THE ANSWER IN ONE MINUTE

Is AI coding disrupting SaaS?

Yes. Selective disruption is already visible. An industry-wide revenue collapse is not established.

Some buyers are avoiding software purchases or replacing narrow tools with internal builds. Meanwhile, AI-native competitors are gaining adoption, and established platforms are still growing.

32%
report avoiding at least one purchase with AI coding [1]

35%
report replacing at least one SaaS tool, in Retool's sample [2]

+8%
average annual SaaS spend in Zylo's dataset [6]

Different populations and measures. These numbers are not a common market-share calculation.

THREE MECHANISMS

01
AI-assisted delivery
Software gets cheaper and faster to build.

02
Build instead of buy
A purchase is avoided or a tool is replaced.

03
AI-native competition
A different vendor wins the workload or budget.

Do not confuse them. Evidence that an AI product won a customer does not prove that coding agents caused a SaaS cancellation.

SoftHouse Advisory research. Numbered references are clickable.

01 / PURCHASES AVOIDED AND TOOLS REPLACED

The strongest evidence is at the buying decision.

Self-reported behavior is real evidence, but it is not an audited estimate of revenue lost.

McKinsey: 32%

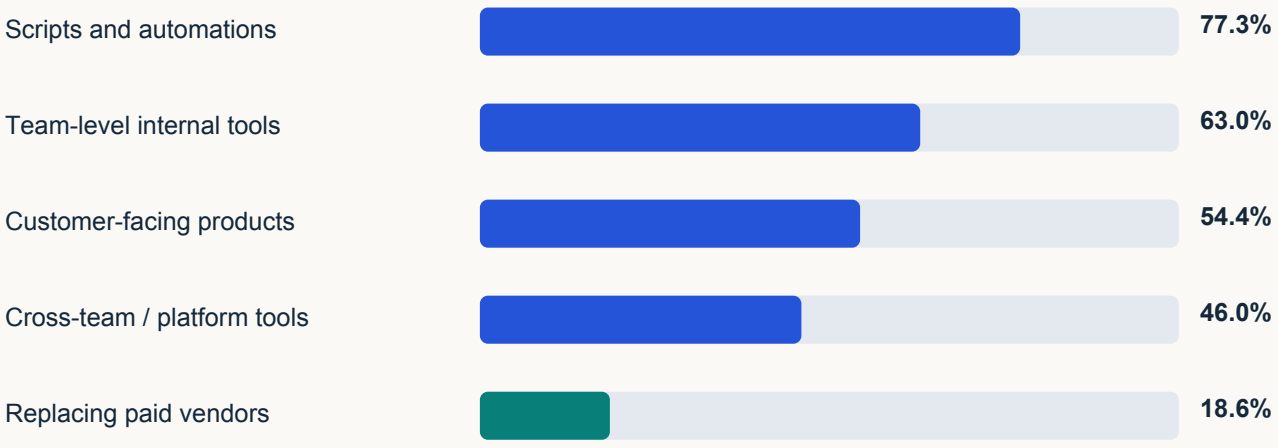
1,719 respondents across 97 countries, surveyed in May and June 2026. Reported declining a product or feature because agentic coding could build it. This is **purchases avoided**, not 32% of software spending lost. [1]

Retool: 35%

817 customers and builders, surveyed in late 2025. Reported replacing at least one SaaS tool with custom software. A commercially interested vendor and builder-heavy sample limit generalization. [2]

WHAT DEVELOPERS ACTUALLY BUILD

Share of respondents, Stack Overflow 2026



Among the vendor-replacement cohort, 54.4% used AI. That is **not** 54.4% of all developers. The explicit survey tables and cohort explanation are used here because one prose sentence is ambiguous. [3]

Do not average these surveys. They ask different questions of different people at different times.

02 / NAMED CUSTOMER CASES

Replacement usually happens around the existing stack.

Two named examples show the mechanism, not its prevalence or long-term return on investment.

