2019

CUSTOMER TRAINING TRENDS REPORT

AN INDUSTRY GROWING RAPIDLY,
BUT STILL EVOLVING

THOUGHT INDUSTRIES®

CLAIRE SCHOOLEY CONSULTING

TABLE OF CONTENTS

EXECUTIVE OVERVIEW

Claire Schooley, the former lead learning analyst at Forrester, and Barry Kelly the CEO at Thought Industries conducted a survey in the Winter of 2018 to determine the state of customer learning. Over the years, employee learning has benefitted from many such surveys, but customer learning, which is becoming more and more important to product companies, has not been analyzed in-depth.

Customer training is no longer an afterthought, tagged onto a company's new service or product. Today with so many digital training options available that are self-paced like eLearning, microlearning, video and virtual classroom, the opportunities for training customers are exploding.

Also, with the rise of SaaS software, largely replacing on-premise software, unsatisfied customers have found it easy to switch to different products, given that the cost of switching is extremely low. Because of this, software companies, who were 54% of our respondents, tend to be on the cutting edge of customer training, given that the success of their business depends heavily on happy and trained customers.

With better training programs, all companies derive value through increased sales, lower support costs, stronger customer loyalty, better customer retention, and increased customer satisfaction.

A Technology Services Industry Associates (TSIA) study showed the average renewal rate among trained software subscribers was 92%, versus 80% for untrained customers. That's the difference between the success and failure of a company!

The following report outlines the responses of 140 survey participants.

KEY TAKEAWAYS

91% of all companies who responded provide training for their customers.

96% say customer training is important and **70%** said it's extremely important

Customer training is growing rapidly with 76% of respondents saying it increased over the past five years and **87%** predict that it will increase over the next five years.

However, customer training is showing growing pains. Even when acknowledging the importance of customer training, only **11%** say that a large percentage of their customers (75%+) get enough training to use their products well.

A relatively small percentage of respondents have an LMS to store and deliver their training **55%** to customers. By comparison, 85% of companies have an LMS (Brandon Hall), presumably to deliver employee training. Those without LMSs have to manage their training manually or use other technologies that are optimized for employee training.

How important is it for your company to train your customers?

Companies realize the importance of training customers in order to keep them loyal to the company. A total of 89% of respondents indicated that customer training was extremely important or very important to their company.

Extremely Important
69.5%

Very Important
19.9%

Important
6.4%

Somewhat Important
2.1%

Not Important
2.1%
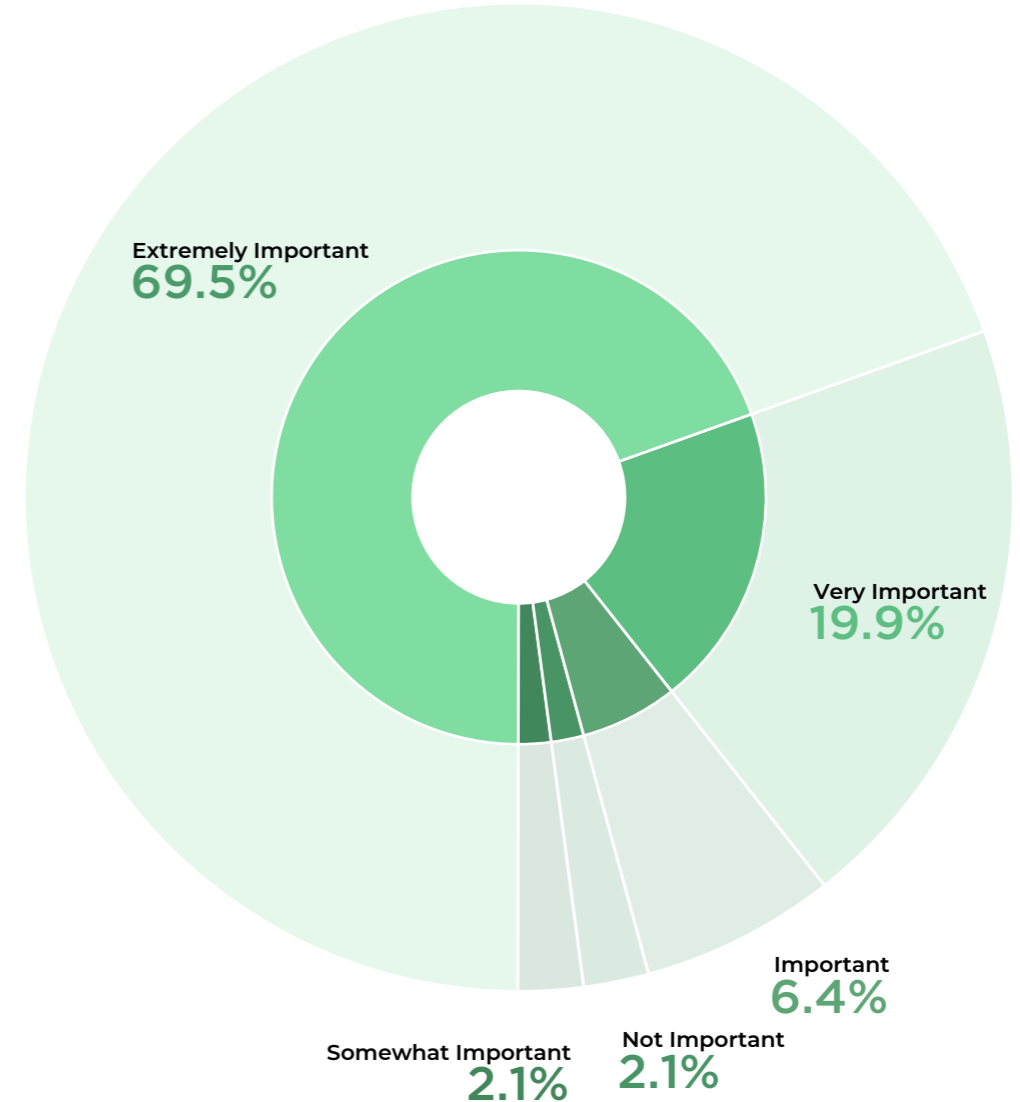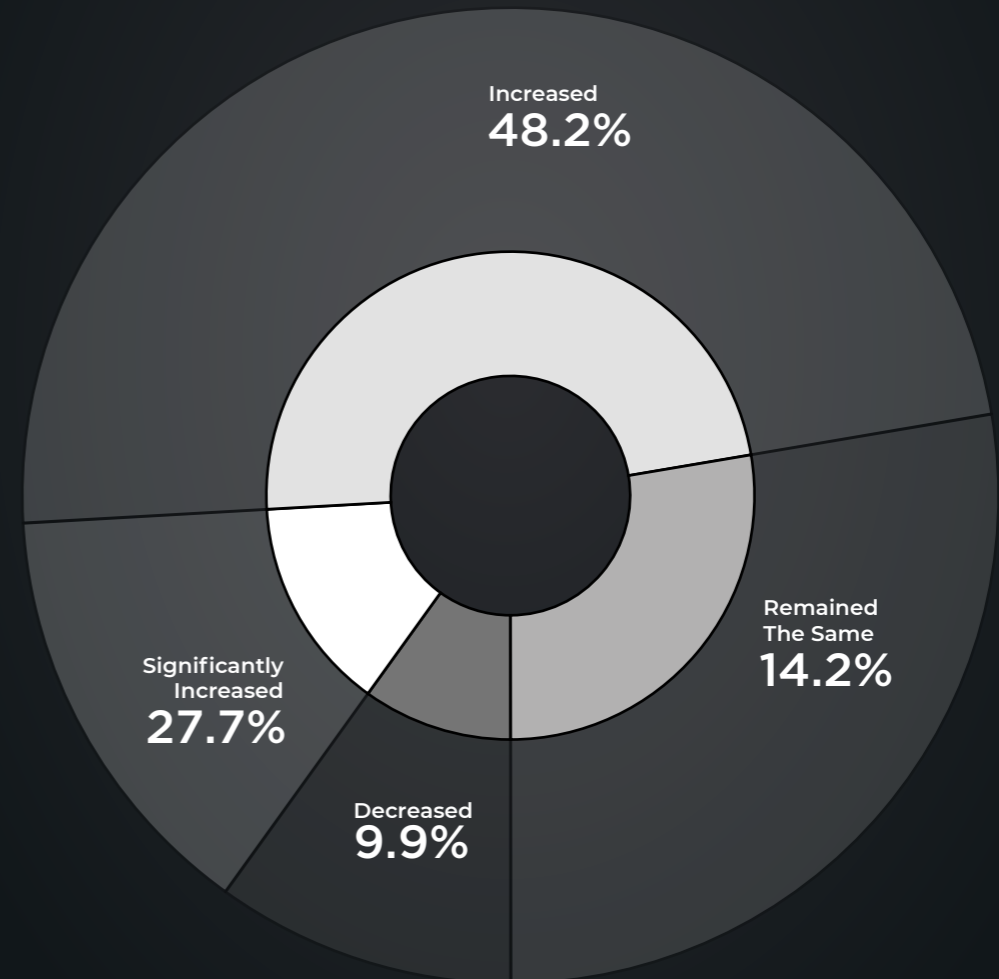
In the past 5 years, how has the amount of customer training your company provides changed?

