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Customer Acquisition Cost (CAC) differences between GCC and western SAAS markets

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Abstract

For SaaS companies trying to put down roots and grow in what are now fiercely competitive markets, the Customer Acquisition Cost (CAC) is a performance measure of paramount importance. Yet, where you have plenty of research on how customers are won over in the West's more established economies, there has been little focus on the particularities of the Gulf Cooperation Council (GCC) markets and what they mean for SaaS strategy. We set out to close that gap with this study, looking at how customer acquisition and the CAC that comes with it differ between GCC nations and their Western counterparts.

Our work zeroes in on four key channels: referral marketing, events and exhibitions, and Google and LinkedIn Ads. To get at the truth of the matter, we used a comparative qualitative approach, systematically sifting through everything from academic papers and industry reports to SaaS benchmarks and market analyses for both regions.

What we found were some marked differences in how effective these channels can be. The Western SaaS scene is built around a heavy dependence on digital ad ecosystems like Google and LinkedIn, finely tuned for results if not for cost, which has been on the rise with the competition. Over in the GCC, you see a different picture; there is more of an emphasis on the kind of relationship building you find at business networking or through referrals. These methods may come in a less mature market, but they tend to engender more trust and better conversion rates.

We also point to several determinants behind the CAC divide, from buyer behaviour and cultural nuances to the pace of digital adoption. We conclude that any SaaS firm with plans to go international would be wise to tailor its acquisition strategy to the region instead of trying to force a one-size-fits-all model. In doing so, we hope to add something of value to the SaaS marketing literature and give managers and policymakers on both sides of the Atlantic and in the Gulf some practical food for thought.

Keywords: Customer Acquisition Cost (CAC); Software As A Service (Saas); GCC Markets; Western Markets; Customer Acquisition Strategies

1. Introduction

There is no denying that the Software-as-a-Service (SaaS) industry has evolved into one of the most dynamic and rapidly expanding parts of the world's digital economy. It has fundamentally changed how organizations go about deploying, managing, and accessing their software. In contrast to older delivery models that demanded heavy upfront spending on licensing and infrastructure, SaaS provides a cloud-based alternative via subscription. This gives businesses, large or small, a level of cost efficiency and flexibility that was not possible before (Barrilleaux, 2024; Wu & Pambudi, 2025). You see this market growing at pace in both developed and emerging economies, driven by the uptake of cloud technologies and the need for remote solutions as part of broader digital transformation efforts (Shapouri et al., 2024).

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With the sector becoming more competitive, how well a company can acquire customers is now a matter of long-term survival and growth. For SaaS firms whose revenue comes from recurring subscriptions, turning prospects into paying clients is what underpins profitability. Customer acquisition is therefore a strategic exercise involving a range of sales and marketing channels to generate and convert leads (Li et al., 2024; Tuguinay et al., 2024). Done right, it does more than add to your market share; it builds stronger ties with customers and improves lifetime value.

One of the key metrics for gauging whether those marketing efforts are working is the Customer Acquisition Cost, or CAC. As Mashchak (2023) notes, CAC covers all the money put out for advertising, promotions, sales staff, and campaigns to bring in a new customer. SaaS companies need to keep this figure in check since runaway costs will hurt cash flow and scalability. Lately, we have seen organizations turn to machine learning and other forms of advanced analytics to get better conversion rates and make their acquisition spend count (Prasad et al., 2023; Abbas et al., 2023).

Yet rising CAC remains a problem for many in the industry. Between market saturation and shifts in consumer habits, costs are climbing. The vogue for platforms like Google and LinkedIn Ads has made for stiff bidding competition and pricier advertising across the board. Some are looking to referrals, partnerships, or industry events as a way to be more efficient and trim marketing bills (Yan et al., 2024; Tuguinay et al., 2024). What makes this an area of concern for managers and researchers alike is the need to understand what is driving these costs in different regions.

1.1. Problem Statement

The global SaaS space is expanding quickly, and with it, the pressure on organizations to sharpen their approach to customer acquisition. As new providers come to market, it is harder to draw in qualified prospects without seeing marketing expenditures spiral. The digital advertising arena is more crowded than ever, which means higher cost per click and less efficient conversions, putting firms under strain to show a return on their investment (Mashchak, 2023; Ansari & Sen Gupta, 2024).

While the theory of customer acquisition is well-trodden ground, its application is not consistent from one geography to another. Market structures, digital maturity, and even business culture can have a bearing on how well an acquisition channel performs. Take the Gulf Cooperation Council (GCC) countries, for instance: they have their own distinct character with relationship-driven commerce and fast-moving digital ecosystems (Khan et al., 2025; Elshandidy et al., 2025). Western markets are quite another story, with their entrenched frameworks and sophisticated infrastructures (Tran & Bartsch, 2025).

