

(<https://devsquad.com>)



Let's get started!
(</hire-us/>)

65 SaaS Statistics and Trends for 2022



Phil Alves

November 30, 2021

SaaS



65 SAAS STATISTICS AND TRENDS FOR 2022

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

Software as a Service or SaaS refers to when software is licensed on a subscription basis to users. Hubspot, Mailchimp and Box are just a few examples of this and, to say the least, it has proven to be a successful business model while revolutionizing the way many run their businesses.

The key characteristics of SaaS are what make it so alluring. SaaS offers flexible payment options, accessibility, scalability, security, consistent updates and increased collaboration, all key attributes of any successful and growing business.

For these reasons, it makes sense that the SaaS market is booming and is expected to get *even bigger* in the coming years. Since 2010, the average spend of SaaS applications per company had steadily risen (<https://www.blissfully.com/saas-trends/2018-annual/>), each year and the market overall is expected to reach a whopping \$397.5 billion by the end of 2022 (<https://www.gartner.com/en/newsroom/press-releases/2021-04-21-gartner-forecasts-worldwide-public-cloud-end-user-spending-to-grow-23-percent-in-2021>).

But what does this mean for 2022?

Let's explore SaaS as an industry, how it affects companies of all sizes, and where the opportunities are through these 60 SaaS statistics and trends for 2022.

The State of the SaaS Industry

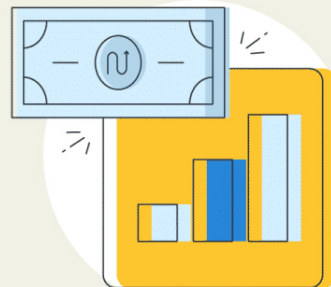
Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

WHY DO COMPANIES USE SAAS?

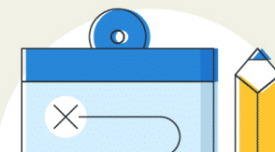
Companies are increasingly using or planning to use SaaS due to its low barrier to entry, accessibility and scalability.

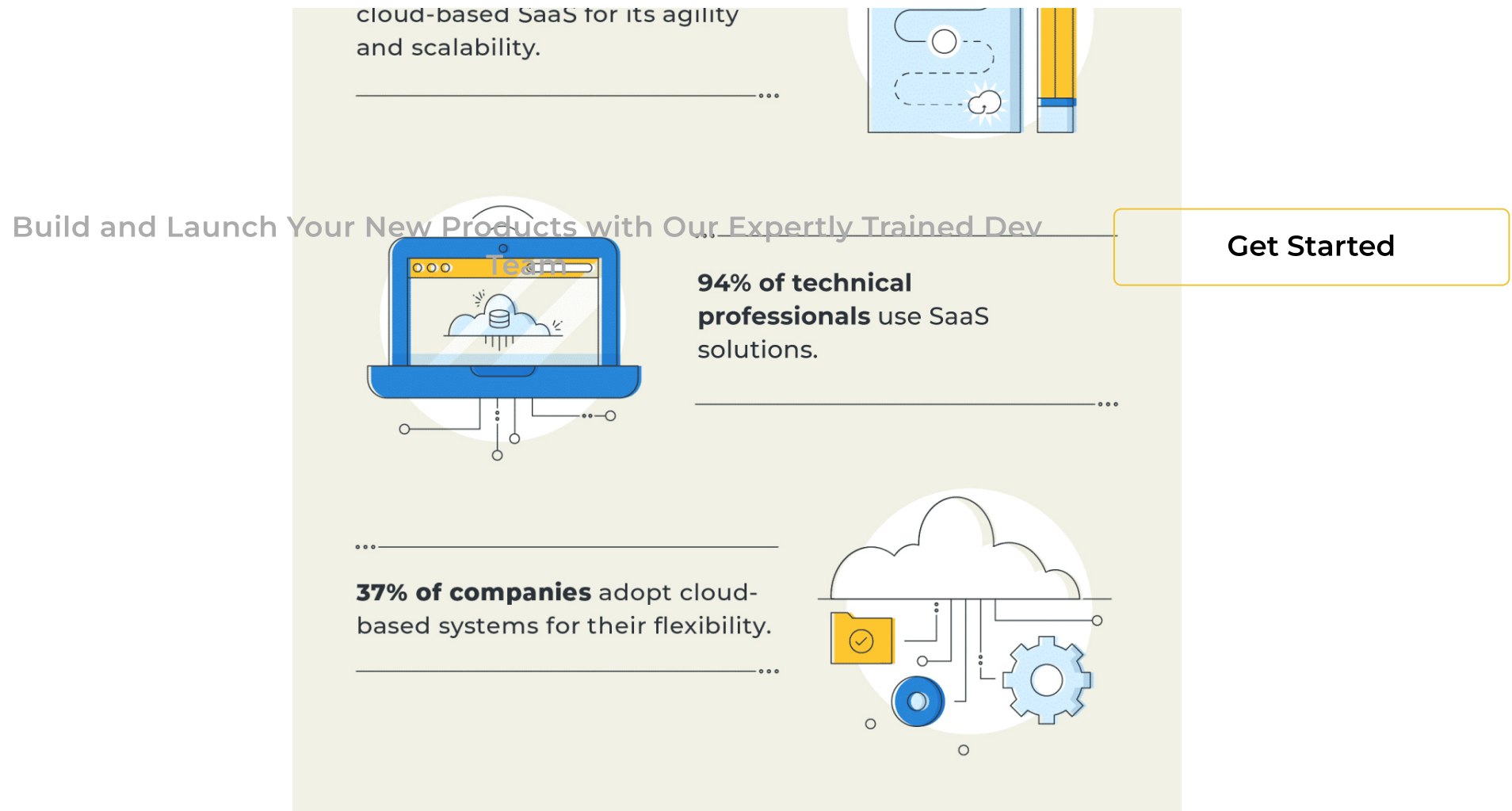
73% of businesses plan to switch **all systems to SaaS.**



