

northpass

# Extending Customer Lifetime Value With Customer Education

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## Insights from Hubspot, Segment Analytics Academy and Talented Learning on the Role of Customer Education in Driving SaaS Success



**STEVE CORNWELL**  
*CEO and Founder of Northpass*

Corporate training initiatives, particularly in the SaaS world, are being transformed. What was once the sole responsibility of the human resources department — for internal employee training — has morphed into “extended enterprise training”; that is, education that encompasses all of a company’s outside audiences.

Enterprise-training programs for channel partners may be the most familiar examples. Think of tech giants like Dell and Microsoft, which are supported by local partners and resellers throughout the world. Each partner must be certified on the products and services before they can represent Dell or Microsoft to the public. A

thoughtful, engaging and knowledgeable external enterprise-training program both supports and drives their business.

But with the arrival of sophisticated, cloud-based and easy-to-use course authoring software, a strong business case can also be made for educating customers or potential customers, especially for companies selling new product categories. Customer education has the same powerful impact as training for channel partners. It gives a company an opportunity to establish itself as a thought leader and expert in the field, cultivate trust sooner and engage more meaningfully with the customer before the sale even occurs.

In fact, in the competitive world of SaaS, that's a core requirement for building long term customer success — a requirement that isn't easy to meet, which is why growth companies eagerly use it to differentiate themselves from the competition. Buyers today crave insight, expertise, answers to their questions and solutions to their problems. They thoroughly research before purchasing. When they're ready to buy, they'll call the company, not the other way around.

Educating customers with interactive, engaging and genuinely useful online courses is a way to demonstrate that thought leadership throughout the buyer journey and to do it in a way that produces real business results. As Jonathan Leh of Talented Learning persuasively argues in an interview below, customer education demonstrates expertise for buyers at the top of the funnel, and it demonstrates competence and reliability to buyers who are ready to make a decision.

## The Academy Way

Today, many leading SaaS companies are starting to combine external training programs and lead generation efforts by

setting up their own SaaS academy. These academies train and sometimes certify learners on industry best practices as well as software utilization. Instead of targeting just current customers, anyone who desires to gain more knowledge can take these online courses. Academies cast a wide net and provide significant value before the start of a conversation about sales.

As you'll see in two other interviews below, with Sarah Bedrick from Hubspot Academy and Andy Jiang from Segment Analytics Academy, companies that operate online customer education academies have found that those learners who get certified develop into successful, longstanding customers and also into brand ambassadors. That doesn't happen with a cold call by a salesperson or a marketing campaign, but through customer education.

**Buyers today crave insight, expertise, answers to their questions and solutions to their problems.**

Customer education today helps to ensure buyers understand your product and services, thus aiding in sales, retention and customer service efforts. Well-trained customers mean well-trained users, translating into fewer support calls and complaints. And today's technology enables organizations to develop those customer relationships at scale, when and where customers are ready for it.

## Customer Education That Moves the Business Needle



**JOHN LEH**

*CEO/Lead Analyst of Talented Learning*

As CEO and lead analyst at Talented Learning\*, a consulting firm specializing in enterprise learning technology, John Leh helps organizations pick the right learning management systems for their training programs. Over 20 years, he has witnessed the evolution of corporate training to include external training and thought leadership.

### What trends do you see in customer education?

*What has developed over the past five years is a very strategic use of customer education to actually move the business needle in some direction. It's to improve customer satisfaction, the onboarding process or the way customers can better use an organization's products or services. It's not just done through marketing now but through learning. There's been a merging of learning and marketing in the industry that is targeted toward customers and learners. It's very exciting.*

### What have you observed about the growth of online training from employees to external partners?

*I label that the extended enterprise. Many of those audiences are a part of your value chain. It can be dealers, franchisers and partners who resell your products. It could be the prospects you're trying to attract and the customers after you've attracted them. But all of those audiences are now being strategically targeted by organizations with a learning management system that tracks all those users — what they know and don't know*

*— and then proactively pushes learning interventions based on who they are.*

### Do firms make customer education a standalone business function, or is it tied to an existing one?

*It's all over the board. Sometimes it's driven by training and development. The people who have a learning management system for employees will then expand out and be that same system to support the channel and the customer learning program.*

*But that's a strategy less frequently taken because HR and training people are less strategic when it comes to marketing*



*and making money. They're more about being a cost center. It's rare to see an organization embrace all three groups — the employees, the channel and the customers — with the same learning management system. What I see is that the customer education group could reside*

at the operational level, at the business unit level, at the product level. They typically buy their own learning technology solution focused on their particular need. And that by far is the most common approach. So it's in marketing a lot, it's in customer service a lot, and it's in the operational business groups a lot.

#### Where do you think it should reside?

I personally like working with the rogue customer-only systems, because I find that it's more strategic. Everything is done with the idea of making money, of driving particular business results. The budgets are larger. People higher up in the organization typically own it because the use of learning now is very strategic. It's at the executive level — not buried down in the depths of HR somewhere.

