Battery

Bull or Bear? A Mock Buy, Sell, Hold Report on Popular SAAS MARKETING PRACTICES

BY JOE CHERNOV

Revenue targets in venture-backed SaaS businesses tend to be non-linear. They accelerate over time. Yet as a company scales, marketing resources tend to flatten because data-informed demand generation teams are expected to reap the benefits of optimization to help the company operate more efficiently. In other words, we need to find a way to produce lots more while receiving a little more.

This growth/efficiency tension requires SaaS marketing teams to perform two basic functions: (1) impact (source and influence) enough pipeline to support today's sales goals while simultaneously (2) finding the leverage needed to keep pace, efficiently, with tomorrow's accelerating goals. Everything we do should ladder up to these objectives.

In storytelling, the hero's journey goes something like this: Put the hero up the tree. Throw rocks at the hero. Let the hero down. For marketing heroes, here come the rocks:

There are few constants in the environment in which we operate. Algorithms change. Audience behavior evolves. Costs fluctuate in dynamic marketplaces. And every once in a while a black swan appears, like AI has recently, and upends the few assumptions we thought we could rely on.

In the following pages I'll cite several of the most popular "modern" marketing practices (in alphabetical order) and, in rating the relevance of those practices right now, I'll pretend I'm a financial analyst and do what an analyst would do for a public stock: issue a buy, sell or hold rating for each. A "buy" means I would urge marketers to consider increasing the attention they pay to the practice, whereas a "sell" suggests it might be time to consider alternative investments. While I don't expect this resource to let our hero down from the tree, I do hope it's a rope tossed over a branch for some.

Account-based Marketing (ABM): HOLD.

A year ago I would have issued a sell rating. ABM has always looked good on paper—but in practice, well, that's another story.

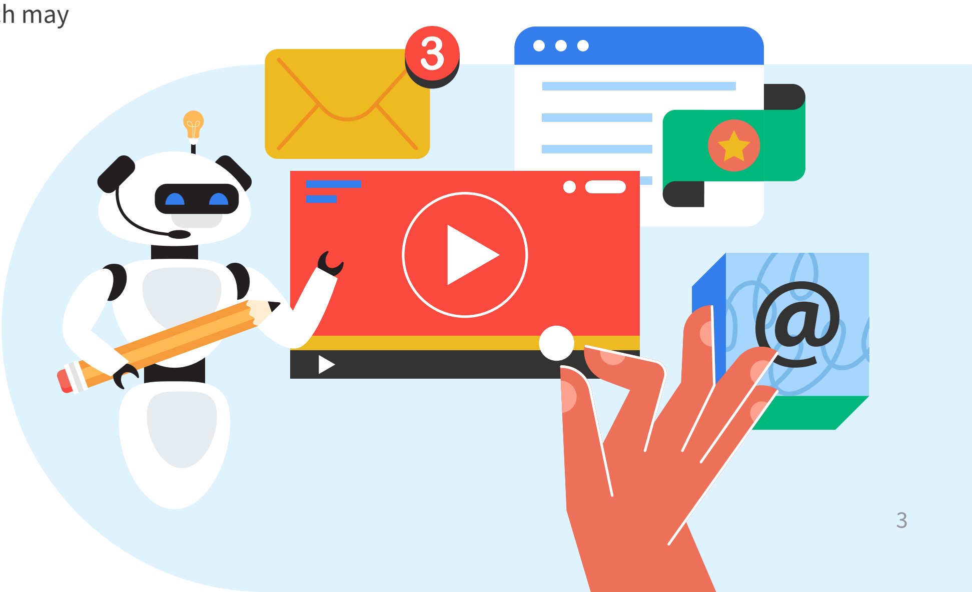
Success in ABM hinges on meticulous orchestration between sales and marketing; a multi-touch, multi-thread attribution model that ignores the concept of "sourcing" (which is at the heart of most marketing KPIs); comprehensive, account-specific research (yet neither sales nor marketing want to give up a headcount for the researcher role); and deal size that can support a sizable per-account marketing investment. Each of these requirements alone is a challenge for most SaaS businesses, yet all four are required for success. For most companies, particularly those in which enterprise sales are one vector of their broader go-to-market strategy, nailing all four is a bridge too far—even with today's ABM tools.

