

Role of Product Design in Success of B2B SaaS Companies

In the modern-day world, more and more people are opting for products with simplistic experiences. Be it smartphone, gadget, laptop, home appliance, vehicle or software at your workplace, we as people are collectively choosing simpler and sleeker user experiences over complex ones.

“About 52% of users won’t interact with a company if they go through a bad user experience.”

As a matter of fact, employees and customers within the B2B industry are demanding simpler B2B solutions to help automate their workflow. Interestingly, user experience design (UX) can turn amateur users into experts, by making them feel comfortable with using a software through its simplicity.

In this article, we will discuss how product design helps B2B companies in offering better value to their users, which in turn creates a huge competitive advantage over their competitors.

What is the Modern-Day B2B Landscape As it Stands Today?

As industry saturation continues to increase across the board, the marketplace is flooded with companies offering same services and using similar marketing strategies, making it harder for customers to make a choice.

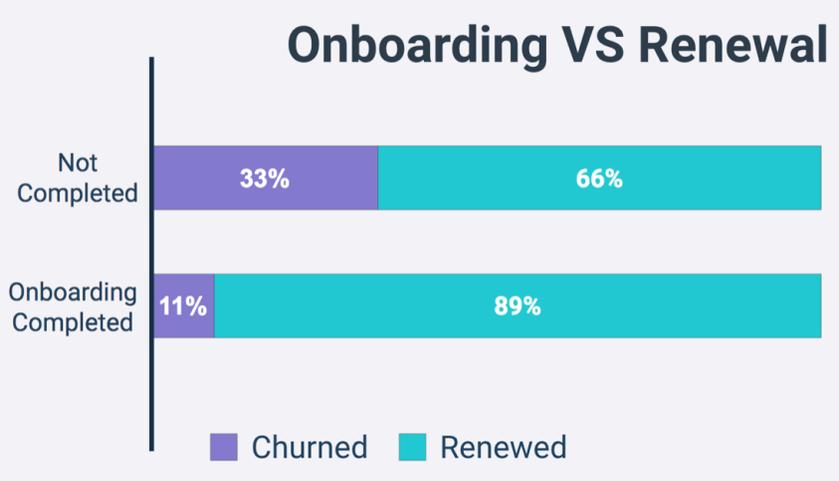
According to experts, by 2019, B2B companies will spend more on e-commerce technology than any other online retailer. Today, about 9 out of 10 B2B companies are using LinkedIn to reach potential customers, and it is assumed that this competition will become more intense as time goes on.

Why Do Most Users Churn Away from using a SaaS Solution Within The First 90 Days?

Customer churn occurs when an existing customer, subscriber, user, or client stops doing business with a company. Customer churn affects many businesses worldwide. Even the most successful companies often deal with it. It is essential for a business to understand what had caused churn in the past, and how to avoid it in future. Among various causes of churn, complex onboarding stands as the prime one.

The reason is that when users find onboarding too difficult, they churn away. To get around with the situation and retain users for long-term basis, UI experts are working day in day out to come up with strategies like improving on users' onboarding experience.

Researches have shown that effective employee onboarding results in increased satisfaction among the employees. Same is the case for customers. But sadly, many B2B companies lose customers when approval flows aren't placed and messages aren't delivered to customers properly. Onboarding holds prime importance. About 40 to 60 percent of SaaS customers go through it and don't return. It is a reason you should aim for effective onboarding to avoid customer churn.



The stats shows that successful onboarding offers reduced churned rate when compared to incomplete onboarding.

Does Product Design Influences the Corporate Landscape?

The answer to this question is Yes! Employees in various businesses are looking for simple yet effective SaaS solutions to deal with complex issues.

Gone are the days when employees had preferred applications with a dashboard full of bulky features. Today, apps with simple dashboard, and handy features have taken the tech world by storm. Moreover, these apps have proven to be effective than the traditional ones, as they are less distracting and keep a user focused toward core task.