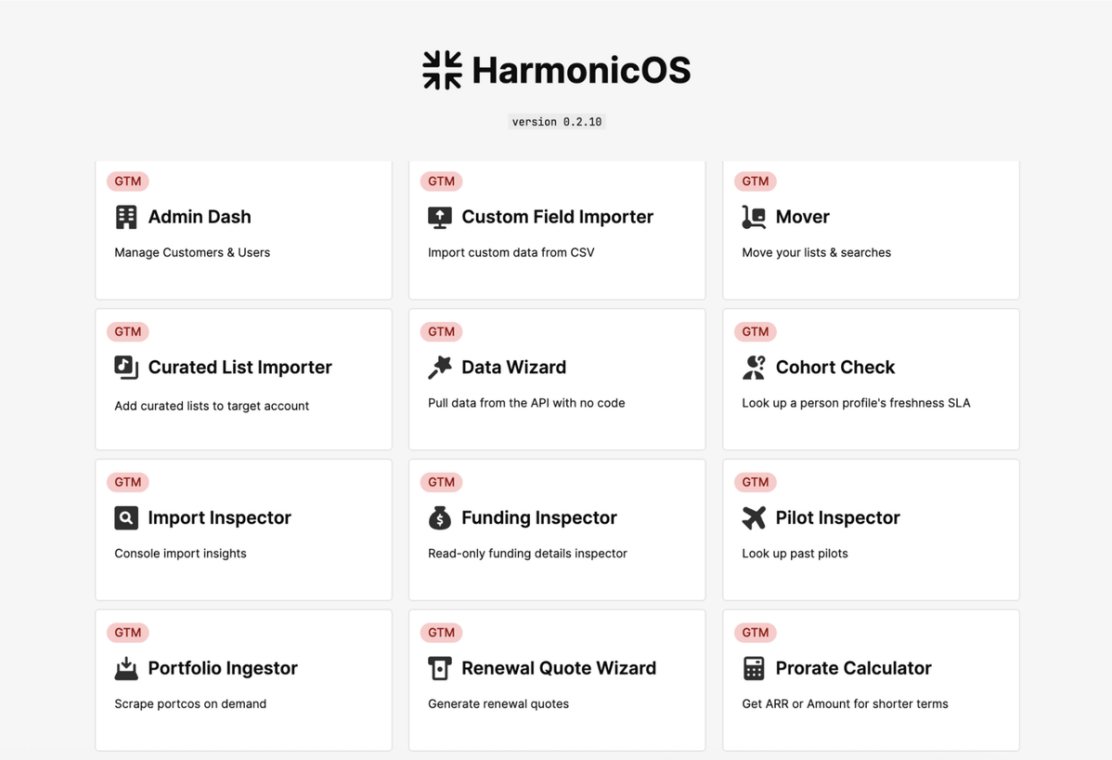


Image: HarmonicOS, reproduced from Retool's public customer case. Source: Retool / Harmonic. [4]

VENDOR-REPORTED CASE / HARMONIC

A third-party tool costing more than **USD20,000 a year** was rebuilt in Retool. Harmonic operates 33 internal applications while still connecting to Salesforce, Gong and Slack. This is selective substitution, not software independence. The avoided subscription is not a net saving after labor, platform fees and maintenance. [4]

VENDOR-REPORTED TRANSITION / NURSA

Lovable says Nursa rolled its platform out to more than 200 employees and was **in the process of retiring ten SaaS systems**. That is not evidence of ten completed cancellations, and no audited lifetime cost comparison is supplied. [5]

03 / SPENDING AND INCUMBENTS

The software budget is moving.

Dataset spending and public earnings counter the blanket collapse story. Neither isolates causality.



Image: Zylo's 2026 index cover. [6]

+8%

average annual SaaS spend

+108%

AI-native application spending

Average portfolios stayed near **305 applications**. Zylo's managed enterprise sample points to changes in pricing and mix, not a census of the entire market or a live October snapshot. [6]

REPORTED FINANCIAL RESULTS

Salesforce

+12%

subscription and support revenue, year over year

USD10.8bn, quarter ended 31 July 2026. Includes USD440m from Informatica, so the growth is not purely organic. [8]

ServiceNow

+24.5%

subscription revenue, year over year

USD3.877bn, quarter ended 30 June 2026. Build Agent was also made generally available. ServiceNow reports Q3 2026 results after market close on 28 October 2026; this brief reflects the Q2 figures available at publication. [9]

What this establishes: these large incumbents were still growing in the periods reported. It does not prove that they are immune to displacement, or that AI coding caused their growth.

An incumbent can absorb AI coding into its own platform. Lower development cost is not an advantage reserved for new entrants.

04 / COMPETITION AND PRICING

New adoption can move faster than existing revenue.

AI-native competition is related to AI coding, but it is a separate causal claim.

BUSINESS INTELLIGENCE / RAMP NETWORK

+5 pp
average adoption change for newcomers

-1.3 pp
average adoption change for incumbents

Yet incumbents retained nearly **83% of category spend**. These are Ramp-network results, not a measurement of subscriptions eliminated by coding agents. [7]

Category spend retained by incumbents



Visual uses the source's approximate share. Adoption changes above are percentage points, not percentages.

CHARGING FOR OUTCOMES

Intercom combines human-seat pricing with Fin outcome charges. Listed examples include **USD0.99 per resolution** and **USD9.99 per sales qualification**. That is evidence of a changing revenue model, not evidence that vibe coding caused it. [10] [12]

Much of this is engineering with AI

In Retool's sample of people who had shipped software, **72%** used AI for code pieces inside larger projects; **31%** prompted complete applications. Uses can overlap. One-prompt, unaudited software is not the whole story. [11]

05 / HOW RECENT IS THIS?

