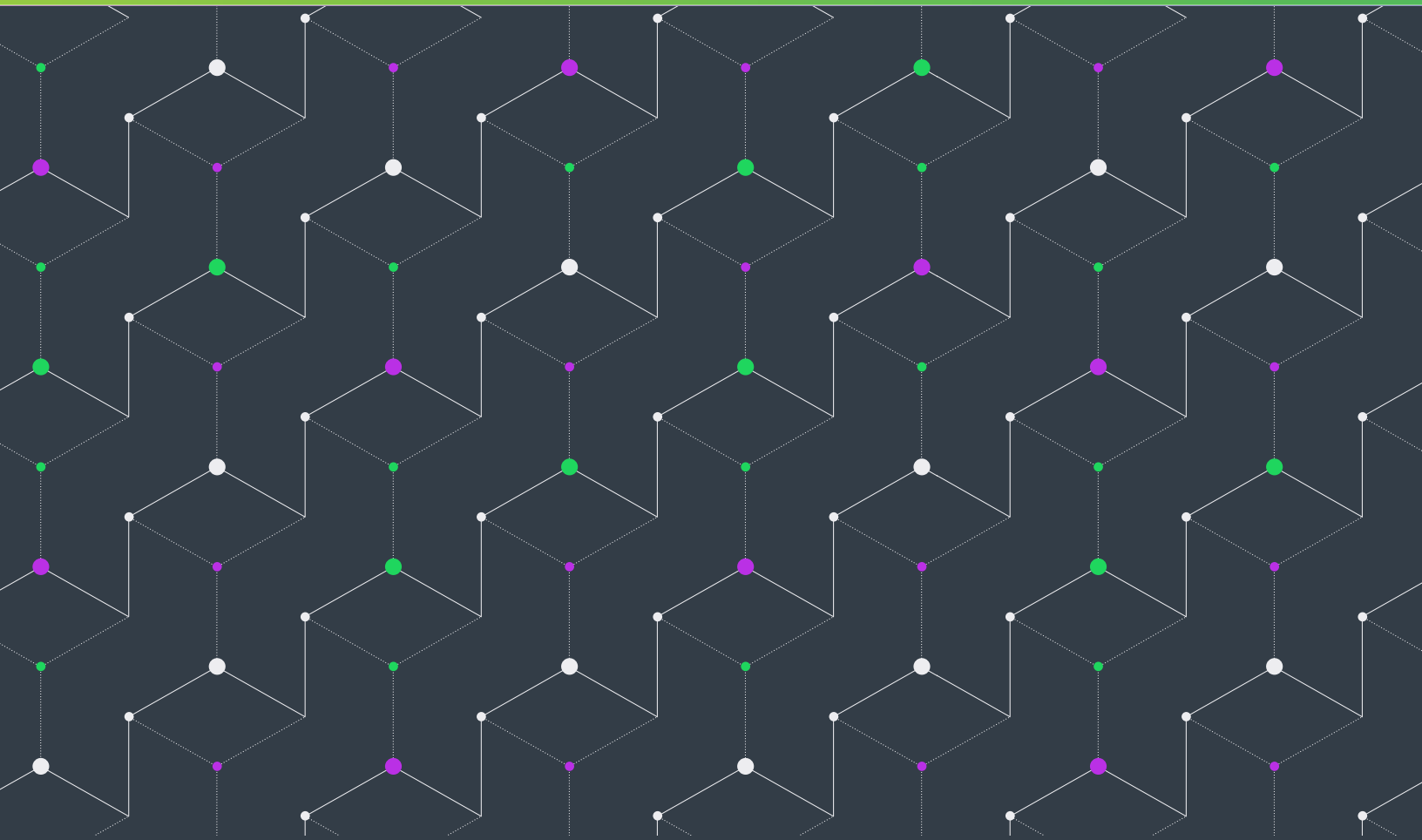revenera™

Revenera Monetization Monitor

Software Usage Analytics 2025 Outlook

Executive Summary

Software usage analytics—the process of tracking and analyzing how users engage with software—provides data-driven insights that help software suppliers support a range of business improvements, such as making informed product roadmap decisions, identifying upsell opportunities, and minimizing customer churn. The desire to establish effective practices is apparent: the vast majority of software suppliers surveyed for this report collect product usage data, and a growing number of respondents now rely on commercial usage analytics solutions.

