Driving User Adoption in SaaS

Bridging Gaps in Strategy, Accountability & Measurement

User**IQ**

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SECTION 1

The Purpose & Details of the Survey

The user adoption role is empty in most companies, resulting in very little focus or accountability regarding proper onboarding.

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User Adoption is Essential to Your Survival

For SaaS companies, recurring revenue is the name of the game. However, as this business model continues to grow in prominence, so does competition between companies.[1] Good first impressions are essential. Keeping customers for the long haul and achieving negative churn is the new measure of a company's ability to grow.[2]

In short, *user adoption* is everything to a recurring revenue business.

But what is user adoption, exactly? **User adoption** is the process of ensuring each of your users is successful in using your product to achieve their business goals.[3] If managed effectively, adoption leads to higher retention rates and unlocks new growth opportunities for your business.

We set out to answer a few questions.

? How well are companies today **addressing user adoption?**

? How are companies **measuring success & maintaining momentum?**

? How are companies **executing initiatives?**

? What are companies doing to **involve stakeholders?**

<10 YEARS

65%

72% | **B2B & Co.**

50-999

60% of responding companies have been in business **less than 10 years**

65% of respondents were from **customer success roles**

72% of companies operate in the **B2B market**

Nearly **50%** of companies fell in the **50-999 employee** size range

THE DETAILS

About UserIQ's User Adoption & Onboarding Benchmarking Report

It is widely accepted that successful onboarding is essential to user adoption, and user adoption is foundational to driving long-term revenue.[2] What is unclear is how well onboarding and user adoption initiatives are being executed.

To what extent is adoption prioritized and how efficiently is it being measured and improved? That is the focus of this benchmarking report.

Through quantitative and qualitative survey data, this report reveals key disparities between the perceived importance of user adoption and how companies are currently executing and measuring their efforts. By doing so, this survey reveals opportunities to improve.

Our survey was answered by companies ranging in size from less than 50 people to more than 5,000, with most companies falling in the 50-999 range (49%). The majority of companies (60%) have been in business for less than 10 years, and most operate in either the B2B market (72%) or jointly in the B2B/B2C market (23%). Given this survey's particular focus on effective onboarding as a must-have for successful user adoption, the majority of our respondents came from Customer Success roles (65%). The rest were split between Product Management, Sales, Marketing and other adoption-related functions.

SECTION 2

Key Findings of the 2018 User Adoption & Onboarding Survey

The User Adoption Disconnect

3 out of 4

respondents spend **up to half their week** dealing with user adoption initiatives

The Great Divide

SaaS leaders are spending time on projects that don't have a formal strategy within the organization and can't be measured.

Nearly 50%

of respondents have **no formal user adoption programs** in place

User Adoption must become a company-wide priority & metric.

KEY FINDING 1

Companies want onboarding at scale.

First impressions and quick time-to-value (TTV) are critical to true user adoption, and the onboarding phase is where this takes place. **Onboarding** is defined as "the action or process of...familiarizing a new customer or client with one's products or services."[4] In other words, onboarding is when product owners help users discover their best features as fast as possible. It is where user adoption is 'make or break.'

Survey respondents indicate that their chief challenge when it comes to maximizing their onboarding efforts is scalability. 62% are satisfied with their onboarding process, but many indicate that they are worried about "how to provide training at scale" and say, "we need more self guided materials to assist customers faster." Other respondents said that they were too reliant on "white glove" approaches, and that they didn't "have enough team capacity" or that it was hard "making user onboarding efforts profitable."