When asked if customer training had increased in the past five years, 76% said it had increased or significantly increased. Companies see the value of investing in their customers to reduce churn.

Increased
48.2%

Remained
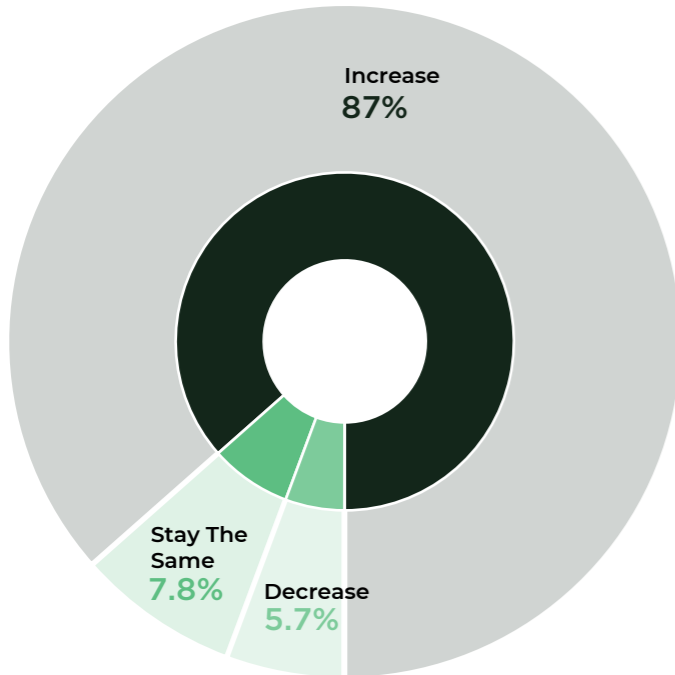The Same
14.2%

Significantly
Increased
27.7%

Decreased
9.9%

How do you believe customer training at your company will change in the next few years?

A total of 87% of respondents believe customer training will increase in the next few years. This is a strong indication that companies must provide a stellar experience to their customers through first class technology learning resources and customer service.

How do you believe customer training at your company will change in the next few years?

Increase
87%

Stay The Same
7.8%

Decrease
5.7%

How important is it for your company to train your customers?

Extremely Important
69.5%

Very Important
19.9%

Important
6.4%

Somewhat Important
2.1%

Not Important
2.1%

In the past 5 years, how has the amount of customer training your company provides changed?

Increased
48.2%

Significantly Increased
27.7%

Remained The Same
14.2%

Decreased
9.9%
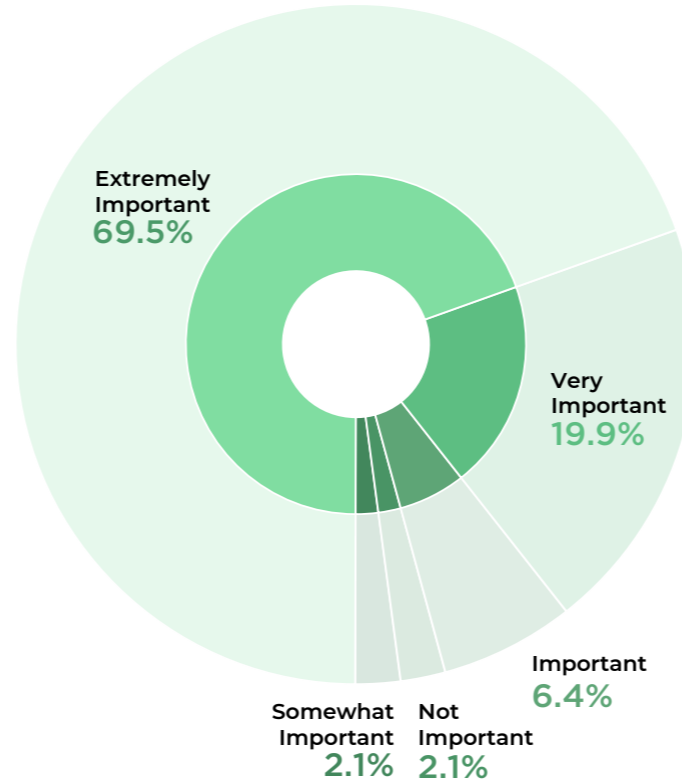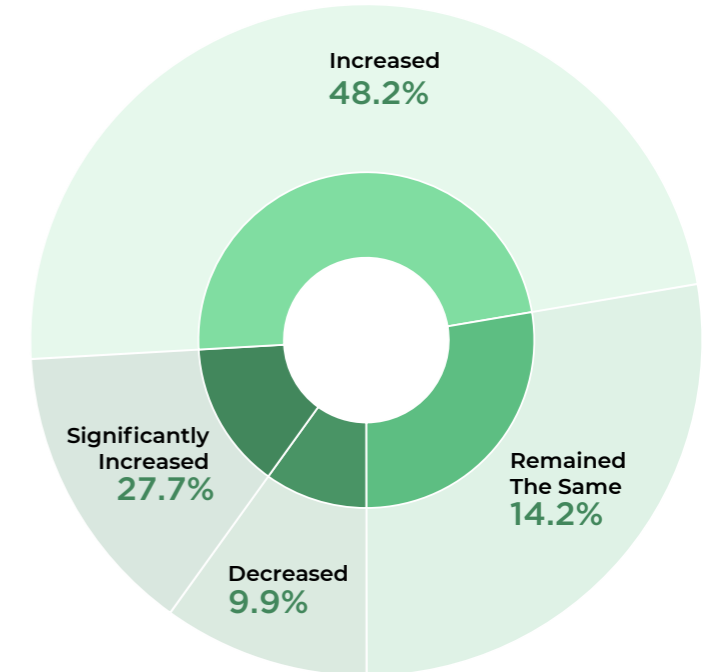
What percentage of your customers do you think get enough training to use your product(s) well?