SaaS spending is projected to **increase by 44%.**

70% of CIOs are attracted to





As we said, the SaaS market is booming and more and more companies are choosing SaaS to be a long-term part of their business.

- 38% (<https://www.bettercloud.com/monitor/wp-content/uploads/sites/3/2017/05/2017stateofthesaaspoweredworkplace-report-1.pdf>), of companies say that they are running almost completely on SaaS.

- 80% (<https://hostingtribunal.com/blog/cloud-computing-trends/#gref>), of businesses plan to make all their systems SaaS by 2025.
- SaaS spending across companies of all sizes will reach \$500 billion by 2023 (<https://www.fiercetelecom.com/telecom/spending-public-cloud-will-more-than-double-by-2023-report>).
- 86% (<https://www.bettercloud.com/monitor/wp-content/uploads/sites/3/2017/05/2017stateofthesaaspoweredworkplace-report-1.pdf>), of businesses that use SaaS significantly experience relatively higher employee engagement.
- North America is the most mature (<https://www.reportlinker.com/p05749258/Cloud-Computing-Market-by-Service-Deployment-Model-Organization-Size-Workload-Vertical-And-Region-Global-Forecast-to.html>), SaaS market in terms of adoption.
- 99% (<https://www.bmc.com/blogs/saas-growth-trends/#:~:text=The%20SaaS%20market%20is%20currently,rate%20of%2020%25%20per%20year>), of businesses use at least one SaaS solution.

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

SaaS Growth Statistics

There is no question, the SaaS industry is growing globally and across platforms.

- SaaS organizations operate in over **100 countries** (<https://www.crunchbase.com/>).
- Only 2% (<https://hostingtribunal.com/blog/cloud-adoption-statistics/#gref>), of **UK businesses** are not on the cloud.

- 26% (<https://hostingtribunal.com/blog/cloud-adoption-statistics/#gref>) of the **EU** is using the cloud.
- 90% (<https://hostingtribunal.com/blog/cloud-adoption-statistics/#gref>) of businesses in **Asia and the Pacific** use or plan to use a multi-cloud environment.
- The annual growth rate of the SaaS market is **18%** (<https://www.reportlinker.com/p05749258/Cloud-Computing-Market-by-Service-Deployment-Model-Organization-Size-Workload-Vertical-And-Region-Global-Forecast-to.html>) currently.
- The United States has the highest number of SaaS companies (<https://www.statista.com/statistics/1239046/top-saas-countries-list/>). (15,000), followed by the UK (2,000), Canada (1,000), and Germany (1,000)

