

From Niche to Known: Growing PaaS Market Awareness

How to reach your target group at a reasonable cost?

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Challenge Context

High customer acquisition cost (CAC) is a common struggle for PaaS businesses. Companies often need to use significant resources to acquire a single customer, due to:

Education Burden

Consumers are often unaware and not actively looking for "as-a-service" alternatives when they have a need. PaaS companies may then put significant effort towards educating prospects instead of selling the services.

Being Right On Channel and Timing

Not every marketing channel is effective. It is often complex to identify channels where you can reach customers at the precise moment they have a specific need your service can solve.

The Targeting Dilemma

Companies face a strategic choice: focus on marketing for a broad audience to build general awareness, which is prohibitively expensive, or focus on a narrow niche, which may limit growth potential.

Considerations B2B vs B2C

There are few synergies between B2B and B2C go-to-market approaches. The strategies differ significantly, as seen below.

B2C: It is easier to find niche audiences, but this often leads to one-time transactions with high acquisition costs.

B2B: Successful partnerships can lead to valuable recurring business and larger contracts, but reaching the right stakeholder is more complex and requires building deeper trust.

The strategic solutions that follow can be adapted and applied to both B2B and B2C contexts to address these shared challenges.

Reducing Customer Acquisition Costs in PaaS

Challenge: Education Burden

Your messaging might be focusing too much on education or promote "rental" or "as-a-service" too broadly, leaving customers to figure out when and how an offering applies them. Presenting too much or irrelevant information cause confusion and makes marketing inefficient.

Strategy: Make Communication Specific and Relevant

Shift from General to Specific Use Cases



Categorise your offerings to well-defined customer need, event or use-case (e.g., temporary projects, seasonal demand). Specifying your offerings will ensure you have clarity regarding your target groups, and their respective needs. Categorisation also provides immediate context to your customers and makes the value proposition self-evident.

Focus on Value to Prevent Information Overload



Instead of giving comprehensive explanations of your business model or offerings, simplify communications: focus on what's relevant to the specific customer. This prevents overwhelming prospects with information, and allows focus on what is relevant.

Your USP Won't Be Sustainability



Position practical benefits, such as cost efficiency, operational convenience, or flexibility, as primary selling points. Sustainability is often "Priority C" - frame it as a positive outcome, not the core sales argument.

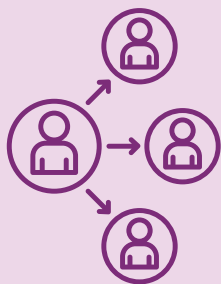
Reducing Customer Acquisition Costs in PaaS

Challenge: Being Right On Channel and Timing

Relying solely on online marketing channels can lead to high and escalating costs. New, organic discovery channels are emerging that can provide more efficient access to prospects.

Strategy: Scale Through Networks

Prioritize Third-Party Credibility Over Direct Sales



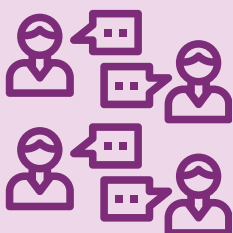
Leverage partners, dealers, or those who have stronger trust relationships with your customers as “evangelists”. Their endorsement is more credible and generates greater customer excitement.

Build Partnerships on Mutual Value



Focus on partners who can enhance their own customer experience by embedding your solution. The goal is to create a multiplier effect beyond a one-time transaction.

Focus Geographically to Benefit From Network Effects



Spreading marketing efforts thinly across regions yields low conversion. Concentrate on building customer density in specific hubs or regions first. This creates organic word-of-mouth and improves marketing ROI.

Reducing Customer Acquisition Costs in PaaS

Challenge: The Targeting Dilemma

There might be hidden factors limiting PaaS growth. Internal sales teams are often trained and incentivized to sell products, not PaaS solutions. This leads to a reactive approach where the service model might be only mentioned if a customer asks.

Strategy: Enable The Service Model

Structure for Partner Enablement



Lower the barrier for third-party partners (e.g., dealers, agents) to recommend your service. This includes creating clear financial models and providing them with simple, effective sales tools. Their closer customer relationships are a powerful leverage point.

Align Sales Teams for Service



Ensure compensation structures are neutral between product sales and service contracts. Invest in specific training to build confidence in articulating the value proposition.

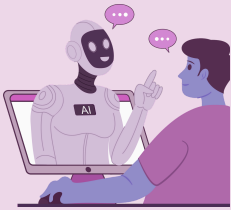
Consider Offline Promotion



While digital channels dominate, customer acquisition costs for targeted offline methods (e.g., strategic event participation, targeted direct mail) can be surprisingly efficient. Test these channels in combination with online efforts.

Emerging Trends

Monitor AI as an Emerging Discovery Channel



AI assistants are beginning to recommend service-based solutions for specific user queries. Track analytics for non-traditional referral sources and consider how to optimize for this organic discovery.

Conclusion

Customer acquisition cost remains one of the biggest challenges for PaaS companies.

The most effective strategies are simplifying communication, focusing on specific use cases, and highlighting practical benefits over sustainability.

Moreover, focus on third-party dealers, as credibility is built more effectively through partners, networks, and existing customers than through direct promotion. Consider your geographic focus and offline promotion strategies to further support efficient customer acquisition.

By concentrating on understanding your key customer groups and focusing on communicating what is relevant to them, PaaS providers can reduce acquisition costs and build stronger foundations for moving from niche to mainstream.

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Got a question?

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