

Global Software Study

Key insights for growth in Software
July 2025

Introduction

The latest version of Simon-Kucher's Global Software Study gathers relevant insights from Software Executives and their Buyers

Welcome to Simon-Kucher's Global Software Study.

Target audience

Study fielded in H1 2025

- Sample contains:
 - 516 B2B Software executives (Director+)
 - 161 B2B Software buyers NEW
- Sample covers key geographic markets
- Sample covers range of company sizes

Focus topics

- ✓ **What** are execs prioritizing on the management agenda?
- ✓ **How** are go-to-market strategies evolving in the age of AI?
- ✓ **How** is AI being monetized and with what results?
- ✓ **How** do buyers choose software and who's involved?
- ✓ **What** drives buyer satisfaction and frustration?
- ✓ **What** is fueling (or blocking) AI adoption among buyers?



Executive summary

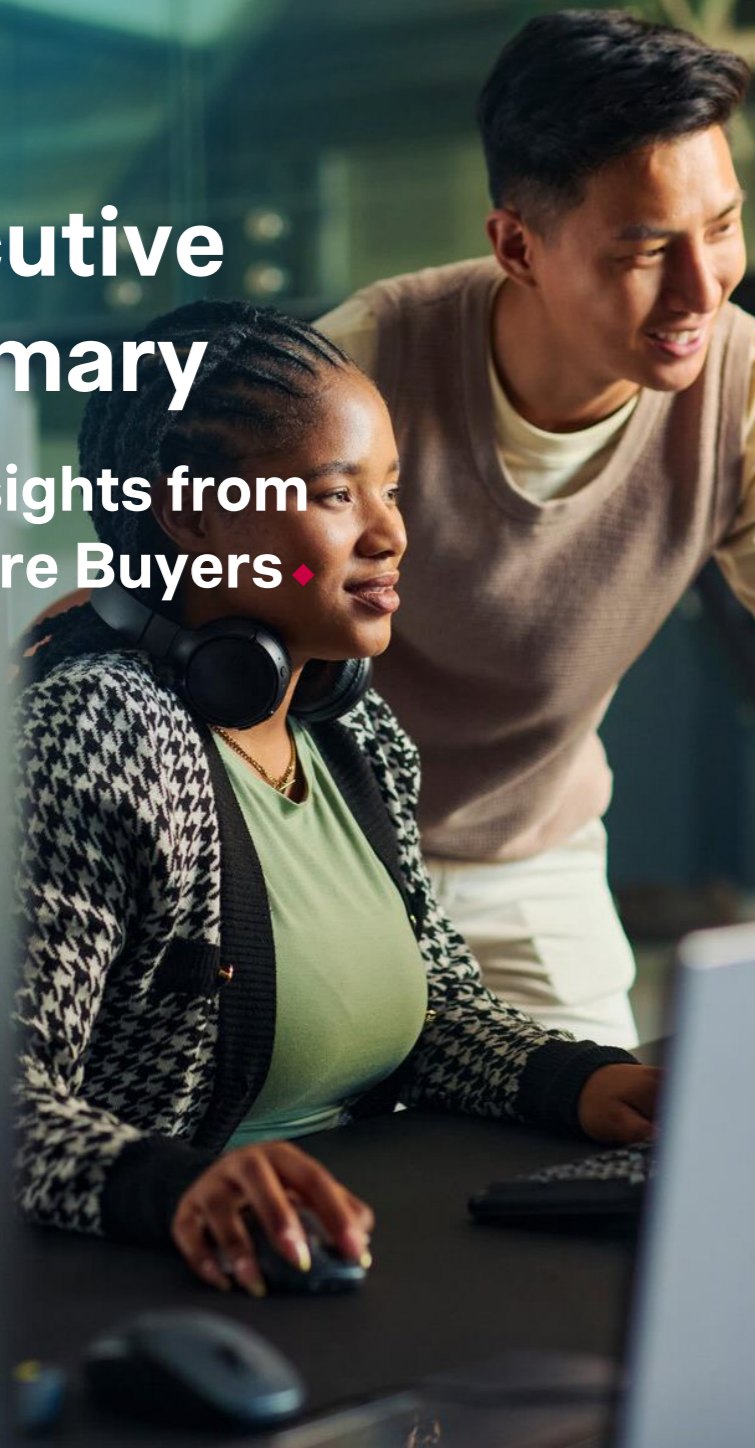
Key insights from Software Executives

- 1 Growth expected, but AI disruption looms:** 88% of executives expect stable or rising revenue in 2025, driven by organic growth. Yet, concerns around AI disruption and loss of product-market fit are pronounced, especially among mid- and large-sized firms.
- 2 Commercial orgs are reshaping, not shrinking:** While 47% expect overall headcount to remain stable, most anticipate significant internal shifts. Inside sales roles are being scaled back, while field sales and AI-enhanced functions gain importance.
- 3 Focus on early value for NRR improvement:** 44% cite onboarding and lifecycle marketing as key NRR levers. At the same time, many commercially critical roles (e.g., Customer Success) remain under-incentivized, which underscores the need to better align incentives with growth priorities.
- 4 Few have cracked the AI monetization code:** 76% have launched AI features, yet most see limited revenue impact (<10%). Monetization remains fragmented; 45% use two or more models often mix selling AI in the premium plan to drive up-sell and as add-on with its own pricing.
- 5 Data monetization gaining traction:** 55% already monetize or plan to monetize customer data, mainly via benchmarking (68%) and profiling (47%). Use for AI training is still nascent with just 27% adoption.

Source: Simon-Kucher Global Software Study for Execs 2025 (n=516)
Global Software Study | Key insights for growth in Software | July 2025

Executive summary

Key insights from Software Buyers ♦



1

Budgets are growing: Software spending is set to rise by an average of 9% over the next 2 years, with most firms already allocating 1–5% of revenue to software. Top growth drivers include digital transformation initiatives and overall business expansion.

2

Strong AI demand, but adoption hurdles remain: 74% of buyers plan to adopt AI, and 54% already use third-party AI tools. However, concerns around usability, compliance, and ROI remain widespread. A strong Customer Success, Pricing, and Sales Enablement strategy can mitigate part of these adoption hurdles.

3

Buying software is cross-functional: 56% of buyers report that purchasing decisions are cross-functional, with decision-making authority becoming more distributed as company size increases. This shift calls for more tailored, multi-stakeholder sales strategies.

4

Priorities vary by role, but pricing frustrates all: IT decision makers disproportionately focus on integration, security, and pricing, while non-IT decision makers lean toward agility and customization. Yet across roles, pricing remains a top frustration, especially when it's opaque, unpredictable, or rigid.

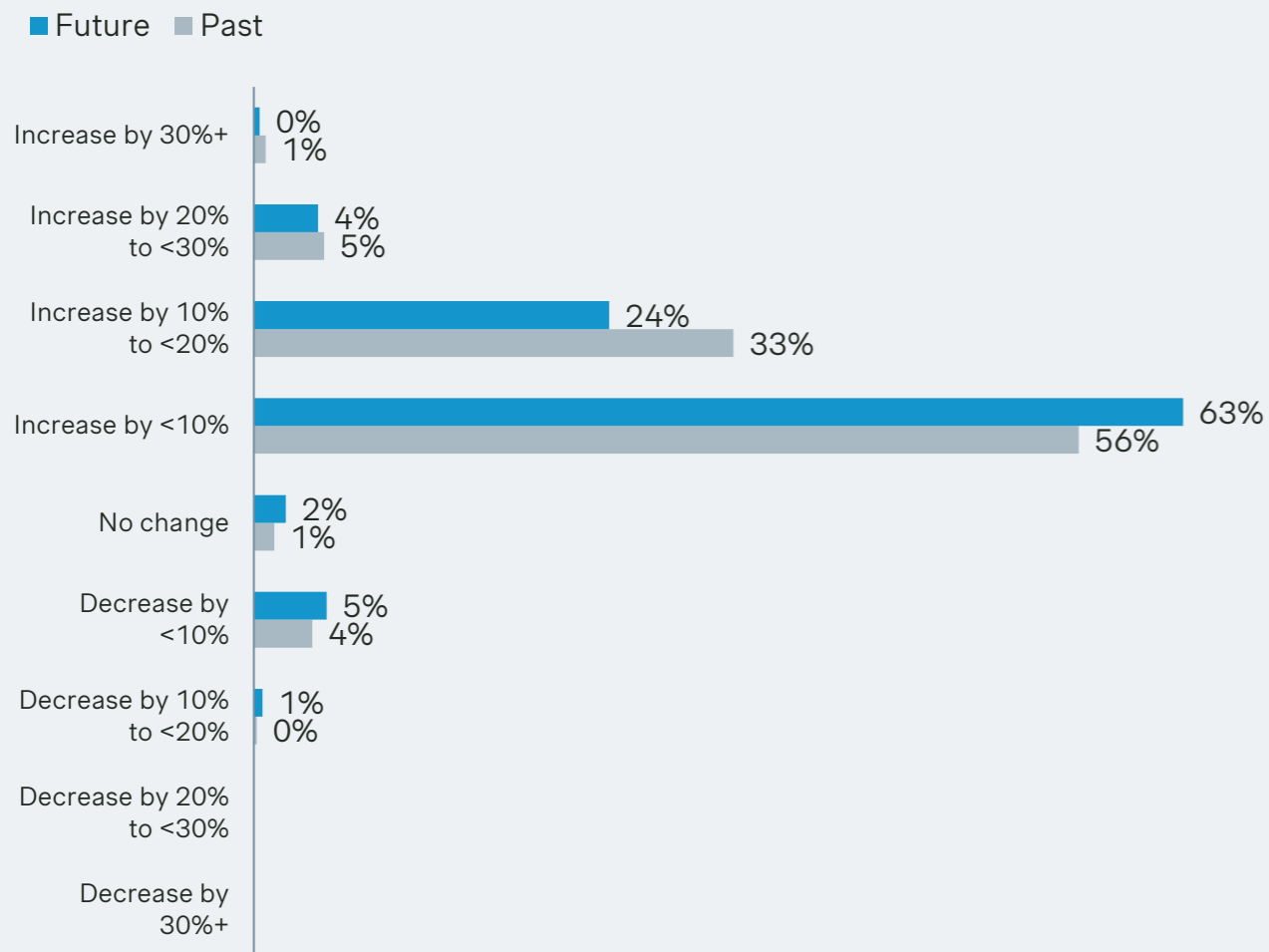


Insights from Software Executives

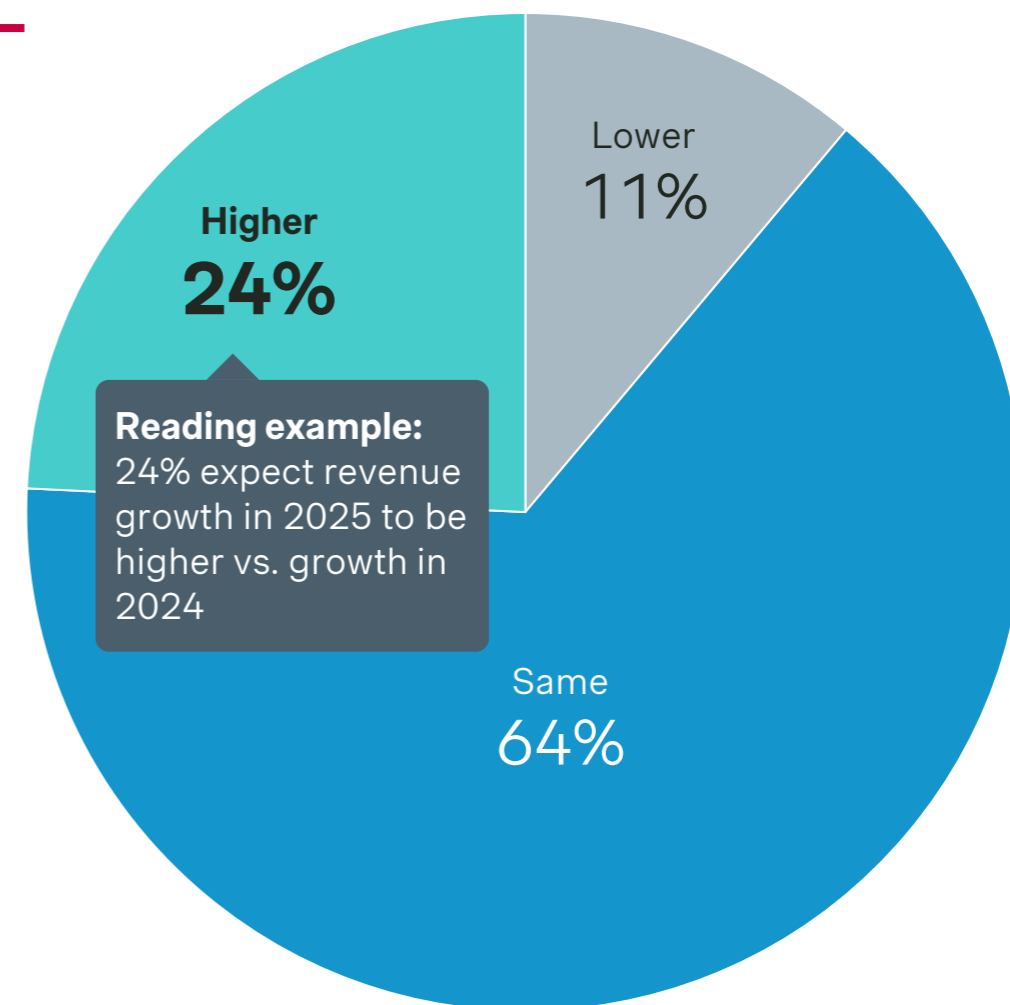
Recent optimism holds, but extremes fade: Executives expect steady or moderate growth in 2025



