



# Business Growth for Evolving Times

## How Customer Education Can Help

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# Business Challenges in Today's Climate

Today's business climate presents challenges both new and old. The world of business has truly turned to operating globally around the clock. The velocity of technical innovation is increasing, and businesses struggle to keep up.

**In this environment, it has become more important for businesses to keep pace with the needs of the customer and be ready to deliver to meet ever-changing requirements.**

## Keeping pace is key to be able to:

- ▶ Accelerate product adoption by your customers
- ▶ Reduce the costs to support customers
- ▶ Reduce customer attrition
- ▶ Amplify customer satisfaction
- ▶ Ensure continuous safe and effective use of your products

**Customer education can help achieve these goals. In addition, well-informed customers are more apt to become repeat customers with a higher level of satisfaction and engagement.**



# What Is Customer Education and Why Is It Important?

Customer education involves offering training and training materials to buyers of your products and services

## Organizations that have top-performing customer education programs enjoy:

- ▶ **20% improvement** in customer loyalty
- ▶ **21% improvement** in the lifetime value of a customer
- ▶ **20% improvement** in the safe use of products by customers

## Some of the risks associated with a poorly trained customer base may include:

- ▶ **Product abandonment:** As buyers become frustrated and just give up using the product. Such customers will not provide good references, nor will they come back to buy from you again.
- ▶ **Negative customer perceptions about the product or service.** Customers may continue to use the product or service but are unlikely to remain loyal.
- ▶ And in the worst case, customers may use a product incorrectly and cause damage that may lead to litigation, putting your company at risk.

Source: Extended Enterprise Customer Education Survey, IDC, April 2021, N=508

# Differences Between Organizations That Excel at Customer Education and Those That Lag

Some companies thrive while others merely survive the process of educating their customers

IDC conducted a survey of 508 decision-makers involved in the customer education and customer experience process. Based on the responses to the survey, we were able to divide the survey pool into cohorts representing those that are thriving in their efforts to provide effective customer education and those that are merely surviving through the process.

Our research found that **thrivers** have greater performance across all measures and gained between 2.1 and 2.7 times more improvement than **survivors** across the same measures.

- ▶ The greatest differences were found in customer lifetime value (2.7 times greater on the part of thrivers)
- ▶ The least difference between thrivers and survivors was found in safe use (2.1 times greater)
- ▶ Thrivers are slightly more satisfied with their technology platform

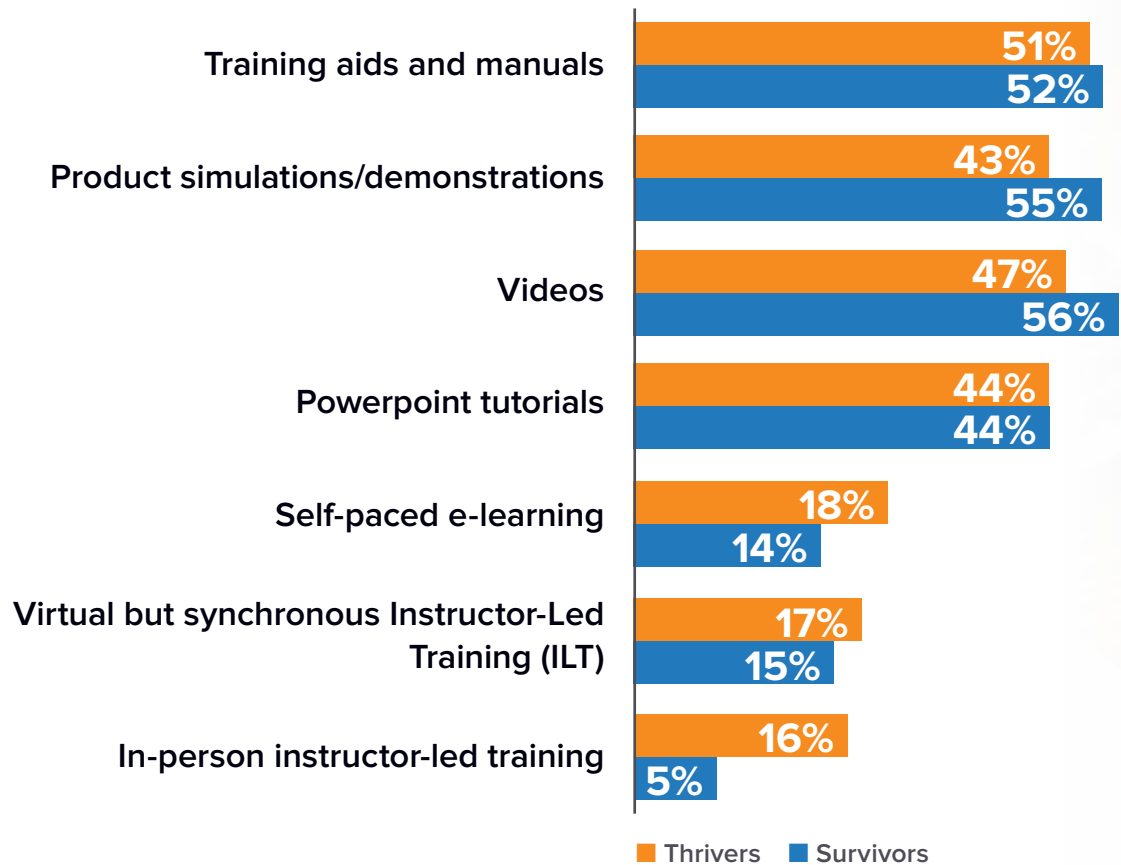
Q. What percent improvement have you seen in the past 2 years from your customer education program?



