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Meta:
Everything you need to know about customer onboarding: Why onboarding matters for PLG companies, must have PLG onboarding tactics, strategies, and metrics, and more.

Hero:

The product-led guide to customer onboarding

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/blog/product-led-saas-customer-onboarding

Targets:
- customer onboarding
- customer onboarding process
- saas
- welcome email
- user onboarding

Contents:

What do successful product-led growth companies have in common?

Awesome product? ✅

A self-serve path via a free trial or freemium pricing model? ✅

Super fast time to value? ✅

Sounds great — but something's missing from that popular narrative that really cinches self-serve user adoption.

Customer onboarding.

That's right, the new customer onboarding experience is a crucial piece of every go-to-market (GTM) motion, regardless of where you fall on the product-led growth spectrum.
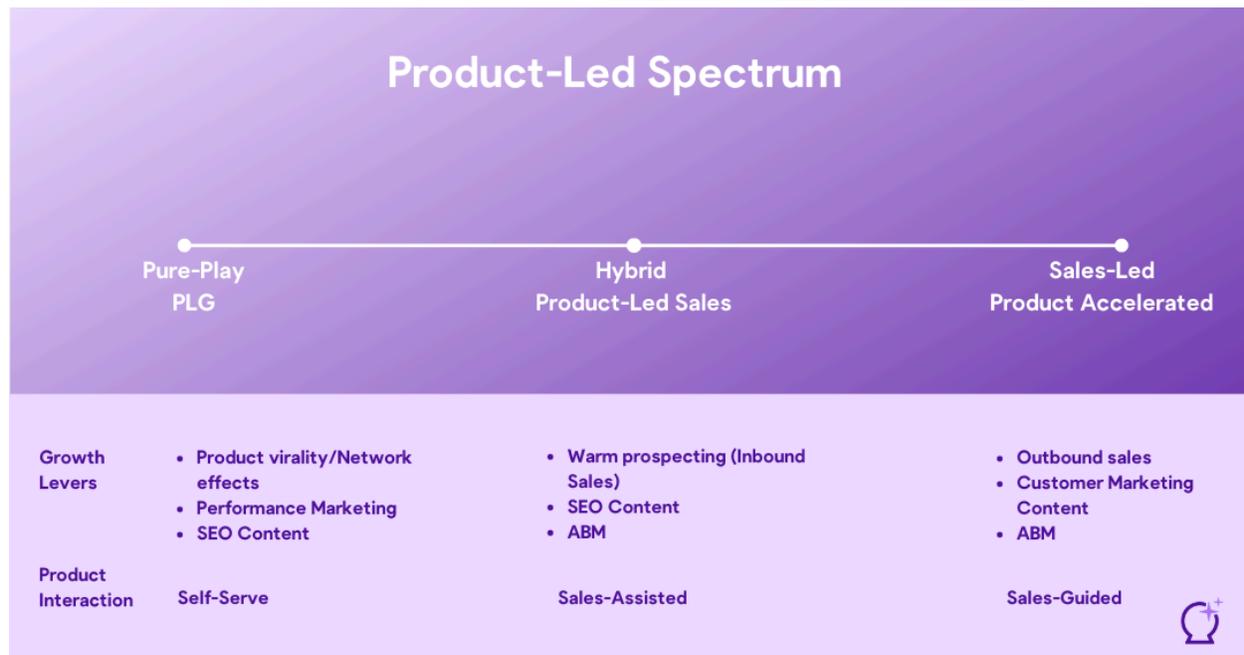
Keep reading to learn:

- What customer onboarding looks like
- Why onboarding matters even in the self-serve journey
- Must-have onboarding tactics, strategies, and metrics
- How sales fits into the onboarding process
- The future of onboarding

What is the customer onboarding process?

Customer onboarding refers to everything your company does to activate new users.