Expected revenue growth in 2025 vs. past growth in 2024



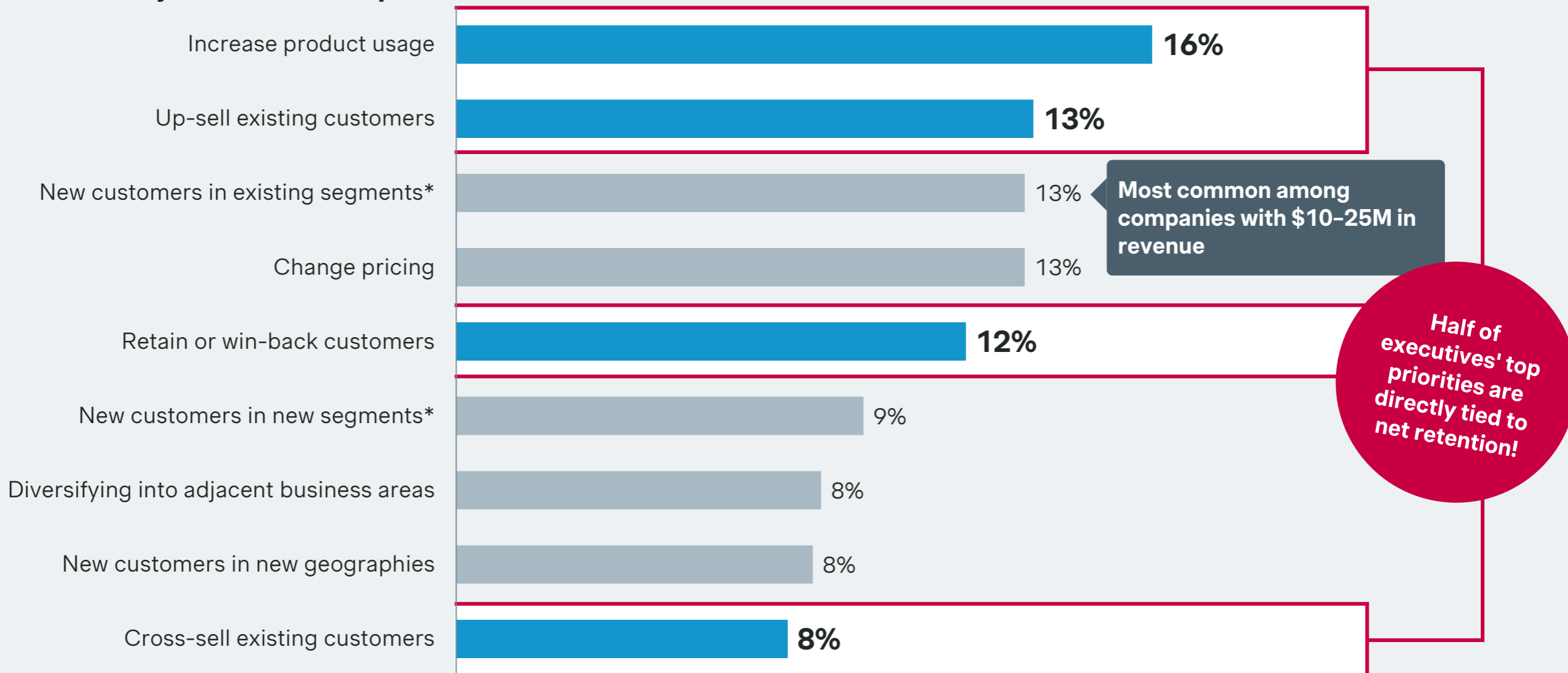
Comparison of revenue growth in 2025 vs. past growth in 2024



Q: How did your company's revenue change from January 2024 to January 2025? and Q: How do you expect your company's revenue to change from January 2025 to January 2026?
Source: Simon-Kucher Global Software Study for Execs 2025 (n=498) | Excludes: "I'm not sure"

Top commercial priorities differ among executives, but the direction is clear: 50% of the top priorities point to net retention and better customer base management

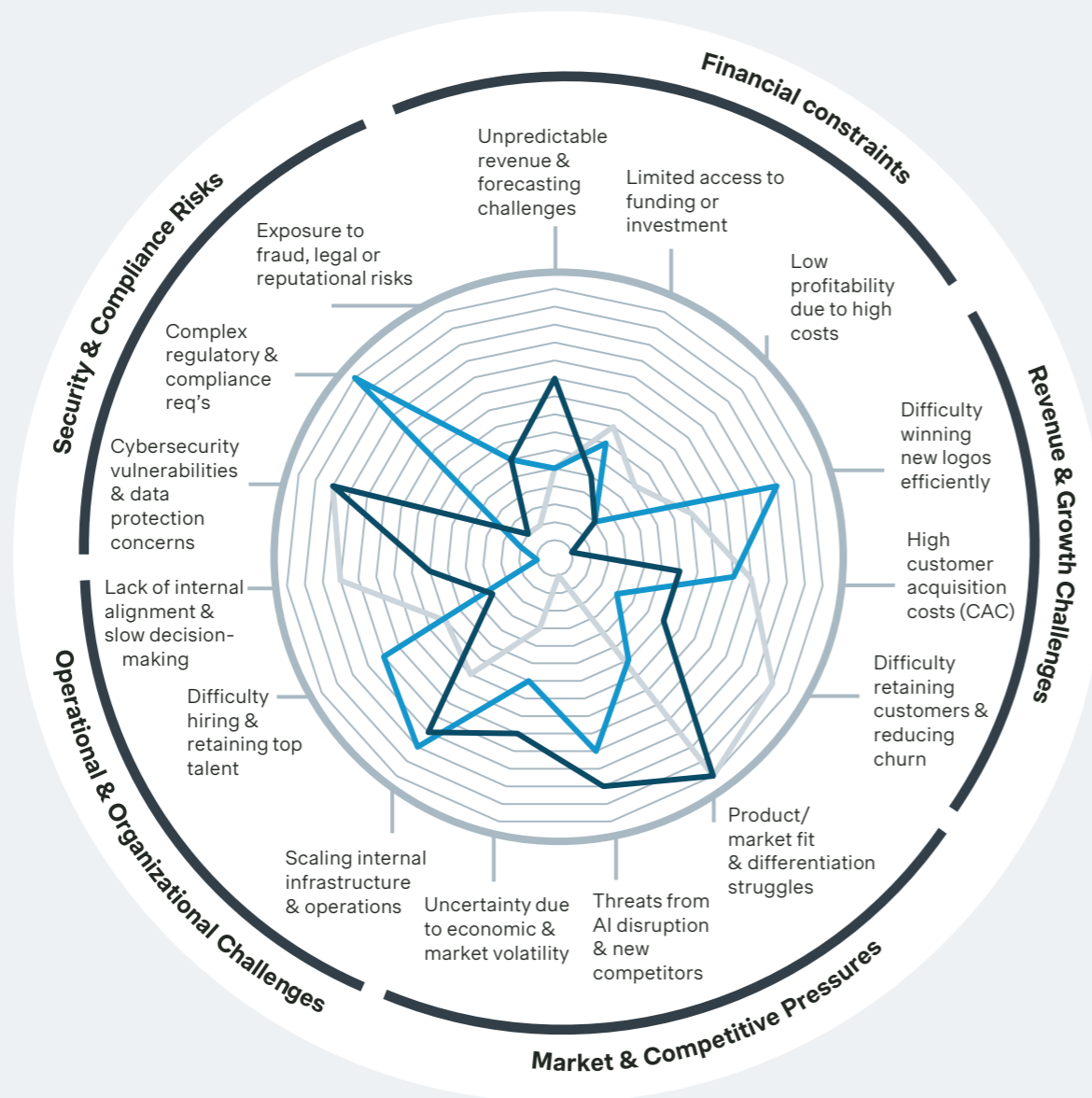
#1 commercial objective (% of respondents)



Q: In your opinion, which of the following commercial objectives should your company prioritize in the next 24 months to ensure positive revenue growth? | Note: *In same geography
 Source: Simon-Kucher Global Software Study for Execs 2025 (n=516)

Key management worries vary by company size: AI disruption is a shared concern across larger companies

Management challenges (by revenue)



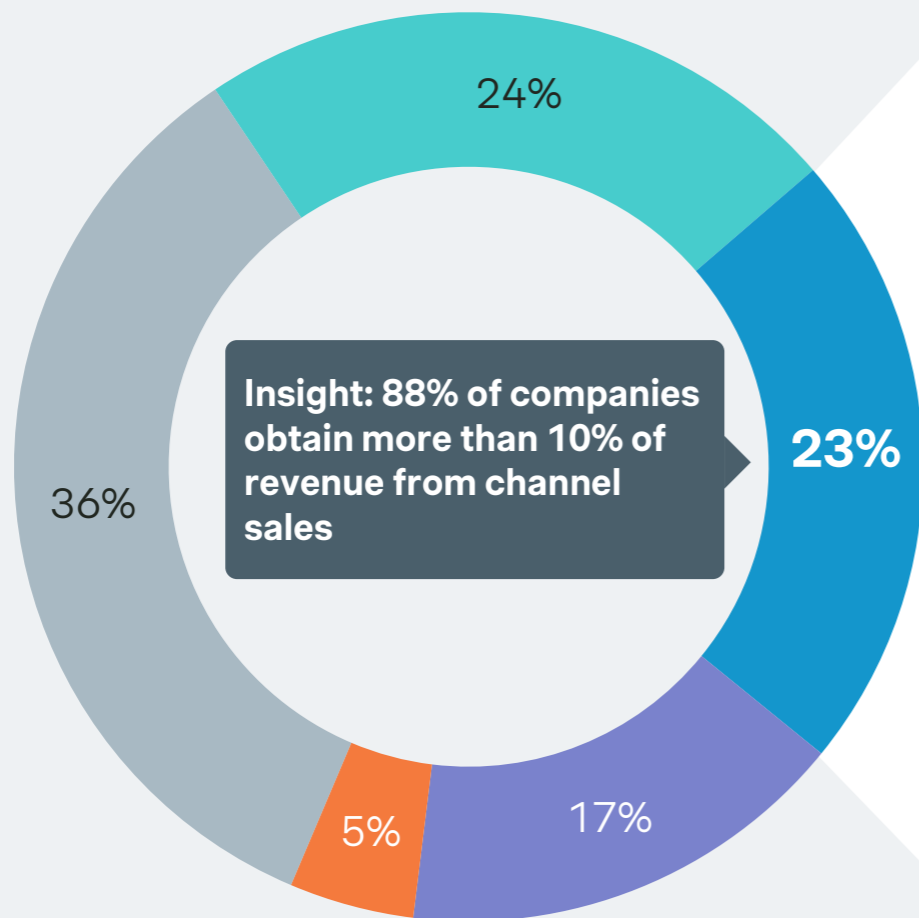
Key insights



- Management concerns shift with company size:
 - Smaller firms (<math>< \\$100M</math>) are focused on growth and market fit, citing top concerns like “Difficulties winning new logos”, “High CAC,” “Difficulty retaining customers,” and “Struggles with product-market fit”
 - Mid-sized companies ($\\$100-500M$) are more focused on competition and scale, with high concern for “Difficulties winning new logos”, “AI disruption” “High CAC”, and “Scaling operations”
 - Large enterprises ($\\$500M+$) prioritize security and disruption risk, ranking “Cybersecurity,” “Regulatory risks,” and “AI disruption” among top concerns, while placing less emphasis on CAC or new logo acquisition
- AI disruption and loss of product-market fit are shared concerns for mid- and large firms, underscoring competitive pressure across the upper market

Companies typically have a diverse channel mix; overlap and misalignment is a top challenge that requires a careful strategy

Average channel mix



■ Inside sales
■ Channel partner sales (incl. resellers)
■ Other (please specify)
■ Field sales
■ Self serve (e.g., website)

Top 3 challenges with Channel Partner Sales

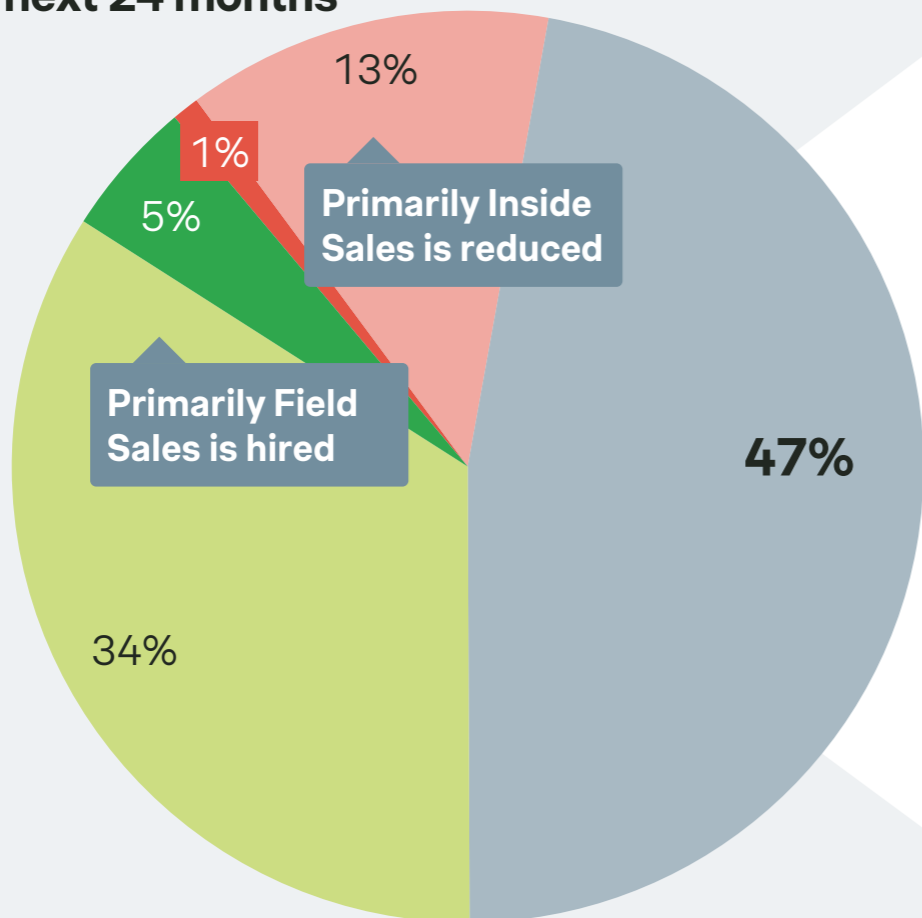
- 1 **Unclear guidelines on when to use partners vs. direct sales** channels, leading to channel conflicts and suboptimal monetization

- 2 **Too many channel partners** due to a lack of selection criteria, leading to suboptimal partner base and partner competition

- 3 **Partner earnings not aligned to each partner's revenue and service model**, leading to sub-optimal channel margins

Growing and restructuring (not downsizing) the commercial organization is executive focus: It is not about having fewer people but about having the right people for growth

Expected change of total commercial organization size over next 24 months



- Need to significantly decrease team size
- Need to somewhat decrease team size
- No change needed
- Need to somewhat increase team size
- Need to significantly increase team size

