

Market penetration strategy

When you're thinking about creating your market penetration strategy and increasing your market share, you'll need to consider the different ways you can drive sales revenue from the customers out there in your market using your existing SaaS offering.

This can be accomplished with the following tactics:

- Lowering prices, raising prices, or offering tiered solutions
- Acquiring a competitor in your market
- Revamping your digital marketing roadmap to increase brand awareness
- Modifying your products or to specifically solve your customer's problems

Put simply, you need to acquire more customers and revenue by making your product more appealing to potential buyers in the market.

Let's dive deeper into how you can do that.

Price competitively to take additional market share

Pricing is one of the main tactics that SaaS startups use to penetrate a market and grow their revenue. These adjustments can be easily measured to determine their level of success, too.

- Did market share increase or decrease when you moved from monthly subscriptions to annual contracts?
- How many new customers were acquired after you launched your new pricing plan?
- Does lowering your subscription prices help lure customers away from your competitors?

Price drops work well in competitive niches where consumers are typically buying based on the cost of a product. After looking at your competitors and comparing your products and services, adjust your SaaS pricing strategies to increase your market penetration rate.

Increase your marketing and sales efforts

Changing tactics or becoming more aggressive with your marketing campaigns can help to increase awareness of your SaaS startup in the market. Competitors' customers can't make the switch and sign up for your product if they don't know it exists, after all.

Marketing can also help persuade your existing customers to stick with you instead of leaving for the competition. Loyalty programs, power user features, strategic alliances, and finding unique ways to deliver value to your users can all help you retain customers. If your users have a stellar experience with your product, they'll also be more likely to promote you through word-of-mouth, which in turn helps increase your market share.

Acquisitions and mergers

If you can't beat 'em, join 'em. Or rather, buy them out. Acquisition as a market penetration strategy is almost as old as the business itself. Buying a company in your industry means you're essentially buying the customer base and the market share that it brings with it – or you can buy the competition and then shut them down altogether.

If you've got the motivation and the budget, acquisition can be an effective tactic. If you're in startup mode, acquisition is probably not yet in your ballpark. In this case, you could look into strategic mergers with partners or similar companies in order to capture their audience and widen your market by doing so.

Make changes to your product

Listening to your customers and keeping track of what competitors' customers are saying can help you pinpoint essential features and functions that really add value. A slight adjustment to your product could make all the difference in terms of your market penetration rate by giving the market what they need but can't get from any other company.