2020
Customer Education Benchmarks and Trends Report

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Introduction

About this Report

Thank you for downloading Skilljar's *2020 Customer Education Benchmarks and Trends Report.* In this report, we'll share our findings from surveying 250+ external (customer and partner) education professionals on trends in budgets, content formats, integrations, team size, and more. We've augmented the survey results with an anonymized analysis of data from external education programs hosted on Skilljar.

ABOUT SKILLJAR

Skilljar's award-winning customer training platform enables you to successfully onboard, engage, and retain your customers and partners. Our cloud learning management system (LMS) makes it easy to create courses, distribute to web and mobile devices, and track results.

Skilljar helps you accelerate product adoption, automate onboarding workflows, reduce support costs, and increase long-term customer satisfaction.

To schedule a consultation and see a demo of Skilljar in action, please **contact us here.**
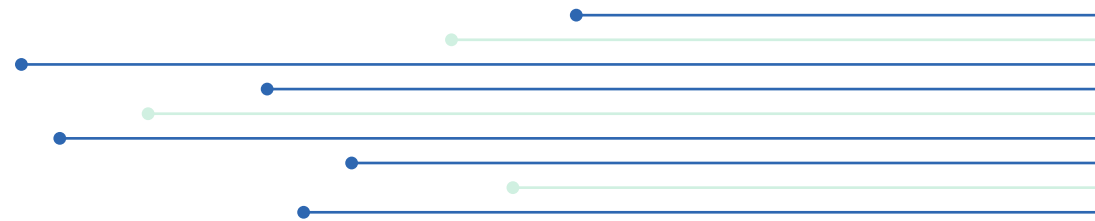
Executive Summary

Our survey identified the following trends in learner behavior, program audiences, and monetization strategy driven by the COVID-19 pandemic:

- **Business Impact:** 85% of survey respondents indicate that the COVID-19 pandemic has had an impact on their organizations, with 55% reporting moderate or severe effects.

- **Student Behavior:** 50% of respondents indicate that their students are now spending more time learning.

- **Access:** 23% of respondents have opened up some or all of their courses to new audiences (non-customers, employees, and/or the public) in light of the pandemic.

- **Pricing:** 40% of respondents are now offering some free or discounted courses, where previously all courses were fee-based.

- **Budget:** 61% of respondents expect no change in their budgets in the next three months, while 14% expect a budget decrease of 50% or more in the next three months.

The research also revealed the following insights into program structure, strategy, and goals:

- **Training Audiences:** 81% of responding organizations use their training programs to educate multiple audiences, and 64% of those that provide external training (customer, partner, and/or prospect), also offer internal training.

- **Training Goals:** 84% of respondents cite product onboarding & adoption / decreasing time to value as a key driver of their investment in training.

- **Lifecycle Engagement:** For 72% of respondents, new users on new accounts are the audience segment that finds the greatest benefit in their training programs.

Executive Summary

- **Parent Function:** 46% of training teams report into the Customer Success function, followed by 17% reporting into Professional Services.

- **Budget:** 62% of respondents indicate their training budget has increased year-over-year, and 83% expect their budgets to increase in the next 1-3 years.

- **Monetization:** Of the 56% of respondents who currently charge for training, 74% expect to further monetize aspects of their program in the next year.

- **Integrations:** 68% of respondents integrate their training program with a Customer Relationship Manager (CRM) system.

- **Program Evaluation:** 76% of respondents use end of course surveys to collect student feedback.

- **Completion Rate:** For Skilljar-hosted training programs, the overall course completion rate is 47%, and this course completion rate is highest (57%) for courses that are 0-15 minutes long.
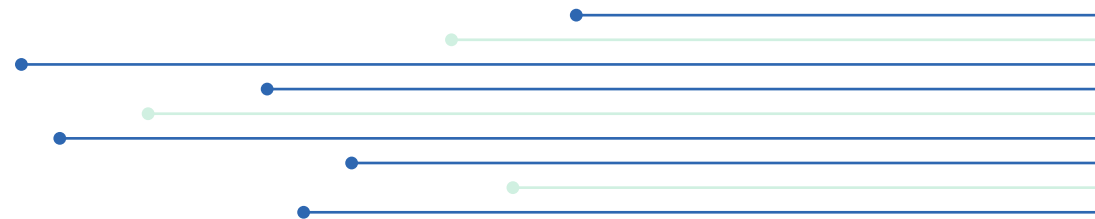
Research Methodology

The findings in this report are the result of two data sources: an industry-wide, self-reported survey and an in-depth anonymized analysis of the education programs hosted on the Skilljar platform. Both sets of data focus on external (customer and partner) training programs unless otherwise noted.

INDUSTRY SURVEY

The industry survey results reflect respondents from a variety of industries, locations, and company sizes *(see Fig.1 and Fig. 2 on this page and the following page for a detailed breakdown).* All analysis was done on an aggregate, anonymized basis.

Fig. 1 | Distribution of respondents by training team size

17%
0-1 team members

12%
10+ team members

51%
2-5 team members

20%
5-10 team members
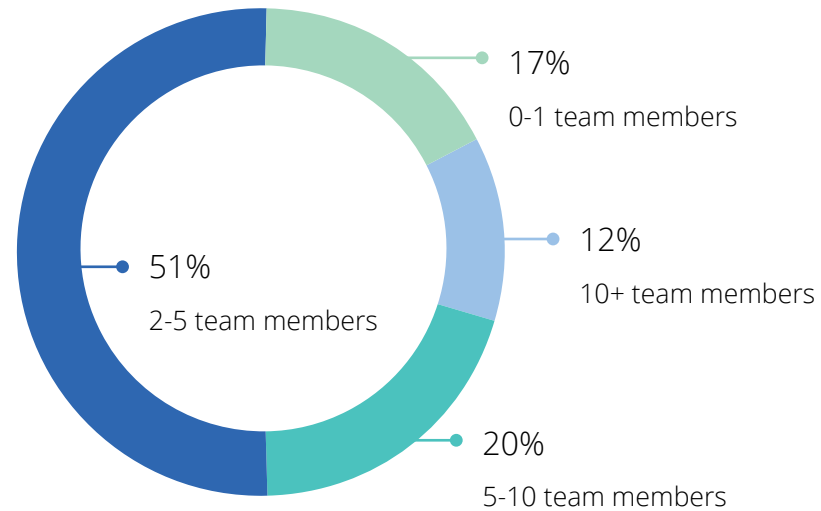
Fig. 2 | Distribution of respondents by number of employees at organization

0-50 employees	12%
51-100 employees	12%
101-500 employees	38%
501-1,000 employees	15%
1,001-5,000 employees	15%
5,001-10,000 employees	3%
10,001+ employees	5%
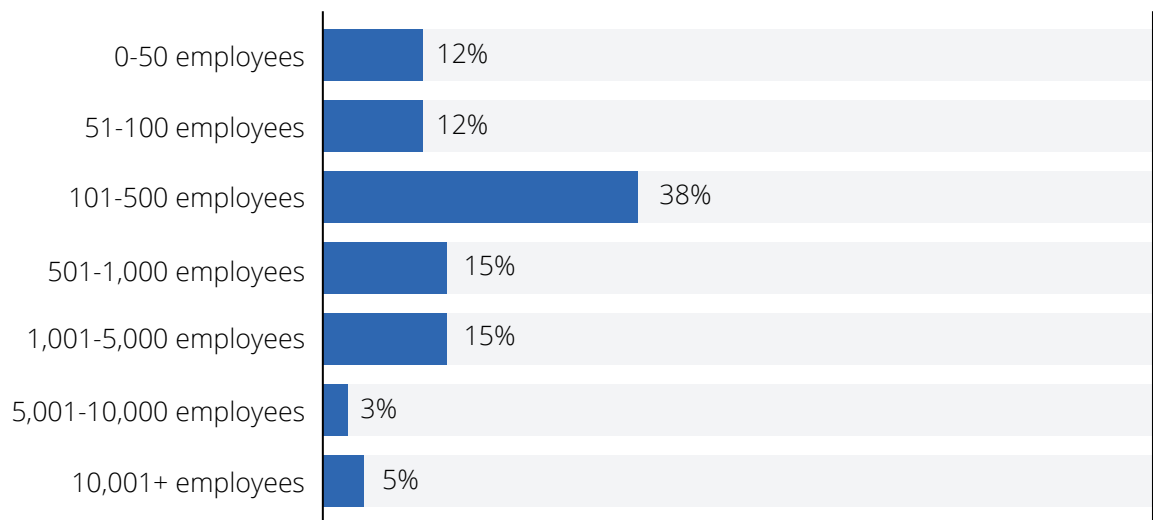
Industry Survey Demographics

85% of the respondents have their headquarters in the US and Canada, while the remaining **15% of respondents have international headquarters.** 64% of the respondents work in industries self-identified as Tech/IT, while the rest work in Construction, Education, Finance, Healthcare, Manufacturing, and Transportation, among others.
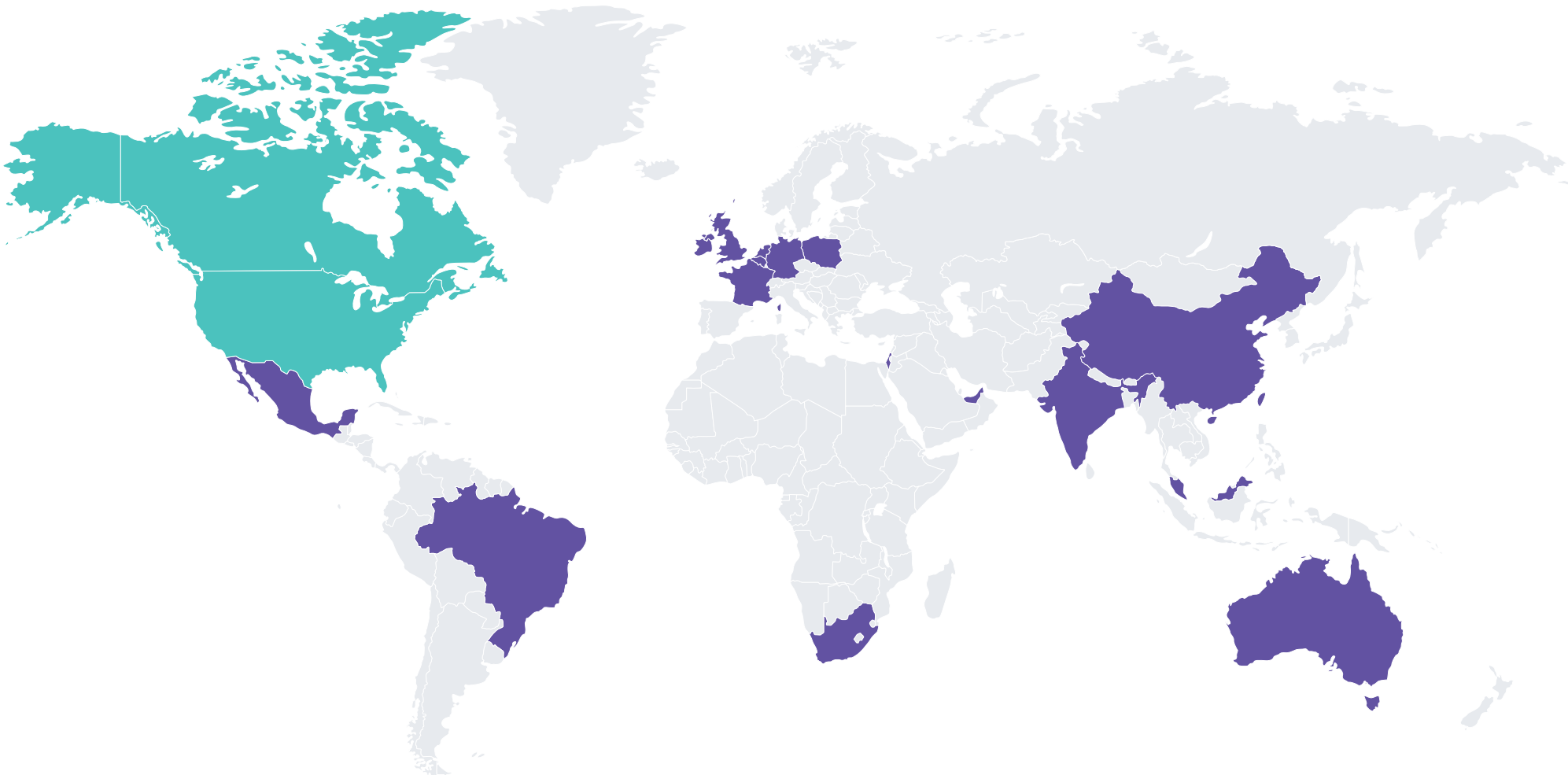
Skilljar Training Data

All analysis of Skilljar training data was done on an aggregate basis and no identifiable data for either the program or the students were used. The privacy of our customers is extremely important to us, and all data presented here has been anonymized. We also confirmed that no specific individual program or course data was overwhelmingly influencing our findings.

To extract the most relevant information from the Skilljar database, we pared down the data to the following:

- Programs that have been live on the Skilljar platform for at least 12 months (i.e. launched before 1/1/19).

- Only training sites focused on customer and partner training were included. Data associated with employee-focused domains were excluded.

- For the completion rate portion of the data, only courses with ten or more completions were considered.
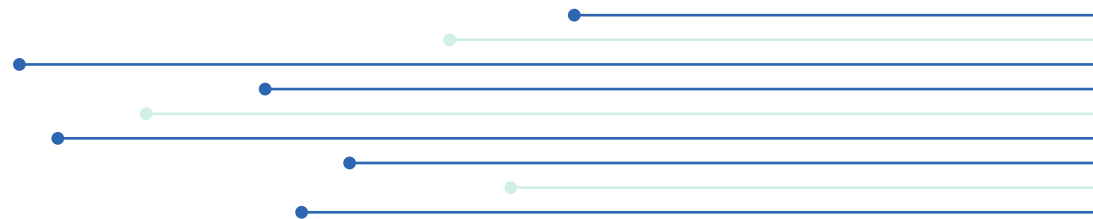
COVID-19 Impact
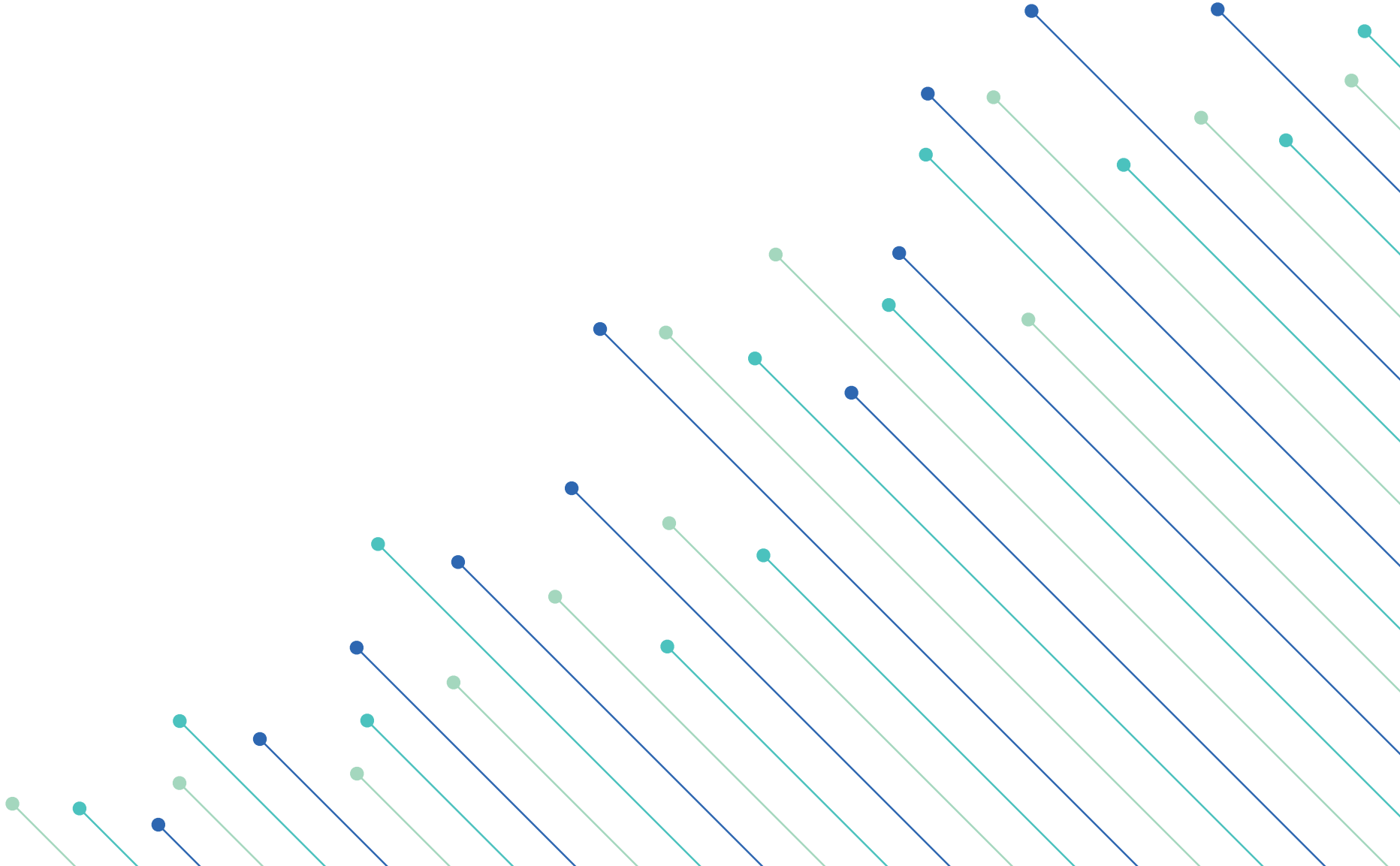
COVID-19 Impact | **Findings Summary**

Organizations are moving quickly to respond to the COVID-19 pandemic. Our survey identified new trends in learner behavior, program audiences, and monetization strategy:

- **Business Impact:** 85% of businesses indicate that the COVID-19 pandemic has had an impact on their work, with 55% reporting moderate or severe effects.

- **Student Behavior:** 50% of respondents indicated that their students are spending more time learning, while 27% report students are spending less time engaging with training.

- **Budget:** 61% of respondents do not expect their budgets to change in the next three months.

- **Budget:** 14% of companies expect a budget decrease of 50% or more in the next three months.

- **Access:** 23% of respondents have provided access to some or all of their courses to new audiences (non-customers, employees, and/or the public) in light of the pandemic.

- **Pricing:** 40% of respondents are now offering some free or discounted courses, where previously all courses were fee-based.

COVID-19 | **Business Impact**

Fig. 3 | How significantly has your work been affected by the pandemic?
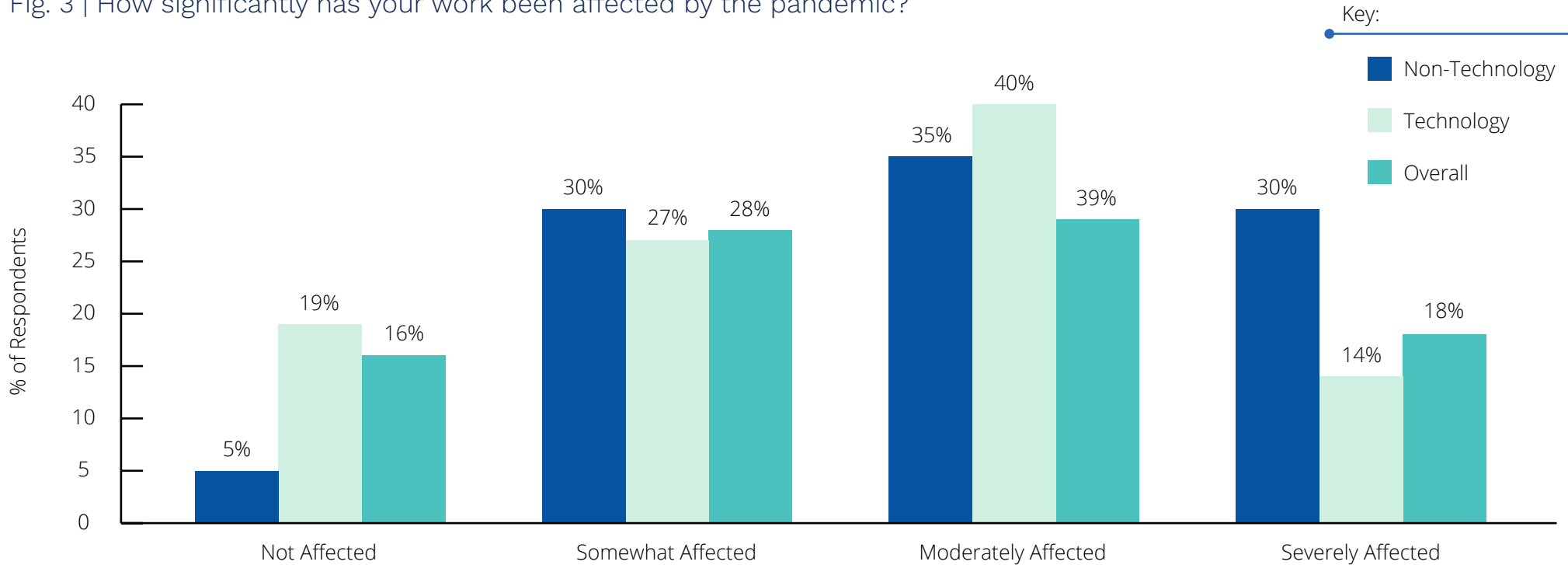
85% of businesses indicate that the COVID-19 pandemic has had an impact on their work, with 55% reporting moderate or severe effects. The smallest (0-50 employees) and the largest organizations (5,001+ employees) are reporting a more severe impact from COVID-19 than businesses of other sizes. Non-tech businesses (Construction, Education, Transportation, etc.) are also twice as likely to face a severe impact as tech businesses.

TAKEAWAY

The COVID-19 pandemic is presenting many individual, organizational, and social challenges and the data indicates that nearly all organizations are affected. In turn, organizations are reacting in a number of ways, most notably by changing access requirements to courses, creating new content, changing the allocation of resources, and addressing new audiences with existing content. These changes present a valuable opportunity for training teams to communicate their impact to key stakeholders within the business to drive access to additional resources or even team expansion.

COVID-19 | **Student Behavior Impact**

Nearly 50% of respondents indicated that their students are spending more time learning.

This trend is consistent across company sizes and industries. 27% of respondents report no change in student behavior, while 27% are reporting a reduction in time spent learning in their programs. The respondents who indicate their students are spending less time in training are either based in the smallest organizations (0-50 employees) or the largest ones (5,000+ employees).

TAKEAWAY

Our anecdotal conversations with Education professionals indicate that a few factors are changing student behavior: the increased availability of time to learn as students work from home, a renewed organizational focus on learning and reskilling, and the increased availability of educational material online. This also aligns with the usage trends we're seeing on the Skilljar platform. We recommend that you audit your in-person training content and identify portions that can be moved to the virtual live or on-demand delivery modes. These investments are bound to pay rich dividends over the next few months.