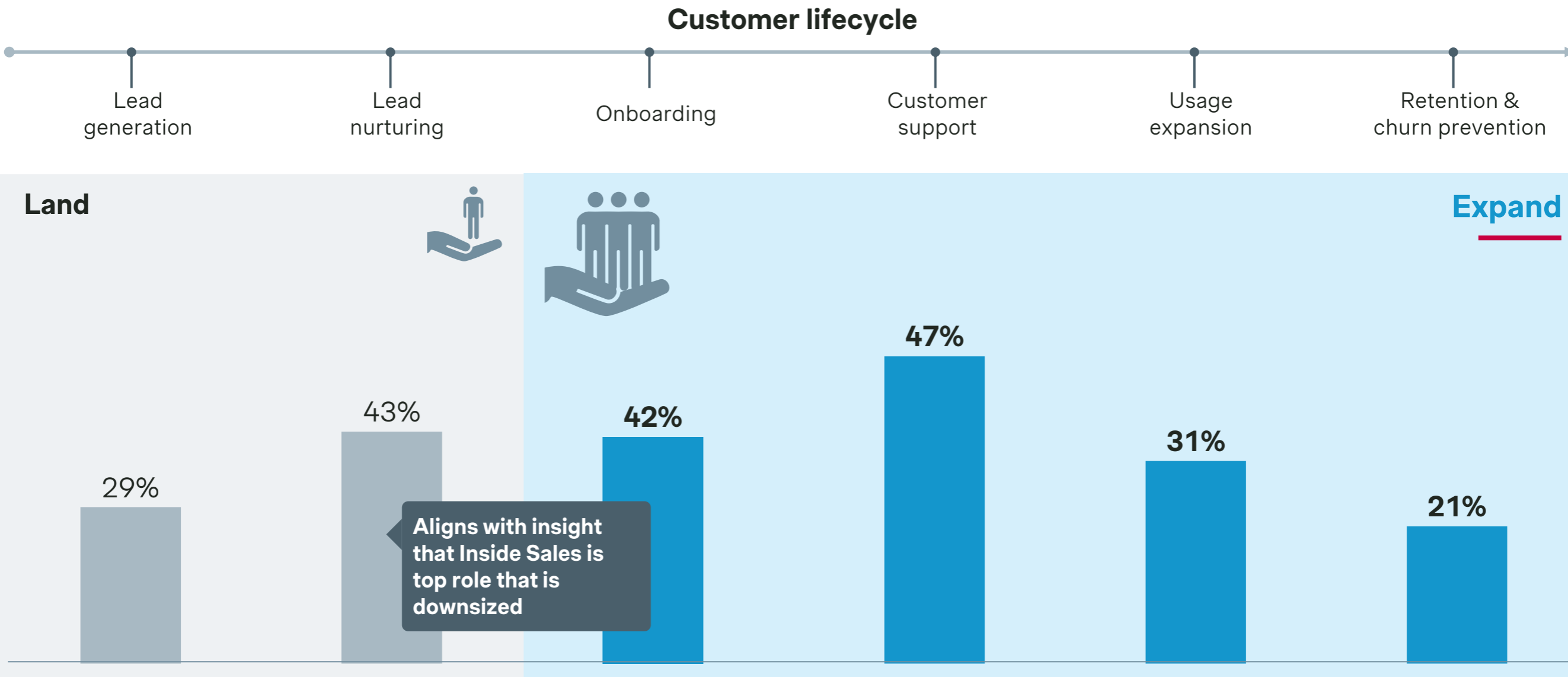
Expected change within commercial organization teams over next 24 months



Q: To what extent do you feel your commercial organization will need to change in size in the next 24 months?; Q: You previously stated that your commercial organization needs to decrease in size in the next 24 months. Which roles/teams would you most likely scale up/down?; Do you expect to change the balance of roles within your commercial organization (e.g. decrease size of some teams, increase size of others) while still retaining the same overall team size? | Source: Simon-Kucher Global Software Study for Execs 2025 (n=516)

AI is already being used in every step of the customer lifecycle: Customer support often already AI-supported, followed by lead nurturing and onboarding

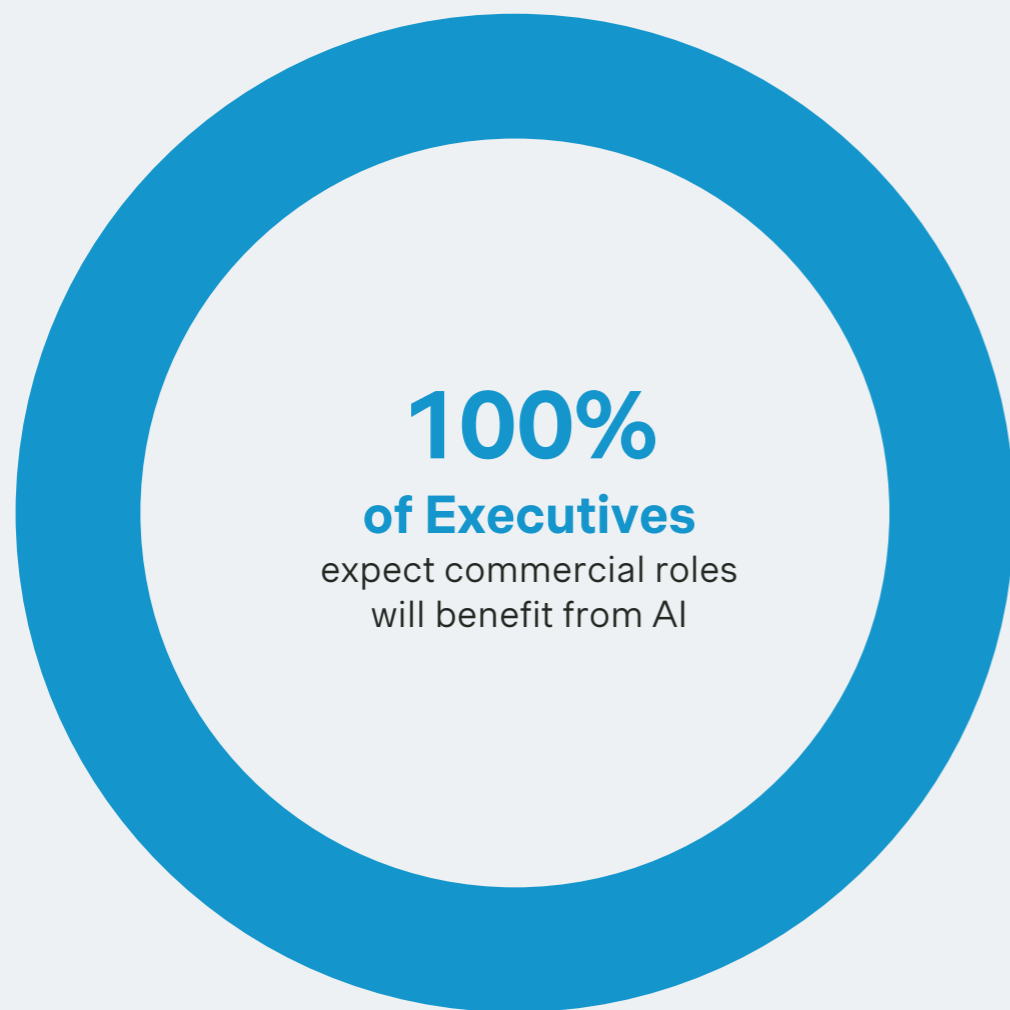
% of companies where step in customer lifecycle is supported by AI



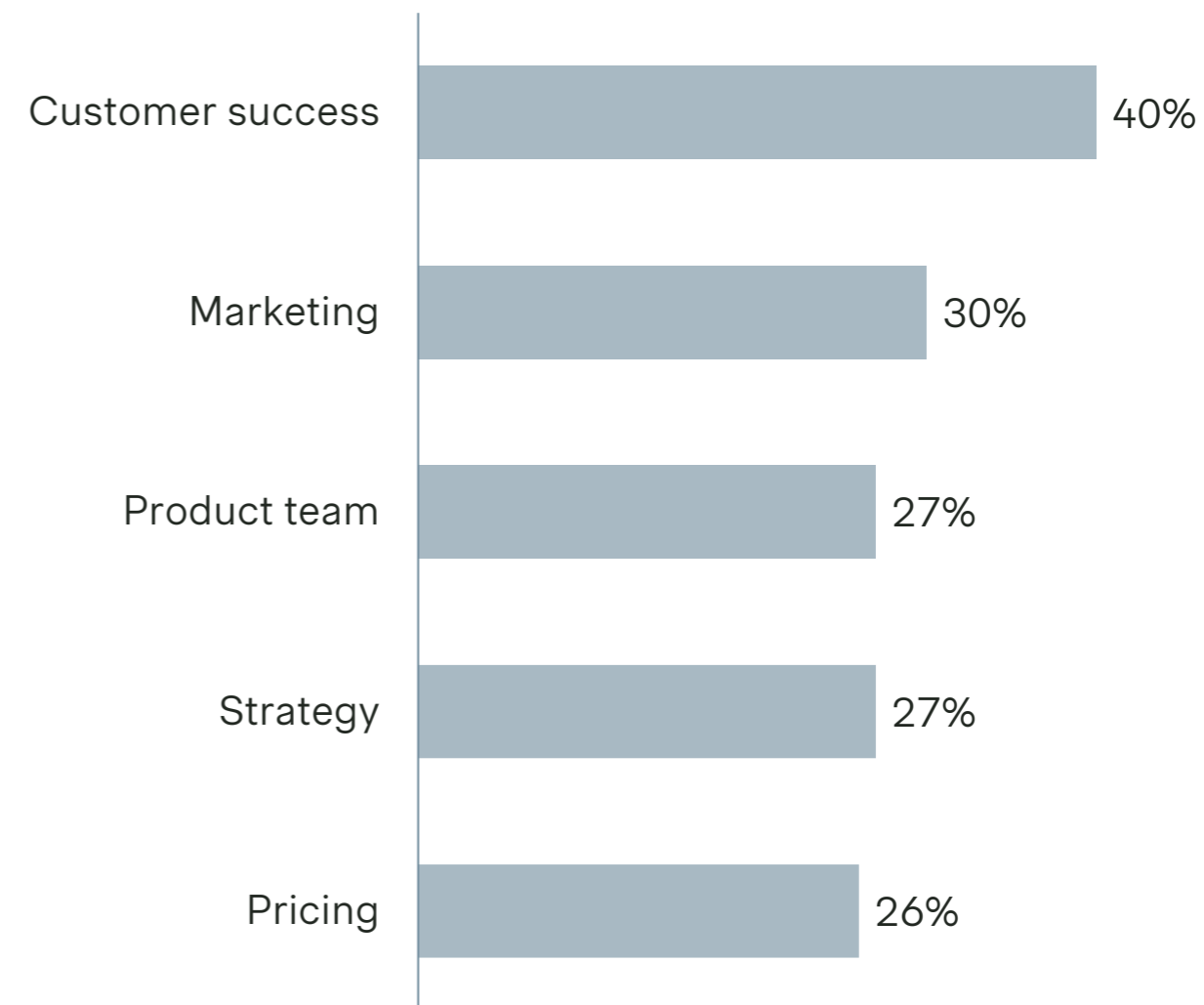
Q: Does your company currently use AI tools at any of the following stages of the customer journey?

Source: Simon-Kucher Global Software Study for Execs 2025 (n=516)

AI is expected to be a major positive impact on the commercial organization: Customer Success seen as top AI beneficiary



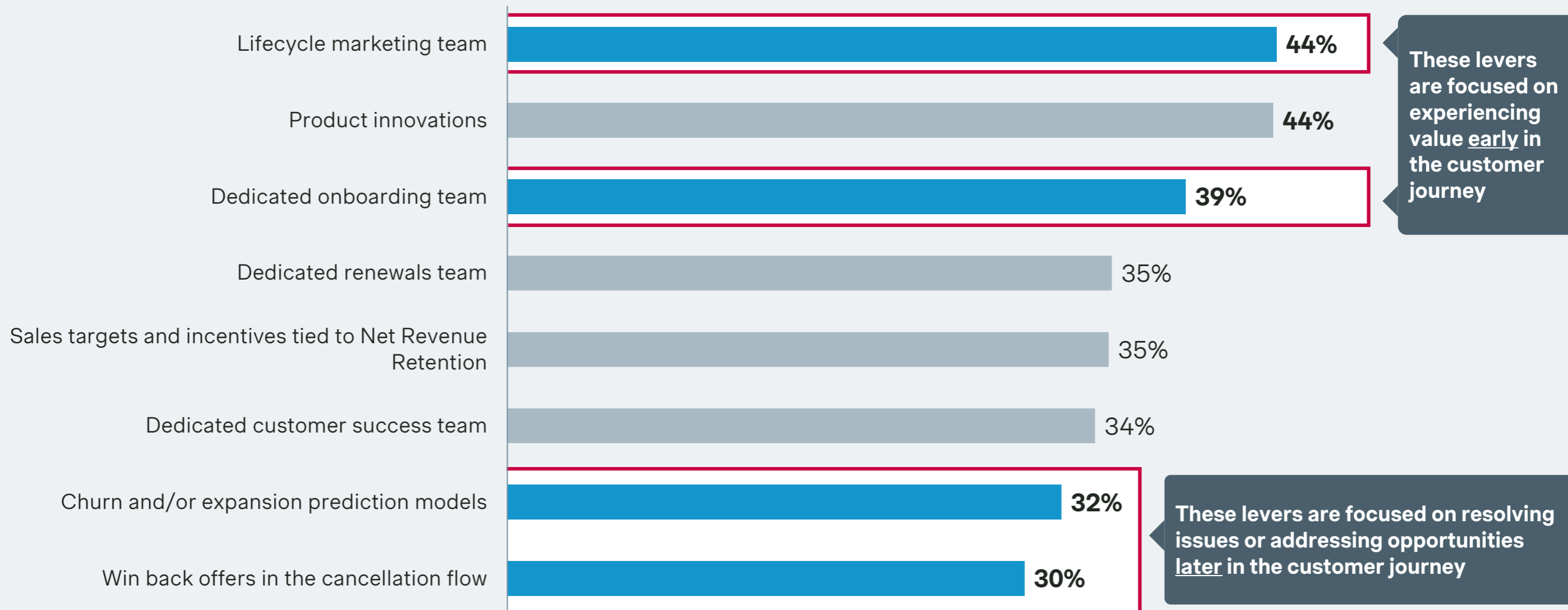
Expected commercial departments with most benefit from AI



Q: Which departments/teams do you believe will benefit most from the use of AI tools?
Source: Simon-Kucher Global Software Study for Execs 2025 (n=516)

Executives find that customers experiencing value early in the customer journey is the most effective lever to improve net retention

Most effective levers for net retention (NRR) according to Software Execs (% selected by respondents)



Q: Which of the following levers have been most effective in maximizing your company's Net Revenue Retention?

Source: Simon-Kucher Global Software Study for Execs 2025 (n=516)

Companies with top-tier NRR levels put more emphasis on three areas: They prioritize onboarding, lifecycle marketing, and equip teams with data-driven insights

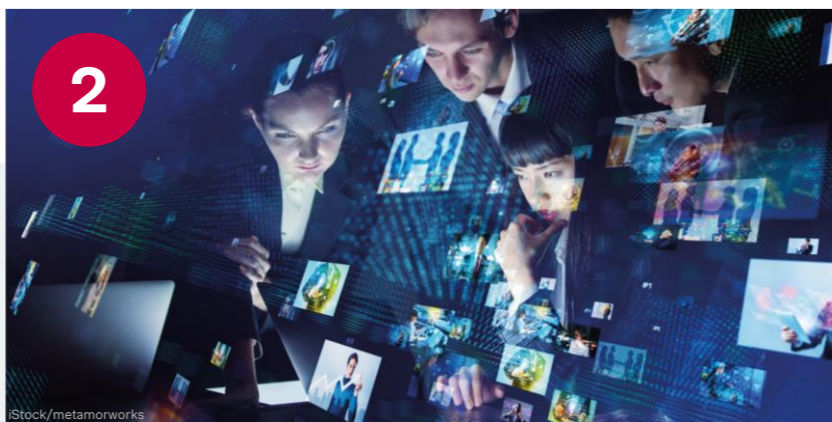
What makes 130+ NRR companies different than companies with lower NRR levels?



