

Gartner Digital Markets

2021 Software Market Landscape Guide: Spain

Overview

Spain offers significant business opportunities for software and SaaS providers looking to build a global client base. The country's software market was worth approximately \$3.8 billion in 2020. While the market contracted 3.4% due to COVID-19, it is expected to recover and grow at a steady CAGR of 9.5% between 2020–2024, reaching \$5.4 billion by 2024 ([Gartner Market Databook, 4Q20 Update](#)).

Despite the growth potential, expanding into Spain's software market presents unique challenges. Buyers in the region have a strong preference for well-established brands, which poses barriers to new entrants. Moreover, strong preference for content in the Spanish language might slow down expansion efforts for software providers that haven't developed or translated user interfaces, content and resources into the Spanish language already.

This report aims to equip software and SaaS providers with actionable insights from the Gartner Digital Markets 2021 Software Global Outlook survey, and help build and expand their brand presence in Spain's competitive software market.



*All currency figures in this report are in U.S. dollars.



Key survey insights

- Spain-based software buyers are risk-averse: 40% prefer well-established brands when making new software purchases, while 32% prefer software providers they have already worked with.
- Spain-based software buyers are value-conscious: Functionality (72%) and ease of use (60%) are more important factors than price (48%).
- Personal research (54%), internal IT experts (43%) and online software directories (41%) are the three most referenced sources of information for new software investments.
- Spain-based businesses take an average of 5.2 months to finalize software purchases.
- Two-year contracts are the most-common software agreements in Spain.
- Spain-based software buyers have a strong preference for content and user interfaces in the Spanish language.

Inside



**Get to Know
Spain's Software
Buyers**



**Boost Brand
Presence
in Spain**



**Smart Ways
to Improve
Your Reach**



Get to Know Spain's Software Buyers

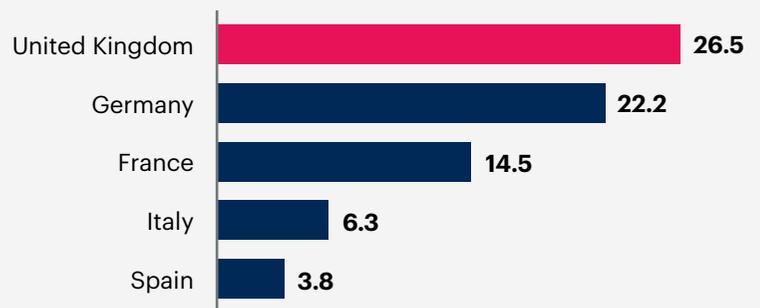
The first step to building an expansion strategy is to understand the key characteristics of the country's software market. Key attributes of Spain's software market include:

Market size

Spain's software market was valued at \$3.8 billion in 2020. Here is how the market size compares to other key economies in Europe:

2020 software market

(USD Billion)

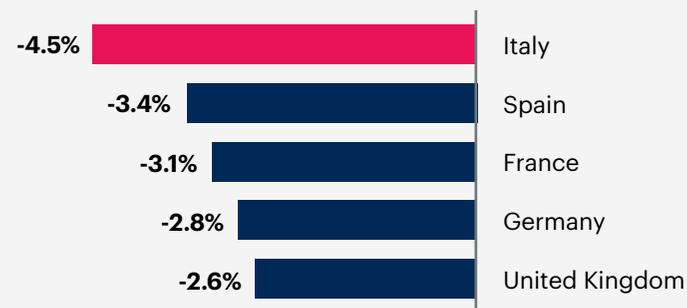


Source: Gartner Market Databook, 4Q20 Update

Impact of COVID-19 on market growth

As happened in many regions, the pandemic impacted Spain's software market negatively. Compared to 2019, Spain's software market contracted by 3.4% in 2020. Here is how the decline compares with other key economies in Europe:

Growth 2020 vs. 2019

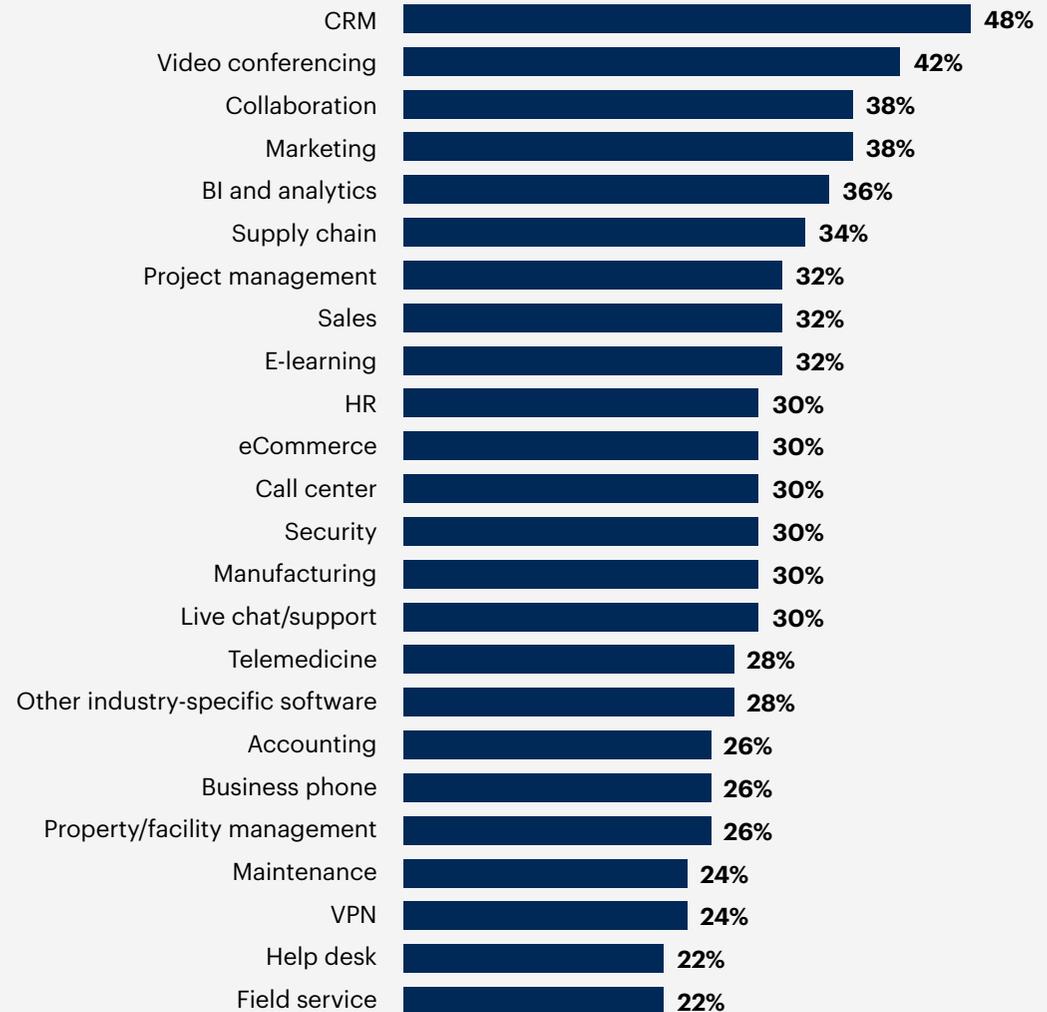


Source: Gartner Market Databook, 4Q20 Update

Impact of COVID-19 on software demand

Due to the pandemic, demand for CRM, video conferencing, collaboration, marketing and business intelligence (BI) solutions registered the greatest increases. During the pandemic, 48% of businesses adopted CRM software permanently, 42% adopted video conferencing, 38% adopted collaboration, 38% adopted marketing, 36% adopted BI and analytics solutions, 34% adopted supply chain, 32% adopted project management, 32% adopted sales, 32% adopted e-learning, 30% adopted HR, 30% adopted eCommerce, 30% adopted call center, 30% adopted security, 30% adopted manufacturing, 30% adopted live chat/support, 28% adopted telemedicine, 28% adopted other industry-specific software, 26% adopted accounting, 26% adopted business phone, 26% adopted property/facility management, 24% adopted maintenance, 24% adopted VPN, 22% adopted help desk, and 22% adopted field service.

Software solutions adopted for permanent use since COVID-19 outbreak



Source: Gartner Digital Markets 2021 Software Global Outlook; Survey audience: IT decision makers across businesses of all sizes. Spain (n = 50). Q: Which types of software have you adopted in response to COVID, and how many do you intend to use permanently? Select all that apply.