Fig. 4 | Impact of the pandemic on training time

27% report no change in student training time

46% indicate students are spending more time on training

27% indicate students are spending less time on training

COVID-19 | **Budgetary Impact**
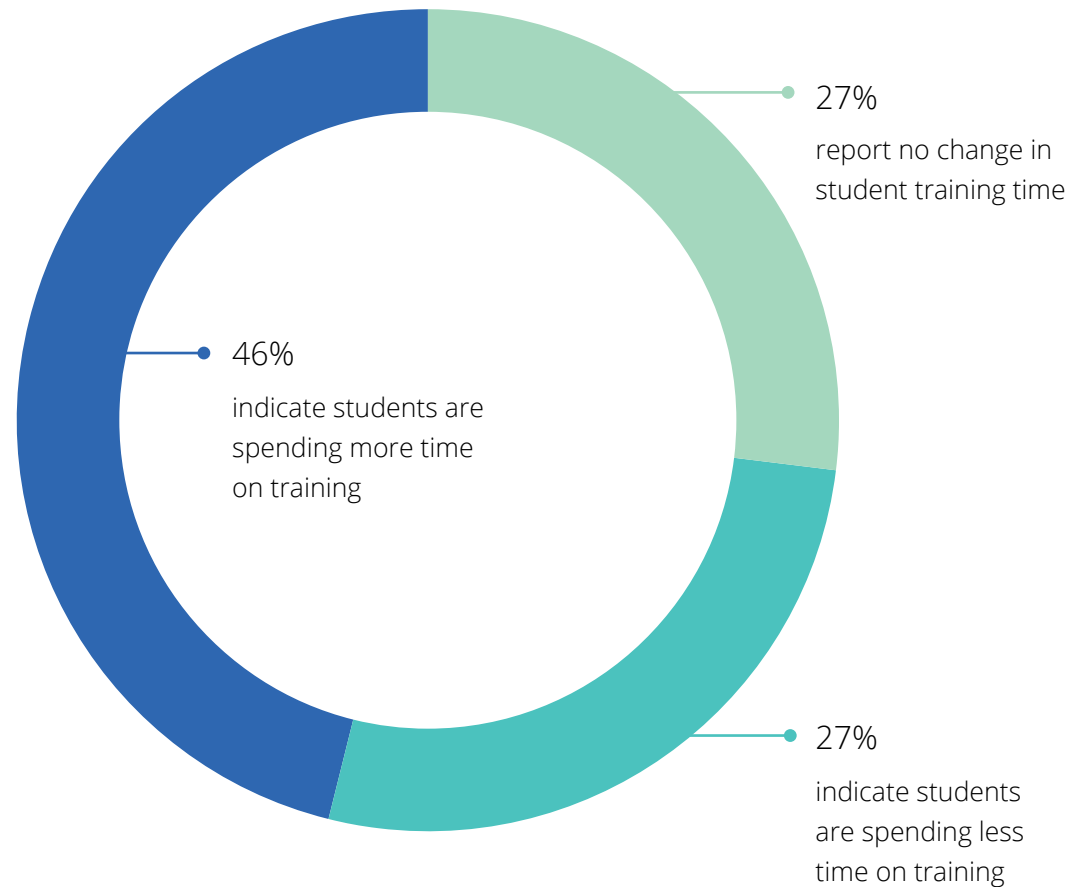
Fig. 5 | Considering the next 3 months, do you anticipate your training budget changing?

Key:
- ■ Non-Technology
- ■ Technology
- ■ Overall

% of Respondents

	No, we do not expect it to change	Yes, we expect it to decrease by less than 50%	Yes, we expect it to decrease by 50%+	Yes, we expect it to increase by less than 50%	Yes, we expect it to increase by 50%+
Non-Technology	50%	14%	25%	4%	7%
Technology	65%	22%	10%	3%	1%
Overall	61%	20%	14%	3%	3%
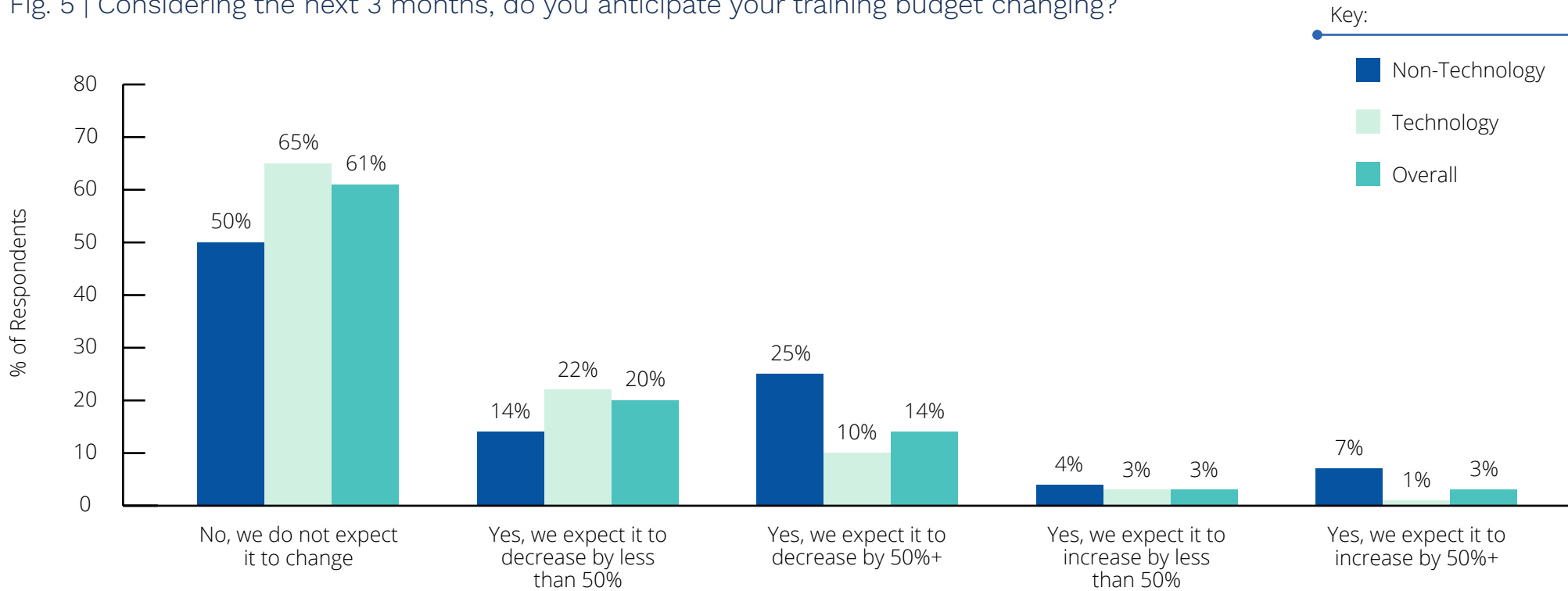
61% of respondents do not expect their budgets to change in the next three months, 14% of companies expect a decrease of 50% or more and 3% expect an increase of 50% or more. While non-tech companies are slightly more likely than tech to expect budget decreases (39% and 32% respectively), non-tech companies are also more likely to anticipate an increase in budget (11%) versus only 4% in tech companies *(Fig. 5).*

These findings are a significant shift from our pre-COVID findings presented below in the Budget section (pages 31-33).

Note:

For the purposes of this survey, three months refers to April - June 2020.

TAKEAWAY

Demonstrating the ROI of your training program becomes even more of an imperative in light of the COVID-19 pandemic and the increased scrutiny that it's adding to the resource allocation process. One of the most effective ways to ensure your program has the budget necessary to support your training efforts is by showing business impact. Education teams often see value in integrating their programs with CRM systems for tracking student progress and quantitatively demonstrating the effects of training. If your program is not currently integrated with a CRM system, we recommend that you prioritize this integration as it will help you measure, optimize, and communicate the impact of your program to stakeholders.

" 61% of respondents do not expect their budgets to change in the next three months

COVID-19 | **Access & Pricing Impact**

While the vast majority of respondents (77%) indicate that their program's student base remains the same as it was before the pandemic, **23% indicate that they have increased the availability of some or all of their courses to non-customers, internal employees, and/or the public.** These trends remain similar across tech and non-tech industries.

Fig. 6 | Have you changed who can access your training program in light of COVID-19?
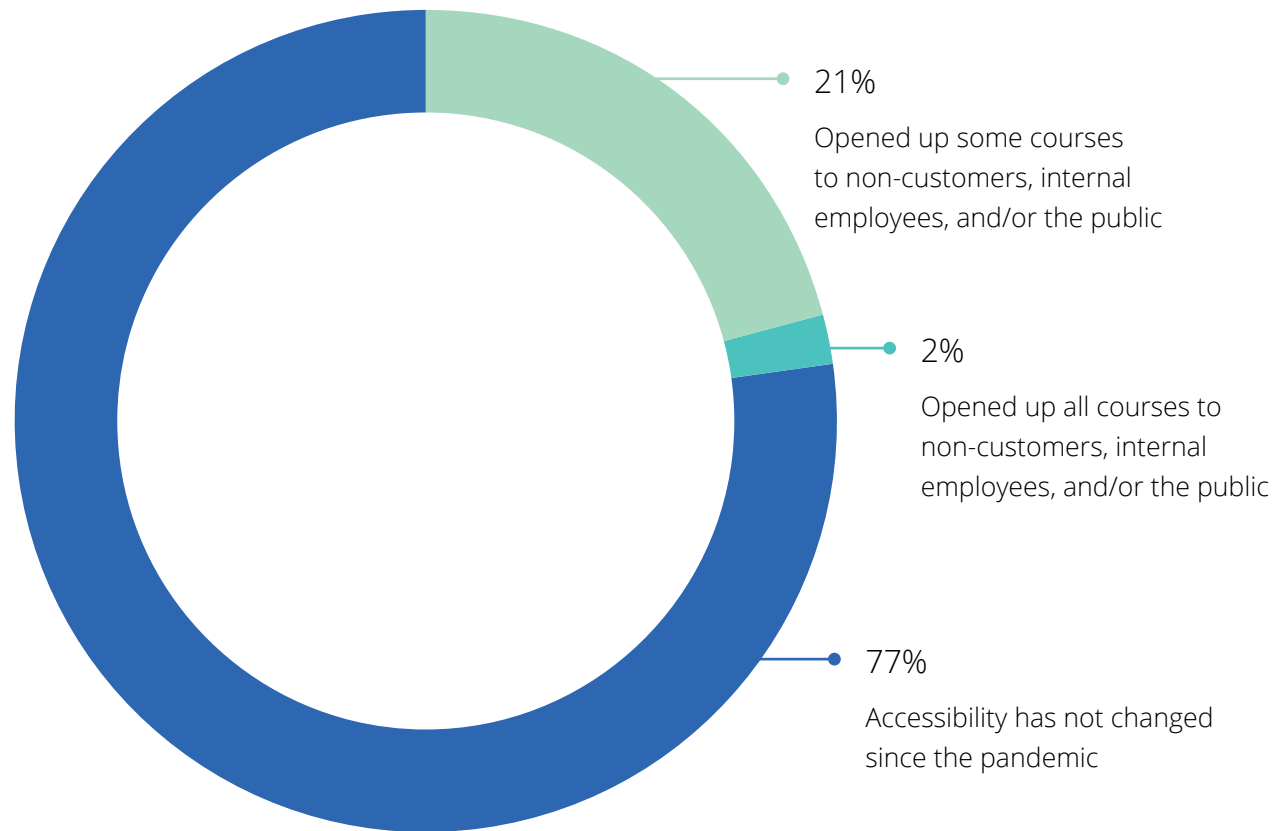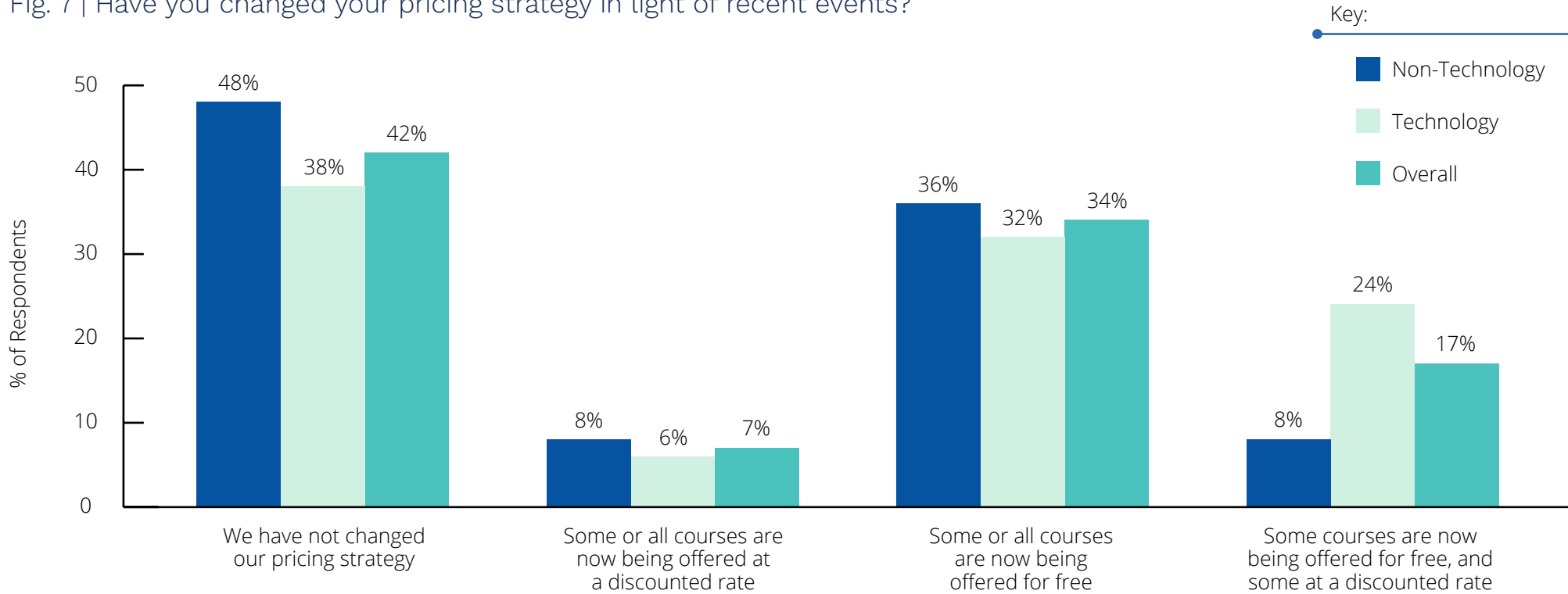
21%
Opened up some courses to non-customers, internal employees, and/or the public

2%
Opened up all courses to non-customers, internal employees, and/or the public

77%
Accessibility has not changed since the pandemic

COVID-19 | **Access & Pricing Impact**

Fig. 7 | Have you changed your pricing strategy in light of recent events?

Key:
- ■ Non-Technology
- ■ Technology
- ■ Overall

% of Respondents

|	We have not changed our pricing strategy	Some or all courses are now being offered at a discounted rate	Some or all courses are now being offered for free	Some courses are now being offered for free, and some at a discounted rate
Non-Technology	48%	8%	36%	8%
Technology	38%	6%	32%	24%
Overall	42%	7%	34%	17%

Notably, just over 58% of respondents are now offering at least some free or discounted training courses where previously all courses were fee-based. This trend is consistent across respondents of all company sizes, with tech companies adopting this approach slightly more than non-tech businesses.

TAKEAWAY

If you already offer on-demand training, you may want to consider opening up your courses to the public for those seeking continuing education or new skill acquisition. Particularly if you have training that relates to your industry knowledge or a specific skill, you have an opportunity to make an individual and social impact, even as you help grow your brand equity.

Audiences & Goals
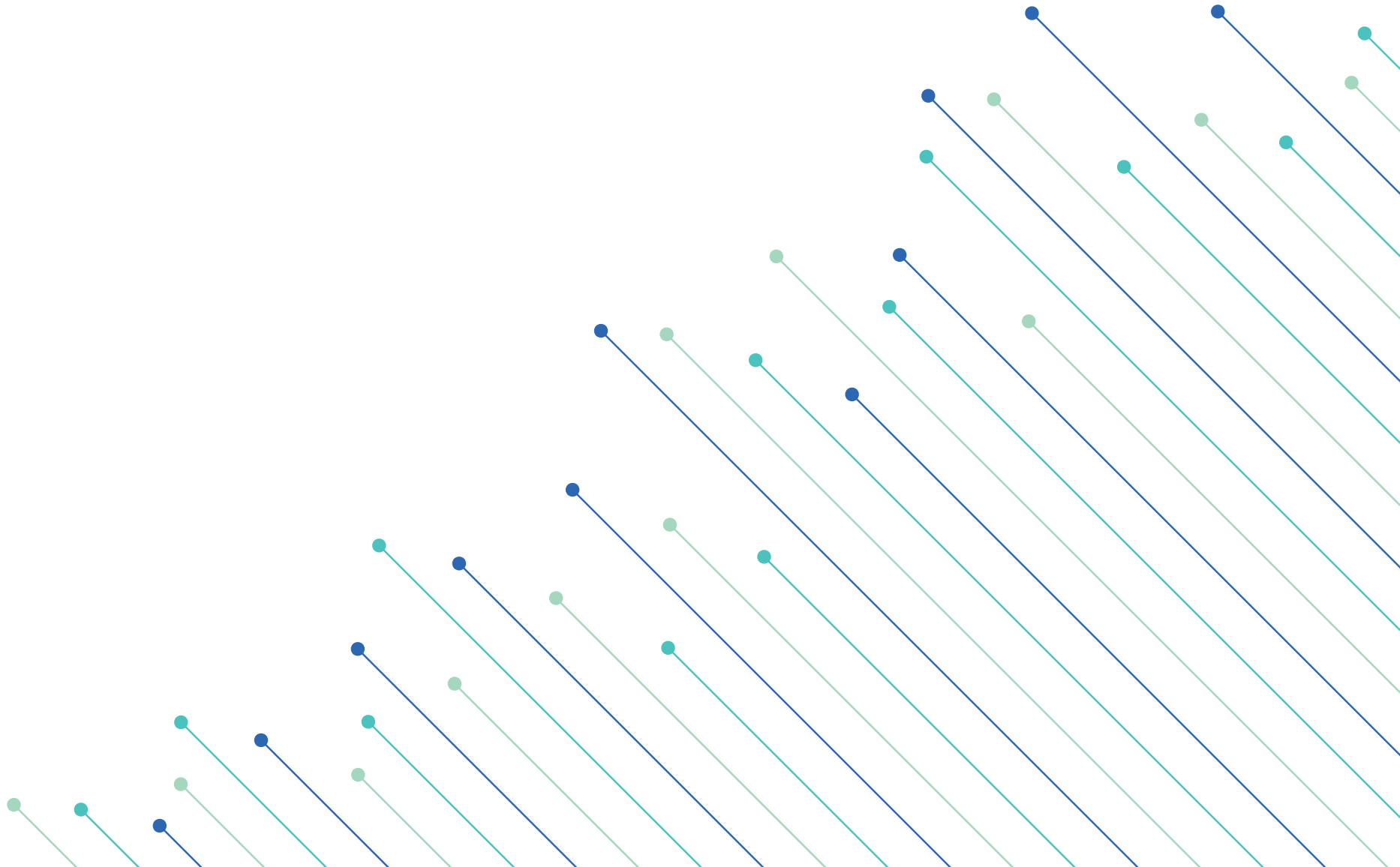
Training Audiences

This survey focused on respondents who train, at minimum, one external audience, defined as either customer or partner students. Of the responding organizations, the vast majority, **81%, use their training programs to educate multiple audiences.** Surprisingly, this trend holds true regardless of company size.

Most commonly, 33% of respondents stated that they train three audiences with their program, followed by two audiences (30%) *(see Fig. 8)*.

Of the audience combinations, the most popular can be seen on the following page *(Fig. 9),* led by 23% of respondents who train customers, partners, and internal audiences. For those that only train one audience, 86% focus solely on customers. Further, **64% of those that offer external training (customer, partner, and/or prospect), also use their programs for internal training.**
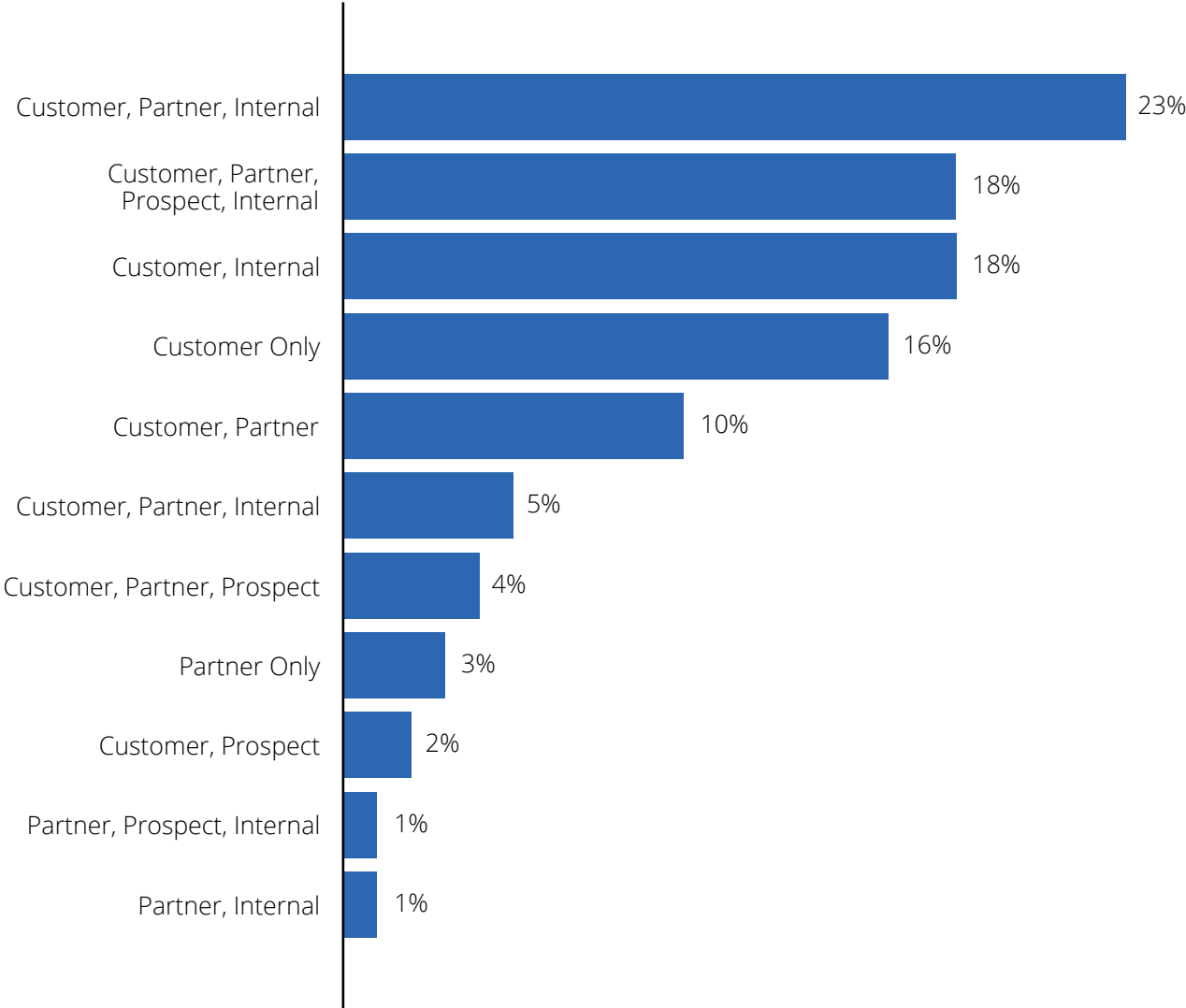
Fig. 8 | How many audiences do you train?