Yet software suppliers still need to embrace best practices for effective data collection and analysis that can help optimize annual recurring revenue (ARR). There's significant room to improve initiatives. Approximately half of respondents indicate disjointed or siloed approaches. An increasing number of respondents (29%) are collecting telemetry data, but letting valuable insights go to waste.

This report evaluates product usage data collection and analysis trends. It also illustrates opportunities for business improvements with software usage analytics.

Only 38% of respondents report the ability to gather product usage data "very well."

Reliance on homegrown solutions for collecting and analyzing data is falling.

"Letting telemetry data go to waste" is a growing problem jumping to 29% compared to 11% two years ago.

Siloed approaches can complicate software usage analytics initiatives and the ability to have a single customer view, yet nearly half of respondents use disparate systems.

90% of product managers collect additional insights based on user segmentation from product usage analytics.

More than half of respondents who gather product usage data "very well" are using their insights for roadmap decisions.

The top application of product usage data is to identify upsell opportunities.

Suppliers that collect usage data "very well" have a clear advantage in tracking all customers and their entitlements/use rights.

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The *Revenera Monetization Monitor 2025 Outlook:
Software Usage Analytics* illuminates:

The Revenera Monetization Monitor 2025 Outlook Series

This report is part of an annual series focusing on software monetization first published in 2019. This report focuses on usage analytics. The first two reports in the *Revenera Monetization Monitor 2025 Outlook* series addressed Software Monetization Models and Strategies and Software Piracy and Compliance. All reports are based on 418 complete responses to a survey conducted by Revenera from May through July 2024.

Read all three reports in the *Revenera Monetization Monitor 2025 Outlook* series.

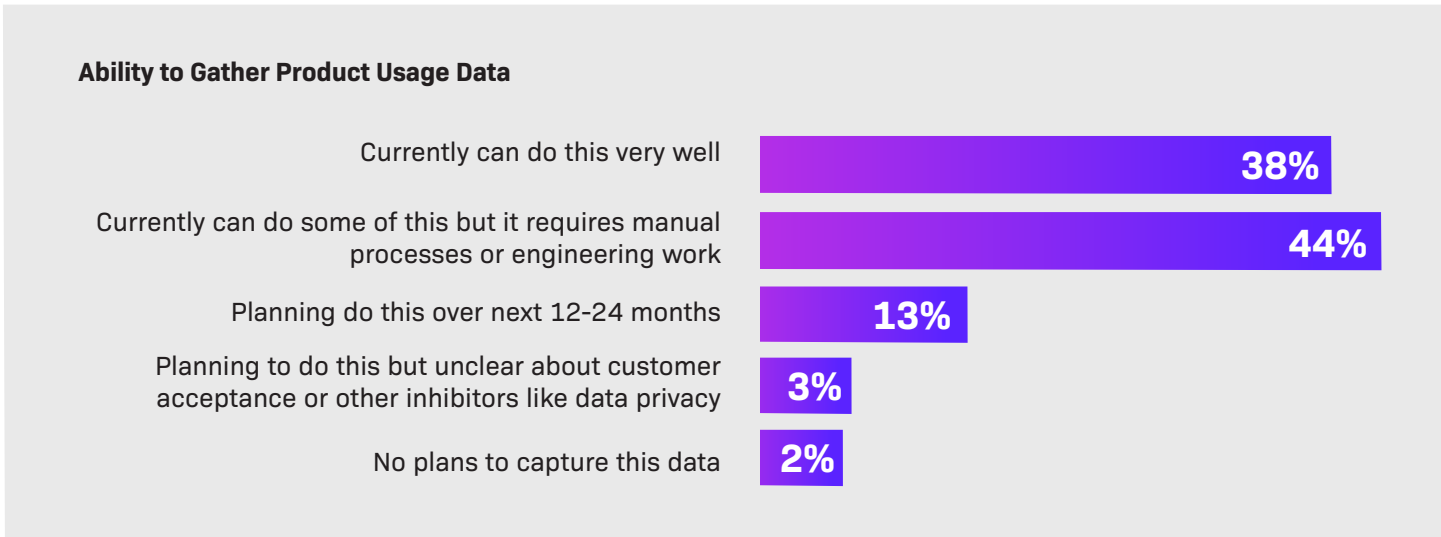# Product Usage Data Collection & Analysis Trends

Efficient Software Product Usage Data Collection Efforts
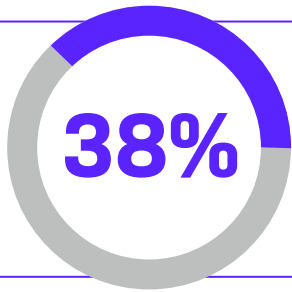
As noted in the first report in the *Revenera Monetization Monitor 2025 Outlook* series, more than 4/5 of survey respondents (82%) report that they can gather product usage data either very well or that they have the ability to do some of this, though it requires manual processes or engineering work. This improvement, from 79% a year ago, may indicate improved efficacy of product usage data collection efforts.

