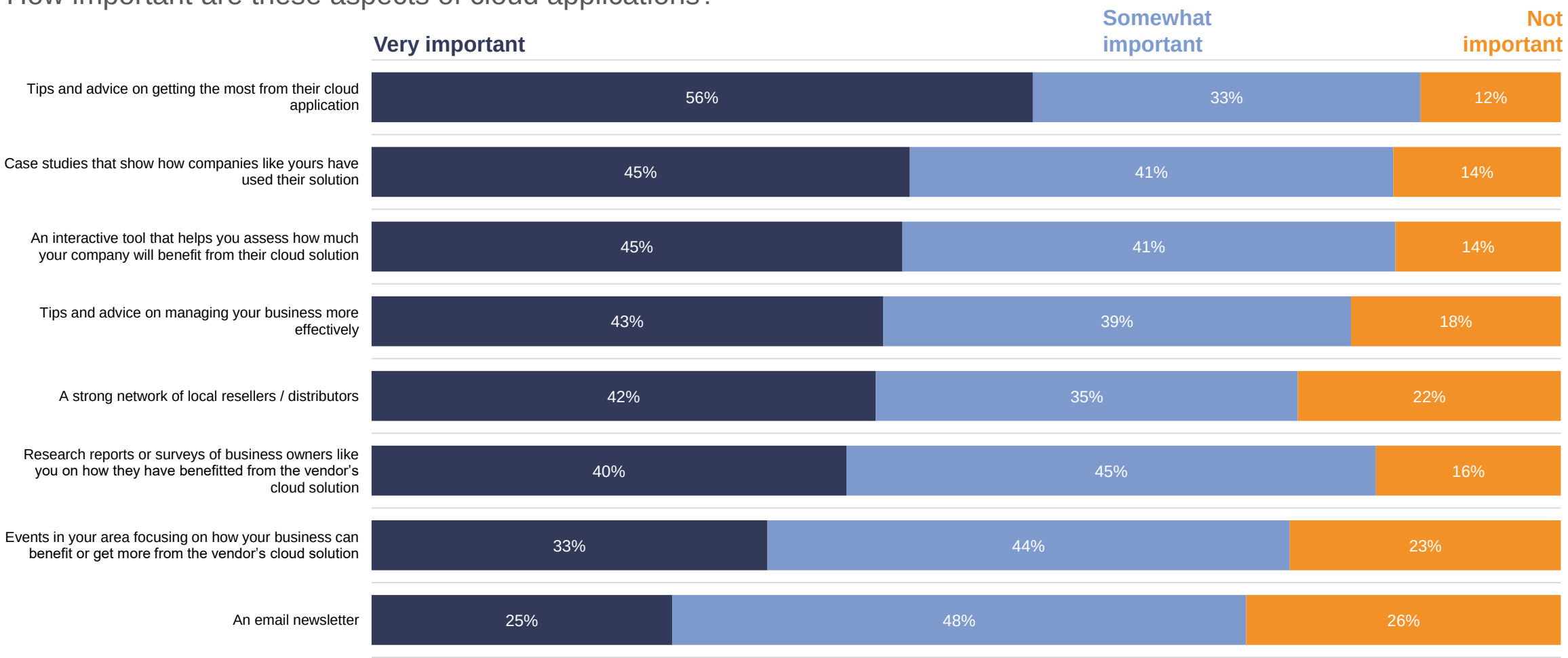
CLOUD VENDOR PREFERENCES

SMBs in general want cloud vendors to help them get the most from their solution

[IF USING OR PLAN TO USE CLOUD APPLICATIONS]

How important are these aspects of cloud applications?