And yet, there is surprisingly little research that puts the two side by side. Most studies are confined to a single region or industry, leaving us with a thin understanding of how acquisition channels fare under varying conditions (Li et al., 2024; Yan et al., 2024). Without that comparative data, SaaS firms are left without the evidence they need to craft sound expansion plans for these different territories.

1.2. Research Objective

This study sets out to look at the variance in CAC between the GCC and the more mature Western SaaS markets. We want to see how strategies differ and what that means for acquisition efficiency.

In doing so, we will put four of the most common SaaS channels to the test: Google and LinkedIn Ads, referral marketing, and events or exhibitions. The goal is to assess the merits and drawbacks of each in their respective environments. We also intend to pinpoint the kind of region-specific practices that can drive down costs and boost performance. Ultimately, by looking at how market traits interact with acquisition tactics, we hope to offer some practical guidance for SaaS firms looking to grow in a sustainable way.

1.3. Research Question

At the heart of this study is a single research question: in what ways do SaaS customer acquisition strategies in GCC countries diverge from those found in more established Western markets? We set out to answer this by looking at how the two regions compare when it comes to the effectiveness of Google and LinkedIn Ads, referral marketing, and events or exhibitions on Customer Acquisition Cost.

1.4. Significance of the Study

By putting the customer acquisition strategies of GCC and Western markets side by side, we add to the existing literature on SaaS marketing and regional market dynamics. You will find little in prior work that has given due consideration to the way regional variables bear down on acquisition costs and marketing results in the SaaS space, even though other industries have been well covered.

Theoretically, our work broadens what is known about acquisition efficiency by drawing on digital and relationship marketing as well as regional development studies. It should give us a clearer picture of the role that market maturity, culture, and the business environment play in determining outcomes.

But there is also a practical value here for the SaaS manager, investor or strategist who wants to get the most out of their performance in different parts of the world. Our findings are meant to inform choices on where to put the marketing budget and which channels to pursue. For any organization eyeing an expansion into the West or the GCC, an appreciation of the local factors that drive conversion and cost is invaluable. In short, we provide the kind of actionable intelligence that can underpin a firm's growth and help secure a competitive edge in today's volatile global markets.

2. Literature Review

2.1. Understanding Customer Acquisition Cost (CAC)

When it comes to gauging the efficiency of your sales and marketing efforts, Customer Acquisition Cost (CAC) is the metric that matters. Put simply, CAC is the sum of all the resources you put out to bring on a new customer in a given time frame. As Mashchak (2023) notes, this covers everything from ad spend and promotional campaigns to the cost of your sales staff and software subscriptions. In a cut-throat industry like SaaS, CAC is a tell-tale sign of whether a business is sustainable, having a direct bearing on its ability to grow and turn a profit.

You can figure it out with the standard equation:

CAC = Total Sales and Marketing Costs ÷ Number of New Customers Acquired

It is a way to see if the money you are putting in is coming back to you. Abbas et al. (2023) make the case that good CAC management is key to better margins and loyalty, while Ansari and Sen Gupta (2024) point to the positive effect that strategic ICT investments can have on market share.

For SaaS firms, the stakes are higher since you are not making one-off sales but relying on recurring subscription revenue. You have to absorb the upfront cost of acquiring a customer before you can recoup value from them, so keeping the balance between CAC and Customer Lifetime Value (CLV) right is a must for any long-term plan (Prasad et al., 2023). That is why companies are always on the lookout for ways to drive up conversions without inflating the cost.

2.2. SaaS Marketing Strategies

A SaaS company is only as good as its marketing. The emphasis is not on moving product in the traditional sense but on acquiring and holding onto customers for the long haul through renewals. This has put digital, performance, and relationship marketing at the centre of their growth plans.

Digital marketing is now non-negotiable for SaaS firms that want methods they can measure and scale; it is the means of engaging prospects via content, email, social media, and search (Shapouri et al., 2024). Then there is performance marketing, which is all about the hard numbers – clicks, leads, and actual acquisitions. Li et al. (2024) would argue that a customer-centric approach backed by these metrics is what makes for effective ROI.

Relationship marketing takes a different tack. It is less concerned with the immediate transaction and more with fostering trust and engagement over time. In markets where relationships are paramount to a buying decision, this is especially true. According to Silva and Botelho (2023), it is these strong ties that underpin retention and steady growth.