n = 508. Source: Extended Enterprise Customer Education Survey, IDC, April 2021

# How Customer Education Is Conducted Today

Various learning materials and methods



**The method of choice for customer education is relatively similar between both those that are thriving and those that are merely surviving.**

- ▶ Both cohorts rely on training aids and manuals making these the most common materials used for customer education.
- ▶ Both thrivers and survivors also make use of videos and product simulations/demonstrations, yet survivors tend to lean more heavily on them.

n = 508. Source: *Extended Enterprise Customer Education Survey*, IDC, April 2021



# Customer Education Capabilities: What Are the Real Game Changers?

While many capabilities and characteristics are important, five stand out as particularly notable, especially for thrivers

**1 Customer communities powered by social learning**

**2 Gamification**

**3 Reasonable cost of ownership**

**4 AI/ML-powered learning recommendations**

**5 Profile-based behavior and analytics**

## Numbers 1 and 2 go well together

The ability to consult with others like yourself and potentially compete with one another elevates the overall customer experience.

## Numbers 4 and 5 naturally go together

AI-based recommendations and tracking buyer profiles and their typical behavior go a long way towards understanding customers as well as offering the right training at the right time.

# Challenges Encountered Along the Way

**Q. What are the major challenges with your organization's current/ planned customer education training program?**



n = 508. Source: *Extended Enterprise Customer Education Survey*, IDC, April 2021

**Whether an organization is a thriver or survivor, there are similar challenges in delivering customer education that organizations face:**

- ▶ Lack of feedback from sales, convincing customers to seek training, and siloed content are common concerns among thrivers and survivors.
- ▶ Thrivers are more concerned with access and making the business case for spending.
- ▶ Survivors are more concerned with targeting training material.



# What Gets Measured Gets Better

Aligning metrics to business goals can lead to improvement

**Q. Which metrics does your organization currently use to assess the impact of customer education?**



n = 508. Source: *Extended Enterprise Customer Education Survey*, IDC, April 2021

**All metrics around customer education success listed are important to both thrivers and survivors and should be considered for customer education programs.**

There were some subtle differences between the cohorts:

**The most important metrics for thrivers:**

- 1. Improve brand loyalty
- 2. Increase revenue from new markets/ products/customers

**The most important metrics for survivors:**

- 1. Improve post sales experience
- 2. Improve customer retention
- 3. Improve customer experience

