



MBA Thesis

Marketing Strategy for Software as a Service Companies within the Logistics Vertical Software Niche

A multiple case study

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The author(s) declare(s) that they have completed the thesis work independently. All external sources are cited and listed under the References section. The thesis work has not been submitted in the same or similar form to any other institution(s) as part of another examination or degree.

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Abstract

Background

Utilizing the Software as a Service (SaaS) business model is a distinct trend for marketing software via the Internet. It allows software suppliers to expand their market globally and to extend their offering to customers by simplifying their software procurements and ownerships. The trend has been ongoing for some time concerning horizontal software niches and now intensifies for vertical niches. Logistics is such an examples of a vertical software niche.

Objectives

This thesis aims to investigate the utilized marketing strategies for companies using a Software as a Service business model within the logistics niche. The purpose of this thesis is to deepen the knowledge about how to market a vertical Software as a Service solution within the logistics domain.

Methodology

An explorative research method in the form of a multiple case study is used. Three companies are sampled using a theoretical sampling approach. SaaS ideally requires less people contact and the marketing materials are integrated in the published SaaS on the respective companies' web pages. Data publicly available on the Internet is collected and used to investigate the utilized marketing strategies.

Findings

The identified marketing strategies are categorized according to an eight-element model utilized in earlier studies. The eight elements are *product, price, place, promotion, people, process, productivity & quality, and physical environment*. The categorization does help to guide during data collections and data analysis. The last element *physical environment* is confirmed to be not relevant since the required physical material are chosen and decided by customers themselves.

Conclusions

The marketing strategies within this niche is at large consistent with earlier findings. One of the newly findings is that the sample companies choose one of SaaS strong points that is most suitable to their offering solution and emphasize it in their marketing strategies. Here are easiness, scalability and flexibility. Some main deviations however exist. The sample companies do not provide easily available trial accounts. They instead offer manned online demonstrations. The market is also not found to be as global as the business model enables. The reason of being that is the fact that the products/services are too dependent on the integrations to local-market software solutions.

Recommendations for future research

A similar study with a larger sample may strengthen the findings. Performing interviews in addition to online data collection may extend more information about post customer contact marketing strategies as well as reasons behind the selected strategies.

Keywords: Marketing strategy, SaaS, Vertical Software, Cloud Computing

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List of abbreviations

API	Application Programming Interface
CaaS	Containers as a Service
CAC	Customer Acquisition Cost
CMRR	Committed Monthly Recurring Revenue
CRM	Customer Relationship Management
DaaS	Data as a Service
DiD	Defense in Depth
ERP	Enterprise Resource Planning
HaaS	Hardware as a Service
IaaS	Infrastructure as a Service
ICT	Information and Communication Technology
IT	Information Technology
LTV	Lifetime Value
OECD	Organization for Economic Co-operation and Development
PaaS	Product as a Service
SaaS	Software as a Service
SLA	Service Level Agreement
SMB	Small and Mid-sized Business
TA	Transport Administration
TiVA	Trade in Value-Added
TMS	Transport Management System

I. Introduction

Business transactions can be decomposed into a series of activities along a vertical chain (Custom, 2017, ss. 90-127). Firms may decide to perform the activities by themselves or outsource them to a more specialized firm. Vertical integration is the action of increasing the number of activities along the vertical chain that the firms handles. Vertical integration is desirable when the value of an investment in the resources to perform an activity is higher when made by one rather than the other actor in the value chain (Custom, 2017, s. 126).

In the software domain, the decision about vertical integration applies whether to develop own software, buy the development service or subscribe a standardized software solution. It also applies to whether to buy own hardware, handle the operations and support inhouse or to outsource it. Software suppliers may decide to vertically integrate forward and to offer all these activities in a bundle. The investment in servers and support performed by the software supplier carries the potentiality for economies of scale since they provide the same services to multiple customers. Therefore, the value of the investment is higher when the software supplier makes the investment rather than the buyer. The configuration of the value chain therefore leads to the potentiality of greater profits for both the buyer and the seller.

Software as a service (SaaS) is a distribution and licensing model for marketing software products (Dubey & Wagle, 2007). In the model, the buyer pays a recurrent amount to rent the software service. The service includes the software, the hardware and the ongoing operations of the servers. The supplier continuously answers for server operations, software updates and support as well as the development and distribution of new functionality. The customer gets the software service delivered over the Internet to its web browser. The delivery method and the payment stream are different compared to on-premises software, where only the software license is sold, and upgrades are charged. This traditional software requires the customer to install the software on own hardware at their own choice of location and operate it themselves.

Software is marketed towards different industries and for different purposes. The term *vertical software industry* refers to the organizations that market software towards a certain vertical market, the *primary suppliers* (Tyrväinen & Mazhelis, 2009, s. 12). The definition also includes the companies, which market software used by the primary supplier, the so-called *secondary suppliers*. Examples of vertical software include software for banking or for logistics. This opposes to *horizontal software* which is developed for general purposes such as spreadsheet applications or accounting software.

The first wave of SaaS software was targeted towards the horizontal software markets, where it is now widely used (Youseff, Butrico, & Silva, 2008). The SaaS market continues to grow. The first half of 2017 the market grew with 22.9 percent (Gagliardi, 2017). The next wave of growth may be the vertical software markets which are getting increased traction (Youseff, Butrico, & Silva, 2008). Because of the efficient delivery method over the Internet, combined with the increased responsibility in the vertical chain of activities and a global market, software companies can be profitable in small previously non-existent vertical niches. This thesis aims to study the subject of marketing strategy for the next wave of vertical software as a service provider, which may very likely be logistics solutions.

I.1. Problem discussion

The marketing method of SaaS companies are significantly different from traditional software companies. Several papers and theses have been written on the subject. Some examples are, Michelsonas & Abdur (2012), Ojala & Tyrväinen (2011), Tyrväinen & Selin (2011), Churakova & Mikhranova (2010), Rudolf (2015) and Panders (2014). Additionally, to the differences presented in the initiation of this thesis, the suppliers also often market their services directly to their customers over the Internet

instead of using resellers. This, among others, makes an important distinction to study in their marketing strategies.

Tyrväinen & Selin (2011) constructed a model from existing literature for marketing and selling SaaS. The model includes the key factors influencing marketing strategy for SaaS companies and presents it in an eight-dimensional model. The model was validated using a multi-case explorative case study on Finnish firms selling software as a service to other businesses. The model was then slightly adjusted and key performance indicators were identified from the cases. The study does not look specifically into vertical software niches and does not specify the specifics about what kind of software the model applies to. Thus, it lacks the perspective of vertical niche of logistics.

In another thesis at Blekinge Institute of Technology, Michelsonas & Abdur (2012) deals with the subject. The authors analyzed marketing strategies for small companies selling SaaS. Using an explorative study, they concluded that SaaS companies should use a defensive strategy in the early phases. They also found that suppliers should address and explain the differences related to traditional software such as data security related trust issues and ease of configuration and training. Free trials, social media, blogs, forums, word-of-mouth and email campaigns were found as good initial strategies. The authors stress the need for further research on the subject. The study takes a rather wide perspective with a survey sent out to a large group of SaaS vendors and does not specifically target vertical niches nor logistics.

In a study where the value networks of SaaS providers were investigated, Ojala & Tyrväinen (2011) found that value networks have financial benefits for the companies as well as for knowledge sharing purposes. In software business the actors in the network include the customer, partners, supplier and integrators. The authors insist that the networks should be evaluated as a whole, and that value does not merely come from customers but also from partners and other actors within the network. This study focuses on a case within the games industry. It is not known from the study whether value networks are as important for marketing in other niches and vertical markets.

1.2. Problem formulation and purpose

In conclusion the cited literature is becoming of age and focus on young software companies which are venturing with a new business model. The SaaS business model has grown considerably and become much more mature since the studies were created. Large multinational companies such as Salesforce (2020) continues to grow while smaller companies with more specific geographic coverage consolidates their positions. Some examples may be presented from the Swedish market. There are now several companies listed on the Stockholm stock exchange using this type of business model with market value of over 1 billion SEK; Lime Technologies (2020) specializes in industry adaptable Customer Relationship Management (CRM) solution. Fortnox (2020) markets an accounting solution among peripheral solutions. Accounting software is also the main product in 24SevenOffice's (2019) suite for Enterprise Resource Planning (ERP). All the example companies target horizontal software markets such as CRM, ERP, accounting etc. and see the Nordic market as their core market.

It is time to revisit the subject and analyze whether the strategies still hold now when the business model of SaaS has matured and new companies within smaller vertical software niches are gaining market shares. Do the marketing decisions described by Tyrväinen & Selin (2011) still apply to companies within small vertical niches? Are there new, altered or obsolete strategies in the ones Michelsonas & Abdur (2012) found? Are the strategic decisions within smaller vertical niches, such as logistics, the same as within larger niches? Are the value networks as important within logistics SaaS as in the companies that Ojala & Tyrväinen (2011) studied? That constitutes the theoretical problems of this thesis.

“The next wave of applications seems likely to involve transactions between buyers and suppliers, including procurement, logistics, and supply chain management.” (Dubey & Wagle, 2007)

Dubey & Wagle (2007) wrote: *“The next wave of applications seems likely to involve transactions between buyers and suppliers, including procurement, logistics, and supply chain management.”* Since this mentioned wave may have started recently, the authors of this thesis are encouraged to perform the validation on the vertical market of logistics and use gained knowledge to validate and update previously created models on marketing strategies. Then especially the model developed by Rudolf (2015) but also the work of Tyrväinen & Selin (2011), Ojala & Tyrväinen (2011) and Michelsonas & Abdur (2012) among others.

The area of logistics is also where one of the authors leads a successful software company. The company specializes in a software solution for warehouse management. Thus, the practical problem of this thesis is to assist that company and others to further develop and succeed in a growing business area. The purpose of this thesis is thus to deepen the knowledge about how to market a vertical software as a service solution within the logistics domain.

Based on what we described above, we confirm that this is on the interplay of Industry dynamics, Technology and Innovation as is required by the Master Thesis course curriculum.

1.2.1. Research Question

From the above discussion the thesis may be formalized into answering the following single research question:

What are the current marketing strategies for SaaS businesses operating within the vertical market of logistics?

1.3. Delimitations

This thesis will attempt to answer the research question based on current and new knowledge. The study will include a few cases within the logistics domain and within the Nordic market. Considering this being a half-semester thesis that is what fits into the timeframe. The reasons being time constraints and the availability of information for Nordic companies. The expectation is that the gained knowledge will generalize to other companies and potentially also other domains. This is however not a guarantee and not the main intention.