Respondents believed in general that their customers are not getting enough training. 34% of respondents believe that only half to three-quarters of their customers get enough training to use their product(s) well and 55% believe adequate training reaches less than 50% of their customers.

This is an area of certain growth with easily accessible learning content that customers want and more marketing of training for users, so they understand what learning is available and how to access it.

What percentage of your customers do you think get enough training to use your product(s) well?

Less than 25%	27.7%
25%-49%	27.7%
50%-74%	33.3%
75%-95%	10.6%
Close to 100%	.7%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Do you currently have a Learning Platform/LMS for customer training?

55.3%
Yes

3.5%
Not Sure

41.1%
No
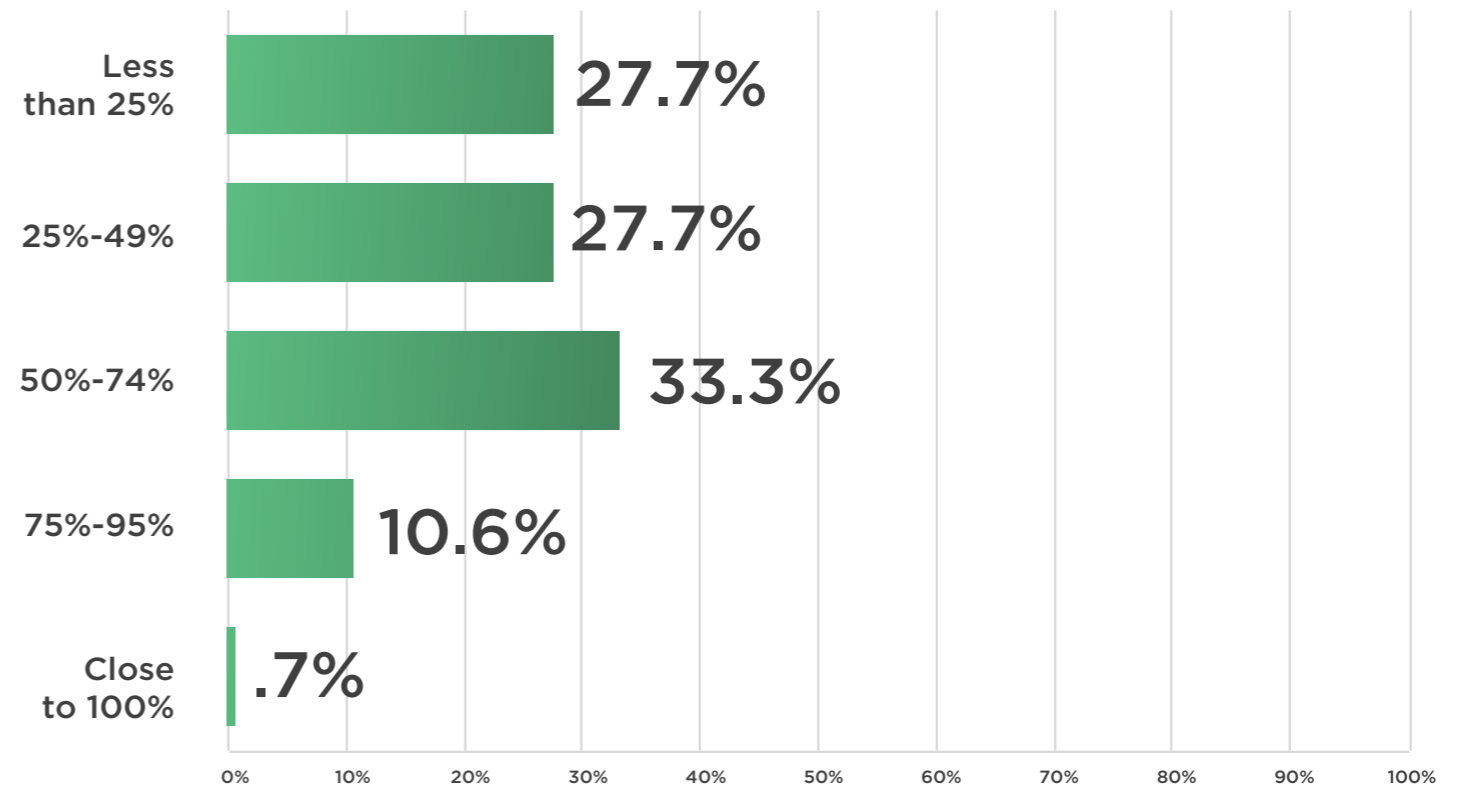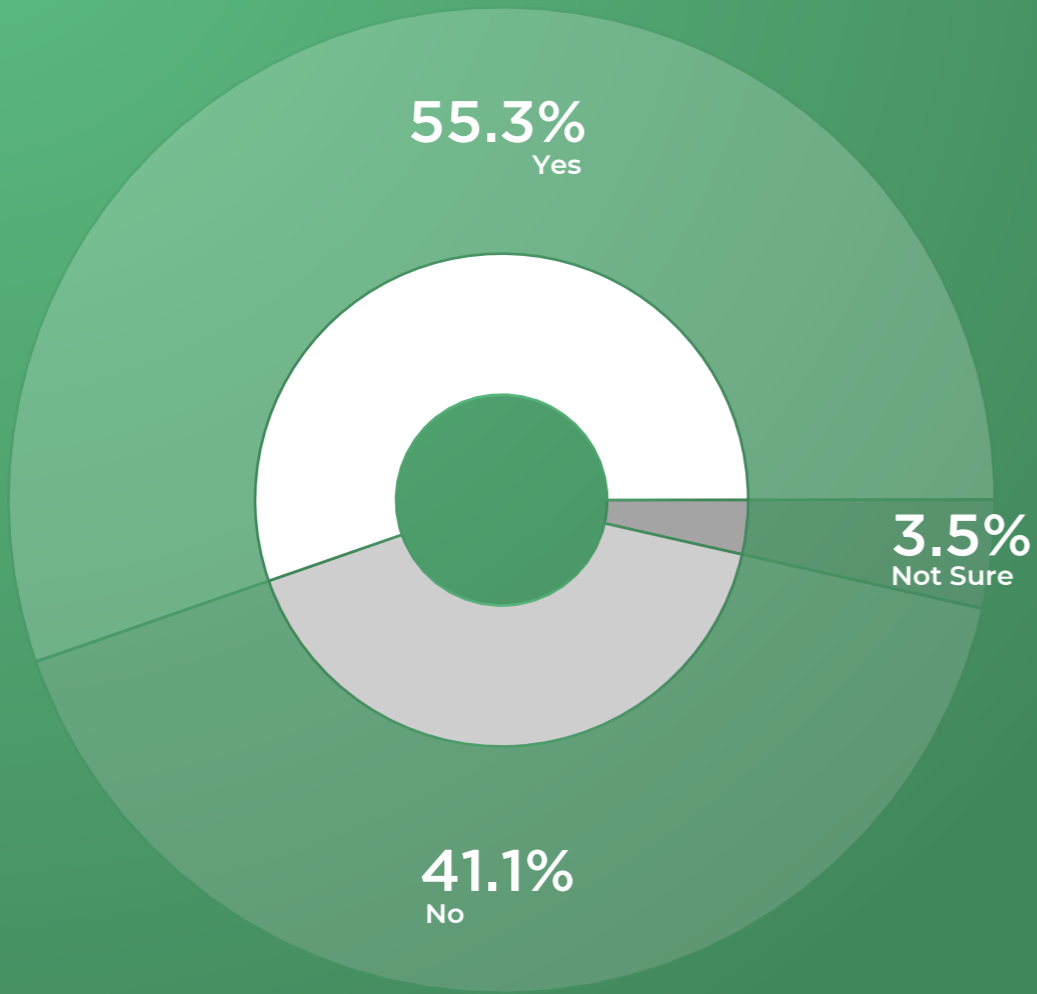
Do you currently have a Learning Platform/LMS for customer training?