The number planning to gather product usage data in the coming 12–24 months has remained steady, year-over-year, at 13%. This group has an opportunity to leverage that usage data to launch initiatives focusing on ways to identify upsell opportunities, reduce churn risk, and to make effective product roadmap decisions.

USAGE DATA

Usage data is valuable for all monetization models. It helps product management, marketing, software engineering, sales, customer success, compliance, and senior management teams. Uses include feature prioritization or roadmap development, UI/UX design, beta testing, deprecating features, pricing decisions, software version decisions, and piracy tracking.

Ability to Gather Product Usage Data

Currently can do this very well	38%
Currently can do some of this but it requires manual processes or engineering work	44%
Planning do this over next 12-24 months	13%
Planning to do this but unclear about customer acceptance or other inhibitors like data privacy	3%
No plans to capture this data	2%

38%

Today, 38% of respondents report the ability to gather product usage data "very well." The remaining 62% have room to improve and optimize their initiatives.

USAGE ANALYTICS: UNDERSTANDING ACCESS TO SOFTWARE

As more software producers are redefining and expanding software use rights (and growing usage-based monetization models as noted in the first report in the *Revenera Monetization Monitor 2025 Outlook* series), the more important it is to embrace usage analytics to enable data-driven business decisions.

It's also important to be aware of the varied terminology used to describe what was traditionally known as licensing. Today, terms including *entitlements, use/ usage rights,* and *access rights* are commonly used by software suppliers to mean "access to software." Though these terms are largely synonymous, they may have different recognition by different software producers and buyers.

Licensing and *use/usage rights* are tied as the most commonly used terms, but suppliers should also be aware of other terminology that may resonate best with their customers.

What is the primary term you use to describe how you control access to software?

Term	Percentage
Licensing	32%
Use/Usage Rights	32%
Access Rights	19%
Entitlements	17%
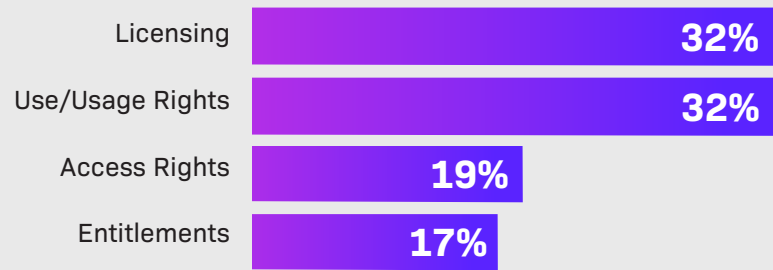
DEFINITIONS

Software usage analytics is the process of tracking and analyzing how users engage with software. It provides:

- **Tracking,** which usually happens via a call-home system that collects raw data about user actions and computing environments,

- **Analysis,** through visualization dashboards that show data, identify trends, user behavior, differentiators across user segments, etc., and

- **Actionable insights,** facilitating context-relevant engagement with the software.

Unlicensed Use

- **Piracy:** the use of software that has been configured or tampered with to remove or bypass license enforcement.

- **Overuse:** the use of software exceeding the limits of the license.

- **Misuse:** the intentional configuration of the software to enable use beyond the limits of the license (e.g., cloning).

How Software Suppliers Collect Usage Data

The most commonly used approach to collecting and analyzing software usage data is for software suppliers to build their own solution, as reported by 31% of respondents. This reflects a reduction in reliance on homegrown solutions in the past year; down from 37% last year. Not far behind, 27% of respondents use a commercial usage analytics software solution.