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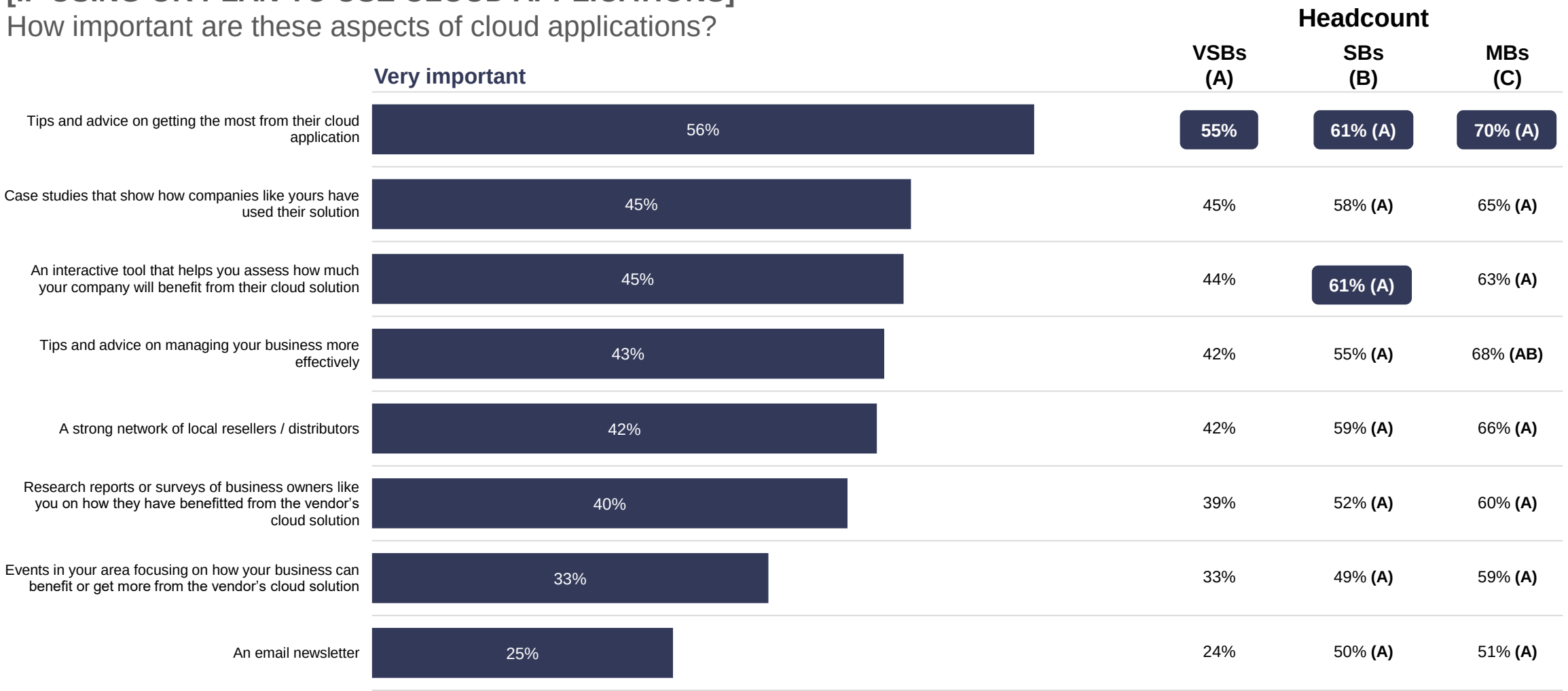
CLOUD VENDOR PREFERENCES: COMPANY SIZE

SBs also like an interactive tool to calculate SaaS benefits to their business

[IF USING OR PLAN TO USE CLOUD APPLICATIONS]

How important are these aspects of cloud applications?