19%
One Audience

18%
Four Audiences

33%
Three Audiences

30%
Two Audiences
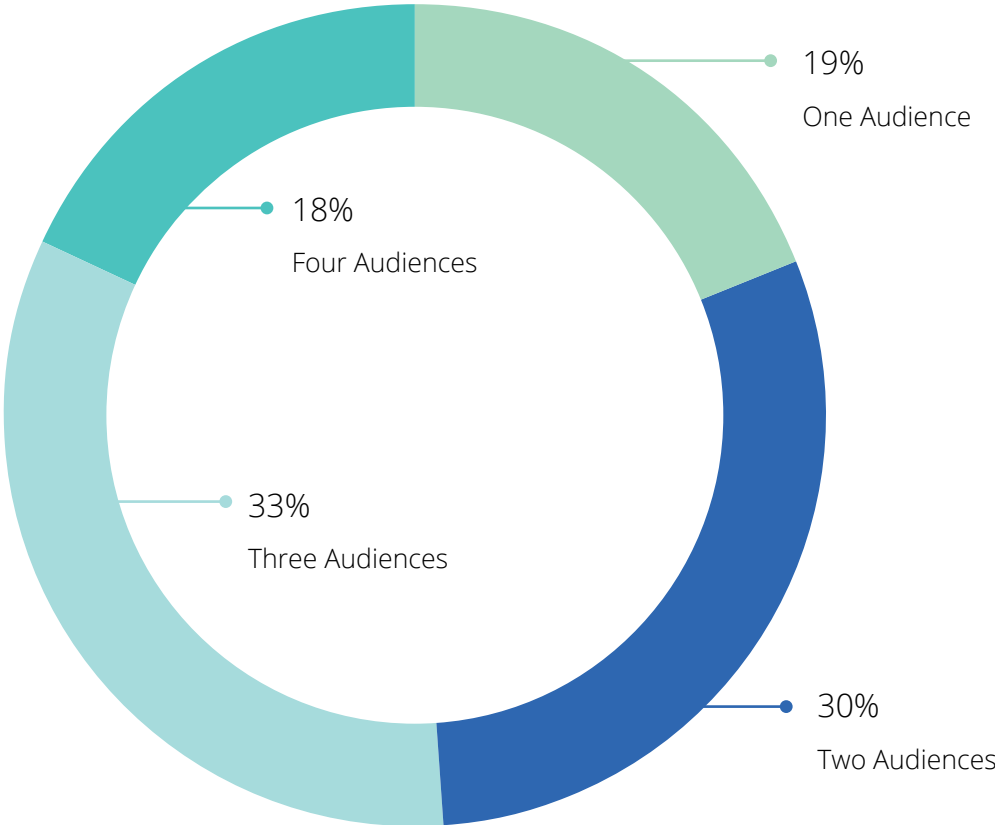
Training Audiences

TAKEAWAY

The data demonstrates that most organizations educate multiple audiences, and the mix of audiences includes customers, partners, and employees. If your team currently only serves a single audience, we encourage you to explore opportunities to engage other audiences, such as using Customer Education resources for internal product enablement.

Note:

The data in this section exceeds 100% as the relevant survey question allowed respondents to select all answers that apply.

Fig. 9 | Which audiences do you train?

Audience	Percentage
Customer, Partner, Internal	23%
Customer, Partner, Prospect, Internal	18%
Customer, Internal	18%
Customer Only	16%
Customer, Partner	10%
Customer, Partner, Internal	5%
Customer, Partner, Prospect	4%
Partner Only	3%
Customer, Prospect	2%
Partner, Prospect, Internal	1%
Partner, Internal	1%

Training Goals

Fig. 10 | Business goals that drive investment in training

The top two driving forces behind external education programs are product onboarding / decreasing time to value (84%) and customer retention (81%). These two goals are leading and lagging indicators of the same basic premise, as effective onboarding can drive increased retention *(see Fig. 10).*

TAKEAWAY

The survey results indicate that most organizations prioritize onboarding to reduce the time to value for new customers. This makes sense as customer onboarding requires significant resources and is an expensive function to operate using a high-touch model. There are opportunities for Education teams to create goals around other areas of the business that add a similarly high impact. Namely, reducing support tickets, which helps reduce costs and also improves the overall customer experience.

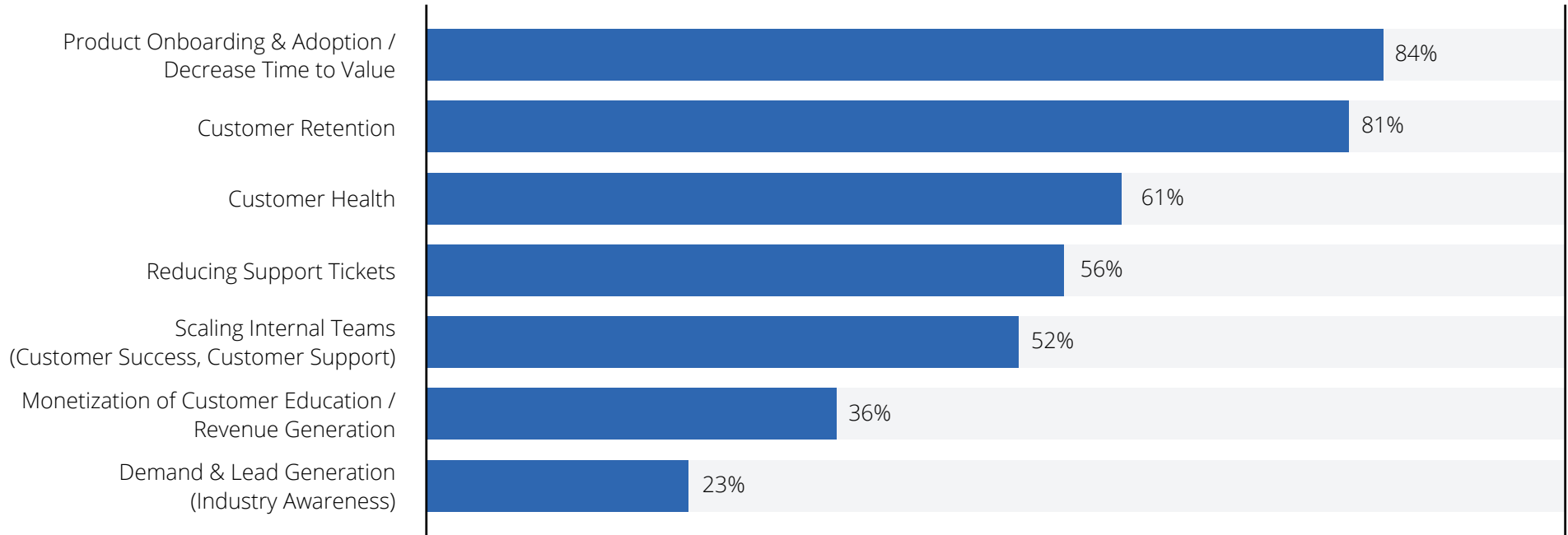Note:

The data in this section exceeds 100% as the relevant survey question allowed respondents to select all answers that apply.
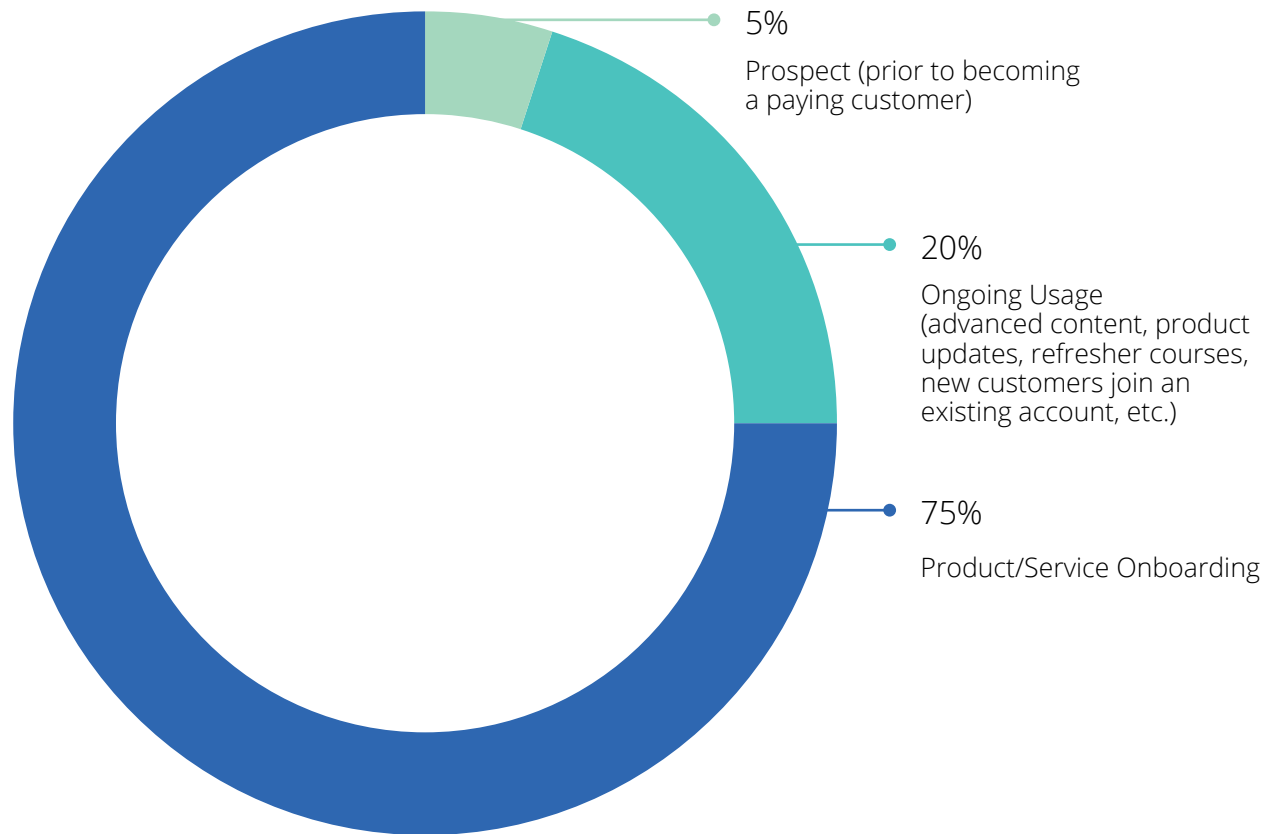
Lifecycle Engagement

Initial product/service onboarding is the most common targeted business outcome for respondents' education programs. This finding is reiterated in the chart on the next page *(Fig. 12)*, which shows that **survey respondents believe new users on new accounts are the most likely to find benefit in their training programs.**

The data shows that this trend holds true across companies of all sizes. This consistent focus on effectively onboarding new business and ensuring a positive, informative new customer experience speaks to the understanding that a strong foundation is key to driving longer lifetime value and confident customers.

With individuals changing jobs frequently, and with 81% of respondents indicating that customer retention is the main driver of investment in their training programs *(Fig. 10),* it's important that Education teams also consider the needs of new users in existing customer accounts.

Fig. 11 | Most frequent engagement with training: account lifecycle

5%
Prospect (prior to becoming a paying customer)

20%
Ongoing Usage (advanced content, product updates, refresher courses, new customers join an existing account, etc.)

75%
Product/Service Onboarding
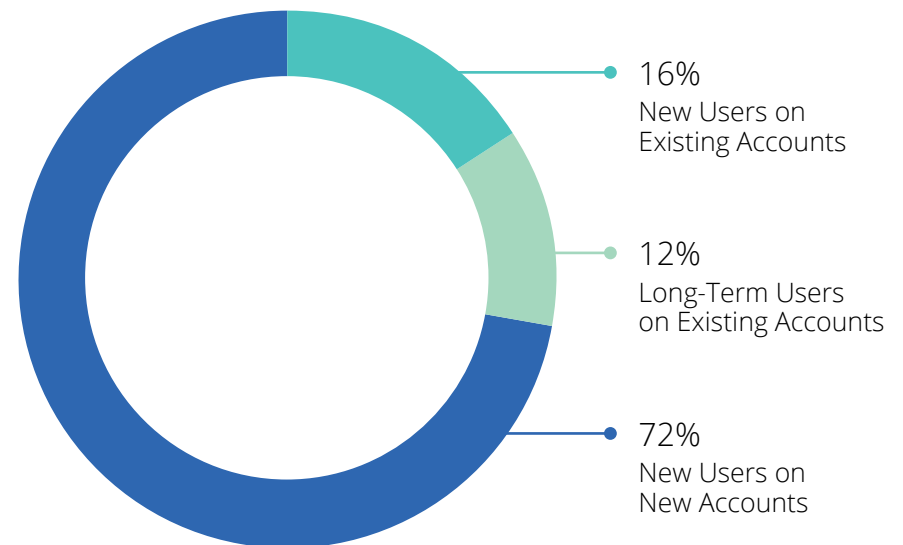
Lifecycle Engagement

TAKEAWAY

In order to drive customer engagement and retention, education programs should consider broadening their efforts to focus on the entire customer lifecycle and not only the initial onboarding phase. While it is clear that organizations have to focus heavily on onboarding and reducing the time to value for new customers, it's also important to ask yourself if you're prioritizing these goals at the expense of existing customers.

An important consideration is to design for continuous user onboarding. New users in existing customer accounts might be just as valuable to train as new users in recently acquired customer accounts. When evaluating investment opportunities, Education teams should keep in mind that although the rate of product innovation is increasing, average job tenures are decreasing. It's crucial to evaluate if you're doing enough to help existing customers understand and adopt new product features and unlock new value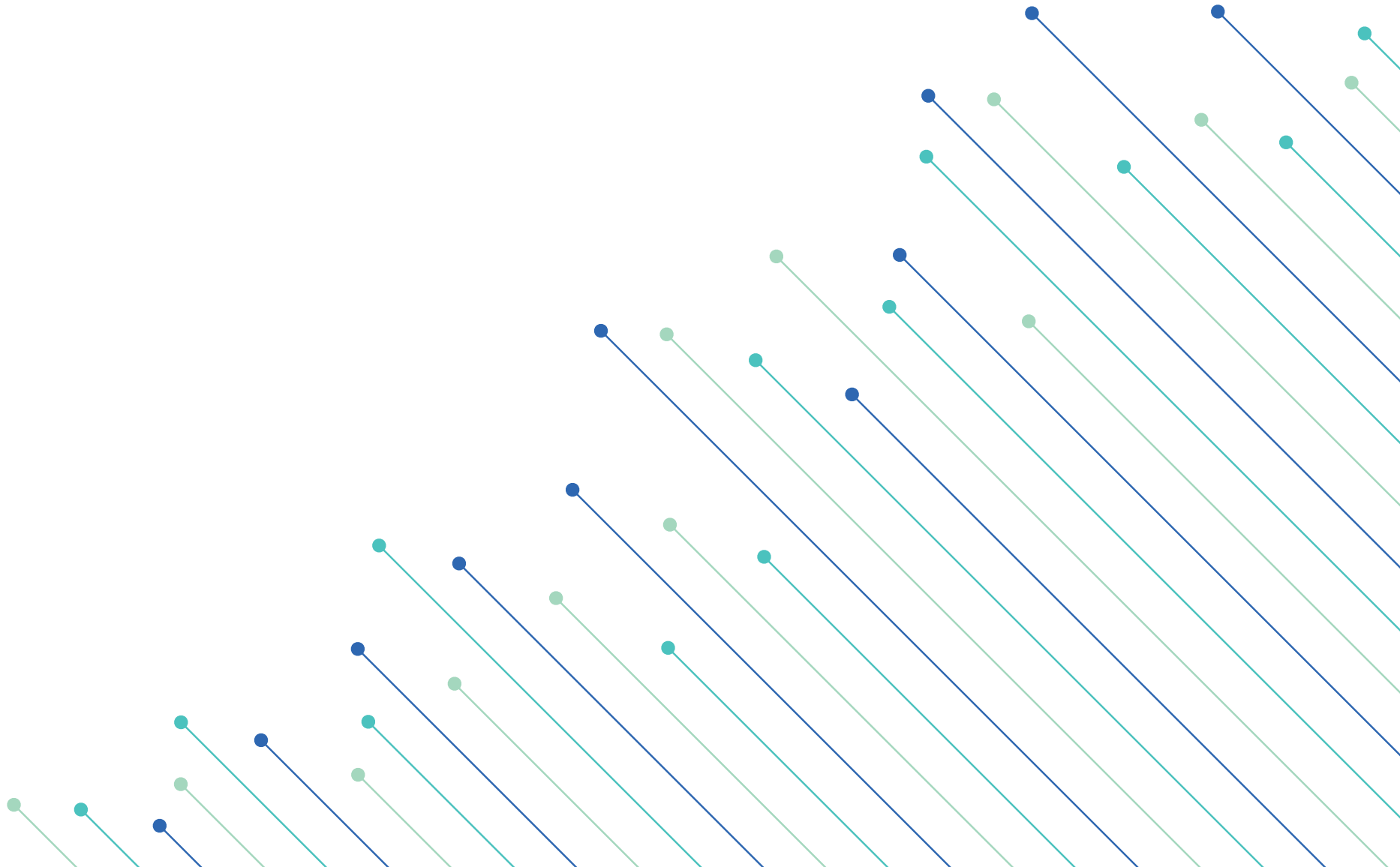 to meet their business goals. **We recommend that when developing content that highlights new product features, teams consider how easily it can be applied for training both new and existing users.**

This focus on existing customers is even more critical in light of the COVID-19 pandemic. We're hearing from our customers that new customer onboarding is taking a backseat in favor of addressing the needs of existing customers. We recommend taking this time as an opportunity to evaluate your program. Are you equipping your customers and partners with the knowledge and support they need to be effective in this new world of work?

Fig. 12 | Which segment of users find the greatest benefit in training?
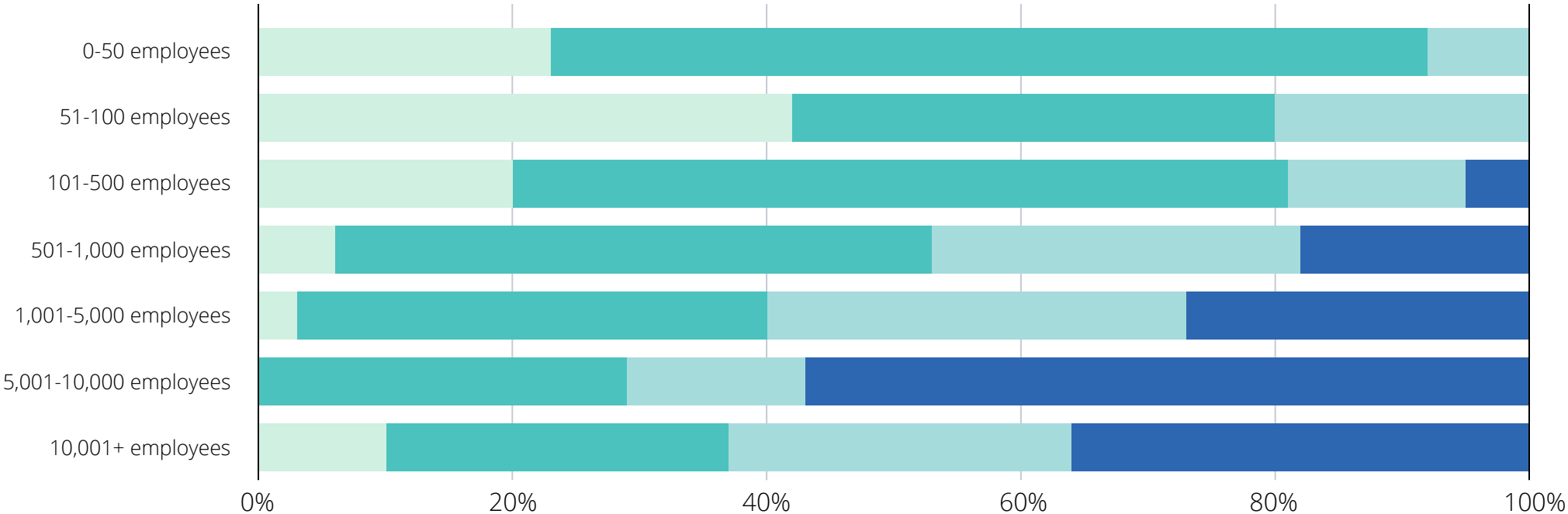

16% New Users on Existing Accounts

12% Long-Term Users on Existing Accounts

72% New Users on New Accounts

Organizational Structure & Collaboration

Training Team Size

Fig. 13 | Company size vs training team size

Our survey data indicates that Education teams achieve economies of scale as companies grow *(see Fig. 13)*. Small teams (less than 5 members) are effective at meeting the education needs of companies until they reach ~1,000 employees, demonstrating that the function scales well. In the case of larger companies, training teams likely map to a single business unit, rather than serving the organization as a whole, so overall team size is difficult to discern. In our experience working with teams, the largest areas for headcount growth tend to be content creation/instructional design and live training delivery. Program management, curriculum development, design, and project management are other common roles.

