

This sheet is a handout material from Udemy course:

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

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## 4.3 Specifics of Free Trial Models - Part 2

### Usage limits

In this lecture, we will explore another crucial element of free trials which is the Usage Limit. When designing a free trial we should set clear boundaries on how much users can interact with or utilize a product's resources. These are often implemented to prevent overuse of the system, which can incur significant operational costs.

Let's discuss the types of limitations we can incorporate into the free trial to balance user experience and resource management effectively.

The types of limitations:

- **User Access Limits:** e.g., a project management application might restrict trial access to only 5 team members
- **Data Storage/Processing Limits:** e.g., a cloud storage provider might offer 5 GB of free storage during the trial period
- **Transactional Limits:** e.g., email marketing service limits users to sending only 5000 emails during their trial period

- ***User Access Limits***

Many platforms implement restrictions on the number of users who can access the service under a single trial account. This is particularly common in collaborative tools like project management software. For example, a project management application might restrict trial access to only 5 team members. This limitation helps the provider manage the load on their resources during the trial phase and encourages companies with larger teams to upgrade to a premium plan for broader access.

- ***Data Storage/Processing Limits***

Cloud storage services frequently set caps on the amount of data that can be stored or processed during a free trial. This approach is used to prevent excessive use of storage resources, which can be costly to maintain. For instance, a cloud storage provider might offer 5 GB of free storage during the trial period. Users who reach this limit and require more storage capacity are prompted to upgrade to a paid plan that offers expanded storage options.

- ***Transactional Limits***

Finally there are transactional limits. Platforms that provide operational

functionalities, like email marketing services, often impose limits on the number of transactions a user can perform during the trial. For example, Mailchimp may limit users to sending only 5000 emails during their trial period. This restriction not only helps manage the service's load but also positions the full capabilities as a premium feature.

### **Feature limits**

Feature limits are another element in the design of free trials. They showcase the product's value while also motivating users to consider upgrading to gain full access.

Now let's explore the types of limitations:

The types of limitations:

- **Advanced Features:** for advanced features, a user must upgrade to a paid plan
- **Integration Capabilities:** integration capabilities are very limited during a free trial
- **Support and Services:** priority support and services are exclusive to paid plans

- **Advanced Features**

Many companies strategically limit access to their most advanced features during free trials. This ensures that while users can test the fundamental capabilities of the product, the full range of more sophisticated tools remains exclusive to paying customers. Consider high-end software solutions like Tableau, which during free trials, offer basic data visualization tools. The more advanced analytical tools and deeper data insights are reserved for paying customers. By experiencing the limitations of the free features, trial users are encouraged to upgrade to access these advanced functionalities.

- **Integration Capabilities**

During free trials, tools such as CRM systems often come with restricted integration capabilities. For example, Salesforce may offer the foundational CRM functionalities during its trial period but reserves the ability to integrate with other critical enterprise systems like ERP or marketing automation tools for paying subscribers. This setup demonstrates basic CRM potential and encourages users to upgrade for complete system integration.

- **Support and Services**

Additionally, the level of support and services is often scaled based on subscription tiers. During a free trial, users might receive basic support, but premium services such as priority support and dedicated account management are exclusive to paid plans. This distinction makes clear the added benefits of paid subscriptions,

particularly for users who rely heavily on the software for daily operations and require immediate assistance or customized service.

In the upcoming lecture, we will discuss 2 types of free trial models in the context of whether or not a credit card is required at the time of signing up for a free trial. Looking forward to seeing you there.