New label. Older foundations. Rapid adoption.

AI coding existed before vibe coding. The terms do not describe the same behavior.

2021

Copilot preview

GitHub offers AI suggestions for lines and functions. [13]

2023

Prompt-to-UI

Vercel puts v0 into beta: describe an interface and generate code. [14]

2025

Vibe coding

Karpathy names a style of building without closely reading the code. [15]

A COMPARABLE THREE-YEAR ADOPTION SIGNAL

Using OR planning to use AI in development



Stack Overflow, separate annual samples: **+14 percentage points** from 2023 to 2025. This includes intentions, not just actual use. Actual use rose from 44% to 62% between 2023 and 2024. It is not a SaaS-replacement series. [16] [17]

2026 / A NEW QUESTION

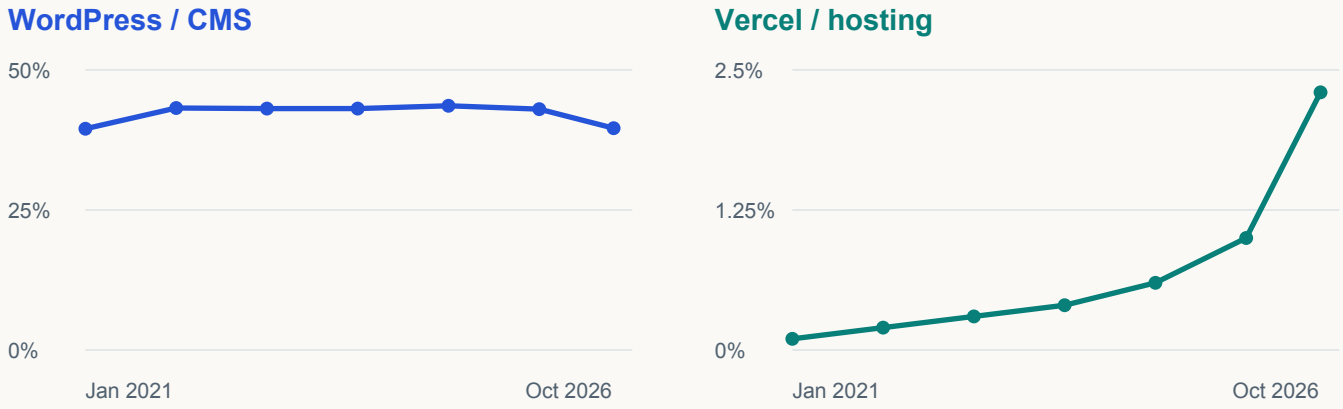
65.9% report using coding assistants or coding agents at work (n = 17,464). **73%** of coding-tool users use them daily. The work-role question and denominators changed, so these do not extend the 70 / 76 / 84 series. [18]

Vibe coding is narrower: in the separate 2025 question, 72% said it was not part of their professional workflow, with another 5% emphatically rejecting it. High AI adoption does not mean most people let AI write unchecked apps. [17]

06 / WORDPRESS AND VERCEL

A mature giant and a fast-growing small base.

Website adoption, not company revenue. Five full years to January 2026, plus an October update.



Same website denominator, **different vertical scales**. W3Techs published percentages, rounded to 0.1 point. [19] [20]

Date	Jan 2021	Jan 2022	Jan 2023	Jan 2024	Jan 2025	Jan 2026	Oct 2026*
WordPress	39.5%	43.2%	43.1%	43.1%	43.6%	43.0%	39.6%
Vercel	0.1%	0.2%	0.3%	0.4%	0.6%	1.0%	2.3%

*26 October snapshot. January figures are 1 January, not annual averages.

Five-year change, Jan 2021 to Jan 2026: WordPress +3.5 points (+8.9% relative); Vercel +0.9 points (about 10x, or +900%). Vercel starts from a tiny, rounded base. These are changes in share, not site-count or revenue growth.

The first-ever dip? Not now: the annual table already falls from 43.2% in January 2022 to 43.1% in January 2023. It later reaches 43.6% in January 2025. By late October 2026 it is 39.6%; Vercel reaches 2.3%. A decline in share alone does not prove fewer WordPress sites. [19] [20]

Interpretation: this is consistent with faster growth in modern deployment platforms, not proof that vibe coding caused WordPress losses. WordPress and Vercel can coexist in a headless setup. W3Techs changed its sample in November 2022; this is not a fixed cohort of sites. [21] [22] [23]

07 / WHAT IT MEANS FOR BUYERS AND BUILDERS

Replace the awkward part. Keep the dependable foundation.

The map below is our interpretation of the evidence, not a measured ranking or forecast.

MORE EXPOSED

Narrow internal workflows

Forms, dashboards and approval tools with bounded, company-specific requirements.