Key:

Number of Training
Team Members

0-1   2-5

5-10   10+

Training Team Size

TAKEAWAY

The data around team size could reveal a few different trends. Unlike other core business functions that require continuous hiring efforts to keep pace with business growth, it could be the case that Education teams are uniquely suited to have a broad impact with a relatively small team. It could also be the case that small team sizes may be a signal that Customer Education impact is underappreciated, and teams have difficulty getting buy in to increase their size and impact. One observation we've made in our experience working with enterprise companies is that each product or business unit will often have its own Customer Education team, which could also contribute to small team sizes reported among large companies.
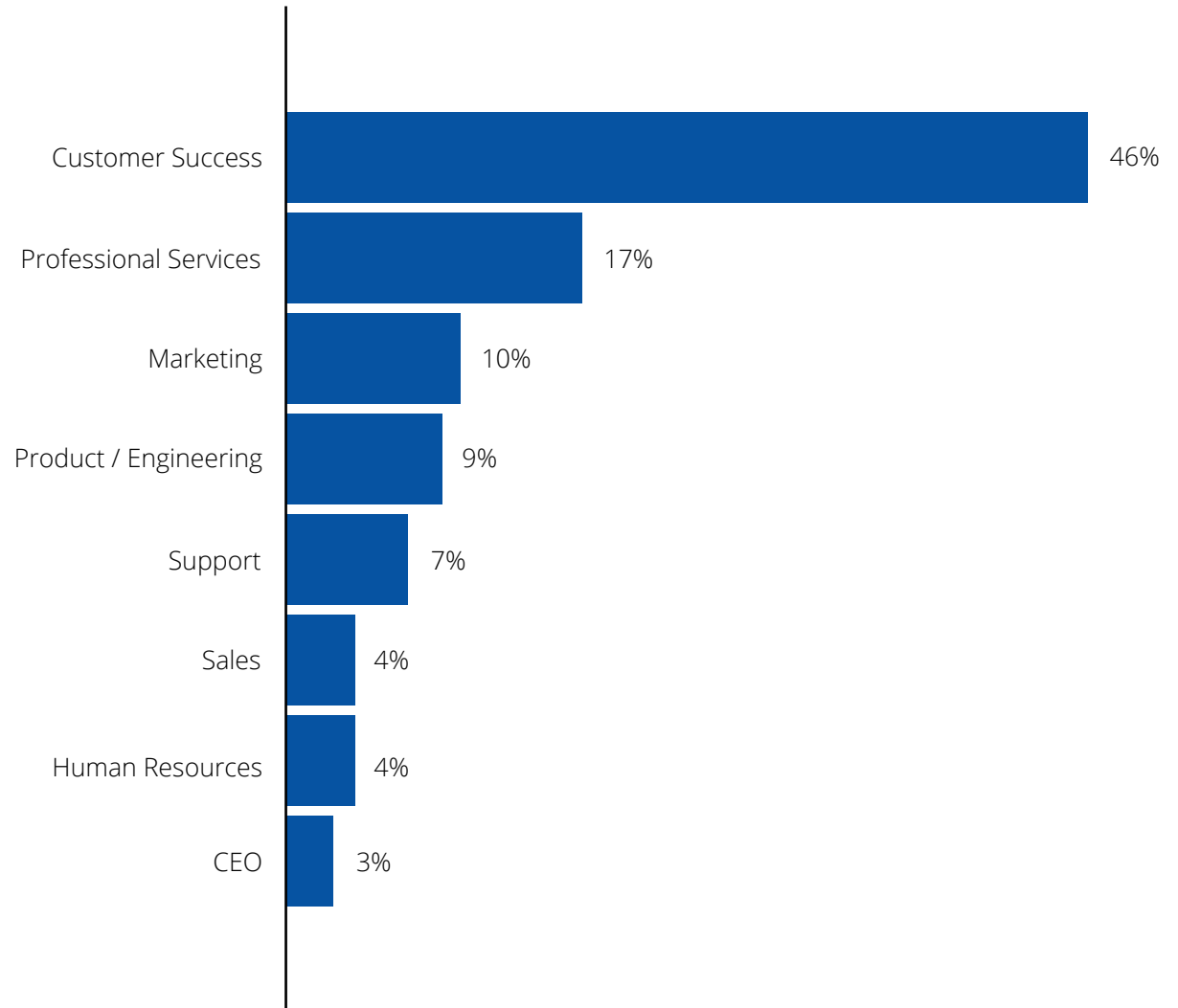
> " Education teams don't scale linearly with an increase in company size

Parent Function & Reporting Structure

When it comes to the parent function and organizational reporting structure for training teams, the data shows a lot of diversity. **While Customer Success and Professional Services are the most common departments for training to report into, we also saw a number of teams that report into Marketing, Product/Engineering, and Support** *(Fig. 14).*

We observed trends in reporting structure based on company size, as well. Companies with under 50 employees are most likely to report to the CEO directly (18%). **For companies with under 500 employees, training teams most commonly report into Customer Success (55%),** followed by Professional Services, and then Product/Engineering. As companies increase in size, a greater proportion of training teams report into Professional Services *(Fig. 15).*

Fig. 14 | Which internal team does education report into?

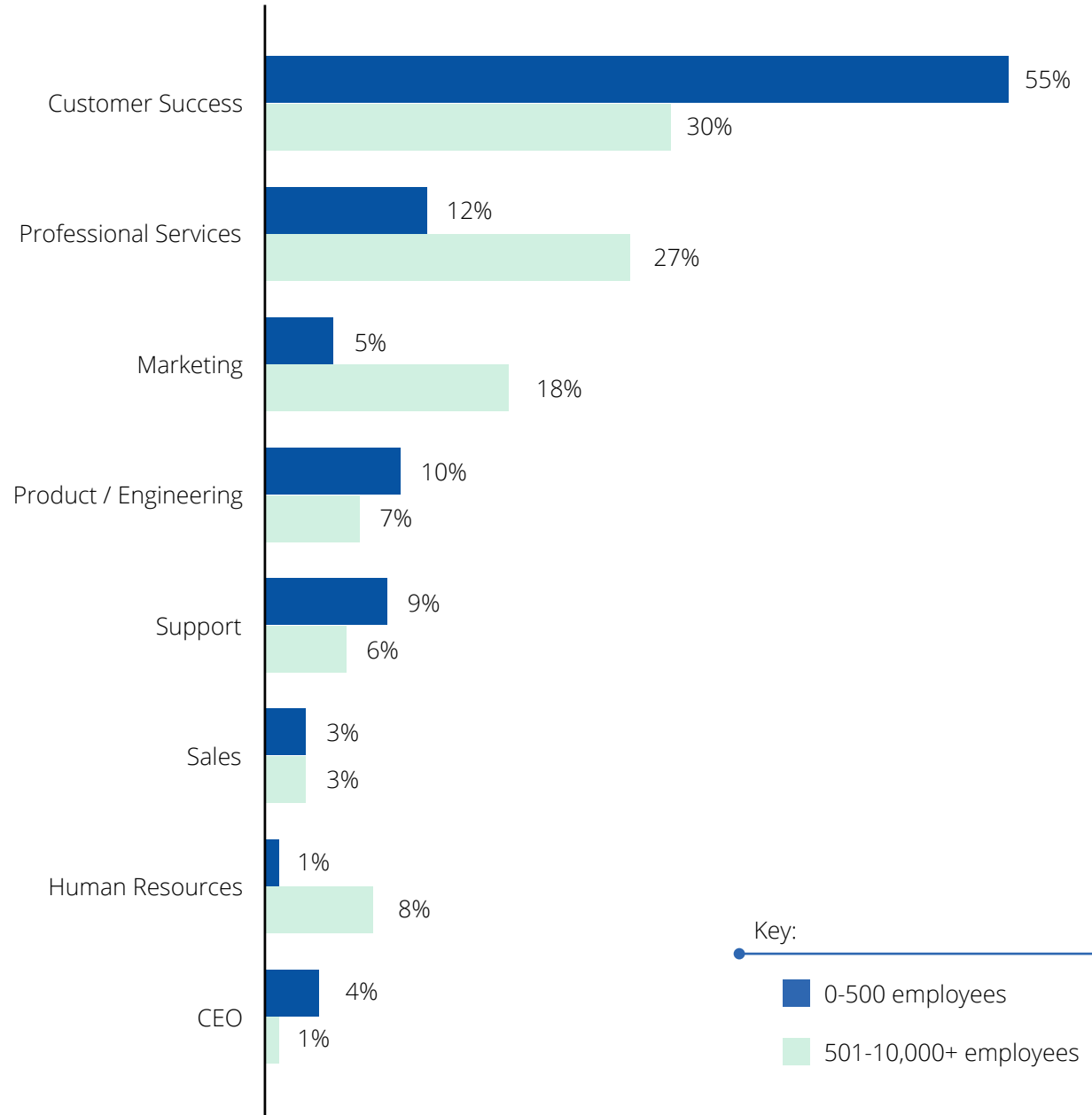| Team	Percentage
Customer Success	46%
Professional Services	17%
Marketing	10%
Product / Engineering	9%
Support	7%
Sales	4%
Human Resources	4%
CEO	3%

Parent Function & Reporting Structure

For companies with 501-10,000+ employees, Customer Success (30%) and Professional Services (27%) were nearly even as parent functions *(Fig. 15).*

Education teams at technology companies were more likely to report into Customer Success than non-technology organizations by 21% *(Fig. 16).* This is likely because the Customer Success discipline is a more common feature of tech companies than in other industries. Relatedly, for non-tech companies, we see a greater proportion of programs that report into Marketing and Support. It is also interesting to note that few training teams, regardless of company size, report into Human Resources. This finding is consistent with industry trends towards certain aspects of learning and development becoming decentralized into other business teams.

Fig. 15 | Parent function by company size

	0-500 employees	501-10,000+ employees
Customer Success	55%	30%
Professional Services	12%	27%
Marketing	5%	18%
Product / Engineering	10%	7%
Support	9%	6%
Sales	3%	3%
Human Resources	1%	8%
CEO	4%	1%

Key:
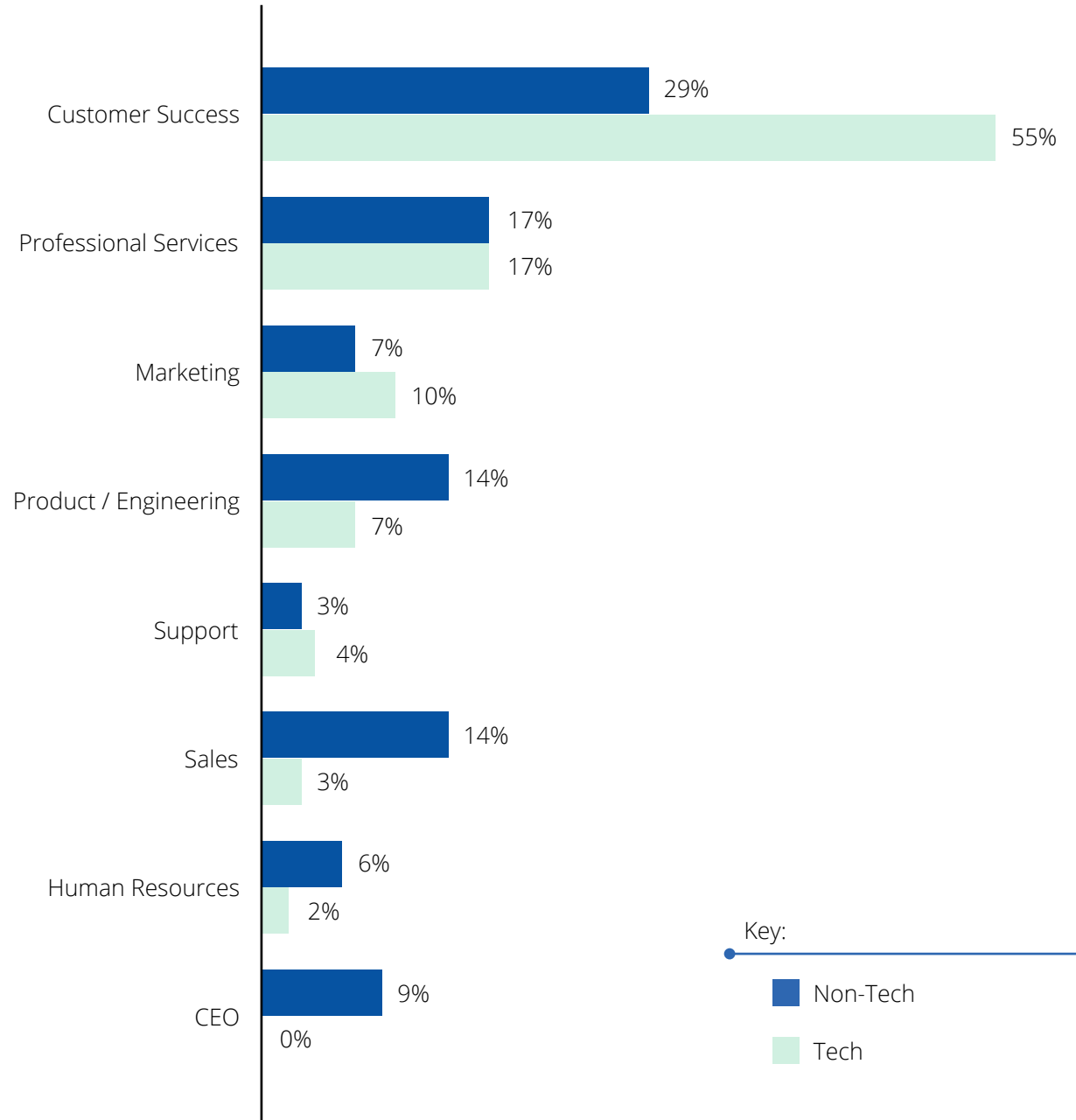- 0-500 employees
- 501-10,000+ employees

Parent Function & Reporting Structure
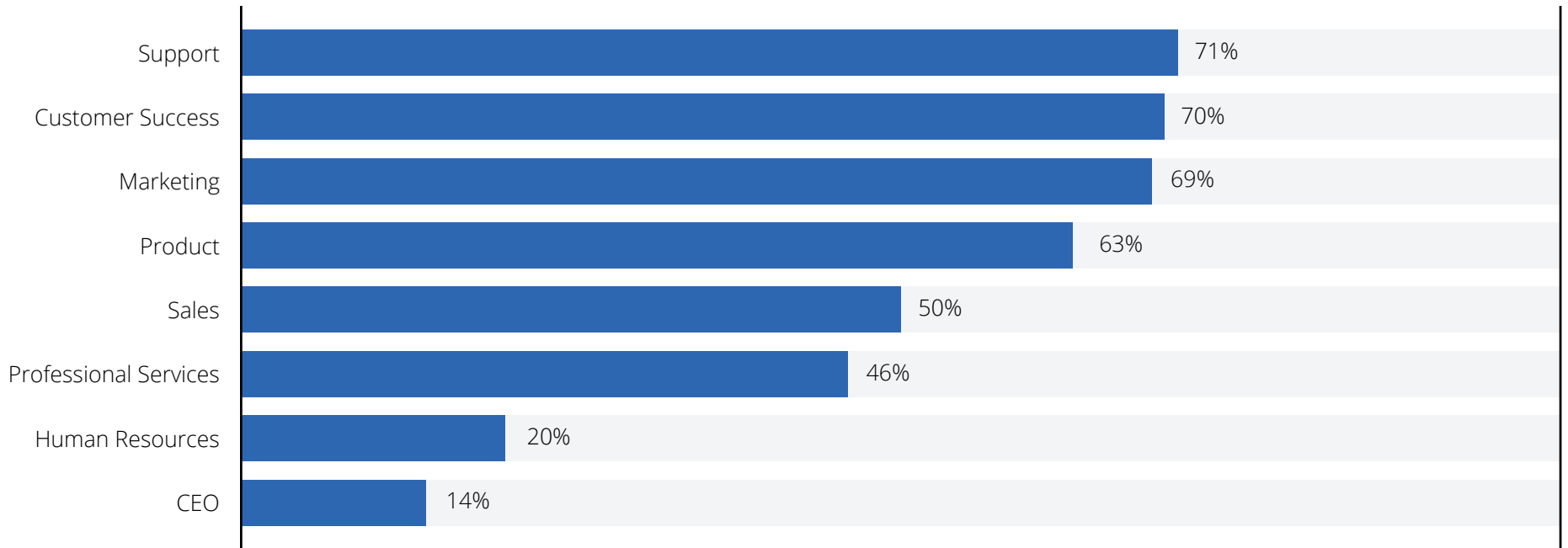
TAKEAWAY

Irrespective of where the Education team reports, what matters most is how well your training charter aligns with your organization's broader goals. It's not necessary for high-performing teams to sit in a particular department, but it is essential that you're in an organization that helps your program get the continued visibility and resources that it needs to succeed.

Fig. 16 | Parent function by industry

Customer Success — Non-Tech 29%, Tech 55%
Professional Services — Non-Tech 17%, Tech 17%
Marketing — Non-Tech 7%, Tech 10%
Product / Engineering — Non-Tech 14%, Tech 7%
Support — Non-Tech 3%, Tech 4%
Sales — Non-Tech 14%, Tech 3%
Human Resources — Non-Tech 6%, Tech 2%
CEO — Non-Tech 9%, Tech 0%

Key:
- Non-Tech
- Tech

Partner Functions

Fig. 17 | Which other teams in your organization do you work closely with?

Team	Percentage
Support	71%
Customer Success	70%
Marketing	69%
Product	63%
Sales	50%
Professional Services	46%
Human Resources	20%
CEO	14%

The survey results reiterated that Education teams collaborate with a variety of functions in the organization *(see Fig. 17)*. In our experience, this collaboration can help Education teams improve both their effectiveness and their reach. It can also help teams better track and understand the correlations between training consumption and business impact.

In addition to those listed in the chart, other teams that were mentioned in terms of collaboration include: Onboarding, Client Experience, User Experience (UX), Graphic Design, Research, Solutions Architects, Operations, IT, Sales Enablement/Channel Partners, and Product Management.

Note:

The data in this section exceeds 100% as the relevant survey question allowed respondents to select all answers that apply.

Partner Functions

TAKEAWAY

The Education team's success relies heavily on input from other teams, so creating and maintaining relationships across the organization is crucial. Consider some of the following areas of partnership:

- Gather content ideas with associated priority from the Support team to help your team proactively reduce support ticket volume.

- Consult with subject matter experts (SMEs) from Product, Customer Success, and Services while developing content. The Customer Success team, in particular, can share priceless insights into customer needs and preferences.

- Get access to design and content resources from the Marketing team to develop more engaging content.

- With help from the Marketing team, drive visibility and consumption of your content through email and social promotions.

- Generate demand from prospective customers by applying your content to lead generation efforts in partnership with Marketing and Sales teams.

> " Education teams frequently collaborate with Support, Customer Success, Marketing, and Product teams

Budget & Monetization
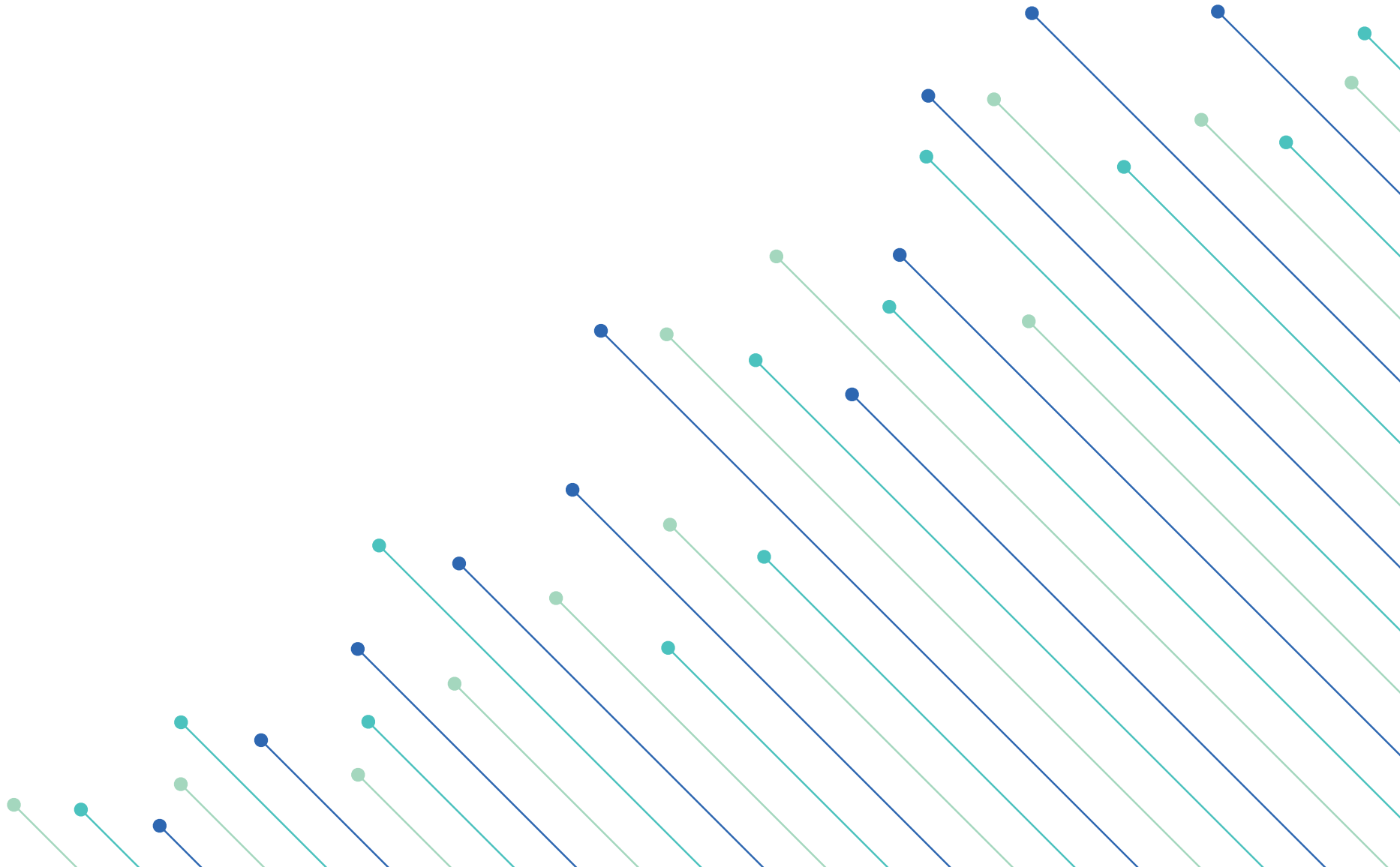
Budget

Customer Education budgets are increasing, reinforcing our observation about the positive growth trajectory of the function. Of respondents who disclosed their annual budgets, **62% indicated that their training budget has increased year-over-year** *(Fig. 18)* and a further **83% anticipate their training budget will increase in the next 1-3 years** *(Fig. 20)*.

Additionally, of those budgets that have increased year-over-year, **36% have seen a budget increase of greater than 30%** *(Fig. 19)*. This significant growth is a testament to the increasing visibility and far-reaching value of Customer Education.

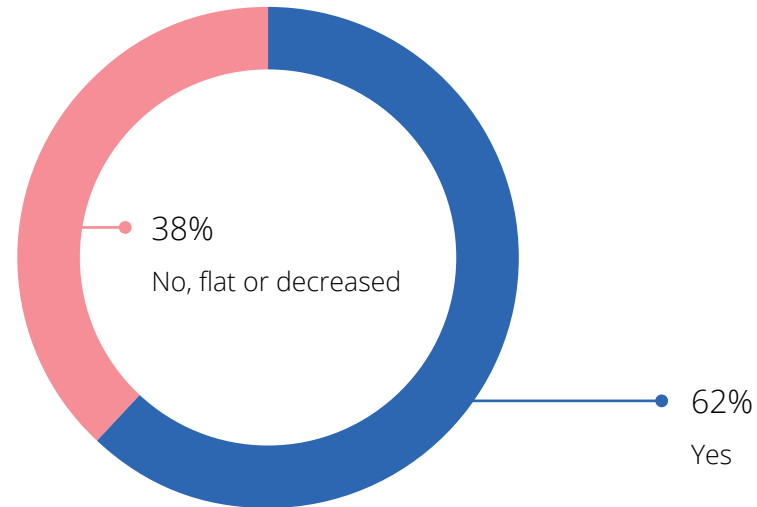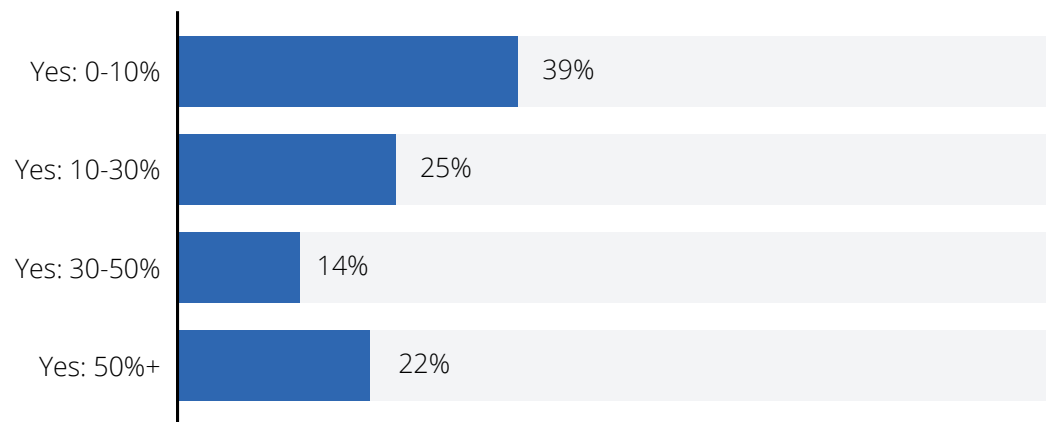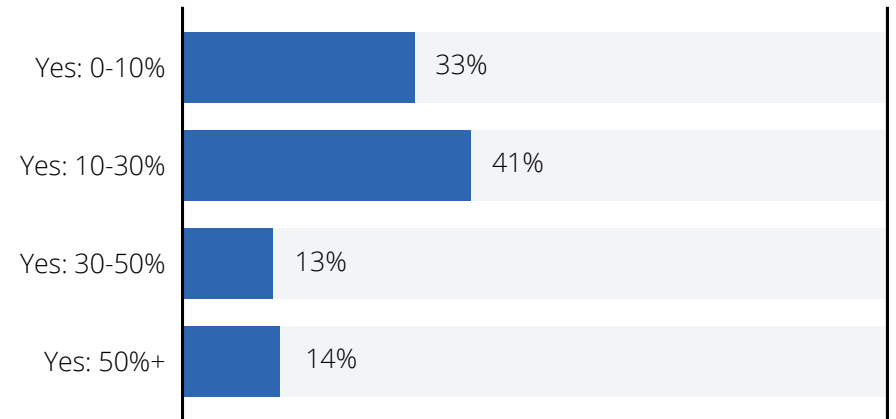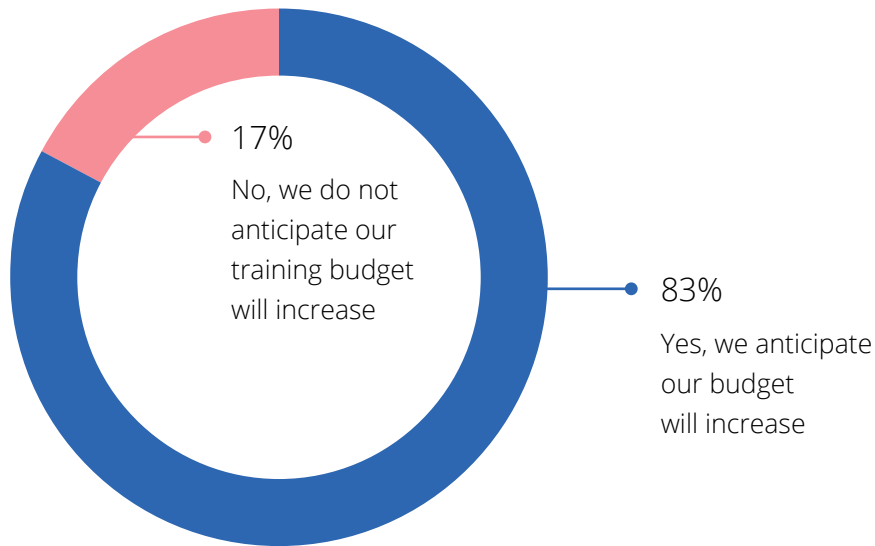Fig. 18 | Has your training budget increased year-over-year?

