2026 B2B Software Vendor Survey: Growth in a More Competitive, Scrutinized Market

Q1 2026 SaaS Market Outlook Survey

Teneo

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Section 01

Introduction

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We are pleased to release the fourth edition of Teneo's B2B Software Vendor Survey.

This year's survey includes:

- Responses from 300 U.S. software vendors across different sectors, verticals and company sizes
- Focused questions comparing 2025 performance with 2026 expectations across GTM, pricing and product strategy
- Insight into how AI is reshaping buying behavior, competitive dynamics and commercial models across the software market

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Together, these findings highlight the challenges investors and management teams are likely to face in the year ahead, and the strategies market leaders are adopting to navigate a more demanding growth environment.

The research was conducted between December 23rd, 2025 and January 22nd, 2026.

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Section 02

Executive Summary

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Executive Summary

Buyer scrutiny has increased across new-logo sales, as the introduction of AI features is reshaping how buyers evaluate value, pricing and deal terms.

- **Buyer scrutiny is rising among new customers.** Increased scrutiny is now the largest constraint on new logo growth, with 80% of respondents reporting higher requirements for ROI quantification in sales conversations compared to 2024.
- **Performance and optimism diverge between horizontal and vertical vendors.** Horizontals outperformed vertical vendors in 2025 and entered 2026 with greater confidence, reflecting differences in AI exposure, competitive pressure and budget resilience.
- **Expansion has become the primary engine of growth.** 66% of growth in 2025 came from existing customers, a mix expected to persist in 2026. Renewal protection, pricing strategy and cross-sell/upsell are seen as the most critical levers for 2026.
- **Pricing and negotiation are key pressure points.** 31% of respondents cite ‘pricing and negotiation’ as the sales stage where performance deteriorated most in 2025, with vendors expecting pressure on new logo ASPs and renewal price increases in 2026.
- **GTM execution capacity is constraining performance.** Higher turnover across sales and GTM is reducing execution effectiveness, with 66% reporting increased turnover and four out of five saying it negatively impacted target attainment.
- **Competition is increasingly driven by AI-native entrants.** 73% of respondents cite AI-native competitors as the biggest threat, versus only 14% selecting traditional incumbents.
- **AI monetization is converging on simplicity.** 69% of respondents embedded AI capability in the core or premium product and only 2% have rolled out outcome-based pricing, reflecting buyer resistance to variability in software purchasing.

Key Findings

Respondents describe a market where growth remains achievable, but winning requires greater scrutiny, stronger pricing discipline and sharper execution across the commercial model.

Section 03

New Logo Scrutiny

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New logo growth held up in 2025, but it became meaningfully harder to win

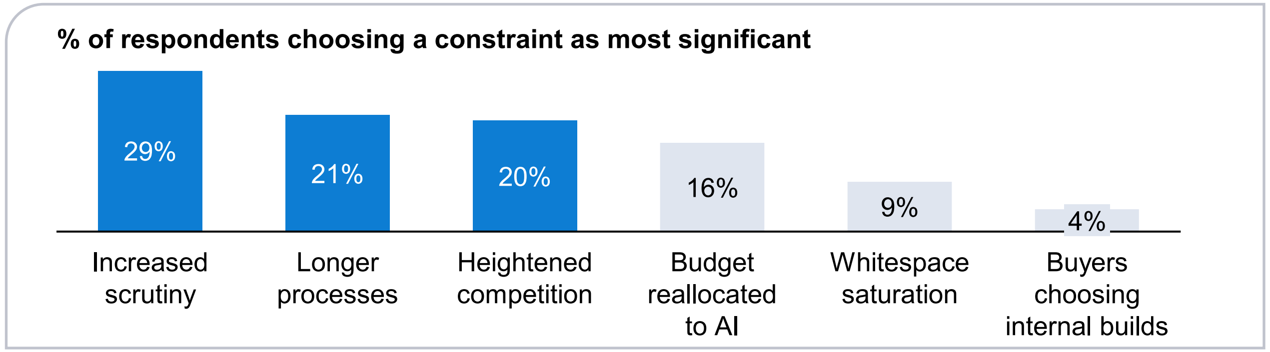
Greater buyer scrutiny raised the bar on ROI proof and sharpened expectations around value.

Growth opportunities were mixed in 2025. **42%** of respondents reported higher win rates year over year,[1] while **57%** met or exceeded new-logo targets, broadly in line with prior years.

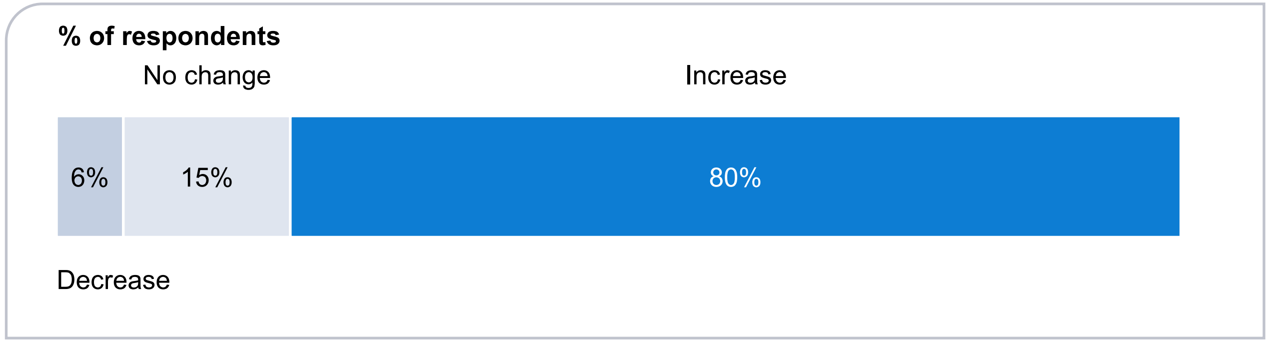
That said, the effort required to win new logos increased materially. The expanding value proposition of AI-driven offerings, alongside heightened competitive intensity from new entrants, has made buyers more selective and more demanding in how vendors justify value.