Table 1 Summary of Key Customer Acquisition Concepts in SaaS Literature

Concept	Description	Key Contribution	Source
Customer Acquisition Cost	Measures the cost incurred to acquire a customer	Evaluates marketing efficiency	Mashchak (2023)
Customer Loyalty	Customer commitment to a brand or service	Improves long-term profitability	Abbas et al. (2023)
Digital Marketing	Online promotional activities	Supports scalable customer acquisition	Shapouri et al. (2024)
Performance Marketing	Marketing based on measurable outcomes	Enhances ROI and conversion rates	Li et al. (2024)
Relationship Marketing	Long-term customer engagement strategy	Strengthens retention and trust	Silva & Botelho (2023)
Customer Asset Strategy	Strategic management of customer resources	Improves acquisition performance	Yan et al. (2024)

2.3. Google Ads in SaaS Customer Acquisition

For SaaS companies, Google Ads is a go-to for customer acquisition. It is one of the most popular channels because it lets you put your product in front of users who are already looking for a solution. In other words, search advertising is an effective way to generate leads and convert them by reaching prospects with a clear intent to buy.

The appeal of Google Ads lies in how precisely you can target your audience. Whether it is by keyword, location, device, or even search behaviour, these options give SaaS firms the means to fine-tune their campaigns for better conversion. You can then track the results with hard metrics like CTR, CPC, ROAS, and conversion rates.

That said, the economics of running Google Ads are getting tougher. In mature Western SaaS markets where everyone is vying for the same pool of customers, the competition has driven up CPCs. As Mashchak (2023) points out, this is part of a wider trend of rising customer acquisition costs fueled by greater spending on digital ads. Yet the data from the West shows that Google Ads is still king. Firms are turning to automation and analytics to keep their campaigns efficient. In the GCC, you may find less head-to-head competition on some SaaS keywords and thus more attractive costs, a situation bolstered by the region's ongoing digital transformation (Khan et al., 2025).

2.4. LinkedIn Ads for B2B SaaS

When it comes to B2B SaaS, LinkedIn has proven to be an invaluable channel. It is not like other social media in that it puts you in touch with a professional crowd – think executives, managers, and industry specialists.

Its lead generation is perhaps its strongest suit. With sponsored content, message ads, and account-based marketing, you can have a direct line to quality prospects. The targeting is equally advanced; you can zero in on people by job title, company size, or education, which is ideal for a SaaS firm with a niche enterprise offering.

In the West, with its deep bench of professionals and well-established marketing ecosystem, LinkedIn is a given in any B2B strategy, often paired with content and ABM efforts. The picture is different in the GCC, where adoption has been on the rise as part of a larger push for digital change. Though the numbers may not be as big as in the West, the density of decision-makers makes for very efficient lead gen (Khan et al., 2025).

2.5. Events and Exhibitions

You would be hard-pressed to do without events and exhibitions as an acquisition channel, even in the face of digital's ascendancy. There is value in the face time they provide at trade shows and conferences.

These are the places to put your product on display and build visibility. Conferences are good for sharing knowledge and making connections with stakeholders, while networking events can open the door to informal talks that turn into sales down the road.

This is especially true in the GCC. The business culture there puts a premium on trust and personal rapport, so an exhibition or a good networking event is often key to developing new business (Elshandidy et al., 2025). In Western markets, too, events hold their ground. While companies are more likely to mix in some digital engagement these days to extend their reach, the trade show remains a reliable source for qualified leads and solidifying your position in the industry.

2.6. Referral Marketing

There is a broad consensus that referral marketing is among the most economical ways to acquire new customers. Whether through a formal program or the more casual route of word-of-mouth, the strategy works by having your current base put in a good word for your products and services with potential users.

Formal referral programs are built on this principle, using incentives like discounts, service credits, or straight financial rewards to motivate customers to bring in new ones. In doing so, they make use of the trust and satisfaction you have already earned to widen your market without inflating acquisition costs. Boukis (2024) notes that such reward-based loyalty can be a powerful way to drive engagement and referrals.

Then there is the word-of-mouth element. A recommendation from someone you know has a credibility that traditional advertising simply cannot match, which tends to yield better conversion at less expense. Tuguinay et al. (2024) point out that blending these kinds of acquisition and retention tactics is key to any sustainable growth plan.

You will see this play out differently depending on the region. In the West, SaaS companies have put a lot of structure into their approach with automated platforms and customer advocacy as part of a wider success initiative. Over in the GCC, strong social and professional ties come into play; business is done on trust and personal recommendation. That makes referral marketing all the more potent for acquiring customers and can produce a lower CAC and better quality leads than you might get from some digital ad channels.

2.7. Theoretical Framework

We have based this study on three theories that complement one another: Customer Acquisition, Relationship Marketing, and Technology Adoption.

