Cognism ≋

How to sell SaaS:
Cognism's guide

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Introduction: differentiate or die?

In the year 2000, the marketing guru **Jack Trout** published his business classic, *Differentiate or Die: Survival in Our Era of Killer Competition*. The premise of the book is as follows: for a brand or product to **survive and thrive**, it must **build an identity** which is **markedly different** from its competitors.

The term **"differentiate or die"** has since become a central tenet for sales and marketing teams to follow. According to Trout's law, a business must identify its USP (Unique Selling Point) and sell off the back of that.

A USP can be any factor that differentiates a product or service from its competitors – for example, the lowest cost, the highest quality, the level of customer support or simply being the first product of its kind.

The rise of SaaS

But, 20 years after "differentiate or die" was first coined, is it still relevant? The world of business has moved on. New technologies, such as AI and machine learning, have given rise to a new generation of companies.

Software as a service (SaaS) is the new kid on the block. The name of their game? The disruption of traditional industries. There are now more tech businesses, and more investment in tech, than ever before – a quick look at the stats proves this:

- In 2017, UK startups raised more money in equity investment than ever before – equalling **£8.27bn** worth of funding.

- In 2018, the number of new tech companies in the UK rose by **14%**.

- Last year, investments in the UK tech sector soared to **£10.1bn** – a £3.1bn increase from 2018.

The SaaS sector is now exploding with competition. Every year, there are more SaaS startups being founded and all of them are battling to win a slice of the market. With such fierce competition out there, what does this mean for "differentiate or die"?
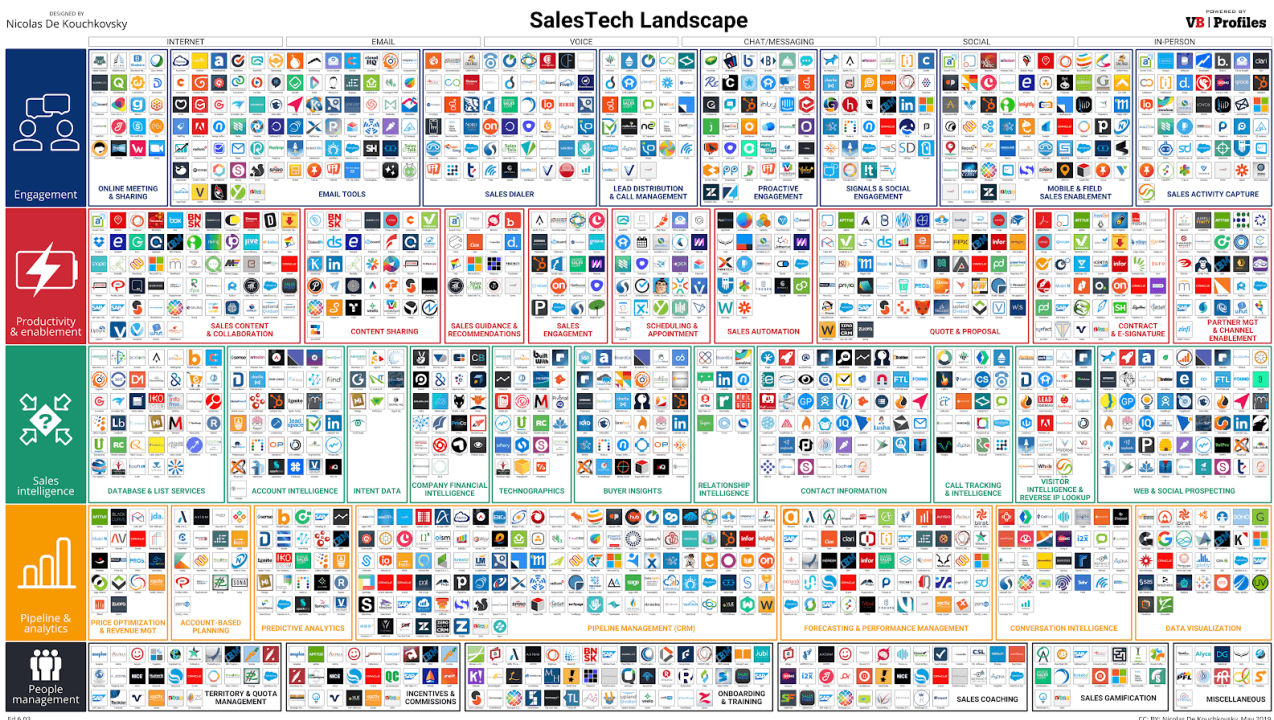
A crowded SaaS market – there are lots of choices for consumers.

Too much choice?

The truth is, when confronted with so much choice, most consumers can't tell one SaaS product from another. You may think that your product is special and brings something new to the table - but for a buyer, it looks just the same as all the other hundreds of similar products out there. What good is a USP if it's identical to everyone else's?

