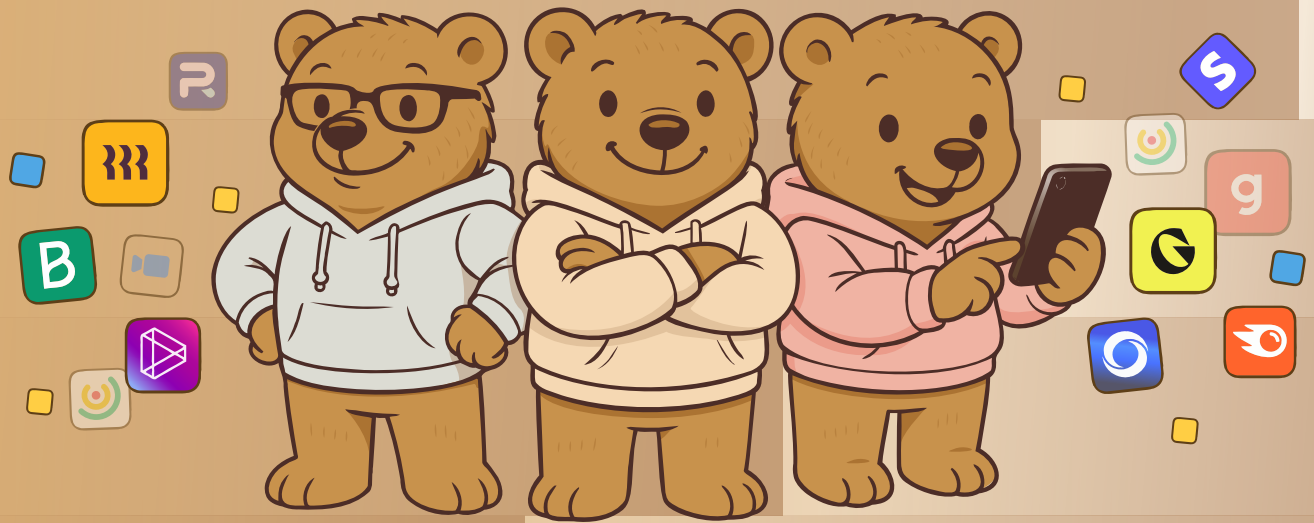




OFFICIAL REPORT

JANUARY 26, 2026

STATE OF AI SOFTWARE

REPORT BY
CUBBIE.COM
*AN EMERGING LEADER
AS A MARKETPLACE FOR
AI PRODUCTS & TOOLS*

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ENTERPRISE AI
REALITY CHECK:
ADOPTION RATES,
USE CASES, AND
WHAT SOFTWARE
ACTUALLY MOVES
THE NEEDLE



B2B SAAS

The B2B SaaS market is at an inflection point. With 99% of companies using at least one SaaS tool and nearly half operating entirely on cloud-based software, the industry has become the foundation of modern business operations. Growth remains strong at 19% annually, yet beneath the surface, cracks are forming. Customer acquisition costs have surged 60% in five years. Churn continues to erode revenue. And the average enterprise now juggles over 200 products (applications, tools, platforms, subscriptions, etc.) with 50% of licenses sitting unused. The companies that thrive in this environment will solve the efficiency crisis that's quietly draining the industry.

390B

MARKET VALUE
2025 (\$ USD)

85%

OF BUSINESS
SOFTWARE IS SAAS

106

AVERAGE APPS
PER COMPANY

\$702

AVG. CUSTOMER
ACQUISITION COST

3.5%

MONTHLY CHURN
RATE (B2B AVG.)

50%

OF SAAS LICENSE
GO UNUSED

106%

MEDIAN NET
REVENUE RETENTION

26%

MEDIAN ANNUAL
GROWTH RATE

1.3T

PROJECTED 2030
MARKET VALUE

EFFICIENCY CRISIS

Growth is getting harder. The median SaaS company now spends \$2 to acquire just \$1 of new annual recurring revenue (a 14% increase from last year alone). Customer acquisition costs have surged 60% over the past five years, with B2B SaaS companies now averaging \$702 per customer.

