

# State of SaaS Onboarding 2023

As we do every year, our team at Userpilot reviews the onboarding flows of over 100 SaaS Tools to uncover the trends, best practices of... you guessed it – user onboarding!

Read our 2023 report below to learn how your product compares to other SaaS companies and where we can take some inspiration.

## The Importance of User Onboarding

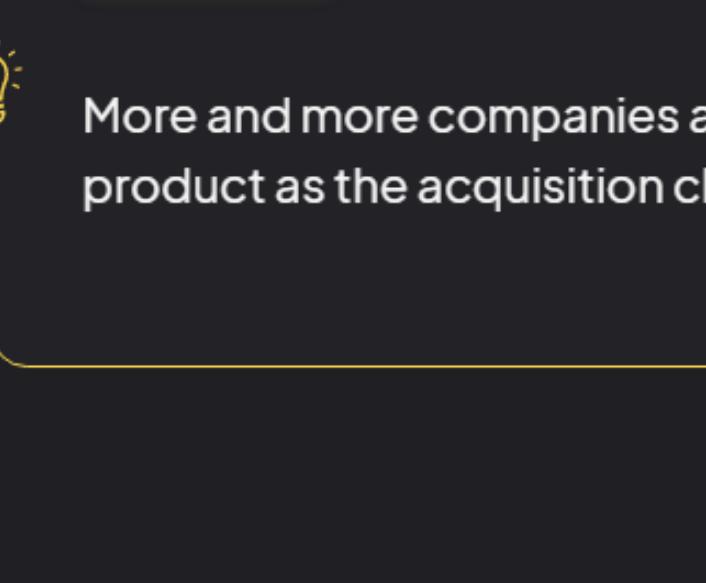
| Metric      | MRR increase after 1 year if metric increases 25% |
|-------------|---|
| Acquisition | 25%   |
| Activation  | 34%   |
| Revenue     | 25%   |
| Retention   | 31.07%  |
| Referrals   | 7.44%   |

Often, SaaS companies don't treat [User Onboarding](#) as a priority. But this attitude can backfire:

- User onboarding has a direct impact on [user activation](#). When you think about it, this is one of the very first touchpoints your users have with your product. If they don't have a good time here, they'll likely leave, never to return.
- If your users don't activate, they won't experience value from your product and will churn within the first few weeks of signing up. This will directly affect your [trial-to-paid conversion rate](#).
- Since user activation is the metric that has the highest correlation with revenue growth, not prioritizing it will have a negative impact on your Growth Rate.

## Free Trial vs. Freemium vs. Demo

2023 – The year “try before you buy” went mainstream



This is good news for the users – but if SaaS companies want to use their products as a self-serve growth channel, they need to radically improve their UX and UI.

Out of the 100 SaaS tools we've investigated in 2023:

- **Nearly 41% offered a free account**  
Yes, there was an overlap – 15% of companies offered both basic plan free accounts, and free trials of higher-tier accounts and 1% more for some tools.
- **Over 74% offered a free trial**  
Compared to 2022: only 43% offered a free trial!
- **Only 4% of companies didn't offer their prospects any “taste of the product” – and were demo-only**  
Compared to 7% last year.

### Insights

More and more companies are aware of Product Led Growth and are utilizing their product as the acquisition channel.

## Frictionless Signup Flow

In times when attention is a scarce resource, a shorter Time-To-Value is extremely important for winning over prospects in SaaS.

One way to reduce the Time-To-Value is to provide an easy, frictionless signup flow. We've defined “frictionless” as:

- Requiring only the name
- Email
- Not asking for the email confirmation or the credit card number before letting the user in

Now, there's a caveat: sometimes, some friction in the signup process might actually be good (read more about [good friction here](#)). If your product is only suitable for companies of a certain size, or in a certain industry, you may want to repel the unqualified leads with survey questions in your signup flow.

Still – in most cases, the less friction the better. And it turns out that in 2023, we're still living in the world of friction...with **nearly 79% of the SaaS products tested having a friction-based signup flow (compared to 76% in 2022)**:

Typically, we encountered two friction points:

- Requiring email confirmation before letting the new signup into the tool
- Requiring a credit card in the signup flow

Single Sign-On, allowing your users to sign up and log in using their Google Accounts, is another way to effectively remove friction from the signup process. In 2023, over 53% of tools used it for the signup process:

### Frictionless Signup Flow



21% – frictionless signup, 79% – friction-based signup.