How then can SaaS businesses overcome this problem and win more customers? Many of them turn to the easiest option, which is eroding their pricing integrity to attract buyers. By undercutting their rivals and offering their services for a lower price, they hope to gain a competitive advantage.

But this method is ultimately unsustainable. No SaaS firm that relies on reducing prices just to win business will survive for long. And what will devaluing the product do to its long-term growth potential?

There is another, better way, to win.

Selling SaaS the Cognism way

We can hear what you're thinking: if product differentiation is dead, how can a SaaS company make its product or service stand out when selling? It's still possible, although it may require a seismic shift in how you've done business to date.

Here at Cognism, we've adopted a new business mantra: you can win with how you sell, not what you sell.

Forget pointless phrases and buzzwords like USP. Forget the sales and marketing jargon. Forget "differentiate or die" – you can survive without it! All you need to do is revamp how your sales team conducts its business – and in this guide, Cognism will show you how it's done – in three simple steps!

1. Decrease time to value

Time to Value (TTV) is the amount of time it takes for a prospect to **realise the value** of your SaaS product.

What do you mean by value?

It's the benefit that the prospect is expecting to receive from your product. It's not about the value you think or want your product to deliver; it's all about the perceived value from your prospect's perspective.

When do most prospects realise a product's value?

The point when most prospects realise the value of a SaaS product arrives during a live demo. This is when the company's sales rep meets with the prospect, either in person or online, to show them in real-time what the product is capable of.

A sales demo is the crucial moment when, if all goes well, the prospect will move from being interested in your product to signing on as a new customer.

However, too many SaaS sales reps are delivering demos which don't produce results. The prospect isn't converted into becoming a customer and worthwhile deals are lost. It's been estimated that even world-class companies close only **30% of their sales-qualified leads**.

Why is this happening?

The answer is simple: it's time to value.

During their training, many SaaS sales reps are taught to ramp up anticipation in their demos. It's the classic way of selling - explain features first, then show the value (*"Here's what this product can do for you!"*).

This is the wrong approach. It's likely to bore your prospects and make them turn away. The ideal length of a SaaS sales demo is **15 minutes or less** - why waste time showing the prospect things they might not be interested in?

How can I improve my SaaS product demos?

What you need to do is flip your sales demos around. Put the last thing, your value proposition, first (*"Here's what this product can do for you. Now, if you want me to run through the features..."*).

Begin with the benefit your prospect will get out of using your product. Starting with the value proposition in your sales demos will impress your prospect – and make your product stand out from the competition.

Does this approach work outside of sales?

Yes, definitely! Our advice doesn't just work for sales demos. Try decreasing TTV in all of your company communications, from onboarding sessions, case studies and marketing emails. It's a great way to differentiate your product or brand from the other companies in your space.

However, before you start, make sure you **define what the value is** for each prospect or customer. It will be different in each case! Consult your **Ideal Customer Profile** and your market research.

Every time, you must think to yourself: *"what defines success for this prospect or customer?"*

2. Use tribal social proof

Social proof is a powerful SaaS sales technique. It's all about using the society of customers you've built up, in order to persuade prospects that you're a good fit for their needs. The 6 major types of social proof are:

Customer case studies	Customer referrals	Influencer endorsements	Ratings and reviews	Social media proof	Awards and credentials

However, despite its power and obvious usefulness in attracting new custom, social proof is often misapplied. In some cases, it can even harm the possibility of a deal being closed.

Gong.io, the conversation intelligence platform for sales, used AI to study over 48,000 B2B sales calls. They discovered that sales reps who used social proof in their cold calls (such as repeating customer case studies or name-dropping customers) had a **22% lower close rate** - plummeting to 47% during the first meeting with a new, qualified buyer.

Why was this happening?

What the Gong example demonstrates isn't that social proof isn't useful or valuable - it is. It's just that many SaaS sales reps use it in the wrong way. Too often, they bring up their most famous or biggest customer, regardless of whether that customer is relevant to the prospect they're talking to.

There's no point in sharing social proof if it doesn't **resonate with your prospect**. In fact, it can go a long way to alienating them and making them look for a solution elsewhere.

How can I use social proof to my advantage?

Think about it this way. Humans are tribal creatures. We identify with other people when we share common traits or environments.

So, in order to get the best out of social proof, you have to learn how to exploit the bonds that tie people together. You have to **get tribal!**

Here's an example:

Let's say you have a prospect who...

• Lives in London.

• Works in sales for a growing SaaS startup.

• Uses Salesforce on a daily basis.

With all that in mind, what's the point in mentioning that valued customer of yours who's a huge marketing multinational based in California? It has nothing to do with the life and career of your prospect. It means little to them.