A well defined customer onboarding flow will take new users from setup to their first aha moment seamlessly. Customers should be guided to key features and functionality quickly to experience value and begin to form habits around the product — all before hitting a paywall or free trial expiration.

Onboarding is a crucial piece of the PLG puzzle because it guides self-serve users to that "aha moment" much faster, creating a delightful experience. Getting onboarding right, usually correlates to long-term adoption and retention.

Why onboarding matters for the self-serve customer journey
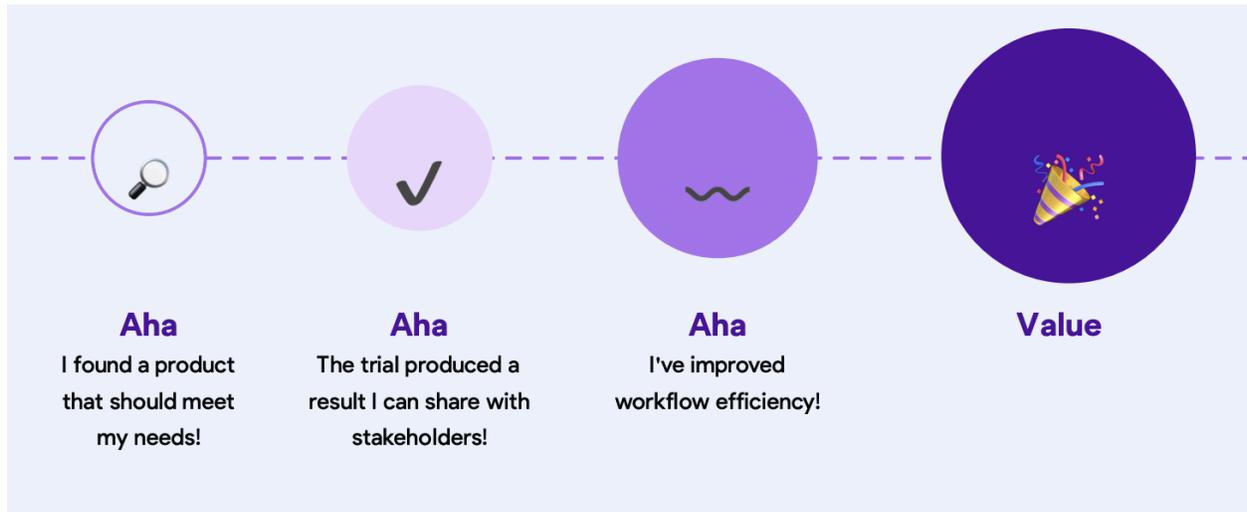
Especially for self-serve products, getting onboarding right is the difference between winning a lifelong customer and someone who churns after a few minutes of not figuring out the product. You don't get a second chance at a first impression — according to Mixpanel, SaaS companies lose 55% of their users in the first week and 78% within 2 months.

Product-led organizations invest in onboarding for a few reasons, but it boils down to activation. The "aha moment," defined by OpenView's 2022 Product Benchmarks, as the moment when your product delivers on the value that it promised — is a one-time event that cannot be undone or completed multiple times. If your activation rates are lower than the benchmarks below, it's typically an indicator that one of two things is happening:

- You haven't provided enough customer education for your users to get to value
- You haven't reached product-market-fit (PMF)