A comparable number collect telemetry data, but do not analyze it. This number has risen in past years, from 11% in 2022 to 24% in 2023 and 29% in the present research. The collection of usage data is encouraging, but the growing portion that doesn't analyze the telemetry data is significant, representing a procedural gap. This may speak to operational constraints, where systems may be in place, but the business doesn't have the capacity to interpret the data collected. Improving the use of this valuable and necessary information can be a next step in maturing a usage data analysis program.
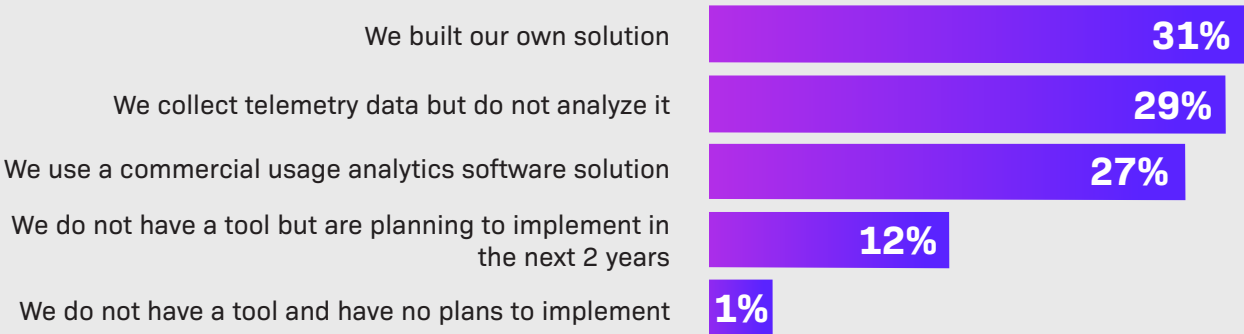
The number of respondents who do not have a tool and who have no plans to implement one is now only 1%, down from 14% two years ago. This is likely an indication of the recognition of the value of usage data.

DON'T WASTE VALUABLE INSIGHTS!

Collecting telemetry data but not analyzing it means that valuable insights about revenue opportunities and the customer lifecycle are likely going to waste. **Presently 29% (up from 24% a year ago) do not analyze their telemetry data!**

What tool do you use to collect and analyze usage today?

We built our own solution	31%
We collect telemetry data but do not analyze it	29%
We use a commercial usage analytics software solution	27%
We do not have a tool but are planning to implement in the next 2 years	12%
We do not have a tool and have no plans to implement	1%

WHERE ARE INEFFICIENCIES UNDERMINING YOUR EFFORTS?

Many suppliers have opportunities to improve their approaches to software usage analytics and to software monetization initiatives, overall. Driving revenue; speeding time-to-market; improving SaaS profitability; monetizing new features, such as Artificial Intelligence (AI) functionality; and providing usage insights to customers all require efficient systems. Disjointed, decentralized, or siloed processes can present business problems for software suppliers.

When data is managed in silos, the resulting inefficiencies can make it difficult to implement the initiatives that best meet a supplier's strategic goals.

- 46% of respondents use different software monetization (licensing and entitlement management) technology, rather than a single approach, across their product lines.

- Less than half of respondents can see common utilization metrics, such as specific product versions a customer is using, or whether a trial or freemium user has upgraded.

- 49% report that disparate systems make it difficult to achieve a single customer view, making it difficult to align pricing with customer value

Collecting Customer Feedback: Qualitative and Quantitative Approaches

The most effective methods of collecting customer intelligence are surveys and advanced product usage analytics, both quantitative methods. These were rated as being either "effective" or "highly effective" by 73% and 71% of respondents, respectively.

The most effective qualitative methods are sales feedback and support calls, both named either "effective" or "highly effective" by 70% of respondents.

DEFINITIONS

- **Qualitative** methods are usually manual, subjective processes that require significant time commitments.

- **Quantitative** methods are automated, objective, and scalable processes that can be completed quickly on an ongoing basis.

FOCUS ON EFFICIENCY!

Qualitative methods of collecting customer feedback are often much more time-consuming, manual processes than quantitative methods, which can be more easily automated.

The results of qualitative methods can be improved when combined with quantitative insights that enable software producers to get qualitative data from those users in the best position to respond (as indicated by adoption/engagement levels, for example).

