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# 4.2 Specifics of Free Trial Models - Part 1

- *… is a period during which a potential customer can experience the value of a product without upfront payment*

A free trial is a period during which a potential customer can experience the value of a product without upfront payment.

In this and upcoming videos, we will focus on 3 key elements that are important when designing effective free trials: trial length, usage limits, and feature limits.

| Trial length | Usage limits | Feature limits |
|---|---|---|
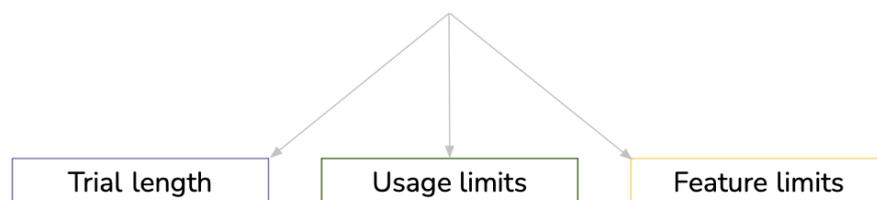
We will discover how these parameters can be optimally set to both provide a comprehensive evaluation experience for potential customers and serve as incentives for upgrading to paid versions.

### Trial Length
Let's start with setting a trial length. How should we decide the right period for a free trial? We need to consider several key factors.

### Product Complexity

1. **Product Complexity**
   *"How complex is our product in terms of setup and daily operations?"*
   *"Does our product require extensive integration or configuration before users can realize its full benefits?"*

To decide the right trial length, it's essential to assess our product's complexity. We should ask ourselves questions like: "How complex is our product in terms of setup and daily

operations?" and "Does our product require extensive integration or configuration before users can realize its full benefits?" Generally, products that are simpler and more intuitive may only need shorter trial periods. In contrast, products with higher complexity and greater integration requirements might require longer trials to ensure users can thoroughly test and understand the benefits they offer.

**Customer Learning Curve**

**2. Customer Learning Curve**
*"How much time does it typically take for a new user to become comfortable and proficient with our product?"*
*"What is the average time required for users to explore all significant features and understand their value?"*

Next, we should try to assess how long it typically takes for a new user to fully explore and recognize the value of the product. Products with a steeper learning curve, such as CRM systems, require a longer trial period to allow users sufficient time to appreciate the potential benefits and understand how the product fits into their workflow. Conversely, software aimed at individual consumers, such as graphic design tools or personal productivity apps, typically requires less time for users to understand the value. The key questions here are: "How much time does it typically take for a new user to become comfortable and proficient with our product?" and "What is the average time required for users to explore all significant features and understand their value?"

**Sales Cycle Length**

**3. Sales Cycle Length**
*"What is the typical duration from initial interest to closing a sale in our industry?"*
*"How long do stakeholders take to make a purchasing decision, and how does this align with our proposed trial period?"*

Another factor to consider is the length of the sales cycle in our industry. In industries like enterprise software, the sales cycle can extend from several months to over a year, as seen with companies like SAP that offer trial periods lasting up to 90 days or more. These extended trials are essential as the purchasing decision involves substantial financial commitments and multiple layers of organizational approval. In contrast, for software targeting individual consumers or small businesses, such as personal finance apps, the sales cycles are much shorter. We should contemplate the following questions: "What is the typical duration from initial interest to closing a sale in our industry?" and "How long do stakeholders take to make a purchasing decision, and how does this align with our proposed trial period?"

**Benchmark against competitors**

The last factor that SaaS companies often consider is the standard trial lengths offered by competitors in the industry. This method assumes that competitors have refined their trial lengths through extensive testing and optimization, aligning them with what drives the best conversion rates and customer engagement. Adopting a similar duration can ensure that a company is neither too generous, potentially delaying conversions, nor too restrictive, which might deter potential customers. With this approach, we can meet customer expectations, which are often shaped by their experiences with other services. The guiding question here is: "What are the standard trial lengths offered by our main competitors?"

Now let's explore trail durations of real companies from the SaaS industry.

**7 days**
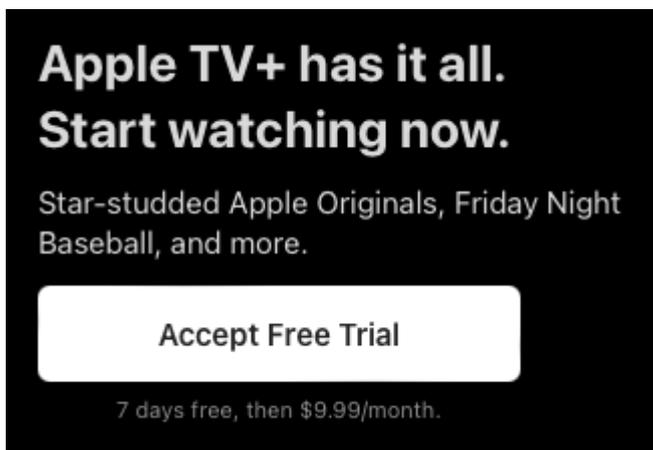


Short trials can be effective when the product's value is immediate and easy to understand. Example could be a 7-days free trial offered by streaming platforms like Apple TV. Potential subscribers can instantly experience the full range of offerings and the platform's user-friendly interface.

**14-30 days**

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Mid-length trials, typically ranging from 14 to 30 days, offer a balanced opportunity for potential customers to evaluate the software comprehensively.

For example, Salesforce typically offers a 30-day free trial. This duration gives businesses enough time to explore the extensive features and integrations available, and understand how it fits into their operations.

Extended trials, such as those lasting **60 or 90 days**, are suitable for more complex products that require a longer period for users to appreciate their full value.



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✓ Start quickly with learning materials and tutorials

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For example, companies like SAP offer a 90-day free trial to allow sufficient time for a comprehensive evaluation of their intricate software systems. While this extended period provides a thorough opportunity for assessment, it is crucial to maintain user engagement throughout to prevent a loss of interest over time.