# The Benefits of Well-executed Customer Education

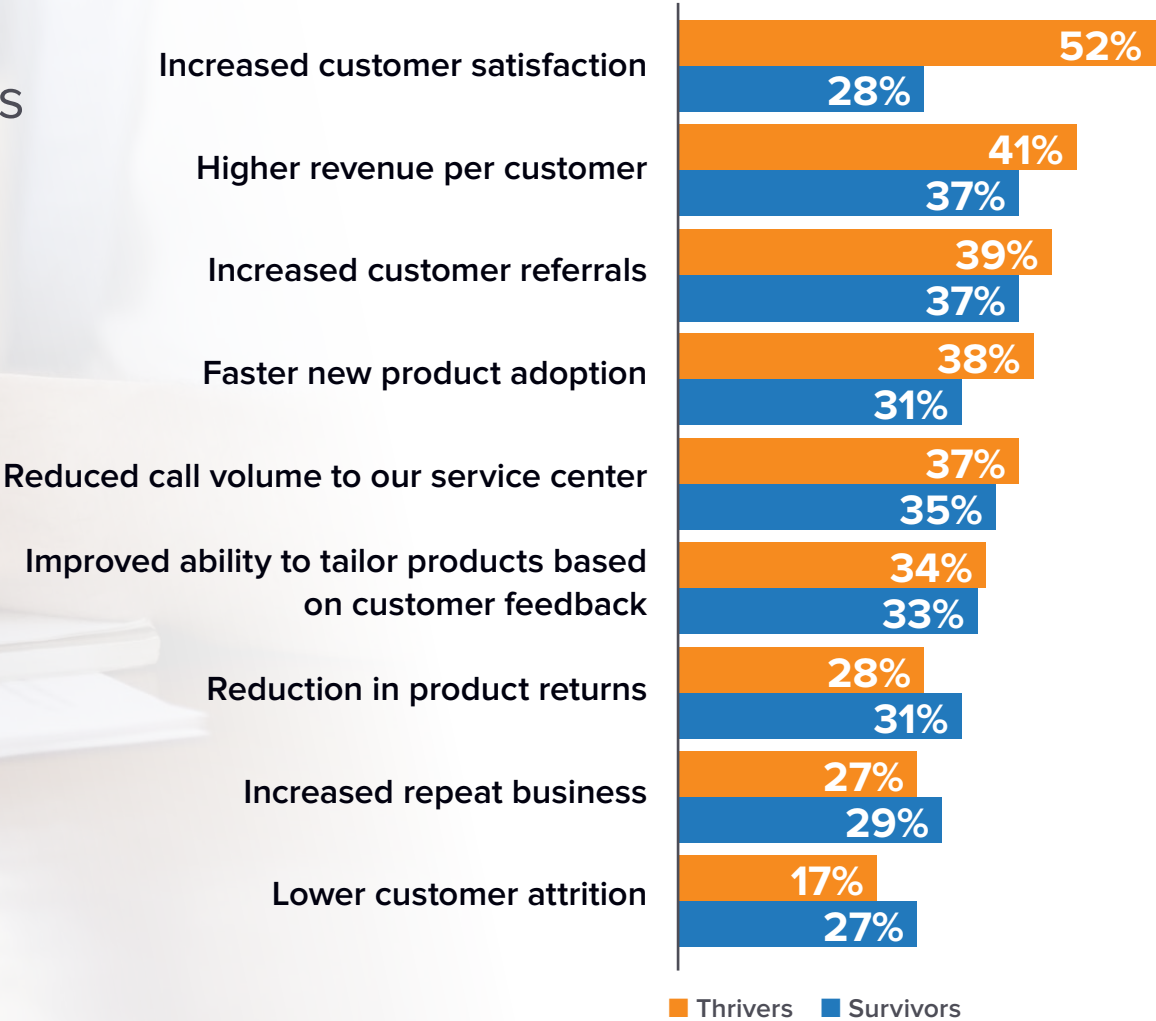
The number one goal is a satisfied customer. Thrivers in customer education reap the benefits

**Increased customer satisfaction is the number one benefit to customer education cited by organizations that are thriving.**

**Organizations at the leading edge of customer education see 1.9x increased customer satisfaction.**

Thrivers also prioritize faster product adoption and “de-prioritize” customer attrition.