38%
No, flat or decreased

62%
Yes

Fig. 19 | Of those whose budgets have increased, by how much?

Yes: 0-10%   39%

Yes: 10-30%   25%
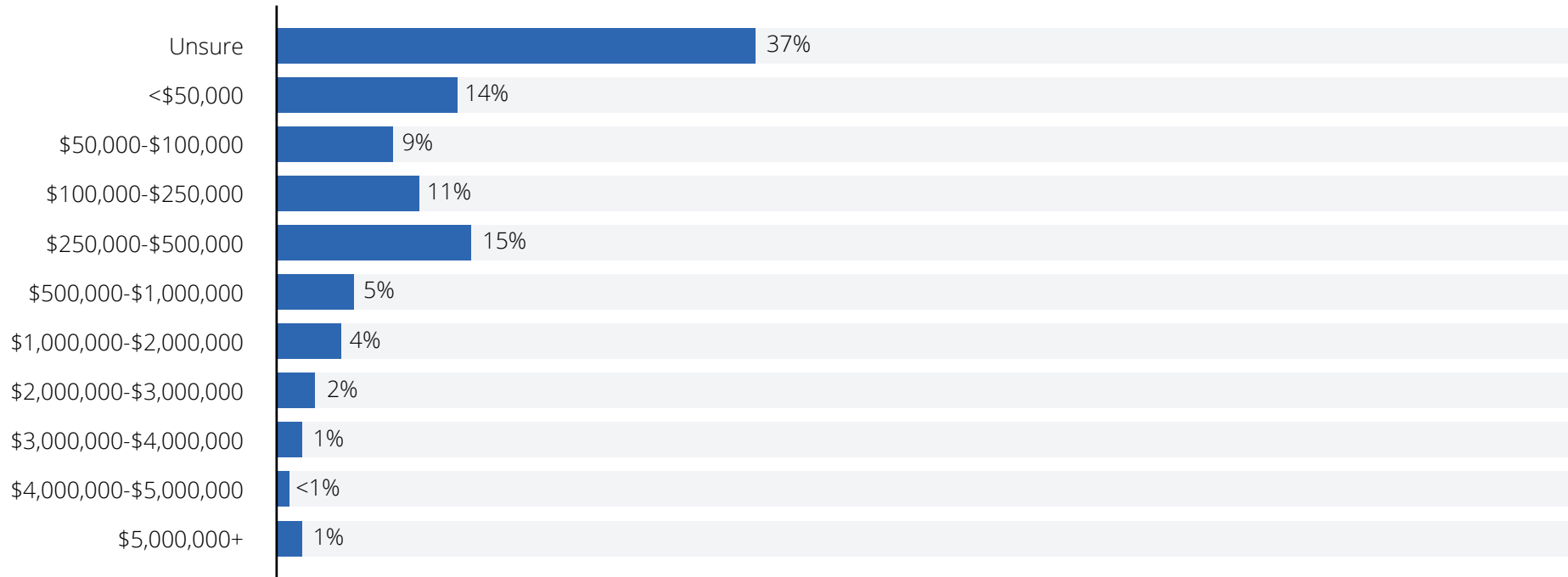
Yes: 30-50%   14%

Yes: 50%+   22%

Budget

Fig. 20 + 21 | Do you anticipate your training budget will increase in the next 1 - 3 years? If so, by what percentage?

17%
No, we do not anticipate our training budget will increase

83%
Yes, we anticipate our budget will increase

Yes: 0-10%	33%
Yes: 10-30%	41%
Yes: 30-50%	13%
Yes: 50%+	14%

Budget

Fig. 22 | Annual training budget (including headcount, software, etc.)

Budget	Percentage
Unsure	37%
<$50,000	14%
$50,000-$100,000	9%
$100,000-$250,000	11%
$250,000-$500,000	15%
$500,000-$1,000,000	5%
$1,000,000-$2,000,000	4%
$2,000,000-$3,000,000	2%
$3,000,000-$4,000,000	1%
$4,000,000-$5,000,000	<1%
$5,000,000+	1%

While the results skewed towards smaller budgets, a notable insight derived from this data is that nearly **40% of respondents indicated they are "unsure" about their annual training budget** *(Fig. 22).* This finding is striking and highlights the challenges that a training team often faces in advocating for itself and in correlating its work to business outcomes and ROI. After all, a training professional (or team) can have a hard time advocating for itself and properly engaging in resource management without an understanding of budget and expenditures.

TAKEAWAY

The majority of businesses surveyed are investing significantly in their training programs. As you consider how your company stacks up, it's important to consider where your budget currently lies, how you can continue to increase your impact, and how you can make the case for greater investment in your program.

Monetization

The decision of whether or not to charge for customer training is a strategic choice often made at the company level. While some companies choose to offer training for free as a way to drive onboarding and engagement, other companies think of training as a standalone profit & loss (P&L) center. Some organizations take a hybrid approach where training is expected to be cost-neutral and customers are charged just enough to cover direct expenses, typically classroom instructors and facilities. The survey data reflects this same diversity in terms of the models that companies choose when monetizing external training.

Currently, slightly **more than half of the respondents (56%) indicate that they charge for at least some of their courses** *(see Fig. 23).* We did not find any correlation between monetization trends and company size.

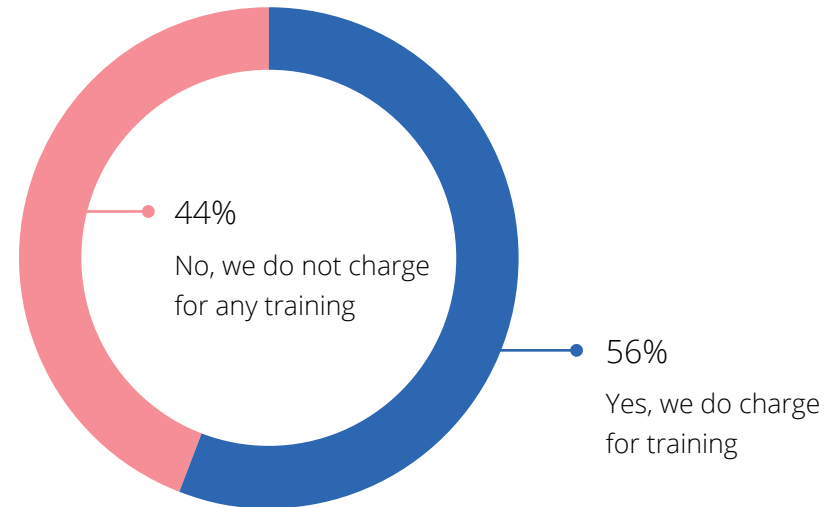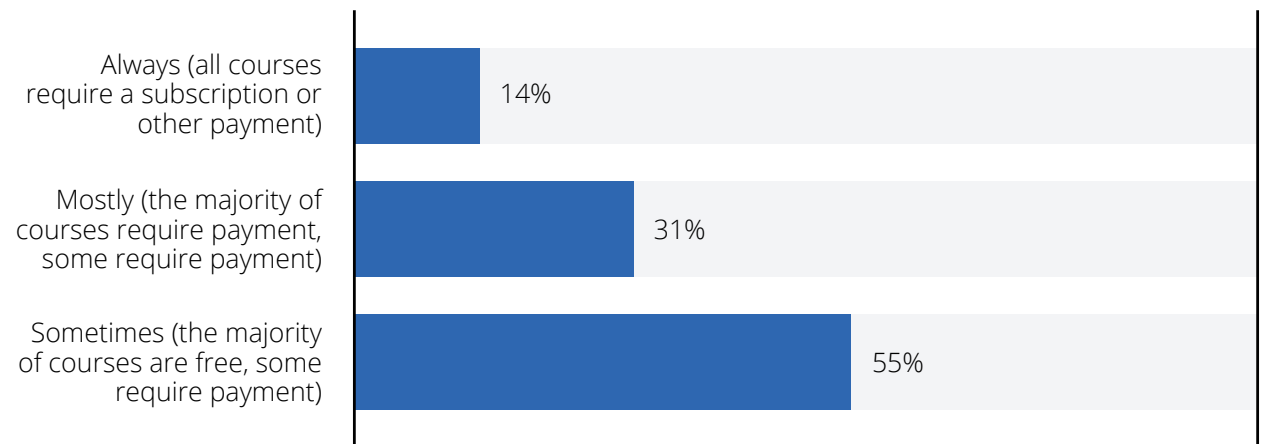## Fig. 23 | For those that currently charge for training, how often?

44%
No, we do not charge for any training

56%
Yes, we do charge for training

Fig. 24 | If you do charge for training, how often?

Always (all courses require a subscription or other payment) — 14%

Mostly (the majority of courses require payment, some require payment) — 31%

Sometimes (the majority of courses are free, some require payment) — 55%
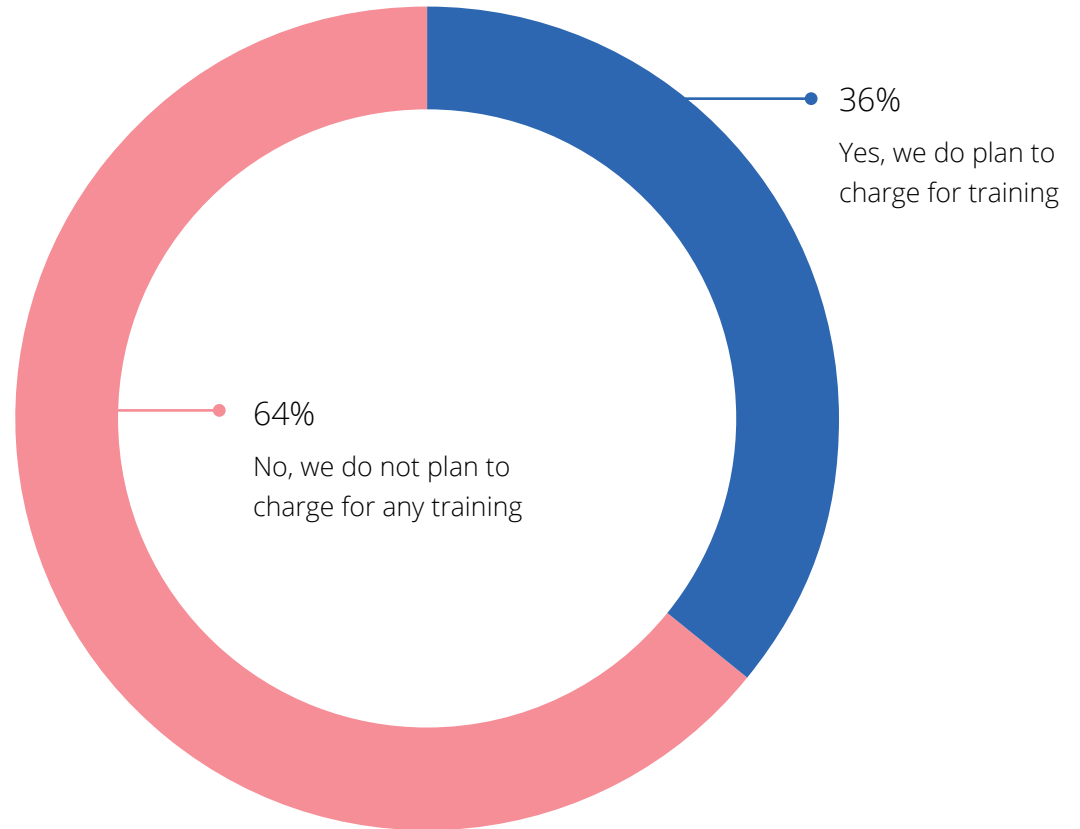
Monetization

This still leaves many organizations that do not charge for training in any form currently. **Of those who do not currently charge for training, 64% have no plans to charge in the future** (Fig. 25).
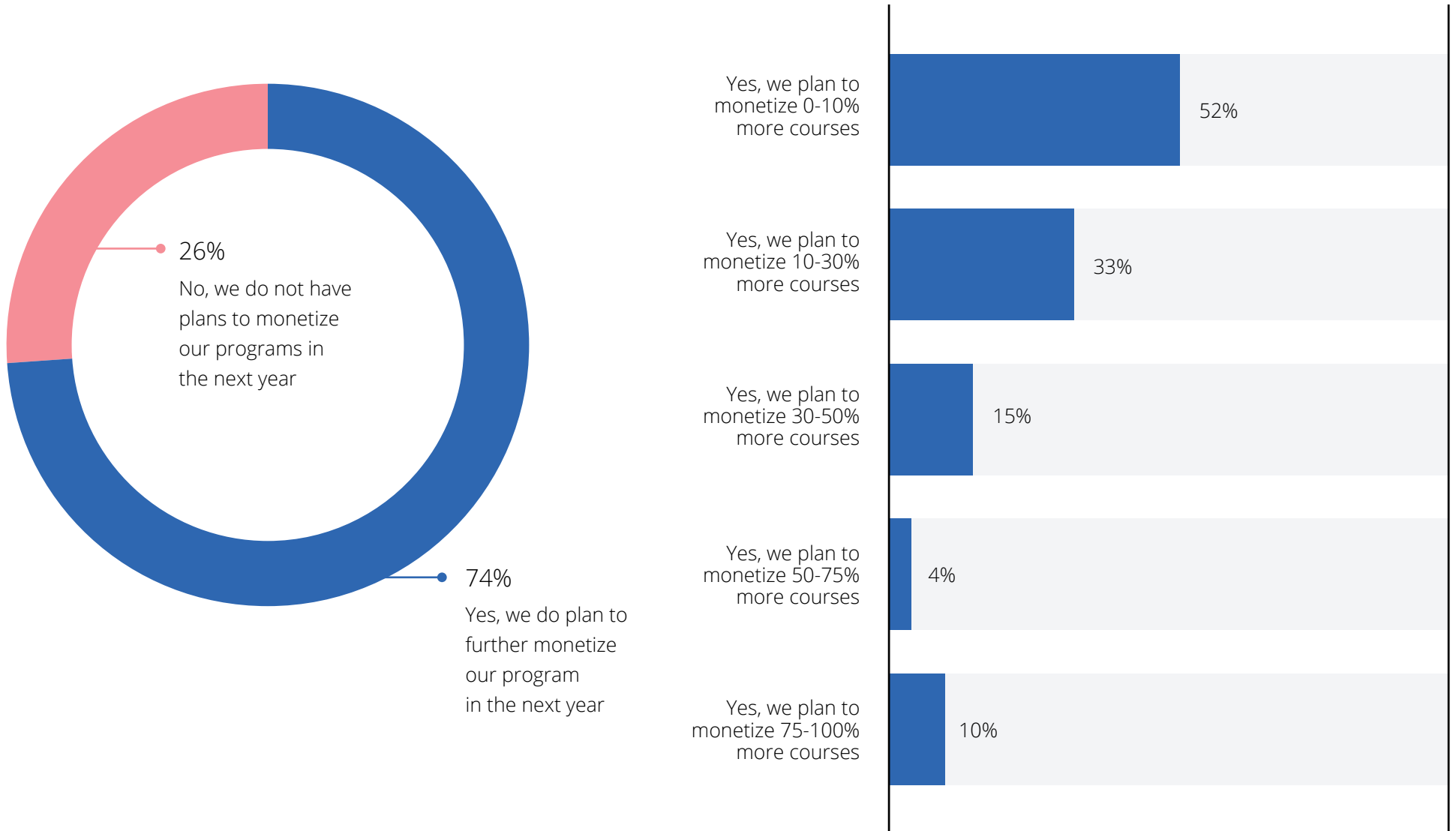
For those organizations that currently charge for training in some capacity, **74% expect to monetize further in the coming year** (Fig. 26 and 27) and 84% expect to increase their monetization efforts within the next five years (Fig. 28 and 29).

Fig. 25 | For respondents who do not currently charge for training, do you plan to charge for training in the future?

36%
Yes, we do plan to charge for training

64%
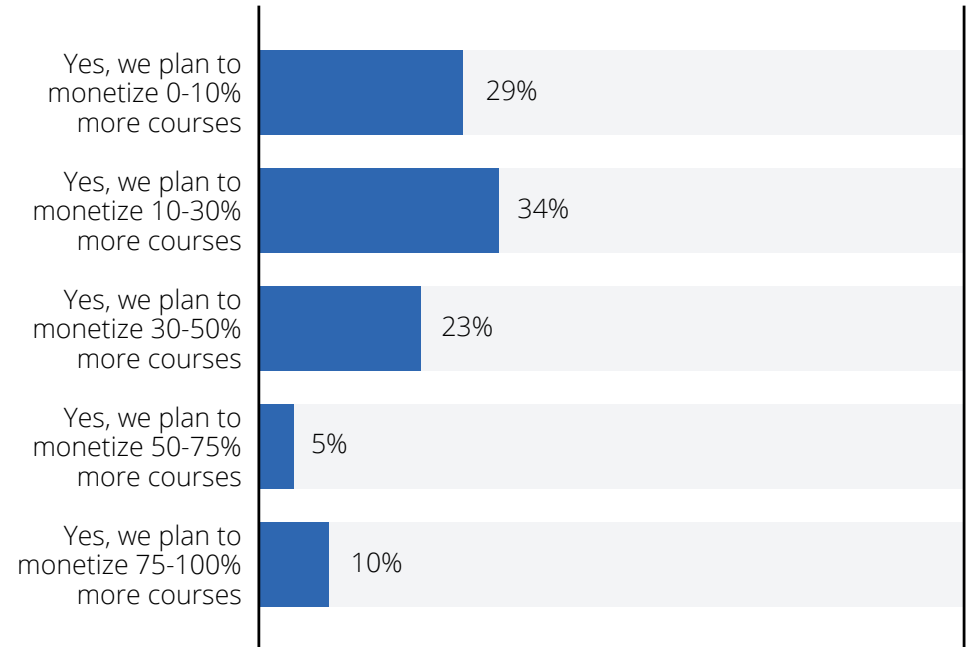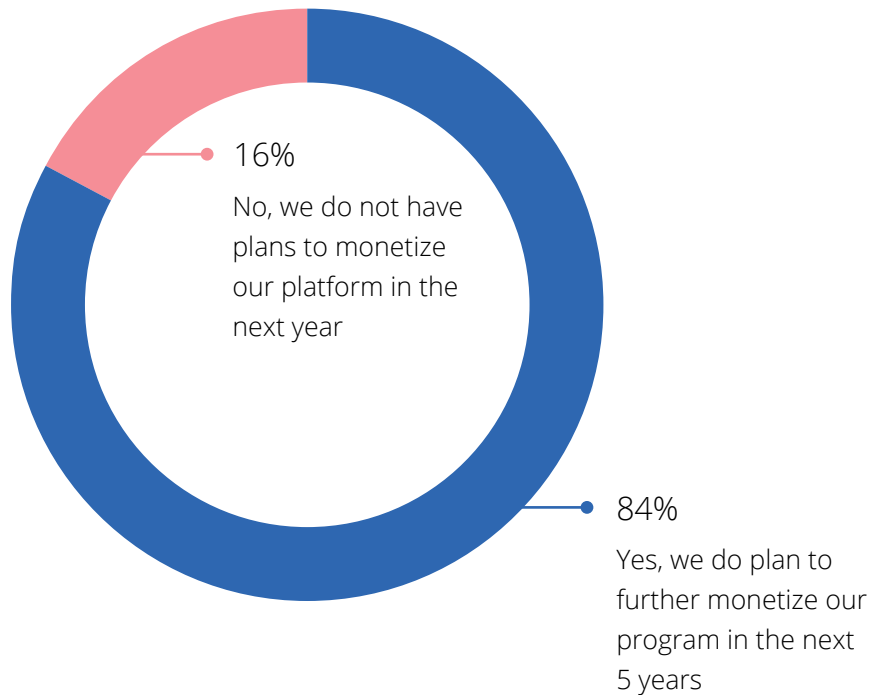No, we do not plan to charge for any training

Monetization

Fig. 26 + 27 | For those that currently charge for training in some capacity, do you expect to monetize additional aspects of your program in the next year?

26%
No, we do not have plans to monetize our programs in the next year

74%
Yes, we do plan to further monetize our program in the next year

Yes, we plan to monetize 0-10% more courses — **52%**

Yes, we plan to monetize 10-30% more courses — **33%**

Yes, we plan to monetize 30-50% more courses — **15%**

Yes, we plan to monetize 50-75% more courses — **4%**

Yes, we plan to monetize 75-100% more courses — **10%**

Monetization

Fig. 28 + 29 | Do you expect to monetize additional aspects of training in the next 5 years?