Find the approaches that deliver insights most efficiently for your entire team.
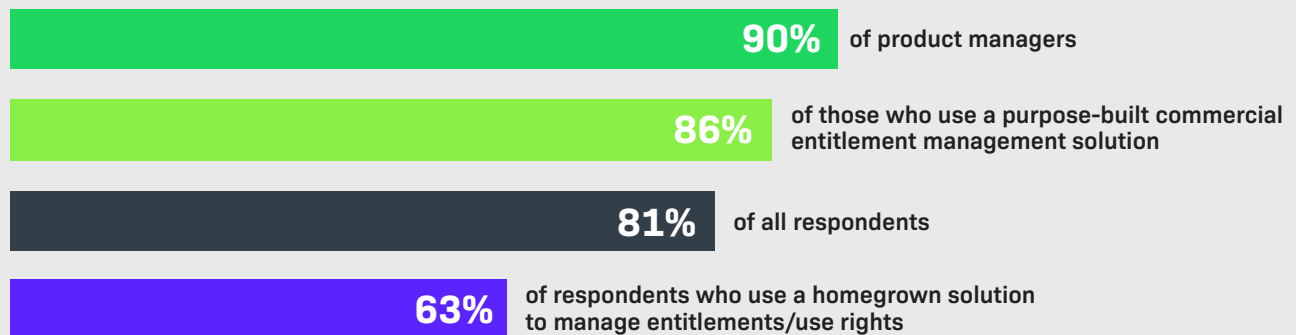
Quantitative Results Can Bolster Qualitative Efforts

Collecting customer intelligence doesn't need to be a cumbersome process. Automation of initiatives, qualitative efforts, and user segmentation can make efforts more effective. In the present research, 81% of all respondents (up from 69% a year ago) report taking a blended approach: collecting additional insights and/or asking follow-up questions based on user segmentation from product usage analytics.

This jump in the number of respondents taking this approach may indicate that they're prioritizing programs focused on usage data. This mature approach, blending both qualitative and quantitative methods while also performing segmentation, indicates that these groups understand the value of the data available to them and are looking to tap into it.

Who collects additional insights and/or asks follow-up questions based on user segmentation from product usage analytics?

90% of product managers

86% of those who use a purpose-built commercial entitlement management solution

81% of all respondents

63% of respondents who use a homegrown solution to manage entitlements/use rights

BALANCING QUANTITATIVE AND QUALITATIVE APPROACHES

Leveraging product usage analytics, a quantitative approach to collecting customer intelligence, provides an efficient way of gathering real-time information about how customers use software. Ultimately, usage data allows you to gather insights from your entire customer base, whereas surveys only provide feedback from a portion of users at a fixed point in time. While still valuable, surveys become more effective when they are informed by product usage analytics.
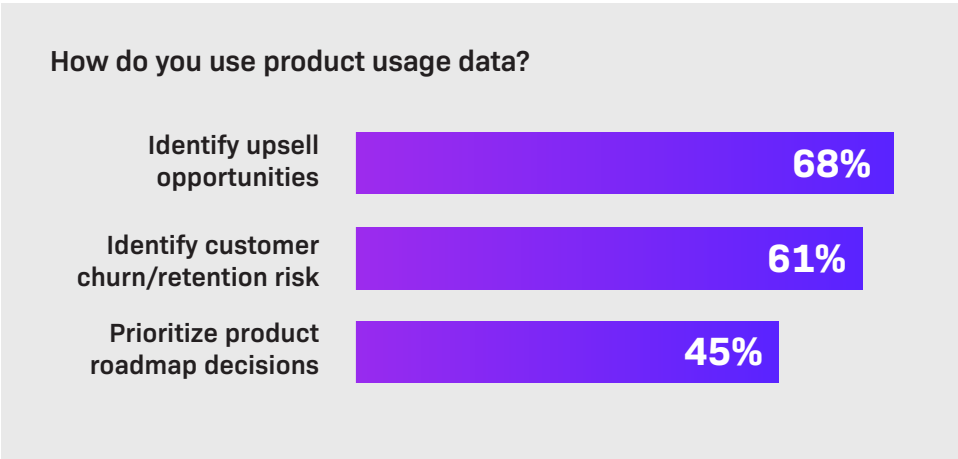
Opportunities for Business Improvements with Software Usage Analytics
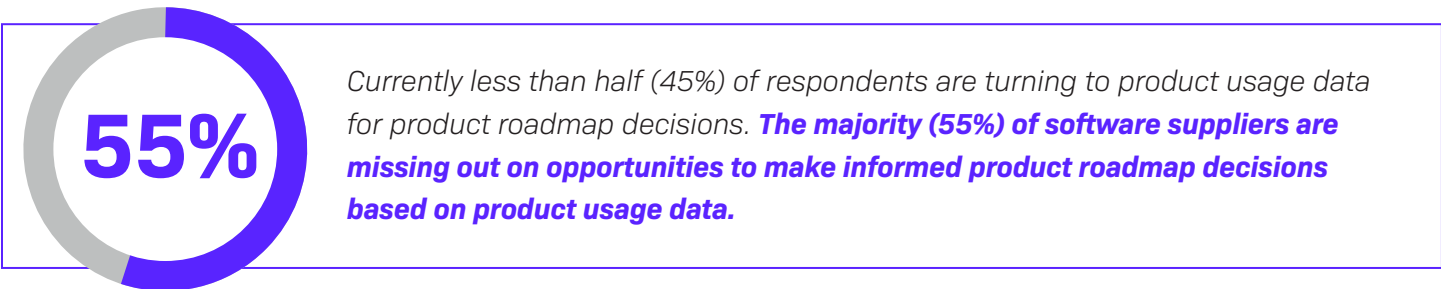
Apply Product Usage Data