1.4. Thesis structure

This first chapter attempted to introduce the topic. It also attempted to present the problem, to discuss it, its purpose, the research questions and the delimitations of the study. Chapter 2 treat the related theory of the subject. Cloud computing, Software as a Service, Vertical software, Selling and marketing strategies and factors influencing SaaS marketing are processed. Chapter 3 presents and explains the selected study methodology which is a multiple case study. It also presents the threats to the validity of the work and the ethical aspects and considerations. Finally, it presents the procedure followed while writing this thesis as well as describing how the cases was selected and describing the cases. Chapter 4 presents the results of the cases one by one case. Chapter 5 analysis the results based on the theoretical

framework and related work. The last chapter, Chapter 6, summarizes the work and draws the conclusions while attempting to answer the research question.

2. Theoretical framework

2.1. Cloud computing

Cloud computing offerings may be defined as computational resources provided over the Internet (Youseff, Butrico, & Silva, 2008). It was developed as a response to the fact that data centers in the world were not managing their computational resources in an efficient manner (Youseff, Butrico, & Silva, 2008). Data centers were built to sustain peak computational loads while they mostly had substantially lesser load. By making the computational resources available via the Internet, several different workloads could be run on the machines. Thereby, resources could be more efficiently utilized and additional revenue could be created from the previously underutilized servers. It also allowed users of the cloud to achieve top of the line performance for their heavy workloads without investing in expensive local hardware.

In Table 1, a comparison between the top 15 Internet capitalization firms in 1995 and 2017 is presented (OECD, 2017). It shows the trend that most of the main players in 2017 were online platforms with cloud computing services as opposed to software, media and Internet service providers back in 1995. Some notable companies from the table are Netflix, Salesforce and Google. This pinpoints the strength of the cloud computing trend.

1995 (December)	Main product or activity	Origin	USD billion	2017 (May)	Main product or activity	Origin	USD billion
Netscape	Software	USA	5.42	Apple	Hardware, software, services	USA	801
Apple	Hardware	USA	3.92	Google/Alphabet	Information, search, other	USA	680
Axel Springer	Media, publishing	DEU	2.32	Amazon.com	E-commerce, services, media	USA	476
RentPath	Media, rental	USA	1.56	Facebook	Information, social	USA	441
Web.com	Web services	USA	0.98	Tencent	Information, social, other	CHN	335
PSINet	Internet service provider	USA	0.74	Alibaba	E-commerce, e-payment, other	CHN	314
Netcom On-Line	Internet service provider	USA	0.40	Priceline Group	Online reservation services	USA	92
IAC/Interactive	Media	USA	0.33	Uber	Mobility services	USA	70
Copart	Vehicle auctions	USA	0.33	Netflix	Media	USA	70
Wavo Corporation	Media	USA	0.20	Baidu China	Information, search, other	CHN	66
iStar Internet	Internet service provider	CAN	0.17	Salesforce	Services	USA	65
Firefox Communications	Internet service provider, software	USA	0.16	Paypal	E-payment	USA	61
Storage Computer Corp.	Data storage software	USA	0.10	Ant Financial	E-payment	CHN	60
Live Microsystems	Hardware and software	USA	0.09	JD.com	E-commerce	CHN	58
iLive	Media	USA	0.06	Didi Kuaidi	Mobility services	CHN	50
TOTAL			17				3 639

Table 1 - The 15 largest Internet capitalizing firms in 1995 compared to 2017 (OECD, 2017)

Cloud computing can be divided into 5 composable horizontal layers (Youseff, Butrico, & Silva, 2008). Figure 1 illustrates the five layers and its components. Each of the layers can be offered to customers or used to build up and market an offering of a higher layer. The four lowest layers are *Cloud Software Environment*, *Cloud Software Infrastructure*, *Software Kernel* and *Firmware/Hardware*. The top layer, *Cloud Application*, constitutes the end user facing software application that are built on top of one of the lower layers and provided via a web browser. The cloud application layer is sometimes also called software as a service or abbreviated SaaS. Examples of SaaS offerings include Microsoft's online productivity suite Office365 (Microsoft, 2020) and the Shopify ecommerce platform (Shopify Inc., 2020) among others.

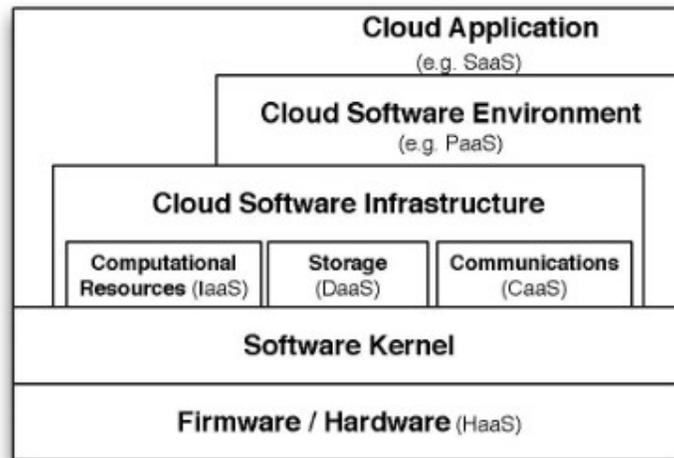


Figure 1 - An illustration of the 5 layers of computational resources and its components (Youseff, Butrico, & Silva, 2008)

2.2. Software as a Service (SaaS)

Applications delivered using the software as a service model provides additional benefits apart from the sharing of computational resources and the potential cost-savings received via that (Youseff, Butrico, & Silva, 2008). It simplifies the work of the cloud provider with respect to maintenance and upgrades. The developers will be able to continuously deploy smaller patches and upgrades without disturbing the end user and the end user will have an always updated application. Since the software is always deployed to the same environment, operated by the provider, the testing and configuration becomes less complicated compared to having to adapt to different hardware and software configurations.

The SaaS providers benefit from the economies of scale by supporting large amount of tenants, which lead to more frequent upgrade, faster time-to-market, shorter sales cycle and consequently earlier revenue recognition (Churakova & Mikhranova, 2010). With scalable architecture and the SaaS concept of one-to-many, the provider implies a standard package of application for many tenants as possible, reaching both big and small size customers. Another benefit for the provider is the protection of intellectual properties because the application is not deployed at customer site but instead kept at the supplier's servers.

Cloud applications provided over the Internet are often sold using a subscription-based model (Youseff, Butrico, & Silva, 2008). This model supplies the provider with a continuous flow of subscription fees instead of batches of revenue in a license-based transaction. Utilizing this approach, the supplier may receive a more predictable and therefore more valuable stream of profits. The provider has the advantage to collect short-term cash on constant base (Churakova & Mikhranova, 2010). It is also easier for the customer to budget their computational expenses since they are more predictable and come from a single company and on a single invoice.

The major obstacles for the SaaS providers are the initial investment costs for building up the infrastructure, security and creation of installed base (Churakova & Mikhranova, 2010). Some offerings include a service level agreement (SLA). An SLA defines the quality the customer might expect from the software service and potentially is accompanied support. Further costs may come when some aspects of the service level agreement are not fulfilled, which lead to penalty payment and eventually customer loss. Risk of down time can also be caused by insufficient quality and bad performance of the application software. It can also be caused by security or availability issues.

Security and availability are two main concerns for software as a service (Youseff, Butrico, & Silva, 2008). Since applications are provided over the public Internet, information needs to be further safeguarded from malicious actors. Often the safeguarding is performed via encryption in both transmission and storage. Security becomes essential for SaaS providers to convince customers when entering the market. Any incident on security during operation may lead to situation that customer goes to other providers. Availability is also a greater obstacle since the availability of the application depends on the status of the network connectivity from the supplier to the customer. Such problems are often mitigated using redundant Internet connections, often via multiple Internet Service Providers or multiple server locations.

Data ownership is another concern that needs to be carefully considered before using SaaS. Data is stored on the supplier's or on the supplier's subcontractor's servers. Are the customer or supplier the legal owner of data in the cloud application? This is important for the customer, especially in case of the provider's bankruptcy or if the customer would like to change to another cloud service offering. Contracts needs to address this issue by stating the ownership the data that the customers inputs into the software service (Youseff, Butrico, & Silva, 2008).

Tyrväinen & Selin (2011) compiled a six criteria list for compliance with the SaaS business model:

- a. Application is accessed via a web browser.
- b. A standardized software application is provided without customization.
- c. There is no need to install software on customer site.
- d. No major integration or installation is required for deployment.
- e. The fee is based on the application usage. It is scalable.
- f. The same multi-tenant application is applicable for several customers.

Figure 2 below illustrates the interaction flow between the business individual user at the left and the SaaS company at the right (Rudolf, 2015). The different steps include the business individual using his computer's web browser to access the Internet. The web browser is symbolled with the Chrome, Internet Explorer and Safari icons. The cloud symbolizes the concept of the SaaS application being accessed over the Internet. On the right side of the figure you will find the software supplier personnel and their company facilities. The names of some SaaS application suppliers are used as examples.

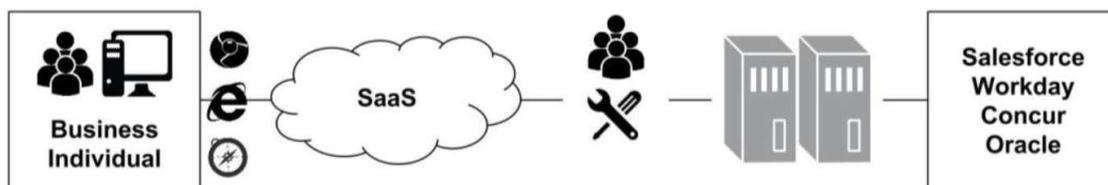


Figure 2 - SaaS interaction flow (Rudolf, 2015)

2.3. Vertical Software

Software systems, that are developed for general purposes such as spreadsheet applications or accounting software are called horizontal software (Tyrväinen & Mazhelis, 2009, s. 12). Horizontal software is consumed in a variety of industries to automate their business processes or used to develop their own in-house applications based on the horizontal applications. Due to its wide applicability, vertical software is in most cases bought instead of developed in-house.

The software applications which are specific for the business domain are called vertical software applications (Tyrväinen & Mazhelis, 2009, s. 12). It often requires large effort to develop and to maintain the applications and these application development activities are often not part of the core business of the company. They are eventually outsourced to independent application software developers and are finally also offered as ready-made software on the market. This situation opens new business opportunities as vertical software industry, where the software is packaged and marketed for certain vertical markets. An example of a vertical market is logistics.