Customer Acquisition Theory is concerned with how an organization goes about attracting and holding onto its clientele, stressing the need to optimize channels and create value for long-term viability (Yan et al., 2024). Under Relationship Marketing Theory, the idea is that a lasting relationship with a customer holds more strategic worth than a simple transaction, with trust and satisfaction being what underpin loyalty and performance (Silva & Botelho, 2023). And in the case of SaaS markets, Technology Adoption Theory is especially pertinent since it accounts for a business's readiness to take on digital solutions based on their perceived utility (Shapouri et al., 2024). Viewed together, they offer a complete picture of how acquisition strategies impact CAC in various regions.

2.8. Research Gap

While the literature on customer acquisition is extensive, we have identified a few shortcomings. For one, you will find most research is siloed within particular industries or geographies, so there is little in the way of comparative data between international markets. It is uncommon to see studies that look at both Western and GCC SaaS ecosystems side by side.

The GCC in particular is underrepresented in academic work. Even as these economies pour resources into digital transformation, there has been little examination of what that means for marketing costs and acquisition effectiveness (Khan et al., 2025). We also see a lack of head-to-head CAC comparisons for different channels; while papers may cover Google or LinkedIn Ads or events in isolation, a thorough regional analysis pitting them against referral marketing is hard to come by.

This study sets out to fill those voids with a comparison of the two markets' approaches to customer acquisition and CAC. We anticipate our results will add some useful theoretical and practical perspectives to the field of SaaS marketing.

3. Methodology

3.1. Research Design

We have taken a comparative qualitative research design for this study in order to look at the ways in which Customer Acquisition Cost (CAC) and the strategies behind it differ between the Gulf Cooperation Council (GCC) and more established Western SaaS markets. One could argue that a qualitative method is the right call here; we are not after simple number crunching but want to get at the heart of what drives acquisition outcomes, be it market-specific variables or the effectiveness of certain marketing channels. Our goal is to put some context around the cultural and strategic elements that inform customer acquisition decisions from one part of the world to another.

By way of comparison, this kind of research allows us to spot patterns and relationships in multiple settings that might elude a purely quantitative approach. When you are dealing with SaaS marketing, performance is a function of many things: the maturity of the market, how many digital tools are adopted, the business culture, and even the level of competition. A comparative framework lets us evaluate all of that and see how it plays out in the GCC versus the West.

The orientation of the work is both descriptive and exploratory. Descriptively, we document the channels SaaS firms tend to use. Initially, we try to pin down the regional traits that make for efficient acquisition. In doing so, we can offer a thorough picture of the role played by Google and LinkedIn Ads, referral marketing, or live events in various market environments.

3.2. Data Sources

For our data, we have made use of secondary material from reputable industry and academic quarters. This gives us a wide view of the empirical evidence and insights on hand for SaaS customer acquisition.

Google Scholar was our go-to for the academic side of things, providing easy access to peer-reviewed journals, conference papers, and books on topics like CAC, digital and referral advertising, and the like. We also looked at industry reports for a more practical angle on current trends and spending, as well as to keep abreast of new developments in the SaaS space. SaaS benchmark reports were another key source for hard numbers on conversion metrics, lifetime value, and average costs. On top of that, we reviewed marketing case studies to see how organizations are actually putting their strategies to work in the field with their ads and events. Putting these sources together – the literature, the reports, the benchmarks, and the case studies – gives the study a degree of triangulation that bolsters the credibility of our findings.

3.3. Inclusion Criteria

There were some ground rules set for the selection of our sources to keep things consistent and pertinent.

We only included work that had a direct bearing on CAC, B2B or digital marketing, and SaaS operations; anything tangential was left out. We also gave precedence to newer material, mostly from 2020 to 2025, given how fast the landscape has been changing with technology and consumer habits.

Geographically, we wanted an apples-to-apples comparison. For the GCC, we are looking at Saudi Arabia, the UAE, Qatar, Kuwait, Bahrain, and Oman – countries with shared institutional and economic DNA that make up a rapidly expanding digital economy in the Middle East. The Western side of the equation is made up of the U.S., U.K., Canada, and Western Europe, where you find mature SaaS ecosystems and stiff competition. And lastly, we have been strict about the authority of our sources, sticking to peer-reviewed academics and industry reports with a solid reputation and transparent methodology.

3.4. Data Analysis Technique

For this study, we have made thematic comparative analysis our method of choice for data analysis. It is a well-established technique in qualitative work for drawing out the patterns and relationships that exist in textual data and making sense of them across varying contexts.