Note: Percentages exceed 100% due to respondents being asked to select all options that apply. The chart summarizes the percentage of respondents who mentioned adopting these solutions permanently.

Preference for well-established brands

A majority of Spain-based businesses exhibit an inclination toward well-established brands, followed by preference for brands they have previously worked with. Only 28% demonstrate willingness to consider any brand that can meet their needs.

Buyer preferences when purchasing a new software product

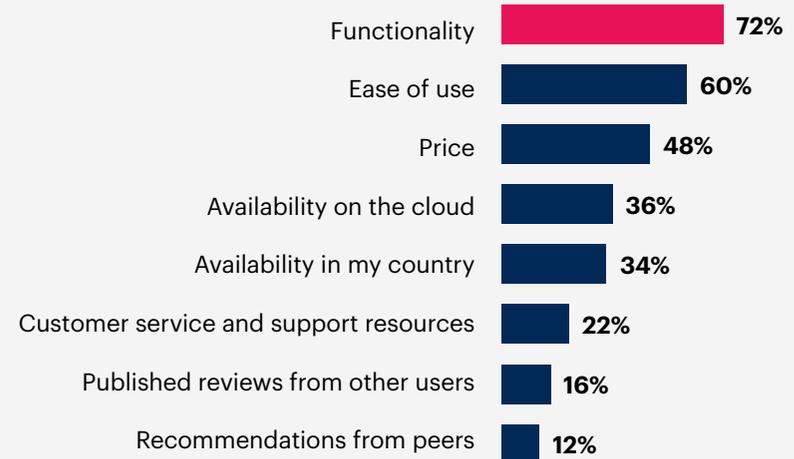


Source: Gartner Digital Markets 2021 Software Global Outlook; Survey audience: IT decision makers across businesses of all sizes. Spain (n = 50). Q: Which statement do you agree MOST with when evaluating vendors for new software?

Value influences more investment decisions

Spain-based buyers are more value-conscious than price-conscious. Spain-based software buyers focus heavily on functionality (72%) and ease of use (60%) while price (48%) has a weaker influence on new software investment decisions.

Key factors influencing new software investment decisions



Source: Gartner Digital Markets 2021 Software Global Outlook; Survey audience: IT decision makers across businesses of all sizes. Spain (n = 50). Q: When making a software purchase, which factors are most influential in your decision? [Choose your top 3]

Note: Percentages exceed 100% due to respondents being asked to select multiple options.



Boost Brand Presence in Spain

While preference for brands with which businesses have already worked makes it somewhat easier to expand a loyal customer base in Spain, a strong affinity for established brands poses hurdles to new product or brand expansions. The following insights can help providers enhance brand presence in Spain's competitive software market.

1

Create content resources based on buyers' specific information needs

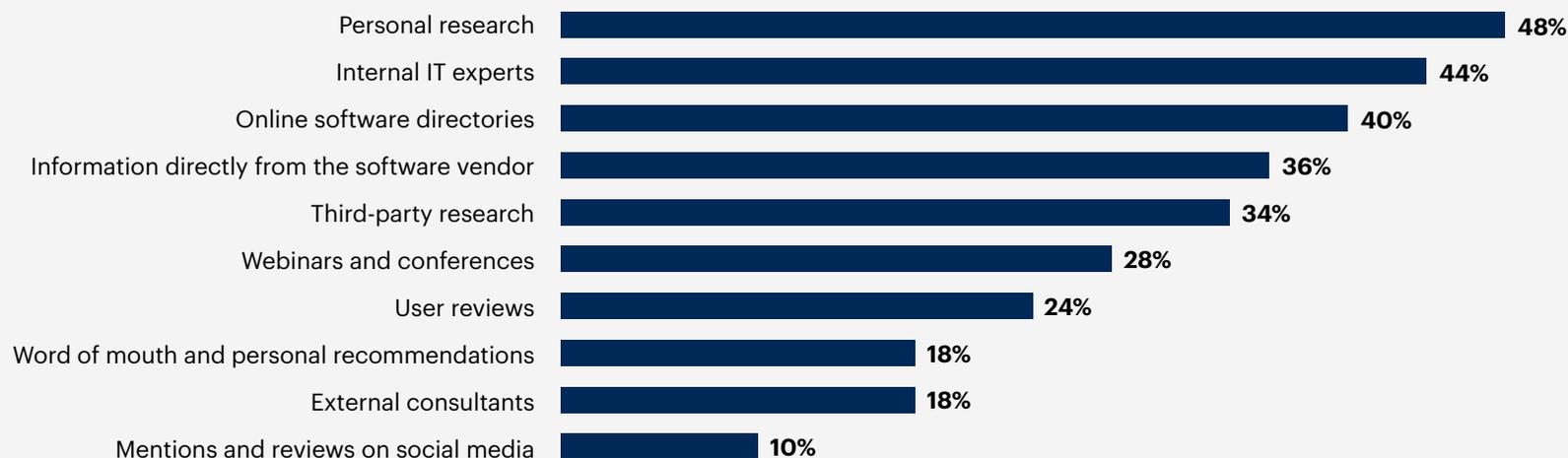
When searching for software solutions, personal research (48%), internal IT experts (44%) and online software directories (40%) are the three most influential sources of information referenced by Spain-based software buyers.