According to OECD TiVA database (2017), services represent almost half of the world's export in value-added terms. Examples include transport, logistics, finance and communications services. All of them are important for trading goods across borders and coordinating global value chains. The diffusion of selected information and communication technology (ICT) tools and activities in enterprises 2016 is presented in Figure 3. It illustrates that digitalization brings new business opportunities, but they are not fully seized by companies (OECD, 2017).

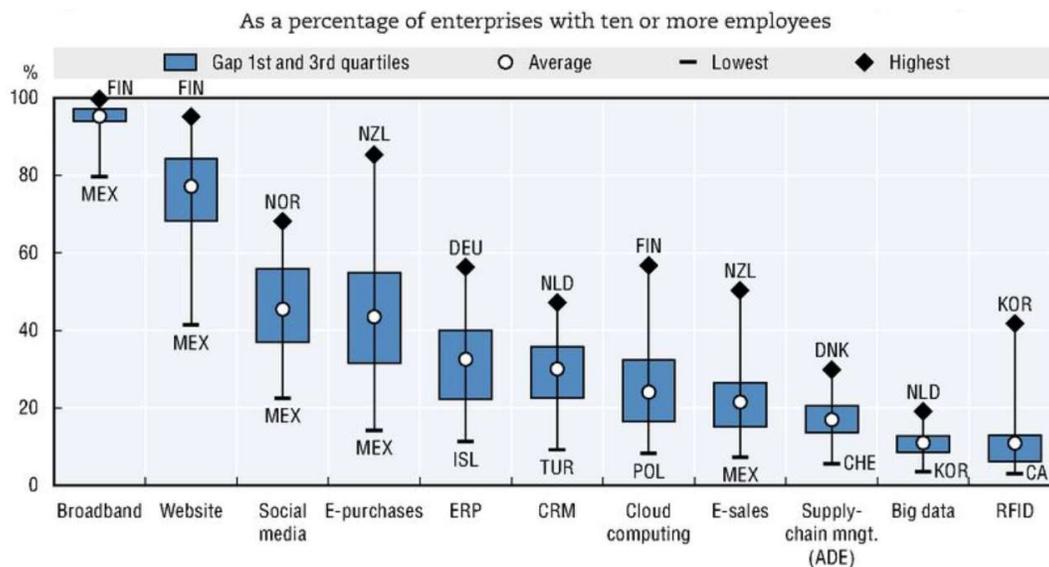


Figure 3 - Overview over the sizes of companies within the different service domains (OECD, 2017)

Figure 3 shows the spread of sizes of companies within different service market segments from the year 2016 (OECD, 2017). The broadband industry has the lowest spread and the highest percentage of companies with ten or more employees. Thus, it is the most mature market. When traversing the figure from left the right businesses with lower and lower industry concentration follow. Mid-figure we have horizontal applications such as CRM and ERP and to the right there are more vertical applications. The Supply Chain Management category, that includes logistics on which this study is focusing, has still many market opportunities and a high percentage of very small companies. The figure shows that Denmark was the leading country in 2016 within this category while Switzerland had the lowest industry concentration.

2.4. Selling and Marketing Strategies

“The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself.” – Peter Drucker (Drucker, 2014)

“The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself.” – (Drucker, 2014). Changing business model from selling software as product to selling it as a service implies not only altering price strategy and redefining organizational processes, but also modifying the way the application is sold, maintained and supported (Orue-Echevarria Arrieta, 2016). Eight marketing elements are studied previously in accordance with SaaS viewpoint. They are *product, price, place, promotion, people, process, productivity & quality, and physical environment* (Rudolf, 2015). The next paragraphs explain each of them.

In **product** element, Rudolf (2015) suggests that SaaS marketing should weight toward *“evidence”* instead of *“image”*. The product should be made available and evaluated by the customer instead of a picture of it and its capabilities being presented by salespeople. One realization in SaaS is free online trials, where the customers can experience the applications online. It is important to make sure that the user is sufficiently engaged during the trial. It is also recommended to direct most supplementary services online, from advertising, purchase to billing (Rudolf, 2015). In other words, the marketing/promotion/customer acquisition methods must extend into the product in order to get the product to *“sell itself”* (Murphy, 2020). The customer may get access to a free trial of the product automatically, test and review its capabilities independently to finally complete the purchase without contacting any supplier representative.

Another realization of the product element is strong brands. A strong brand is used to overcome the customer’s fear of something new as SaaS, that is seen as a risky purchase. However, that might not be the case for small market niches. Keeping the brand simple and same name as the company is also recommended. SaaS companies are suggested to create a wide range of services, offer package solution and include them into the value-added chain (Rudolf, 2015).

Regarding **place** element, SaaS has no physical boundaries because of the Internet-based delivery method which enables global access to the service. This is a significant advantage and challenge at the same time. Only the range of Internet sets the limits. The potential customers are spread all over the world and every similar SaaS solution provider in the world are a competitor. Here the SaaS companies are advised to find their trusted advisors instead of resellers (Rudolf, 2015). Investing in channel partners will benefit to expand the market but it shall not be done at too early stage. Channel partners may also reduce the margin.

Selecting the right **pricing** strategy is important for the marketing strategy. To make the application services attractive for the customer, the price offered must be less than the cost of customer’s in-house software development, operations and support. The analysis study below is given by Tyrväinen et al. (2013). Figure 4 illustrates the concept by comparing the full picture of the cost of buying a software solution and developing it inhouse. The illustration does not include the costs of operating and supporting the hardware needed for hosting the software solution. That part needs also to be accounted for because it is included when buying a SaaS. The left side of the figure represents the customer’s spending when buying software while the right side of the figure represents the costs of developing software in-house.

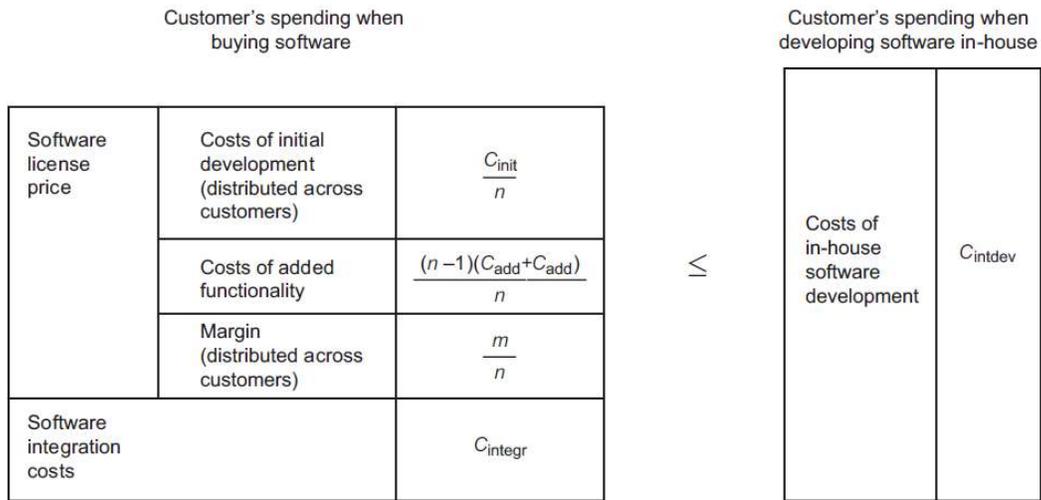


Figure 4 - Cost of buying outsourced application versus developing in-house (Tyrväinen, Frank, & Mazhelis, 2013)

The illustration boils down to Formula 1 which depicts the condition for the number of customers, n , to achieve in order for the selling of services to become profitable with the desired margin m . The expressions used in the formula are derived in Figure 4.

$$n \geq n_{\min} = \frac{(1 + k_m)(C_{init} - C_{add}) - C_{conf} + m}{(1 + k_m)\left(\frac{C_{init}}{p} - C_{add}\right) - C_{conf} - C_{integr}}$$

Formula 1 - The total cost of developing versus buying software

There are several pricing alternatives for a SaaS offering. The most used one is the low entry cost and pay-as-use pricing (Rudolf, 2015), since it makes greater customer's acceptance (Tyrväinen & Selin, 2011). The charge should be considered whether per user, per usage or per transaction. Another alternative is charging per time period of usage, that gives unlimited access to the application for certain period, for example a month or a year (Rudolf, 2015).

The next popular pricing model is freemium, where the company offers limited SaaS functionalities for free and charge extra payment for advanced access or more functionalities. The intention is to acquire new users, who hopefully likes the service and eventually starts paying for the additional helpful functionality. In this model, it is important to measure the rate of number of free users who become paying users. Too low rate is not good sign, but too high does not always mean great (Rudolf, 2015). The conversion rate ideally around 15 – 20% (Skok, 2020).

The demand-driven pricing scheme is found the most efficient among four dynamic pricing schemes described and it requires the SaaS company to identify the market specific customer requirements and their willingness to pay (Rohitratana & Altmann, October 2012). "Many start-ups and growth companies try to serve customers of all size, which lead to non-optimal results", citation from Mark Suster (Lerouge, 2016). Figure 5 shows the mapping area to select business target based on customer size and involvement effort (touch). The vertical columns list the sizes of potential target customers by percentage of supplier revenue using three categories: *Very Small Businesses*, *Small / Medium Sized Businesses* and *Big Customers*. The rows represent the sales strategies: *Low touch*, *Medium touch* and *High touch*. According to the figure a *Low touch* strategy should be used for small and medium sized target customers while a *High touch* strategy may be worth it and the only strategy working for large customers.

TARGET MARKET <i>(revenue breakdown)</i>	Very Small Businesses <i>(≈20% of revenue)</i>	Small / Medium Sized Businesses <i>(≈40% of revenue)</i>	Big Customers <i>(≈40% of revenue)</i>
SALES STRATEGY			
Low touch (Atlassian, Mailchimp, Basecamp...)	Large number of low-price deals => automated sale		Doesn't work
Medium touch	Uneasy middle		
High touch (Microsoft, SAP, Oracle, IBM...)	Not worth it		Small number of high-price deals => solution sale

Figure 5 - Selecting business target (Lerouge, 2016)

The relevant **promotion** strategies for SaaS business are providing tangible clues, online and offline marketing, segmenting sales approach, industry influencers and relationship marketing (Rudolf, 2015). Providing tangible clues is a challenge due to SaaS intangibility, it can be approached by promoting its benefits as discussed in SaaS chapter above and free online trials. Online and offline marketing is achieved by using websites, newsletters/professional magazines as well as paid adds on search engines are social media. Segmenting sales approach is important in accordance with the targeted vertical software industry to reach the intended audience. The niches are often small and marketing to broad may simply not be worth it. Industry influencers play role in SaaS marketing when the promoted services are part of their stories. One of examples is Marc Benioff, who is the founder and CEO of Salesforce (SaaS in sales service). Relationship marketing shall make customer to understand the SaaS solution with appropriate tools such as seminars and conventions besides websites and magazines.