Respondents cited increased scrutiny, longer decision cycles and heightened competitive intensity as the primary constraints on new-logo growth. In particular, expectations around ROI quantification have risen sharply, raising the bar on how clearly vendors must link pricing to demonstrable value.

Question: What was the most significant constraint on new logo growth in 2025?



Question: How did scrutiny of ROI quantification change in 2025?



Note(s): 1. 38% reported lower win rates, with the remaining 20% reporting no change

Section 04

Software Type Performance

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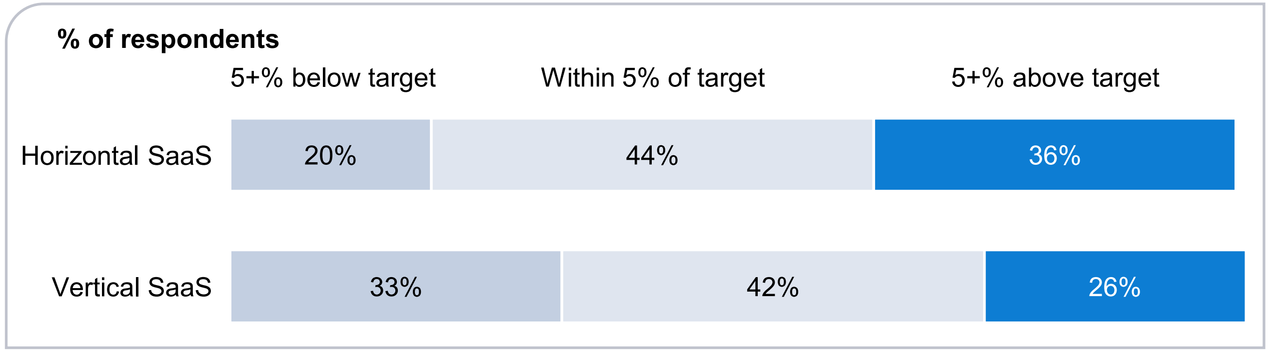
Horizontal software vendors appear to be outperforming vertical peers

Horizontal vendors reported stronger performance in 2025 and higher confidence entering 2026, potentially reflecting differences in how AI is being adopted and monetized across software types.

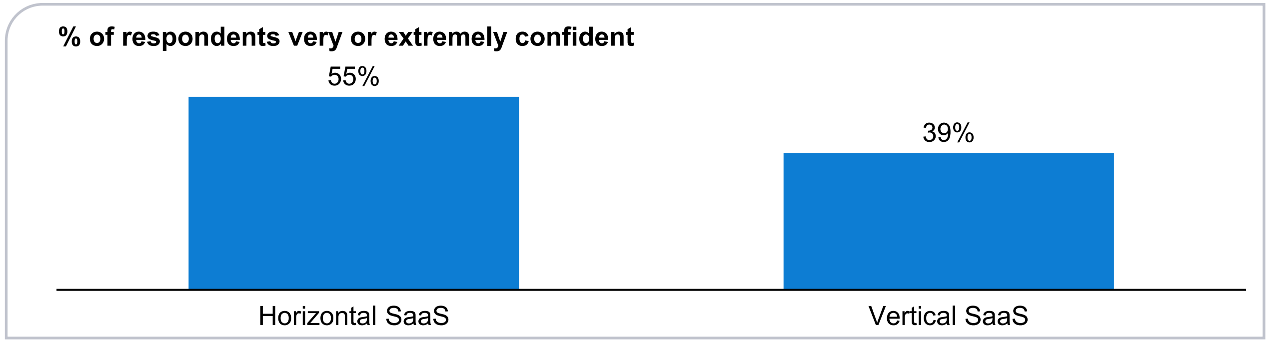
Survey results indicate a clear divergence in performance between horizontal and vertical software vendors. In 2025, horizontal vendors were more likely to exceed new logo targets and report higher confidence heading into 2026, while vertical SaaS performance was more mixed.

While the data does not isolate a single driver of this divergence, differences in AI adoption, monetization approaches and competitive exposure may help explain the gap. Vertical software vendors may be more susceptible to pressure from lower-cost or AI-enabled alternatives, while horizontal vendors appear better positioned to translate AI momentum into near-term performance.

Question: How did your company's new logo bookings perform vs target in 2025?



Question: How confident are you in your company achieving its 2026 new logo target?