Yet emerging AI solutions are promising to help companies clear several of these hurdles. If agents can conduct research, assemble target account lists, and create more nuanced attribution, then just maybe the cross-functional alignment will follow. Companies that sell large deals have so much riding on ABM that I'm cautiously optimistic the next wave of technology will finally help us scale and measure it.

AI-generated Content: BUY.

LLMs and AI design tools have removed all barriers to content production. There's been a hue and cry that this will lead to content saturation, and it probably will. But rather than think about generating more content, marketers should think about producing content for the very tip of every imaginable tail. AI-generated content can help produce materials that marketing writers lacked the expertise to cover credibly (e.g., highly specific vertical or technical content) or that were unlikely to generate enough traffic to justify the time investment (e.g., niche use cases or specialized persona). Pair these hyper-targeted assets with intelligent distribution and marketers will get awfully close to reaching the coveted "persona of one".

Some tech leaders have predicted that AI search may negate the need for vendor-supplied content, fundamentally disrupting the way SaaS businesses go to market. It's certainly possible, though given how competitive every SaaS sector is, even a short-lived advantage—like the one provided by transitioning to niche AI-generated content—is worth contemplating.



Attribution: HOLD.

Attribution is the peculiar science being wrong—but wrong in the same way every time. It's useful in a relative sense (it can signal if something has shifted in the balance of sales or marketing's contribution to pipeline) but is less useful as an absolute.

I'm familiar with a company that reduced marketing spend by a sizable percentage. Predictably, marketing-attributed pipeline dropped by roughly the same percentage as the budget reduction. But what surprised the CMO was that sales-sourced pipeline dipped by the exact same amount, yet the sales budget was untouched. The lesson? All pipeline is impacted by marketing; all pipeline is impacted by sales.

Attribution models can also have unconstructive downstream consequences. Zero-sum models that reward one team at the expense of another can incentivize the wrong behaviors and tug at the delicate fabric of the sales/marketing relationship. I've heard of sales reps sitting on a "hot lead" until the clock runs out on marketing being credited with sourcing the opportunity, only to later work it after the lead's gone cold.

And yet I'm not quite at the point of issuing a "sell" recommendation here. I hold out hope that one of the many AI startups focused on this problem can produce a model that blends sourcing with influence and dynamically weights engagements that correlate to opportunity creation. I'm optimistic we'll soon see a step-function improvement in attribution systems.

Brand: STRONG BUY.

Brand marketing creates fertile soil for future planting. Demand alone, without complementary brand investments, is a form of strip mining. And the need for brand marketing will become even more acute in the age of AI.

AI and agents will augment, if not automate entirely, many critical marketing functions like design, writing, campaign planning, tool building and performance analysis. These solutions will help us manage our spend for maximum pipeline impact. They will even supplant human interaction at the very beginning of the sales process.

But what AI won't do, at least not yet, is inspire a durable, emotional connection with our various audiences. It won't make people want to do business with us for reasons they can't quite put their finger on; it won't make customers proud they selected our product. However, investing in the people behind and around the company just might.

Amplifying the personalities (founders, executives and key employees) behind the company, while simultaneously investing in community (customers, prospects, partners, influencers, friends) around the company will help give rise to the one lasting differentiator for SaaS businesses in the AI era: a relatable brand.

Digital Ads: SELL.

To be clear, I'm not suggesting business-to-business marketers stop running all digital ads. Rather, I'm suggesting marketers right-size their expectations from digital ads. Consider digital as a supplemental—and likely diminishing—source of demand.