Software product usage data can be collected and analyzed to drive important business decisions, such as product roadmap decisions, upsell initiatives, and efforts to minimize customer churn.

Currently almost half (45%) of respondents are turning to product usage data for product roadmap decisions. (Among those who collect product usage data "very well," this number goes up to 56%). This presents a huge opportunity for the remaining 55% of respondents overall.

The main way that product usage data is currently being used is for the identification of upsell opportunities, reported by 68%; product managers report even higher reliance on product usage data for upsell opportunities (such as for packaging and pricing decisions), with 81% using it in this way.

How do you use product usage data?

Identify upsell opportunities	68%
Identify customer churn/retention risk	61%
Prioritize product roadmap decisions	45%

Customer success and renewal teams, however, are most focused on churn/retention, pointing to opportunities for product managers to work with these groups more closely to meet customer needs. With 1/3 of survey respondents highlighting churn risk as one of the biggest barriers to revenue growth, monitoring usage data is an important step in churn prevention.

55%

*Currently less than half (45%) of respondents are turning to product usage data for product roadmap decisions. **The majority (55%) of software suppliers are missing out on opportunities to make informed product roadmap decisions based on product usage data.***
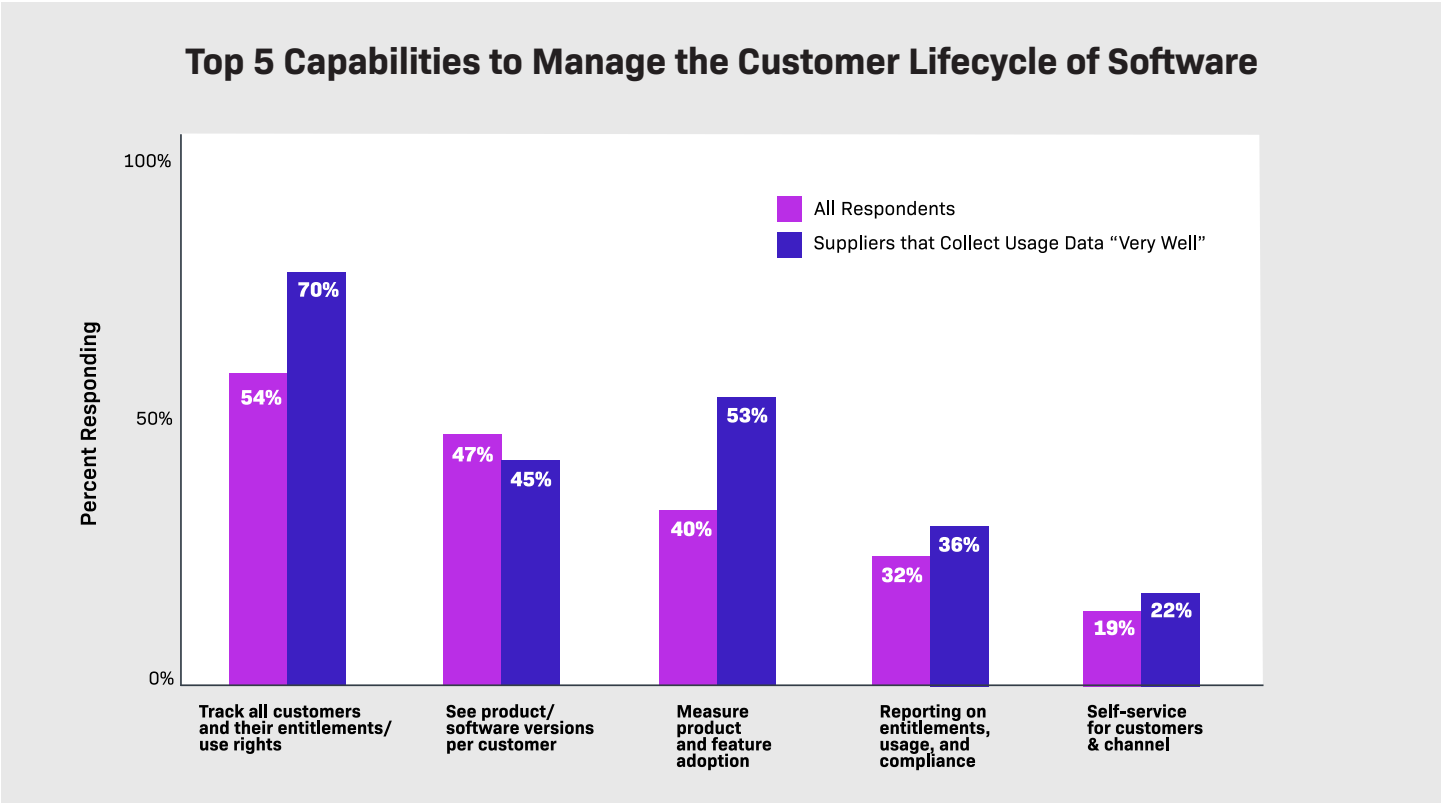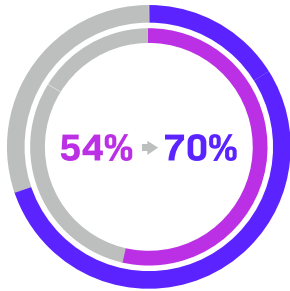
Manage the Customer Lifecycle with Software Usage Analytics