The trend of refined and simplistic UI design in B2B apps has expanded towards the customers too. Having said, customers today prefer apps that are simple and offer useful features only. In case, users find an app too complex, chances are that they will churn away and not recommend it to anyone.

In worst case, a user can give a negative feedback about an app in the marketplace, affecting others' decision about an app, and making them churn away.

According to the experts:

“About 60% of customers tell their friends & family about a solution they are loyal to, and 52% of customers may sign up for a premium membership. Whereas, about 39% become ready to spend more on a solution even if there are CHEAPER ALTERNATIVES AVAILABLE.”

How Does Product Design affect Churn?

Product design plays a key role in affecting churn. It is beneficial to know customers' opinion before taking any UX decision. For instance, if you find that your customers are choosing a competitor over you, then along with functionalities and features, you should look for visual differences that your competitors have included to attract your customers.

In addition, you should include fascinating UX aspects, making your product design tempting to the target audience. You should aim to WOW the customers with your new product design. Although it will require various testing and interviews, but in the end, you will come up with a fantastic product design that reduces churn, and increases subscribers' base significantly.

How Onboarding Helps in Improving UI?

The concept of user onboarding is becoming increasingly popular in modern-day digital world. User onboarding plays an important role in success of an app. To create a successful user onboarding experience, you should put yourself in the shoes of a customer.



As a result, you will understand how customers feel when they open your app on their phone. Let it be a game, E-Commerce Store, or a B2B SaaS solution, improving user onboarding can create customers' loyalty towards you on a long-term basis.

“A slight increase in an activation rate can make marketing efforts more profitable.”

***By Neil Patel, Best Selling Author at the
New York Times***

Better onboarding has proven to improve activation rate by a great extent. It creates a remarkable image of your B2B SaaS solution on audience mind.

How Product Design Helps in Improving Onboarding?

An appealing product design delivers a great onboarding experience, playing a key role in building larger customers' base. In addition, visually appealing user onboarding makes a B2B SaaS product adaptable to users who aren't ready to embrace new features easily. If you have a SaaS product, then proper user onboarding can make it successful.

Below are the advantages of offering a great user onboarding experience:

i. Improved Customers' Engagement

Generally, SaaS solutions aren't meant for entertainment, but to solve complicated tasks that would have required more time when solved manually.



User onboarding makes a SaaS solution user-friendly to a newbie who isn't aware about technical terms. With the help of user onboarding, you can offer true value of your SaaS solution to users.

ii. Improved Conversion Rate

Conversion rate is one of the vital metrics that every business wants to improve. Interestingly, first few moments for a SaaS solution are very important and it has to influence the purchasing decision of a user.

You can utilize useful guides and sticky tooltips in your B2B SaaS app. Also, you can track how well an informative walkthrough performs in converting users. By tutorializing your SaaS app, you will deliver a fantastic user onboarding experience, making users interact hassle-free with your app. In addition, you can monitor how many users actually viewed a tour.

iii. Improved Users' Retention Rate

When it comes to SaaS solutions, lack of users' retention is a major issue. It needs consistent efforts to keep the users paying subscription fee, else they will ponder alternatives and find competitors.

A well-versed and engaging onboarding approach can make users feel comfortable with your SaaS solution, increasing their confidence. This helps you in retaining users on a long-term basis, providing you with an edge over the competitors.

Putting it simply:

“A well onboarded user is a satisfied and happy user. And, a happy user is a long-term paying user.”

iv. Software Adaption

Building a fantastic B2B SaaS app only doesn't guarantee a lasting success, and you have to go an extra mile. Software development is an emerging industry, and you need to keep your software updated with handy features to keep subscribers engaged and interested in your solution.

Since users become accustomed to old features, they don't want to change their habit. Thus, they don't pay heed to new features despite their advantages. But, user onboarding comes into handy in this case. Onboarding can show the benefits of new features to users in an effective way. It offers a great opportunity to upsell and convince users to upgrade the existing plan.