Source: OpenView 2022 Product Benchmarks Survey
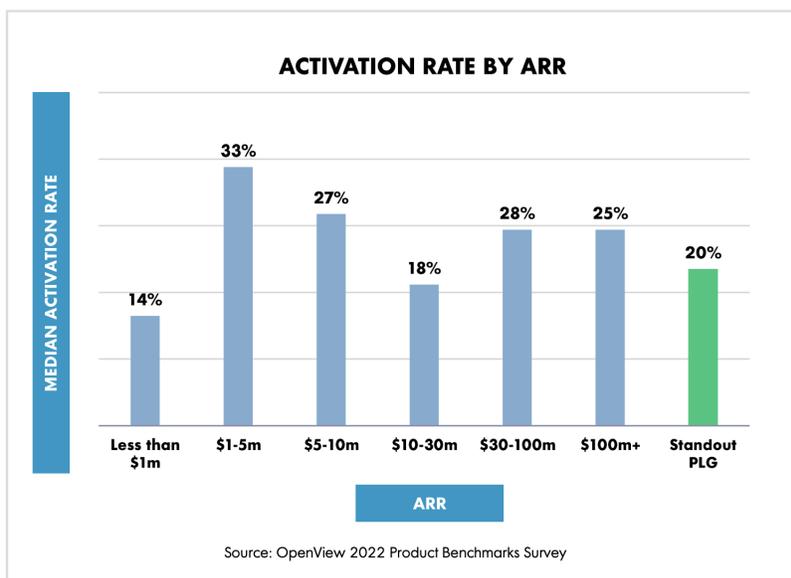
With thoughtful onboarding, you can at least solve that customer education piece, and reduce new customer churn, by quickly getting new users up to speed on the functionality and value of your product.

Optimizing your onboarding process to get more users activated on your product boosts key PLG metrics:

Faster time to value
Self-serve acquisition is all about time to value. With no salesperson to guide the user, your product needs to do a lot of the talking. The onboarding experience should be optimized to make this as fast as possible. Whether it's an email sequence, an in-app checklist, a gamified guide, or all of the above, onboarding should get users to that first "aha moment."

Increased customer retention
Holding onto existing customers is always going to be more affordable than winning over and selling to brand new ones.

For example, when users first log in to Notion they have access to templates that make it easy to get started as they showcase a few popular use cases for the product. Imagine logging in to Notion for the first time with a completely blank slate. Notion has a lot of possible applications and few unique features like databases that make it difficult to get started with zero guidance. Creating a system without any guidance on how databases and different views work would result in low adoption, conversion, and retention.

Improved customer lifetime value (CLV)
Customer lifetime value (CLV) helps organizations understand how much a customer relationship is worth. The SaaS benchmark for a healthy CLV is that it should be 3X the cost of customer acquisition (CAC). So, CLV increases in parallel to retention — the more sign-ups you convert into customers, the lower your CAC. Onboarding is key in getting users activated on your product and activated users not only convert into paying customers, but they also invite their team, aiding in expansion.

Increased conversions
This goes without saying, but we'll say it anyway, demonstrating tangible value immediately is going to make it more likely for trial users to convert into paying customers.

Optimizing your onboarding experience can help you address areas of the customer journey with high drop-off rates — or figure out what those are. You can't optimize what you can't measure, even a simple onboarding flow can give you valuable data about where you need more customer education, what features your ideal customers are most interested in, and where they need help.

The fact is, the majority of revenue comes from your existing customer base. And when you add in the other benefits like more conversions, less early churn, increased LTV, and lower acquisition costs — it's easy to see how onboarding has a positive impact on revenue.

Customer onboarding must-haves for PLG orgs

When considering onboarding flows there are typically two paths companies think about: 1) human-led onboarding or "white-glove" and 2) low-touch or "automated" onboarding. PLG companies with a self-serve motion are most closely associated with [low-touch onboarding using tools](#) like Appcues, Pendo, and Useflow for in-app guidance, onboarding guides, and documentation. However, most PLG companies don't ditch human-led all together, especially those serving upmarket customers, who require humans in the loop.

But to truly remove pain points from your self-serve path, your onboarding experience should feel like a natural extension of your product that users can explore on their own. And that means technology.

So let's talk about the tech building blocks that make up the modern customer experience.

🗣️ And let us be clear: It's not just nice to have these things anymore. If you want to be on the same playing field as your competitors, the following elements are *table stakes* for today's PLG companies.

Welcome email sequence
How you welcome new users to the onboarding flow is important. Many companies choose to handle this via an automated email sequence with product education that encourages new customers to dive into the app itself as soon and as often as possible.