Customer training requires technology for customers to access learning when they need it and for the company to track customer training activity. Only 55% of respondents indicated that they have a learning platform or LMS for customer training, remaining respondents indicated they did not have a learning platform (41%) or they were not sure (4%).

By comparison, 85% of companies have an LMS (Brandon Hall), presumably to deliver employee training.
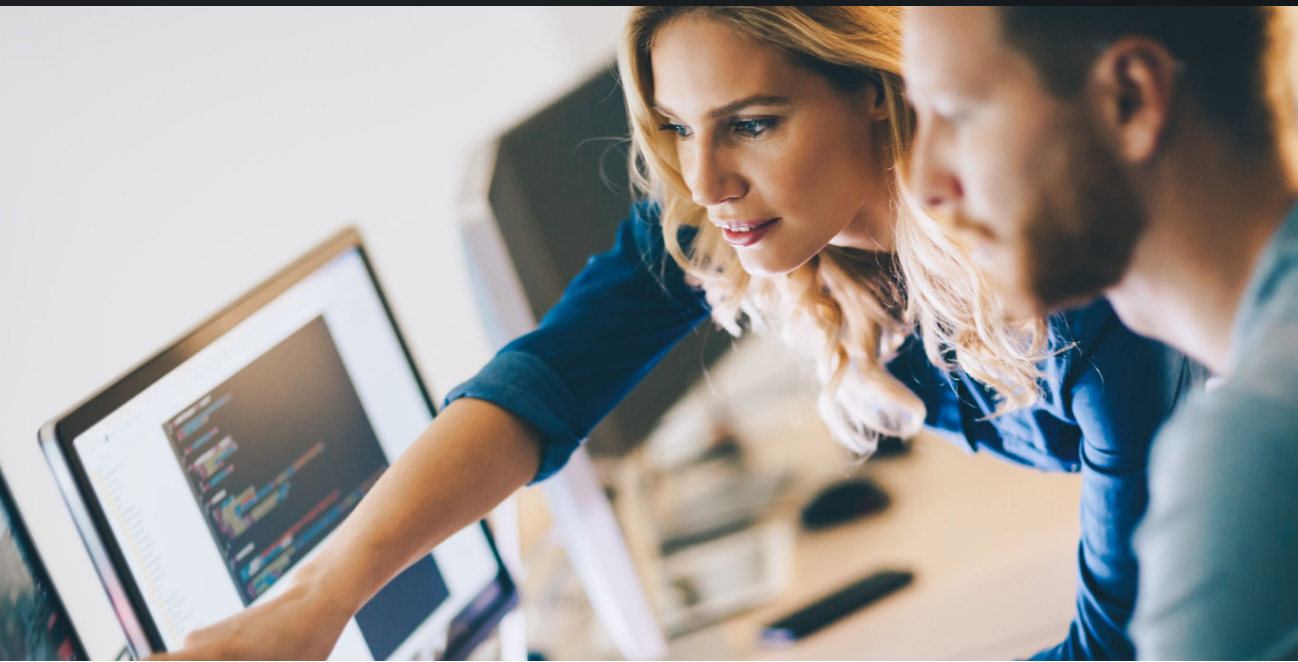
Those without LMSs have to manage their training manually or use other technologies that are optimized for employee training.

What are your biggest challenges for customer training?

At 53%, customer onboarding is the largest challenge companies face while creating their customer training program. It's important that they get this right, since studies have shown that the faster a customer sees value in a product (time to value) the more likely they will be a long-time customer. The ability for companies to retain customers is critical since it has massive implications on revenue, profit and company reputation.

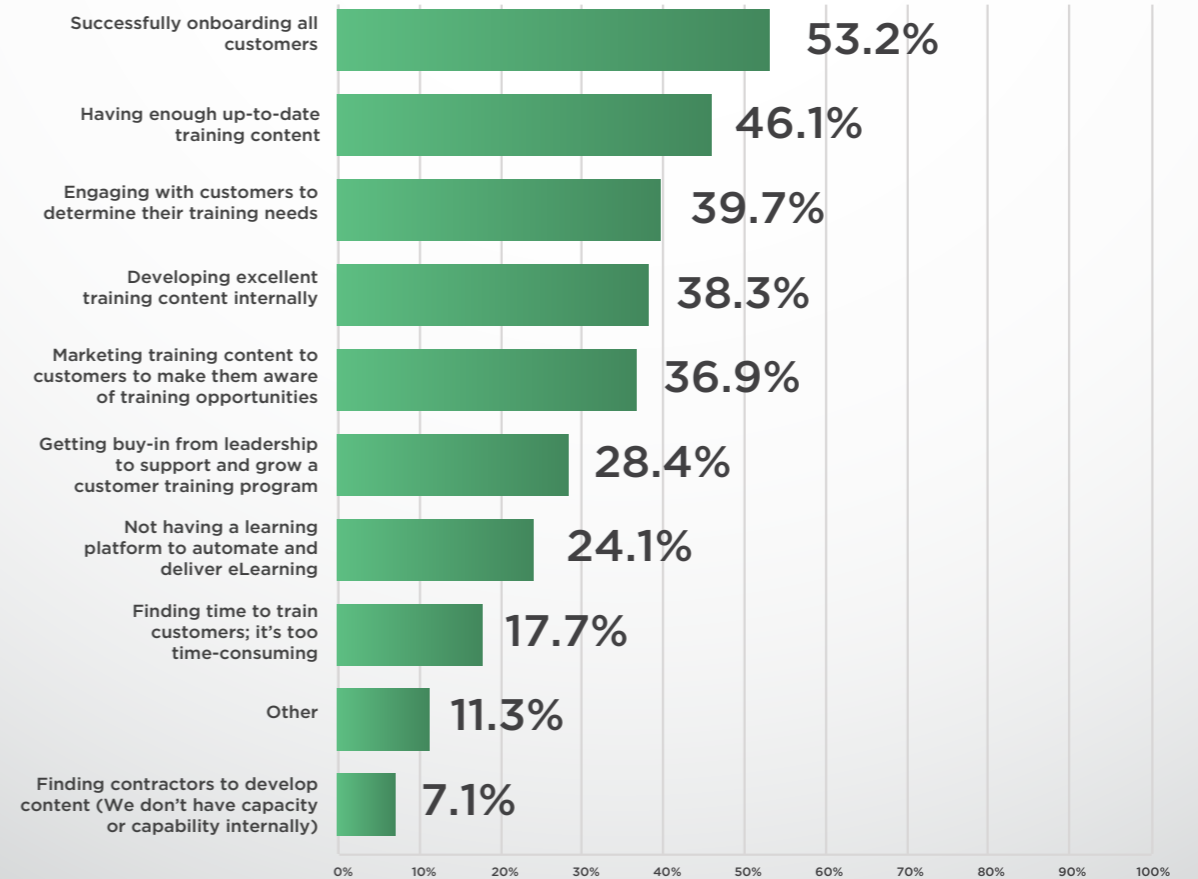| Challenge	Percentage
Successfully onboarding all customers	53.2%
Having enough up-to-date training content	46.1%
Engaging with customers to determine their training needs	39.7%
Developing excellent training content internally	38.3%
Marketing training content to customers to make them aware of training opportunities	36.9%
Getting buy-in from leadership to support and grow a customer training program	28.4%
Not having a learning platform to automate and deliver eLearning	24.1%
Finding time to train customers; it's too time-consuming	17.7%
Other	11.3%
Finding contractors to develop content (We don't have capacity or capability internally)	7.1%