We went about the analysis in a number of steps. To begin with, we put together the pertinent literature and industry material, structuring it around the research's central themes: Customer Acquisition Cost, Google and LinkedIn Ads, events and exhibitions, referral marketing, as well as market characteristics and customer behaviour.

The next stage was to code and sort the information from those sources on the basis of what set the GCC and Western markets apart or had in common. In doing so, we could spot region-specific tendencies in acquisition costs and strategy. We then carried out a head-to-head comparison of the various acquisition channels in the two environments, looking at how things like the level of competition, digital maturity, business culture, and customer trust affect CAC and performance overall. The aim was to synthesize these themes into some hard insights that would answer the research question, going past mere description to get at the strategic underpinnings of SaaS practices in both regions. This gives us a solid, transparent basis for the discussion to follow.

4. Results and Findings

Here, we lay out what the comparative analysis has turned up regarding customer acquisition in the SaaS markets of the West and the GCC. We have concentrated on four principal channels – Google and LinkedIn Ads, referrals and the like, plus events and exhibitions – and found marked divergences in cost and efficiency between the two sides of the world, driven by everything from purchasing habits to the degree of market maturity.

4.1. Google Ads Performance Comparison

There is no denying that Google Ads is one of the go-to channels for SaaS firms wanting to put themselves in front of an active searcher. Yet our comparison shows the numbers look quite different in the GCC versus the West when it comes to cost and results.

4.1.1. GCC Findings

In the GCC, you will find that Google Ads can be more economical, largely because there is less of a free-for-all in certain SaaS niches than in the more mature Western markets. With fewer players vying for those specialized software keywords, the pressure on advertising budgets is eased, and conversion rates are better.

Then there is the matter of local language. Firms in the region that run Arabic campaigns in tandem with English ones tend to make headway with a wider audience; the right kind of localized content and messaging goes a long way to winning over regional customers. And as the region undergoes its own digital transformation, search engines are becoming the first port of call for anyone in the GCC looking to vet a piece of business software or a service provider, making it a channel of considerable value.

4.1.2. Western Findings

Western SaaS markets are a different story when it comes to Google Ads. Here you will find a good deal more competition in the ecosystem, with an abundance of SaaS providers vying for the same customer base. That kind of rivalry has driven up cost-per-click (CPC) in many software verticals and is a direct cause of steeper Customer Acquisition Costs.

Then there is the matter of market saturation. In the West, where SaaS is so well established, your customers have been bombarded with advertising and have plenty of alternatives to consider. To stay on top of things, companies have to put serious resources into campaign management, content, and optimization. On the flip side, Western firms do have the advantage of very sophisticated advertising methods. They can make use of AI, automated bidding, and advanced analytics to keep their campaigns efficient even as acquisition costs climb. Put simply, our data shows that while CAC from Google Ads tends to be moderate in the GCC, it is relatively high in mature Western markets.

4.2. LinkedIn Ads Comparison

LinkedIn is now the go-to for B2B customer acquisition, but a comparison of the two regions shows some distinct variations in how campaigns perform.

In the GCC, the professional pool on LinkedIn is not as vast as in the West, but what you have is often very well defined: decision-makers, executives, and those in charge of technology procurement. The density of such key stakeholders goes a long way to improving lead quality. There is also the region's strong B2B networking culture to consider; in many GCC countries, personal connections are integral to the buying process. So LinkedIn is as much about building trust and relationships as it is about advertising, allowing firms to use it for both lead gen and cultivating those ties over time.

Western markets, by contrast, offer a much bigger audience. SaaS companies here have woven the platform into their marketing fabric to reach prospects of all shapes and sizes. You will see higher lead volumes as a result, with many using LinkedIn for account-based or content marketing and nurturing. But with more advertisers in the mix, the price of admission is higher. Firms have to be judicious in weighing quantity against quality to get a good return on their ad spend. All in all, we see a moderate CAC in the GCC and a higher one in the West.

4.3. Events and Exhibitions

Digital may be having its moment, but events and exhibitions still have a part to play in acquiring SaaS customers. How they do so varies by region.

Our analysis of the GCC points to a business culture where face-to-face contact is still king, especially when it comes to enterprise software or long-term service deals. At an industry expo or tech conference, you can put on display your expertise and build the kind of rapport that speeds up conversion. It is no small investment to put together a presence at a major show, but for many SaaS firms, the leads and partnerships it brings in are worth every penny.

In the West, you see more of a turn towards digital options like webinars and virtual demos as a way to reach people without the overhead. That does not mean traditional events are dead, however. Companies have just become more discerning about which ones to attend, making sure they fit their objectives. While they still produce good leads, their value is being measured more strictly in terms of strategic relevance and hard numbers.