#### What are some of the challenges companies face in embracing customer education?

There are so many options it's hard to know how to get started. There are 675 different learning management systems that are viable. Most originated in the HR space and now it has migrated over into the extended enterprise space. You have hundreds of viable companies that could do customer education and it makes it hard to find what to use. Why does one cost \$100,000 and others cost nothing? Answers are really tough to come by, and it challenges a lot of organizations to get over that hump.

#### How do companies measure the success of a customer education program?

It's really easy. They're measuring renewal rates, cross-sales, up-sales and complementary sales, before and after consumer education. Measure those who were trained versus those who weren't — and that's what a learning management system does

— then you compare that against business metrics. You can predict that impact going forward and continually test it.

They roll out a program and say, "Alright, if we can get half of our customers to take it, we're going to move the needle by 3 percent." The next one, they say, "Now if we can get 60

**There's been a merging of learning and marketing in the industry that is targeted toward customers and learners. It's very exciting, in my opinion.**

percent of our customers to take it before renewal, we'll be able to move it Y percent." It's a very strategic thought process of what content to develop, how to push it, what that actual impact is and then reshuffling the deck to continue to up those percentages and make an impact on the organization. It's more about business, and training just happens to be an enabler.

#### So there are ways to measure the impact customer education has on revenue growth?

Yes, absolutely. Organizations know where their sales are coming from, they know the demographics and they know the percentages of renewal rates. All you have to do is overlay the control group and the training group and compare the two. You can measure customer satisfaction scores. You can measure anything as long as you have the business data.

#### Why is it important to educate people before they become

## customers?

*It's very strategic to put out education and content marketing that allow prospects to see your thought leadership and slowly be exposed to your brand.*

*In 2016, it all comes down to content marketing. Nobody wants to take a cold call, nobody wants to make a cold call. Nobody wants to watch TV and get blasted by commercials. We all watch Netflix. We do everything we can to avoid commercials, except on Super Bowl Sunday.*

## What are the technology trends for customer education?

*The tools to create elearning are in the cloud now. You don't need to be a programmer. You have templates that allow you to create engaging, interactive, mobile-delivered content.*

*The technological barriers have been broken down across learning systems, whether that's for customers or channels partners, employees or students. The cloud has enabled that – anybody can afford learning technology now. So now it's about having best practices to drive users to that system. The marketing is almost more important than the configuration of the system.*

## Looking ahead, what trends do you think will emerge?

*You're going to see more organizations embracing the whole concept of customer learning and channel partner learning.*

*Just anecdotally, in the last two years, I've reviewed 111 LMS's. Only about 10 percent target employee learning. The other 90 percent of those vendors target some aspect of non-employee learning. So most of the growth in our industry, 90% of it from a*



*vendor standpoint, is to address customer and channel learning. And I see that trend continuing and consolidating as market leaders develop in this space.*

## Customer Education and the Adoption Curve



**SARAH BEDRICK**

*Certification Program Leader, Hubspot*

Marketing software giant Hubspot launched its Hubspot Academy to train customers and prospective customers in the emerging discipline of inbound marketing in 2012. Headed by Sarah Bedrick, the initiative features several certification courses, covering both the theoretical and the practical applications of its software. Yet Hubspot Academy hasn't gone completely digital. [Hubspot](#) also offers classroom training in 14 cities in the U.S. and around the world.

More recently, Hubspot Academy started a series of customer education courses called [Projects](#), which Bedrick describes as "comprehensive how-to guides" that show learners how to use the HubSpot software to create a specific project such as creating an email newsletter, launching lead generation



campaigns or perfecting SEO optimization.

### What makes HubSpot Academy a best in class academy?

*Every person on our team is passionate about helping marketers become better marketers. Beyond that, we have several team principles – execute with excellence, provide outstanding customer service, always be learning, never settle and create a consistent learning experience. Having a set of principles allows us to simplify our decision-making. A good decision falls in line with our principles.*

*Another one is company-wide collaboration. A lot of customer training teams want to develop things in a vacuum. They just want to talk to the customer and build on that. But without company-wide collaboration, there is no way to know how this*

## Without company-wide collaboration, there is no way to know how this fits into the customer lifecycle or how other teams can leverage what you're creating.