One of our favorite examples is Superhuman's onboarding sequence. It's a daily email, for the first month, from their CEO and Founder, Rahul Vohra. The emails are short and focus on just one feature of the product, like shortcuts or snippets, showcase it with a simple GIF and encourage users to go ahead and try it. At the end of the sequence, Rahul signs off the last email with a mini game to test users' Superhuman shortcuts skills.
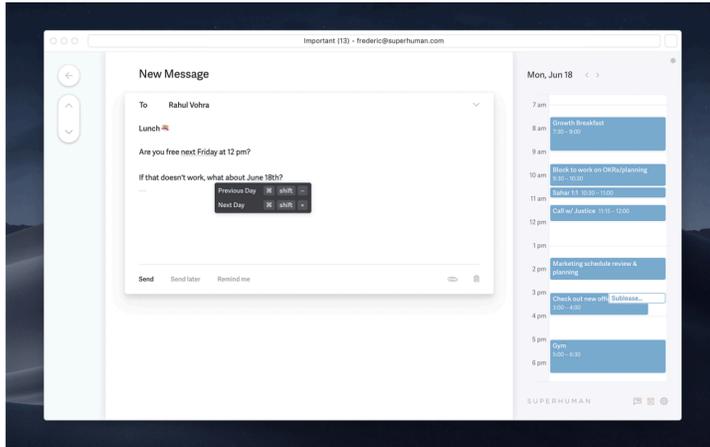
Hi Claire,

"Are you free for ~~lunch~~ a Zoom lunch tomorrow?"

When you suggest a date, you'll now instantly see your day!

Looks like you're busy? Hit **Cmd+Shift+=** to check the day after.

Aha, seems like Friday works!

Superhuman detects dates as you type, so you can schedule meetings faster.

We love hearing from you — please reply and let us know what you think 😃

Thank you,
Rahul

Founder & CEO of Superhuman

ps. to share Superhuman with your team, **tap** the top-left icon in your inbox!

ps. to share Superhuman with your team, hit **Cmd+K → "Invite"**.

…

Granted, Superhuman has an advantage because users are most likely reading the email in the product itself. But, even if you're not an email tool, an onboarding email sequence can help you re-engage new sign-ups, provide valuable education, and remind them why they signed up in the first place.

In-app guidance
In-app guidance software escorts new users as they engage with your app, making sure they find the right features and get value from them quickly. This software is often low-code or no-code, making it approachable for GTM teams to build out their flows. We'll dive into our favorite in-app guidance playbook a little later, but you should try to segment your guided experience depending on each customer segment's top use-cases and goals with your product.

Step-by-step checklists

Some new customers just want to fly through the in-app walkthrough and dive right into using the product. How do you make sure they still see all the value points you want them to hit? Use checklist tooling that's easily accessible on each page and clearly shows users what tasks they should complete.

A best practice is to include an on-demand checklist at the end of self-guided tours, with 3-4 additional key use cases that could help drive the user to additional "aha! moment(s)". Each checklist item should have an associated tour.

Tutorials

Software tutorials can take many forms. Build in-app video pop-ups that run when a user starts working with a new interface, share tutorials throughout the automated onboarding email sequence, or for especially complex products, your team can couple custom product tours with human onboarding support.

Knowledge base

Knowledge bases are self-serve digital libraries that hold everything anyone could want to know about your product and company. An accessible, searchable knowledge base enables those people who truly want to help themselves to find answers during their onboarding.

For help setting up these building blocks within your own customer onboarding workflow, check out our list of community favorites for [best SaaS onboarding software](#).

Onboarding metrics

With the benefits and building blocks under your belt, it's time to consider how to measure onboarding success and opportunities for improvement.

Metrics for measuring user onboarding performance

It's important to remember there is absolutely a qualitative factor when it comes to onboarding and that you'll need to experiment with your unique product, team, and audience to arrive at the flow that's most effective for you. But, there are also a lot of quantitative metrics that can provide insight into onboarding performance.