What are your biggest challenges for customer training? (CONTINUED)

After onboarding, the top customer training challenges are having enough up-to-date training content (46%); and engaging with customers to determine their training needs (40%).
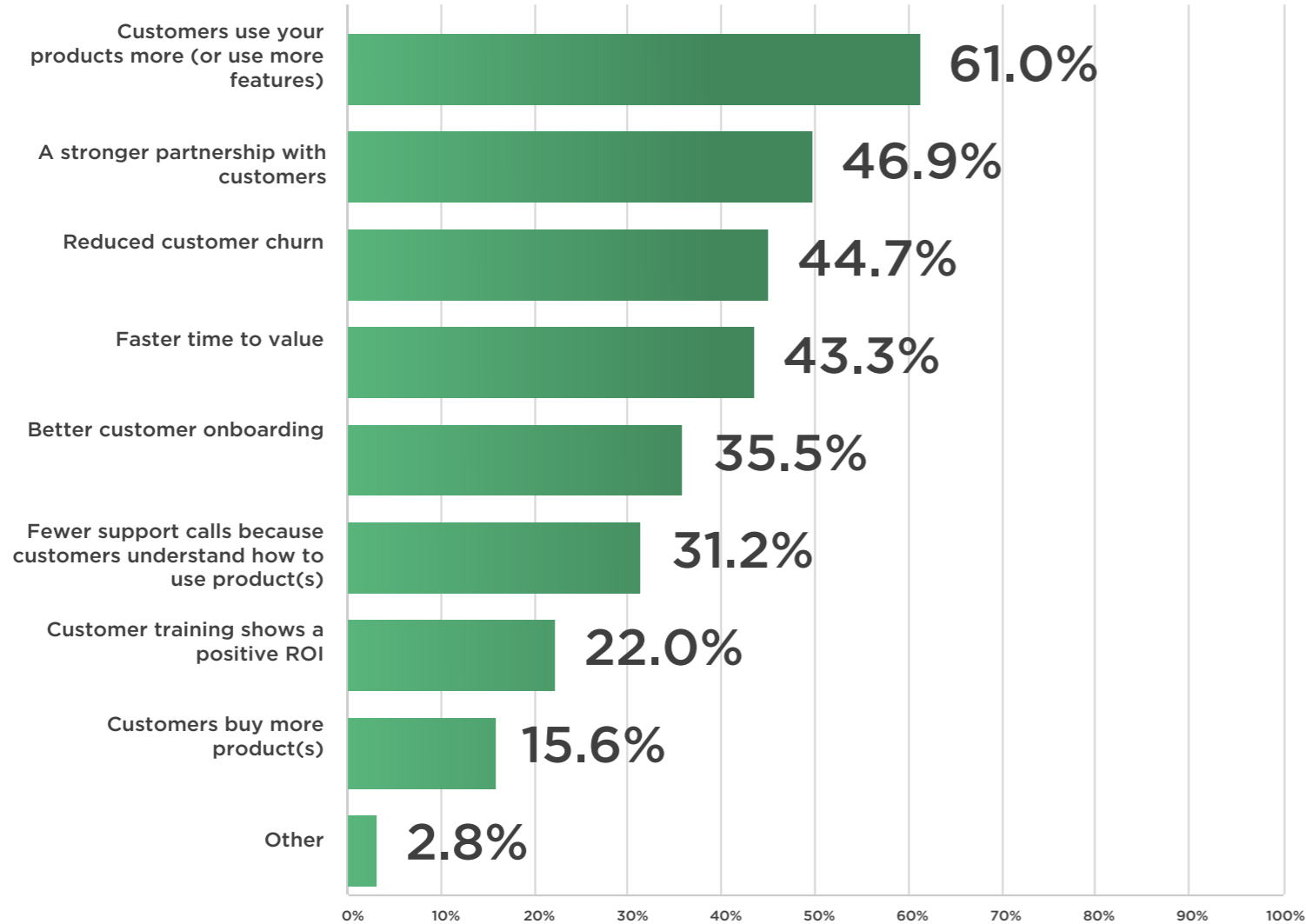
Respondents rated "getting buy-in from leaders" and "finding time for training" much lower than expected – 29% and 18% respectively. Traditionally these two areas have been major stumbling blocks for customer training. Both the customer and the company need to take responsibility for making customer training easily available to employees and providing content of the highest quality.

What are your biggest challenges for customer training?

Challenge	%
Successfully onboarding all customers	53.2%
Having enough up-to-date training content	46.1%
Engaging with customers to determine their training needs	39.7%
Developing excellent training content internally	38.3%
Marketing training content to customers to make them aware of training opportunities	36.9%
Getting buy-in from leadership to support and grow a customer training program	28.4%
Not having a learning platform to automate and deliver eLearning	24.1%
Finding time to train customers; it's too time-consuming	17.7%
Other	11.3%
Finding contractors to develop content (We don't have capacity or capability internally)	7.1%

What are the biggest benefits you get from training your customers?

