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[Essentials of Software-as-a-Service \(SaaS\) Business.](#)

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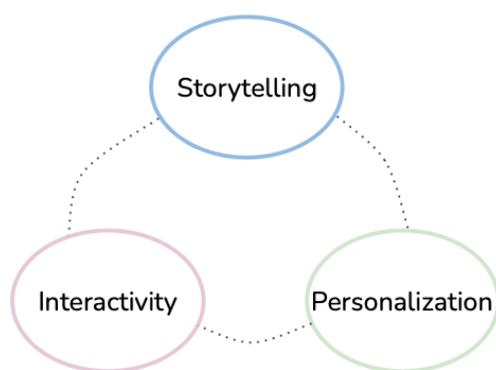
## Crafting Engaging Product Demos

Product demonstrations are often the first experience a prospect has with your SaaS product. A great demo can spark the “aha!” moment that convinces a prospect of your value, while a poor demo may lose their interest forever. In fact, industry research shows that **product demos are the top resource buyers use during evaluation:**

- **59%** of B2B buyers using demos as part of their decision process,
- and **71%** of buyers rating demos as one of the most impactful factors in their purchase choice.

[venturebeat.com](http://venturebeat.com)

Moreover, nearly **70% of buyers say they are more likely to purchase if a free trial or demo is readily available without** needing to speak to the sales person.



But what makes a product demo truly engaging? The best SaaS demos combine **storytelling, personalization, and interactivity** to showcase the product in a way that resonates with the audience’s needs. So, it is tailored to the audience, making each viewer feel “this solution was made for me”. Let’s break down these principles and how to apply them. Then we’ll look at tips for structuring demos to solve common customer pain points.

### **Storytelling**

First let’s cover storytelling in demos. Humans are wired to respond to stories. In a product demo, storytelling means **framing your software not as a list of features, but as a hero that solves a relatable problem.** By casting the **customer as the hero** of the story and your product as the tool that helps them overcome challenges, you create an emotional connection. Research indicates this approach has powerful effects on retention and

persuasion: people retain nearly **70% of a message when it's delivered as a story, compared to only 5–10% when it's just facts or a sales pitch.**

A compelling demo story typically follows a simple narrative arc.

- **Introduce the Hero (Customer) and Problem**

*"Meet Lisa, a marketing director who is overwhelmed by coordinating campaigns across spreadsheets and emails."*

Start by describing a scenario or persona that mirrors your target customer, highlighting the pain points or challenges they face. For example, you might introduce "Meet Lisa, a marketing director who is overwhelmed by coordinating campaigns across spreadsheets and emails."

- **Show the Struggle**

- briefly illustrate what happens if the problem isn't solved

Then briefly illustrate what happens if the problem isn't solved - there could be missed deadlines, wasted budget, team frustration, etc. This primes the audience to feel the need for a solution.

- **Present the Solution (Your Product)**

- demonstrate how a product helps the hero overcome these challenges

Afterwards, demonstrate how your SaaS product helps the hero overcome these challenges. This is where you showcase key features *in the context of the story*. Rather than saying "Our tool has 20 great features" show how the hero uses a particular feature to solve a specific problem.

- **"Aha!" Moment and Outcome**

- bring the story to a satisfying resolution by highlighting the positive outcome

- *"Thanks to the new software, Lisa's team launches campaigns 30% faster and spends more time on creative strategy than on tracking tasks."*

Then, bring the story to a satisfying resolution by highlighting the positive outcome. For instance, say that thanks to the new software, Lisa's team launches campaigns 30% faster

and spends more time on creative strategy than on tracking tasks.” This paints a picture of success tied directly to your product’s value.

- **Call to Action**
  - demo should end with CTA to drive a specific action

The demo should end by inviting the viewer to start their own journey.

Additionally, stories are **repeatable** – a viewer who is sold on your product story can easily remember and retell it to other stakeholders- his boss, teammates, essentially becoming an advocate inside their organization.

## ***Personalization***

No two audiences are exactly alike. A generic, one-size-fits-all demo risks being irrelevant to everyone. **Personalization in product demos means adjusting the content to fit the specific audience or even the individual prospect.** This could involve highlighting **different features, using industry-specific examples, or addressing particular pain points** that matter most to that viewer.

People want solutions that feel relevant to their unique context. In a live demo or recorded product tour, personalization builds trust and interest.

Let’s see how we could Personalize a demo for a SaaS product.

- **Know Your Audience (Persona Research)**
  - research who you’re talking to
  - develop a library of persona-specific examples or mini-demos

As usually, before creating the demo, you need to research who you’re talking to. If it’s a sales-led demo, find out the person’s role, industry, and key challenges. If you’re making a generic demo video, you might create multiple versions for different personas: one demo for technical users, another for business users. Collaboration with customer-facing teams can provide insights. For example, your support or sales team can tell you the most common questions or pain points certain user segments have. You can **develop a library of persona-specific examples or mini-demos.** Many successful SaaS companies create tailored demo narratives for each major persona or industry they serve.