**Q. What do you see as the major benefits of your organization’s current/planned customer education?**

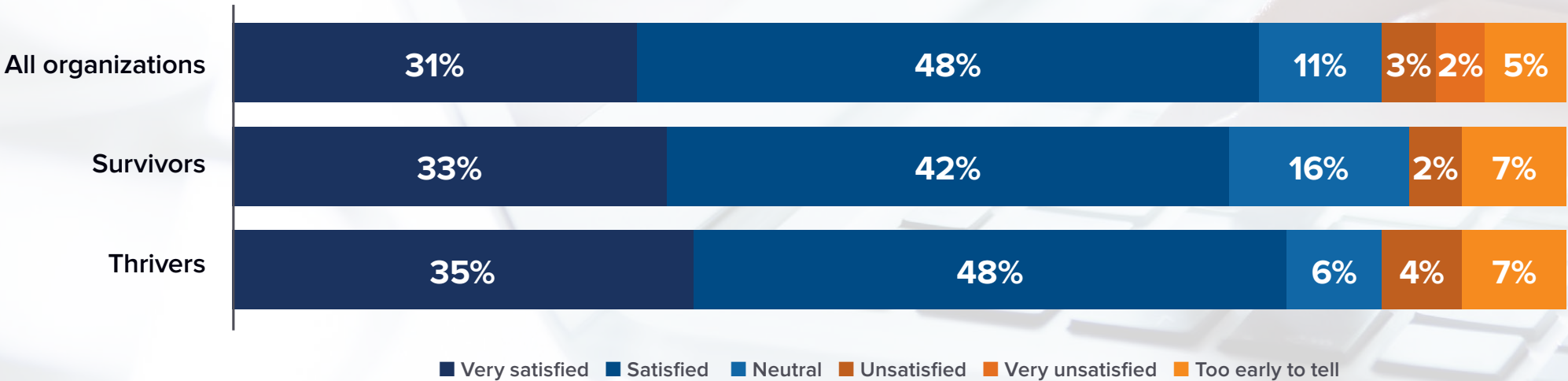


n = 508. Source: Extended Enterprise Customer Education Survey, IDC, April 2021

# An Excellent Technology Platform Contributes to Thrivers' Success

Among the many factors that contribute to the success of customer education, the underlying technology platform looms large. **Thrivers are about 10% more satisfied with their technology platform than survivors.**

**Q. How satisfied are you with your current technology platform supporting your customer education program?**



n = 508  
Base for Q3=Organization does not currently use LMS(Learning Management System) to support their customer education program  
Source: *Extended Enterprise Customer Education Survey*, IDC, April 2021



# Who Should Lead Customer Education Efforts?

There is a role for every department to play

If the organization has a dedicated customer experience team, that team is most likely to be at the helm of customer education efforts. Yet even if there is a CX team, it is important to include other organizations as part of the overall education effort.

**Every function has a role to play because educating the customer directly impacts the customer experience which resonates throughout the organization.**

- ▶ The training and learning and development teams should be involved because they possess expertise in development and delivery of meaningful content.
- ▶ Marketing and sales should be involved because customer education is yet another way to reach the customer to convey the key messages about your brand.
- ▶ The IT department should be involved because it can understand how best to manage the training infrastructure and make the delivery of education materials seamless to the client.

**Q. Which departments are in aligning the customer education program and marketing initiatives?**



n = 508. Source: *Extended Enterprise Customer Education Survey*, IDC, April 2021

# Essential Guidance

Those organizations that are thriving when it comes to customer education reap rewards by taking a different approach. Thrivers have greater performance across all metrics, gaining between 2.1 and 2.7 times more improvement than survivors.

## To ensure your customer education program is thriving you should consider the following:

- ▶ **Delivery.** Use a combination of training aids that consistently emphasize learning.
- ▶ **Technology platform.** Have a solid technology platform to support customer education efforts by streamlining the process of accessing training programs.
- ▶ **Learning experience.** Prioritize the experience for customers rather than the administrative aspects of education programs.
- ▶ **Measurement.** Focus on metrics that reinforce overarching organizational goals.
- ▶ **Customer satisfaction.** Align strategy to increase customers' satisfaction.

# About the Analyst



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Lisa Rowan is Research Vice President for IDC responsible for global research on human capital and talent management software and services. Ms. Rowan provides expert analysis focused on both the business services and software used to address HR and talent-related dimensions. Her research addresses developments in human capital and talent management applications, human resources consulting, and HR outsourcing services.

[More about Lisa Rowan](#)



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