Instead, you have to get **granular and targeted** with your social proof. In this case, what you would do is pick a handful of clients who are...

- Based in London.
- Growing SaaS startups.
- Have Salesforce as part of their tech stack.

Then, you would mention these clients, and no others, in your cold calls and demos. This is a **much more effective** way of using social proof. It will make your prospect feel as if they are in the same tribe as your customer. It will show them that they, too, will find success if they join your tribe.

What's your advice for managing tribal social proof?

Just like time to value, you'll have to change the social proof to make it relevant for each prospect. When thinking of a client you want to use for social proof, ask yourself some questions:

☑ Are they like the prospect?	☑ Have they encountered the same problems as your prospect?
☑ Are they in the same industry?	
☑ Are they the same size company as the prospect?	☑ Do they use the same technologies to try and overcome those problems?
☑ Are they based in the same or similar location?	

Tribal social proof will make your SaaS product stand out without product differentiation. It shows that your business is capable of building a loyal, dedicated and successful following in the exact same sector as the prospect – enticing them to join your audience.

3. Sell the problem, not the product

You may think that you have a great SaaS product with loads of unique features – but the prospect **won't care** about any of that.

All the prospect cares about is if the product will help them to **solve their business challenges**. Instead of focusing on product features, a good SaaS sales rep should speak directly to the problems and pain points that their prospect is facing.

How can I do this?

The best strategy here is to sell the problem, not the product. Describe what the prospect's problem is, and then position your product as the **best solution** for solving that problem. Here's some good advice to help you sell the problem:

1. Think the way the prospect thinks

Imagine yourself in the prospect's shoes. What does your product offer them? What do they want to gain from it? Do they have one specific goal or a multitude of goals? Are they after, for example, flexibility, security, ease of use or value for money?

To make your prospect take notice, find out what's on their mind and relate your product to them.

2. Focus on benefits, not features

Don't just reel off a list of features. Focus on the benefits of those features. What results can the prospect expect to see after using your product?

If you mention any competitors, do so in a way that makes it clear that their solution won't solve the prospect's problem.

3. Be an educator, not a salesperson

The prospect is coming to you for help and advice. They want to learn more about your SaaS product. Therefore, you have to teach them!

Provide knowledge and insight. A good SaaS sales rep should know everything there is to know about their product.

Also, remember to take advantage of any content or marketing collateral your company has produced. Maybe there's a blog on your website, a white paper you've promoted, or a webinar you've hosted, that could answer your prospect's questions. If so, don't be shy in sharing them! The prospect will respect you for going the extra mile and providing value.

4. Ask questions

Asking your prospect lots of questions is a great way to build rapport with them. It shows them that you're listening and want to address their pain points.

Use open-ended questions, rather than closed-ended questions (questions that require a "yes" or "no" answer) to encourage your prospects to open up and reveal more about what they're after.

Some examples of open-ended questions commonly used by Cognism's sales team include:

- ☑ What prompted you to explore our solution?
- ☑ What's the biggest challenge you're facing right now?
- ☑ What's prevented you from relieving this pain?
- ☑ What would happen if you did nothing about it?
- ☑ How important is it to you to solve this quickly?

5. Use customer feedback

Whenever you speak to a prospect, make sure you have some customer quotes or reviews to hand. But only bring them up if they're relevant to the prospect and their company - remember tribal social proof!

Conclusion: the Cognism story

At **Cognism**, we've adopted these techniques in our selling. By focusing on **how we sell**, not what we sell, in 3 short years we've managed to build a SaaS company that now serves 500+ customers worldwide.

Last year, some of our milestones included growing our ARR by 180%, opening a US office and being voted one of the **UK's top startups by LinkedIn**.

We're confident that you, too, could see similar results. Follow our steps for selling SaaS and see if they work for you. Be sure to share your successes with us.

Good luck - and keep selling!

Contact Cognism today

Looking to grow your SaaS company quickly? Cognism is the ideal choice for you. Our all-in-one prospecting solution will help you find and convert more customers, faster.

- Target more of your ideal customers with access to 400M B2B contacts and 10M companies.
- Use trigger events to identify the optimal times to outreach, proven to increase response rates.
- Increase engagement with prospects through the power of multichannel communications.
- Access globally compliant B2B data, with verified emails and direct dial phone numbers at your fingertips.

Don't just take our word for it - take a look at what our SaaS customers are saying!

"We booked meetings with 5 Fortune 500 customers with the help of Cognism. It's an awesome sales and business development tool."

- MindBridge

"Cognism helped us to accelerate our pipeline and reach out to key decision-makers in our target accounts much faster."

- PassFort

"Cognism is the best lead generation platform I've worked with. I'd recommend them to anyone who wants to grow a business fast!"

- Hornetsecurity

Request your demo

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