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TAKEAWAYS

- **Know your audience** – different size companies, industries and age groups have different challenges, attitudes and preferences

- Test **cloud benefit messages** by company size:
  - VSB: Cost savings
  - SB: Ease of administration
  - MB: Security

- Target the **principal** at VSBs; the **ITDM** at SBs and MBs
  - Make it easy for the ITDM to create a business case

- Explore a **freemium model** if viable

- Provide **usage tips** for all SMBs, and a **benefit calculator** for SBs
  - And provide **business management advice** for all SMBs

How Bredin Can Help

Work with the experts in SMB insight and engagement

Research

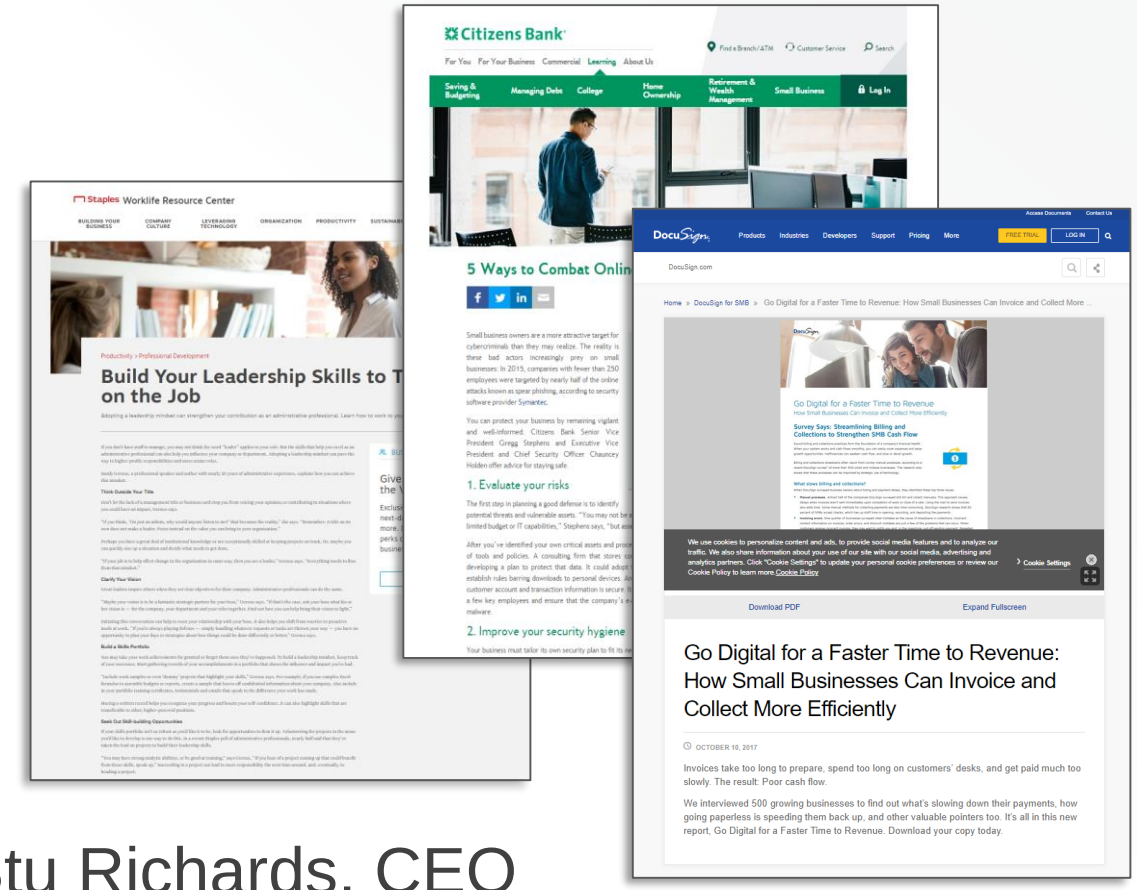
- Product / go-to-market strategy / CE / NPS
- Persona / buyer journey
- Original data for standout content and PR