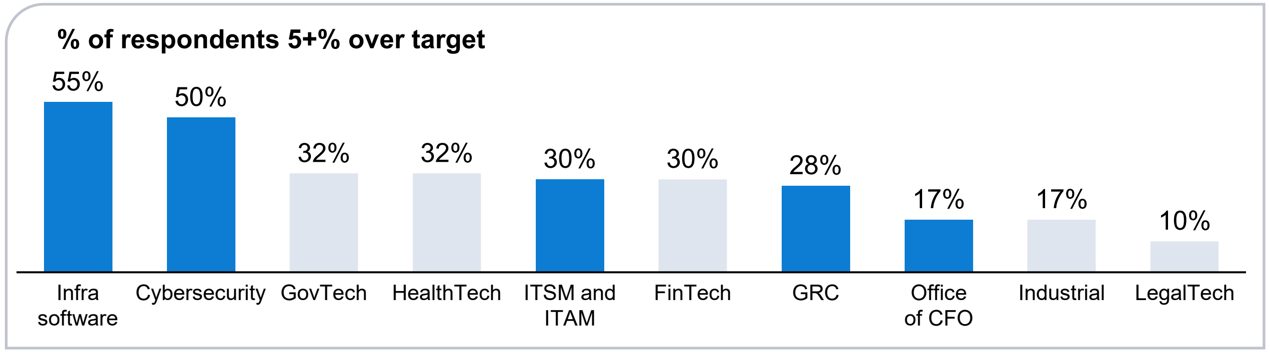
Infra and Cybersecurity vendors have emerged as performance leaders

These categories sit closer to resilient IT spend and appear to be earlier beneficiaries of AI-driven demand.

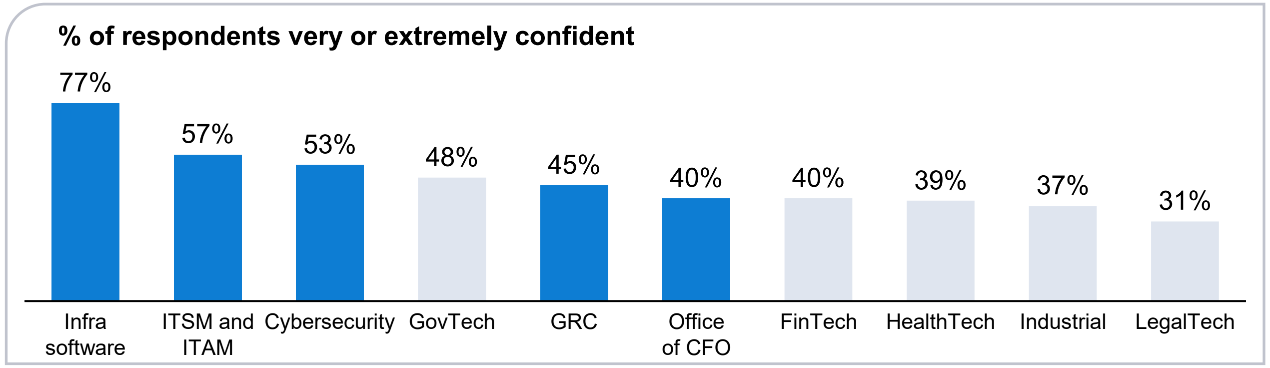
Infra and cybersecurity vendors report stronger new-logo performance in 2025 than other software types, with half or more of respondents in each category exceeding new-logo booking targets by **5%** or more. By contrast, industrial and legal software vendors report the weakest results, with only **17%** and **10%** respectively exceeding targets by the same margin.

Optimism for 2026 is similarly uneven. Infra software again stands out as the most confident segment, with **77%** of respondents reporting high confidence in achieving 2026 new-logo targets. This pattern is consistent with these categories' closer alignment to resilient, foundational IT spend and their position as earlier beneficiaries of AI-driven demand across enterprise environments.

Question: How did your company's new logo bookings perform vs target in 2025?



Question: How confident are you in your company achieving its 2026 new logo target?



Key: Software Type

Horizontal SaaS | Vertical SaaS

Section 05

Existing Base Performance

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Expansion has become the primary engine of growth

With new logo acquisition becoming more difficult, vendors rely on the installed base for growth.

Respondents report that nearly **two-thirds** of growth in 2025 came from the existing customer base, a mix they expect to persist into 2026. This highlights the importance of expansion-led growth in an environment where new logo acquisition is more contested, less predictable and increasingly resource-intensive.

As a result, vendors are placing greater emphasis on renewal protection, pricing strategy and expansion within the existing customer base as the most dependable drivers of performance. High performers disproportionately emphasize pricing strategy as a critical lever, suggesting that disciplined pricing execution is becoming a meaningful differentiator as growth shifts toward the installed base.

Question: Which levers will be most critical to your company's growth in 2026?