Benefit	Percentage
Customers use your products more (or use more features)	61.0%
A stronger partnership with customers	46.9%
Reduced customer churn	44.7%
Faster time to value	43.3%
Better customer onboarding	35.5%
Fewer support calls because customers understand how to use product(s)	31.2%
Customer training shows a positive ROI	22.0%
Customers buy more product(s)	15.6%
Other	2.8%

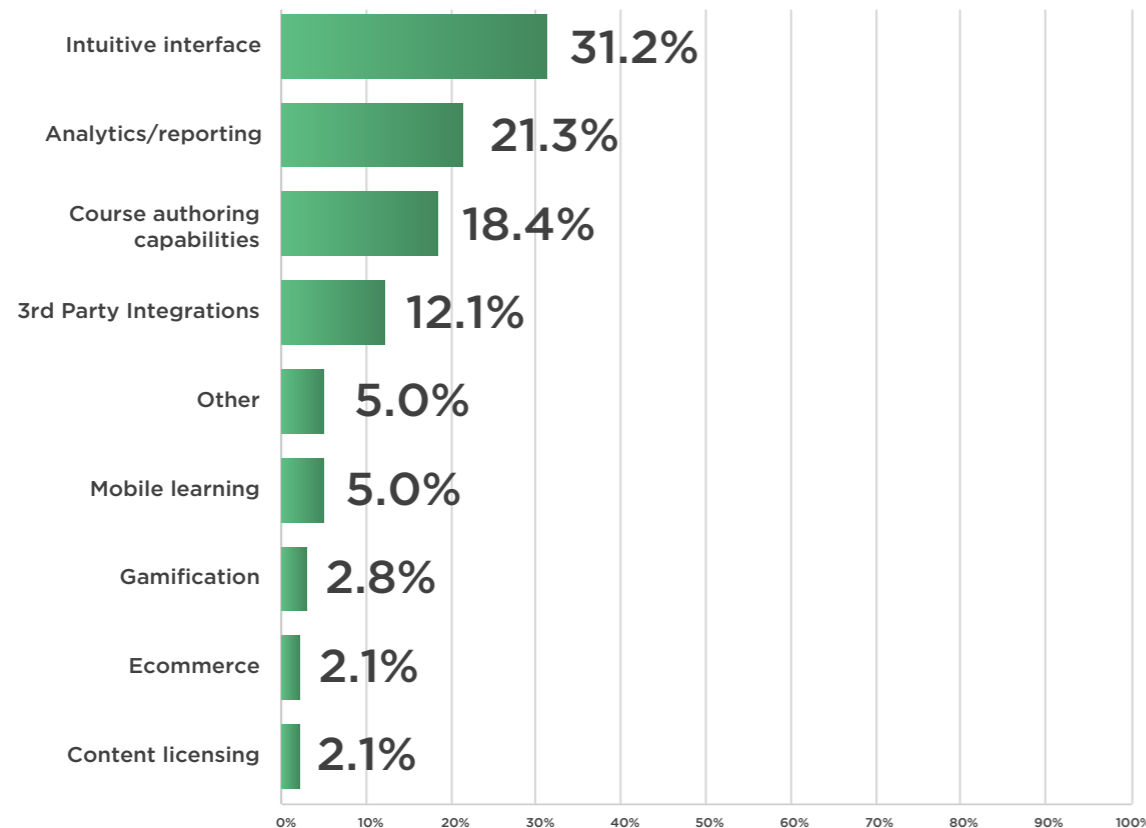## What are the biggest benefits you get from training your customers?

The top benefits of customer training all revolve around achieving loyal customers, since this translates into increased company revenue. 61% of respondents said that with training, customers use more of the company product and its features; 50% of respondents said training enabled a stronger partnership with customers; and 45% said customer training reduced customer churn. These results alone should drive companies to research, plan, and develop stronger customer learning experiences.

What is the most important part of a customer training system for your organization?

Category	Percentage
Intuitive interface	31.2%
Analytics/reporting	21.3%
Course authoring capabilities	18.4%
3rd Party Integrations	12.1%
Other	5.0%
Mobile learning	5.0%
Gamification	2.8%
Ecommerce	2.1%
Content licensing	2.1%

When asked what was most important in a customer training system or LMS, "intuitive interface" was by far the most important (31%) followed by analytics and reporting (21%) and course authoring capabilities (19%).

This reflects customer demand for a system that is consumer-like and very easy-to-use. Customers also want the system to have some sophistication in its built-in authoring capabilities. We have observed this all-in-one trend in internal employee training systems as well, although stand-alone authoring tools still have their place in training depending on the complexity of the content.

What training modes do you use the most?

Classroom/Instructor-led training is the most used, but eLearning, Videos, Virtual Classroom and One-to-One Coaching are not far behind.

Although classroom training has long been the mode of instruction and still is used in most companies, other modes of instruction are growing, with videos, virtual classroom, eLearning, and even the short single concept content of microlearning. These approaches provide more flexibility for the user and are often more engaging with the option of reviewing material a second or a third time.
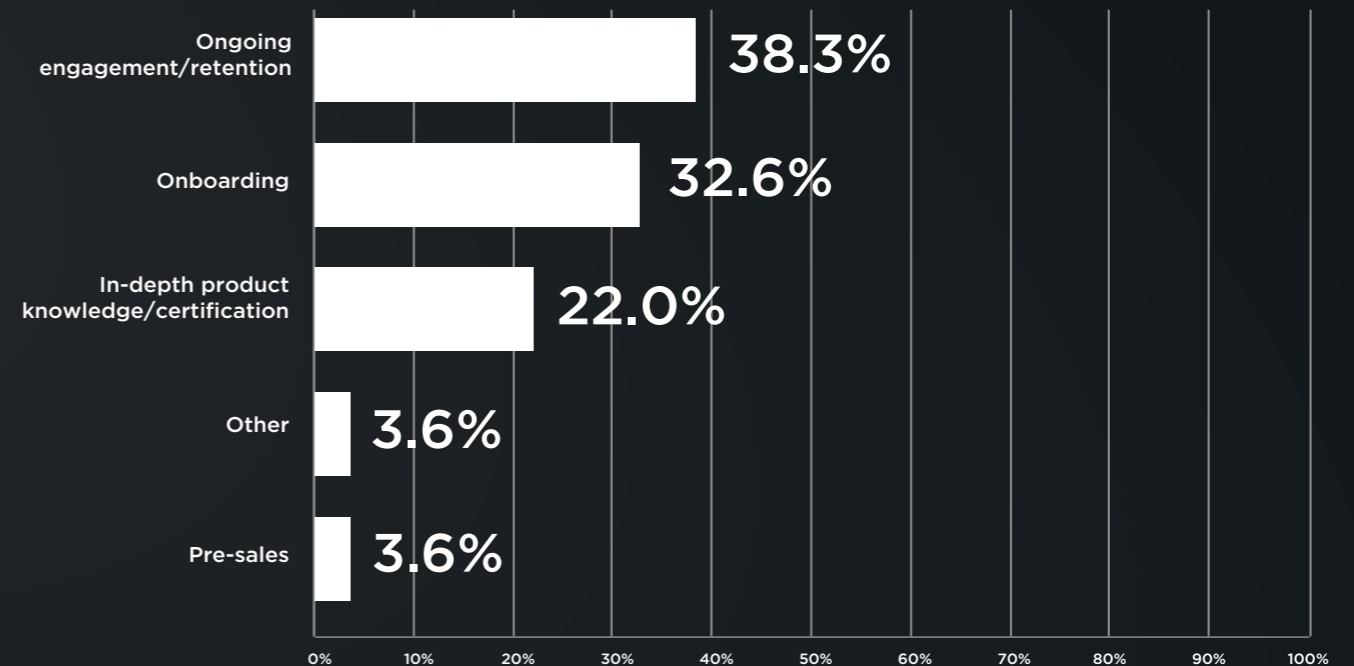
What training modes do you use the most?