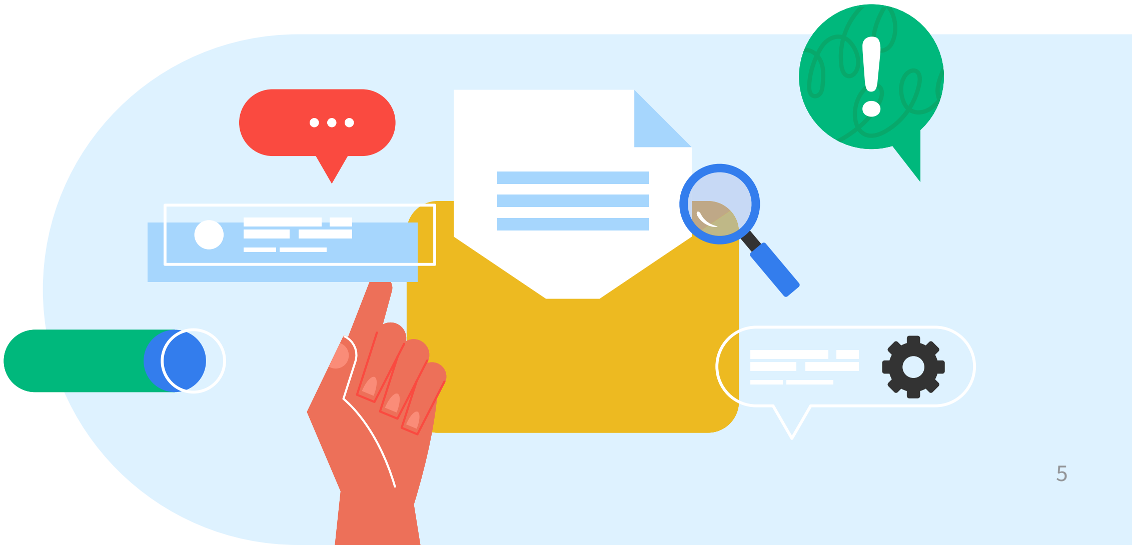
I've quipped that venture dollars pause in startup marketing budgets just long enough to catch their breath before continuing on to their ultimate destination: the large social ad platforms. And therein lies the first problem with digital. In an auction-pricing model, venture-backed businesses that invest in growth in advance of profitability inevitably drive up prices for one another.

SaaS marketing can be a copycat industry, and ad-network tools make it even easier for companies to ape their competitors' targeting strategies. The end result is message oversaturation, which in turn leads to ad fatigue. We're paying a premium to reach an audience that we've trained to ignore our message.

Purchasing behaviors continue to evolve away from interaction with sales reps—or even the company's website. Distributed information sources mean very few products enjoy a linear buyer's journey. Combine that trend with constant change to privacy and tracking laws, and you'll find that buyers often follow a circuitous path, littered with marketing blind spots, that impede our ability to prove digital advertising's efficacy, diminished as it is. Ad performance is not just inefficient; it's also increasingly opaque.

Email Marketing / Content Journeys: SELL.

The "conventional" content-marketing model—drive traffic to a blog post, convert visitors on a long-form asset, then nurture the audience until they're scored as sales-ready—is over. Buyers have learned that converting on a form is an invitation to persistent emails and SDR calls. Even if one were to argue that the model has value in certain industries or for specific roles, any residual value was just erased by Google's AI Overviews, which now intercepts much of traffic that once went to the sort of queries that previously kick-started a buyer's content journey.



Field Marketing: STRONG BUY.