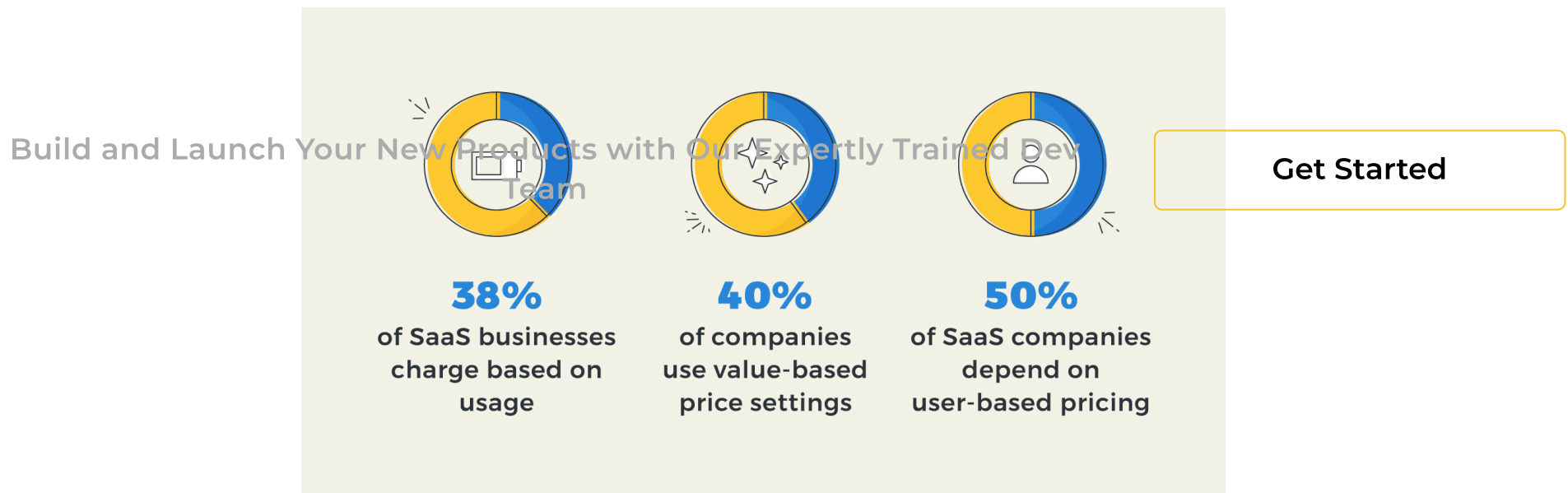
This market growth is due to improved SaaS capabilities, but keep an eye out for outside conditions that could hinder this growth in 2022.

- Improved SaaS automation and agility abilities are fueling market growth (<https://www.reportlinker.com/p05749258/Cloud-Computing-Market-by-Service-Deployment-Model-Organization-Size-Workload-Vertical-And-Region-Global-Forecast-to.html>).
- Cyber attacks and lack of skilled workers could hinder market growth (<https://www.reportlinker.com/p05749258/Cloud-Computing-Market-by-Service-Deployment-Model-Organization-Size-Workload-Vertical-And-Region-Global-Forecast-to.html>).

Key Takeaway: To stay competitive, companies are looking to SaaS organizations. They are increasingly using or planning to use SaaS due to its low barrier to entry, accessibility and scalability.

Get Started

Pricing Statistics for SaaS



SaaS businesses employ many different pricing strategies to best serve their customers.

- **38%** (<https://labs.openviewpartners.com/saas-pricing-insights/#.XDYqT89KiSw>), of SaaS businesses charge based on **usage** so customers are only charged when they use the service or product.
- **40%** (<https://openviewpartners.com/blog/state-of-saas-pricing/#.XR76aegzblU>), of companies take a **value-based approach** (<https://smallbusiness.chron.com/valuebased-pricing-marketing-23141.html>), and set prices based on the value consumers perceive the service or product to have. This value differs from market, product cost or competition pricing.

- **50%** (<https://www.cobloom.com/blog/how-per-user-pricing-damages-saas-revenue-generation#>) of SaaS companies choose **user-based pricing** where customers are charged per number of users.

Despite many companies reporting that they offer very few discounts, percent-off discounts and free trial periods seem to be the most popular.

Build and Launch Your New Products With Our Expertly Trained Dev Team

Get Started

- **31%** (<https://openviewpartners.com/blog/saas-pricing-insights/#.XguU4pNKhTa>) of SaaS companies say they offer very few discounts.
- More than 50,000 SaaS vendors offer **30% off discounts** (<https://www.priceintelligently.com/blog/state-of-saas-subscription-economy-saastock>), or more to their customers.
- **30 days** (<https://www.cobloom.com/blog/how-per-user-pricing-damages-saas-revenue-generation>), is the most common **free trial period**.
- The best total number of paid packages (<https://blog.2checkout.com/7-saas-pricing-trends-and-best-practices-for-2019/>), sold by a SaaS company is **three or a low, medium and high option**.

Key Takeaway: SaaS companies chose pricing strategies relative to their customers. Weigh these three factors to determine your model: number of users, perceived value of your software and how often customers use it.

Adoption of SaaS

A majority of companies plan to adopt cloud SaaS in 2022 and most use multiple applications when they do.

- In a study of 786 technical professionals across small and large organizations, **94% use cloud SaaS** (<https://www2.deloitte.com/us/en/insights/topics/leadership/global-cio-survey.html>).
- Cloud workloads took up 86% of data center workloads in 2017, by 2021 this number had grown to 94% (<https://www.statista.com/statistics/227284/share-of-global-cloud-data-center-workloads-development/>).
- Companies use an **average of 34** (<https://www.bettercloud.com/monitor/wp-content/uploads/sites/3/2017/05/2017stateofthesaaspoweredworkplace-report-1.pdf>). SaaS apps.

Cloud SaaS adoption growth includes government agencies.