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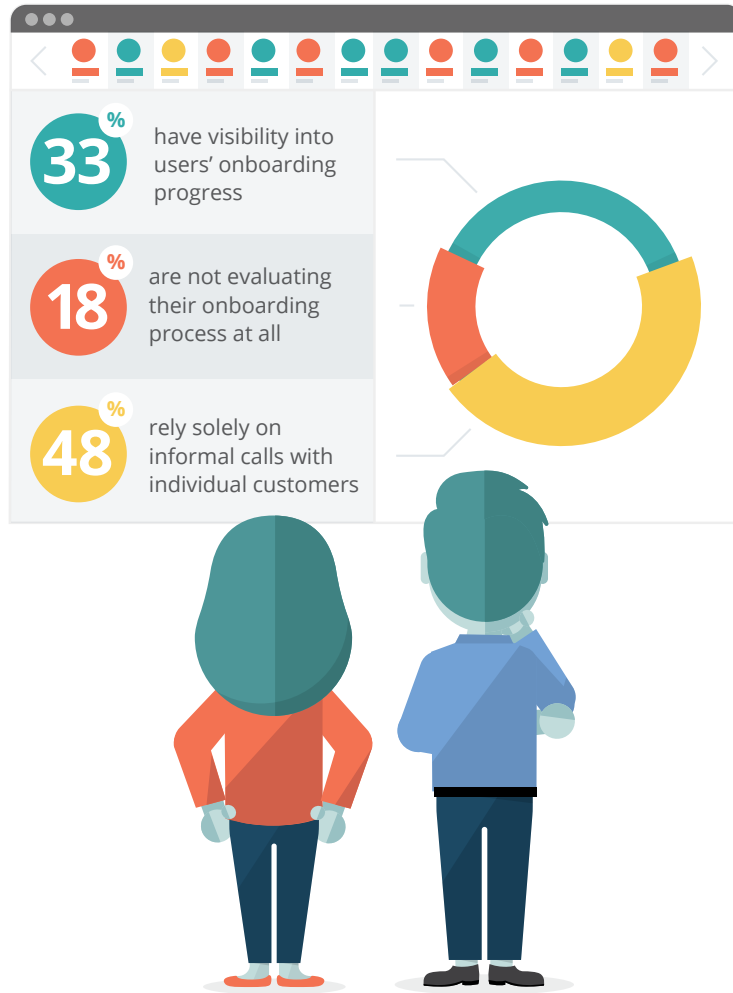> We need more self guided materials to assist customers faster.

70% of respondents say onboarding is a top priority, with 26% intending to develop a more self-service/high-tech onboarding model this year.

These concerns make sense, as 72% of onboarding teams are made up of 1-10 people. Clearly teams are too small and/or too overloaded to maintain a white glove approach for long.

70%

say that improving onboarding is a top priority for the year.

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33% have visibility into users' onboarding progress

18% are not evaluating their onboarding process at all

48% rely solely on informal calls with individual customers

Companies struggle to measure user adoption.

Measuring user adoption, i.e. measuring the degree to which users are "successful in using your product to achieve their business goals," is as essential as it is challenging. Conversion data comes in a little too early. Churn stats reveal problems a little too late. Adoption requires a much more holistic perspective. Tracking the success of onboarding efforts, time-to-value, and ongoing user sentiment must be considered as well.