### SSO



54% yes, 45% no, 1% – yes for login, no for sign up

### Insights

Quick tips for reducing friction in your sign up flow:

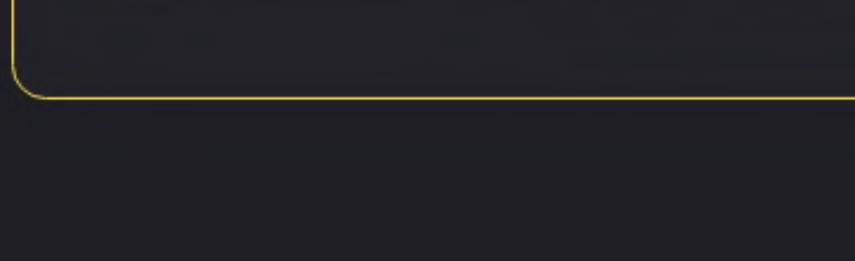
- Avoid asking the user to confirm their email address before getting to see the dashboard. Even if you need that step for legal compliance/identity verification reasons, you can still show them around before allowing the users to perform any actions in your tool (e.g. sending an email campaign)
- Use a “confirm your email” announcement bar inside your app with a sniper-link to the confirmation email
- Same with asking your users additional questions in the signup flow - ask only the ones you immediately need to use to personalize their new user onboarding flow
- Use Single Sign-On (SSO) to make the signup process easier for your new users

## Welcoming Your Users

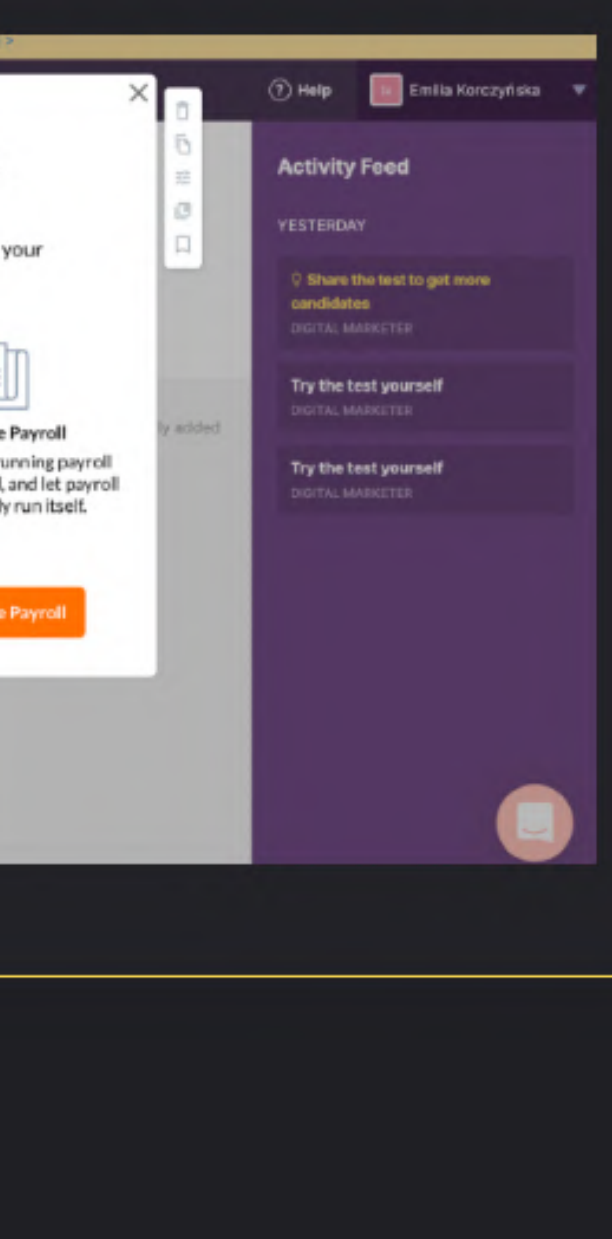
This one should be a given by now. The way you greet your users can set expectations for what's coming up next in their onboarding and how they can get the most of your product.

How many SaaS products have welcome screens in 2023?