- 50% (<https://www.gartner.com/smarterwithgartner/understanding-cloud-adoption-in-government/>), of US government organizations are now using the cloud.
- Government cloud spending will grow at an average of 17.1% per year (<https://www.gartner.com/smarterwithgartner/understanding-cloud-adoption-in-government/>), until 2021.

More and more are becoming proficient using cloud technology.

- 68% (<https://hostingtribunal.com/blog/cloud-adoption-statistics/#gref>), of enterprise companies consider themselves “intermediate” or “advanced.”
- 16% (<https://hostingtribunal.com/blog/cloud-adoption-statistics/#gref>), of enterprise companies are at the beginner stage.

Get Started

- 12% (<https://hostingtribunal.com/blog/cloud-adoption-statistics/#gref>), of companies are observing the industry but have not made the first step to participate or learn.

Companies and CIOs are attracted to cloud-based SaaS for its characteristics.

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

- **70% of CIOs**
(<https://www2.deloitte.com/us/en/insights/topics/leadership/global-cio-survey.html>), are attracted to cloud-based SaaS for its **agility and scalability**.
- **38% of companies**
(<https://www.spiceworks.com/marketing/state-of-it/report/>), adopt cloud-based systems to **enhance disaster recovery**.
- **37% of companies**
(<https://www.spiceworks.com/marketing/state-of-it/report/>), adopt cloud-based systems for their **flexibility**.

Companies are making SaaS a part of their yearly budgets for specific reasons.

- SaaS spending is **less than 15%** (<https://99firms.com/blog/saas-statistics/#gref>), of total enterprise spending.

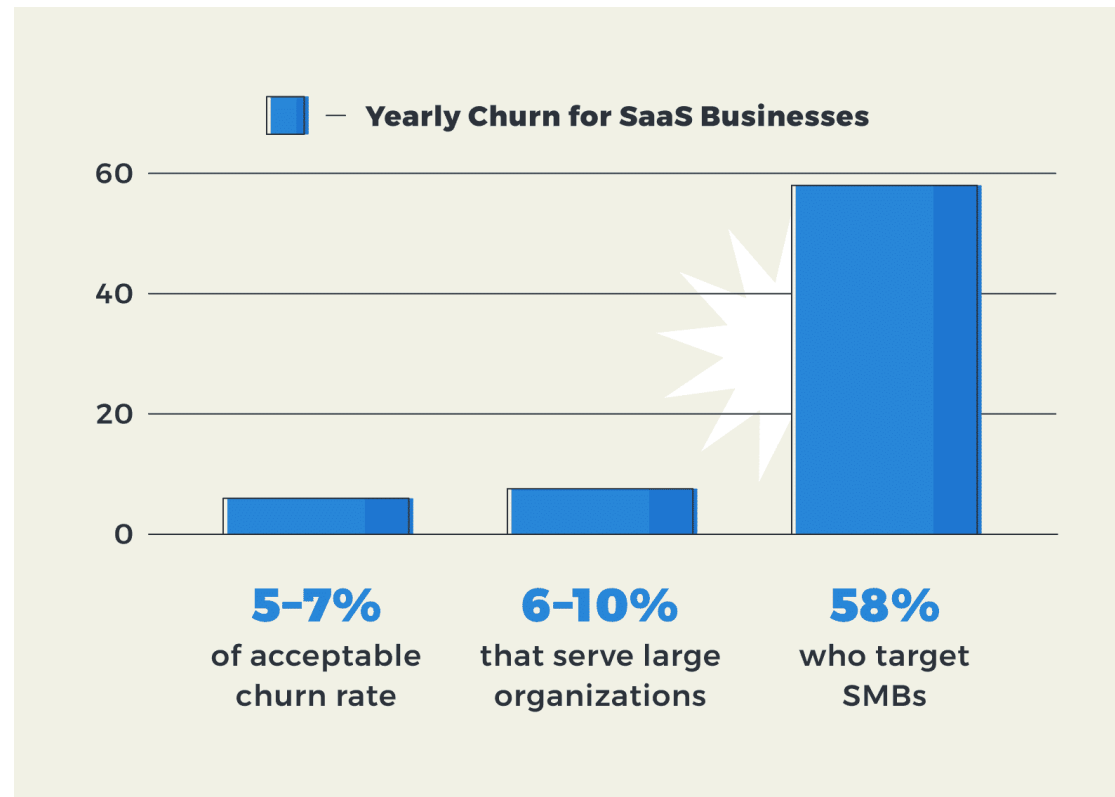
- **12%** (<https://www.spiceworks.com/marketing/state-of-it/report/>) of a business's SaaS budget is **for operating systems**.
- **10%** (<https://www.spiceworks.com/marketing/state-of-it/report/>) of a business's SaaS budget is for **security software**.
- **10%** (<https://www.spiceworks.com/marketing/state-of-it/report/>) of a business's SaaS budget is for **productivity**.