Ideally SaaS requires only little contact with people or even none since basic functions are automated and reliable. See the discussion about the **product** element above. The **people** contact shall only happen when selling and customer support (Rudolf, 2015). Covering the possible automated function with people shall be avoided, for example employee doing road show instead of free trial. During startups, it is recommended to employ salespeople with technical knowledge.

The **process** of SaaS shall identify all activities and the links among them to detect errors on time and deliver continues flawless performance. Developing effective SaaS blueprint helps to point out where the opportunities for tangible evidence, interaction with customers and how to price the service. It is useful to recognize the company phase in the SaaS life cycle. Different studies define different phases/stages in the life cycle, but they are almost similar. One study defines three stages: fitting the market, maintain sales model, and scaling the business (Michelsonas & Abdur, 2012). Four stages are used by Rudolf (2015). Those are: acquisition, installation, usage and commerce. Tyrväinen and Mazhelis (2009) defines the five stages: innovators, early adopters, early majority, late majority and laggards.

Regarding **productivity**, SaaS companies should have fast operations with good produced output relative to the used input (Rudolf, 2015). Along with productivity, the high **quality** of SaaS application must be a focus point. As already been discussed in section 2.2, the quality includes service availability, security, performance. Poor quality is the major reason the customers refuse and/or discontinue using the SaaS application.

Physical environment element means physical part of SaaS, that is the device where the user accesses the SaaS with, such as computers, mobile phones, tablets (Rudolf, 2015). It is judged not relevant for

SaaS marketing since those devices are chosen entirely by the user. The SaaS concept only requires Internet connection and a web browser to be able to use the service.

2.5. Factors affecting SaaS marketing

To obtain the best outcomes of the marketing effort, factors that are affecting SaaS marketing need to be identified and metrics shall be used as indicators to get feedback from the applied strategies. Tyrväinen & Selin (2011) have identified eight factors that are considered to have impact on the choices of marketing strategy for SaaS companies. The eight factors are concluded into four internally interconnected categories which are illustrated by petal areas in Figure 6. Those are *Business*, *Target customers*, *Sales process* and *Customer relationship*. The text outside the petals in the figure list some of the appropriate indicators for that category. The categories are described in detail in the rest of this section.

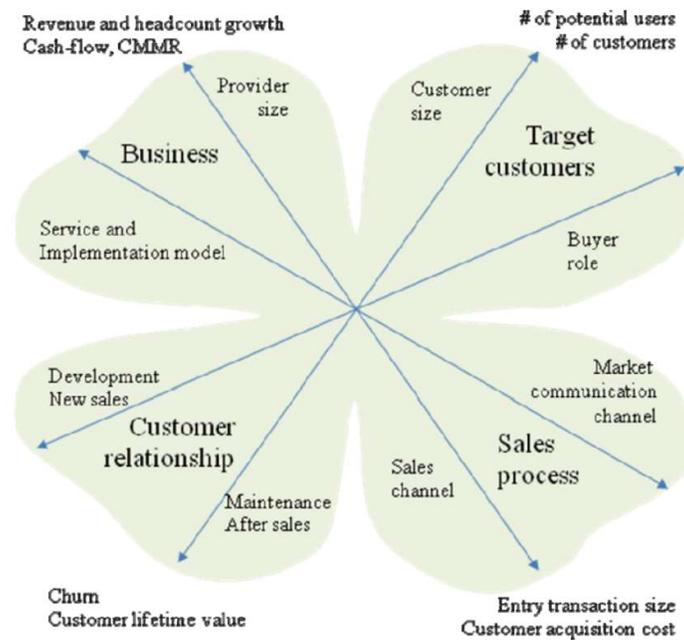


Figure 6 - The Clover Model for selling and marketing SaaS (Tyrväinen & Selin, 2011)

The *Business* petal connects the *Service and Implementation Model* and *Provider Size* factors. The *Service Implementation Model* factor defines how the role of services and implementation are in the business model. The typical for SaaS companies is self-service. On the other end you will find people and contact intensive implementation and service. *Provider size* has major impact to the market the company will operate and is categorized to micro, small, medium and large companies. Large providers are more likely to serve added values to large customers as discussed in Section 2.4 and is illustrated by Figure 5. Small companies are on the other end more likely to serve smaller companies. Some examples of key performance indicators to track are:

- CMRR (Committed Monthly Recurring Revenue) which shows the amount of ongoing revenue from current or projected customers (Michelsonas & Abdur, 2012). Higher the better.
- Revenue and head count growth. Grow revenue faster than headcount.
- Cashflow

The *Target customer* petal connects the *Customer size* and *Buyer role* factors. The buyers of SaaS applications within large customer companies usually have roles such as business managers, whereas in

the small companies the buyers are the top managers. The identified target customers affect the strategy on product element and sales and market communication channels as discussed in Section 2.4. The key performance indicators are:

- Number of potential customers is a critical indicator to define target market
- Number of customers is an indicator that measures long-term success

The *Sales process* petal connects the *Sales channel* and *Market communication channel* factors. Sales channel factor determines the completion of the sales transactions. The market communication channel provides information to the customer to understand their needs of the SaaS applications. The key performance indicators are:

- Customer Acquisition Cost (CAC) that equals to Total Cost of Sales and Marketing divided by number of Closed Deals (Michelsonas & Abdur, 2012). Higher CAC requires higher pricing, which leads to more approval difficulties (Skok, 2020).
- Entry transaction size indicates how large the initial sales deal is.

The *Customer relationship* petal connects *Developments/new sales* and *Maintenance/after sales* factors. Some of the key performance indicators are:

- Churn indicates the percentage of customers who cancel their subscriptions to the remaining customers. The ideal target is less than 12% of CMRR (Michelsonas & Abdur, 2012). Churn rate 2% per month is acceptable, greater than that means something wrong in the business that leads to low customer satisfaction (Skok, 2020).
- Customer Lifetime Value indicator presents the amount of money that the supplier can earn during the lifetime of a customer relationship (Michelsonas & Abdur, 2012).

There are two guidelines to fulfill when determining whether a SaaS business is viable for the SaaS startup/niches (Skok, 2020):

- LTV (the lifetime value of a typical customer) $>$ CAC (the cost to acquire a typical customer)
- Months to recover $CAC < 12$ months

3. Methodology

3.1. Case study – an inductive qualitative research approach

This thesis applies a case study with multiple cases to answer the research question presented in section 1.2.1. A case study is a qualitative research method which uses an inductive approach to study the research question in its natural context and to describe a phenomenon in a systematic manner (Ghauri, Grønhaug, & Strange, 2020, ss. 101-111). Qualitative research emphasizes understanding rather than testing and verification (Ghauri, Grønhaug, & Strange, 2020, ss. 96-98). Qualitative research is suitable for understanding organizations (Ghauri, Grønhaug, & Strange, 2020, s. 98). An inductive approach refers to the drawing of empirical conclusions from the process of observing, analyzing, gathering the results and theory building in that order (Ghauri, Grønhaug, & Strange, 2020, s. 19).

The research question is of an unstructured nature because the problem is about exploring the used strategies. When the problem is badly understood and unstructured an explorative research design is suggested (Ghauri, Grønhaug, & Strange, 2020, s. 63). Ghauri et al. describes explorative research as a flexible approach which is similar to the process of a detective investigating a murder. In the case of this study we do not know what to look for (expect for the marketing strategies found in previous studies) and therefore let the observations guide us about where to continue our work. Our choice is therefore of an explorative research method.

Case study is a research approach associated with explorative research (Ghauri, Grønhaug, & Strange, 2020, ss. 101-111). A case study is often employed when the problem is hard to study outside its natural context. It therefore is well-suited for studying companies' strategies. That is also the reason for the choice of method for this thesis. It would be difficult to study the marketing strategies outside of the context of the companies within this niche. The downside with the method choice is however that the study becomes hard to generalize outside the niche or even the selected companies. On the other hand, it is not the aim of this study to generalize outside the niche but to generalize within it. Efforts are done to achieve generalization within the niche via using a multiple case study with a careful selection of cases, which can be a strategy to increase generalization (Ghauri, Grønhaug, & Strange, 2020, s. 110). Using multiple cases improves the generalizability (Ghauri, Grønhaug, & Strange, 2020, s. 71).

Case studies may be categorized depending on number of cases, depth and storytelling versus construction creation (W. Gibb Dyer & Wilkins, 1991). The selected approach involves multiple cases, shallow depth (because we use multiple cases and have limited time) and puts greater focus on construct creation than storytelling.

Cross-sectional data was to be collected. Cross-sectional is defined as gathering the data at a single point in time (Ghauri, Grønhaug, & Strange, 2020, ss. 71-72). The data collection method selected is observation. Observation works by watching and interpreting what can be seen from the cases (Ghauri, Grønhaug, & Strange, 2020, ss. 111-114). The main advantage being that we may collect information in the natural setting. The main disadvantage being that observations are made by individuals and is sometimes hard to convert to scientifically useful information. The observations will be made without participation and without notifying the subjects to not affect the natural setting. On the other hand, this opens some ethical problems which are tackled by preserving the anonymity of the cases in this thesis by not mentioning them by name.

3.2. Case Selection and units of study

The cases or *units of study* were drawn from the population of all SaaS companies within the logistics niche. A theoretical sampling approach was used. A theoretical sample means choosing units of study based on fulfilling certain theoretical criteria (Ghauri, Grønhaug, & Strange, 2020, ss. 108-110). In this

case they need to be within the niche and information needs to be available online about the company. They also need to be in compliance with the definition of SaaS companies as provided by Tyrväinen & Selin (2011) and as described in Section 2.2. They were also selected because of the writers' prior knowledge about them. The reason being that the business domain is complex and that knowing in advance about the type of service marketed could provide benefits. The knowledge also helped in selecting companies as different from each other as possible. Additionally, it significantly helped the understanding of the business's products which proved to be time-saving and useful.

The candidate businesses were classified according to the model developed by Tyrväinen & Selin (2011) to decide whether they should be included or not. The model was presented in Section 2.2. The sample cases were selected to vary as much as possible in the model dimensions as well as within the logistics domain. Based on the limited time available for the thesis and other practical issues, cases of three firms were selected. Depth was also deemed more critical than width because the method is explorative.

Ghauri, et al. recommends defining and presenting the general characteristics of the organizations studied. The selected firms have the characteristics for revenue, age and number of employees listed in Table 2. The numbers are rounded to preserve anonymity and of the selected cases.