1

Top NRR companies are
36%
 more likely to prioritize
 dedicated onboarding teams

These levers are focused on experiencing value early in the customer journey



2

Top NRR companies are
19%
 more likely to prioritize
 lifecycle marketing teams



3

Top NRR companies are
20%
 more likely to prioritize churn
 and/or expansion prediction models

This lever is focused on equipping team with a data-driven approach

Incentivization of commercial roles that impact results beyond sales is often overlooked



Incentives to revenue growth by role (% of respondents)

Marketing



Customer success



Product



Strategy



Pricing



Note Only 3% of companies do not have financial incentives linked to revenue growth

Q: Which of the following departments/teams have financial incentives linked to your company's revenue growth?
Source: Simon-Kucher Global Software Study for Execs 2025 (n=306)

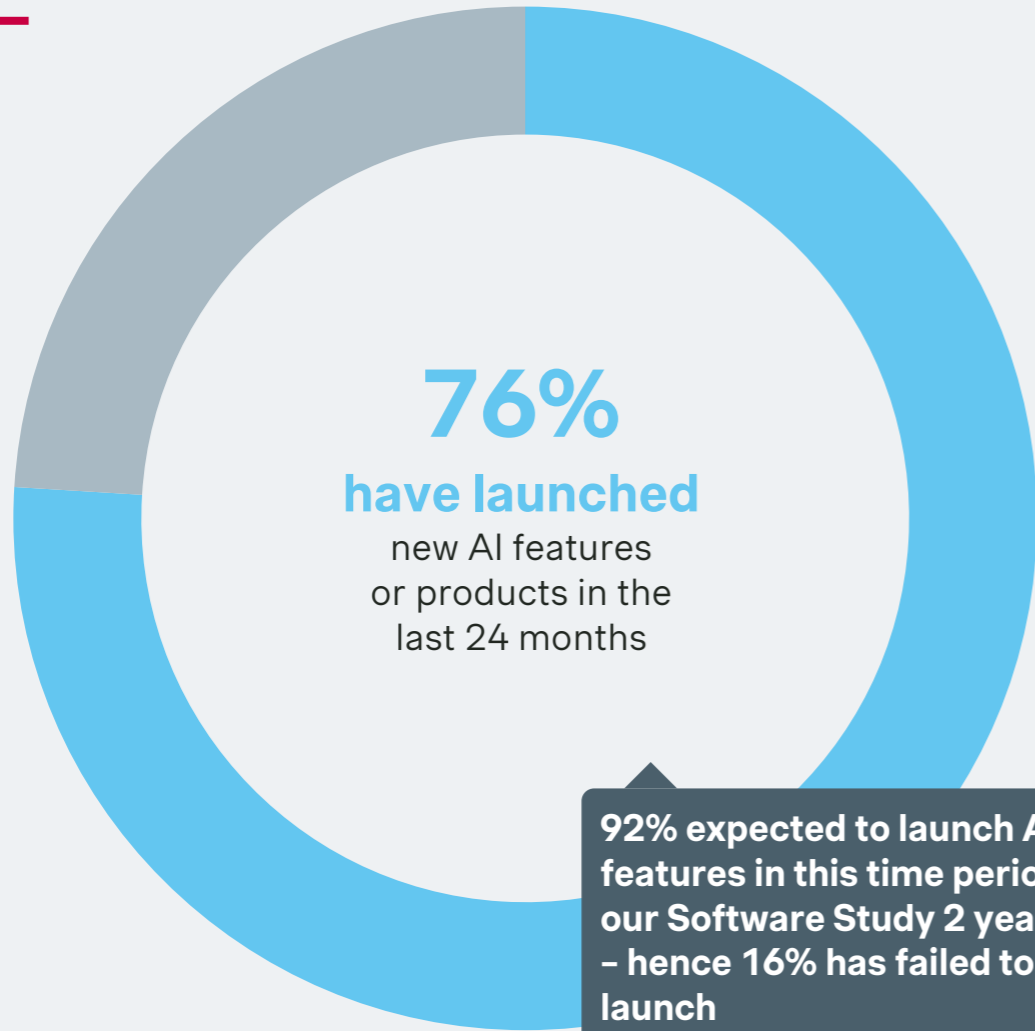
Global Software Study | Key insights for growth in Software | July 2025

Financial incentives are 20-30% less common in Europe vs. North America

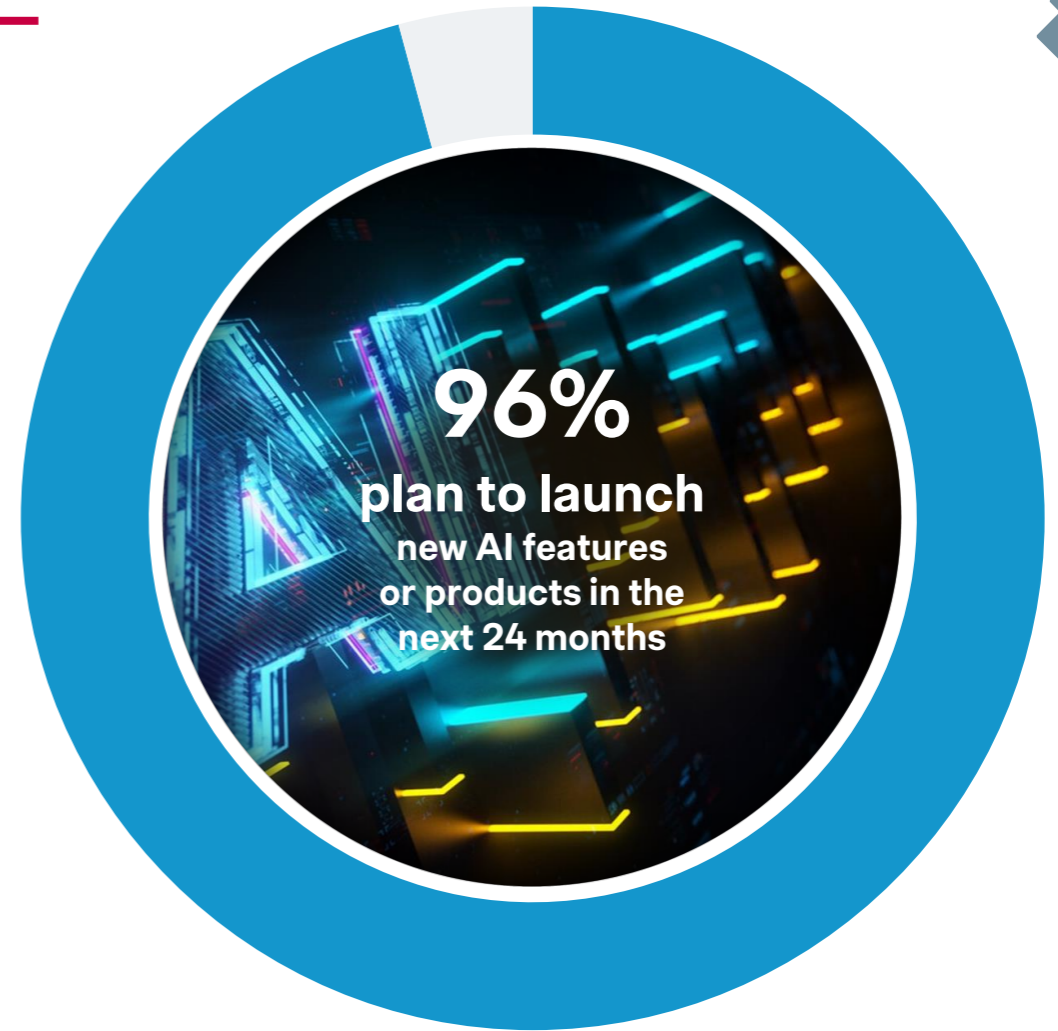
Most software companies have already launched AI features, while almost all companies plan to launch AI features in the near future



Today



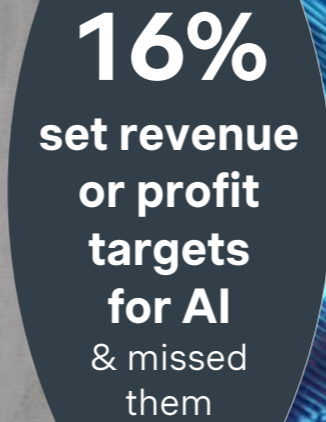
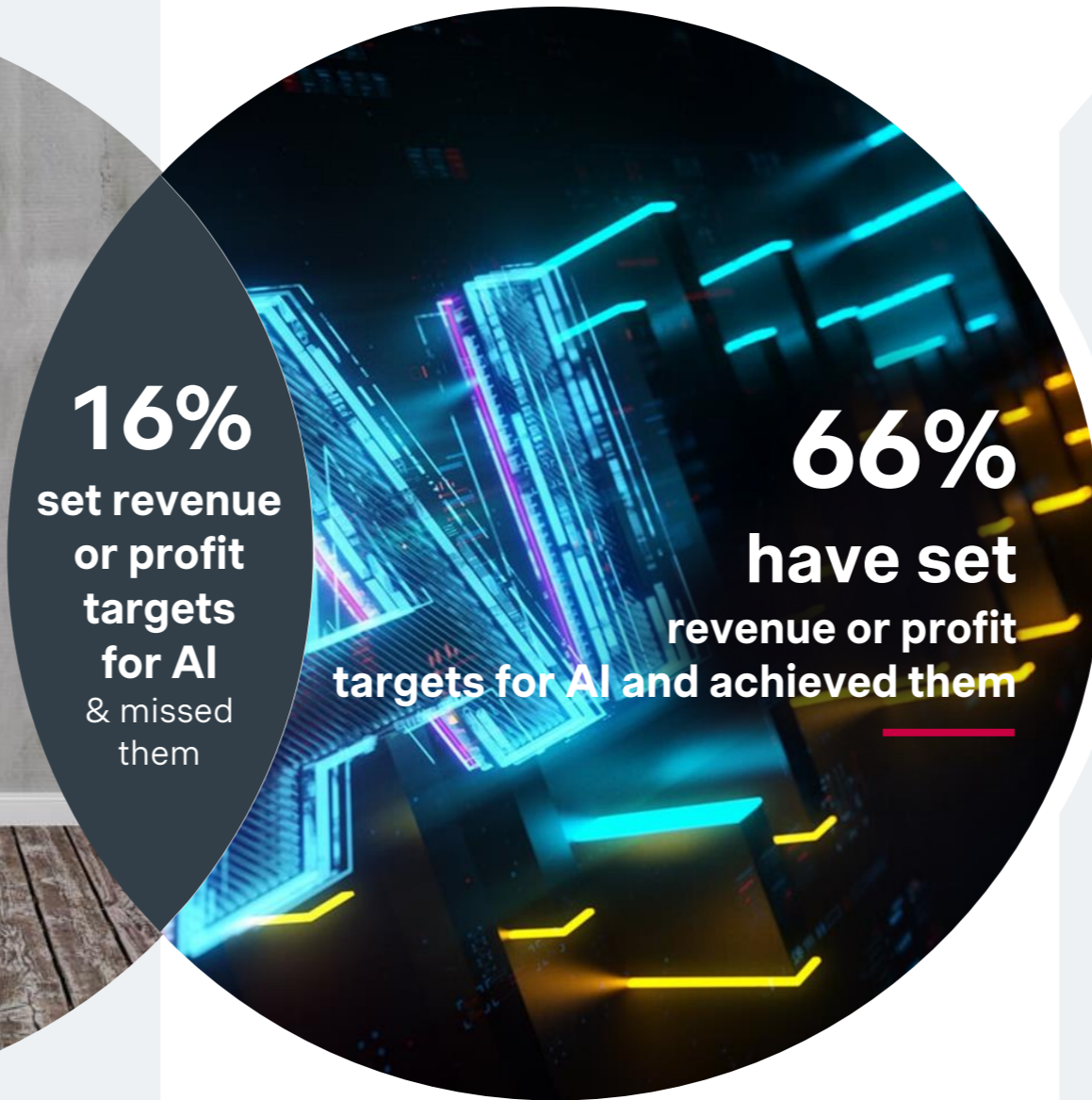


Next 24 months



Q: Has your company launched new AI features or products in the past 24 months?; Q: Does your company plan to launch new AI features or products within the next 24 months?
Source: Simon-Kucher global Tech Study 2025 (n=516) | "I don't know" has been excluded

Two-thirds of companies achieved AI financial targets, yet most set very modest goals of 0-10% uplift



Key caveat

Avg. targets are low (<10% revenue uplift)

Actual targets were much lower than the average of 15-20% growth that executives expected in our Software Study 2 years ago

Q: Does your company have specific revenue / profit targets for these AI features or products?; Q: So far, has your company met its revenue / profit targets for the new AI features or products?
Source: Simon-Kucher Global Software Study for Execs 2025 (n=516)

There is no one-size-fits-all: Companies use multiple models to monetize AI features



45%
of Companies

plan to
**monetize with
2 or more methods**



Monetization methods

Offering them **as part of a premium plan** to drive upsell

Offering them as add-ons with **seat-based pricing**

Offering them as add-ons with **usage-based pricing**

Offering them as add-ons with **outcome-based pricing**



Companies that plan to use this method

42%

Most common for European software companies

41%

Most common for North American software companies

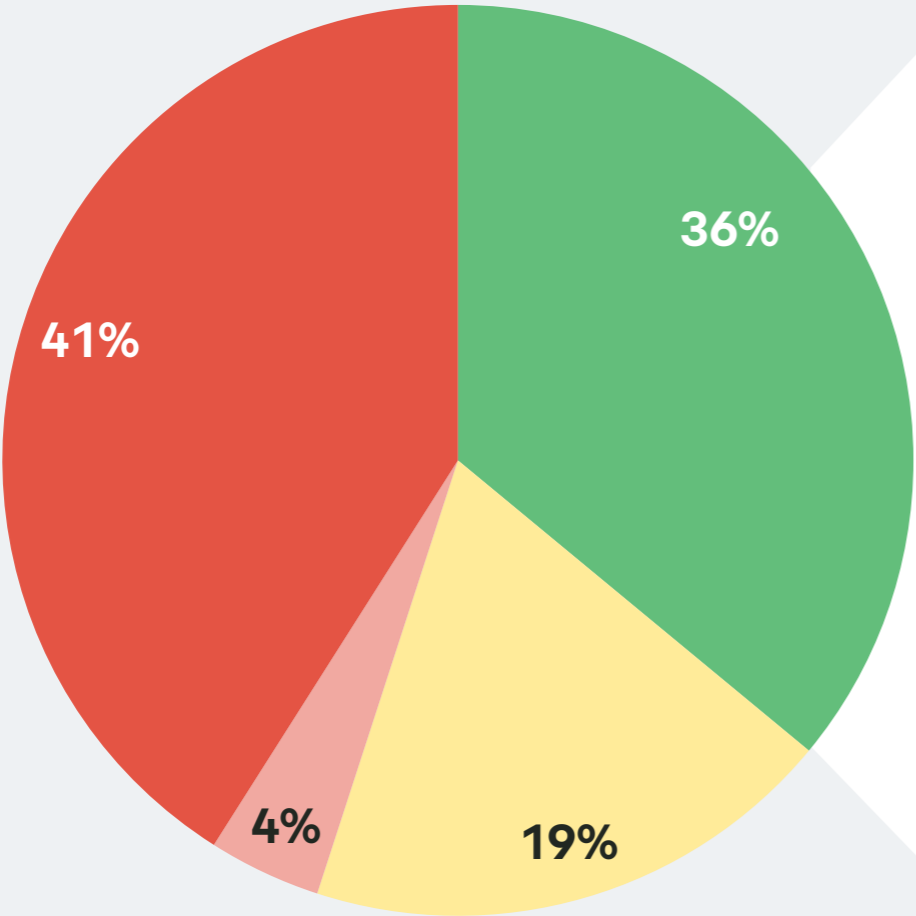
39%

35%

Q: How does your company plan to monetize these new AI features or products?
Source: Simon-Kucher Global Software Study for Execs 2025 (n=476)