Top 3 most critical levers to company growth in 2026

1. Renewal protection
2. Pricing strategy
3. Cross-sell and upsell

% of respondents ranking pricing strategy as their most critical lever

Section 06

Pricing & Negotiation

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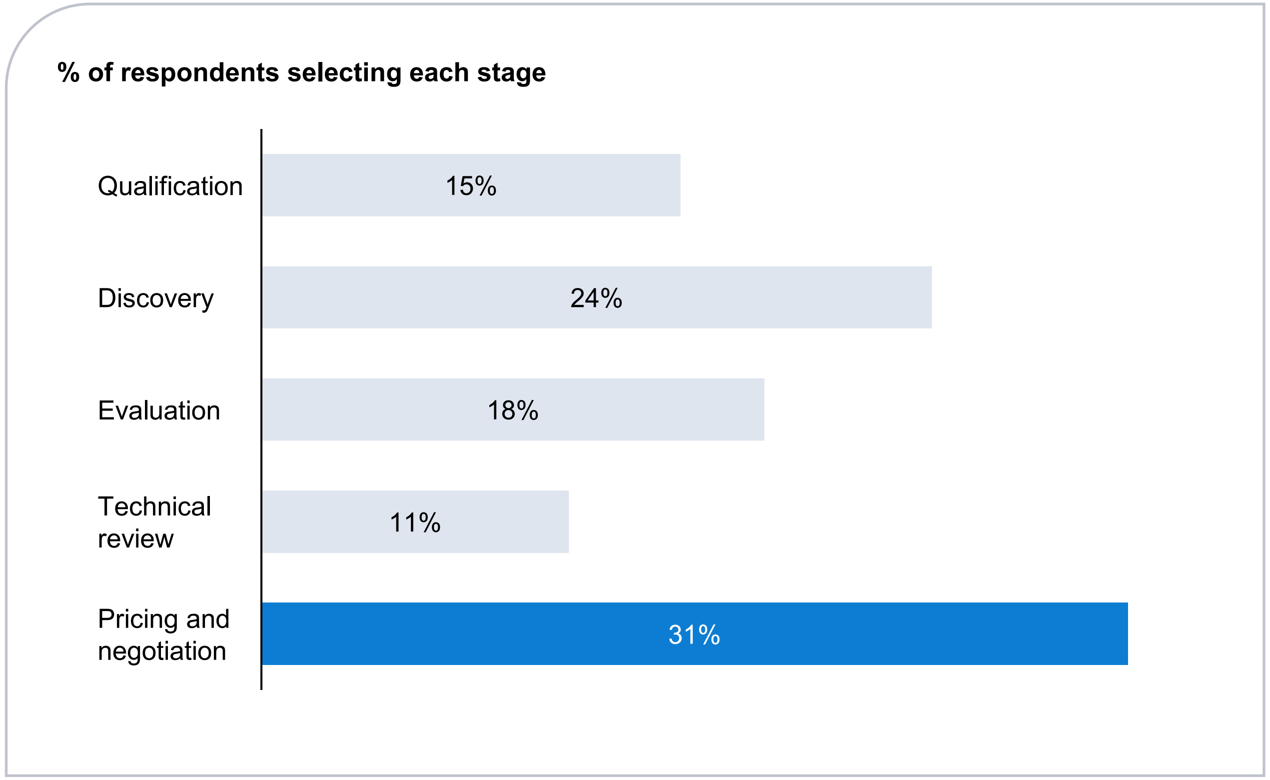
Defending value is increasingly a key differentiator for vendors

In 2026, teams that are better able to drive and maintain prices will see the strongest growth.

Pricing and negotiation have emerged as the primary point of pressure on deal outcomes. Respondents most frequently cite this stage as where performance has deteriorated versus prior years, signalling that commercial discussions, not product fit or technical validation, are increasingly determining win rates.

This shift elevates pricing discipline, value articulation and negotiation capability as critical differentiators in 2026. Vendors that can clearly anchor price to realized value, defend positioning under heightened scrutiny and manage concessions strategically are better positioned to sustain growth.

Question: At which sales stage has performance deteriorated the most vs. prior years?



Pricing pressure is set to intensify in 2026

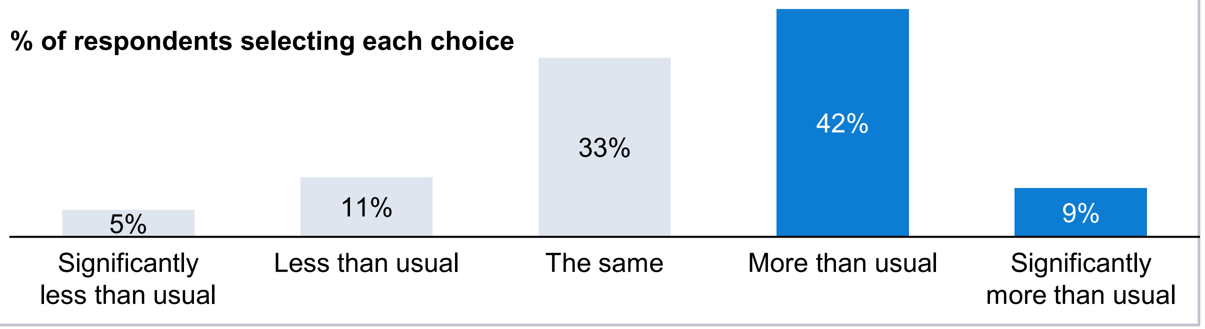
Vendors expect increased pushback on price across renewals and new logos.

Respondents expect renewal price increases to remain meaningful in 2026, with like-for-like renewals landing at **7.6%** on average.

Respondents also, however, expect materially higher pushback in 2026. More than half anticipate greater resistance to price increases, compared to a small minority who expect easing pressure.

When asked where commercial performance is most likely to deteriorate in 2026, respondents point first to pricing-related levers, including new logo ASPs and renewal price increases, underscoring the central role pricing will play in shaping 2026 outcomes.

Question: How much customer pushback on renewal pricing does your company expect in 2026 compared with 2025?



Question: Which commercial growth levers does your company expect performance to worsen the most in 2026 versus 2025?