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

Key Takeaway: SaaS malleability makes it an attractive business tool from private enterprise to government organizations. More so than ever before, executives are carving out space in spending budgets for SaaS services in hopes of accommodating for specific, niche needs.

Churn Statistics in SaaS



Churn happens in every industry, but varies drastically for SaaS businesses depending on who their primary customer base is. With that said, there is an industry standard.

- **Yearly churn rate** for SaaS businesses serving large organizations varies from **6-10%** (<https://tomtunguz.com/saas-innovators-dilemma/>).
- **Yearly churn rate** for SaaS companies targeting SMBs is **58%** (<https://tomtunguz.com/saas-innovators-dilemma/>).
- Acceptable churn rate is between **5% and 7%** (<https://sixteenventures.com/saas-churn-rate>).

Companies that have larger contracts and earn more annually have less churn.

- The **median annual churn rate** of SaaS businesses that make less than \$10 million annually is **20%** (<http://chaotic-flow.com/saas-benchmarks-acquisition-cost-and-churn-challenges/>).
- SaaS businesses with contracts lasting **2 years and more** (<https://www.slideshare.net/totango/5th-annual-saas-metrics-report>) are more likely to report lower churn.

The best SaaS companies have less churn and more revenue which allows them to grow faster.

- The **revenue retention rate** of the best SaaS companies is **100%** (<https://www.forentrepreneurs.com/ltv/>).
- Medium SaaS companies **lose 5% of revenue** (<https://www.slideshare.net/totango/5th-annual-saas-metrics-report>), to churn annually.
- **The fastest-growing** SaaS companies have an average **Quick Ratio of 3.9 to 1**

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

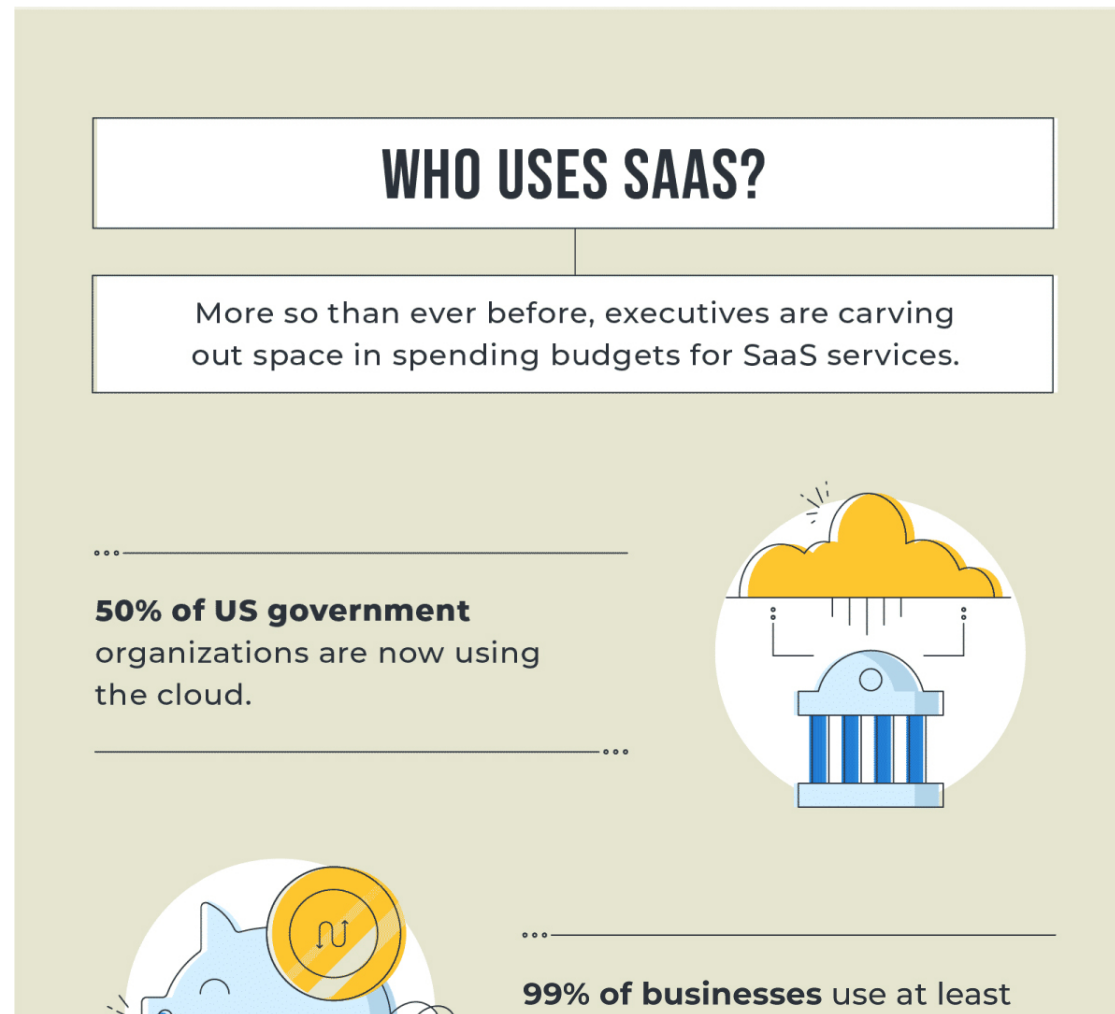
(<https://www.insightsquared.com/2016/02/benchmarking-quick-ratio-benchmarks-2016/>).