Mix and match any of the following metrics to monitor the health of your system and identify areas for improvement:

Activation

[As Andrew Capland explained in his AMA with Pocus](#), activation is the point at which a user achieves the intended value.

To understand what activation means for your product and how your ICP arrives at it, he recommends conducting interviews. Once the right levers are identified, you can then measure movement on each of these as leading indicators of activation.

Time to value directly correlates with long-term retention

Retention / Time — Sign-up, Activation
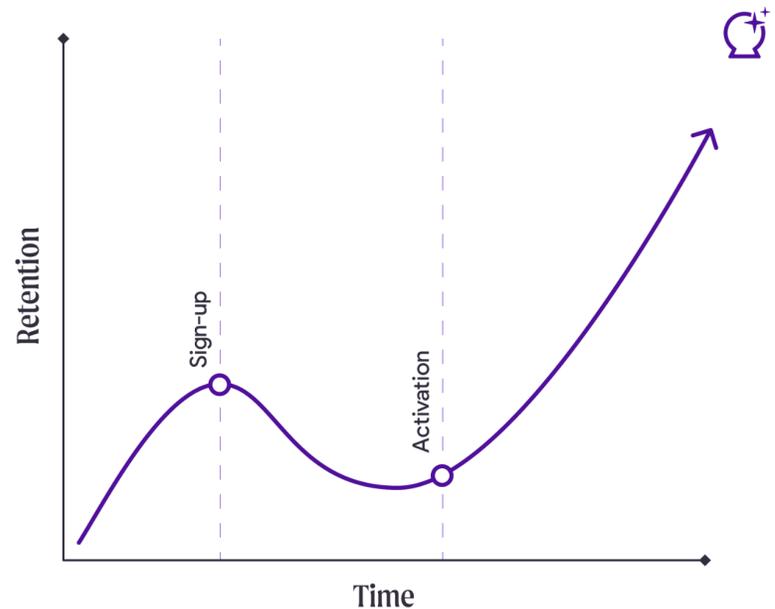
Time to value
As we touched on, time to value (TTV) is how long it takes a user to arrive at value. Of course, every person and company can have a slightly different take on what value means, so you'll need to decide what parameters indicate value to you.

Some things you can measure include the length of the onboarding cycle (shorter indicating faster TTV), the time it takes for new users to reach a milestone in your product, and how long it takes to convert from free to paid.

Free to paid conversion
Speaking of free to paid conversion, many organizations use this as a key indicator of onboarding success, as it tends to show that new users did indeed find the value they were seeking. The quicker and more often you can make these conversions happen, the better.

Feature usage
Identify a few specific features that you want to guide new users to engage with during onboarding. Measure workflow effectiveness by the percentage of new users who make it to these features, how often they use them, and any correlations between feature usage and conversions, referrals, and product stickiness.

Invites

Referrals are core to growth and can increase retention without also increasing costs. Measure invites during the new user onboarding flow to understand how happy customers are to share your product with their peers.

Churn rate

Measuring churn rate during onboarding shows you the rate at which new customers drop off. Decreasing this number means you're retaining more new users — and increases chances of free to paid conversions. It's also important to check *when* customers are churning to help you identify points of friction in your onboarding flow.

Customer lifetime value

Monitoring and getting to a high customer LTV is something most PLG orgs think about. Onboarding is your first opportunity to cut retention costs and therefore grow LTV.

Customer satisfaction score

Customer satisfaction during onboarding can certainly indicate the power and success of your workflow. Develop and measure customer satisfaction scores by having onboarding and customer support reps run regular interviews and surveys.

Hungry for more metrics? Then don't miss reading about these [product-led growth metrics to measure](#).

Customer onboarding playbooks to increase conversions 💗

Ready to put all of this customer onboarding information into action? Here are a few playbooks to get you started.