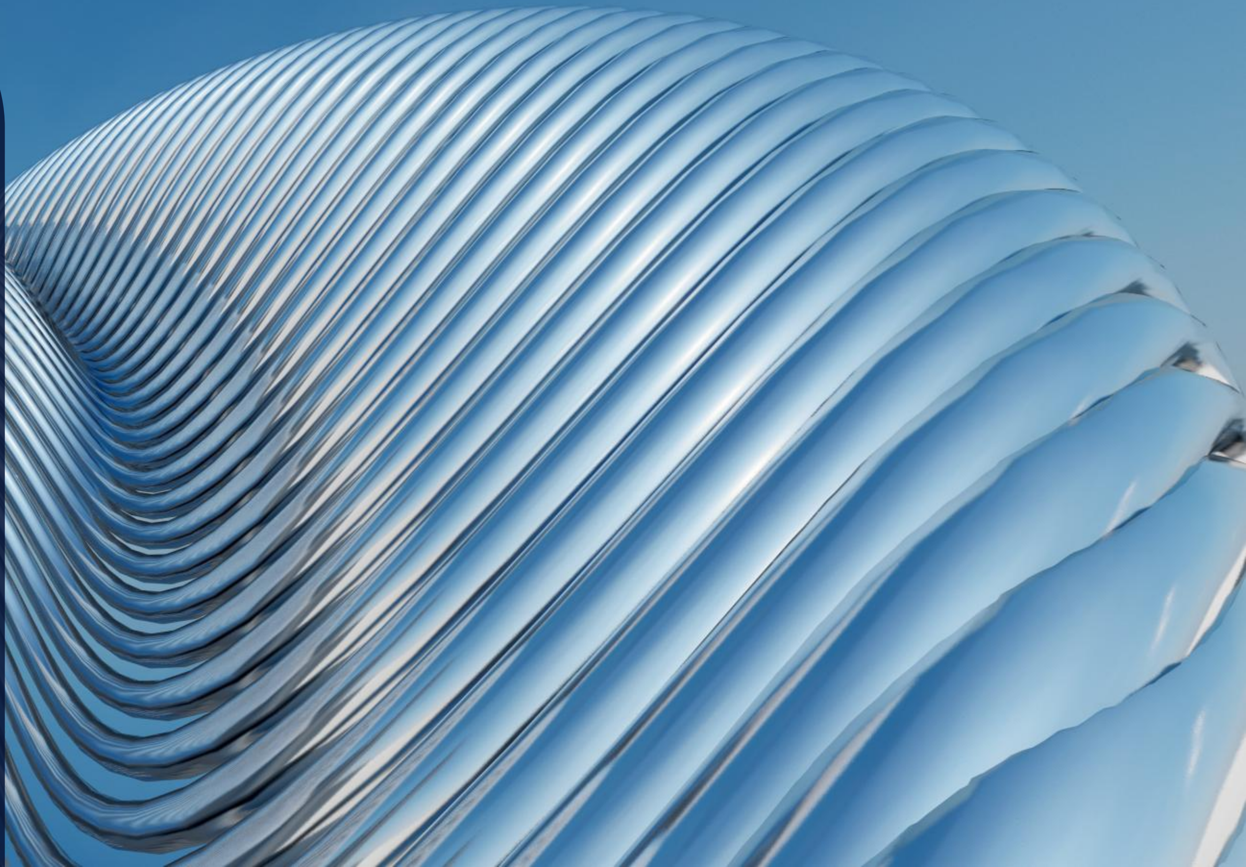
1. New logo ASP

2. Renewal price increases

3. Churn

Section 07

GTM Execution



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GTM execution was a hidden limiter

GTM instability is actively disrupting growth trajectories.

As selling motions become more specialized and value-led, both performance pressure and GTM turnover have increased. Longer ramp times and heavier onboarding requirements mean that turnover now carries a greater productivity cost than in prior years.

In this environment, reducing attrition is not just about retention initiatives but also about making it easier for sellers to win. In practice, this means sharper ICP focus, more repeatable value messaging and clearer commercial structures that reduce friction across the sales motion.

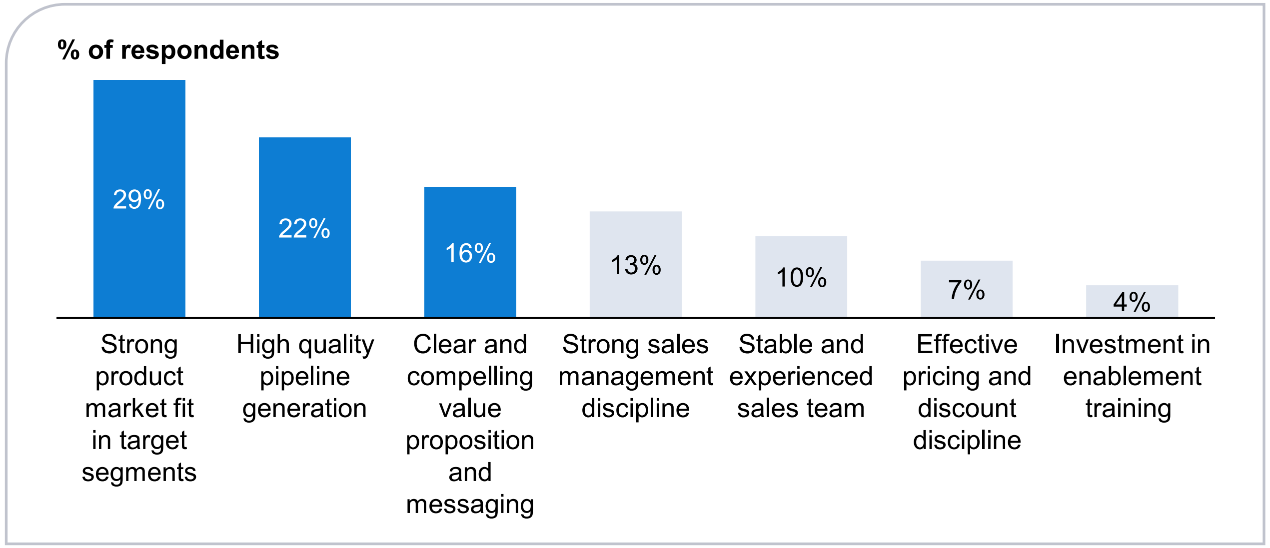
This aligns with respondent views on what drives new-logo outperformance, led by strong product-market fit, higher-quality pipeline generation and clear, compelling value positioning.