Key Takeaway: SaaS business churn varies incredibly depending on their customer base. SMBs have a high churn rate and low contract cost. Large organizations have much higher retention. These deals involve larger contracts and in turn, more revenue.

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

SaaS Sales and Marketing Statistics



one SaaS solution.

Build and Launch Your New Products with Our Expertly Trained Dev Team

68% of enterprise companies consider themselves “intermediate” or “advanced” in SaaS tech.

Get Started

Sales contract length and time frames vary among companies.

- 48% (<https://financesonline.com/saas-statistics/>), of companies have an average of one-year SaaS contracts.
- 13% (<https://financesonline.com/saas-statistics/>), of companies have month to month SaaS contracts.
- 11% (<https://financesonline.com/saas-statistics/>), of companies have SaaS contracts that are for three years or more.

SaaS companies are using free trials to speed up the consumer decision process and those having the most success are not making their customers commit right away.

- Companies that **do not ask for credit card info** when signing up users for a free trial generate 2x (<https://www.invespcro.com/blog/saas-customer-acquisition/>), as many paying customers.

Sales teams making the sales process, tools and software more personal are converting more leads.

- Leads that **speak with a sales representative** on the phone are 70% (<https://www.invespcro.com/blog/saas-customer-acquisition/>), more likely to become paying customers.

SaaS companies are creating less technical jargon and more creative, thought-provoking content.

Get Started

- 85% (<http://ek-byford.com/saas-content-marketing/#stats>), of the largest SaaS companies have a **blog**.
- 18% (<http://ek-byford.com/saas-content-marketing/#stats>), of the top SaaS companies have **their own podcasts**.
- 36% (<http://ek-byford.com/saas-content-marketing/#stats>) of SaaS companies use their blogs to **share educational content**.

North America remains an important market for SaaS companies from other geographical areas.

- North America (<https://contentwritingjobs.com/blog/saas-marketing-statistics>) is the **most mature** software market.
- From 2022 to 2025, the Asia Pacific region (<https://www.reportlinker.com/p05749258/Cloud-Computing-Market-by-Service-Deployment-Model-Organization-Size-Workload-Vertical-And-Region-Global-Forecast-to.html>) is expected to grow at the **highest rate**.

As for **content marketing systems** to house this content, 54% (<http://ek-byford.com/saas-content-marketing/#stats>) of the world's biggest companies in SaaS **use WordPress** while only 12% (<http://ek-byford.com/saas-content-marketing/#stats>) **use Hubspot**.