Capitalize on this insight

Since 44% of Spain-based businesses rely on internal IT experts for software investment decisions, create blog content and informational resources to aid those professionals.

With 40% of Spain-based buyers relying heavily on online directories when making software investment decisions, ensuring that your product is listed on all of the region's relevant software directories will be beneficial.

Resources referred to when selecting a software solution



Source: Gartner Digital Markets 2021 Software Global Outlook; Survey audience: IT decision makers across businesses of all sizes. Spain (n = 50). Q: Rank the 3 most influential sources of information when you are evaluating software vendors? [Choose your top 3]

Note: Percentages exceed 100% due to respondents being asked to select multiple options.

2

Target key triggers for new software investments

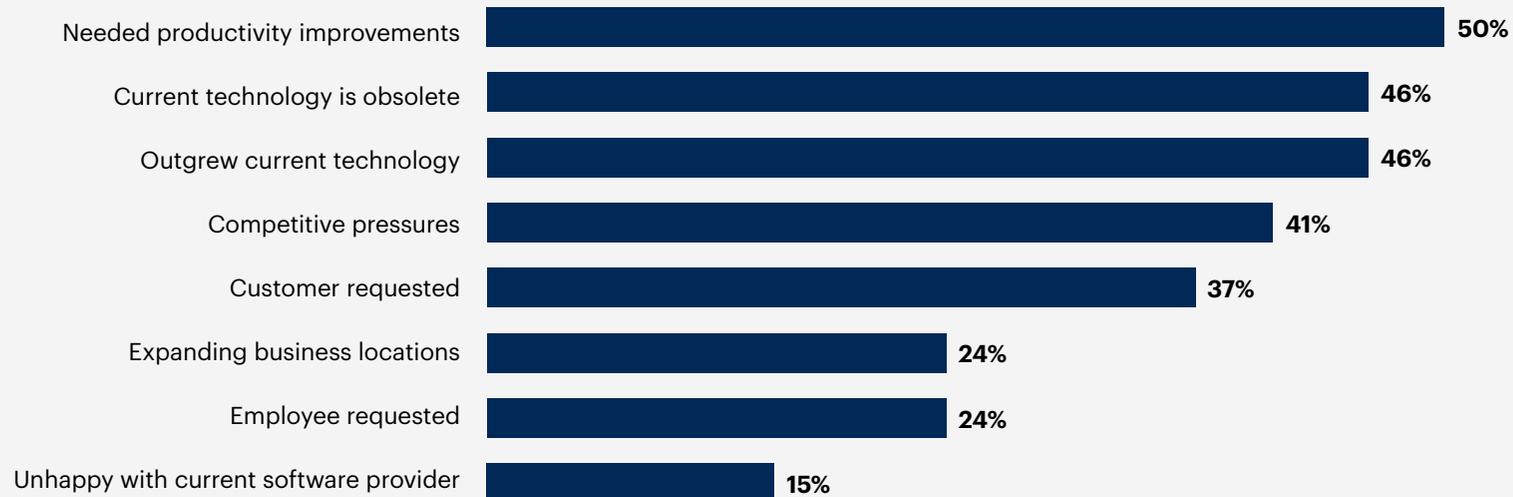
The three strongest triggers that motivate Spain-based buyers to invest in new software are need for productivity improvements (50%), outdated technology (46%) and expanding business needs (46%).