Strategy

- Content strategy
- Creative brief / ed cal

Content

- Original content development
- Exclusive SMB focus



Stu Richards, CEO
stu@bredin.com

Bredin

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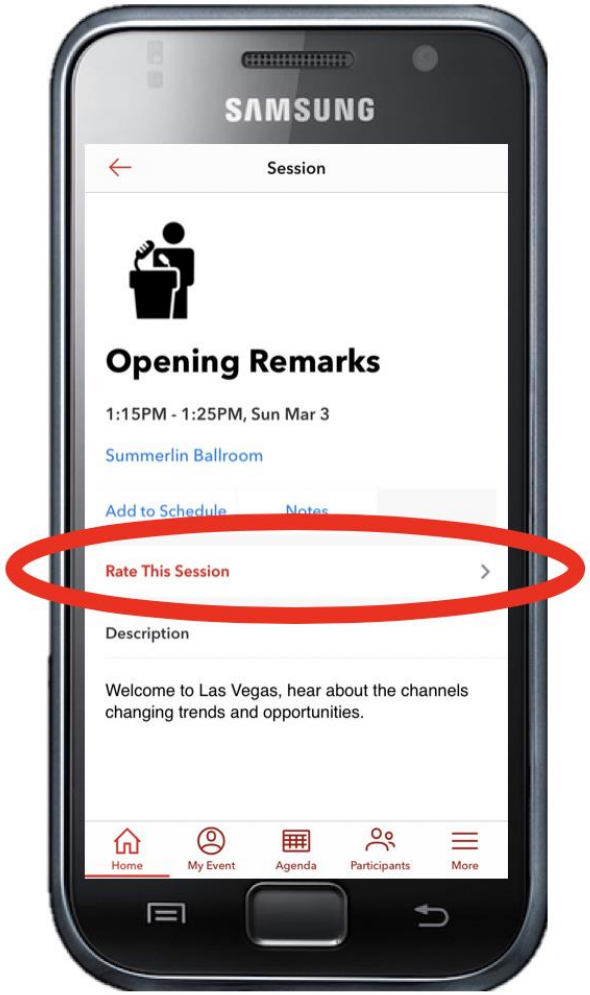
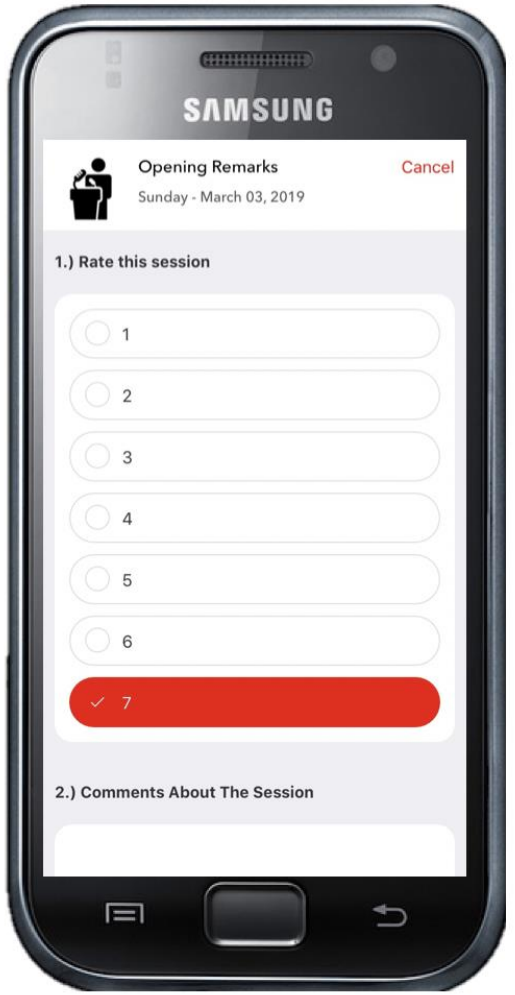
2. Tap on the session you want to rate

3. Rate session on scale of 1 – 7
   (7 being highest!)

4. Write a comment (if you want)

5. Hit Submit!