4.4. Referral Marketing Comparison

Referral marketing is hard to beat as a channel for new business in either region, but don’t assume the mechanics are identical. The way referrals are handled in the GCC is quite different from what you see in the West.

4.4.1. GCC Findings

In the GCC's business climate, trust is everything, and it has a bearing on how referrals are made. Our analysis would have you believe that a word-of-mouth recommendation from a colleague or partner you can put your faith in will be the deciding factor in a purchase. It is a powerful means of acquisition. And if an organisation has built a good name in its industry circle, the strength of its network will deliver a steady flow of organic leads and repeat business. More often than not, you get better conversion at less cost than with paid advertising.

4.4.2. Western Findings

Over in Western markets, the approach tends to be more formal and by the book. SaaS companies, for instance, will set up structured referral programmes with incentives to give the process some bite and reward customers for bringing in new users. With CRM and automated tracking to back it up, they can put these metrics to work and scale their efforts. Referrals are effective enough, but they are generally folded into the broader growth and customer success plans.

Put simply, the data says referral marketing is highly efficient in both territories, though perhaps a notch above in the GCC, where ties of trust underpin the business.

4.5. Comparative CAC Analysis

The figures tell a story of considerable variance in Customer Acquisition Cost when you factor in the regional market and the channel being used.

Table 2 Comparative Customer Acquisition Cost Across Acquisition Channels

Acquisition Channel	GCC Markets	Western Markets
Google Ads	Moderate CAC	High CAC
LinkedIn Ads	Moderate CAC	High CAC
Events and Exhibitions	High upfront cost but strong conversion outcomes	Moderate effectiveness
Referral Marketing	Very efficient with low acquisition costs	Efficient with scalable implementation

What the numbers show is that you will typically face steeper acquisition costs for digital ad channels in the West, a function of the market being more saturated and the competition fiercer. In the GCC, the dynamic is quite different; there is less competitive head-on pressure, and the kind of relationship-based acquisition that works well there. Then there is referral marketing, which has been the most efficient tool in either region. And in the relationship-heavy business culture of the GCC, you find particular value in putting on events and exhibitions.

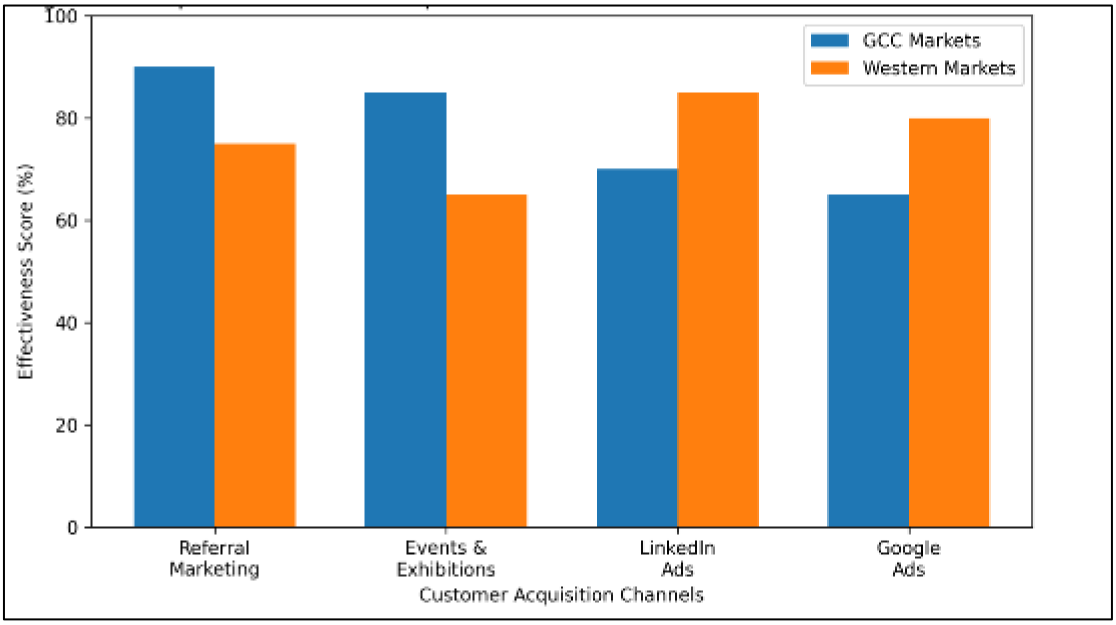

Figure 1 Comparative Customer Acquisition Effectiveness Across GCC and Western SaaS Markets

Figure 1 illustrates the relative effectiveness of Google Ads, LinkedIn Ads, events and exhibitions, and referral marketing across GCC and Western SaaS markets. The figure highlights lower acquisition costs and stronger relationship-driven conversion performance in GCC markets, while Western markets demonstrate greater digital marketing maturity but higher acquisition expenditures due to increased competition and market saturation.