16%
No, we do not have plans to monetize our platform in the next year

84%
Yes, we do plan to further monetize our program in the next 5 years

Yes, we plan to monetize 0-10% more courses	29%
Yes, we plan to monetize 10-30% more courses	34%
Yes, we plan to monetize 30-50% more courses	23%
Yes, we plan to monetize 50-75% more courses	5%
Yes, we plan to monetize 75-100% more courses	10%

It's important to note that the training organizations who have chosen to monetize their programs are doubling down on these efforts in the near and long term. This may indicate that monetization efforts have been successful. As Maria Manning-Chapman mentioned in her **recent Skilljar webinar**, "it's not fee or free, it's fee and free." It's possible to experiment with offering some aspects of your training material for a fee while keeping other aspects free of charge.

While historically customer training was seen as a potential upsell/revenue opportunity for organizations, it appears that at least some organizations are increasingly comfortable funding their own program based on the added benefits to Customer Success, product adoption, renewals, and expansion.

Monetization

TAKEAWAY

We recommend that Education teams review their monetization strategy with company executives on an annual basis. While there's no universally applicable monetization strategy, alignment on strategic organizational goals is critical. This pertains to both decisions around whether or not to charge for training, as well as pricing and packaging models.

As with an organization's overarching monetization strategy, there is no right or wrong way to charge or sell your training. It's probable that subscription-based programs are used less frequently than other methods as they tend to require more content and greater sophistication when it comes to sales motions. Subscription models also require an investment in renewal strategies.

Irrespective of whether and how you decide to monetize, there are ways to reinforce the value of your training by including it in support packages, bundling it with other services, and enabling your sales team to reinforce its importance during the sales cycle.

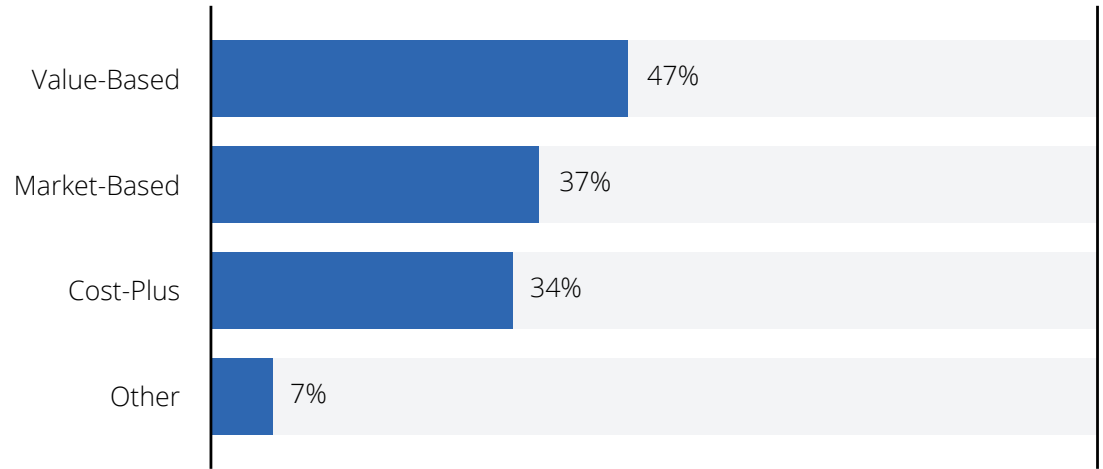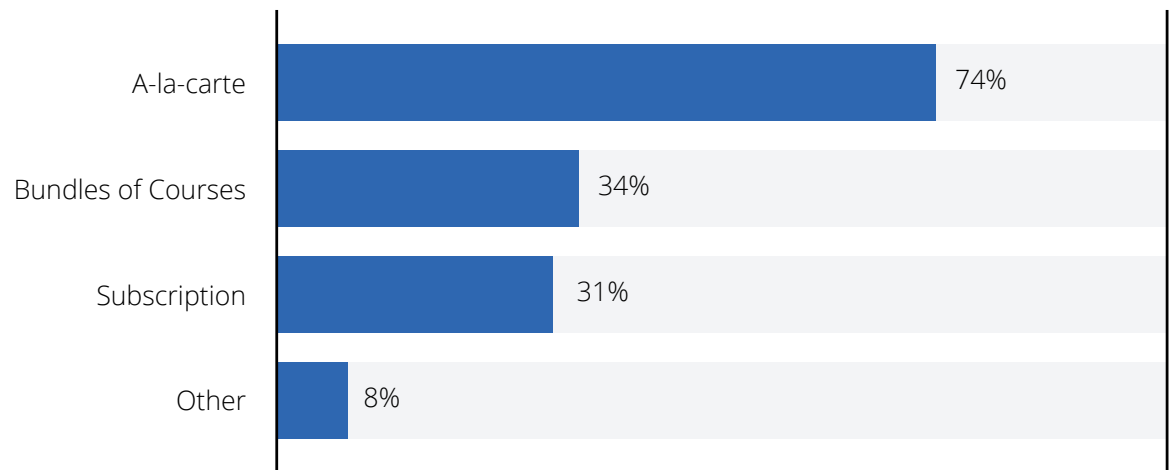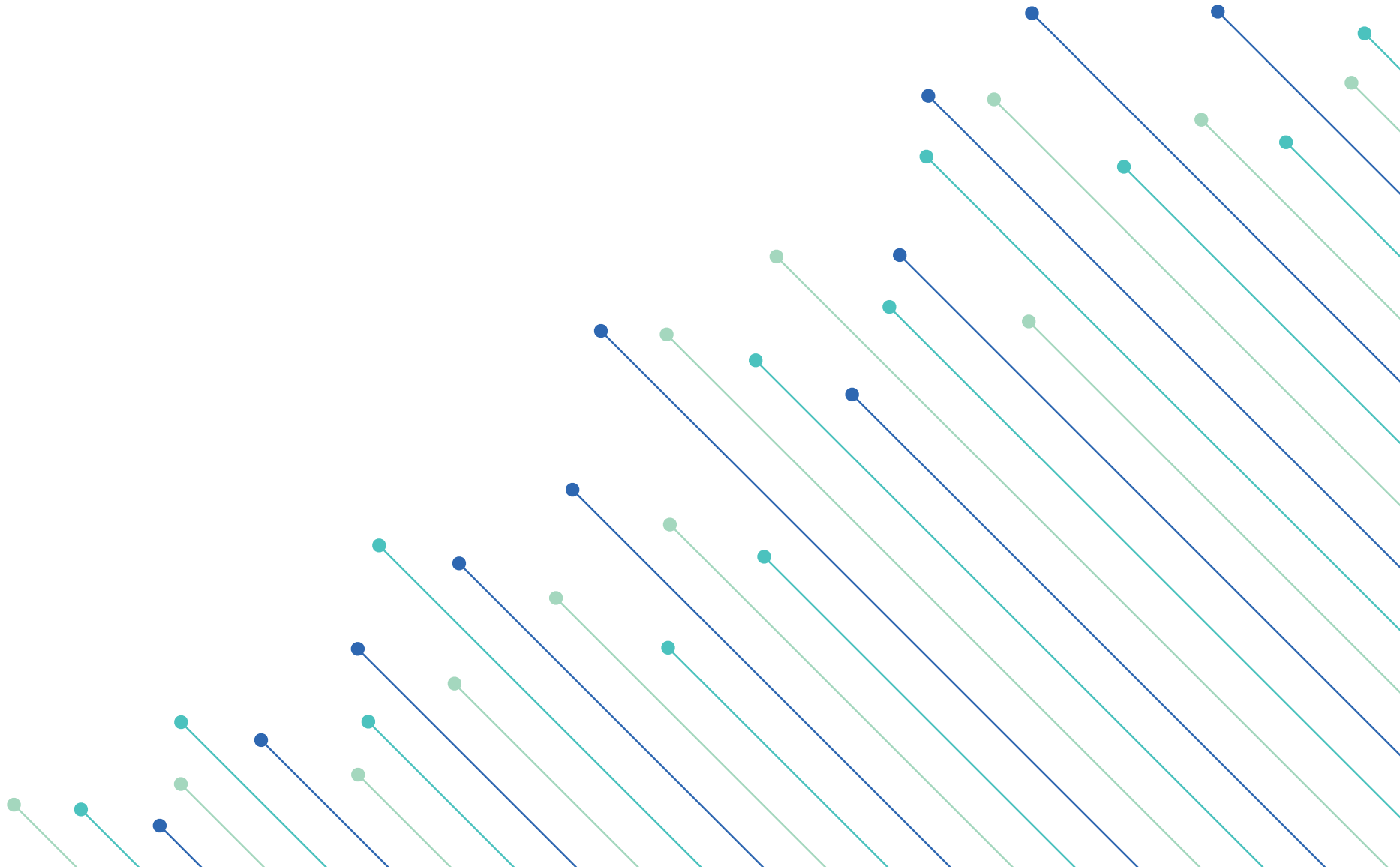Fig. 30 | For monetized courses, how do you determine pricing?

Value-Based	47%
Market-Based	37%
Cost-Plus	34%
Other	7%

Fig. 31 | Which sales model do you use when you charge for training?

A-la-carte	74%
Bundles of Courses	34%
Subscription	31%
Other	8%

Program Impact & Optimization

Integrations

The survey data indicates that Education teams are integrating their education program with other systems in order to access student journey data. With these integrations, teams are able to effectively measure the impact of training and optimize for future improvements.

68% of respondents report integrating with Customer Relationship Management (CRM) systems for the company, while 65% integrate with a Secure Access tool (Secure Access tools refer to Single Sign-On and Identity Management technologies) *(Fig. 33).*

31% of respondents use a single integration, while a notable 69% of respondents report using more than one integration *(Fig. 32).* The most common combinations of tools are as follows:

- CRM Only (12%)
- CRM and Secure Access Tool (11%)
- CRM, Marketing Automation, and Secure Access Tool (10%)

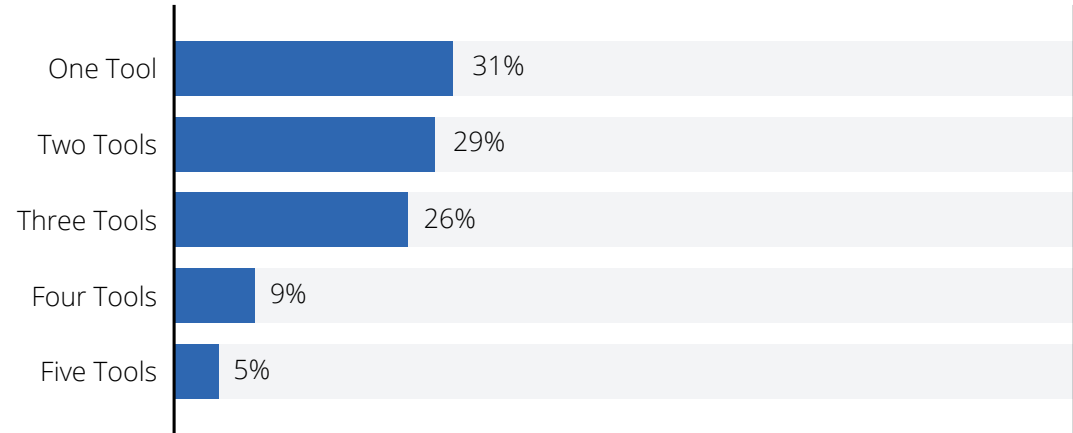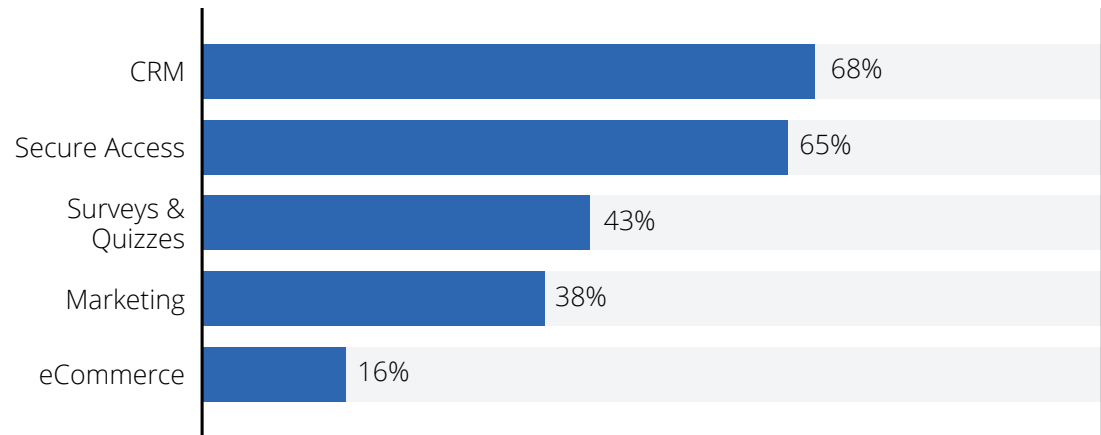Fig. 32 | Number of integrations used by respondents

One Tool	31%
Two Tools	29%
Three Tools	26%
Four Tools	9%
Five Tools	5%

Fig. 33 | Which integrations do you use with your education program?

CRM	68%
Secure Access	65%
Surveys & Quizzes	43%
Marketing	38%
eCommerce	16%

Note:

The data in this section exceeds 100% as the relevant survey question allowed respondents to select all answers that apply.
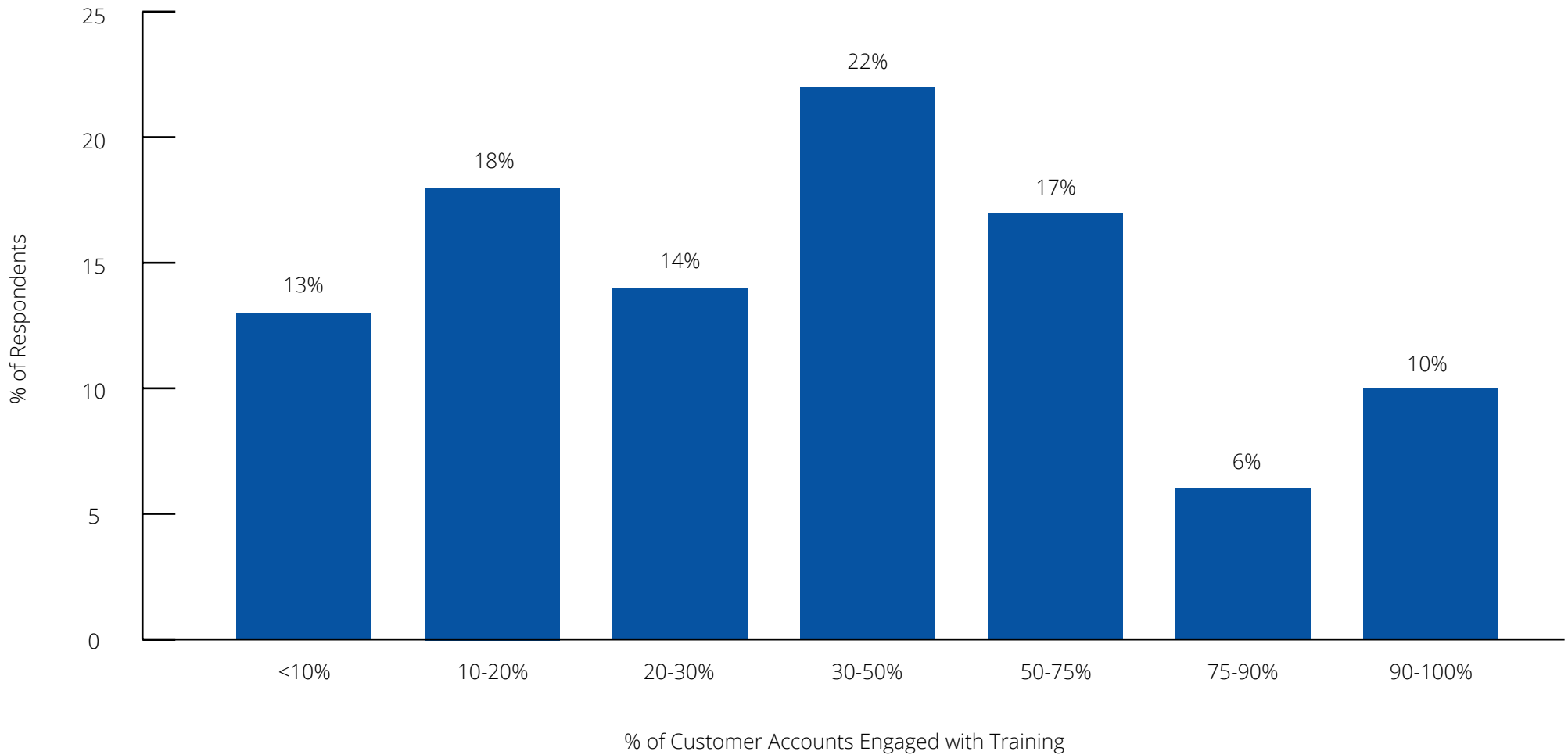
Integrations

TAKEAWAY

Education teams see value in integrating their programs with CRM systems for tracking student progress and business impact. If your program is not currently integrated with a CRM system, we recommend that you prioritize this integration as it will help you measure, optimize, and communicate the impact of your program to stakeholders. Demonstrating the ROI of your training program becomes even more of an imperative in light of the COVID-19 pandemic and the increased scrutiny that it's adding to the resource allocation process.

" 68% of respondents report integrating with Customer Relationship Management (CRM)

Measuring Impact

Fig. 34 | What percentage of your total customer accounts engaged with training in the past year?


In order for Education teams to secure the resources they need to drive business outcomes, it's important that their programs have cross-functional and executive visibility so they can share impact and ROI. As seen earlier, integrations with CRM and Support systems are a common means of achieving this goal. These integrations make it possible for teams to cross-reference education consumption with targeted business outcomes such as revenue, higher CSAT scores, and/or lower Support costs.

Measuring Impact

Fig. 35 | Positive correlation between business goal and training
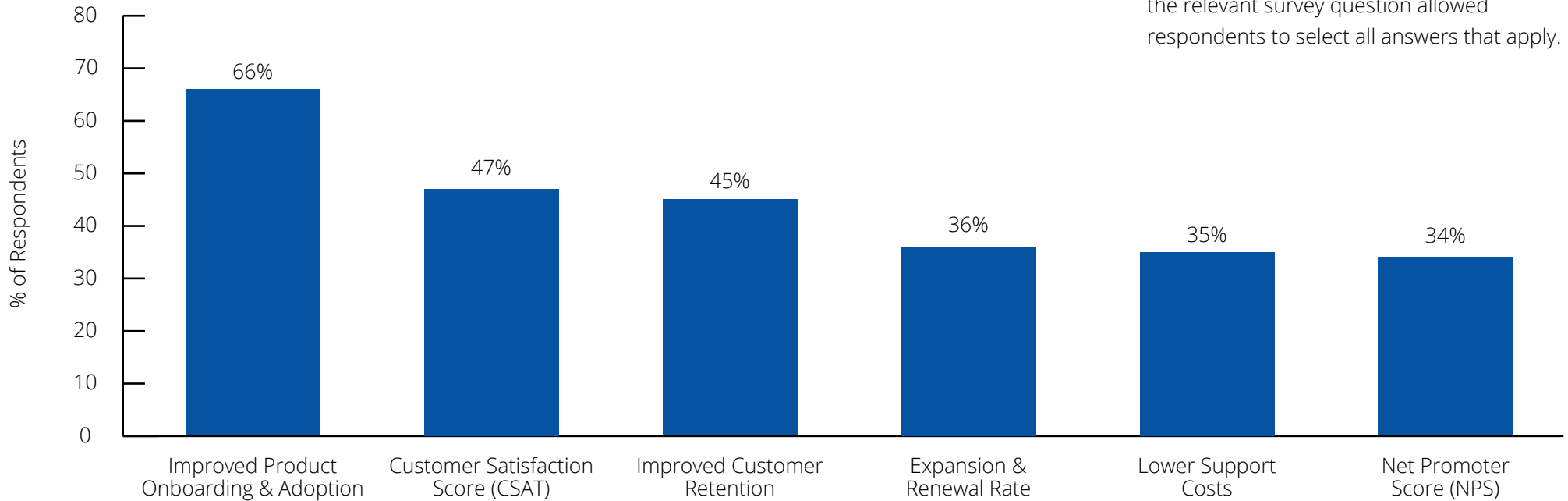
Note:

The data in this section exceeds 100% as the relevant survey question allowed respondents to select all answers that apply.

In Fig. 35, respondents identified the key business goals that are most positively affected by training. As you can see, **the greatest impact of training is seen in terms of improved product onboarding & adoption, as well as higher CSAT scores.**

Of note, the survey uncovered an apparent disconnect when it comes to training's impact on customer retention. While 45% of respondents reported that they see a strong correlation between training and customer retention levels, when the same pool of respondents was asked about evaluation metrics (see the following page), only 24% of respondents indicated that they measure revenue associated with training accounts (like retention, renewals, and expansion). This apparent disconnect is likely a result of anecdotal evidence and demonstrates the need for Education professionals to more concretely measure impact.
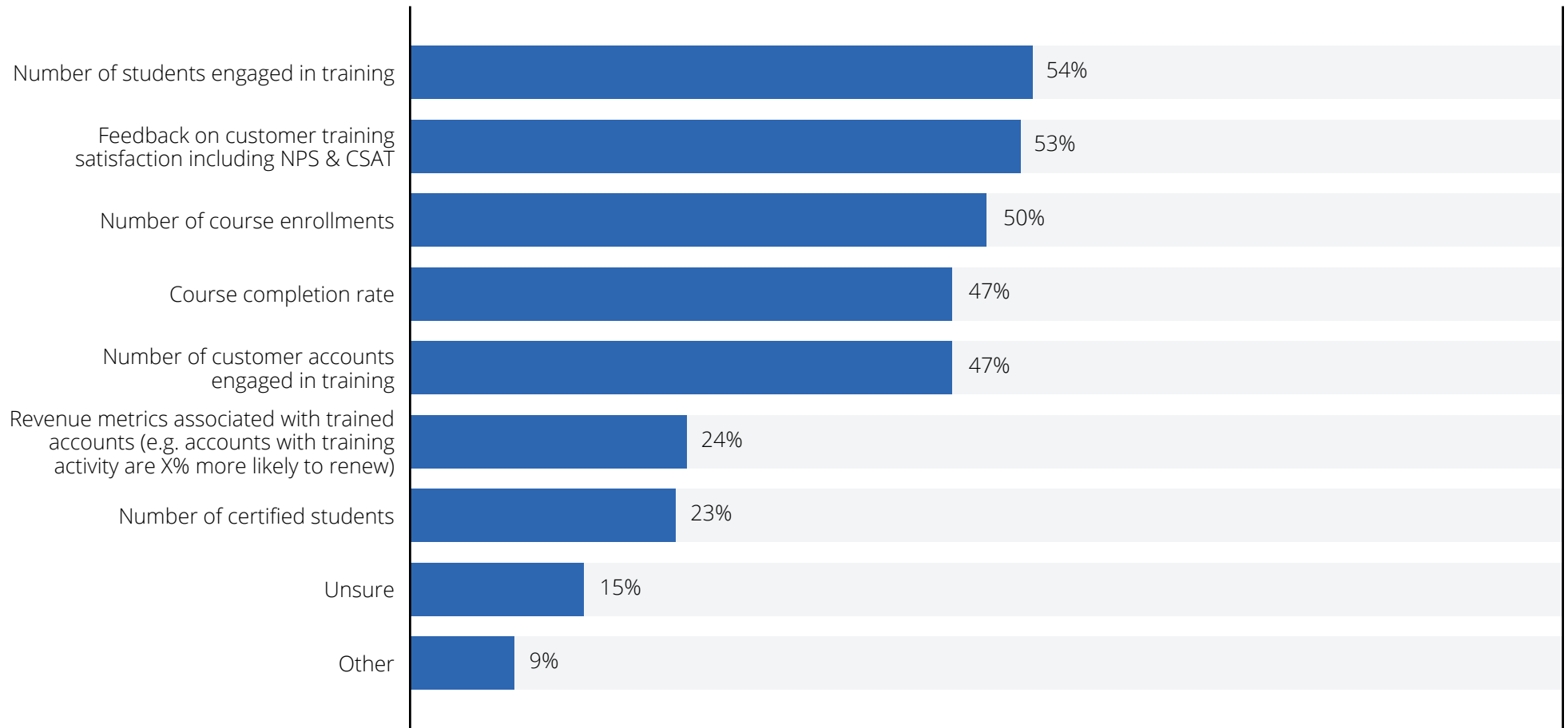
Measuring Impact

TAKEAWAY

Education teams are seeing a strong correlation between training consumption and business outcomes such as improved product onboarding, higher CSAT scores, and improved customer retention. The dataset also highlights the opportunity to drive improved consumption of training content, since many companies are only reaching a fraction of their customer base with education. We recommend that training organizations create goals around driving consumption and work cross-functionally with Marketing, Customer Success, Support, and Product teams to help drive improvements. We'll also echo the point here that we made earlier about the importance of integrating your program with a CRM system. This integration will help you measure the business impact of your training program and develop an understanding of the ROI in terms of improved customer onboarding, adoption, and retention.