Software usage data provides insights that can help optimize how software meets customers' needs, optimizing the customer lifecycle. Understanding entitlements, renewal dates, feature adoption, where software usage drop-off takes place, and other measures can help improve and streamline interactions with customers.

One key capability, the ability to track all customers and their entitlements/use rights, improved significantly over the past year. Last year only 39% of respondents indicated that they are able to track this; the number jumped to 54% in the present research, making it the most widespread capability among respondents. Other top capabilities include seeing product/software versions per customer (47%) and measuring product and feature adoption (40%). However, detailed insight into customer usage, adoption, and engagement is only possessed by 16% of respondents, making it the capability held by the lowest number of respondents—and perhaps the most important area for improvement, as it is required for customer retention and for minimizing customer churn.

Among those respondents that collect usage data very well, noteworthy improvements are shown for certain capabilities. Among this group, 70% can track all customers and their entitlements/use rights, up from the 54% overall. 53%, up from 40% overall, can measure product and feature adoption.

Top 5 Capabilities to Manage the Customer Lifecycle of Software

Legend:
- All Respondents
- Suppliers that Collect Usage Data "Very Well"

Percent Responding:

Capability	All Respondents	Suppliers that Collect Usage Data "Very Well"
Track all customers and their entitlements/use rights	54%	70%
See product/software versions per customer	47%	45%
Measure product and feature adoption	40%	53%
Reporting on entitlements, usage, and compliance	32%	36%
Self-service for customers & channel	19%	22%

54% → 70%

Those who can currently gather product usage data very well have greater insights into customers' entitlements/use rights than is the case for respondents overall. This number jumps from 54% overall to 70% of those with effective data gathering programs.

The ability to track customers and their use rights is valuable for customer engagement, customer adoption, and churn risk.

# Provide Customers with Insights They Need Into Usage Data

Today, 36% of respondents say that more than half of their customers already have access to usage data. An additional 39% of respondents say that more than half of their customers want insights into their data and 36% say that more than half already have access to usage data but want additional insights/functionality.

Unsurprisingly, these numbers go up where usage-based monetization models are prevalent. Among this group, 75% say that more than half of customers already have access to usage data, 69% want insights into their usage data, and 81% already have access to usage data but want additional insights/functionality.

Collectively, these indicate that a significant portion of customers need more insights into their own usage data. In order to provide it, software suppliers must collect that data and be able to report on it. By sharing software usage data with customers, suppliers can highlight the value that customers receive and provide clarity into important records, such as the version the customer uses, feature adoption, and entitlements/use rights.

**USAGE-BASED MODELS REQUIRE ACCURATE USAGE DATA**

Plans to offer usage-based software monetization models to align with customer value is one of the top reasons why software suppliers are changing monetization models. In order to implement this change, accurate usage data and the ability to share insights with customers are imperative.
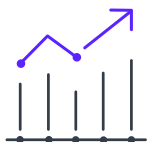
Focus on Usage Data to Grow
Usage-Based Monetization Models

Among respondents who are planning to change monetization models in the coming two years, 37% will be doing so to offer usage-based models to align with customer value. Usage-based models are also anticipated to grow as a percentage of overall software license revenue for 59% of respondents.