Training Mode	
Classroom/Instructor-led (ILT)	
eLearning	
One-to-One Coaching	
Videos	
Virtual Classroom (vILT)	
Microlearning	
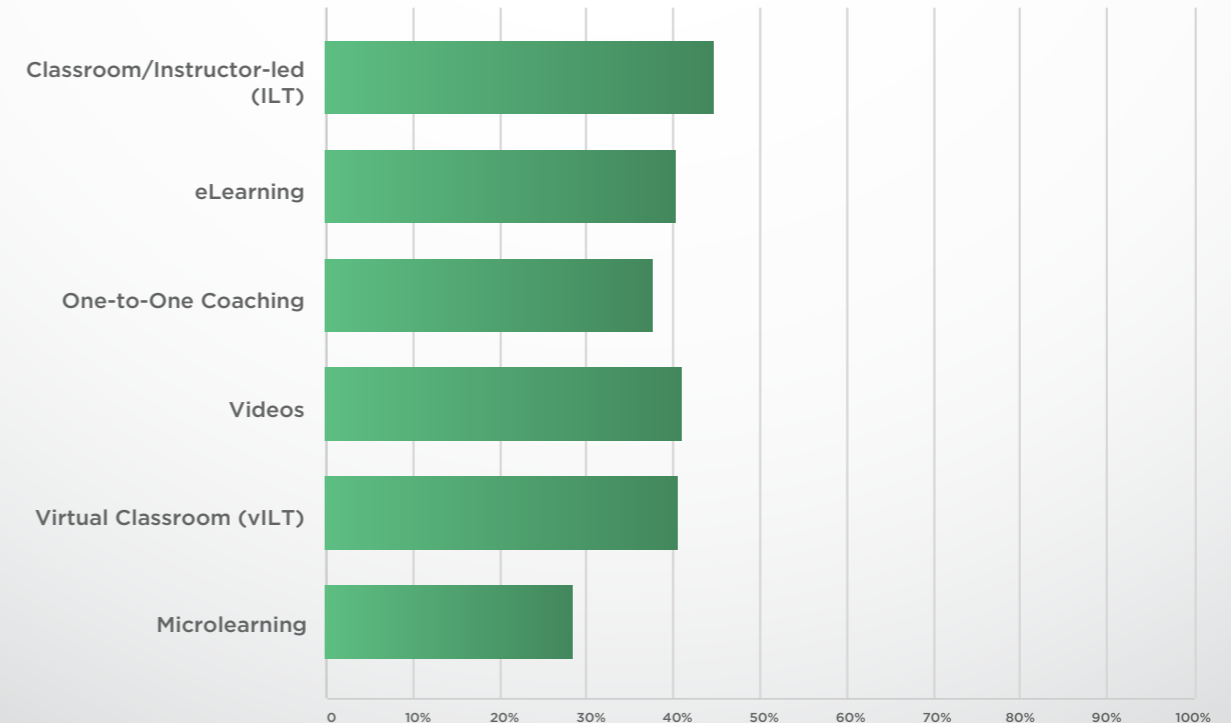
Which part of your customers' lifecycle could use more or better customer training?

A customer lifecycle begins in pre-sales and continues to product adoption and into advanced product training. Most customer training organizations put a lot of effort into onboarding customers since it is fairly easy to deliver and it's so important to reducing time to value, which weighs heavily on whether customers stay for the long term.

Our respondents said that the area most lacking in training is in ongoing engagement and retention, but onboarding could still use a lot more or better customer training

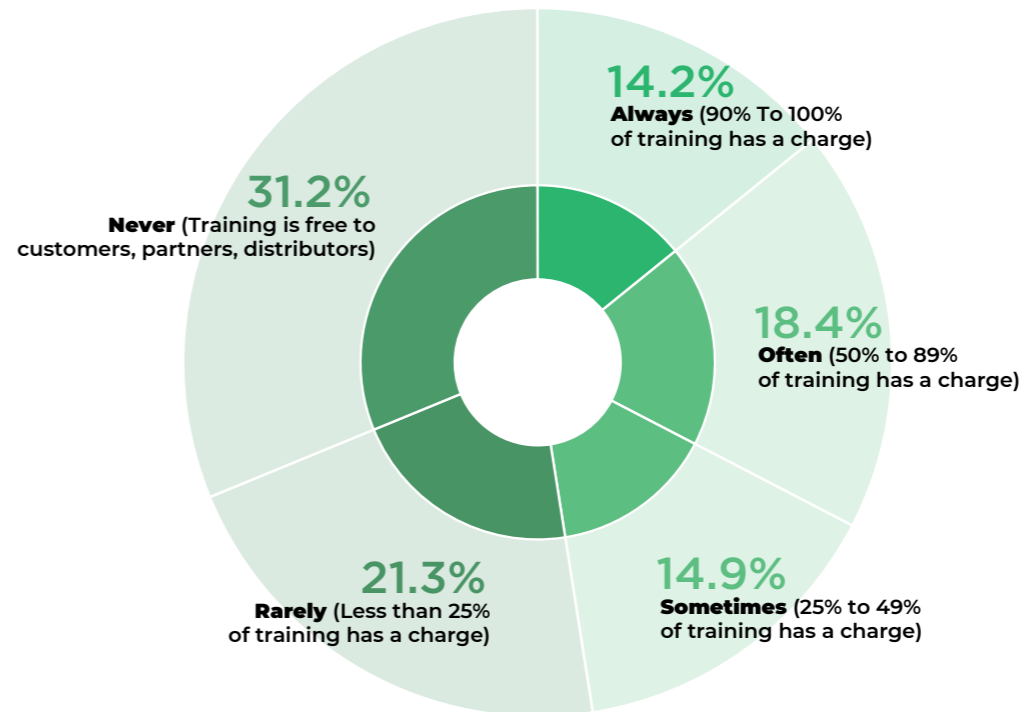| Category	Value
Ongoing engagement/retention	38.3%
Onboarding	32.6%
In-depth product knowledge/certification	22.0%
Other	3.6%
Pre-sales	3.6%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Do you charge for customer training?

52% of companies said they never charge or charge rarely for customer training. Most entry-level customer training is free. The more complex the content, the more likely there's a fee attached. However, companies are realizing that training customers has a big impact on future revenue, so many are bundling learning in with the initial sale of the product or service.

Do you charge for customer training?