" 66% of respondents find that customers who engage with training show improved product onboarding and adoption behavior

Program Evaluation

Fig. 36 | Which metrics does your company use to evaluate its training program?

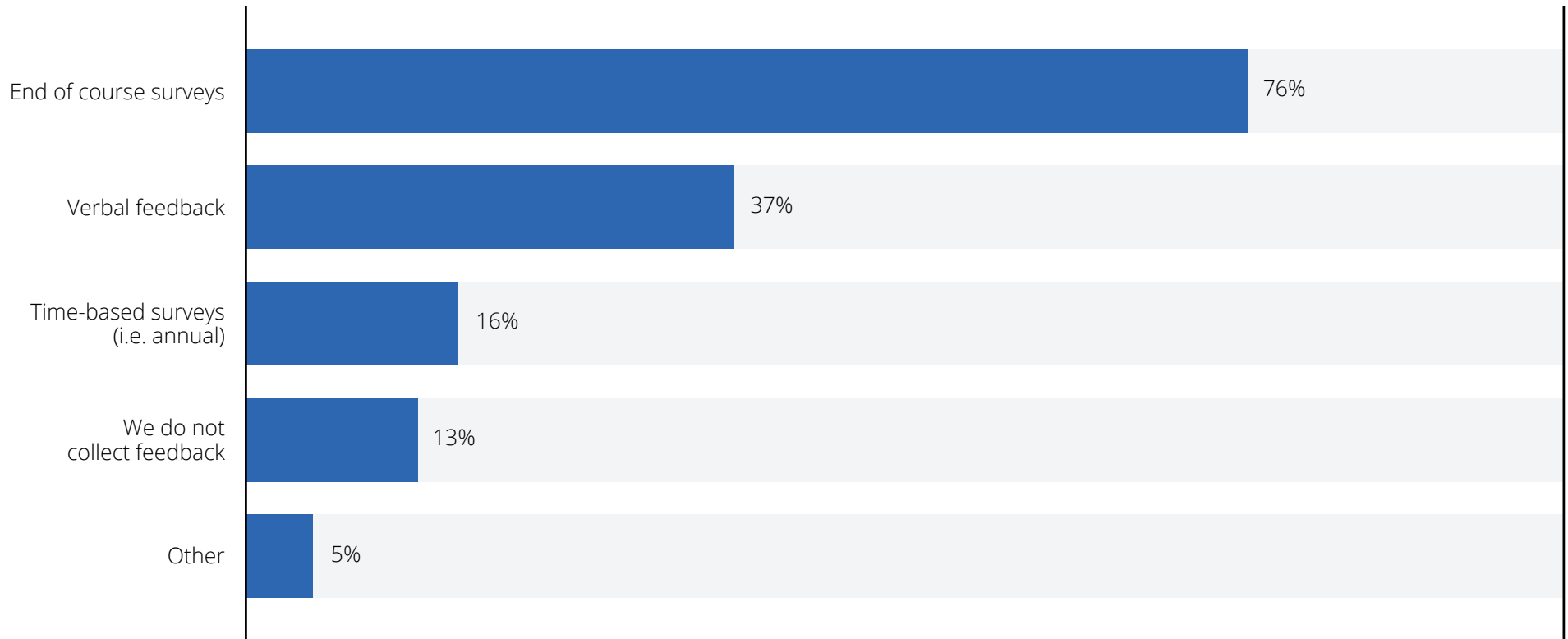| Metric	Percentage
Number of students engaged in training	54%
Feedback on customer training satisfaction including NPS & CSAT	53%
Number of course enrollments	50%
Course completion rate	47%
Number of customer accounts engaged in training	47%
Revenue metrics associated with trained accounts (e.g. accounts with training activity are X% more likely to renew)	24%
Number of certified students	23%
Unsure	15%
Other	9%

Our findings show that most teams use a combination of metrics to evaluate program performance. **While training consumption is still the most widely used metric, we did find that 24% of training teams correlate training with revenue metrics** *(Fig. 36).* This also presents an improvement opportunity for teams that are not doing so today, especially programs that seek to demonstrate the business impact of education.

Note:

The data in this section exceeds 100% as the relevant survey question allowed respondents to select all answers that apply.

Program Evaluation

Fig. 37 | How do you collect feedback from students related to training?

End of course surveys	76%
Verbal feedback	37%
Time-based surveys (i.e. annual)	16%
We do not collect feedback	13%
Other	5%

When it comes to training consumption data, **respondents frequently use quantitative data at the account, student, and course level as well as data in the form of Net Promoter (NPS) and Customer Satisfaction (CSAT) scores** *(Fig. 36).*

Some Education teams are also using certifications as a measure of program success. That said, 15% of respondents are unsure about the data they're collecting and evaluating to gauge the health of their programs, highlighting an additional area for improvement *(Fig. 36).*

Note:

The data in this section exceeds 100% as the relevant survey question allowed respondents to select all answers that apply.

Program Evaluation

When collecting feedback from students about training , organizations use a variety of tactics, most notably, surveys at the end of courses (76%) *(Fig. 37)*. Other types of evaluations mentioned by respondents include application usage tracking, in-app surveys, webinar polls, and proactive interviews with users who have taken the training.

TAKEAWAY

Direct customer feedback is one of the most useful ways to gauge the effectiveness of your content. It is reassuring to see that the vast majority of respondents do have some sort of feedback loop in place. Teams should consider ensuring that they have the mechanisms in place to process this feedback and act on it appropriately
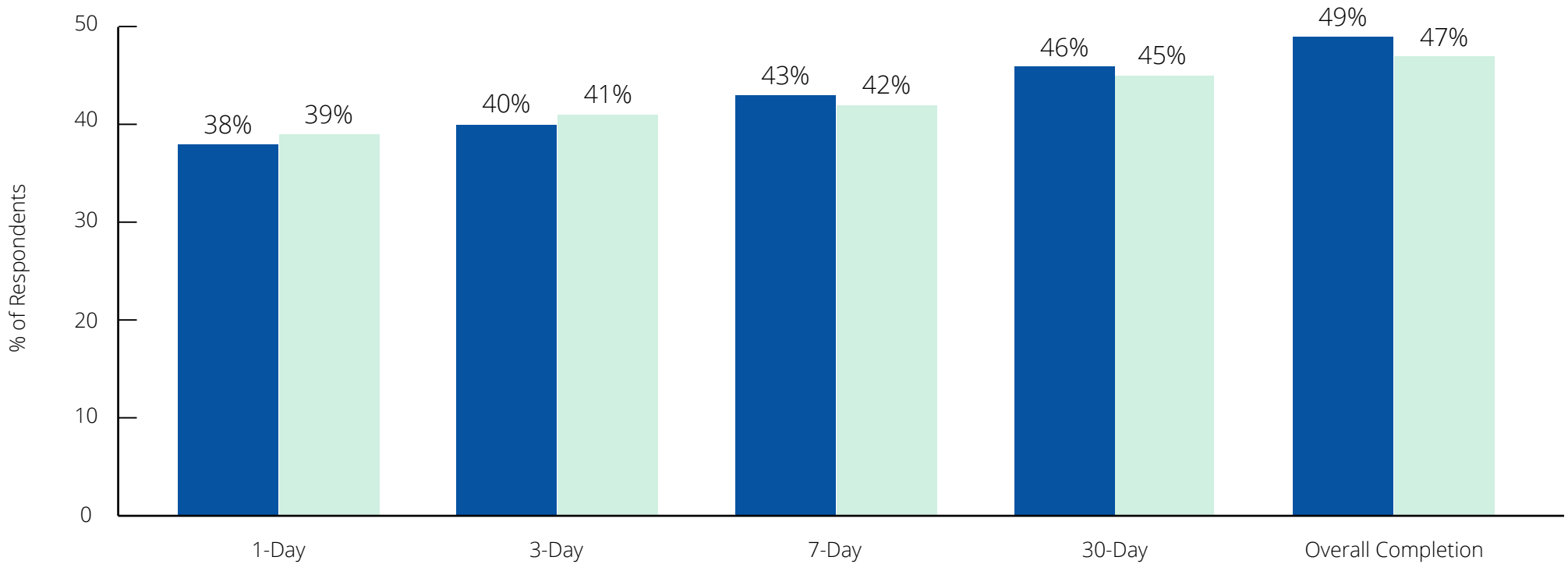
" 76% of Education teams use end of course surveys to collect student feedback

Skilljar-Hosted Program Data
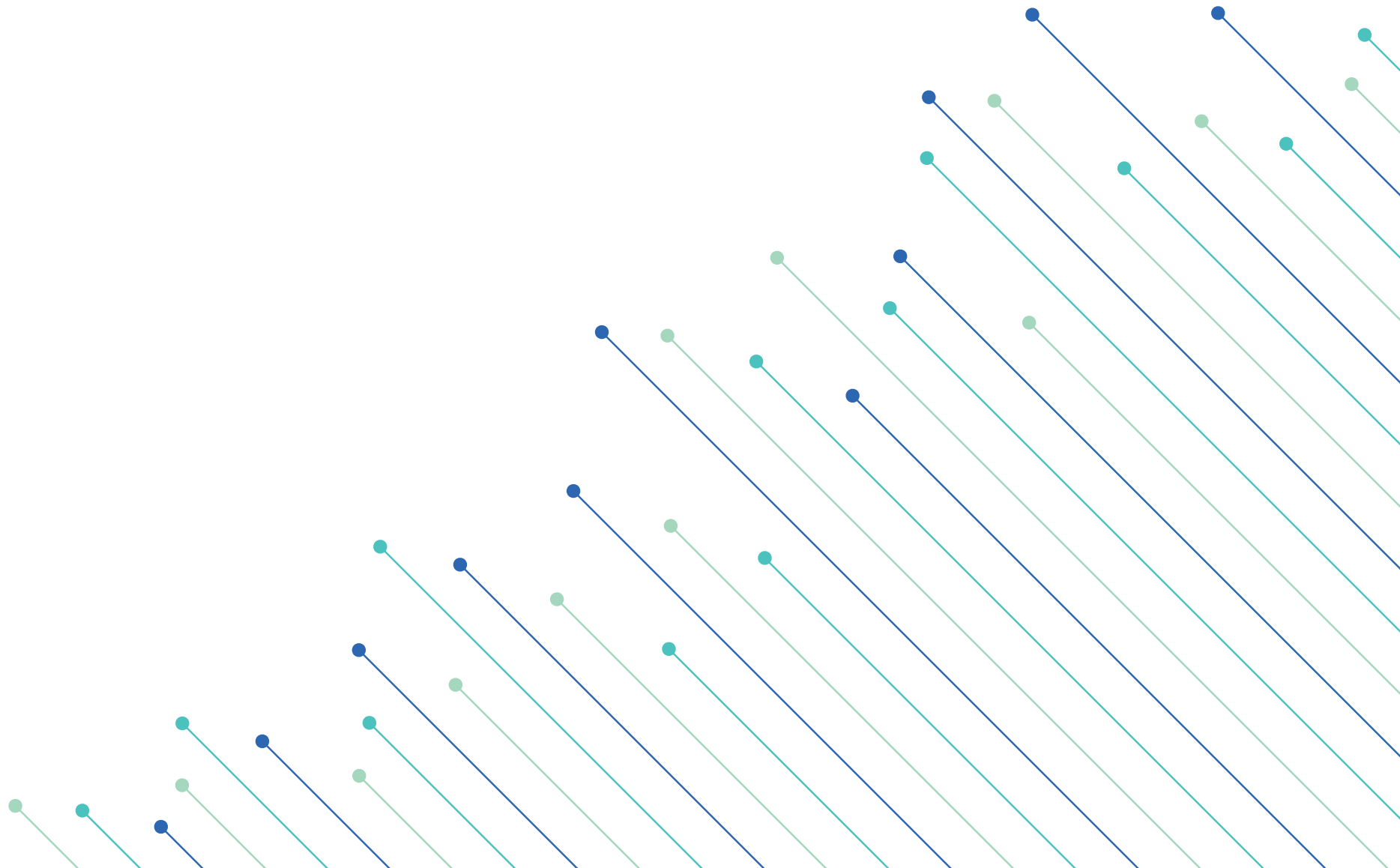
Completion Rates

Fig. 38 | Completion rates over time

Completion rate is a foundational metric for training programs, and it's one that Skilljar has tracked over the past few years. As you can see in the chart above, **the average course completion rate in 2017 was 49% and this past year's data shows a total completion rate percentage of 47%,** demonstrating that this metric has stayed relatively stable over the last three years *(Fig. 38).*

In terms of completion rate trends over time, there is little growth after the first day. The important takeaway here is that you should design the length and the flow of your course in a way that drives maximum engagement when a student first starts taking the course.
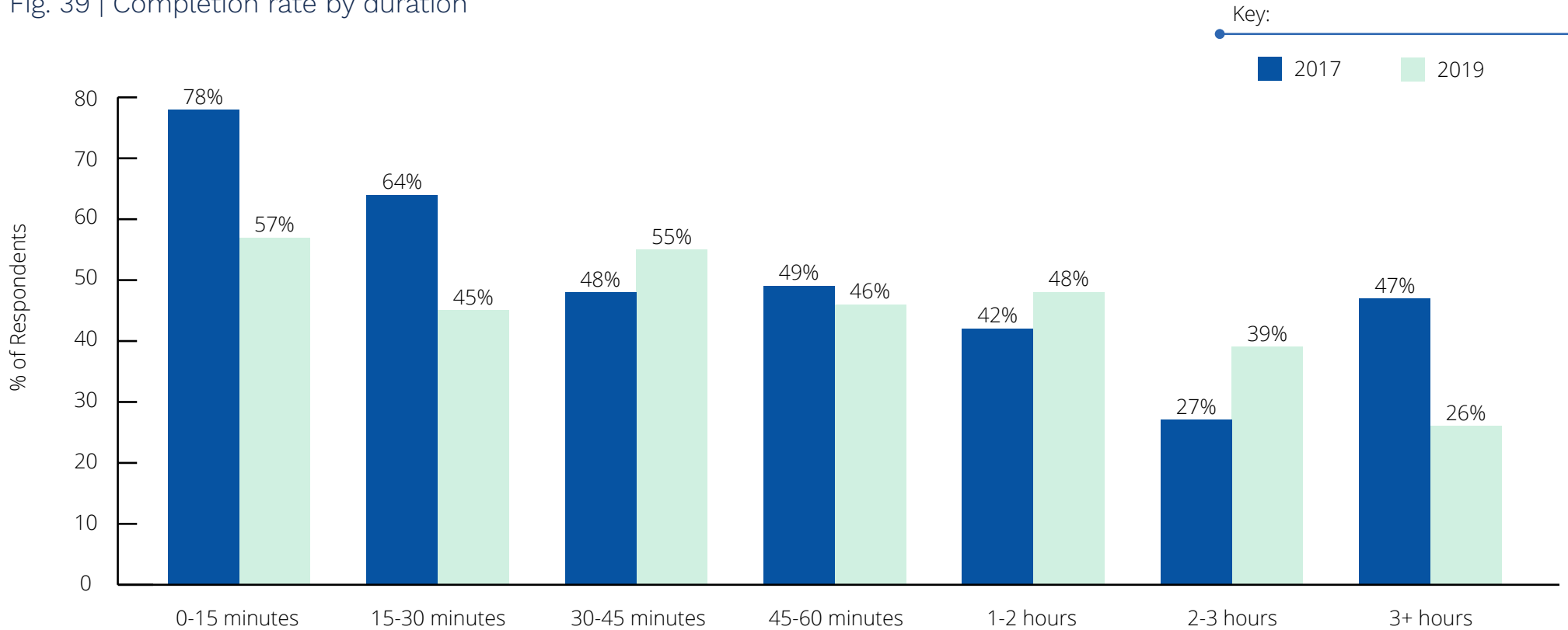
Key:

■ 2017   ■ 2019

Note:

This data is aggregated from current Skilljar customers (see page 6 for further detail on this portion of the study).

Completion Rates

Fig. 39 | Completion rate by duration

Key:
■ 2017   ■ 2019

Perhaps unsurprisingly, completion rates also vary based on the length of the course. **While courses that are 0-15 minutes long or 30-45 minutes appear to be in the "sweet spot" for high completion rates, anything over two hours shows notable decreases.** That said, because the attrition rate is relatively slight over time, longer courses can still be effective at disseminating valuable information, especially if the content is highly relevant *(Fig. 39).*

Relatedly, according to research from **TechSmith,** 52% of viewers prefer instructional and informational videos that are between 3-6 minutes long. Further, 92% of "great videos," according to their research, are below the 20-minute mark.

Although there is a noticeable drop in completion rate as more lessons are added to a course, the drop is less significant for
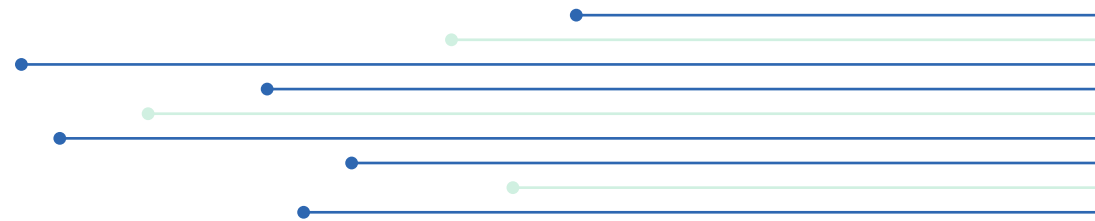
Completion Rates

courses with four or more lessons. Since courses in Skilljar are modular and usually made up of many lessons, courses with more lessons may cover additional concepts or be made of many short "microlearning" type modules.

TAKEAWAY

Course completion rates are highest when the course takes less than 15 minutes to complete. While the rates naturally degrade as the course length increases, they hover around the 50% mark up until 2 hours in course length (Fig. 39). While shorter courses that address a specific need might typically be better for certain use cases (just-in-time learning, robust job aids, etc.), we recommend that Educators balance course length with business needs and content coherence. Our data shows that students are consistently engaging in longer-form content.

While it's important to track completion rates, it is not always the most important goal. For certain activities (like learning paths or onboarding flows when students need to go through an entire course or series) completion should certainly be the goal. However, in many instances, students are searching for a particular answer or looking to learn a specific skill. In these cases, students will ideally jump into a course, find what they need, and leave, rendering completion of the course unnecessary, and possibly a misleading metric to track.

Course & Lesson Format

Fig. 40 | Most common lesson format by % of total lessons
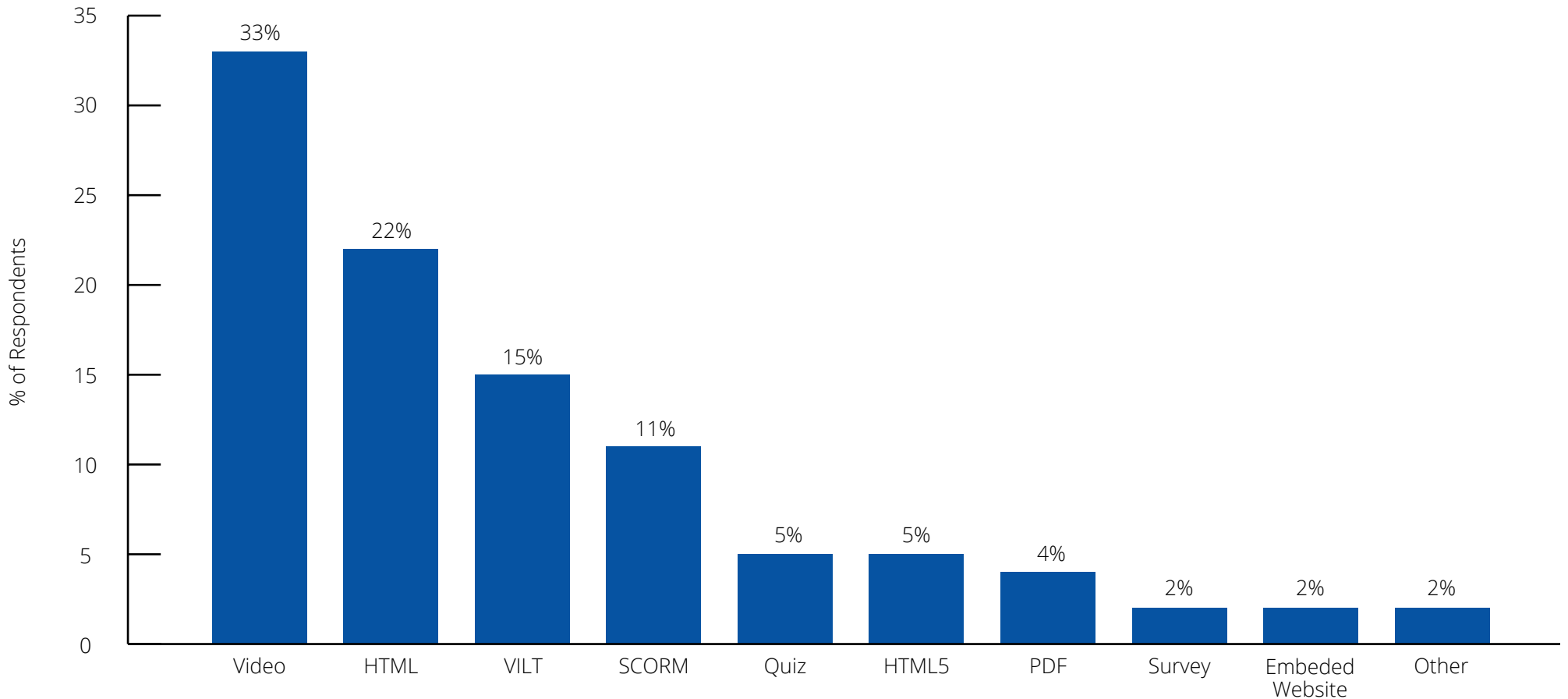
Based on the analysis of programs hosted on Skilljar, **the most popular lesson format, at 33%, is video** *(Fig. 40)*. **Moreover, 66% of courses hosted on Skilljar have at least one video** *(Fig. 41)*. This was followed by text/HTML lessons, which are popular for conveying quick ideas and are frequently included as the first or last lesson in many courses, as an introduction or conclusion.