Respondents view of GTM org turnover

70% Reported higher GTM turnover in 2025 vs. 2024

4/5 Think it limited ability to hit new logo sales targets

Question: Which practices most correlate to outperforming new logo targets? *(Select main practice)*



Section 08

Competitive Environment

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Competition is increasingly driven by low-cost, AI-native entrants

Ankle-biter market entrants are making buyers increasingly selective.

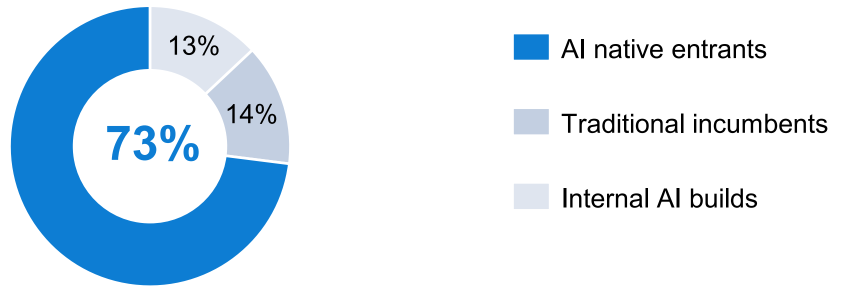
Respondents describe a competitive landscape that is expanding beyond traditional peers. Pressure is increasingly coming from below, with AI-native entrants now viewed as far more material threats to vendors versus traditional incumbents.

Vendors reported that **~20%** of deals were lost to low-cost entrants in 2025, indicating these players are now a meaningful part of the competition and likely to drive buyer decision-making on price and features.

At the same time, more vendors believe their AI roadmaps are ahead of the competition versus behind, suggesting a risk that vendors may be underestimating the pace and impact of AI-led competition as it continues to reshape buyer expectations.

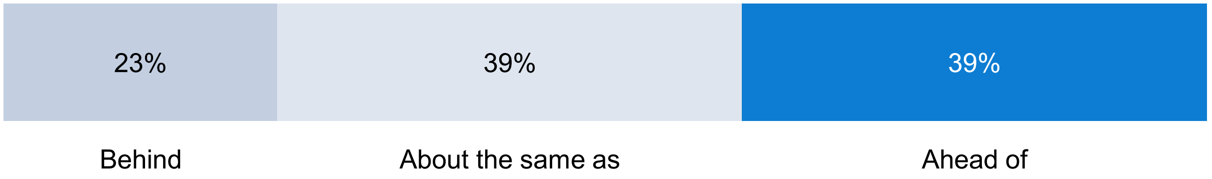
Question: Which single competitive threat had the biggest impact on your company's performance in 2025?

% of respondents choosing each threat



Question: How would you rate your company's position on the maturity of your AI product roadmap compared to competitors?

% of respondents



Section 09

AI Strategy

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AI is now table stakes in sales conversations

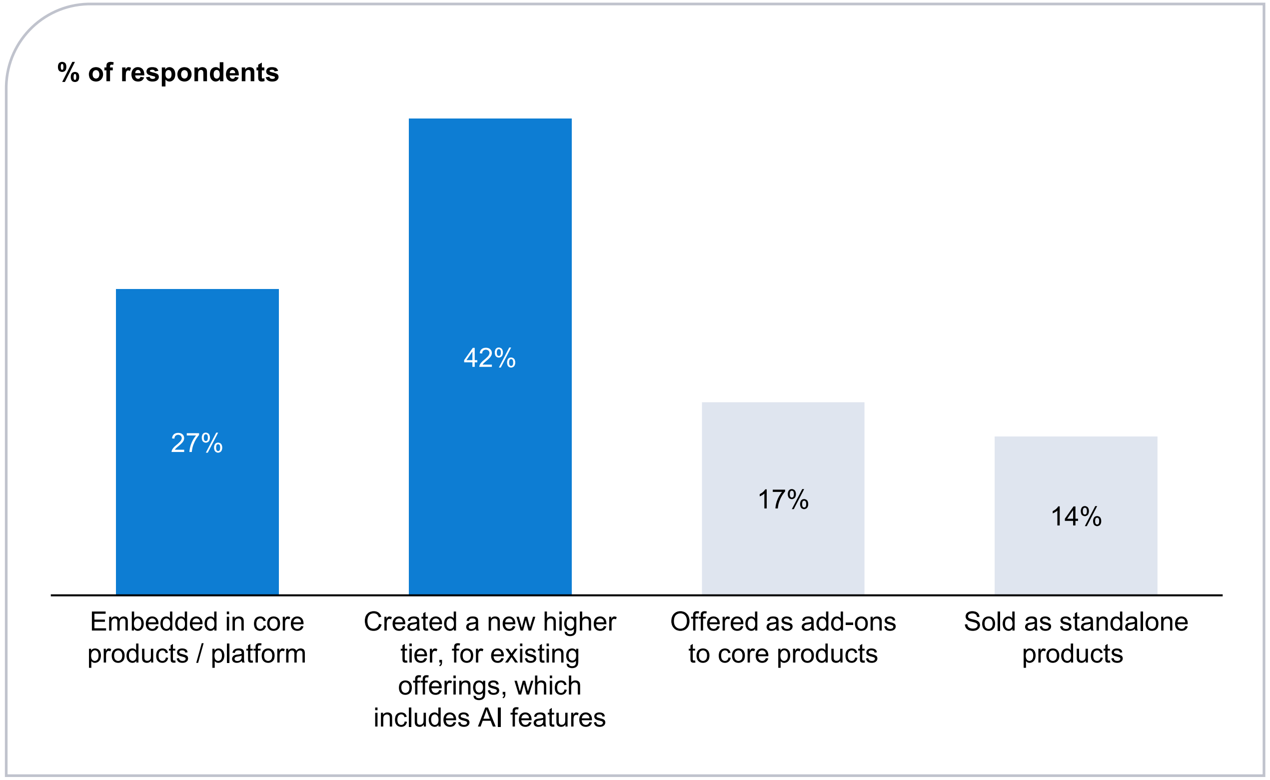
AI roadmaps are increasingly central to sales outcomes, with vendors opting for simplicity in packaging AI features.