Case	1	2	3
Revenue	300 MSEK ¹	300 MSEK	50 MSEK
Founded	2015	2001 ²	1987 ³
Employees	11–50	50–200	11–50

Table 2 - List of characteristics of the selected cases in the sample

3.2.1. Case 1

The first case studied in the multiple case study is a Software as a Service solution marketed globally within the logistics domain. More specifically the service is marketed towards a vertical segment within the logistics domain which is called *Inventory Optimization*. In the inventory optimization concept, the company includes functionality for assisting with forecasting of demand of products over time, optimizing stock levels of inventory and automating replenishments. The software service is marketed and developed by a seemingly rather independent part of a larger Swedish software firm.

The customer uses the service via their web browser but can also make use of mobile applications for Android and iOS. The latter however have very few downloads on Google Play and App Store. The data required for the software to perform its calculations and optimizations is usually fetched from the client's business system (sometimes also called ERP or *Enterprise Resource Planning*).

3.2.2. Case 2

The second firm is another Swedish software company marketing a SaaS solution for the logistics domain. The service is marketed towards Northern Europe, and the target customers are both businesses buying transportation services and companies selling transportation services. They define the product as *Transport Management* which has the purpose of digitalizing, improving the efficiency and transparency of shipping solutions. Carriers can buy the service to digitalize their incoming transport

¹ The SaaS part being a smaller part of a larger company. Revenue for the larger company listed.

² Not the same year as the SaaS was released.

³ Not the same year as the SaaS was released.

bookings and increase the visibility for their customers about the shipments. Transport buyers can buy their service to receive a common interface and visibility of all their transports, independent on carrier. They use the service to book, print labels and follow up their shipments. Additional services such as a freight checkout solution for eCommerce and a freight tracking application for Android and iOS can be offered in addition.

The service is delivered over the Internet and is reached via a web browser, a mobile app, or an API (Application Programming Interface). The service may be connected over the API to other software solutions at customer site such as a warehouse management system, eCommerce platform or ERP system and work as an integrated part in that solution.

3.2.3. Case 3

The third firm is also a Swedish company. The company is marketing a SaaS solution which aims to digitalize the supply chain to provide full visibility. By using the software service companies can exchange the data in the supply chain with their customers and suppliers. They can also control and visualize their supply chain and have the possibility to improve the performance of their supply chain using the software service. The service provides visibility of the indicators important for the supply chain and thereby helps the companies to improve.

The software is accessed via a web browser. It also requires integrations to other systems to get the required data into the platform.

3.3. Ethical aspects and consideration

Vetenskapsrådet (1990) has provided guidelines for ethical research within humanistic and social science. The guidelines aim to provide material for considerations between personal aspects and science aspects. The guidelines include four primary requirements for ethical research. Those include requirement for informing the concerned about the purpose of the research, participants have the right to decide if they want to participate, participating individuals should be confidential and their personal information stored securely and information of individuals gathered should only be used for the research purpose.

This thesis only studies companies and do not provide any linkage to specific individuals. They therefore do not need to be informed. Further, it only uses publicly available information and do not provide names for the companies. The authors therefore determine that there are no ethical aspects that needs to be further considered and further mitigated.

3.4. Procedure

Eisenhardt (1989) presented a process for theory building research using case studies which this thesis aims to partially follow. The process is based on the approach for building theory from case study research in eight steps. Thinking about the process in a structured manner helped increase the reproducibility of the results. Table 3 lists the eight steps in the process.

<i>Getting Started</i>
<i>Selecting Cases</i>
<i>Crafting Instruments and Protocols</i>
<i>Entering the Field</i>
<i>Analyzing Data</i>

<i>Shaping Hypotheses</i>
<i>Enfolding Literature</i>
<i>Reaching Clouse</i>

Table 3 - Eisenhardt's eight steps for building theory from case study research.

In the first step, “*Getting Started*”, research questions are defined (Eisenhardt, 1989). Those are presented in the Section 1.2.1. The research problem is focusing on uncovering and understanding the described phenomenon.

In the “*Selecting Cases*” step, the population is specified, and a theoretical sample is created (Eisenhardt, 1989). We perform this case study on the three cases, which are described in detail in Section 3.2. The section also describes the case selection strategy.

In the “*Crafting Instruments and Protocols*” step, the data collection process is designed. Collecting data from multiple sources of evidence strengthens the ground of the theory via triangulation. Multiple sources of evidence are ensured by gathering data via multiple external sources and by studying the companies from outside using their marketing material as well as other information of the company online. First, we started by visiting their websites and review all the available information there. Then we continued with other external sources linked from the website such as YouTube channels and social media platforms. The most important social media platform was LinkedIn but also Facebook. Lastly, we performed a Google search about the company to find other information deemed important. Extra care was taken on the fact that the websites and other material supplied by the company were not produced for the specific purpose of the study but often to impress customers and potential investors.

In “*Entering the Field*” step, data is collected according to above process while analysis is performed continuously and in a flexible and opportunistic manner (Eisenhardt, 1989). First, we tried to get an overview and then we continued searching to get a full overview as well as depth into useful material. The data collection was performed by the two writers independently to provide divergent perspectives and a stronger ground.

In “*Analyzing Data*” step, the data collected in the previous step was studied more in depth (Eisenhardt, 1989), both within each case and among cases. The research was also compared to some of the theory described in Chapter 2. By holding prior assumptions about relationships from that theory section, the work took benefits from the theory to obtain directions to proceed. The data collected from the case study was analyzed by looking for commonalities and differences when comparing the firms with each other.

Next was the “*Shaping Hypotheses*” step as presented by Eisenhardt (1989). Here the data is systematically tabulated to promote systematic comparison and to construct evidence which increases the validity and measurability of the hypotheses. Effort is put to form a systematic coherent pattern to confirm our assumption. To validate the findings, replication across the cases was conducted. We also attempted to find explanation for the strategies to enhance internal validity. These activities in this step are in line with the descriptive validity and interpretative validity explained by Ghauri, et al. (2020) for qualitative research.

After the formation of our hypothesis, we perform the “*Enfolding Literature*” step as suggested by Eisenhardt (1989). In this step we compared conflicting and similar literature. The intention was to raise the validity of the results and links them to existing findings and theory. This is important for our results not to be only valid for our cases but to be valid for the whole population. This step should also ensure that we improved existing theory on the subject. A mapping was performed from the gathered data onto concepts and theory listed in Section 2. Conceptual definitions were refined. The activities in this step

are in line with the theoretical validity and generalizable validity described by Ghauri, et al. (2020). Both are also emphasized in qualitative research.

The last step was “*Reaching Clouse*” step. The whole process is an iterative approach where each step is repeated until satisfaction is achieved (Eisenhardt, 1989). The research results in a *refined* model of some of the existing marketing strategies within the domain which constitute an answer to the presented research question.

3.5. Validity and Reliability

Internal validity refers to the fact whether the results obtained in a study are in fact true (Ghauri, Grønhaug, & Strange, 2020, s. 68). Using the method of gathering information that we use in this study, that is to study the companies’ marketing activities from the outside, could have potential disadvantages when it comes to internal validity. Those are the fact that we potentially not observe all the used marketing strategies and that the observations do not reflect the strategical choice the company has made but only the result of them. However, what was deemed more important was the actual activities as observed by other market actors, because those are assumed to have greater effect on the results of the marketing strategies.

External validity refers to whether the results obtained of the study are generalizable (Ghauri, Grønhaug, & Strange, 2020, s. 68). In this study we study a rather small vertical niche. We do not aim for the results to be generalizable outside that niche but aim for them to be generalizable within it. There are however potential issues with the number of cases being too few. There might be practices only appearing within our sample and there might be practices that is not seen in our sample but existent within the niche. We however try to mitigate that by our sampling approach.

Selection bias is the threat of the subjects not representing the population due to non-random sampling (Ghauri, Grønhaug, & Strange, 2020, s. 68). This is a threat to this study since the selection was not random and a very small sample was used. The sample was kept small since depth was considered more important than width. The validity threat has been attempted to be eliminated by selecting cases that differ as much as possible from each other as was described in Section 3.2.

4. Results

In this section the results from this multiple case study is presented. The results are presented for each case in a separate section. The cases where presented in Section 3.2. The results for each case follow a structure where some general observations are listed in a section followed by a section about Selling and Marketing Strategies as presented in Section 2.4. The results for all three cases are summarized at the beginning for clarity purpose in Table 4.

Marketing Element	Case 1	Case 2	Case 3
Product <ul style="list-style-type: none"> - Free online trial - Marketing integrated in SaaS - Use simple brand - Focus on: - Offer solution instead of product - Freemium 	No Yes Yes Easiness Yes No	No Yes Yes Scalability Yes No	No Yes Yes Flexibility Yes No
Price <ul style="list-style-type: none"> - Low price - Scalable pricing - Scalable package 	Yes Yes Yes, based on solution	Yes Yes Yes, based on software function	(must have contact) Unrevealed Unrevealed Unrevealed
Place <ul style="list-style-type: none"> - Target market - Offices - Using channel partners/resellers 	Globally Europe, USA, Japan, India Yes	Northern Europe Northern Europe Channel partners	USA and Europe USA and Sweden Channel partners, especially access to suppliers in Asia
Promotion <ul style="list-style-type: none"> - Tangible clues - Online marketing - Offline marketing - Segmenting sales approach - Industry influencers - Relationship marketing - Uniqueness 	Yes Yes Yes Yes Yes Yes Highly rated SaaS in Logistics	Yes Yes Yes Yes No Yes Challenge price comparison	Yes Yes Yes Yes No Yes Promote no unsolvable logistic problem

Marketing Element	Case 1	Case 2	Case 3
People contact - In marketing - In selling - In customer support	Seminars, conventions Only non-standard offers Yes	Webinars Only non-standard offers Yes	(rely on people contact) Partly Yes Yes
Process	Clearly using customer lifecycle process	Partly clear process	Unclear (hidden) process
Productivity & quality - Guarantee on availability - Guarantee on security	Proven with high public review rating Cyber security compliance certificate	Proven with historical online system status No mentioned	Own statement Own statement
Physical environment	Not relevant	Not relevant	Not relevant

Table 4 - Result summary

4.1. Case I

This section presents the results from studying the first case. The first case was presented in Section 3.2.1. Initially some general observations about the case is presented in Section 4.1.1. This is followed up by Section 4.1.2 which provides the results in the structure presented in Section 2.4 where the theory about Selling and Marketing Strategies was presented.