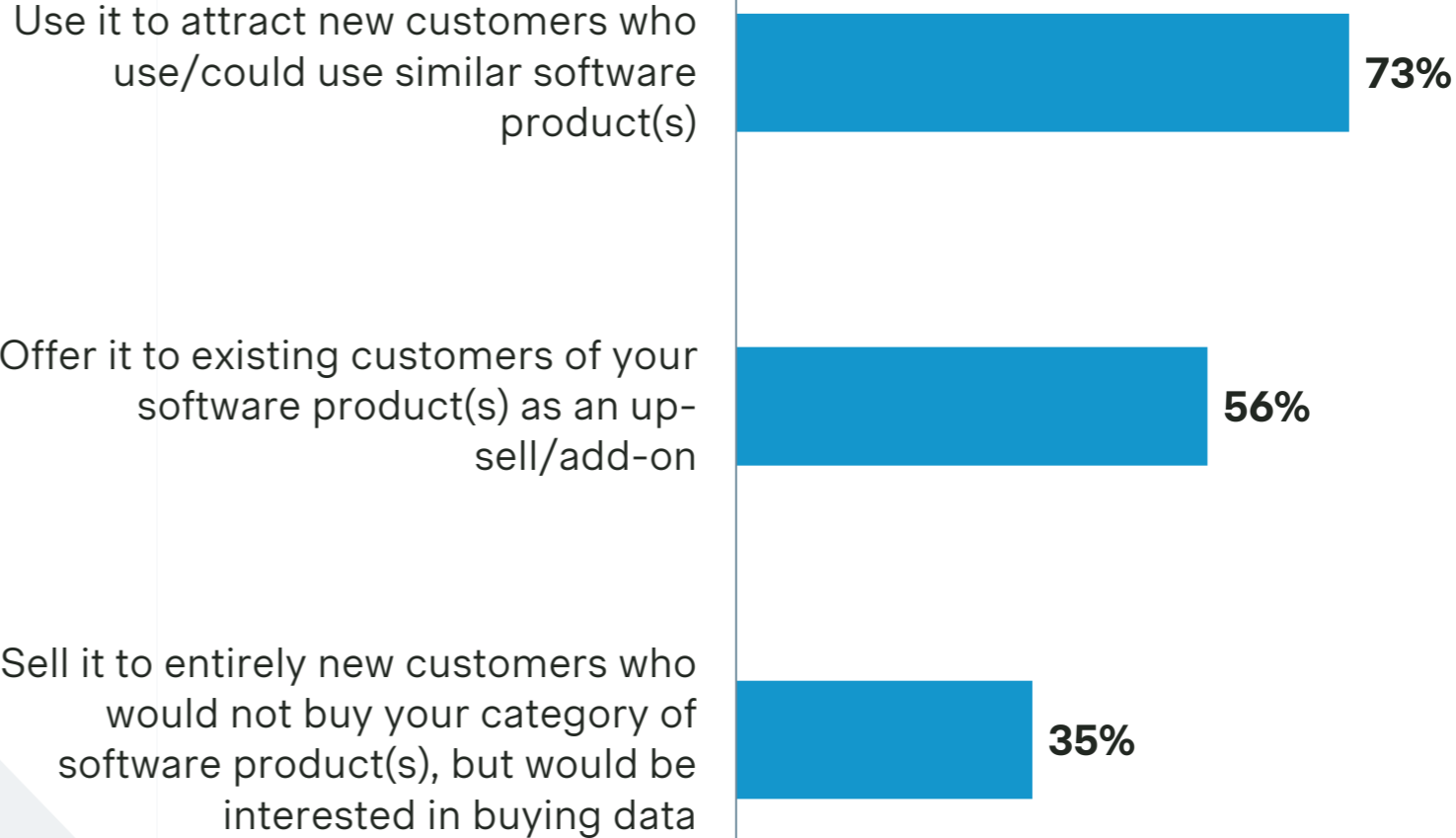
Data monetization is on the rise with 55% of companies already monetize or plan to monetize their data - yet 41% of companies lacks monetizable data

% of companies that monetize data



- Yes, we monetize data
- No, but we plan to monetize our monetizable data in the future
- No, and we don't plan to monetize it in the future (even though we have monetizable data)
- No, we don't currently have monetizable data

How it is monetized



Q: Does your company currently monetize data?; Q: How does your company currently monetize this data? / How would your company most likely monetize this data, if it chose to do so?
Source: Simon-Kucher Global Software Study for Execs 2025 (n=502)



Insights from Software Buyers

Software budgets cluster around 1–5% of revenue

Software spend as % of revenue

■ Less than 1% ■ 1% to 2% ■ 3% to 5% ■ 6% to 10% ■ More than 10%

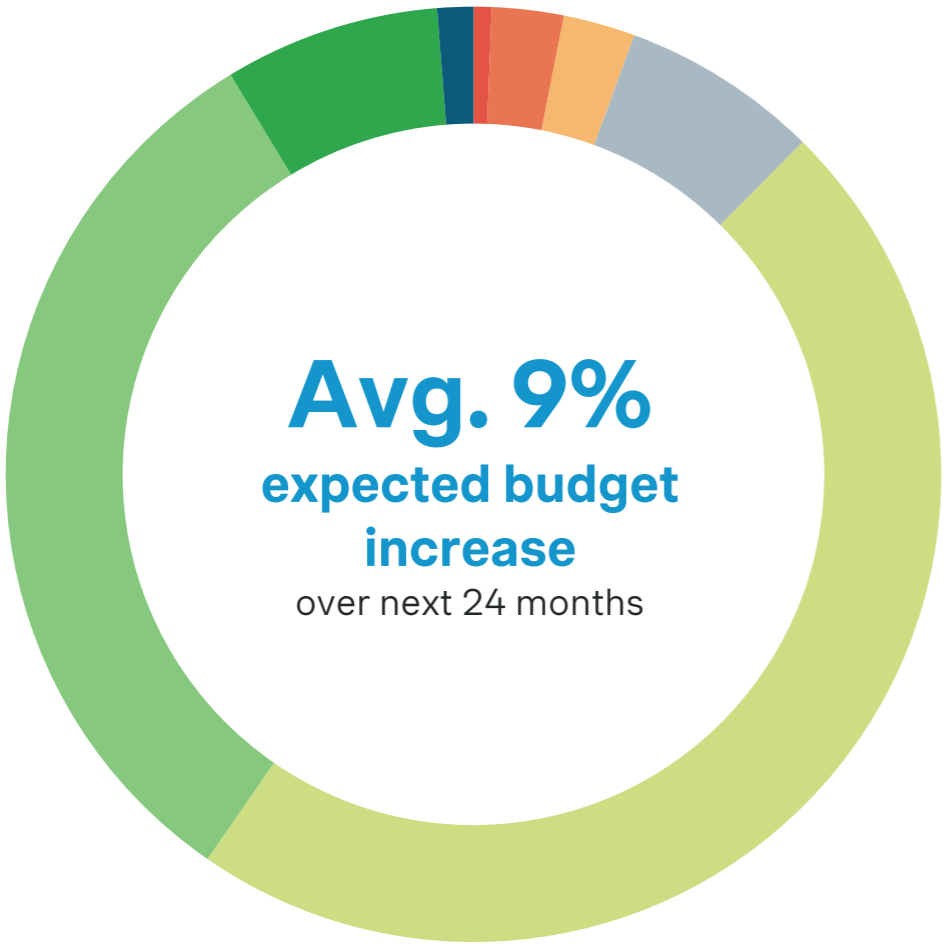


European budgets are a larger share of revenue than their North American counterparts!

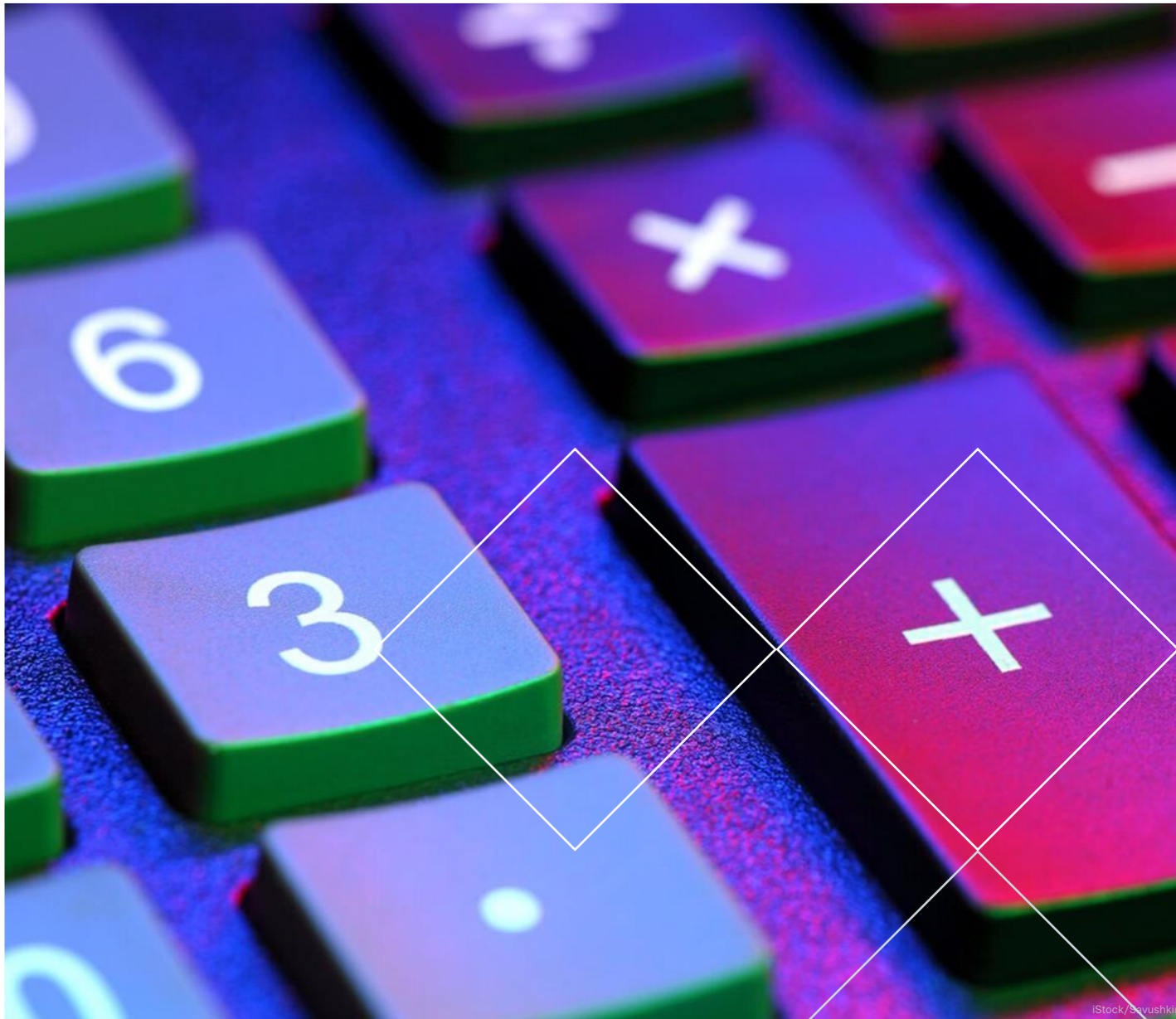
Q: In the past 24 months, approximately what percentage of your company's total gross revenue across all regions was allocated to software purchases?
Source: Simon-Kucher Global Software Study for Buyers 2025 (n=130)

Buyers plan meaningful increases in software spend over the next two years

Expected software budget change over next 24 months



- Decrease by 30%+
- Decrease by 10% to <20%
- Decrease by <10%
- No change
- Increase by <10%
- Increase by 10% to <20%
- Increase by 20% to <30%
- Increase by 30%+



Q: How do you expect your annual software budget (including both existing software spend, upgrades, and new software purchases) to change in the next 24 months?
Source: Simon-Kucher Global Software Study for Buyers 2025 (n=161)

Top Budget Growth Drivers

Digital Transformation and Business Growth

Top 5 reasons for Budget Increases ♦

- 1** **Planned investments in digital transformation initiatives:** 43% of respondents
- 2** **Higher budget due to business growth:** 38% of respondents
- 3** **Expansion into new markets or customer segments:** 38% of respondents
- 4** **Need to replace** outdated or legacy systems: 37% of respondents
- 5** **Greater emphasis** on innovation or competitive differentiation: 35% of respondents