AI capability has become a baseline expectation in sales cycles: **90%** of respondents report that their AI roadmap materially influences win probability.

To reduce friction in sales cycles, vendors are prioritizing simplicity in how AI is delivered. **69%** are embedding AI functionality directly into existing products, either within the core offering or through higher-tier packages that bundle AI alongside other features.

Our client work suggests that some vendors are integrating AI into the core product or clearly defined higher-tiers to support adoption and position for longer-term value capture. This approach is also intended to help maintain competitiveness as AI capabilities become more standardized across the market, reducing the risk of feature gaps versus peers.

Question: What primary packaging approach has your company taken to AI monetization?



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There is limited adoption of outcome-based AI pricing models

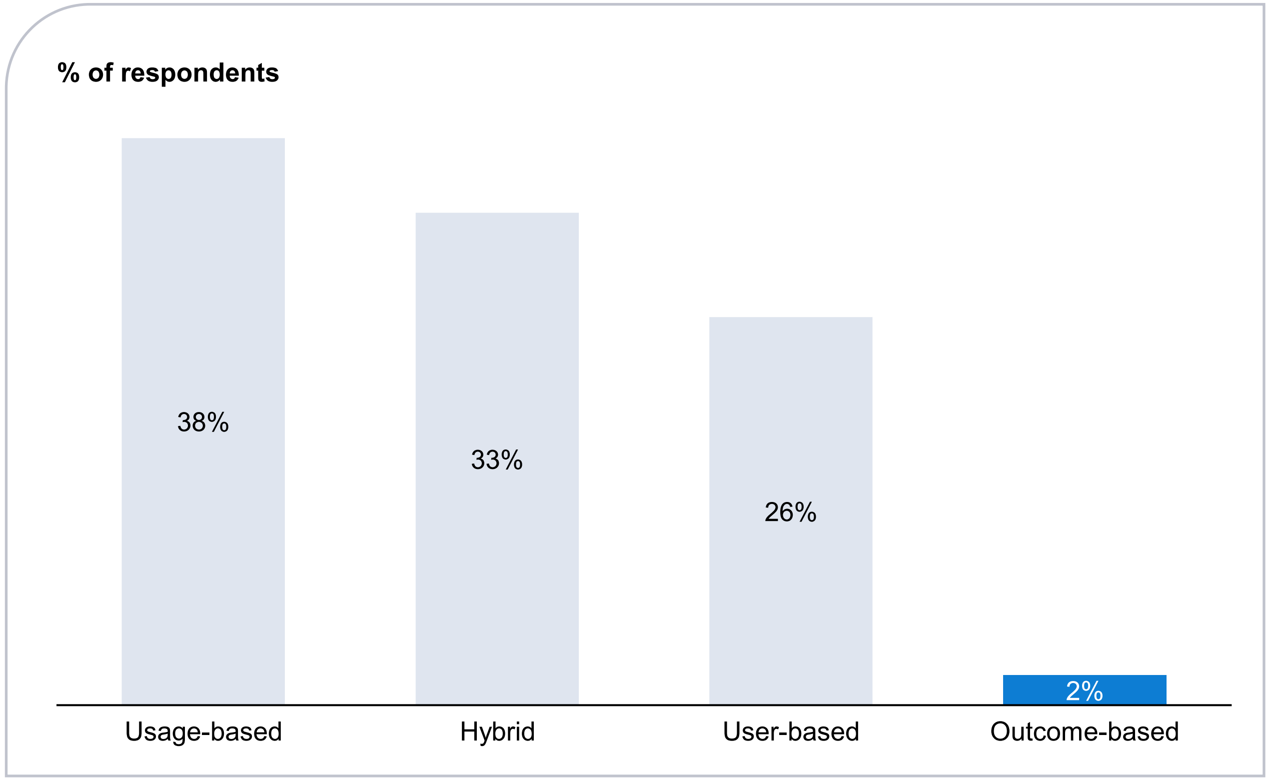
Vendors are prioritizing predictability and simplicity over outcome-based models.

While **42%** of respondents report introducing AI-specific pricing models over the past year, most are doing so incrementally rather than fundamentally rethinking how value is captured.

In practice, AI monetization continues to rely on familiar constructs, with usage-based, hybrid and user-based approaches dominating. Outcome-based pricing remains rare, cited by just **2%** of respondents, indicating that most vendors are not yet adopting pricing models that directly link fees to realized outcomes.

The data suggests that vendors are prioritizing pricing approaches that offer predictability and operational clarity, particularly in procurement-led buying environments, rather than introducing more variable or execution-heavy monetization models.