### Welcome Screens



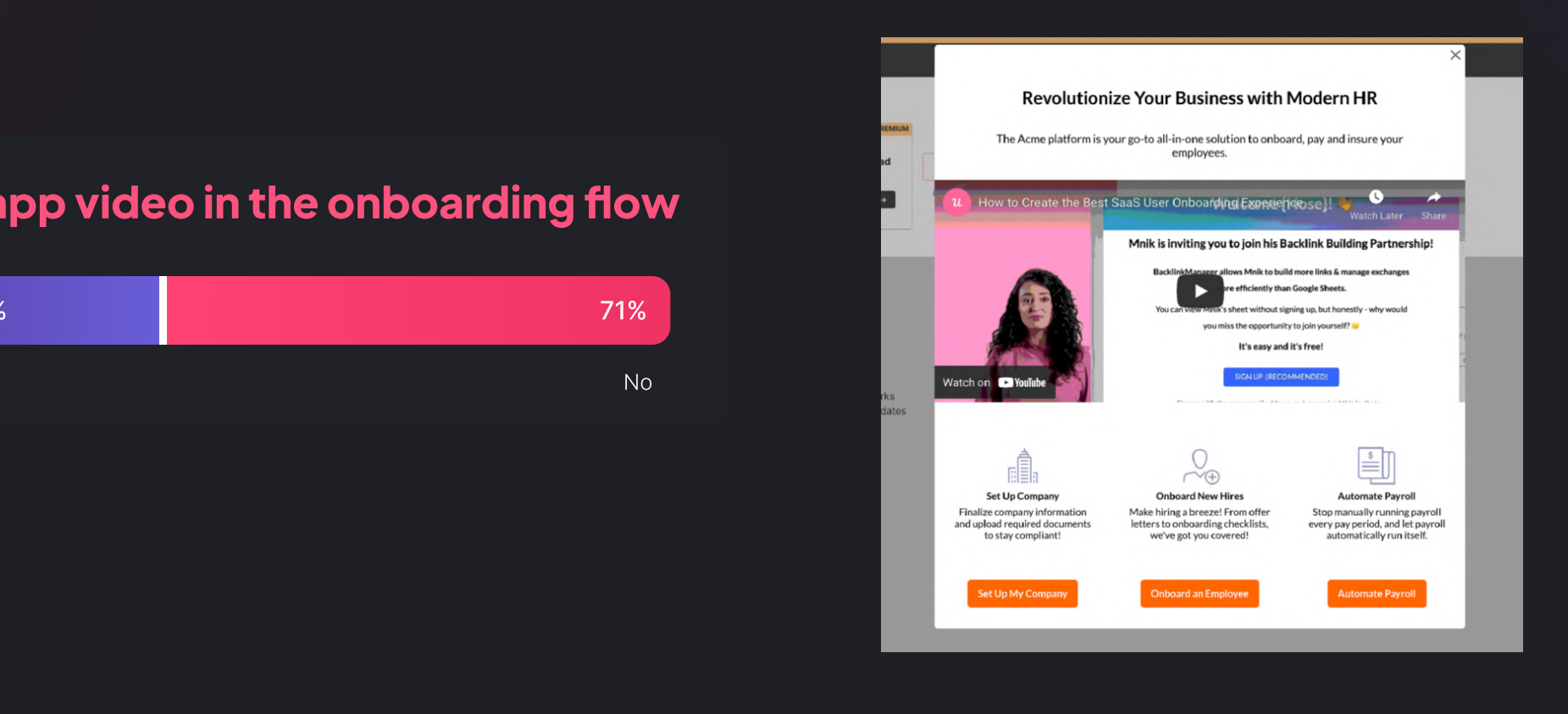
Yes No



### Tips

Welcome screens are a great way to segment your new users by Jobs-To-Be-Done. Knowing the goals your users want to achieve, and customizing the onboarding flows accordingly can be game-changing for the Time-To-Value. You will get them to accomplish their Job-To-Be-Done faster, reduce their time-to-value, and generally help them activate much sooner than if you drag them on a one size fits all 20-step-long product tour. It's a win-win - your users will get value faster, and you will retain and convert more trial users.