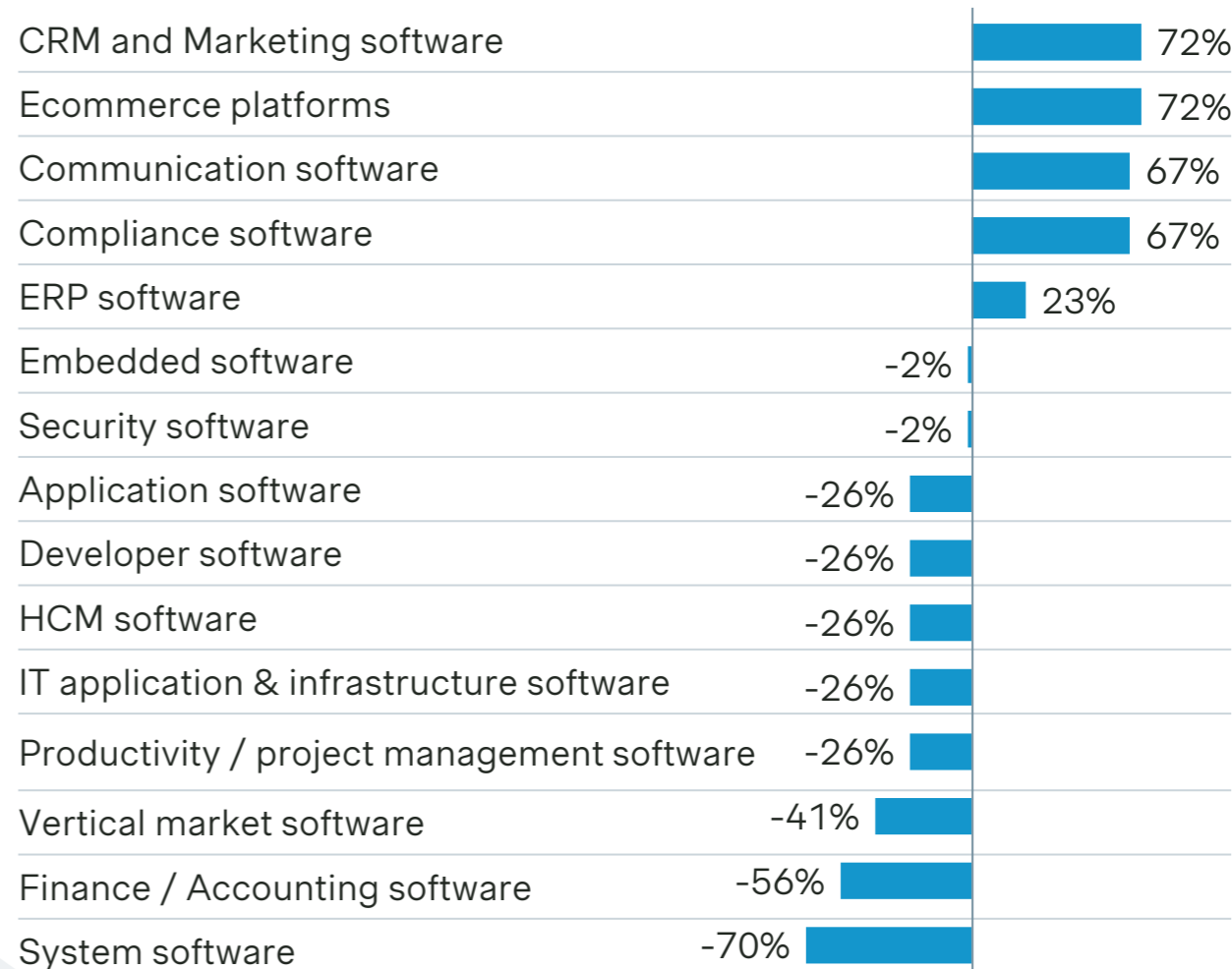
Q: Why do you expect your software budget to increase?
Source: Simon-Kucher Global Software Study for Buyers 2025 (n=141)

AI is already here: Over half of buyers have adopted third-party solutions primarily in GTM software, communication software, and compliance

Companies that have bought AI in the last 24 months (as % of software buyers)



Areas where AI is bought (% of buyers vs. average)

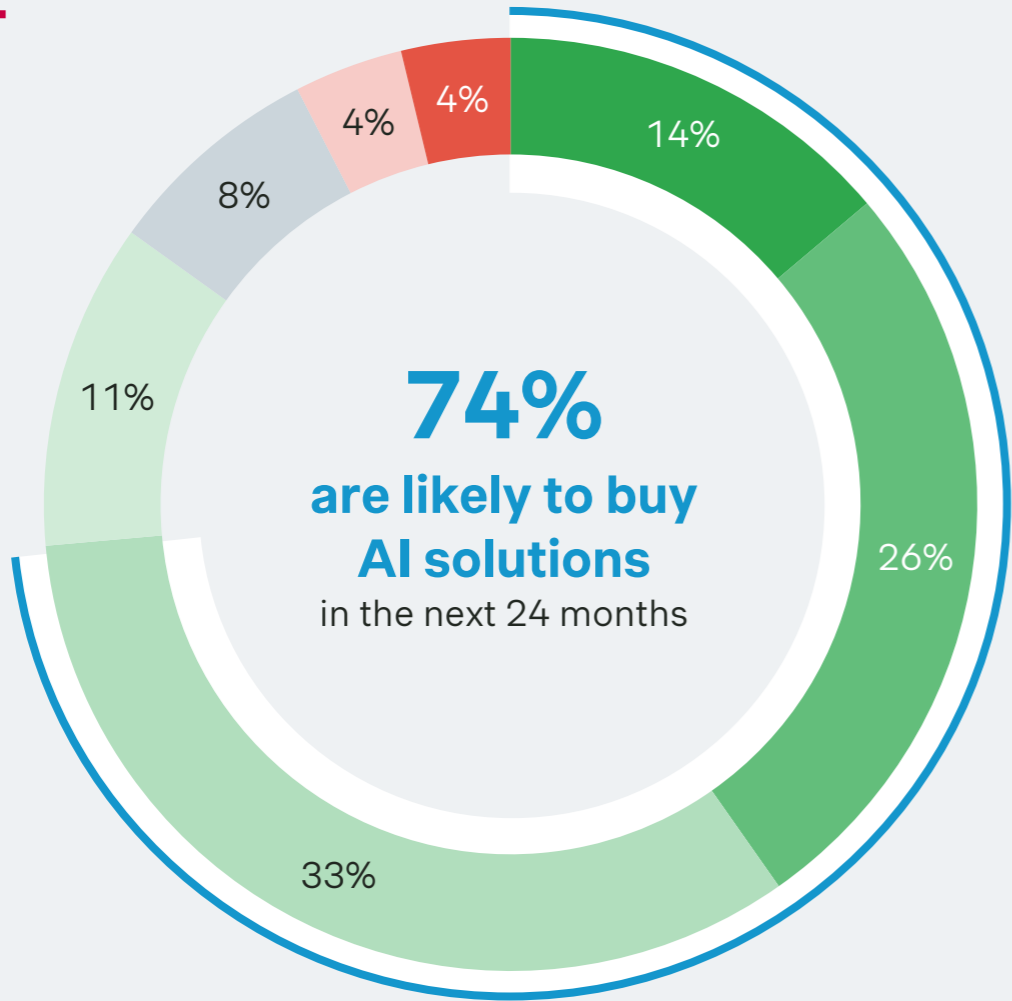


Q: Has your company purchased any new AI software solutions / modules / add-ons / features from third-party vendors in the last 24 months?; Q: In which software categories have you purchased AI solutions in the last 24 months?
Source: Simon-Kucher Global Software Study for Buyers 2025 (n=161)

Three out of four buyers expect to implement new AI solutions in the near future – a strong signal for broad market readiness



Likelihood of buying next AI solutions



■ Extremely likely ■ Very likely ■ Likely ■ Somewhat likely ■ Somewhat unlikely ■ Unlikely ■ Not likely at all

Q: How likely is your company to purchase or develop new AI solutions for internal use in the next 24 months?
Source: Simon-Kucher Global Software Study for Buyers 2025 (n=159)

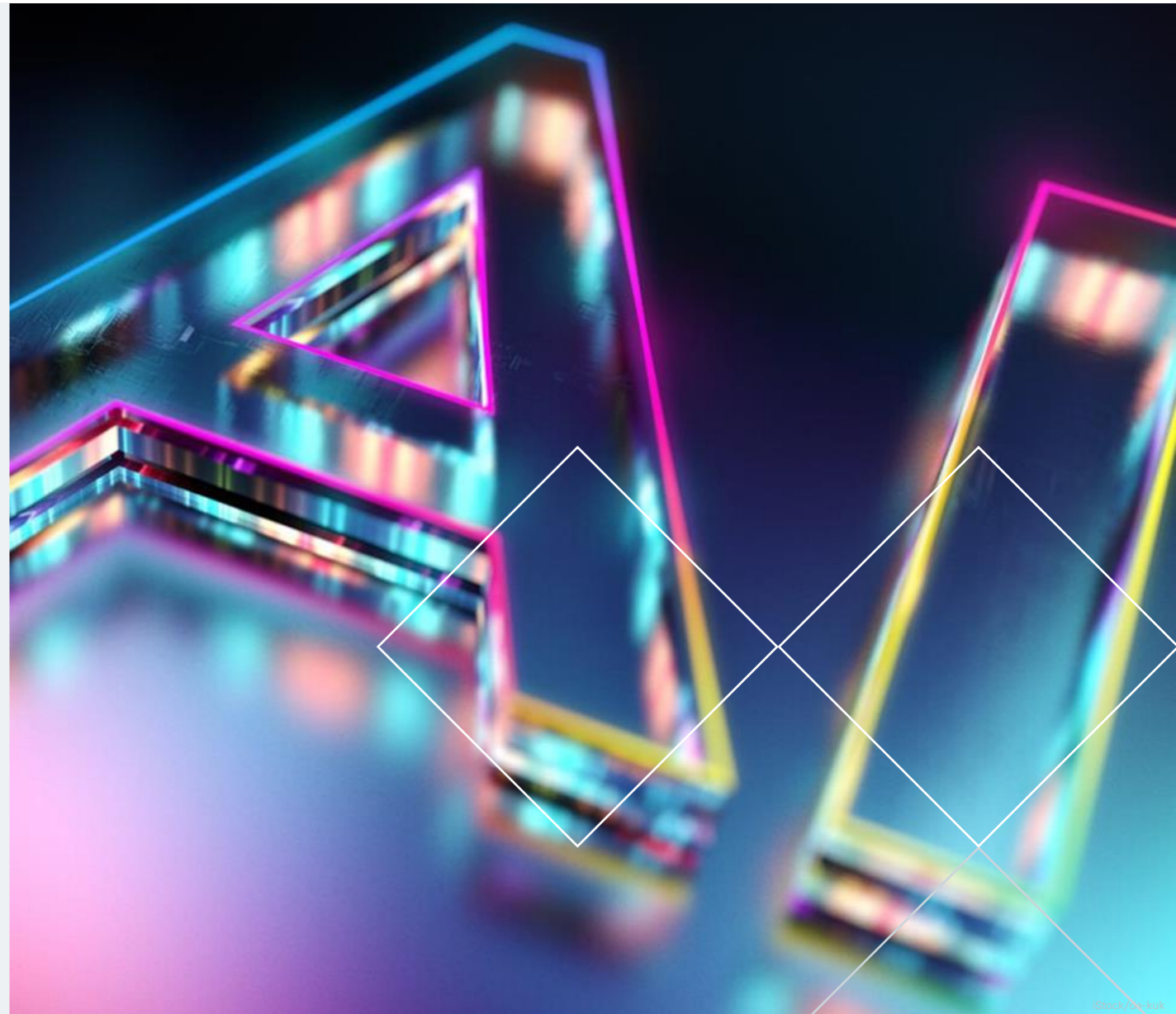


Photo: Shutterstock

Usage-based pricing is preferred by 76% of AI buyers

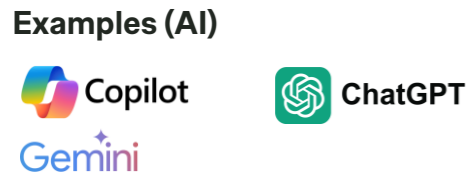
Pricing model

Referred to as **User-based pricing**



Seats
Number of users

- Pricing metrics**
- Unique users
 - Concurrent users



Preferred by 14% of buyers

Referred to as **Usage-based pricing**



Resource
Cost to serve

- Pricing metrics**
- Compute time
 - Storage

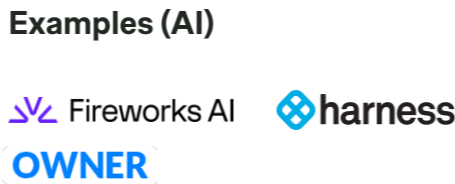


Preferred by 18% of buyers



Activities
Derivative of resource consumption

- Pricing metrics**
- Credits
 - Tokens (Input + Output)
 - Emails sent



Preferred by 25% of buyers



Output
Derivative of outcomes

- Pricing metrics**
- # of [content] generated
 - # of Complete tasks



Preferred by 33% of buyers

Referred to as **Outcome-based pricing**



Outcomes
Customer value & success

- Pricing metrics**
- % chargeback
 - # of resolved queries / cases



Preferred by 10% of buyers

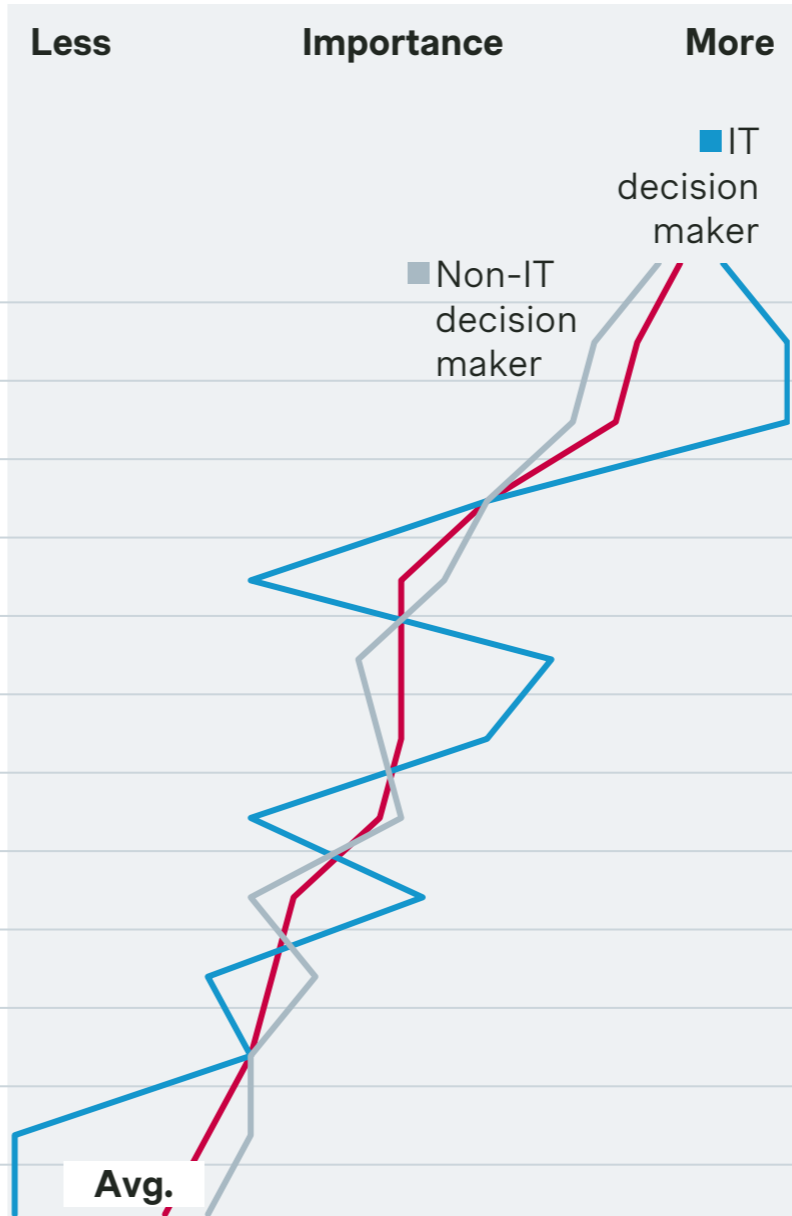
Q: What pricing model would your organization prefer for new AI solutions?
Source: Simon-Kucher Global Software Study for Buyers 2025 (n=153)