However, only 33% of respondents say they have visibility into their users' onboarding progress. This is unsurprising since 18% are not evaluating their onboarding process at all and 48% rely solely on informal calls with individual customers.
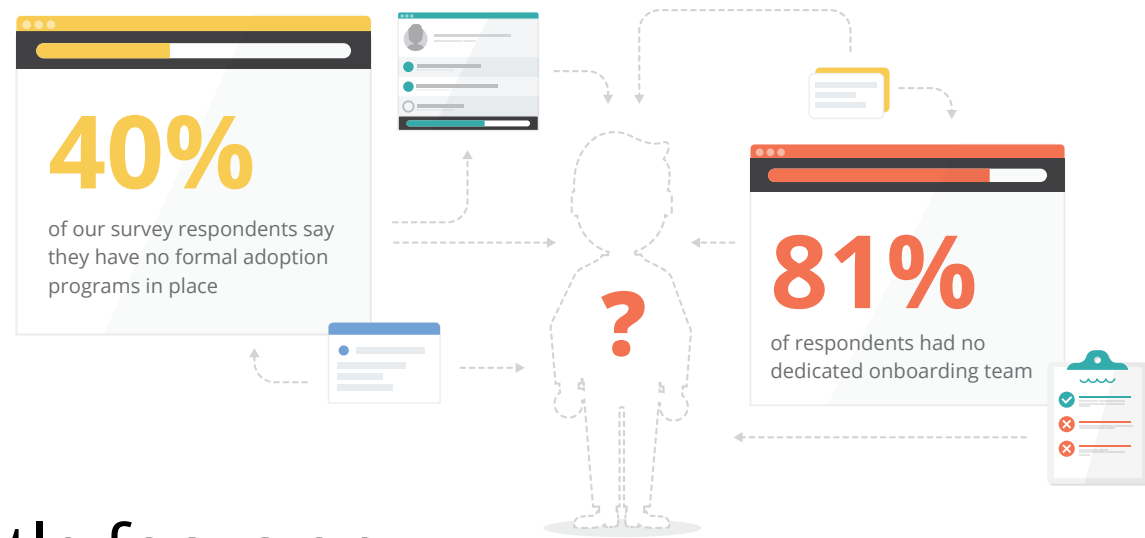
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[We don't] know which initiatives drive adoption the most.

Time-to-value insights are not faring any better. More than half (57%) of those surveyed are neutral, unsure or cannot measure their customers' TTV. One respondent summed it up nicely, saying:

"We can see usage, but we have a hard time seeing true value gained."

It is little wonder, then, why so many respondents indicated a lack of "visibility," "data," "VOC" and "user analytics" as their biggest challenge in improving user adoption. Since 70% of respondents say that improving adoption is a priority for their organization this year, a focus on establishing proper metrics and identifying gaps in your data is a good place to start.

40%

of our survey respondents say they have no formal adoption programs in place

?

81%

of respondents had no dedicated onboarding team

KEY FINDING 3

Companies have little focus or accountability to user adoption.

There is little doubt that user adoption is important to recurring revenue companies. 95% of survey respondents ranked "increasing user adoption" as important, very important, or extremely important to their organization.

In fact, 74% of respondents spend up to half their week focused on user adoption efforts.

However, 40% of our survey respondents say they have no formal adoption programs in place. So where is the disconnect between strategy and execution?

The problem seems to lie with a lack of accountability. Only 19% of respondents said they had a dedicated onboarding team leaving most companies without accountability in

ensuring customers are adopting successfully. In the wake, many respondents admitted to "workflow confusion," and no "concise user engagement program." Others pointed to difficulty securing "internal resources," "management support," and "funding."

It's no wonder so many struggle with "prioritizing" and gaining visibility into "macro user adoption patterns." As one respondent explained: executives are "misunderstanding…why the client bought in the first place." In turn, they're "driving strategy that pushes clients down a usage path…[that] doesn't provide enough ROI to justify renewal."

"

[We don't] have enough team capacity not to leave customers behind.

SECTION 3

Tips for a Thriving SaaS Company

Of our full survey of respondents, only **19%** have **dedicated user onboarding teams**.

Making User Adoption a Priority

Clearly, companies care about user adoption and onboarding efforts. Yet they are overlooking significant gaps in their analytics and strategies, resulting in processes that are not scalable, data-driven and unified. To correct this, we recommend the following initiatives:

Keep an eye on more applicable KPIs.

Sign-ups and usage alone as KPIs are not enough to know if you're driving successful adoption and can often lead to false positives or a false sense of security. User adoption is also about improving time-to-value, achieving desired outcomes, and delivering a smooth customer experience.

BEST PRACTICES TO CONSIDER:

- Make sure that you are aligning your customer's usage to business value. Their expectations may become your KPIs.

- Add sentiment as another important data point to gauge satisfaction throughout key adoption milestones.

Institute dedicated training & implementation resources.