Question: What primary method of value capture has your company taken to AI monetization?



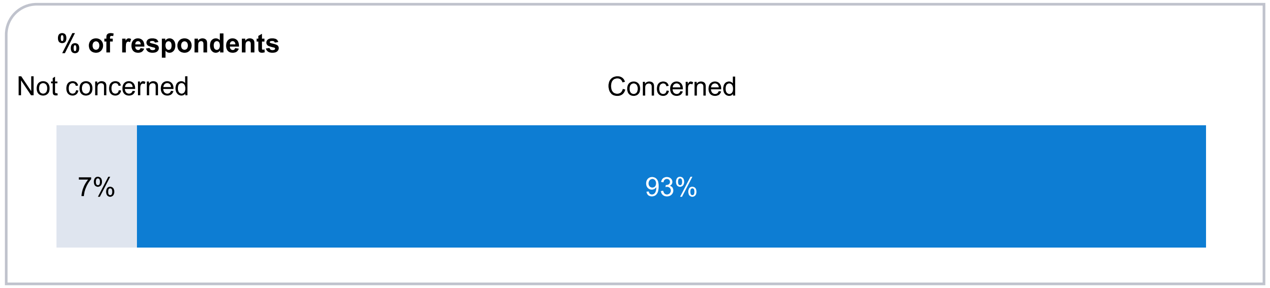
Vendors are increasingly concerned about seat-based pricing

Anticipated seat reductions are prompting consideration of hybrid and non-seat pricing approaches.

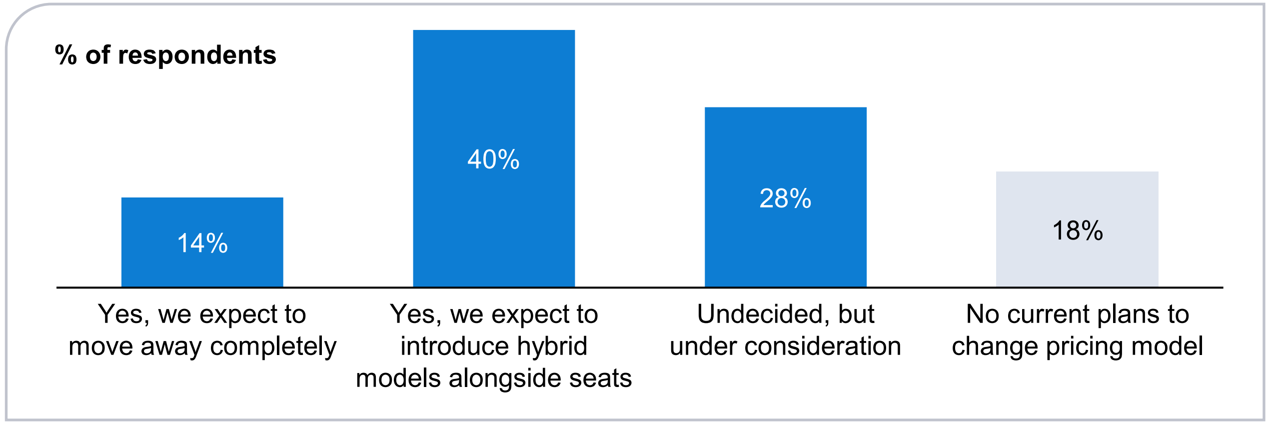
Vendors are increasingly concerned that seat-based pricing models are becoming misaligned with evolving buyer behavior and AI-driven productivity gains. With most respondents expecting seat reductions to negatively impact revenue in 2026, exposure to seat-based pricing is now viewed as a near-term commercial risk rather than a longer-term structural issue.

In response, vendors are reassessing their reliance on pure seat-based models. While only a minority expect to move away from seats entirely, many are actively exploring hybrid approaches that combine seats with usage or other value-linked metrics to better align pricing with realized customer value.

Question: Is your company concerned that reductions in seat-based licensing could negatively affect revenue in 2026?



Question: Of those concerned, does your company plan to move away from seat-based pricing in the next few years?



Section 10

Private Equity Practice

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We partner with leading PE firms and portfolio companies to de-risk investments and accelerate value creation across the Software and Tech-enabled ecosystem

Transatlantic Reach

We are a transatlantic team with hubs in New York, San Francisco and London enabling seamless collaboration and on-the-ground client support across both sides of the Atlantic.

Private Equity Focused

We exclusively partner with private equity investors and portfolio companies, with total focus on growing and scaling PE-backed assets.

Technology & Tech-Enabled Expertise

Our work is concentrated within the Technology, Software and Tech-enabled Services ecosystem, combining sector depth with data-driven insight.

Functional Specialists

Our dedicated teams bring deep functional expertise across CDD, Pricing, Sales & Marketing, Product Strategy and Performance Improvement.

Lifecycle Partnership

We support clients throughout the full investment lifecycle, from platform acquisition and strategy definition through execution, value creation and exit.

Our Private Equity team advises investors and portfolio companies in Software, Technology and Tech-enabled services, with a strong transatlantic presence and reach

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CEO, Management Consulting


David Reid
Head of Private Equity Growth Practice


Stephen Lane
Senior Managing Director, Private Equity


Athul Ravunniarath
Managing Director, Private Equity


Matt Bosco
Senior Managing Director, Financial Services


Tristram Lupprian
Senior Managing Director, Global Transformation


Jenny Brand
Managing Director, Implementation


MazenSkaf
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Jack Hutson
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Laura Moench
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