*fits into the customer lifecycle or how other teams can leverage what you're creating.*

### Why start a customer academy?

*Proper customer training is a critical part of a company's long-term success. Ten years ago, inbound marketing was an idea. We helped expedite the adoption curve by having proper customer training in place.*

*The information we provide in our customer training also sets the tone for our customer relationships. It helps them feel supported to know there are people here to help them. They also know their voice is heard. We actively listen to our customer's feedback and use that to create better training and better products, which means actual software.*

### What were some of the challenges you faced?

*When we first started, we had to validate that this full-time effort was worthy, because nobody can actually see value from it at that moment. So we focused on constantly improving. Then, as time progressed, and we had people go through our training, the question became, how do we numerically show the values that these are deriving for the company?*

### Do you offer hands-on training for marketers or is it more higher level content about inbound marketing theory?

*Our education provides people with an understanding of why they're doing what they're doing and how to do it. This past year we've been focusing on the more hands-on element as well. People like to learn first and then apply it in some capacity. Our new product, Projects, has different training courses. So if you've just learned how to do SEO, we're giving you a project to accomplish this on your own.*

*We also have a performance-based assessment, or a practicum. You create projects inside of Hubspot and then show your proficiency by achieving measurable results. If they do a landing page, did it hit a specific set of metrics? Hands-on training is important for marketers, but they need baseline knowledge before they can start creating. Otherwise, it's like getting behind the wheel of a car without having any*



instructions. Every single certification program offers you projects where learners can apply it immediately. If they want to apply their knowledge from the social media class, they have a social media project.

#### Can you show the revenue-generating metrics for the academy?

Yes, but it's in the early stage. We're able to see the people who were signing up for the certification and the people who are passing. If they choose to speak to a sales rep and they choose to buy, we can see how the certification influences some of the revenue numbers.

#### So how did you measure the success of the academy?

Once we started focusing on marketing a bit more, we started to see the value for HubSpot.

People signing up for the inbound certification started saying, "I've been doing this for a while, and I never knew there was a term or methodology for it." They became some of our best customers.

Those who got certified, if they purchased, they end up becoming successful customers because they're more educated. Those numbers we were able to start tracking, and it starts to speak for itself when you look at some of the major data points.

### Educating the Marketplace to Drive Growth

#### ANDY JIANG

Growth Marketer, Segment Analytics Academy

On the forefront of the data analytics trend, [Segment](#) provides companies with a single API to warehouse buyer data that

can be used to analyze current customers and market to new ones. In 2013, to educate a wider audience about our this new and complex product category, Segment launched its Segment Analytics Academy, a series of free courses on using data analytics to drive growth, which about 4,000 people have completed so far.

#### Are your courses about data analytics in general or about how to use the software?

It's more thought leadership about using analytics to drive growth. We provide specific case studies from different companies about why they decided to use these tools and how they're able to accomplish their growth objectives using data. We are software agnostic. We want to be careful not to just be selling our software. We want to avoid a brochure. That would definitely turn off buyers.

#### What challenges did you face?

Not knowing what to write about, and not knowing how to build an audience. Back then, Segment was relatively unknown. We talked to customers, which is great because you see people asking similar questions. Then you can begin creating a repository of potential ideas. And that's what we first started to write about.

The second question was, how do we know who this target audience is, and how can we reach them? At that point, it was really experimentation. So we asked customers, how did you hear about Segment? Where do you like to hang out on the Internet? What are your favorite news sites? What newsletters do you read? Through that process, we were able to begin building our audience.

#### How do you measure the success of the academy?

*We look at the number of subscribers. That's an indication of the total reach of our brand because it's very top-of-the-funnel. Many times, a new user or a new prospect, their first interaction with Segment is through the Academy. Another metric is number of qualified leads we get, and the number of product sign-ups.*

**What advice do you have for other SaaS companies considering starting an academy?**

*Content marketing has become very competitive. Basically, anyone with a keyboard is generating content on the Internet. So the only way to stand out now is to generate very insightful, very thoughtful content, which takes a lot of time. You have to think about the target audience, why that target audience is valuable to you, how to reach that target audience on the Internet and the distribution cost.*

**What is the importance of a customer academy to lead generation?**

*Buyers are very sophisticated. They don't want to talk to sales until they're ready to talk to sales. They like to self-educate, do research on the Internet and read as much as they can.*

*Because of that new buying behavior, it really helps to provide as much content as possible from your brand that you can use to build trust and identify your brand as a thought leader. Another reason is to have some marketing automation in place, having customers opt in to being marketed to and being put into nurture campaigns and eventually qualifying themselves as ready to talk to sales.*

*On top of the academy lessons, things like webinars and whitepapers collectively work together to funnel leads down to*

*the bottom. This is just one key piece. Definitely be cognizant of all the other pieces and make sure the messaging is consistent*

**We are software agnostic. We want to be careful not to just be selling our software. We want to avoid a brochure.**

*and everything has some sort of call to action that moves people.*


## The Training Trends Your Customers Expect You to Keep Up With

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Even if you knew, without a doubt, what your customers thought about online training a few years ago, it's a good idea to check in again and to research the wants, needs and expectations of elearners in 2016. [Here are some of the elearning trends we're seeing:](#)

- Elearners are mlearners. Assume they are accessing it via mobile.
- On-demand is the default mode.
- One word . . . Video

[Request a demo](#) to get an inside look at Northpass, a modern learning platform for helping tech-enabled companies streamline and scale branded customer education programs.

 Follow Northpass on Twitter [@Northpass](#)

## Contributions

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