Capitalize on this insight



Since the need for productivity improvements is the strongest trigger for new software investments, provide case studies in the product website, functionality and specifications pages and sales and marketing collateral to tell how software offerings improve the efficiency of processes.

Primary triggers for investing in new software solutions



Source: Gartner Digital Markets 2021 Software Global Outlook; Survey audience: IT decision makers across businesses of all sizes; n varies. Spain (n = 50). Q: Please select the top 3 factors that trigger your investment in new software. (Select up to 3)

Note: Percentages exceed 100% due to respondents being asked to select all options that apply.

3

Coordinate timing of sales and marketing cycles to meet buyer needs

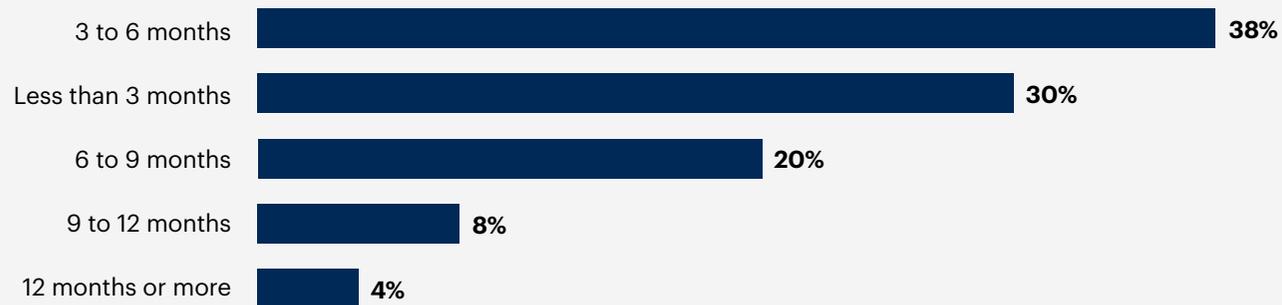
Spain-based businesses spend an average of 5.2 months in making software purchase decisions, with 68% finalizing software purchase in under six months.

Capitalize on this insight



Plan sales and marketing campaigns to assist and nurture prospects for at least six months. Convey the value proposition of the product in terms of functionality and user-friendliness through these campaigns.

Time frame for finalizing software purchase decisions



Source: Gartner Digital Markets 2021 Software Global Outlook; Survey audience: IT decision makers across businesses of all sizes; n varies. Spain (n = 50). Q: How much time does your business usually spend to evaluate, select and finalize a purchase for new software?

4

Offer contracts and subscription plans based on buyer preferences

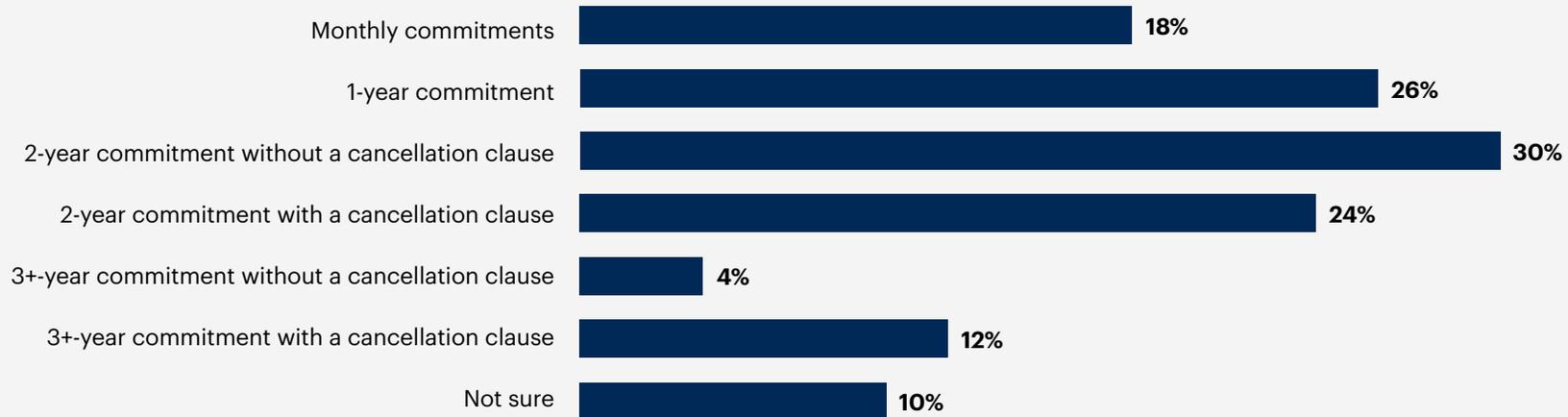
Spain-based buyers have a strong preference for two-year software contracts, with 30% of them opting for two-year contracts without a cancellation clause and 24% opting for two-year software contracts with cancellation clauses in the past two years.