You can do this by asking your new users 1-2 questions about what they want to accomplish, or adding buttons that would allow them to “choose their own journey”:

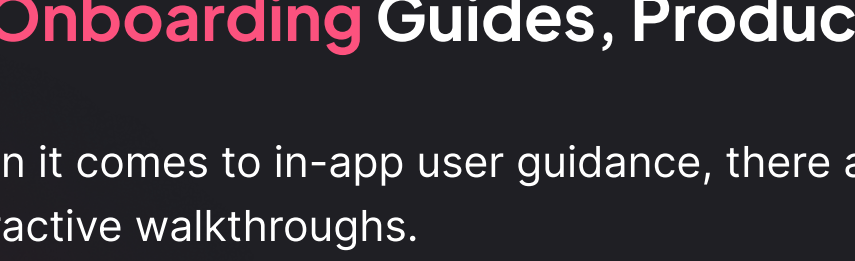


## Microsurveys in the Welcome Flow

As discussed above – adding a micro survey to your welcome flow can significantly reduce your time to value and increase trial-to-paid conversion rates.

No wonder 76% of MarTech SaaS companies used some form of microsurveys.

### Microsurvey

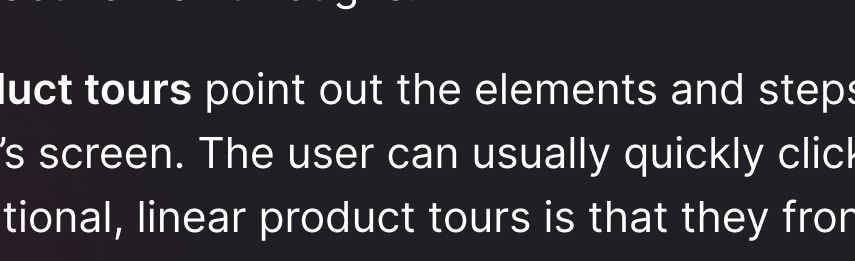


Yes No

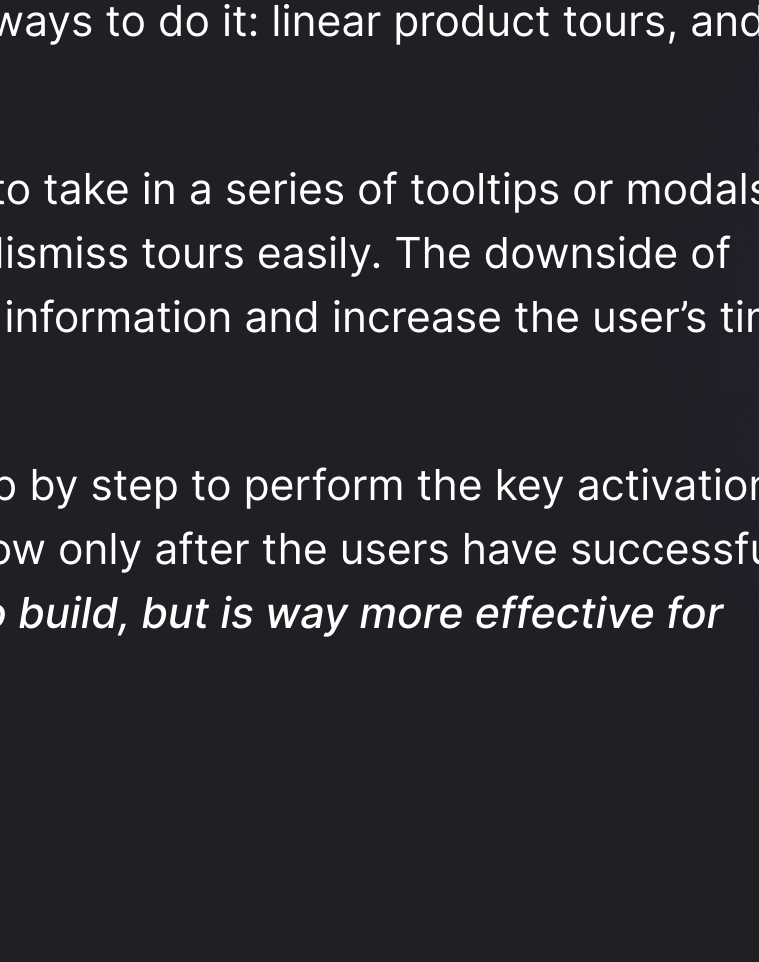
## Videos in the onboarding flow

A picture is worth a thousand words... Well how about a video? Onboarding videos are an effective way to quickly explain complex processes, and add a personal touch to the onboarding flow.