For instance, when Google updated the Maps, it didn't claim that "Map is now equipped with better features". Instead, Google said, "Get where you're going, faster". Moreover, when the Maps became available on multiple platforms, Google claimed that "Your map, wherever you are". In this way, Google utilized effective onboarding to create value for the subscribers rather than boasting about the new features.

v. Reducing Customer Support Cost

Customer support officers often answer same questions about a product repeatedly. It consumes too much time.

Onboarding can come into handy by presenting useful tips to users about a solution, answering most of their questions by using engaging guidelines. It saves significant time and resources to a business. However, formulating effective user onboarding flows isn't a cup of tea for many and requires experts' consultation.

vi. Get Things in Flow

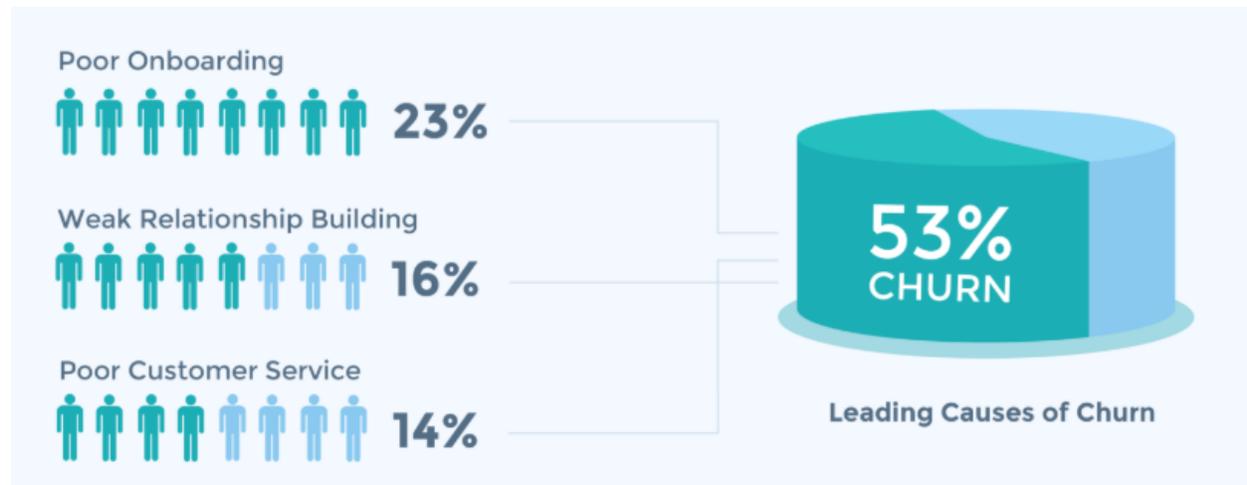
Good onboarding can get the things in flow. You can analyze users' actions and behavior toward your solution. In this way, you will be able to create event based funnels, riding users from possible issues.

Moreover, you can encourage users to complete a goal or task in your SaaS solution. You can check what made the previous customers pay, and then aim to deliver better experience by using a refined onboarding flow.

However, you should not reveal everything at once when briefing about your SaaS solution. Be patient and aim a user to a single goal at a time. You can tell them about other features later, leaving a lasting impression on their mind.

vii. Staying Updated & Ahead in Industry

The aim of user onboarding is to increase adaption of an app. In this journey, it's smart to sign up for your competitor's product, and see what they offer and how do they do it? They might have gone through various A/B testing, leading to best practices.



Poor onboarding leads to highest number of Customer Churn followed by Weak Relationship Building and Poor Customer Service.

Through analyzing their onboarding processes, you can refine your process flows and create remarkable ones. Lastly, you can roll up your sleeves, get a cup of coffee, and achieve more conversions.

Conclusion

User onboarding stands as a remarkable approach for acquiring more conversions and retaining users on a long-term basis.

We have revealed how product design can help in boosting conversions and ROI, while converting audience into loyal users. The product design had played a key role in reducing churn in many industries, and same is the case when it comes to B2B SaaS industry. When backed by effective onboarding, a fascinating product design can lead to happy customers and more revenues. If you find our article useful, feel free to share.