Capitalize on this insight



Offer two-year software contracts for software products and services. Highlight the cost advantages of signing up for those contracts over annual or monthly plans within the relevant website and sales collateral.

Subscription agreements opted for in the past two years



Source: Gartner Digital Markets 2021 Software Global Outlook; Survey audience: IT decision makers across businesses of all sizes; n varies. Spain (n = 50). Q: Which of the following software subscription terms (for a new or renewal purchase) has your business agreed to in the past 2 years?

Note: Percentages exceed 100% due to respondents being asked to select all options that apply.

5

Create top-of-funnel content to attract prospective buyers

Spain-based software buyers (42%) spend most of their time determining the right provider: figuring out how software can help them is the next most time-consuming stage.

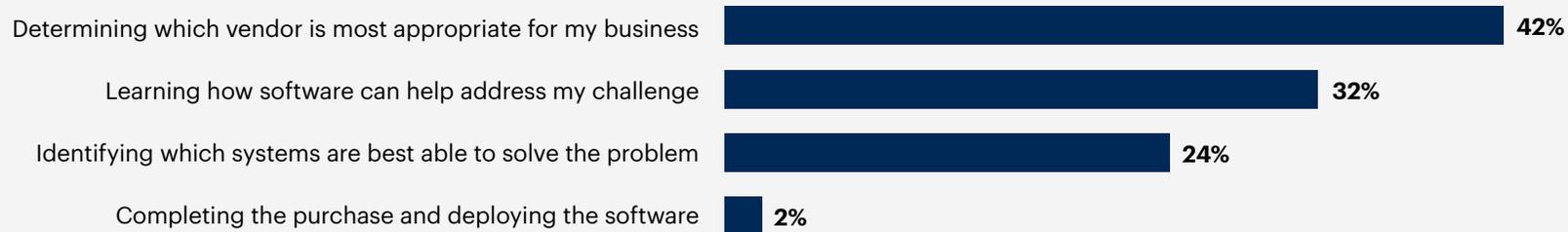


Capitalize on this insight

Since Spain-based businesses spend most of their time on vendor selection, strive to improve brand positioning within online B2B software directories or rankings. Boosting brand visibility and presence within these resources improves reach to an in-market audience that focuses heavily on software provider selection.

Create in-depth comparison reports highlighting the advantages of your offerings over your competitors, and publish the information on the product website and sales and marketing collateral. Refrain from making unsupported claims, as those will dilute your brand in the long run.

Most time-consuming stage in software purchase decisions



Source: Gartner Digital Markets 2021 Software Global Outlook; Survey audience: IT decision makers across businesses of all sizes; n varies. Spain (n = 50).
Q: In which step of the software buying process do you spend the most time?