4.1.1. General

According to the website of Case 1 the company markets its software service towards the small and mid-sized businesses' (SMB)⁴ segment. The given reason being that larger customers already have similar support from other software solutions such as an Enterprise Resource Planning (ERP)⁵. Their target markets are US, UK, Sweden, Netherlands and Germany judging by the languages of their website. However, there is no sign of the product not being marketed globally. In their marketing they mediate that the type of functionality offered is new to this segment and that it previously had existed in custom-made software solutions and complicated custom-made spreadsheets. Either developed inhouse or by external parties.

4.1.2. Selling and marketing strategies

This part is divided in eight sections to reflect the eight marketing elements that was used in theory Section 2.4. The words in bold defines the discussion around each element.

⁴ An SMB is a small or mid-sized company with a maximum of 999 employees (Gartner, 2020).

⁵ Enterprise Resources Planning (ERP) is an integrated suite of software business applications for supporting a wide range of operational business process (Gartner, 2020).

Product

Key features of the offered product are presented both on a high level and in-depth. The fact that the software service is cloud-based is a selling point as well as the speed of implementation and integration to e.g. an ERP system from which the software solution requires data to perform the inventory calculations. Advantages with a cloud-offering such as cost predictability, performance, efficiency and availability are brought forward. Another cloud-based advantage presented is the ease of configuration and integration. The product is showed on multiple device types (computers, tablets and phones) to symbolize the flexible accessibility. Videos were made available to show the software and its benefits.

The potential customers are provided with case studies, whitepapers and on-demand webinars. The case studies are used to convince the new potential customers by showing the witnessing from other customers who have improved their productivities by using the products. Whitepapers try to catch the new customers' interest towards the product. The last one is provided to give "look and feel" of the products. Each time accessing these resources, the accessor is requested to provide contact information, which will be used to follow up in the later occasion. The product brand is kept simple and easy to remember.

It is observed that their web site provides very little number of pictures and videos about the products. This company does not offer a free trial and there is no way of testing the software apart from contacting the company and get a free demonstration of the software. Ease of getting started and integrating is also some main points they make.

Price

The company reveals the price online. The service is offered using a subscription model with a monthly fee which is invoiced annually. They offer three different versions of the software. Each with additional functionalities and a higher price. Here they even keep the pricing easy for the customers by offering a full package price for each alternative. The differences on the offered functionalities are explained as solution features, such as forecasting and stock optimization. No initial fee is charged, and they also do not offer a freemium version.

An important distinction of software service purchases from on-premises software purchases is the minimization of risk achieved by paying a smaller fee periodically instead of paying for the full software upfront. Case 1 stresses this benefit in their marketing by pointing at low risk and low capital outlay. In older material the company also goes through the other benefits and differences of using a software as a service solution compared to an on-premises solution.

Place

The company markets their software service globally using Internet-based access. To be useful the product must be integrated with for example an ERP system which limits the place offering to countries where they currently have ERP integration coverage. They are recruiting channel partners using their web site with different kinds of offered relationships. What is interesting here is that they offer mutual marketing activities. One evidence seen on the web site is that the partner put positive words for the company.

Their website, social media content and YouTube account often come into the subject of partners. They present three different partner offerings. One is for vendors of ERP software who would like to offer the service in a bundle with their own solution. The other two are towards consultant firms or resellers with two levels of commitment. One is for companies who like to take full customer responsibility and even carry out support. The other is for companies who simply would like to refer good prospects. All types of partners receive a part, dependent on level of commitment, of the subscription revenues over time. It

is also clear that partners exist and that they put effort into marketing the service in their online marketing material.

Looking at the partner network previously discussed, they also target markets through resellers, consultants, ERP partners and using their own selling organization. Having the benefit of being a part of a greater organization, they take advantage of that organization's subsidiaries in different countries to market their solution with a local touch. That yield for United States, Japan, India, Great Britain, France, Germany and Sweden. They also use reseller in the Netherlands.

ERP partners offer integrations as a part of their bundle offerings. Case 1 however also by themselves offer integration to other ERP systems which are not categorized as partners. They count heavily on the ease of integration and that they can integrate to many different ERPs. Specific targeted marketing material in both written and video form is also presented for customers using a specific ERP system where the benefits are explained.

Promotion

For this case, the tangible clues are provided by offering several free online demos/webinars. The website is filled with customer success stories where customer tell how the product have made them more profitable. They also provide video testimonials where customers talk about the success they have achieved when using the service. Much of the content does not contain the product itself but knowledge about how you may deal with certain other aspects of the domain where the product can be used. Apparent example is their blog where they write about logistics concepts in general. Additionally, they also provide material targeted towards certain industry segments such as wholesale, retail and ecommerce.

As previously discussed, they build partner relationship to achieve mutual marketing strategy, for example with an ERP vendor. They are using professional online magazines in the branch, such as softwareadvice.com, capterra.com and g2.com, who give high review ratings for the products. Some influencers are writing about the products in their blogs, such as owler.com and cision.com. They also participate as exhibitors in several supply chain seminars and conference, for example American Supply Chain Summit 2019 and Gartner Supply Chain Executive Conference.

The company also have active company pages on LinkedIn, Facebook, Twitter, YouTube and Xing where they post marketing material. Examples of contents on the social medias are links to webinars, customer stories and messages to their followers. Examples of content on YouTube is funny commercials, educational material, content for specific segments, testimonials and videos with pros and cons of using the service. Additionally, customers can sign up for a newsletter. No paid marketing on for example Google was observed. Resellers however paid for marketing the product on Google.

People

Order for standard services can be settled online on the company's websites. Upgrades or specific adjustments to selectable features are handled by contact person.

The company seek to engage with their potential customers and show their product. This is shown via multiple links to book a demonstration which are spread out over their website. They want the customers to provide a lot of specific information about other IT systems in their environment as well as their job function. The reason given being that, they want to create a tailored demo experience where they tweak the content of it depending on the answers to the questions. Live chat is also available in web browser to interact with the company during work hours.

Studying the list of employees connected to their LinkedIn-page it is apparent that they focus on reaching out with their product, getting the customer up and running and supporting the customer. Common roles are marketing, partner management, customer success and support. The company personnel also have a greater focus on the use of the software for a business instead of the technical aspects. The technical development of the product is outsourced.

Process

The website includes a large amount of content. Much of it is however hidden before you enter your company details. Examples are demos, downloadable guides etc. They want to gather information and then initiate a sales process with the customer. Since the company also heavily use different partners the contact is often initiated via them. The rest of the sales process cannot be determined from the data.

From the customer lifecycle point of view, the process is started by getting contact information from the interested public readers. The potential customers are brought into deals. The customers with successful stories are offered to become partners with mutual relationship. On the customers' websites (linked to the company's web site), the applied solution gets recommendation.

Productivity & quality

The company has focused on quality of their offered products, by challenging on the public industrial reviewers, and they get high review ratings. By using whitepapers approach, they try to convince the customer for possible high increase in productivity. Success stories from partners and existing customers strengthen the new potential customers' confidence by showing that the calculation and methods to improve productivity are proven in use.

The company addresses the security concerns by providing an overview of all the security risk mitigations taken by the company. The company provides no in-depth information about availability and does not provide an SLA.

Physical environment

As mentioned in theory, it is judged not relevant for SaaS marketing.

4.2. Case 2

This section presents the results from studying the second case. The second case was presented in Section 3.2.2. Initially some general observations about the case is presented in Section 4.2.1. This is followed up by Section 4.2.2 which provides the results in the structure presented in Section 2.4 where the theory about Selling and Marketing Strategies was presented.

4.2.1. General

The company has two main SaaS products. The first they call a Transport Management System (TMS). The aim is to manage supply chains and the product can be used for any size of business with a main target towards larger companies. They also market a Transport Administration (TA) system which they market towards the small and midsized businesses' (SMB) segment. Most of the offering is via the web browser but the company also provide a freight checkout solution and a free consumer mobile application.

The company has been in business since 1997 launching a single cloud solution. Over time they have expanded their offering by acquiring similar companies. They achieve more than 1000 transport services that handle more than 200 million consignments per year. Their target markets are Sweden, Finland,

Norway, Denmark, Poland, and several countries in Eastern Europe such as Estonia, Latvia and Lithuania.

4.2.2. Selling and marketing strategies

Like what was done when presenting the results for Case 1, this part is also divided in eight sections to reflect the eight marketing elements that was used in theory Section 2.4.

Product

The company emphasizes the importance of scalability by offering modular software services which the customer can grow into. The customer can start and choose the basic/core module, where the basic transactions, such as transport booking, tracking, tracing and printing related documents, can be performed within global network with more than 159 carriers. The company describes the core features and the use of them in text.

On this core module, the customer may apply the desired added-value modules, which are called leverage modules. These modules provide integration to the existing ERP, cost optimization, large network setup with many warehouses, additional comfort services for users, advanced report system, and adjustment to specific requirements.

The company uses the fact that the software is offered via Software as a Service as a key point in their marketing. They stress the ease of accessibility from everywhere, no need to install and continuous updates. Letting the customer know that it is easy to get started because of this fact. The company does not offer a free trial but offers the possibility for shippers to test their solution online by using a generic login account.

Price

The price setting is scalable based on the selected functionalities of the products, the number of carriers connected and the number of transactions. The differences on the offered functionalities are explained literally as module capability of the products, such as actual status check, transaction history, booking of collection. It is not solution differences, as used in Case 1 above. The prices for the basic products with standard offered features are even scaled based on the number of the users and the number of sending transactions. Thus, the price is both a fixed monthly fee plus a transaction-based fee. The company reveals these standard offerings. Additionally, the company provides three levels of SLA (Service Level Agreement) for the support service that can be added to the package.

Place

The company offers their service over the Internet. The software is targeted towards some languages with a gravity towards the Nordics. Since it is offered over the Internet the service can be bought by any company. It is however not of as much value for potential customers further away from their main market since a main point with the service is the network of accessible carriers. Investigating the list of carriers, they also are mostly from Northern Europe and therefore the service has a greater value offering for potential customers in the Nordics.

In addition to the online sales the company also has country specific subsidiaries in the Nordic countries where customers may get help in their own language.

The company has an extensive partner network which a search on the web reveals. On their website they present their partner offering as a way of giving suppliers of other software extra features to offer their clients by connecting the services. By connecting with the companies service partners may get the

additional benefits of offering Case 2's services seamlessly integrated to their customer base. It is not listed whether some other financial benefits exist except from the potential increase in value partners can offer their clients. The available integrations set an additional limit on the geographical coverage of the service since it is often used in combination with other cloud services.

