

Successful Companies Compete on Experience, not Price

When it comes to retention tactics, SaaS companies in particular need to pay attention to their strategy. The turnover rate, or “churn” as it is sometimes referred to, is high among SaaS startups and companies. This is often because of issues with broken products, lack of customer service support, and fierce market competition.

However, another reason why many SaaS companies are falling short is because their business model emphasises competing on price, rather than experience and quality. At Weav, we’ve seen that the reverse is true. Many successful companies are maintaining steady growth and customer retention, by driving market awareness based on the quality of their product’s user and customer experience, rather than on its price.

What Really Influences a Customer’s Decision?

1) Brand Loyalty

The mindset behind the strategy is that a company is more likely to win business from customers who have a positive experience interacting with them as a brand. Content marketing has a lot to contribute to this - offering valuable advice on a company blog or website can really build brand loyalty and trust.

This makes the customer much more inclined to buy your product, and it leads them through the sales funnel. A lower price than the competitors is not necessarily going to be enough to win your audience over, but a personal approach is always well received.

2) Transparency is Key

This is especially true now that customers value transparency, in a market which is continuously saturated with new digital products and services. The experience begins the minute a potential lead lands on your website homepage. Everything from customer service, to easy of use and value of content, are going to highly influence the buyer’s decision.

The main goals for a company wishing to compete on experience over pricing are to solve problems, reduce customer complaints, and to make access and use of their product easy and intuitive. Marketing experts are also jumping on board - [Arke VP of](#)

[Strategy Margaret Wise](#) announced recently that because customers have “outrageous expectations” of the experiences they want your business to provide, “addressing them is the only way to sustain a competitive edge.”

3) Customer Experience

The stats also support the push towards the need for improved customer experience over competitive pricing. According to a [PwC report](#), 73% of customers say that experience is an important factor in their purchasing decisions - more than price and even product quality. 17% of customers will abandon even a brand they love after one bad experience.

SaaS companies who are struggling with retention and churn could really benefit from incorporating an awareness of this data into their business development strategies. Providing an improved experience can help your customers perform better, which is ultimately why they turn to SaaS products in the first place.

Simplicity is Key

Customer experience is going to be one of the main focuses for all business, products and services over the next few years. The stats show that [89% of companies expect to compete on the basis of customer experience](#) versus 36% four years ago. This means that companies are going to have to drastically reevaluate their campaign objectives as to whether they should be driving experience or sales.

And while competing on price sounds like safer grounds than competing on experience, which is quantified merely by engagement metrics, simplicity is in fact the driving force behind high quality customer experience.

As Tom Goodwin of Zenith Media points out, “Shopping on Amazon when it works best isn’t an experience, it’s a lack of experience. It’s the purest example yet of the act of removing every possible barrier. Every piece of friction. Online retail is, for most sites, endless A/B tests to reduce the chance of anything getting in the way.”

So as well as considering how you can make the experience more personal and form connections with your customers through the product, find ways to make it easier for them to pass through the buying or trial process. Sometimes, good service means having a customer leave feeling as though they haven’t experienced anything at all - they got what you came for and left with minimal effort!

Companies Competing on Experience

It's no surprise that the companies putting their client experience (CX) strategy first are all dominating the market, and gaining a competitive advantage.

1. [Oscar Health Insurance](#)

These guys have nailed the user experience (UX) link between buying and understanding health insurance. Their emphasis on simplicity ("No More Referrals") lets the customer know immediately that the company is there to save them time, and their online experience and sign-up process reflects this.

They offer premium customer service with benefit promises such as "Talk with our doctors for free, one will call you within the hour." You can customize your quotes immediately, and the parallax scrolling site makes it easy to digest information.

2. [Air Stream](#)

Air Stream have considered the user experience on their website by providing an interactive, engaging option to customize your own vehicle. This lets the customer know that the company values individuality, and wants to make the client a part of the creative process. They even have specific Shopping Tools, which help you choose the right travel trailer for your needs.

3. [Client Heartbeat](#)

Client Heartbeat is all about transparency, about their tools, prices and process. They offer a 21 day free trial, and the product itself isn't overly complicated like many other survey design tools. It's not surprising that the company providing customer service services is leading the example in CX design.

Be Creative

Of course, competing on experience does take a little more TLC than competing on price. When you compete on price, the factors you need to consider are straightforward and concise. When crafting the perfect customer experience, your team will need creativity, imagination and innovation on their side - not to mention a stellar team of UX designers and customer service reps!

You know how the saying goes - catch a man a fish, and you'll feed him for a day. Teach a man to fish, and you'll feed him for a lifetime. The same applies to competing on

experience. Educate your audience and provide them with an efficient, professional service, to reverse that churn and keep your customers happy.