6

Create interface and information resources in Spanish

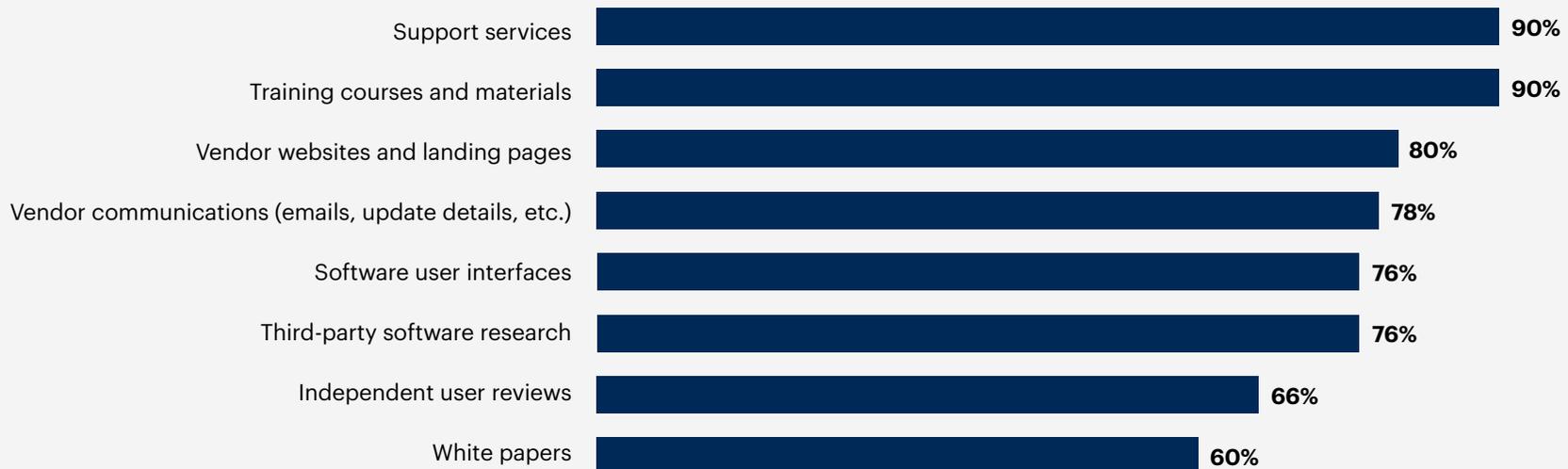
Spain-based software buyers have a strong preference for resources and user interfaces in the Spanish language. The buyers rated the availability of all the resources in the Spanish language as important, prioritizing support services (90%), training materials (90%), product websites (80%), communications (78%) and software interfaces (76%).

Capitalize on this insight



Since resources in the Spanish language are critically important for software buyers in Spain, evaluate the need for, and availability of, in-language resources for clients and prospects. An effective approach is to discuss each client's preferences for in-language materials and ensure an effective mix of collateral can be accessed by prospects. Add relevant coverage or support to ensure consistent and prompt in-language service.

Most important resources preferred in the Spanish language



Source: Gartner Digital Markets 2021 Software Global Outlook; Survey audience: IT decision makers across businesses of all sizes; n varies. Spain (n = 50). Q: For which of the following types of content or interactions with a software provider is it important to have in your primary language versus English?

Note: Percentages exceed 100% due to respondents being asked to select all options that apply. Responses that mentioned that these resources as very important and moderately important were marked as important in survey analysis.



Smart Ways to Improve Your Reach

The report aims to equip software and SaaS providers currently operating in Spain with insights to help them expand brand presence in the country. It also details insights that software providers outside of Spain can use to assess the feasibility of expanding business or brand presence into the country. We recommend identifying and leveraging insights that are most applicable to your offerings to optimize content, sales and marketing strategies. The idea is not to disrupt existing processes, but to optimize through actionable insights.

Gartner Digital Markets helps software businesses connect with in-market buyers searching for software solutions around the globe, within LATAM, EMEA and beyond. Through local websites and translated landing page services, in addition to qualified leads and tools to optimize conversion, our teams provide advice on global software growth opportunities.

Methodology

Gartner Digital Markets 2021 Software Global Outlook

Results presented are based on a Gartner Digital Markets study conducted to understand the current practices around demand, buying practices and investment practices pertaining to software solutions. The research was conducted online from November through December 2020 among IT decision makers across companies located in Germany, United Kingdom, Australia, Canada, France, Italy, Spain, Portugal, Brazil, Mexico, Belgium, the Netherlands, Luxembourg, Sweden, and India. This document references 50 Spain-based respondents.

Gartner Market Databook, 4Q20 Update

This report tracks global IT markets, covering five different areas of IT spending, namely, communication services, data center systems, devices, IT services and software. This report was used to source the Spain software industry's 2020 revenue estimates, CAGR growth rate and 2024 forecasts.

About Gartner Digital Markets

Gartner Digital Markets is the world's premier source for software vendors to connect with in-market buyers. Digital Markets comprises three leading B2B software search websites — Capterra, GetApp and Software Advice — serving more than 9 million monthly visitors from around the world. We are proud to partner as a quality, high-volume lead source for thousands of software products.

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