Taken as a whole, our results point to the fact that SaaS companies would be wise not to impose a one-size-fits-all customer acquisition plan on every market. A better course of action is for an organization to put together an approach that is responsive to the competitive dynamics, cultural norms, and regional conditions it is up against. Doing so will not only make for more efficient acquisition and lower CAC figures, but it should also serve long-term performance well.

5. Discussion

What comes through in this study are the marked differences in both strategy and Customer Acquisition Cost (CAC) when you compare the GCC with Western SaaS markets. Both sides indeed use the same channels – Google and LinkedIn Ads, referral marketing, events, and the like – but how effective and cost-efficient those are can be worlds apart given the disparities in digital maturity and business culture. Here, we look at what drives these variances and the strategic bearing they have on SaaS firms, as well as how our data squares with the literature.

5.1. Why CAC Differs Across Regions

5.1.1. Market Maturity

The state of the market is perhaps the biggest factor in the CAC gap between the West and the GCC. You have Western SaaS ecosystems that have been developing for 20 years or more; they are home to sophisticated infrastructures, well-informed buyers, and entrenched competitors. That kind of maturity means there is a large customer base to tap into, but it is no easy task for a new player to get any share of it or even be seen (Barrilleaux, 2024; Pawlak, 2024).

Many GCC markets tell a different story as they are at a much earlier phase of SaaS development. Even with digital transformation moving fast, the level of head-to-head competition in some categories is not as fierce as in the mature economies of the West. This allows providers to pick up customers at a fraction of the cost while riding the wave of demand for cloud solutions (Khan et al., 2025; Elshandidy et al., 2025).

5.1.2. Competition Levels

Then there is the matter of pure competition. Our findings show Western SaaS firms are up against a lot of it on digital ad platforms. When you have so many advertisers vying for the same audience on Google or LinkedIn, the bidding gets expensive, and your acquisition costs go up, which is consistent with the view that competition is the main force behind rising CAC in digital spaces (Mashchak, 2023).

In the GCC, you will find less of that in many SaaS niches. With fewer people in the running for specialized keywords and professional audiences, advertising does not have to be as costly and campaigns run more smoothly. Firms in the region can put together good numbers without having to lay out the sort of marketing budgets you see in the West.

5.1.3. Cultural Influences

You cannot overlook the part culture plays in all of this. In the GCC, business is still very much about relationships. Trust and the personal side of things carry the day, so you will see better conversions from face-to-face avenues like networking and exhibitions than from a purely transactional ad. This backs up Relationship Marketing Theory, where trust is key to a successful relationship (Silva & Botelho, 2023). The West is another matter; there is more of a focus on hard data, scalability, and efficiency, so organizations there are inclined to put their weight behind the digital channels they can measure.

5.1.4. Buyer Behavior

You will find that buyer behavior is a key driver of the regional disparities in CAC. In the West, for instance, customers tend to do their own homework before they buy. They are apt to put in the time to compare vendors, read product reviews, and interact with digital content, which in turn makes search engine and content marketing, as well as automated lead nurturing, all the more vital.

The picture is different in GCC markets. Here, technology providers are often chosen on the strength of personal interactions, solid business ties and good recommendations. As a result, face-to-face engagement and referral marketing have a way of swaying purchasing decisions that you do not see elsewhere, accounting for the strong showing of referral-based acquisition in the region.

5.1.5. Digital Adoption

Then there is the matter of digital adoption. Western markets are well served by mature digital infrastructures and a familiarity with the technology; it is common for organizations to make use of AI, automation, and CRM systems to get the best out of their acquisition efforts (Prasad et al., 2023).

GCC nations have been putting considerable resources into modernizing their technology and transforming digitally. The uptake of cloud and AI has opened up new ground for SaaS providers (Khan et al., 2025). Yet you have an interesting situation where rapid digital progress sits alongside old-fashioned relationship building, so both channels are needed for success.

5.2. Strategic Implications for SaaS Firms

5.2.1. Entering GCC Markets

Our results point to one thing for SaaS firms looking to break into the GCC: your strategy needs to be about developing trust and relationships. Digital advertising has its place, but you will likely see better returns by pairing online work with networking, industry events, and referrals. Make sure to localise your approach too, with Arabic content and messaging that resonates culturally. And do not underestimate the role a good business relationship can play in closing a deal; community building and strategic partnerships can pay off handsomely in the long run.