Meanwhile, retention is under siege: the average B2B SaaS company loses 3.5% of customers monthly, with SMB-focused products experiencing churn as high as 7%. Compounded annually, that's 35% of your customer base walking out the door.

The math is unforgiving. Without addressing fundamentals, even the fastest-growing companies find themselves replacing lost customers rather than building lasting value.



↑ RISING ACQUISITION COSTS

\$702 AVERAGE CAC
UP 60% IN 5 YEARS



↑ PERSISTENT CHURN

3.5% MONTHLY AVERAGE
35% ANNUALLY COMPOUNDED



↑ WASTED SPEND

50% OF SAAS LICENSES
GO UNUSED



↑ LONGER PAYBACK PERIODS

23 MONTHS AVERAGE TO
RECOVER CAC



↑ SLOWING GROWTH

MEDIAN GROWTH FELL
FROM 60% TO 26%



↑ DECLINING RETENTION

75% OF SAAS COMPANIES SAW
RETENTION DROP IN 2025

RETENTION ADVANTAGE



Net revenue retention has emerged as the defining metric of sustainable SaaS growth. Companies with NRR above 100% can grow without acquiring a single new customer since their existing base expands faster than it contracts. Top performers achieve 120% or higher, meaning they grow 20% annually from customers alone before any new sales. The data is clear: high-NRR companies grow 2.5 times faster than their peers and command premium valuations. In a market where acquisition costs keep climbing, retention is the primary growth engine.

What separates high-NRR companies from the rest? Expansion revenue. Top performers generate over 40% of new ARR from existing customers through upsells, cross-sells, and usage-based pricing. They invest in onboarding that improves first-year retention by 25%. They build customer success programs that catch churn risks early because 70% of churn happens in the first 90 days. And they price for growth, with built-in upgrade paths that reward deeper adoption.