Since onboarding is a significant mile marker in the road to adoption, it is best to have a leader, plan and team focused on doing it right. Only 19% of our respondents had a dedicated onboarding team, which is encouraging, but many more lacked a dedicated adoption plan and leadership.

BEST PRACTICES TO CONSIDER:

- Understand the onboarding investment and timeline across each customer segment and ensure those individuals on the frontlines responsible for onboarding have sufficient time and capacity to perform the necessary activities required.

- Look to reduce as many handoffs as possible and where you do have handoffs, focus on smooth transitions that put the user experience first above your own internal workflow challenges.

Ensure adoption is a top-down, cross-functional initiative.

If it's not coming down from leadership, it likely has no formal processes in place, making it a secondary priority at the departmental level at best. Since driving user adoption needs to come with a range of KPIs (not just usage reports) across a range of functions, it should be an organizational effort.

BEST PRACTICES TO CONSIDER:

- Create a cross-functional adoption team and develop a shared and agreed-upon best customer profile. Ask: "Who are our best customers and what makes them our best customers?" Document the usage patterns that strongly correlate to proven ROI with your customer base.

- Ensure your sales team identifies clear use cases for your product upfront and ties them to business value.

- Understand the nuances between user roles and the different goals between user types (i.e. admin users vs. power users, etc.)

Introduce a high-tech approach where possible.

High-tech models are more scalable and proactive than high-touch approaches, so look for opportunities to replace current high-touch workflows with tech-touch engagements.

BEST PRACTICES TO CONSIDER:

- Start with automating a few areas. Learn and grow from there. Some ideas for places to start include feature feedback, NPS and onboarding tours that contain links to additional videos, knowledge-base articles and other important resources.

- The right technologies can help you keep an objective, data-driven view of your clients, so you more fairly assess users and develop stronger user adoption strategies based on their needs.

- A dedicated User Adoption solution can help you create self-service trainings that drive stronger user adoption through better onboarding, user engagement, and analytics.

SECTION 4

Last Look: A Model for Self-Evaluation

Are you driving long-term **user adoption** or just **short-term usage?**

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Seven Questions to Ask Yourself About User Adoption & Onboarding

This benchmarking analysis gives insight into how others are (or are not) addressing user adoption effectively. To understand where you fall in comparison, ask yourself – are you driving long-term user adoption or merely short-term usage?

The following questions will help you determine the answer.

1

OUTCOMES
Are your outcomes repeatable and effective long-term?

2

ADAPTABILITY
Are you able to respond to user adoption metrics and adapt strategies or ideal users to maximize adoption?

3

STANDARDS
Do you recognize a wide range of KPIs, and do you understand what they indicate about the success of your user adoption initiatives?

4

ACCOUNTABILITY
Is accountability for user adoption and onboarding clearly defined? Are all teams included and held accountable or rewarded for their contributions? Do you have a dedicated onboarding team?

5

ANALYTICS
Are your teams aligned, with access to the same reports and analytics, or do you rely on unwritten reporting from team members?

6

STRATEGY
Is your leadership involved in setting the strategy for user adoption efforts?

7

TECHNOLOGY
Do you have access to tools for onboarding, training, engaging customers, acquiring VOC, usage and customer sentiment data? What tools do you lack?

About UserIQ

UserIQ empowers SaaS companies to deliver what each user needs to be successful in every moment, starting with adoption. As a result, you'll be able to effectively scale onboarding, increase feature usage, accelerate time-to-value, and ultimately drive more revenue throughout the customer journey.

For more information about our User Adoption Platform and how it can help, visit **useriq.com.**

Sources

[1] **Pettey, Christy,** "Moving to a Software Subscription Model," Smarter with Gartner. 30 May 2018. Web 76 July 2018

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[3] "User Adoption Toolkit," useriq.com. Web 16 July 2018

[4] "Onboarding," English Oxford Living Dictionary. Web 16 July 2018