Promotion

The company promotes their products through their websites and categorizes the intended audiences into four groups: the shippers, enterprises, transport carriers and partners. By doing this, they lift the selective product features and benefits to suit the customers' needs based on the customers' roles in the transport ecosystems.

On their websites, the company lists the existing customers as the shippers as well as the carries. They publish own newsletter (reference magazines) as media to inform the company news, product/service updates, customer experiences with the offered solutions.

Quite many bloggers on Internet writing about the integration of the offered products to certain known systems. The company itself provides links from their website to the collected bloggers' sites. They even put the price comparison against the competitors in the same branch with similar offers.

The company has an active Facebook page where they post information about integration partners, customer cases, webinars, new features, promotions, and holiday wishes. That is also the same content as they present on the LinkedIn as well as Twitter. No paid marketing on for example Google was observed.

People

Simple order for standard services can be settled online on the company's websites. Specific adjustments to selectable features are handled by contact person. Customer support is also provided with personal contacts. Sales are in addition performed both by phone and on-road. The company has employed geographically spread out sales managers.

The company has a webinar channel where they regularly invite customers to webinars with key persons as well as representatives of partner companies. The personal contact is involved in the webinars as much as the content of it.

The company presents its management team signaling success and confidence. According to their LinkedIn page the company personnel are equally divided between technical and non-technical personnel.

Process

Like case 1, the process is started by getting contact with the public readers of their websites. The potential customers are categorized at the beginning by the chosen website they take contact to.

The sales process is either initiated from the website, by phone or via a partner. What happens next cannot be determined from the data. The company's website lists all customers who have used their services, which are categorized as shippers, enterprises and transport carriers.

The company includes free support by phone in their offering. They stress the case that they have competence and by offering free support they signal that the software is easy to use and has great quality which extends into the next marketing element.

Productivity & quality

The company has focused on quality of their offered products, by providing online up-to-date system status, performance metrics and historical past incidents. The shown information gives the image of how good the system is with very low downtime. Additionally, the company offers an SLA that regulates the speed of support request actions but none for the availability of the service. They however do not go into the security aspects in depth.

They also present a reliable but forward-looking brand image by pointing out their time being in business, their history, their large customer base, and their workforce. By pointing at their size and the fact that they are market leading, they also signal quality.

Physical environment

As mentioned in theory, it is judged not relevant for SaaS marketing.

4.3. Case 3

This section presents the results from studying the third case, which was presented in Section 3.2.3. Initially some general observations about the case is presented in Section 4.3.1. This is followed up by Section 4.3.2 which provides the results in the structure presented in Section 2.4 where the theory about Selling and Marketing Strategies was presented.

4.3.1. General

This company offers a cloud-based IT solution that provides end-to-end visibility of customers' supply chain, handling delivery problems and assuring that supply meets demand. Generally, this third case makes much less information available online which is also a reason for shortage of description for this case.

4.3.2. Selling and marketing strategies

This part is divided into eight sections to reflect the eight marketing elements that was used in the theory Section 2.4. The words in bold defines the discussion around each element.

Product

Through their websites, the company emphasizes their offers on the supply chain solutions, rather than the products to buy. They explain the solution concept and describe that the solution can flexibility integrated to the user systems in different specific industry domains. Several mentioned domains are automotive industry, building and construction, consumer goods and packaging, health care, industrial applications and electronics.

In 2013, they published a free online multi player game in supply chain management that was based on the solution to be offered. It simulates food supply chain where each player should achieve the best result for the whole supply chain.

To convince the user, the company provides a free trial user interface monitor in 2015 that can be installed in mobile phones, where in real time the user can monitor the part of supply chain solution handled by the company's products. They even challenged the potential customers to contact their help desk when the users were facing problems with the interfacing to the solution platform.

Overall presentation on their websites give impression that no issues/problems in the supply chain which cannot be solved by their solution strategy.

The company uses the fact that they provide a cloud-based solution to market their product. Already in the headline they use this fact as well as on numerous other places in their material. Going deeper they provide the detailed advantages of the fact. They emphasize that it is standardized, always updated and that a monthly fee is billed.

Price

The company does not reveal the price online. They provide a simple login via the Internet for the customer who wants to obtain proposal or make a deal. The cost of the service is incorporated into the monthly fee, that is based on the services used (“pay-as-you-go” principle). But what kind of services that determine the prices are not exposed at all without contacting them. No expensive consultants and license fees are introduced according to their web sites. The intention is to give predictable and fixed low cost to the user. The company also offer different packaging for support although no pricing is mentioned.

Place

The company markets their service online. It does not present any geographical limits. The company has five offices of which one is in the US and the rest in Sweden. The company also sells via partners but there is no formalized offer to partners to be find. Some are however found when performing a Google search. The company also lists some major big-company ERP companies as partners which might suggest that they integrate to those services themselves. The knowledge about how to integrate to certain systems might provide geographical boundaries for the market coverage.

Based on their news and blogs, the company made collaboration several years ago with certain big company to build network connections to the suppliers in Asia, specially China. With this network, they offer the customers in Europe and US easy and wide access of suppliers in Asia to be integrated to their supply chain solutions.

Promotion

Wide range installed base industries with focus on flexibility are used as main tool to promote their solutions. They have at least five industry segments and still expanding to other segments. Whitepapers for each segment are accessible for the readers after subscription.

The company provides webinars. The webinars are present a problem-based topic rather than a focus on the product.

The company has an active LinkedIn page where they post interesting topics for their rather large number of followers. Topics include invitations to webinars, blog posts about general logistics topics of interest, job openings, information to their customers due to e.g. health issues and successful customer cases. They also have a YouTube channel but that does not look to be active.

Although the company is visible on Google it is not visible in any observed paid ads.

People

Since there is no price available online and neither the structure of the offered services, the potential customers must make personal contact with company to understand what to buy on which price. Even for the readers who just want to know further, they must do new user registration.

New user registration is done by contacting help desk, which means people contact as customer support exists and is started here. As described above people contact occurs when the company responds to the customers to resolve issues or problems.

People contact is also conducted during selling process and webinars. These mean that this company has more people contact compared to the other two previous cases. Judging by the companies LinkedIn page most of the employees are either consultants, project managers, software engineers or similar roles.

Process

There is no clear process of how to become a customer presented. The website is more of a storefront where you must get in contact with the company to proceed in the process. Under sales, the contact details for the top executives are presented. The next steps in the sales process cannot be determined from the data.

Productivity & quality

The company publishes whitepapers and industry specific cases together with customers. The company has a very low visibility and numbers of reviews on software review sites.

Additionally, the company guarantee the operation availability by providing a Service Level Agreement for both the availability of support and the availability of the service. They also emphasize that the service is fast and secure by applying strict security standards, authentication, encryption and processes for backup and recovery to ensure data protection, without going into detail about the matters. No security standard compliance is revealed.

Physical environment

As mentioned in theory, it is judged not relevant for SaaS marketing.

5. Analysis

This section provides the analysis of the in Chapter 4 presented results. The analysis is structured in the same way as in that section but instead of going case by case this section takes a combined and intertwined approach to the text in attempts to tackle the research question presented in Section 1.2.1. Section 5.1.1 treat the general aspects of the cases marketing strategies while Section 5.1.2 deal with the aspects presented in Section 2.4.

5.1.1. General

Case 1 makes room for their software in the marketplace within this small niche. An evolution from custom, to outsourced and to standardized software is presented. That is something that well reflects to general trend of vertical software which was presented in Section 2.3. By their solution they therefore try to package a solution that has an existing need and offer it on the market. By offering it as a service they look to be opening a small global niche that previously had no specialized actors. Case 2 offer a more mature software solution and has less of a need positioning it in the marketplace. Finally, the third case puts more focus on the features and benefits of the product than the market gap.

Case 1 and 2 stresses the ease of integration, ease of getting started and the fee structure. Case 2 also make the buyer feel safe by pointing at security mitigations. Pointing at the benefits of SaaS is well in line with previous research as well as making the customer feel safe.

5.1.2. Selling and marketing strategies

The authors conclude that the marketing strategies within the niche of logistics is in most cases consistent with the findings in earlier reports such as Michelsonas & Abdur (2012) and Rudolf (2015). The studied cases still use a defensive strategy, although more offensive than what was previously concluded. All the cases are clear with the fact that their offering is cloud-based. The cases also contrast the differences to traditional (on-premises) software related to security, ease of configuration, and training however this does not look to be the most important aspect anymore. The in-depth information about the advantages of SaaS is in the three cases presented but hard to find. Instead features and use cases are more strongly argued for. Possibly, the services are now more feature rich and the market understanding of the main benefits of using SaaS is much higher and therefore do not need to be explained to such a large extent.

Rudolf (2015) suggested that SaaS companies should provide evidence of the product instead of an image of it. One realization of that is free trials which Michelsonas & Abdur (2012) brought forward. Free trials where not as used by the studied cases. Only one of them provided a freely available demo version of the software that could not be used in production and that was Case 2. Case 2 is also the most volume-focused software solution in the sample. A possible reason being that software services in our sample are too complex and needs to much configuration and connections to adjacent software solution before being useful. Possibly, the software suppliers want to add more of a human touch on the selling process which is supported by the fact that they instead offer assisted demos. Another possibility is that the companies do not judge free trials as an efficient strategy. Rudolf (2015) also stated that it is important that the user is sufficiently engaged during the demo which here could be another reason. Another explanation may be that the free trials are offered when the maturity of the sub-niche has evolved, and the product has reach certain level of volume and package quality. Possibly, the investigated sub-niches of logistics have not reached that point.

Michelasonas & Abdur (2012) also suggested the use of free trials but also social media, blogs, forums, word-of-mouth and email campaigns. All the cases used social media where the most setup-requiring software used it the less. Blogs where used by all the suppliers. Two of three cases used newsletters.

The cases also promote their general knowledge within the niche by producing blog posts and other types of media about general industry subjects with a smaller connection to their product. Rudolf (2015) also suggested segmenting the sales prospects. Two of three companies used segmenting in their marketing and additionally to providing general information about logistics they also provided information for industries requiring that competence area and how they specifically may benefit from the product. None of the companies however was observed to pay for advertising on e.g. Google. None of the companies shows numerous pictures or videos of the product. This is probably intended to steer the reader's focus to their service solution instead of the product itself, and this is in line with SaaS target to sell the service, not the product.

Rudolf (2015) also writes about the importance of strong brands, keeping the brand simple and the company name same as the product. Regarding branding of the offered solutions, all three companies are keeping their brands simple, but the second company has a brand that is not linked to the provided service and is not easy to remember at the first sight. It is experienced by one of the authors when trying to find back the websites at the beginning. The first company relates the brand to the warehouse stock and the third one to supply chain management. As mentioned in theory, keeping the brand simple is one of the marketing strategies. By being easily remembered, it can be easily brought up in casual discussion, like in changing room or lunch time. Two of three cases also have the same name of the product as the company.