14.2%
Always (90% To 100% of training has a charge)

31.2%
Never (Training is free to customers, partners, distributors)

18.4%
Often (50% to 89% of training has a charge)

21.3%
Rarely (Less than 25% of training has a charge)

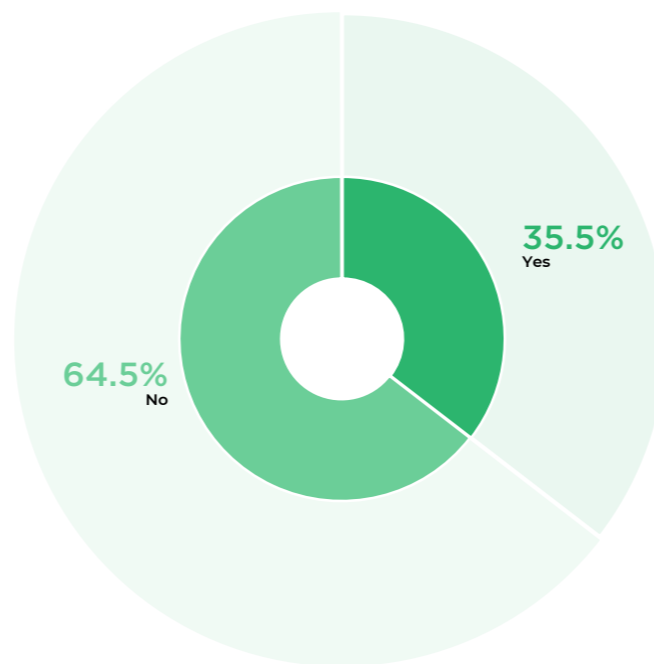**14.9%**
Sometimes (25% to 49% of training has a charge)

Do you have a certification program for users of your product(s)? If so, how effective are your certification programs?
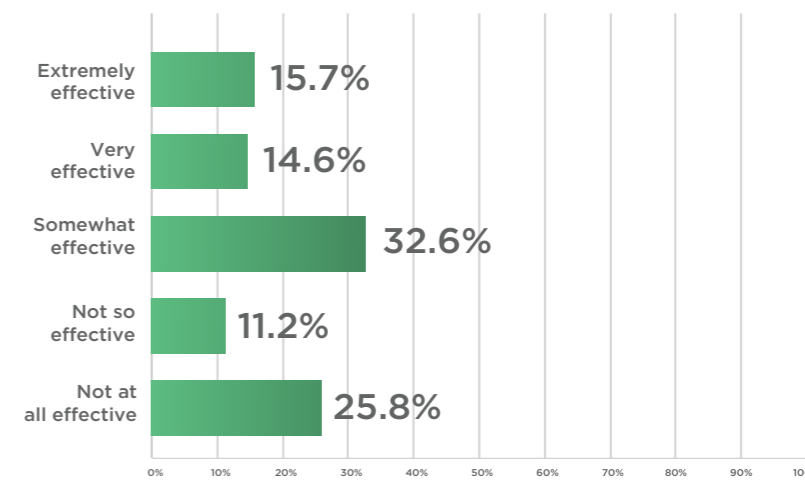
Product certification programs are becoming more and more common as companies want to increase the stickiness of their products. A certified customer tends to be less likely to switch products since they invested a lot of time and effort into achieving certification.

Only 35% of respondents have developed a certification program for their products. But of those who have, 92% say their at least somewhat effective and 26% say they are extremely effective.

Do you have a certification program for users of your product(s)?

35.5%
Yes

64.5%
No

If so, how effective are your certification programs?

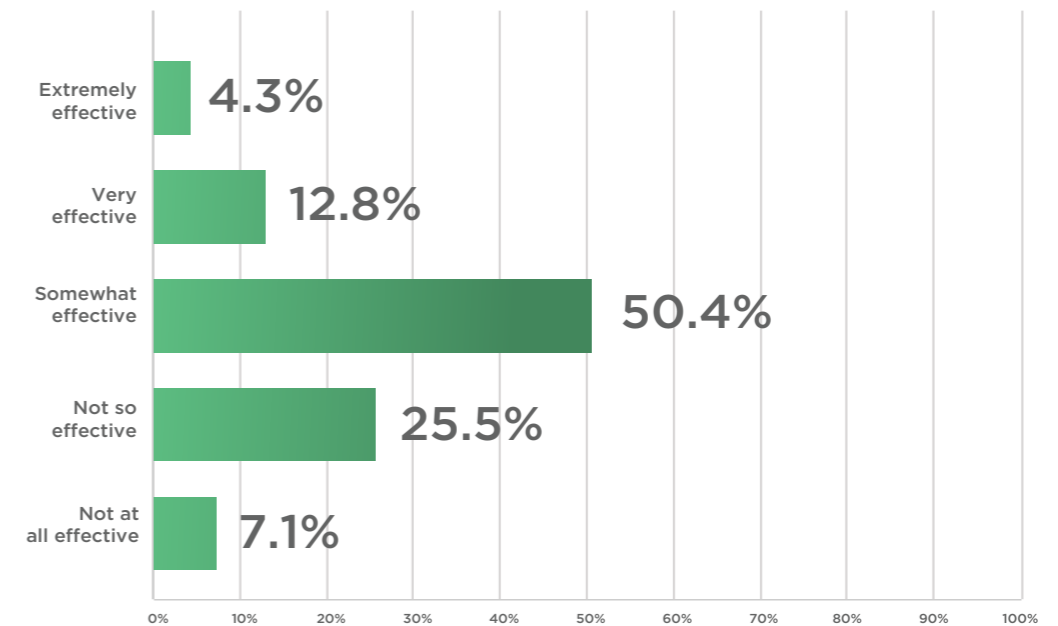|	
Extremely effective	15.7%
Very effective	14.6%
Somewhat effective	32.6%
Not so effective	11.2%
Not at all effective	25.8%

14

How effective is your organization at marketing/communicating what training you offer?

The lack of marketing expertise is a historical challenge for learning organizations who do employee training and it appears that this is also a big challenge for customer training organizations.

On average, respondents don't think they're very effective at marketing their training. 50% said they were only somewhat effective while only 17% said they were very effective or extremely effective.

How effective is your organization at marketing/communicating what training you offer?

Category	Percentage
Extremely effective	4.3%
Very effective	12.8%
Somewhat effective	50.4%
Not so effective	25.5%
Not at all effective	7.1%

2019 Customer Training Trends Respondents At a Glance

Robust participation from the computer software industry accounted for 54% of the responses. The consulting and business services sector provided 14% of responses; and financial services had a 4% response.

91% of all companies responding provided some customer training.

In non-computer software companies only 49% of respondents had customer training responsibilities.

This study attracted companies with 1000 or less employees (82%). Mid-size and large companies (1001 to 9,999) accounted for 13% of responses and a 5% response came from very large companies of 10,000 or more employees.

Computer software companies emphasize customer training with 84% of respondents responsible for customer training.

Most respondents' responsibilities were in learning and development (L&D) (48%) or customer success (26%) departments. The L&D respondents most likely had responsibility for customer and internal employee training and were part of HR. Customer success (CS) respondents are sometimes a part of sales and make sure customers' needs are met to retain them as customers.

16

About the Authors

Barry Kelly

Barry is a passionate and energetic leader and innovator with a proven track record in web and mobile product development and extensive experience in e-Learning, Internet and social media marketing, and creative digital strategy. An entrepreneurial thinker who can move from idea to market and build a business. Strong financial and business skills in budgeting, forecasting, and P&Ls. Experienced communicator and public speaker.

✉ **barry@thoughtindustries.com**

🌐 **www.thoughtindustries.com**

Claire Schooley

Claire is an expert in corporate learning, recruiting, and performance management technology. Claire Schooley Consulting helps companies find, nurture, and develop talent. Previously, as a principal analyst, Claire led Forrester Research Inc.'s strategic HR practice worldwide in the areas of employee development and selection. This work included research, writing, and speaking engagements.

✉ **claire@claireschooleyconsulting.com**

🌐 **www.claireschooley.com**

2019

CUSTOMER TRAINING
TRENDS REPORT

○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○

AN INDUSTRY GROWING RAPIDLY,
BUT STILL EVOLVING

THOUGHT INDUSTRIES®

CLAIRE SCHOOLEY CONSULTING