

The 4-Step XaaS Marketing Approach

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The Anything as a Service (XaaS) market is expected to exceed \$340 billion by 2024. Companies in nearly every established industry, from home maintenance to health and wellness, have hopped on board the XaaS business model train. Industries seeking explosive growth this year, such as contactless tech, education tech and telehealth, hold promising opportunities for entrepreneurs. The value in recurring revenue is crystal clear. But the marketing strategies are not so obvious. That's because marketing for XaaS brands requires a different approach than marketing products, whether to businesses or consumers. Here are four reasons why, and what you can do to ensure your XaaS business model is a success.

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Step 1: Woo your audience

It's been said that advertising is a one-night stand, while content marketing is a long-term relationship. When you're dealing with long sales cycles, like that of a retainer-based, ongoing services business, you need to do some serious wooing of your potential customers. You wouldn't propose on a first date. In much the same way, you shouldn't ask a prospect to make a purchase the first time they interact with your brand.

Use unique content and social media engagement to treat each customer like a potential long-term love interest. Take it slow, let them learn about you, share lighthearted anecdotes, show your expertise, ask questions to learn about them, and provide information that answers their questions or piques their interest. The idea is to build trust, and that requires more content touches to move them from awareness to consideration. With top-of-funnel thought leadership content, you can begin to position yourself and your company as an industry expert and a trusted source of information. Build a community around your social presence, and invite followers to engage and ask questions. Keep your messaging consistent but change up your content formats to appeal to different audiences. C-Suite execs might prefer the deep dive an e-book offers, while small business owners might prefer an easily digestible infographic or animation. Customer stories help prospects understand how you've helped others like them and provide an opportunity to see what a long-term relationship with your brand can do for them.

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Step 2: Rely on reviews

Online reviews impact purchasing decisions for over 93 percent of consumers. The potential doesn't apply only to consumer brands: 92 percent of B2B buyers are more likely to purchase after reading a trusted review, as well. Especially when considering a large purchase or long-term contract, buyers want confirmation that they won't be disappointed, and they want to know the potential pitfalls of signing on your dotted line. When higher priced services display positive customer reviews, the conversion rate increases by 380 percent.

Not only does your audience look to online reviews for positive feedback, but they specifically seek out poor

reviews. In fact, nine out of 10 people look at poor reviews to see how your company handles dissatisfied customers. Many brands continue to delete or ignore negative reviews, but the truth is that a greater percentage of consumers say one-star reviews are the most trustworthy. Rather than hiding them, view them as an opportunity to show your brand's character by responding in a respectful way. It's well worth your time: Seven out of 10 consumers changed their opinion about a brand after the company replied to a review. And the bottom line is that customers are willing to spend 31 percent more on a business with excellent reviews. Encourage every customer to write a review of your business. Not only do reviews account for about 15 percent of the method Google uses to rank local businesses, according to Moz, but you can turn those reviews into unique content that drives prospects along the path to purchase.

Related: 5 Tips for Getting More Online Reviews for Your Small Business

Step 3: Remove the fear of commitment

Buying a trinket on an endcap doesn't take much forethought. Signing a 12-month contract the size of a mortgage payment requires a bit more planning. As consumers, we don't all have a warm, fuzzy feeling for long-term contracts – just look at the cable TV or mobile phone service model. These companies convinced consumers to sign up for long-term contracts by threatening to hike their rates if they didn't, and made it difficult and expensive to break their contracts.

While much has changed in the last several years, consumers and B2B buyers can still be click-shy when it comes to heavy-handed calls to action such as "buy now." Even as they journey closer to the bottom of the sales funnel, they're more likely to click on a softer call to action such as "request a free

trial” or “see it in action.” They also want to have conversations before making a commitment. Give them options in the form of text messages, phone calls, emails, and chat windows. This omnichannel approach allows prospects to decide how, when, and where to connect with your brand, allowing you to add value rather than push sales. And when consumers can start or continue a conversation without missing a beat, you’re more likely to get a “yes” when the time comes. This “conversational marketing” helps guide prospects along the path to purchase and create authentic relationships with your audience, which leads to trust. Remove the fear of commitment by offering free trials, mini-subscriptions, discounts, and other value-adds.

Step 4: From remorse to renewal

Signing with you for an extended contract doesn’t mean doubts won’t surface somewhere down the road. Any time clients face a slow month, resulting in low revenue or decreased profits, they may reconsider large, recurring expenses. This is why “purchase” should not be your end game. The proliferation of social media referrals and online reviews have turned the sales funnel into a 360-degree circle that continues beyond purchase to loyalty and then back to awareness. Turn your loyal customers into brand ambassadors, and give them a reason to recommend your service to their social circles. Content at the loyalty phase should remind them frequently of the value your services add. Put clients in the spotlight and make them the hero with customer stories, social media take overs, or AMAs (Ask Me Anything’s) that give them a voice. Sprout Social is a great example of this in action. The company created their Agency Partner Program to help marketing agency clients grow their businesses through programs, webinars, and events that provide insights they can use all year long, and a dedicated representative they can turn to whether they have questions, concerns, or just want to spitball ideas. Providing a customer experience that has a

higher perceived value than the actual hard cost of your services is an ideal way to avoid buyer's remorse, and even drive higher renewal and referral rates.

Forrester predicts that 2021 will be the year companies "double down on technology-fueled experiences, operations, products, and ecosystems." If you're considering a new venture or are looking to grow your XaaS business this year, now is the time to put marketing strategies in place.

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