Course & Lesson Format

Fig. 41 | Proportion of courses with format
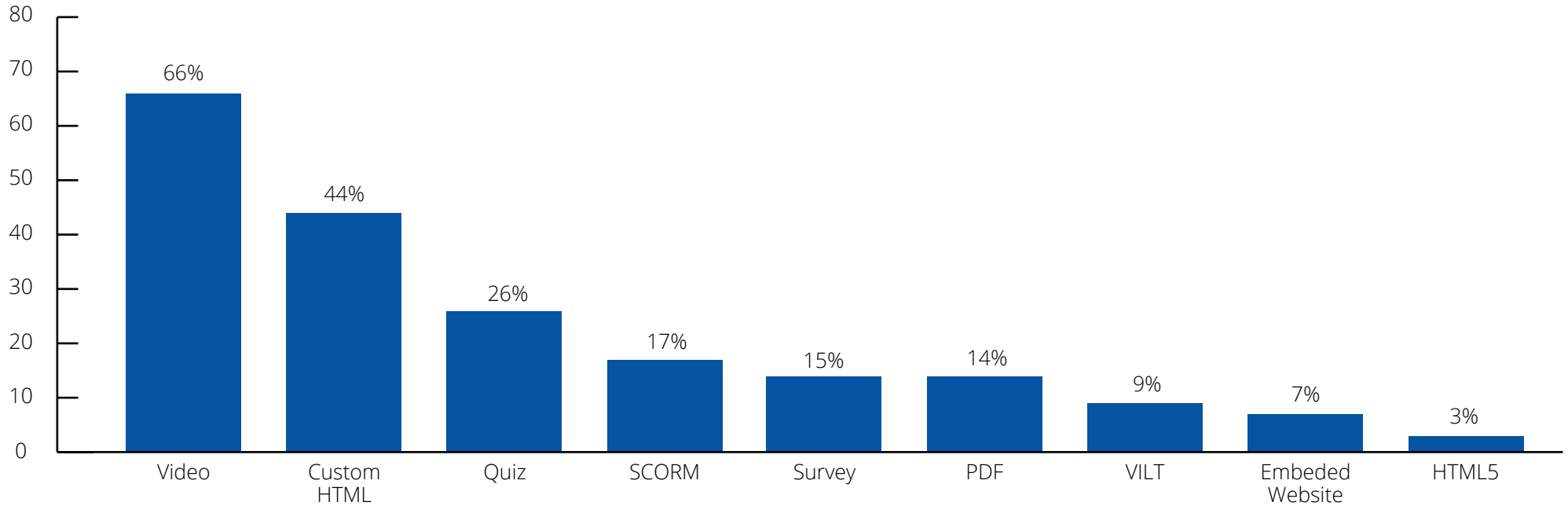
TAKEAWAY

As was the case in our 2017 findings, video is the most popular medium for Customer Education and we don't expect that to change anytime soon. According to TechSmith, "the increase in viewing frequency is particularly noticeable in the field of instructional video content. **YouTube** reported that searches related to 'how to' are growing 70% year over year and that hundreds of millions of hours of how-to content are being watched every year."

TechSmith Video Viewer Research further clarifies, "In 2018, 55% of people reported watching several (two or more) technical videos each week. This is up from 45% in 2016 and up from 28% in 2013." Plus, video is often a great replacement for in-person training.

Course & Lesson Format

That being said, we'd encourage any content developer to evaluate the most effective means for conveying information on a case-by-case basis and understand where in the customer experience the content is being used. In doing that, you can make sure that your content fits the customer's need, be it for a longer tutorial, a quick video, or simple documentation.

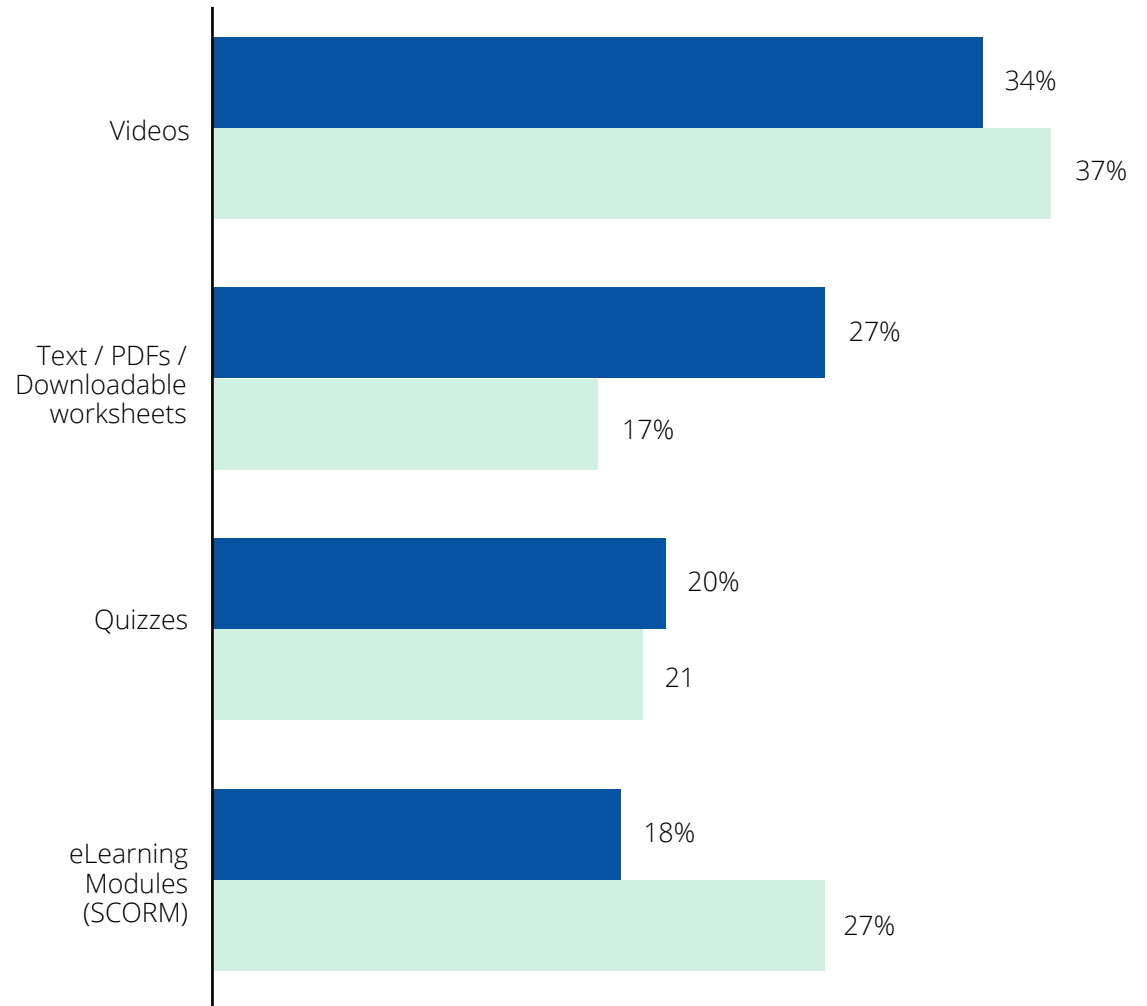**" 66% of courses hosted on Skilljar contain at least one video**

Content Delivery & Investment

When it comes to the format of training content, it's clear that teams are using a variety of methods to drive engagement *(see Fig. 42).* **Video is a priority for many organizations and a format that organizations are continuing to invest in.** eLearning modules (like SCORM) are the other format that training organizations seek out as they offer students more interactive learning opportunities.

TAKEAWAY

Video continues to be adopted as the most used content format in customer education, as well as the content type most ripe for future investment. The data also signals that customer educators are recognizing the need for more engagement in digital learning. As a greater proportion of training shifts to on-demand formats, the industry has historically leaned on eLearning modules, like SCORM formatted lessons, to add interactivity, and this continues to ring true.

Notes:
- The data in this section exceeds 100% as the relevant survey question allowed respondents to select all answers that apply.
- The data on this page is from the Industry Survey.

Fig. 42 | Current use vs. future investment

Videos
- Current Use: 34%
- Future Investment: 37%

Text / PDFs / Downloadable worksheets
- Current Use: 27%
- Future Investment: 17%

Quizzes
- Current Use: 20%
- Future Investment: 21

eLearning Modules (SCORM)
- Current Use: 18%
- Future Investment: 27%

Key:
- Current Use
- Future Investment

Credentialing

When it comes to the use of credentials, respondents were nearly split on using certificates of completion or no credentials with their programs. According to our survey, **nearly half the respondents (45%) use a certificate of completion** in their program *(Fig. 43)*. **Of note, based on Skilljar-sourced data, courses with credentials are often more than double the time commitment, requiring twice as many minutes to complete with nearly three times as many lessons.**

Certificates of completion are one of the simplest credentials to implement within a program, however, our platform data shows that the impact of credentials on completion is challenging to discern at this time. We observed that certificates do help drive higher completion rates for relatively high-lift lesson formats such as Quizzes and VILT.

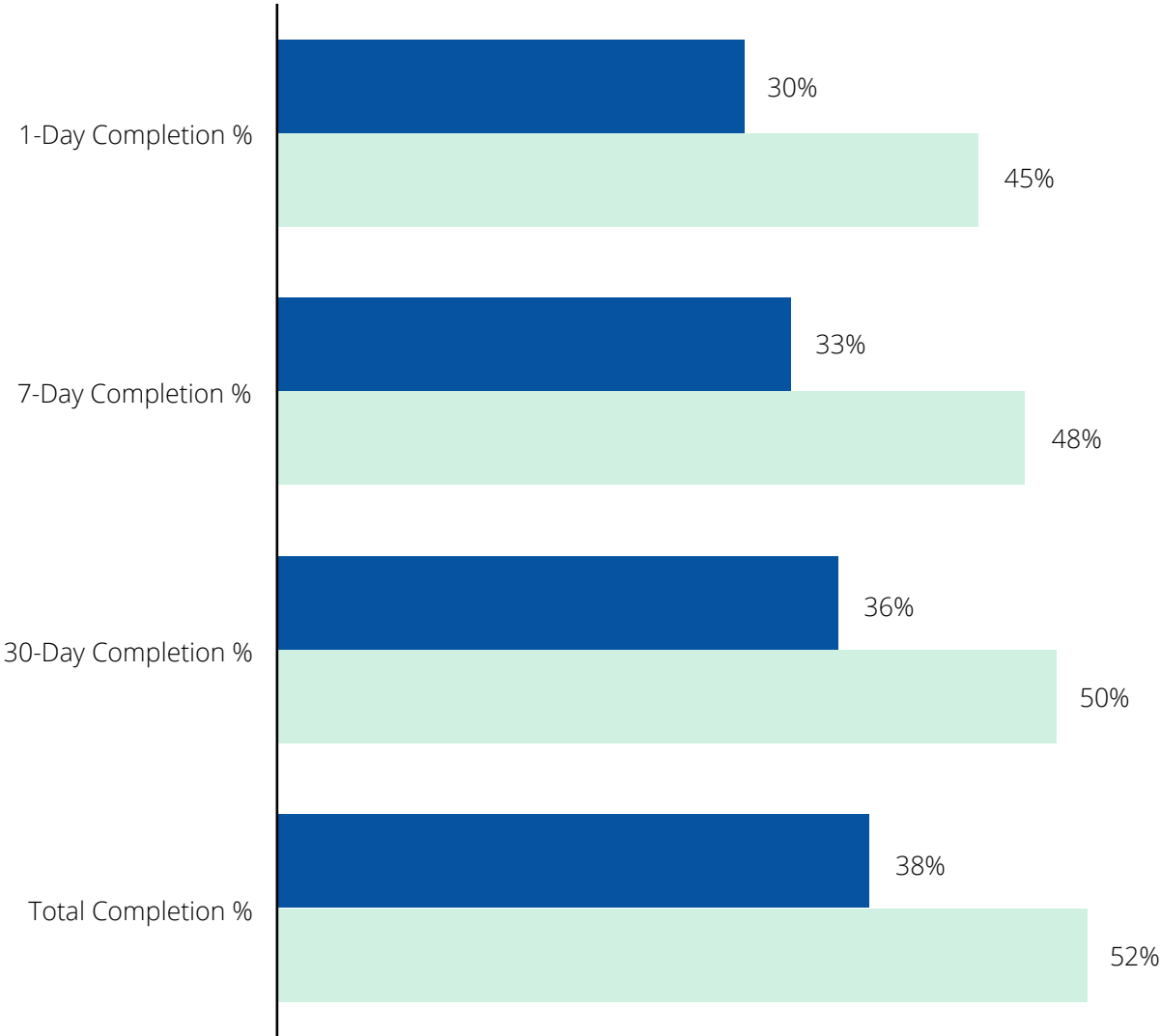Fig. 43 | Use of certificate, formal certification, or badging program
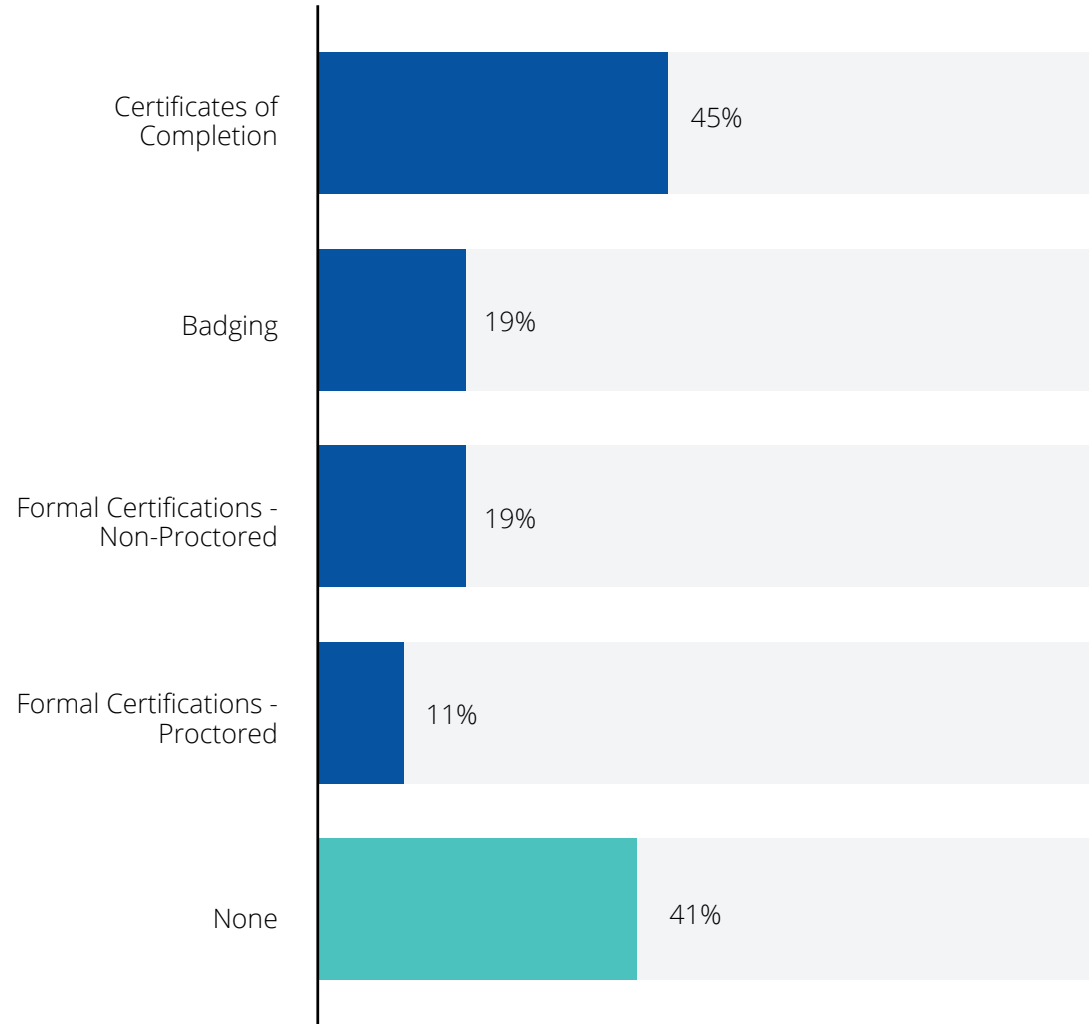
Note:

The data in this section exceeds 100% as the relevant survey question allowed respondents to select all answers that apply.

Credentialing

TAKEAWAY

While credentialing is often viewed as a way to drive course engagement and completion, the Skilljar data shows that course completion rates are actually lower for courses with credentials. To us, this indicates that organizations need to consider why they are offering a credential and evaluate if it's a valid incentive for driving course completion. We'd encourage evaluating the variety of goals that credentials can help an organization achieve. Organizations also need to ensure that the value of the credential to the student is commensurate with the required workload and time commitment required to achieve it.
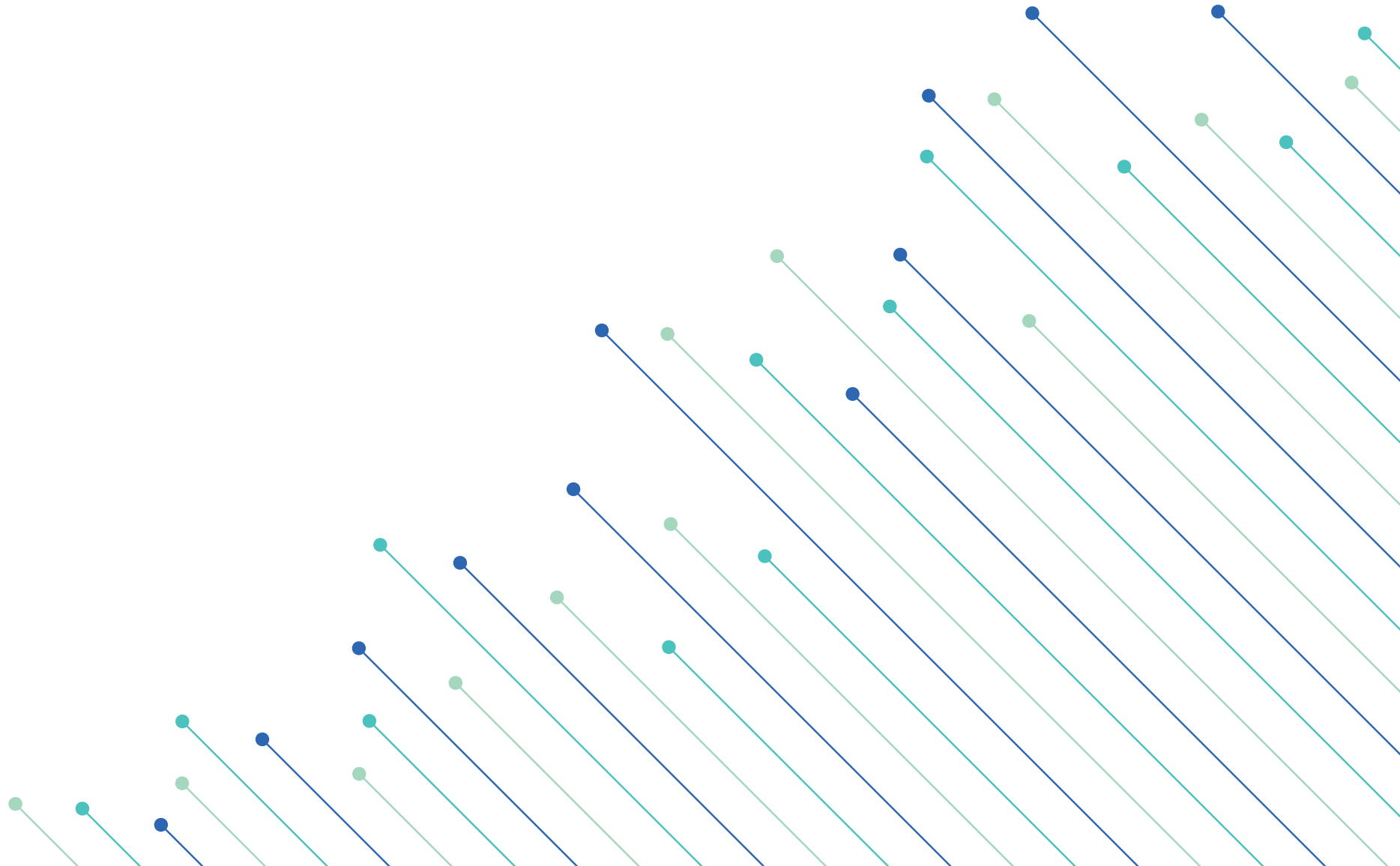
Fig. 44 | Course completion by days per certification

	Certificate	Non-Certificate
1-Day Completion %	30%	45%
7-Day Completion %	33%	48%
30-Day Completion %	36%	50%
Total Completion %	38%	52%

Key:

■ Certificate

■ Non-Certificate

Conclusion

Conclusion

The industry survey and Skilljar-hosted program data both indicate that the discipline of external education is evolving fast and most respondents expect that it will continue to grow in significance and impact in the coming years. Training program goals today align well with business initiatives like new customer onboarding, and there is an opportunity for the Education teams to do more to support company-wide initiatives such as improving customer retention and reducing support tickets.

Education teams currently see a strong correlation between training consumption and business outcomes, such as improved product onboarding, higher CSAT scores, and improved customer retention. The survey results also highlight an opportunity to drive improved consumption of training content, since many companies are only reaching a fraction of their customer base with education (Fig. 34). From a content perspective, video continues to be a key area of focus and one that will further gain in importance, given the growing remote workforce. While we're seeing shorter courses have a higher completion rate, we recommend that Educators balance course length with business needs and content coherence. Our data shows that students are consistently engaging in longer-form content.

Respondents expect training budgets to continue to rise in the next several years, and we expect to see a commensurate increase in expectations from internal stakeholders in terms of demonstrable business impact. If your organization is not already integrating training data into a CRM, now is the time to get started as this is a crucial means of measuring training impact and communicating ROI.

While the COVID-19 pandemic is likely to have long-term impacts for nearly every organization, we also see this as an opportunity for education professionals to further demonstrate their teams' value and take the lead in helping their companies and their customers adapt and succeed in this New World of Work.
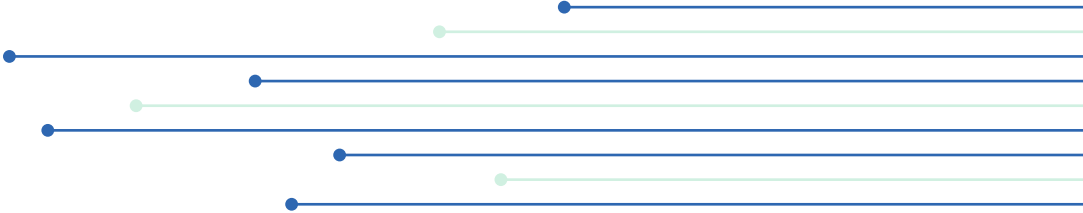
As you evaluate opportunities in your program, a Customer Education Platform can give you the tools you need to onboard, engage, and retain customers at scale. We at Skilljar would love to explore ways to improve the performance of your program with you. To schedule a consultation and see a demo of Skilljar in action, please **contact us here.**

About Skilljar

Skilljar's award-winning customer training platform enables you to successfully onboard, engage, and retain your customers and partners. Our cloud learning management system (LMS) makes it easy to create courses, distribute to web and mobile devices, and track results.

Skilljar helps you accelerate product adoption, automate onboarding workflows, reduce support costs, and increase long-term customer satisfaction.

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Customer training made simple