106%

MEDIAN NET
REVENUE
RETENTION

120%+

TOP PERFORMER
NRR

2.5X

FASTER GROWTH FOR
HIGH-NRR COMPANIES

40%

OF NEW ARR FROM
EXISTING
CUSTOMERS

70%

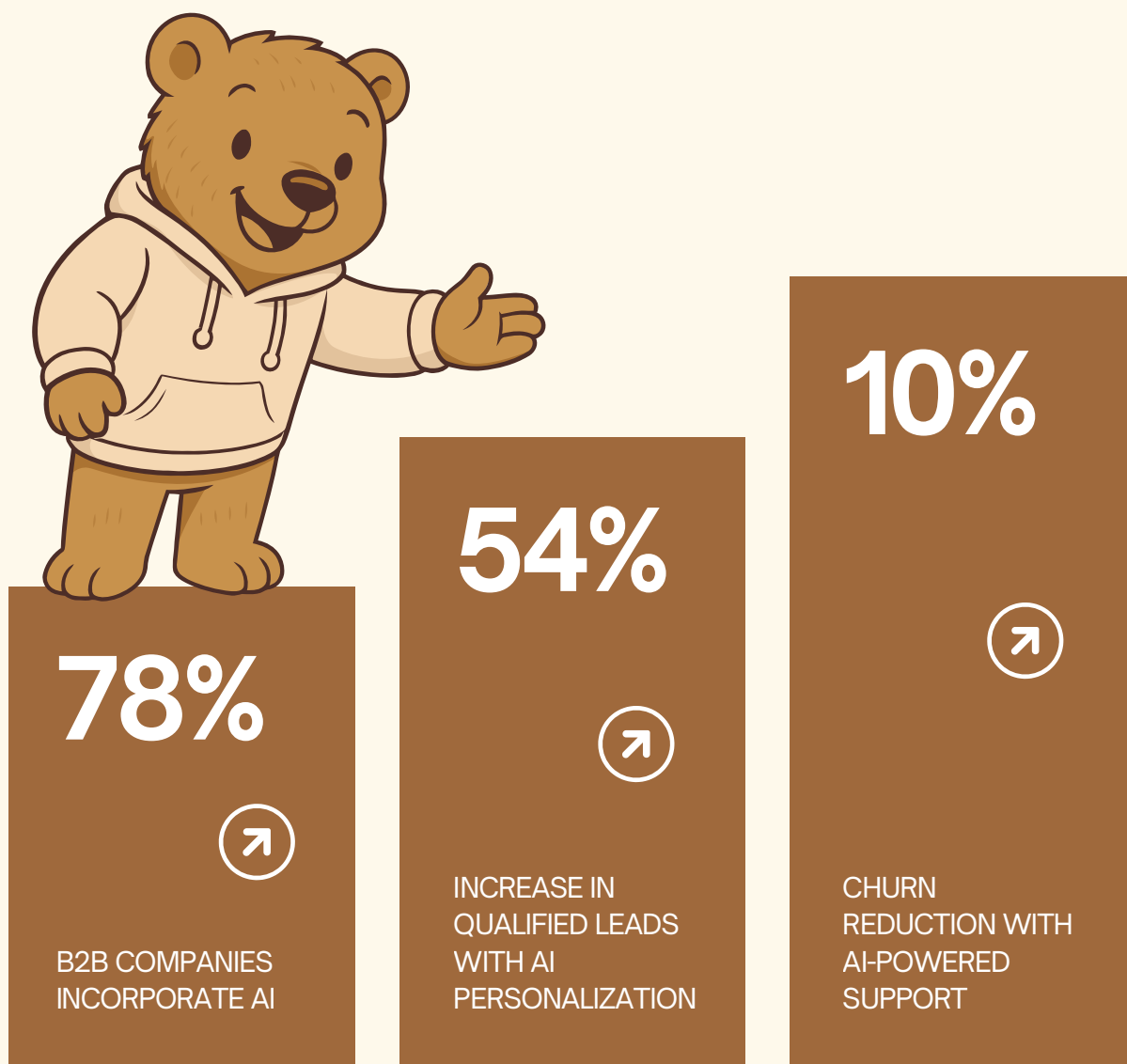
OF CHURN HAPPENS
IN FIRST 90 DAYS

25%

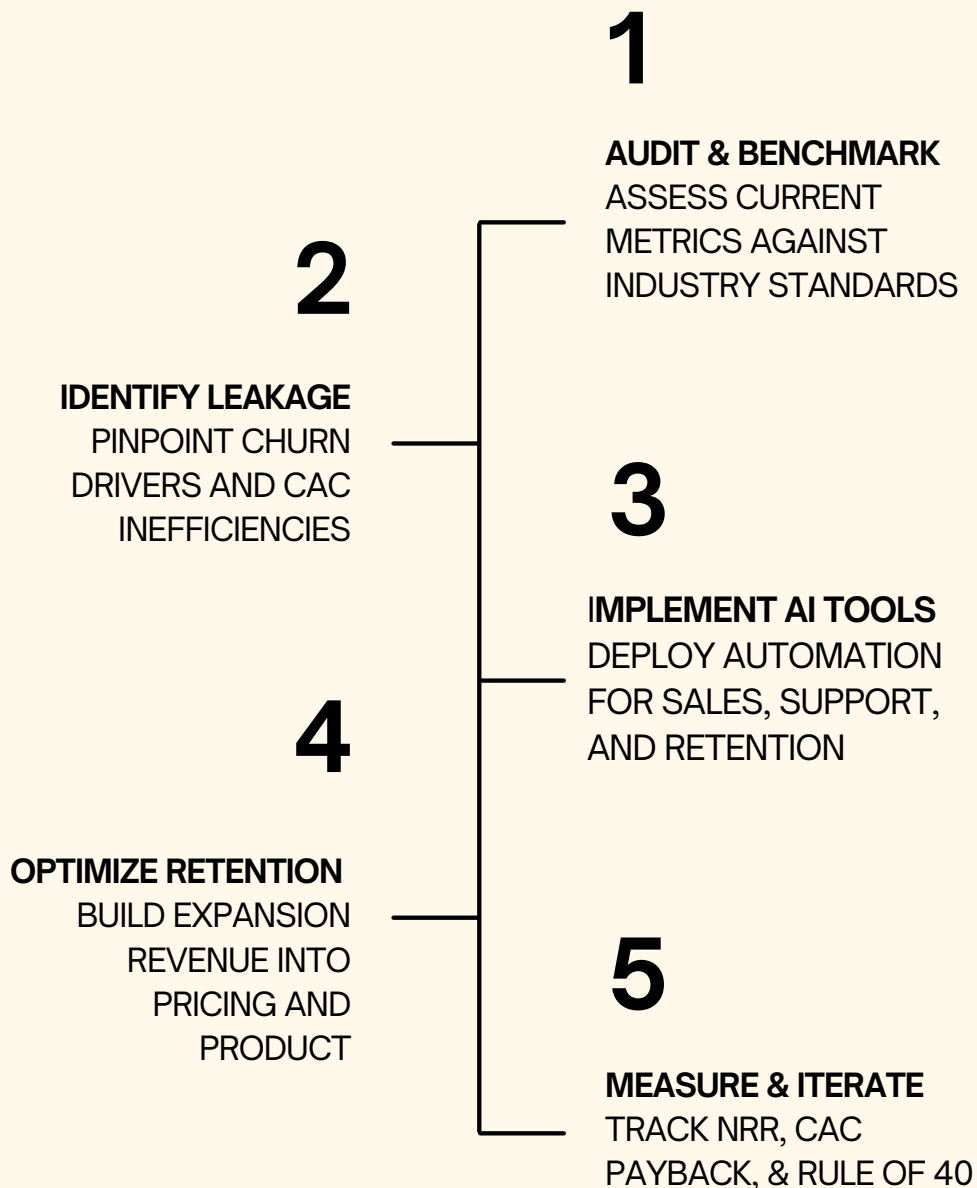
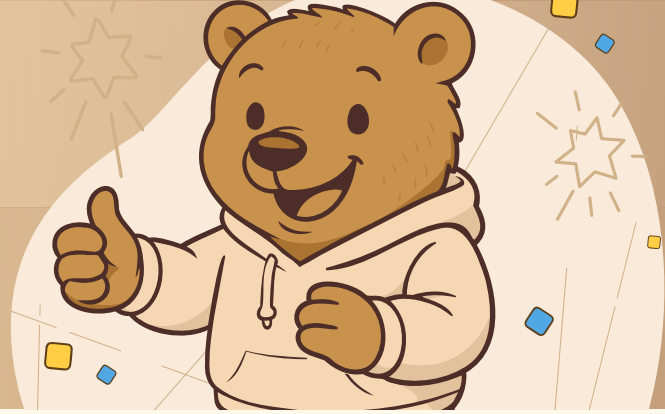
RETENTION LIFT FROM
STRONG
ONBOARDING

AI: COMPETITIVE EDGE

Artificial intelligence is reshaping B2B SaaS operations at every level. From lead scoring that delivers 7x more qualified prospects to chatbots that cut churn by 10%, AI-powered tools are turning operational challenges into competitive advantages. Companies using AI-driven analytics report retention rates 15% higher than those without. Sales teams leveraging intelligent automation see 14.5% productivity gains while reducing marketing costs by 12%. 95% of businesses plan to adopt AI more by 2026 year's end.



PATH FORWARD



The path to sustainable SaaS growth starts with fundamentals. Companies that achieve best-in-class performance share common traits: CAC payback under 12 months, net revenue retention above 110%, and a relentless focus on customer expansion over pure acquisition. By systematically addressing churn, deploying AI where it matters most, and building retention into every customer touchpoint, B2B SaaS companies can escape the growth treadmill and build compounding value that lasts.

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COMMENTS?

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WOULD LOVE TO HEAR
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HELLO@CUBBIE.COM

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SF + NYC + DC

DISCOVER, FIND,
SEARCH, AND GET
200+ TOP-RATED AI
PRODUCTS & SOFTWARE
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