AI purchase criteria differ between IT and non-IT buyers: Sales strategies must reflect these differences in today's multi-stakeholder buying environment



Top AI purchase criteria (% of buyers for which it is in the top 3 criteria)

| |
|--|
| Ease of integration |
| Accuracy & performance |
| Security & compliance |
| Customization & flexibility |
| AI transparency & control |
| Scalability |
| Support & documentation |
| Deployment speed |
| Total cost of ownership (i.e. price level) |
| Breadth of functionality & features |
| Domain-specific expertise (incl. ability to train on company data) |
| Vendor reputation |
| Pricing model; i.e., transparent pricing, predictable pricing, use-based pricing |



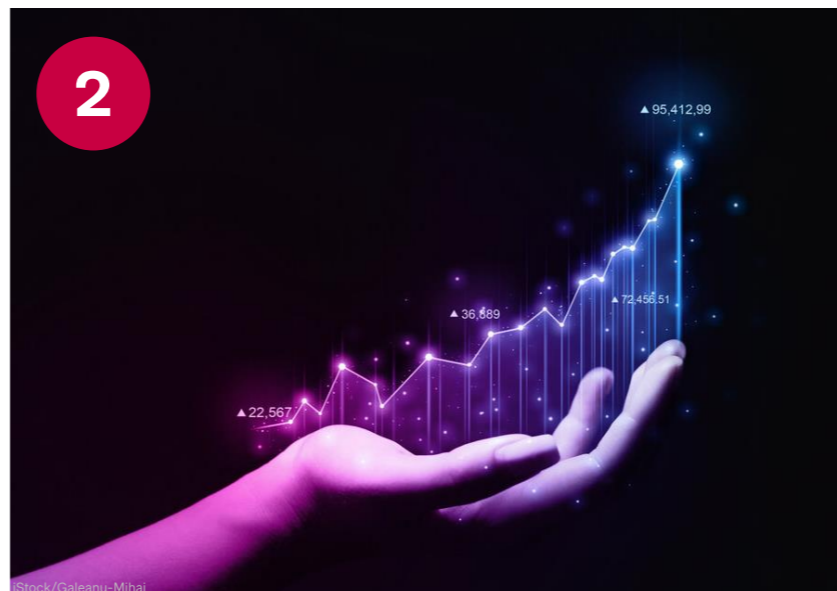
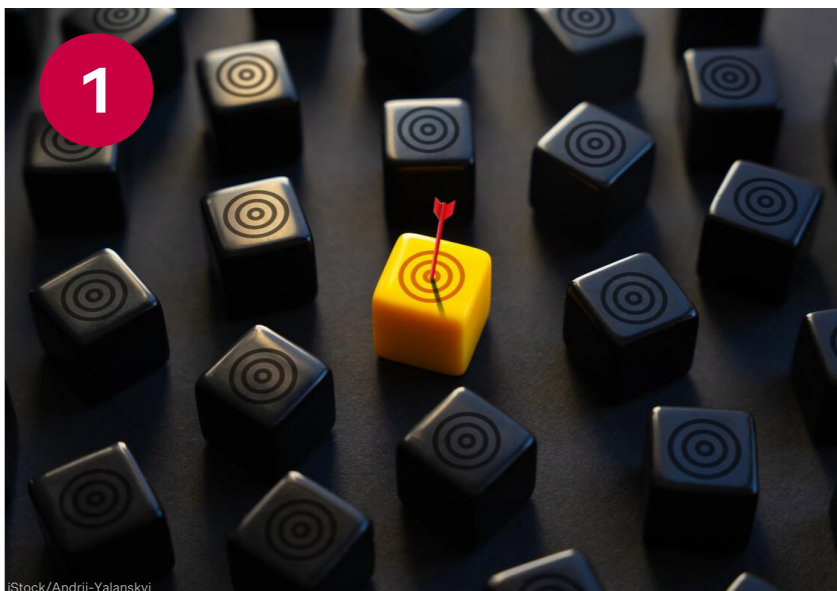
Key insights



- IT vs. non-IT decision makers have different priorities in their AI purchasing decisions
- IT decision makers disproportionately care more about:
 - Accuracy & performance
 - Security & compliance
 - Total cost of ownership
- Non-IT decision makers disproportionately care more about:
 - AI transparency & control
 - Scalability
 - Deployment speed

Q: Assume your company plans to purchase an AI solution from a third-party vendor in the next 24 months. Which of the following factors would be the most important in your decision-making?
 Source: Simon-Kucher Global Software Study for Buyers 2025 (n=161)

Customer Success, Pricing Strategy, and Sales Enablement are three tools that can address part of AI buyer concerns



Why Customer Success Strategy matters

31%

Worry about **difficulty of using**

23%

Worry about **executive support**

Why Pricing Strategy matters

24%

Worry about **total cost of ownership**

23%

Worry about **pricing or contract flexibility**

Why Sales Enablement matters

31%

Worry about **lack of clear business impact**

23%

Worry about **vendor reliability**

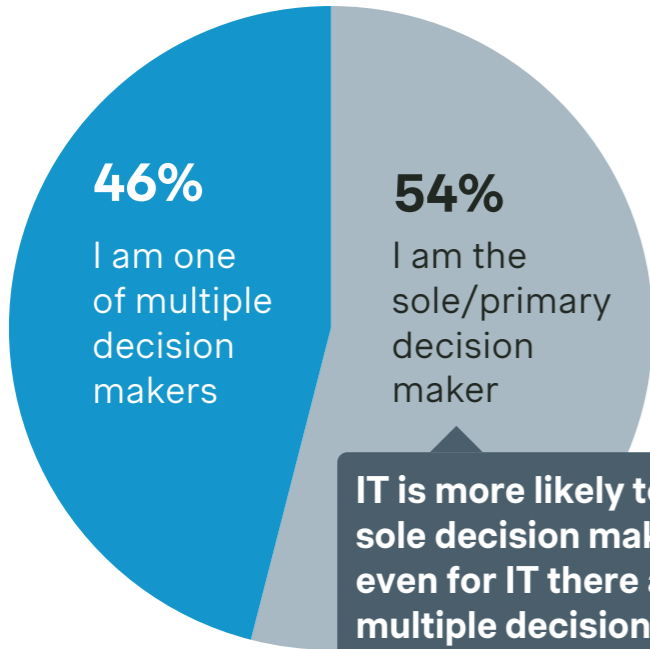
91% of respondents expressed at least one and 50% at least two of these concerns

Q: What is holding you back from purchasing new AI solutions in the next 24 months? | Note: Question was not shown to respondents who said they were "extremely like" to purchase or develop new AI solutions in the next 24 months
Source: Simon-Kucher Global Software Study for Buyers 2025 (n=137)

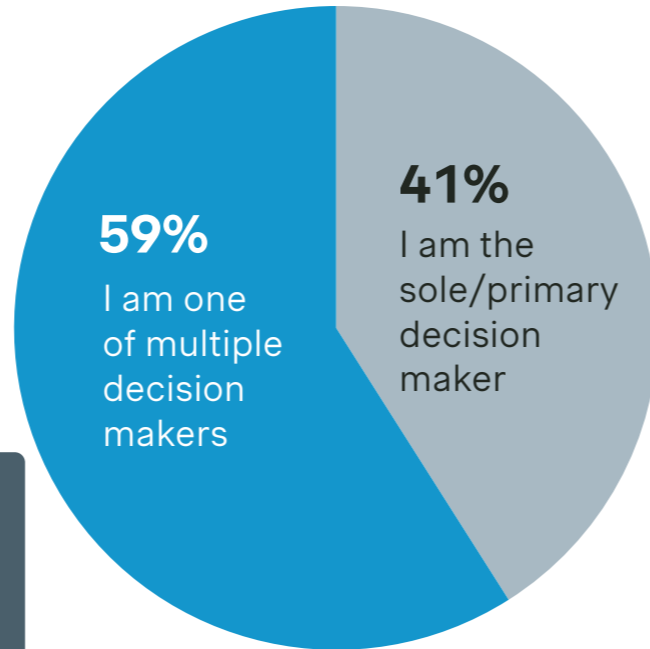
Deals typically have multiple decision makers, regardless of company size

Decision maker

Role of buyer: IT



Role of buyer: Non-IT



IT is more likely to be the sole decision maker, but even for IT there are often multiple decision makers



Key insights

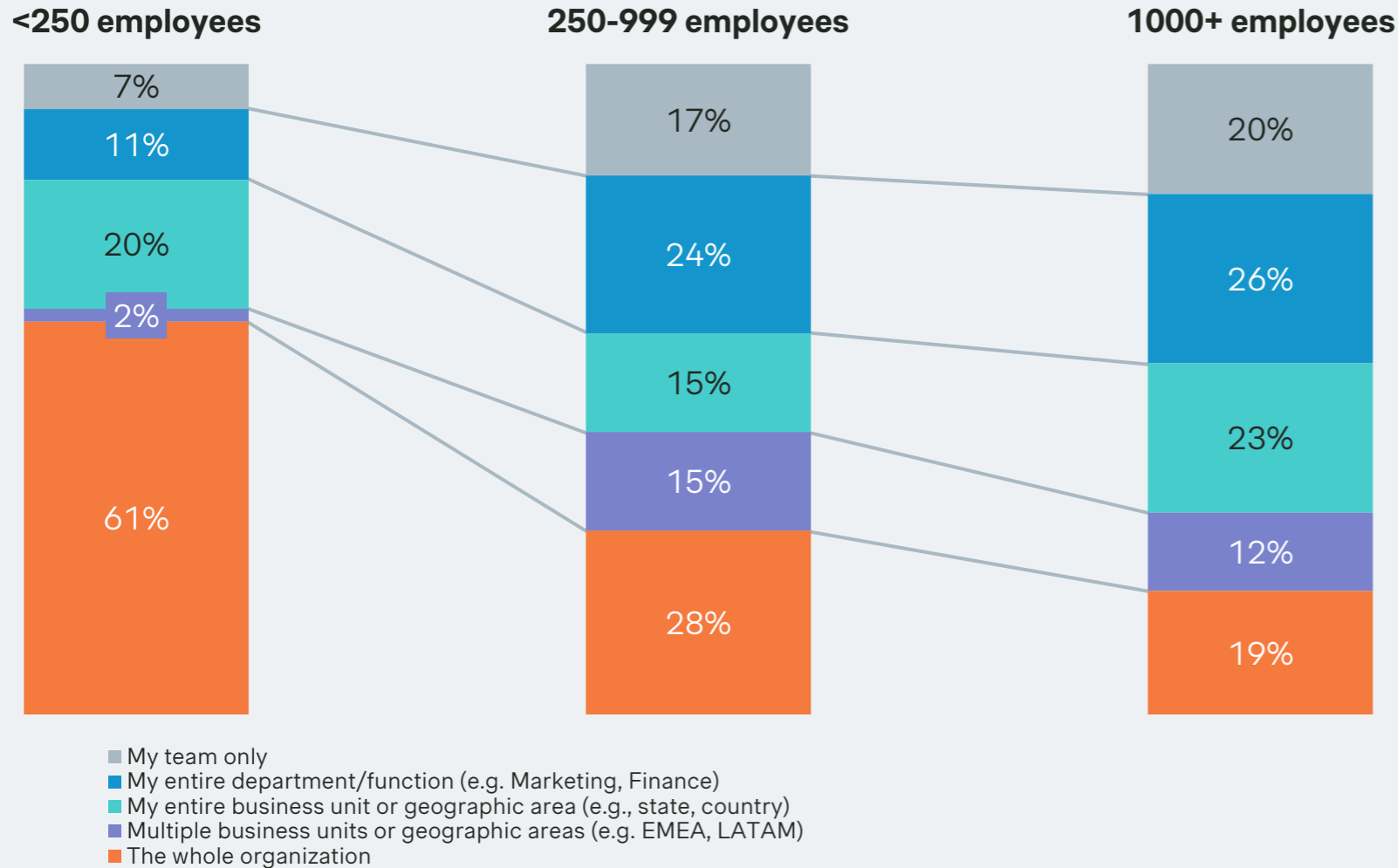
This holds regardless of company size!

Q: Which of the following best describes your involvement in the following activities at your company? Evaluating and selecting software vendors
Source: Simon-Kucher Global Software Study for Buyers 2025 (n=161)

As company size grows, software buying authority shifts downward which requires a radically different account management approach

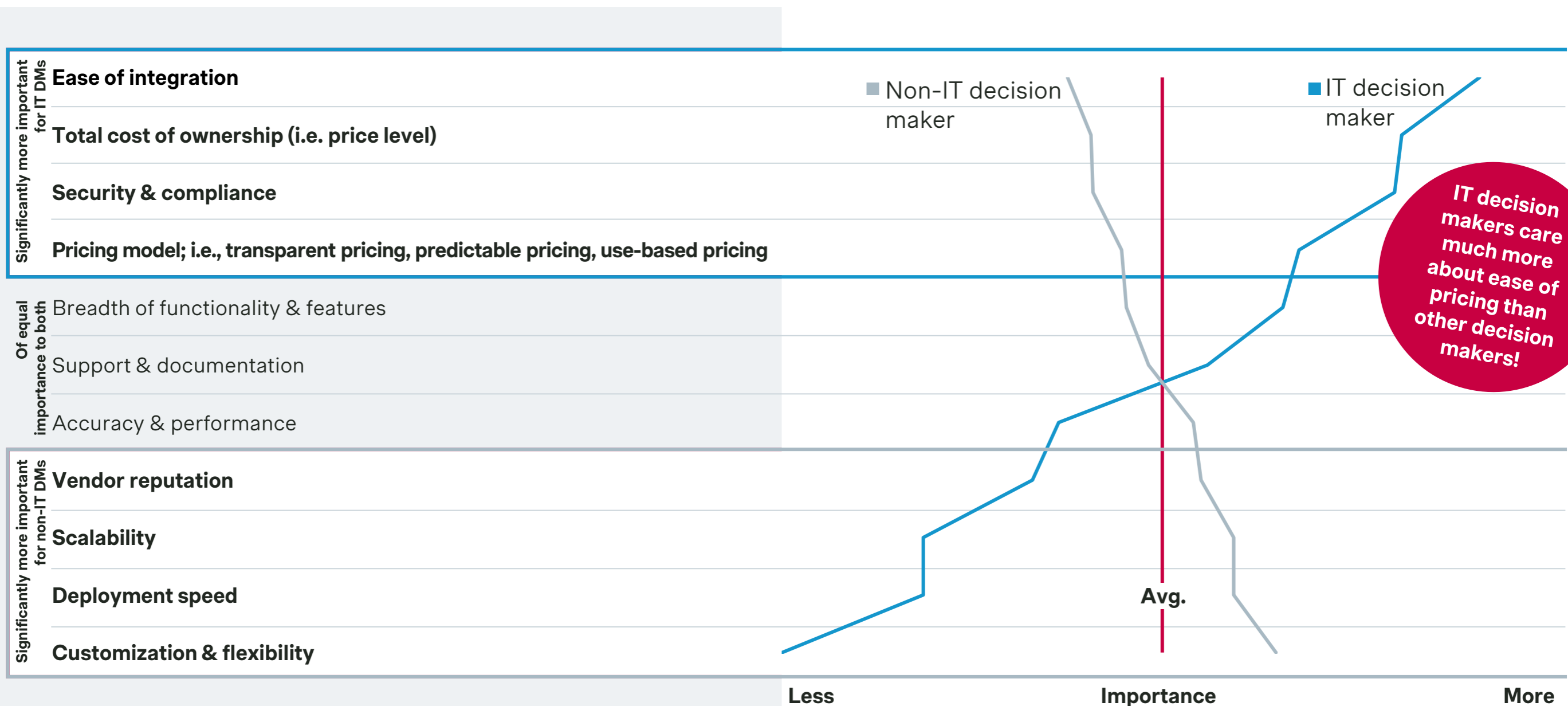


Decision-making authority by number of employees



Q: What is the highest level within your organization at which you typically make or influence software purchasing decisions?
Source: Simon-Kucher Global Software Study for Buyers 2025 (n=161)