To realize business and revenue growth from usage-based monetization models, software suppliers must have accurate insights into software usage. Efficient data collection and analysis is also a best practice for all other monetization models, including concurrent/floating, outcome or value-based, perpetual, and subscription/term. Gathering and analyzing this information can help software suppliers adjust their monetization initiatives when the time is right to adjust monetization plans, potentially speeding time-to-market.

59%
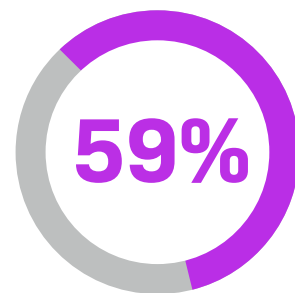
Usage-based software monetization models are anticipated to grow as a percentage of overall software license revenue for 59% of respondents.

1/3
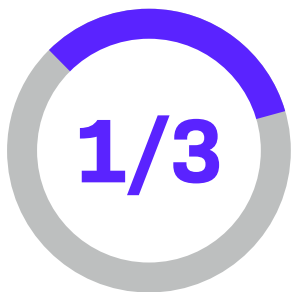
One third (33%) of all respondents indicate that the inability to adopt/implement new monetization models is one of the biggest barriers to growing annual recurring revenue. This is a slight improvement from the 41% who reported it a year ago, but it shows the ongoing need to collect and analyze usage data effectively in order to implement new monetization models.

With more than 1/4 (27%) of suppliers now relying on usage-based monetization models extensively and a total of nearly 4/5 (79%) using it at least moderately, the importance of gathering accurate usage data is growing, as it is essential for accurate billing.

Survey Background

The *Revenera Monetization Monitor: Software Usage Analytics 2025 Outlook* report is based on 418 complete responses to a survey conducted by Revenera from May through July 2024. This research project looks at software producers' software business models, pricing, usage, and transparency. Due to rounding, percentages may not always appear to add up to 100%.

What is your current job level?
- C-Level/Executive — 23%
- SVP/VP — 17%
- Director — 44%
- Manager/Team Leader — 15%
- Individual Contributor/Consultant — 1%

What is your current job function?
- Product management & IoT strategy — 37%
- Support — <1%
- Marketing/sales — 8%
- Information technology — 4%
- Licensing/compliance/IP protection — 1%
- Finance — 22%
- IoT Strategy — <1%
- Engineering and Development — 26%
- Operations — 1%

What's your company's annual revenue in $USD?
- $10-100 million — 52%
- <$10 million — 2%
- >$101 million — 46%

What is the main technology that you use to manage entitlements/use rights?
- Purpose-built commercial entitlement management solution — 55%
- None — <1%
- Homegrown solution — 8%
- Leverage other systems, like CRM and ERP — 37%

What is your industry?
- Software — 61%
- Other intelligent devices — 4%
- Networking/telco devices/equipment — 4%
- Medical devices — 1%
- Manufacturing and industrial devices/equipment — 23%
- IoT devices — 8%

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The Bottom Line

Today, reliance on usage-based models is on the rise. Customer churn is a noteworthy risk to revenue recognition. And gaining insights into hybrid monetization and deployment models is more important than ever.

Clear, efficient, accurate insights into software usage data and analytics is necessary. Yet only about 2 in 5 respondents report the ability to gather product usage data "very well." Now is the time to embrace the opportunity to improve software usage collection and analytics efforts. With the right programs in place, supported by automated initiatives and qualitative methods, software suppliers can gain greater insights into how their products are used and into the needs of their customers. Software usage analytics can drive business improvements company-wide.

START TRACKING PRODUCT USAGE ANALYTICS

Improve your software usage analytics initiatives with a 30-day free trial of Revenera Usage Intelligence.

LEARN MORE >

Don't miss the other reports in the *Revenera Monetization Monitor 2025 Outlook* series:

Software Monetization Models and Strategies

Software Piracy and Compliance

Revenera helps product executives build better products, accelerate time to value and monetize what matters. Revenera's leading solutions help software and technology companies drive top line revenue with modern software monetization, understand usage and compliance with software usage analytics, empower the use of open source with software composition analysis and deliver an excellent user experience—for embedded, on-premises, cloud and SaaS products. To learn more, visit **www.revenera.com**