Target experiences for different user personas

Struggling with churn — or getting free users to follow through to conversion?

The name of the game in this case is creating and delivering targeted guides for each of your ICP segments.

Here are the steps to making this playbook work for you:

- Define your ICP segments
- Early in the onboarding workflow, ask new users about their goals
- Customize different onboarding guides/tools/tips to unlock the value props that resonate with these segments
- Leverage automation to deliver the right workflows to the right segments per the goals they've indicated

Ramli John from Appcues calls this the treasure hunt framework. See how it all comes together in our playbook: Use onboarding guides to increase free to paid conversion.

Build your onboarding journey around time to value

Since time to value is such a core metric to both onboarding and overall business success, another key playbook to build is one that centers your onboarding journey around TTV.

Here's what you need to do to bring this playbook to life:

- Identify how you're going to measure the TTV metric - what is the milestone that indicates activation, and how long does it take users to get there?
- Leverage product usage data tooling to identify key milestones that unlock customer value — and increase conversions.
- Use your onboarding flow to make it as easy as possible for customers to hit these milestones.
- Keep refining your approach using data around usage, conversions, and referrals, alongside customer interviews, and on-going experimentation.

Implement Pocus' Revenue Data Platform into your onboarding TTV playbook to bring together product usage and customer data to inform improvements in the onboarding process.

[EMBED CTA]

Check into Pocus' playbook library for more playbooks from the best GTM operators in the game.

How sales fits into onboarding: Sales-assist

Even when you do everything you can to make your self-serve onboarding totally frictionless, you may still find users getting stuck in certain places. In many PLG onboarding flows, there is often an in-between that lives in the gray zone between customer success teams and enterprise sales.

Enter the sales-assist role.

Control churn and increase retention by offering human assistance at the right moments of your onboarding flow with a sales-assist playbook. The sales-assist team offers a human touchpoint for users who are potentially good sales opportunities and need help solving a problem, getting value out of the product, or making a purchasing decision.

In this way, the sales-assist function can increase retention, conversions, and remove friction in the onboarding process.

There are three core components of the sales-assist role:

Sales support
Sales-assist pros are in charge of helping with everything that falls beyond customer support ("I forgot my password!") but short of enterprise sales team inquiries ("My implementation team has questions.")

Sales-assist folks typically focus on sales process friction points like selecting upgrades, price questions, etc.

Education and enablement
The sales-assist role is also responsible for unblocking new users to enable them to reach their goals — then layering on education so they know there's even more value waiting for them beyond the paywall.