It was concluded by Rudolf (2015) that SaaS companies should offer a range of services and provide packaged solutions. This scalability aspect is something that is provided by all three cases, although they present differently on their websites. All of them offer different packages with additional features for each level. The third case even has different levels of support.

It has previously been suggested that SaaS companies are not limited by the place element (Rudolf, 2015). In this thesis we find that two of three companies market their service globally. All three cases are however dependent on the network of integrations that they have created. They need to be able to integrate the customers adjacent software systems to provide a useful service. Adjacent services are often different for different geographical markets which limits the geographical market for the product. Increased networks of integrations may however be invested in but requires considerable investment and maintenance. In the case of the second case studied, the company is also limited to having integrated the local carriers for the market they are targeting. That limits their market and may also be the case for their geographical market targeting.

Working in a small niche the software provider must cooperate with providers adjacent services and software. It is clear from the marketing material of Case 1 and 2 that different type of partners is important for their business. The company cooperate with both other software providers of which services are integrated and other companies that have access to a customer base. The companies share the fees with the partners and resell each other's service. They have created a rather flexible network where the network helps them to be visible in the marketplace. The company also integrates themselves to several other services which further broadens their market. This is not in line with previous findings by Rudolf (2015) who suggested that trusted advisors should be used instead of channel partners.

It looks as though the network creates additional value for the participants which is well in line with the findings of Ojala & Tyrväinen (2011). Customers gains increased value because other market actors have knowledge about the service as well as invested in integrations. Partners gains value because they can offer an additional useful service to their customer base. Lastly, Case 1 gains value because their service is marketed by others and therefore are their marketing costs reduced. The service may also be used in combination with more other services and in combination with those provide more value for their customers.

All the companies in the sample use a modular pricing which allows them to increase the revenue of customers over time. It also allows them to compete for different sizes of customers and customers with different needs. Both Tyrväinen & Selin (2011) and Rudolf (2015) suggested a low entry cost and pay-as-you-model. This is confirmed by our sample. Some use a monthly fee while others use a combination of monthly fee and transaction-based fee. None of the cases however use a freemium version which was suggested by e.g. Skok (2020).

The selection of pricing model is tightly linked to the target group. One of the companies within the sample targets SMEs, another targets larger companies, while one targets all customer groups. The one targeting all customer groups is also the largest in the sample. Using a modular pricing with different packaging and combining that with a transaction-based pricing the company looks to succeed. Also, the other companies use a modular pricing which helps them target sub-groups within the target group as well as increase sales over time on existing customers.

All three companies in our sample used webinars where employees, partners and industry influencers discussed a subject either directly connected to the product or tightly linked to it. Rudolf (2015) reported about industry influencers approach. The course of action found in this thesis is using similar approach. The people involved in the webinars often have a very deep technical knowledge which is in line with other previous findings (Rudolf, 2015). This is however more apparent in the two less mature sub-niches.

Regarding people contact, Rudolf (2015) recommended to keep as little as possible, limited to sales and customer support. All three companies somehow follow this recommendation, but the company from case 3 has more percentage of people contact than the others, since they encourage potential customers to take people contact with them, even for simple matter. They might have certain reason, for example due to flexibility of their offering.

It is difficult to analyze the process against the theory mentioned in Chapter 2, due to limited access. Based on the available information on the websites, the authors can analyze the process from the customers' perspectives only, especially from Case 1. A SaaS customer lifecycle (Peermedia, August 28, 2019) shown in Figure 7 below is found matching to illustrate the lifecycle diagram used by those three cases.

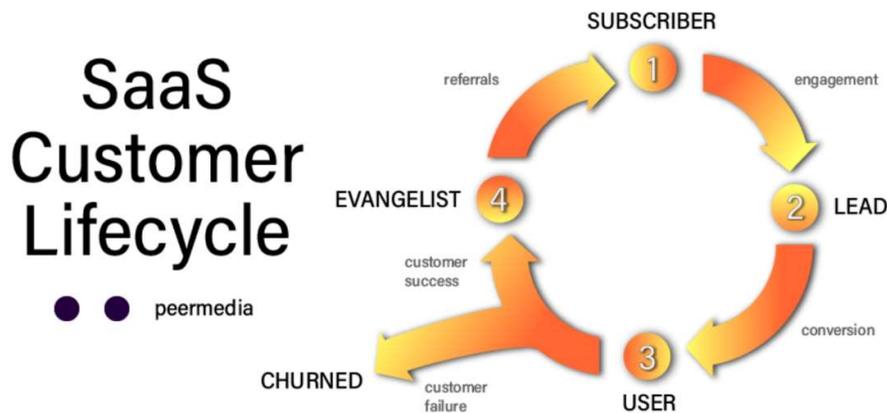


Figure 7 - SaaS Customer Lifecycle

In the figure the subscriber is the reader who has interest in the offered solution before making a purchase. Lead is the subscriber who has deeper interest and start to contact salespeople. User is the paying customer, which determines the most important stage. Satisfied user can be evangelist, who shares the good experience, which in turn will persuade a new subscriber. On the other hand, the

unsatisfied user becomes churned user. It is often difficult to get feedback, since they are unconnected, but it is worth to ask during cancellation confirmation (Peermedia, August 28, 2019).

Rudolf (2015) also brought forward that quality and productivity should be a focus point. All the cases in our sample emphasized the productivity increase created by their product offerings. Two of three highlighted that their service is secure while only one went into depth about the security aspects. That case focused on security and privacy aspects by providing security compliance “Defense in Depth (DiD)”. It is a concept approach to cyber security. To protect valuable information a number of defensive mechanisms are layered (Forcepoint, 2020). Two of them emphasized availability, while only one convinced with numbers and availability information. Two of three provided an SLA while one of them limited it to support matters. The largest of the companies which also provide the most time-critical service used its size to signal that the service is reliable instead of contracts.

6. Conclusions

This chapter summarizes the main findings of this thesis. The findings are based on analyzing the empirical information in relation to the collected theories as referenced and described in Chapter 2. This chapter also uses the findings to answer the research question. The main conclusion is that the result in most cases are consistent with the theories which are based on the findings in earlier work. Some deviations however exist. Most notably related to the geographical market and the lesser focus on product and more focus on people that comes with not making available trial accounts.

This study was set out to answer the research question that was first coined in Section 1.2.1. The research question is restated here for convenience:

What are the current marketing strategies for SaaS businesses operating within the vertical market of logistics?

The authors brought up eight elements in general SaaS marketing into discussion, that are results from the previous studies. Those elements are product, price, place, promotion, people, process, productivity & quality and physical environment, in which the last one can be neglected. The marketing strategies are grouped based on these elements by lifting the important actions for each element.

The SaaS marketing strategy for logistics is started from designing product with intention to get the product to “sell itself”. This is achieved by incorporating the marketing, promotion and customer acquisition into the product. The product design shall enable scalability of a wide range of services that are packed into several value-added solutions. Keeping the brand simple gives positive effect in marketing.

The business model of SaaS itself requires no physical place, but in logistics, the offered SaaS solution needs to be integrated to the clients’ ERP systems, which are various and often local to a certain geographical region. The more variants of ERP to integrate, the wider market can be accessed. The same relationship applies to other software solutions surrounding the SaaS solution such as TMS or TA. Channel partners are used in the studied cases. The companies are trying to expand their market and they are not at early stage of the company’s life cycles.

The SaaS pricing strategy in logistics uses the most common one with the low entry cost and pay-as-use pricing. The different charge alternatives as mentioned in the theory by Rudolf (2015) are applicable. Freemium seems not the strategy to go in logistics since the very basic solution requires integration to other software solutions and considerable configuration. All three companies in the study are using the demand-driven pricing scheme and their target markets are small/medium sized businesses and low touch as described in Figure 5.

The first promotion strategy that is used in all studied cases is online and offline marketing using websites, newsletters, blogs, whitepapers and even professional magazines. Paid ads like Google seems to be not worth it. Segmenting sales approach and relationship marketing to make customer to understand with webinars are considered the next important strategies. Free online trial is not chosen as alternative for some reason.

Like other industries, the people contact shall be reduced to minimum. In logistics SaaS offerings it is limited to selling and customer support. Putting effort to automate any possible automated functions shall be prioritized before putting human effort to do the functions. Conduct webinars instead of road show.

The process discussed in this study is the SaaS customer life cycle. The strategies are to attract as many subscribers as possible, catch the leads and convert them into the users. By having the users of the product, it is important to detect errors on time and deliver continuous flawless performance, so that these users can be encouraged to be evangelists of the product, instead of becoming churned users.

Productivity and quality must always be the focus point since it is very easy to lose customers in SaaS business. Security standards become popular in SaaS industry requirements.

This study's results may contribute to help the SaaS vertical business niches to apply marketing strategies to expand their market.

6.1. Future research

Future research in this area of the study should address whether the types of logistics firms and their roles have an impact on how the marketing strategies shall be weighted or adjusted. Conducting interviews to the concerned companies may give precise reasons behind their decision on marketing strategies. It may also shed more light on the parts of the marketing strategy that happens post contact from a potential customer. Involving the factors affecting SaaS marketing may give more accurate impact of the chosen strategies. Further study with larger sample sizes and include the companies at early stage of their life cycles will enrich the study results.

6.2. Limitations of the study

This study only studied a few companies which utilize a Software as a Service business model within the vertical software niche of logistics. Although a theoretical sampling approach was used to mitigate the issues regarding generalizability, it can be questioned whether the results from the sample can be generalized to the whole population of companies utilizing a Software as a Service business model within logistics. The authors, however, argue for that not being a major issue since that question is about finding utilized marketing strategies. Even from a small sample many marketing strategies could be identified even if their most probably exist additional marketing strategies within the niche. The results are thus not a complete set of marketing strategies applied in the niche.

The chosen method of data collection has some limitations. The first being that we could only identify a subset of the marketing strategies used. All strategies that were applied after the potential customer contacted the companies could not be identified. It could also not be identified whether the company used any form of outreach sales such as cold calling. These types of strategies were, however, not deemed interesting since they were supposed to be applied similarly to strategies applied for other business models. It, however, limits the results obtained.

Lastly, this study also has the limitation of not being able to explain why a certain marketing strategy was used. The study, however, was set out with the objective of identifying marketing strategies and not explaining their purpose. As was stated in Section 6.1 performing an interview-based study could help answer those questions but that is another type of study.

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