MORE EXPOSED

Premium add-ons

A buyer may keep the core subscription and build the missing feature instead of upgrading.

MORE DEFENDED

Systems of record

CRM, finance, identity and compliance involve migration, permissions, integration and accountability.

POTENTIAL WINNERS

The enabling stack

App builders, hosting, databases and AI APIs can capture spending from the custom alternative.

The first symptom may be a missing new sale or upgrade, not a cancellation. Revenue growth and competitive pressure can coexist.

A CREDIBLE CUSTOMER OFFER

Start with one expensive, ill-fitting workflow. Assign an owner; include integrations, access controls, tests, rollback and maintenance. Compare total operating cost with the subscription and its implementation cost, not just the cost of the first demo.

For SaaS builders: trusted data, domain expertise, distribution and operational responsibility are harder to replace than a feature list.

SOURCES AND READING NOTES

References / original research

Click a source title to open the original. Public primary sources; checked 15 October 2026; freshness reviewed 26 October 2026.

01 **McKinsey:** The state of AI in 2026: On the road to ROI
25 Aug 2026; fieldwork 4 May to 8 June

02 **Retool:** 2026 Build vs. Buy Report announcement
17 Feb 2026; survey conducted in late 2025

03 **Stack Overflow:** 2026 Developer Survey: Technology
Build vs. AI tables; cohort denominators retained

04 **Retool:** Harmonic customer case
Vendor-reported customer example; image on page 3

05 **Lovable:** Series C announcement and customer examples
12 Aug 2026; Nursa transition is described as in progress

06 **Zylo:** 2026 SaaS Management Index
Managed portfolio dataset; report-cover image on page 4

07 **Ramp:** AI-native software is quickly climbing the ranks
2026 transaction-network analysis; not the entire market

08 **Salesforce:** Second Quarter Fiscal 2027 Results
26 Aug 2026; quarter ended 31 July 2026

09 **ServiceNow:** Second Quarter 2026 Financial Results
22 July 2026; quarter ended 30 June 2026

10 **Intercom:** Fin AI Agent outcomes
Live help documentation; pricing checked 15 Oct 2026

11 **Retool:** The Build vs. Buy Shift
Detailed survey findings and methodology

12 **Intercom:** Intercom pricing explained
Human-seat plus AI-outcome pricing structure

LIMITS AND VISUAL CREDITS

No defensible industry-wide percentage of SaaS revenue lost specifically to AI coding was established. Surveys describe reported behavior; customer stories are selected vendor claims. Higher spend can coexist with churn, price increases and acquisitions. Periods and denominators must remain visible.

Charts and mechanism diagrams: SoftHouse Advisory, based on the cited data. Images: Retool / Harmonic (page 3) and Zylo (page 4), from the linked public sources. Images identify the examples; they are not independent verification or an endorsement. This is a visual edition of SoftHouse Advisory research, not a market forecast.

SOURCES AND READING NOTES

References / added trends

Public primary sources and first-person accounts. Checked 15 October 2026; freshness reviewed 26 October 2026.

13 **GitHub:** Introducing GitHub Copilot
29 June 2021; technical preview, not autonomous app delivery

14 **Vercel:** Announcing v0: Generative UI
11 October 2023; prompt-based interface generation

15 **Andrej Karpathy:** 2025 LLM Year in Review
19 December 2025; section 5 describes coining vibe coding

16 **Stack Overflow:** 2024 Developer Survey: AI
Reports 2023 and 2024 adoption and intention figures

17 **Stack Overflow:** 2025 Developer Survey: AI
84% use or plan to use AI; separate vibe-coding question

18 **Stack Overflow:** 2026 Developer Survey: AI data
Changed work-role question; coding-tool use and frequency tables

19 **W3Techs:** CMS usage: yearly historical trends
WordPress share of all surveyed websites; snapshot 26 October 2026

20 **W3Techs:** Web hosting usage: yearly historical trends
Vercel share of all surveyed websites; snapshot 26 October 2026

21 **W3Techs:** Our website sample set has been extended
14 November 2022; methodology change to the relevant web

22 **Vercel:** Using Headless WordPress with Next.js and Vercel
Shows the technologies can coexist, not just substitute

23 **W3Techs:** Technology survey methodology
Relevant-web sample, exclusions and site-level detection

HOW TO READ THE ADDITIONS

Relative growth = (ending share / starting share - 1) x 100. Percentage-point change = ending share minus starting share. Calculations use published rounded figures. The comparison is adoption of a CMS and a hosting platform within the same survey, not exclusive rivals, revenue, traffic or a measured migration flow.

The 2023 to 2025 AI chart includes planned use. The 2026 survey changes the question and is shown separately. No consistent multi-year series quantifying SaaS revenue lost to vibe coding was established. New charts are original illustrations of the cited observations, not forecasts.