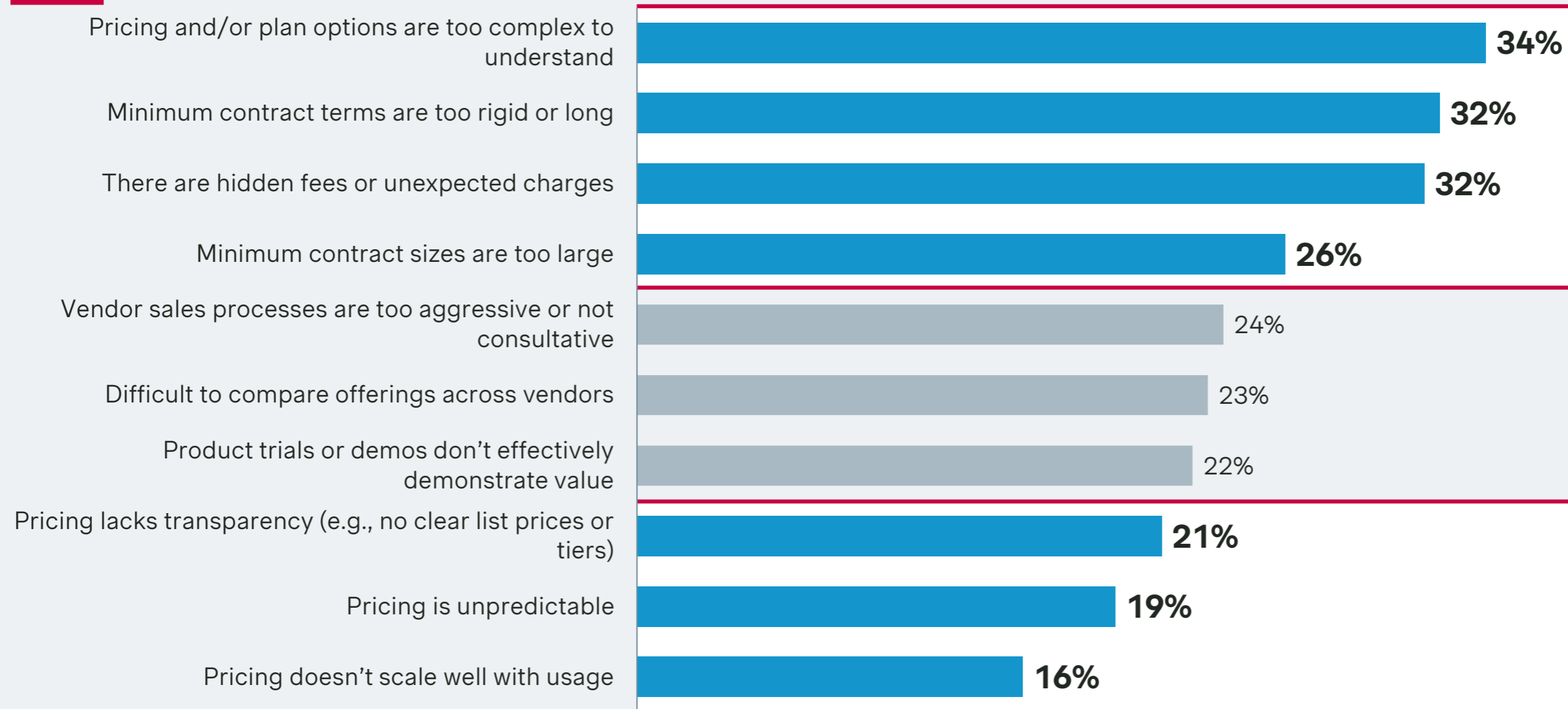
IT vs. non-IT decision makers have very different priorities which is important to be mindful of in sales conversations



Think about the last software purchase or upgrade that you were involved in. Which of the following factors were the most important in your decision-making? | Note: Percentages are % respondents that selected it in their top 3 purchase criteria
 Source: Simon-Kucher Global Software Study for Buyers 2025 (n=161)

Pricing is the biggest source of friction in the buying process

Top frustrations in buying process (% of buyers for which it is a top 3 frustration)

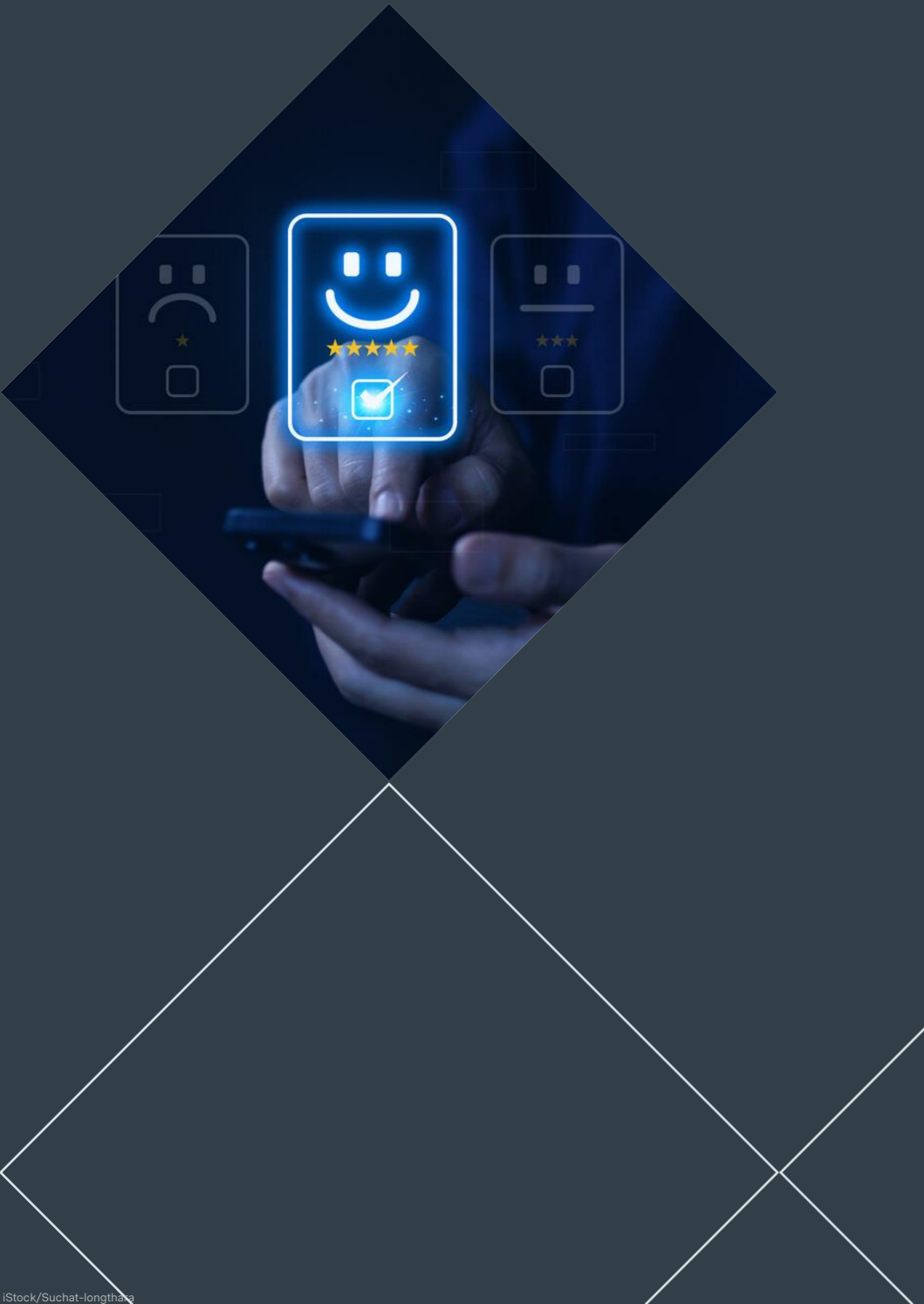


Most buyer frustrations stem from pricing!

Frustrations are similar between IT and non-IT decision makers!

Q: What are your biggest frustrations when purchasing software?
 Source: Simon-Kucher Global Software Study for Buyers 2025 (n=161)

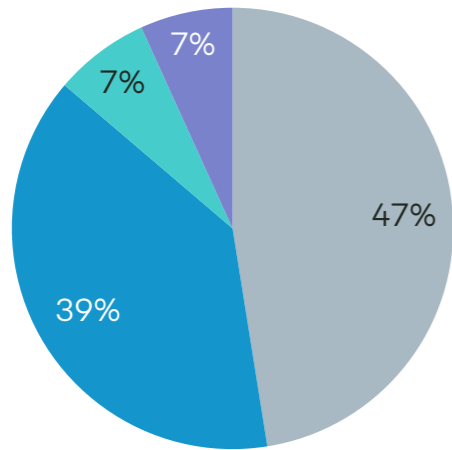
About the study



Target audience - Sellers: The study has a global reach, covers companies with different end-markets, and covers companies with different company size



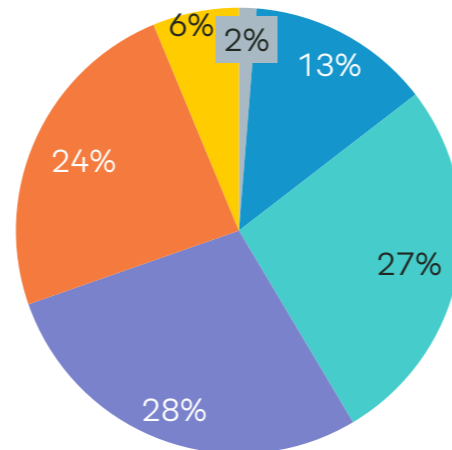
HQ Region of SaaS execs



- Europe
- North America
- Asia Pacific (excl. Australia & New Zealand)
- Australia & New Zealand

Study has a global reach

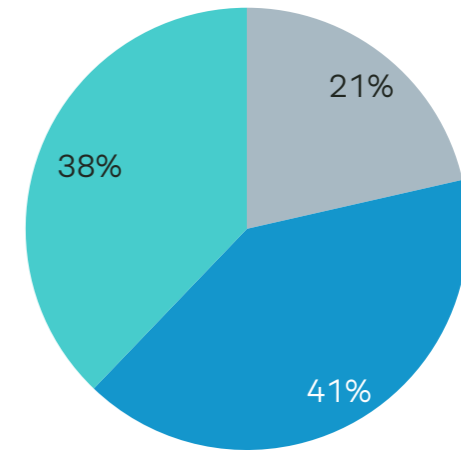
End-customer of respondents



- Solo entrepreneurs
- Small businesses
- Small to medium businesses
- Upper mid-market businesses
- Mid-market businesses
- Large enterprise businesses

Study covers companies which serve different end-markets

Company size of SaaS execs*



- <\$ 1 million to <\$ 10 million
- \$ 10 million to <\$ 250 million
- ≥ \$ 250 million

Study covers companies which are different in size

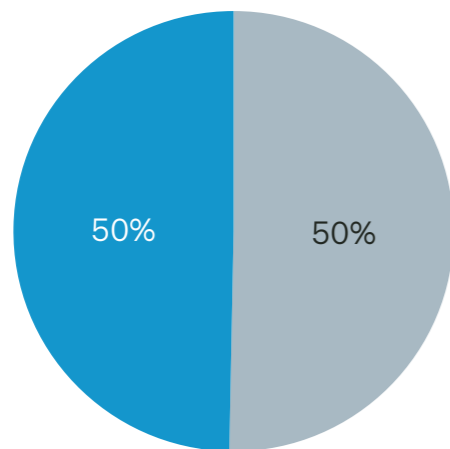


500+ executives and leaders responded to our study

Note: *Currency is € for European companies
Source: Simon-Kucher Global Software Study for Execs 2025 (n=516)

Target audience - Buyers: The study has a global reach, covers companies from different industries, and covers companies with different company size

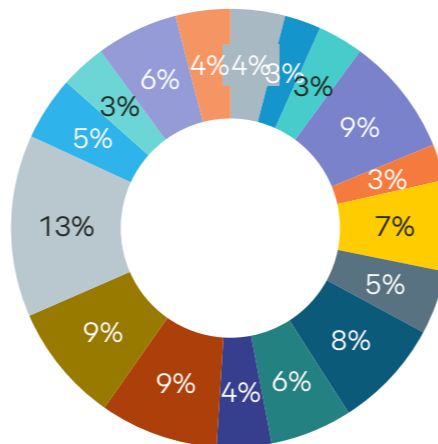
HQ Region of SaaS buyer



- Europe
- North America

Study covers North America and Europe

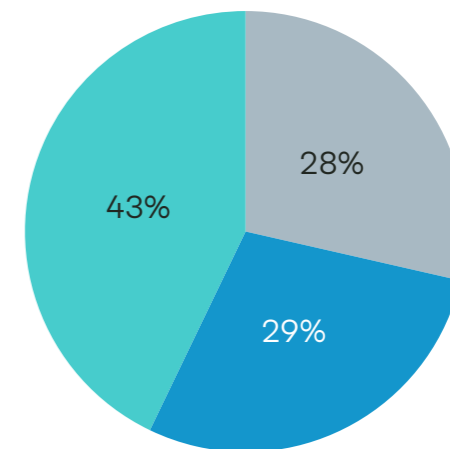
Industry of SaaS buyers



18 industries represented

Study covers companies from different industries

Company size of SaaS buyers*



- 1 - 249 employees
- 250 - 999 employees
- 1000+ employees

Study covers companies which are different in size


Key insights


160+ buyers responded to our study


Note: *Currency is € for European companies
Source: Simon-Kucher Global Software Study for Buyers 2025 (n=161)


About us: Simon-Kucher has experts across the globe


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


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We have a pool of 100+ dedicated associates

Thank you!

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