5.2.2. Scaling in Western Markets

In the West, the focus should be on data and scalability. With the competition as it is, you have to be efficient and keep refining your campaigns to drive conversions. There is no room for waste, so put advanced analytics and automation to work. To grow in these mature SaaS ecosystems, you need robust account-based and content marketing, and you must keep a close eye on your CAC-to-LTV ratios for the sake of profitability.

5.2.3. Hybrid Customer Acquisition Models

Perhaps the most telling implication of this study is the case for a hybrid model. Relying on either a purely digital or a purely relational approach will not cut it in every market. A firm might run Google and LinkedIn ads for volume and awareness, but at the same time use a referral program or an industry event to build the kind of trust that drives conversions. It is a way to sustain growth without letting acquisition costs spiral.

5.3. Alignment with Previous Studies

5.3.1. Agreement with Existing Literature

There is a good deal of overlap between our findings and what has been written on SaaS marketing. We see what Mashchak (2023) did, with acquisition costs going up as the digital ad space gets more competitive. Our work also backs up Li et al. (2024) on the need for performance optimization. And the success we have seen with referral marketing in both regions is in keeping with Abbas et al. (2023) and Boukis (2024), who note the value of loyalty and trust in retention. In the GCC, the emphasis on relationships is exactly what Silva and Botelho (2023) would argue is strategically sound.

5.3.2. Contradictory Findings

That said, we have some results that go against the grain. The conventional wisdom is that digital advertising is king when it comes to SaaS growth. But in the GCC, where professional networks and trust are paramount, relationship-based methods can be more effective than some digital channels. And while a mature market is usually viewed as a positive, in the West it can be a double-edged sword, bringing with it higher costs and stiffer competition. These differences serve as a reminder that you cannot judge an acquisition channel in a vacuum; you have to factor in the cultural and economic realities of the market you are in.

6. Conclusion

We set out to look at how Customer Acquisition Cost (CAC) and the strategies to achieve it differ in the GCC as opposed to the more established SaaS markets of the West. Our comparative analysis of everything from Google and LinkedIn Ads to events, exhibitions, and referral marketing has shown there are marked differences in what works in each region.

The data makes it clear that several things come into play when it comes to acquisition outcomes: the maturity of the market, how fierce the competition is, cultural nuances, the way buyers behave, and the degree of digital adoption. For instance, we found that in Western markets, you will typically see higher CACs for Google and LinkedIn campaigns; this is a function of the advertising spend required to overcome market saturation and stiff competition. The GCC is another story altogether, where lower competitive headwinds and an evolving digital landscape keep costs more in check.

There is also the matter of events and exhibitions. In GCC countries, these hold particular value since business is still very much relationship-driven, and that carries over to purchasing decisions. Then there is referral marketing, which proved to be one of the most efficient channels on both sides of the Atlantic but put in a strong showing in the GCC, where professional networks and trust are paramount to doing business (Abbas et al., 2023; Boukis, 2024).

So, to answer the question of how SaaS acquisition strategies diverge between these two areas, our study finds that the West puts its stock in highly optimized digital channels underpinned by automation and analytics (Mashchak, 2023; Prasad et al., 2023). The GCC, by contrast, leans on approaches built on relationships and networking. You may use the same channels in both regions, but their cost efficiency will be dictated by local conditions.

These results point to some practical steps for SaaS companies. If you are looking to grow in the GCC, your marketing should be about building trust and long-term ties. Make sure to put weight on referral programs for the quality of leads they bring in without breaking the bank. And while in the GCC you might want to pair your digital efforts with exhibitions to drive conversions, those of us in Western markets need to be focused on data and continuous optimization to keep up with rising costs (Li et al., 2024; Yan et al., 2024).

Of course, the study is not without its limitations. We have had to depend largely on secondary sources – academic papers, industry benchmarks, and case studies – so we may not have picked up on every recent development or the idiosyncrasies of certain organizations. We also left out other avenues like content or influencer marketing to focus on four specific channels.

Going forward, it would be useful to see research that gets primary data from the executives and marketers on the ground in these markets. Quantitative work could give us a finer picture of CAC metrics across different company sizes and industries. One might also want to investigate how new AI and digital transformation tools are reshaping acquisition performance in the global SaaS space (Shapouri et al., 2024; Khan et al., 2025).

In the end, what this shows is that you cannot have a one-size-fits-all approach. To be successful in the global SaaS industry, an organization has to tailor its strategy to the realities of the local market and its customers.

Compliance with ethical standards

Disclosure of conflict of interest

The author declare that there are no conflicts of interest regarding the publication of this paper.

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