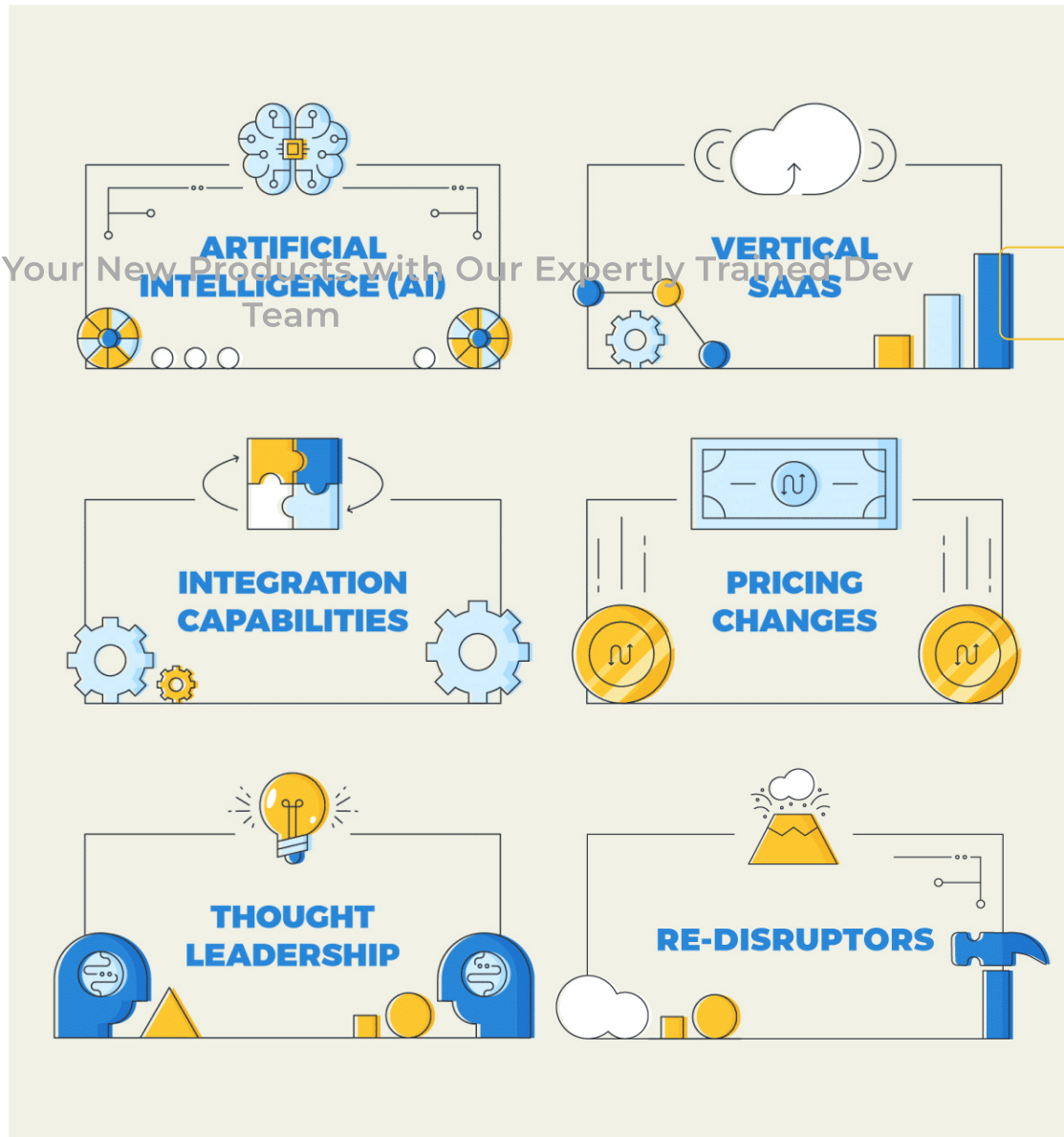
Key Takeaway: SaaS companies are looking to modernize marketing to attract customers. Those who educate customers with demos and don't aggressively try to sell at the first touchpoint are most successful.

SaaS Trends for 2022

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

Build and Launch Your New Products with Our Expertly Trained Dev Team



Get Started

The SaaS market is booming and, as we can see from the statistics we have discussed, the industry is learning. This knowledge has led the way for advancements in the way the platforms are developed and in

the way they are sold. These are the top SaaS trends to watch for in 2022.

Artificial Intelligence

Artificial intelligence (AI) technology is becoming more widespread and could contribute \$15.7 trillion

(<https://www.pwc.com/gx/en/issues/data-and-analytics/publications/artificial-intelligence-study.html>) to the global economy by 2030. What does this have to do with SaaS?

AI is positioned to disrupt and improve the SaaS market in a variety of ways. When combined with SaaS, AI capabilities allow businesses to learn more from their data, better automate and personalize services, improve speed and security and better assist humans.

This results in a more efficient and responsive software, so be on the lookout for artificial intelligence optimized SaaS solutions in 2022.

Key takeaway: Tech pioneers are paving the way for SaaS companies. This leads to hyper-optimized services. When applied to SaaS, AI derives a unique platform for the service's users. AI technology allows SaaS companies to evolve at record pace without extra manpower.

Get Started

Build and Launch Your New Products with Our Expertly Trained Dev
Team
(<https://devsquad.com/your-first-squad/>).

Get Started

Vertical SaaS

Vertical SaaS, **a more targeted solution for specific industries and supply chains**, will be on the rise in 2022 as companies look for more specialized and cost-effective options.

Being industry-specific and not for every sector like horizontal SaaS, allows for the service to have a higher level of customer intelligence built-in, have predefined metrics and KPIs and provide a higher degree of business value and improved data governance.

Vertical SaaS is held to a high standard but it allows SaaS providers to adapt the features to client demand and industry as well as meet the needs of their customer niche. This allows for more flexibility and lower customer acquisition costs and is one of the reasons why it will be a major trend in 2022.

Key Takeaway: Vertical SaaS solutions are made to accommodate niche needs. Companies looking to optimize in a specific part of their supply chain will utilize this model.

Integration Capabilities

In the past, SaaS companies would direct users to a third-party company or platform to assist in integrating their product with the user's existing platform. However, more and more SaaS developers and companies are seeing the value of adding integration capabilities directly to their product to properly meet customer expectations.

Build and Launch Your New Product with Our Expertly Trained Dev Team

Get Started

This trend will continue in 2022 and SaaS businesses will **make integration capabilities a priority when designing and updating their programs.**

Key Takeaway: The most successful and reliable SaaS companies take integration into their own hands. This bolsters client trust and ensures a unique offering for each partner enterprise.

