Software-as-a-Service (SaaS)

Software as a service (SaaS) is a software distribution model in which a third-party provider hosts applications and makes them available to customers over the Internet. SaaS is categories of cloud computing.

SaaS removes the need for organizations to install and run applications on their own computers or in their own data centers. This eliminates the expense of hardware acquisition, provisioning and maintenance, as well as software licensing, installation and support. Other benefits of the SaaS model include:

Flexible payments: Rather than purchasing software to install, or additional hardware to support it, customers subscribe to a SaaS offering. Generally, they pay for this service on a monthly basis using a pay-as-you-go model. Transitioning costs to a recurring operating expense allows many businesses to exercise better and more predictable budgeting. Users can also terminate SaaS offerings at any time to stop those recurring costs.

Scalable usage: Cloud services like SaaS offer high scalability, which gives customers the option to access more, or fewer, services or features on-demand.

Automatic updates: Rather than purchasing new software, customers can rely on a SaaS provider to automatically perform updates and patch management. This further reduces the burden on in-house IT staff.

Accessibility and persistence: Since SaaS applications are delivered over the Internet, users can access them from any Internet-enabled device and location.