Feedback
Sales-assist reps also strive to capture new user feedback and share it with the rest of the GTM team. This is pivotal to their responsibilities as this information helps suss out friction and enables users to self-serve into higher plans.
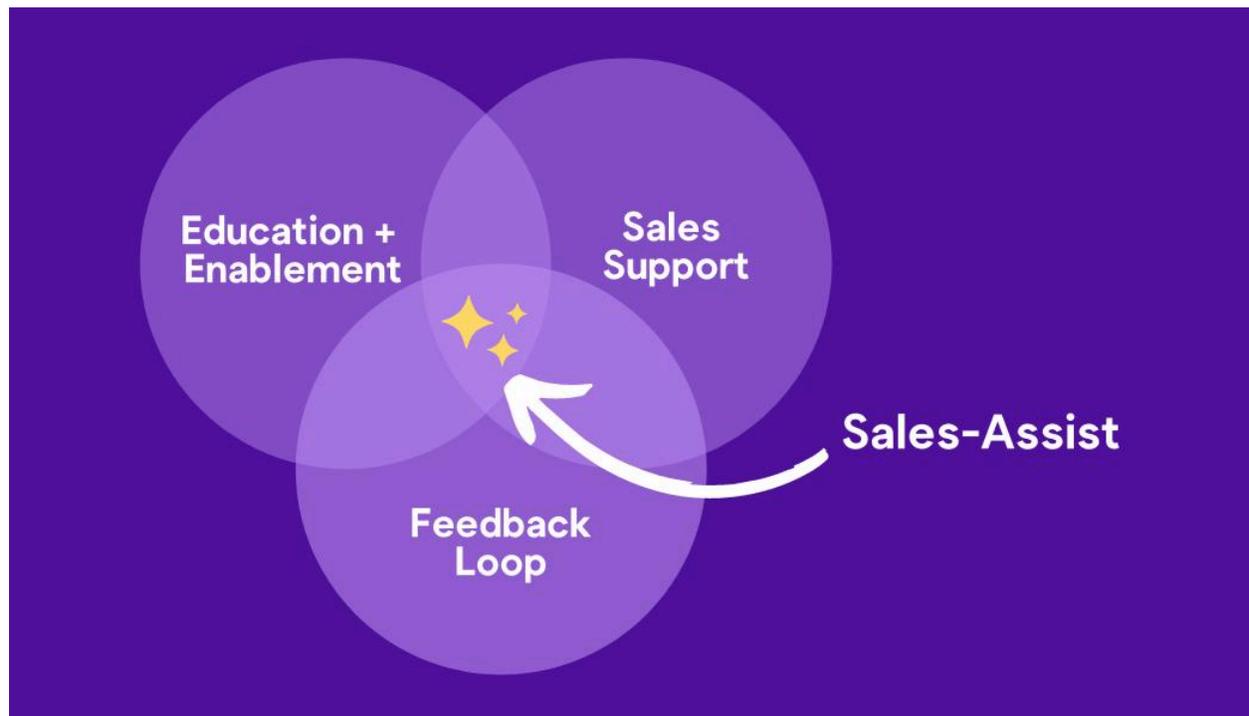
Wondering if a sales-assist team is right for you, and how to build one? Read the guide to [implement a sales-assist function in 7 weeks.](#)

Product usage data: when to add humans to your onboarding flow

Use these product usage metrics to identify where human-led onboarding can reduce friction:

- Points in your onboarding flow users get stuck the most often
- Features or processes that new customers ask the most questions about
- Areas in the journey where you see the most new users drop off
- Analyze how your best fit customers use the product and create signals for sales-assist when ICP users sign-up, so they can guide them towards those actions.

Superhuman went against the grain with human-led onboarding — even though they're very much a product-led company.

There are a few reasons human-led onboarding worked for Superhuman during their early days:

- The product has so many features and ways to use it that the fastest path to value requires hands-on help
- Superhuman's ICP is high-expectation customers (HXC) who are looking for some element of white-glove service
- Mandatory onboarding sessions create a sense of exclusivity around the product
- Superhuman wants to attract users with high buying intent, so a touch of onboarding friction helps weed out low-intent users

Do any of these points resonate with you? Then you may want to consider adding a human touch to your PLG onboarding process.

An eye on the future: Onboarding is evolving 🔮

What's next in the world of successful customer onboarding?

Embedded onboarding.

Embedded onboarding goes beyond the in-app guidance, checklists, and tutorials that are the norm today. These software platforms create a natural and seamless onboarding experience by prioritizing personas to create segmented, customized flows.

Embedded onboarding software learns about users through data attributes and previous behaviors to serve features like:

- Just-in-time information delivery that happens naturally as new users flow through the product.

- Dynamic updates that ensure guides and information automatically adjust to user actions and selections.
- In-line functionality and customization that makes it look like you built this robust experience all by yourself.

Intrigued? [Dopt](#) and [Bento](#) are two tools powering embedded onboarding today.

Stay up to date on customer onboarding and more with Pocus

Keep learning about customer onboarding and beyond from the onboarding, GTM, and revenue experts in Pocus' invite-only Slack [community](#).

Want even more insights on how to unlock all the revenue levers at your disposal? We can also deliver product-led GTM insights like the above directly to your inbox. Just sign up for our newsletter [here](#).