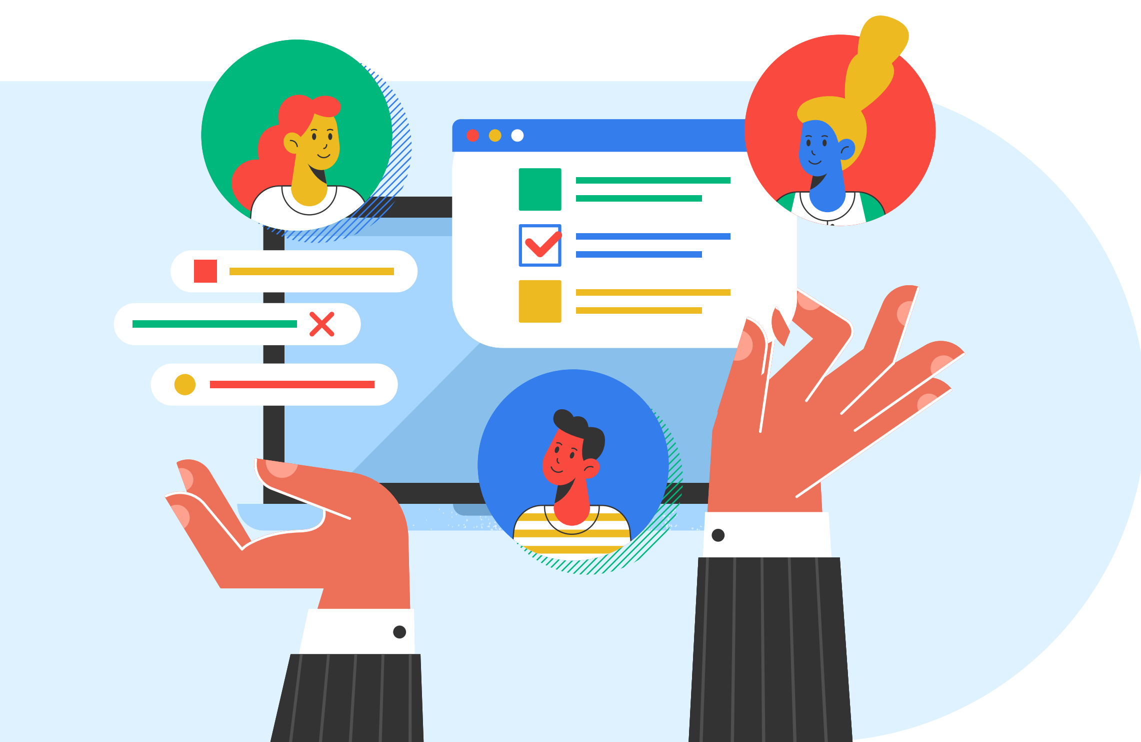
Generative AI will likely lead to a surge in content production, while agentic AI will replace human interaction at various stages of the purchase funnel. These changes promise to increase scale and efficiency, but at some point marketers also need to remember that people are social creatures that seek human experiences.

For example, despite the proliferation of music production tools, live albums are enjoying an unlikely bounceback largely because they capture the energy of a concert—the ultimate shared social experience. As AI accelerates marketing's pursuit of complete automation, we should expect a similar rebound in live marketing experiences—if only to remind ourselves that business is conducted by people and aided by technology.

Gates: SELL.

Marketers can be tempted to do the things that are measurable rather than attempt to measure the things that we should do. I'm prone to say, "Show me how I'm measured and I'll show you how I behave." Do we gate content because consumers enjoy filling out forms? Or do we gate it because we're measured by sourcing leads, opportunities or deals and the form-fill helps us prove our success?

I led marketing at a company in which we removed all of our forms from our existing content. The result? Yes, we saw our MQLs drop, but that dip was more than offset by a lift in higher quality demand, such as demo and trial requests. Could we prove that the gate removal caused the increase in demos? No. But sometimes correlation is enough.



Post-opportunity & customer marketing: BUY.

I've never quite understood why go-to-market plans assume sales and marketing can increase demand at the top of the funnel, yet they don't make similar assumptions about improvements in win rate. Maybe it's because we as marketers haven't given finance teams reason to believe we can help our partners in sales close more opps?

Beyond the obvious benefit—generating more revenue for the business—improving win rates has the added upshot of reducing pressure on the top of the funnel.