- **Speak the Audience's Language**
  - use terminology and examples that your audience uses

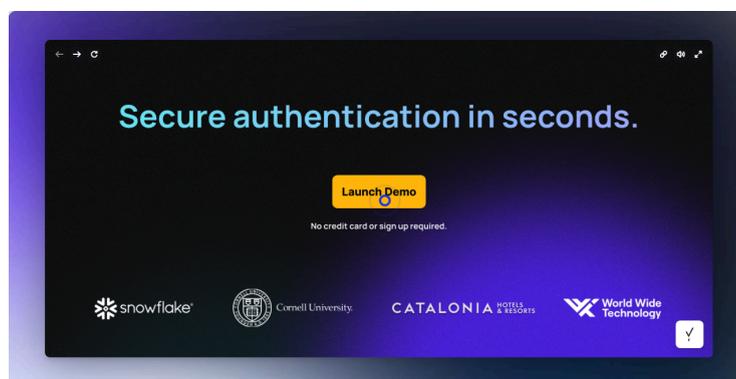
Use terminology and examples that the audience uses. If you're demoing to a financial services company, frame examples in terms of "quarterly reports" or "compliance checks" rather than generic terms. This shows you get their world.

- **Highlight Relevant Pain Points and Outcomes**
  - emphasize those benefits that address the specific pain points that your audience cares about most

Out of all your product's benefits, emphasize those that address the specific pain points that your audience cares about most. For example, if you know a prospect's company struggles with team communication, focus your demo on how your tool improves communication.

- **Personalize Interactively**
  - consider asking the audience questions or letting them choose their path

In live demos or automated interactive demos, consider **asking the audience questions or letting them choose their path**. Modern demo platforms allow interactive branching. While I will cover interactivity in greater detail later in this video, here we focus on how it can be leveraged specifically to personalize the demo experience in real-time.



One example is from Beyond Identity, a cybersecurity company. They created an interactive demo that **starts by asking the viewer which tools they use and which use case they care about, then dynamically shows a demo tailored to those inputs.**

## ***Interactivity***

Even a well-tailored story can fall flat if the audience becomes passive or distracted. **Attention spans are short, especially during online demos or webinars.** That's why **interactivity** is crucial. Making your product demonstration interactive means actively *engaging* your audience throughout the session, rather than having them sit back and watch passively. Interaction can be as simple as asking questions and inviting input, or as advanced as providing a clickable product sandbox where users can try features during the demo.

Research on interactive marketing content shows higher engagement and conversion rates. For instance, one study found that users who interacted with a product tour were **80% more likely to take further activation steps** in the product.

[arcade.software](https://arcade.software)

It means that interactive experiences drive deeper involvement. Additionally, top-performing interactive demos achieve significantly higher completion and click-through rates than static ones.

According to an analysis by Arcade, the top 25% of interactive product demos had a **16% call-to-action click-through rate, which is double the average of 8%.**

[arcade.software](https://arcade.software)

This implies that an interactive demo can not only hold attention but also motivate more prospects to take the next step.

Let's examine some of the techniques to add interactivity.

- **Live Q&A and Polls**



If you're running a live demo in webinars or sales calls, periodically engage the audience with questions. For example, ask, "What's the biggest challenge you're hoping this software can solve?" and tailor what you show next based on someone's answer. You can

also use **live polls or quick surveys** during webinars to keep people participating. Modern webinar tools like Demio, Zoom, or GoToWebinar have built-in poll features.

- **Guided “Try It Yourself” Segments**
  - give viewers a chance to perform a task themselves if possible

In longer demos, you might give viewers a chance to perform a task themselves if possible. For example, if your SaaS is a design tool, you could have a segment where attendees use a shared link to access a simple design file and follow along by making an edit. This tactile experience can reinforce learning.

- **Clickable Interactive Demos (Product Simulations)**
  - create simulated versions of the product that prospects can click through at their own pace if possible



Next, many SaaS companies offer **self-guided interactive demos on their website**. These are essentially simulated versions of the product that prospects can click through at their own pace, often without needing to create an account or use real data.

Tools like **Arcade, Navattic, or Reprise** help create these. A prospect might land on your site and see a button. Clicking it launches an interactive walkthrough: the interface is shown in the browser, and the prospect can navigate a preset path. They can often choose which features to explore.

- **Interactive Features in Webinar Platforms**
  - featured action links** = clickable calls-to-action that appear during the demo

If you're using a platform like Demio, take advantage of its interactive tools to make your webinars more engaging. For example, you can use **featured action links**. These are clickable calls-to-action that appear during the demo. You can also spotlight attendees by calling on them by name for input, or use moderated chat to guide the discussion. These features help recreate the feel of an in-person meeting in a virtual setting.

- **Branching Demo Paths**
  - provide chapter menus or multiple videos: viewers can pick what to watch

Finally, if you have the resources, create branching in your demos. For recorded demos, some companies provide chapter menus or multiple videos: viewers can pick what to watch based on what they care about. This respects the viewer's time and interest.

Interactivity also ties into the idea of showing rather than describing. Whenever possible, **demonstrate the software live** (or in a realistic simulation) and have the audience follow along or predict what happens. This style creates a bit of suspense and involvement, almost like a live experiment.

Interactive demos not only engage prospects but also give you feedback. The questions people ask or the parts where they compliment can signal what resonates most, guiding your future demo improvements. And when prospects participate, they become more invested.

So, aim to **transform your demo from a presentation into a conversation or hands-on session**. The more a prospect interacts with your demo, the more they internalize the experience.