Pricing Changes

Studies have shown that 98% (https://openviewpartners.com/expansion-saas-benchmarks/#.Xg_HMpNKhTZ) of SaaS businesses earned positive results from making core changes to their pricing policy.

Traditionally, SaaS companies have offered flexible pricing structures which their business models are based on. However, with tough competition, industry saturation and the rapid evolution of SaaS platforms, many are starting to reinvent their pricing models according to the needs of their clients or customers.

Pricing changes and, in particular, specialized changes based on business intelligence and analytics will be a big trend in 2022.

Key Takeaway: Keep pricing elastic. Responsive pricing methods based on analytical reports are the most successful models in SaaS companies.

Thought Leadership and Branding

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

We mentioned earlier that less SaaS companies are focused on producing technical content and more are focused on producing creative, thought-provoking content. This includes videos, blog content, interactive applications or landing pages, eBooks and more.

Today's audiences are looking to be inspired and educated and as new SaaS companies or even established ones look to **be more competitive in a rapidly growing industry**. They will need to try to be that go-to source of inspiration and education for their customers.

The same goes for branding. To be competitive and differentiate themselves (<https://devsquad.com/blog/how-to-differentiate-your-business-better-than-your-competitors/>), from their competitors, SaaS companies will need to remain true to their mission, establish and communicate a core set of values, create inspiring visuals and know their audience.

Thought leadership and branding will play a prominent role in the SaaS landscape in 2022.

Key Takeaway: Be a brand as well as a service. The most successful SaaS companies are providing a holistic experience to their customers. From e-education tutorials to engaging UX, SaaS branding is reflecting the “swipe-for-more” society.

Re-disruptors

Today's SaaS companies should never get too comfortable. There are always lighter, smoother, cooler, more powerful, easier solutions being developed by competitors.

Build and Launch Your New Products with Our Expertly Trained Dev Team

ClickUp is a major success story. It appeared out of seemingly nowhere to tackle Asana, Trello, Basecamp, and other project management tools by providing users with more online collaboration features in one place.

Get Started

Key Takeaway: If you're a new SaaS founder, don't just look for opportunities to disrupt markets that haven't gone digital yet. Look at the potential to disrupt the comfortable companies that emerged in 2005 – 2010.

Concluding Thoughts for 2022

To summarize all that we have explored here, the software as a service or SaaS industry is growing and more and more businesses are adopting SaaS.

SaaS offers many ways to remain on-budget while competitive in their given fields and this is due to the unique characteristics of SaaS itself. This results in a rapidly growing market for SaaS and numerous opportunities for SaaS companies and developers to capitalize on.

If you are looking to create the next big thing (<https://devsquad.com/saas-development/>), and need a team of top-notch developers right now, take a look at our process

(<https://devsquad.com/process/>), and learn how we can support you to bring your vision to life.

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

<https://devsquad.com/your-first-squad/>.

Sources:

<https://financesonline.com/saas-statistics/>
(<https://financesonline.com/saas-statistics/>).

<https://www.getbeamer.com/blog/saas-stats-and-trends-for-2020>
(<https://www.getbeamer.com/blog/saas-stats-and-trends-for-2020>).

<https://99firms.com/blog/saas-statistics/#gref>
(<https://99firms.com/blog/saas-statistics/#gref>).

<https://hostingtribunal.com/blog/cloud-adoption-statistics/#gref>
(<https://hostingtribunal.com/blog/cloud-adoption-statistics/#gref>).

Leave a Reply

Build and Launch Your New Products with Our Expertly Trained Dev

Your email address will not be published. Required fields are marked *

Get Started

Comment *

Name *

Email *

Website

☐

Save my name, email, and website in this browser for the next time I comment.

Post Comment

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

(<https://devsquad.com>)

EXPERTLY TRAINED, BATTLE-TESTED, ELITE SOFTWARE DEVELOPERS ON DEMAND

+1.801.656.0470

info@devsquad.com

488 East Winchester St., Suite 450 Murray, Utah 84107

COMPANY

- About(/about/)
- Process(/process/)
- Success Stories(/success-stories/)

HIRE DEVELOPERS

- Laravel(/hire-laravel-developers/)
- VueJs(/vuejs-developers/)
- Node.js(/nodejs-developers/)

SERVICES

- MVP Development (/mvp-development/)
- SaaS Development (/saas-development/)

Blog(<https://devsquad.com/blog/>)

React(/react-development/)

Angular(/angular-developers/)

Electron(/electron-app-developers/)

API (/api-development-company/)

Prototyping (/design-sprint/)

Development

Web Application (/web-app-development/)

Mobile Application (/mobile-app-development/)

Development.

Build and Launch Your New Products with Our Expertly Trained Dev Team

Get Started

© 2021. All rights reserved.