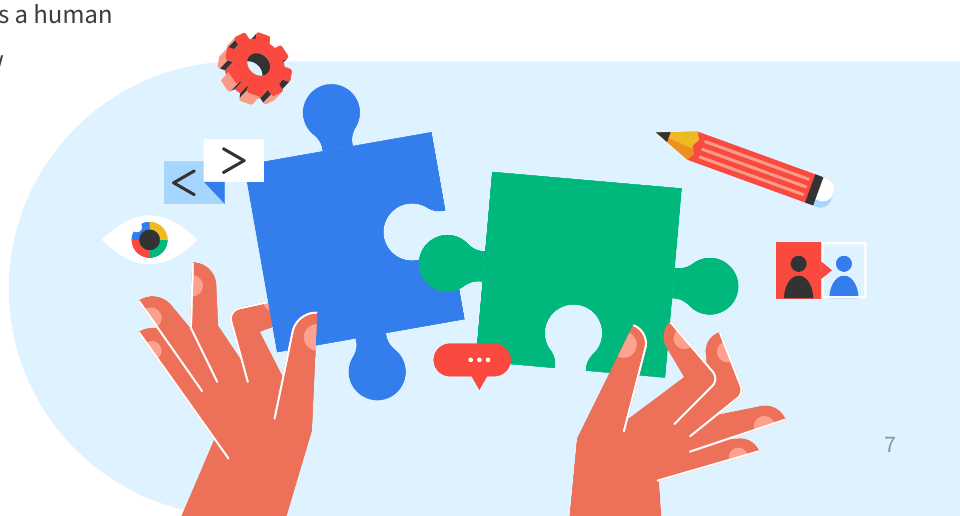
I led marketing at a company where we tracked every marketing asset or experience open sales opportunities engaged with before buying. We then identified the engagements that had the strongest correlation to purchase, and we measured our post-opp marketing team on increasing the percentage of accounts with one or more of those high-impact touches. We found that accounts that engaged with one particular activity were 3x more likely to buy.

The same principle holds true for customer marketing. Selling more into your base takes pressure off of the expensive net-new sales and marketing machine, and the marketing practices that helped opps close at a higher rate—field experiences, self-service demos to share with buying committees, benchmarks / custom data, roadmap previews—are very similar to those that help customers go on to buy more.

Product-led Growth (PLG): SELL.

As it turns out, not every product lends itself to a PLG model. It also turns out that shoehorning a PLG model into an established sales-driven culture presents all sorts of unintended consequences, most stemming from sales compensation.

If your product enjoys a natural viral coefficient, offers a low initial monthly price and appeals to an audience that's willing to self-install, -onboard and -educate, then certainly PLG is a compelling model for your business. But employing PLG to market a product that doesn't lend itself to trial; isn't inherently viral; or is intended for an audience that requires a human assist … well, that's an expensive risk with a low probability of success. As I said earlier, SaaS marketing can be a copycat industry, and many of us copied PLG playbooks despite having the wrong team on the field.



Proprietary data: STRONG BUY.

If AI search and public LLMs reduce, if not eliminate entirely, the need for vendor-supplied content, then what can brands produce to engage their audiences and differentiate themselves from competitors? Data, especially proprietary data that is unavailable from public sources, is one possible answer.

Marketing teams need to collaborate with R&D and data science to aggregate and package proprietary data in ways that can help users understand their performance relative to peers or even use the company's product more productively. Mobilizing proprietary data to create more productive user experiences could be the ultimate form of differentiating content.

CONCLUSION

Naturally, for every one of the above ratings there are any number of exceptions. I may be bullish on field marketing, but that doesn't mean posh dinners will make sense for a company that sells a low-cost, month-to-month subscription. Similarly, a company that is struggling to generate demand outside of, say, sponsored conferences may want to build out a digital ad program, despite its diminishing efficacy. Think of these ratings as temporal guideposts, and that the moment in time they were captured was one dominated by speculation about AI, agents and automation's impact on the future of marketing. Of course, as soon as agents begin to purchase software without human involvement it'll be time to revisit this report.

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