### In-app video in the onboarding flow



Yes No



### Insights

Here are some best practices of using videos in your welcome flows:

- Use only short (< 1-2 minute clips)
- Don't use video tutorials as a replacement for interactive walkthroughs that take users through the required actions first-hand - only use video to enhance them
- Use video whenever it makes more sense to show rather than tell

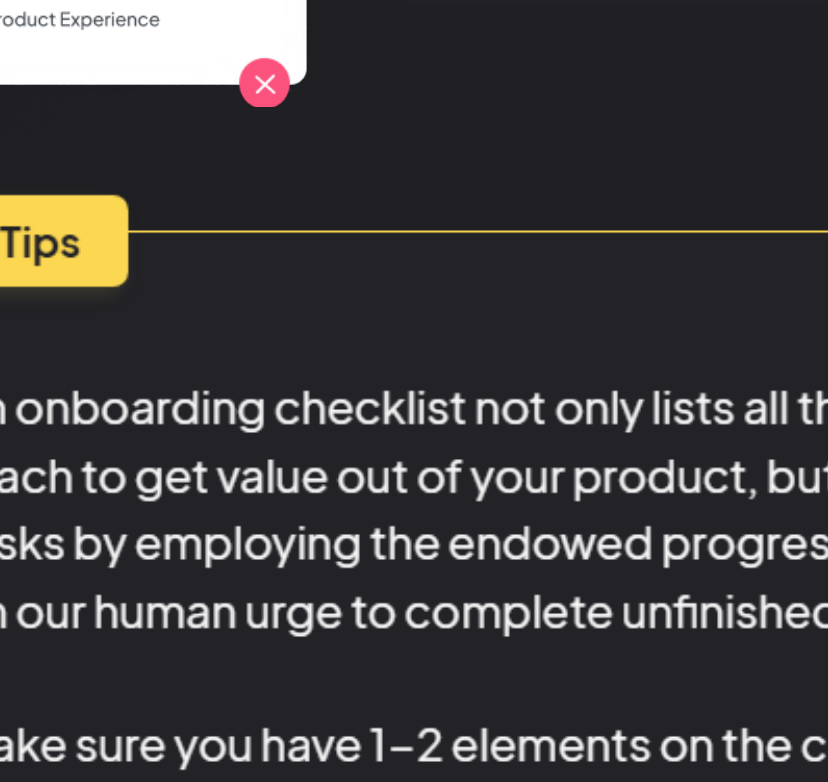
## Onboarding Guides, Product Tours and Interactive Walkthroughs

When it comes to in-app user guidance, there are two main ways to do it: linear product tours, and interactive walkthroughs.

**Product tours** point out the elements and steps users need to take in a series of tooltips or modals on the user's screen. The user can usually quickly click through or dismiss tours easily. The downside of traditional, linear product tours is that they front-load all the information and increase the user's time to value.

**Interactive walkthroughs**, on the other hand, take users step by step to perform the key activation points, at their own pace. Sequences of the onboarding process show only after the users have successfully completed the previous steps. *Hint: this takes more effort to build, but is way more effective for onboarding users.*

## Product Tours vs Interactive Walkthroughs



- **Product Tours 35%**
- **Interactive Walkthroughs 29%**
- **Nothing 36%**

Shockingly, 36% of the tools we tested didn't have any in-app guidance at all.

This shows there's still a big opportunity for your SaaS Tools to stand out by simply providing a great onboarding experience.

### Tips

Learning by doing is better than front-loading information: that's why, whenever possible, opt for interactive walkthroughs instead of product tours.

## Onboarding Optimizations – Checklists and Progress Bars

Last but not least – there are certain small optimizations you can implement to make your onboarding even more effective.

For example, adding an onboarding checklist, ideally with a few items already ‘ticked off’.



### Onboarding checklists



Yes No

### Progress bar



Yes No

## Final thoughts

You're now updated on some of the latest trends in user onboarding in SaaS! We hope you are able to take away some inspiration for how you can improve your user activation, first-month retention, trial-to-paid conversion, and other product metrics.

If you've finished reading this report till the end, write to [emilia@userpilot.co](mailto:emilia@userpilot.co) and let her know your favorite takeaway!(Really, we've hard on collecting all this data so we'd love to hear your thoughts!) Lucky #7 will win a surprise gift from us!