Daniel Quick
Barry Kelly

The Customer Education Playbook

How Leading Companies **Engage, Convert,** and **Retain** Customers

WILEY

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Published by John Wiley & Sons, Inc., Hoboken, New Jersey.

Published simultaneously in Canada.

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Library of Congress Cataloging-in-Publication Data is Available:

ISBN 9781119822509 (Hardback)
ISBN 9781119822523 (ePDF)
ISBN 9781119822516 (ePub)

Cover Design: C. Wallace

Dedicated to the Thought Industries team, our customers, and the broader customer education community.

Contents

Introduction *vii*

Chapter 1 How Customer Education Transforms Prospects to Champions 1

Chapter 2 Customer Education as a Catalyst for Business Growth 7

Chapter 3 Step 1: Maximize Impact by Aligning Customer Education to Business Goals 19

Chapter 4 Step 2: Motivate Customers by Curating Their Path to Awesome 39

Chapter 5 Step 3: Personalize Learning by Focusing on What Your Customers Need to Know 51

Chapter 6 Step 4: Execute Your Strategy Flawlessly with a Development Plan 63

Chapter 7 Step 5: Video or Course? Choosing the Right Content Format for the Job 77

Chapter 8 Step 6: Make Content Engaging and Efficient for the Busy Customer 95

Chapter 9 Step 7: Who Trains the Trainers? Transforming Your Team into Experts 111

Chapter 10 Step 8: Design Learning Experiences That Lead to Behavioral Change 127

Chapter 11 Step 9: Make Sure Your Customers Consume Your Content 141

Chapter 12 Step 10: Did It Work? Measuring the Success of Your Content 157

Chapter 13 Step 11: Actionable Strategies to Improve Your Content 171

Chapter 14 Step 12: Demonstrate the ROI of Customer Education 187

Chapter 15 Your Roadmap to High-Performance Customer Education 199

Chapter 16 Looking Ahead: The Future of Customer Education 209

Acknowledgments *217*

About the Authors *221*

Index *223*

Introduction

In today's subscription economy, your business is unlikely to survive if your customers aren't gaining value from your products. This is a sound argument for developing great products, of course, but that's not enough. After all, how can customers gain value from something they don't know how to effectively use? For your customers to achieve their desired outcomes, you must teach them what they need to know. Enter *customer education,* a rapidly evolving field that focuses on teaching customers the right things, at the right time, so that they find value from your products and become advocates of your brand. An educated customer is a satisfied customer that delivers long-term value to your business.

Here's a secret. Customers are always learning, and they are learning at every stage of their lifecycle. Whether they are learning how to solve their problem, why your solution is better than others, or how to develop mastery with your product, customers are being educated and educating themselves, for better or for worse. Left to their own devices, customers will often struggle through this learning process; many will fail to adopt your product, much less become masters of it. Without a customer education strategy, learning will happen anyway – just not the kind that positively impacts your business. You don't want customers learning the wrong things; that your product is "difficult to use," for example, or "doesn't offer value to someone like me."

Whether you think you are or not, you're probably already investing in customer education. If you're putting money into content marketing, account managers, or customer support – you're educating your customers.

The question is, are you educating them *successfully*? Are you simply reacting to events as they occur, or are you able to plan ahead so that you can proactively empower your customers at each stage and optimize your business for scale?

At Thought Industries, we are seeing more and more companies looking to create a more strategic plan for their customer education. After all, companies who are leaders in their categories, like Salesforce, Gainsight, HubSpot, Motorola, and 3M, all invested early in customer education as a way to maximize and scale lifetime value, and this paints a compelling picture. There is an immense amount of untapped value lying unclaimed on the table.

However, that doesn't mean that developing a customer education strategy is easy. As a new field, practitioners often lack prior experience, and there are very few resources to help them achieve success in their roles. They can't even reliably look for guidance from their managers, who – lacking experience themselves – will usually expect customer education specialists to simply "figure it out." In this reality, how can new customer education functions (1) form and pitch their strategies; (2) effectively communicate their goals; (3) identify the optimal formats for their content; and (4) distribute, measure, and monetize the training they create?

These early-stage challenges are so great that many organizations find themselves caught in a sort of inertia. According to our *2020 State of the Customer Training Report,* 96 percent of companies believe that customer training is important to their organization. The value of training is not in question here. However, almost half stated that they are struggling to measure the impact of training programs, and only 14 percent believe a majority of their customers are adequately trained.

With our finger on the pulse of the industry, and a combined 50 years in the industry, we recognize that educating customers might be essential, but that doesn't make it straightforward, especially as no two customers are the same. They are all learners, but they all need something different. Effective customer education requires an investment. Yes, that means investing in technology for delivering engaging customer learning rather than relying on a traditional, internal-facing learning management system (LMS) that is more suited for employee and corporate training. However, more importantly, we've seen how essential it is to invest in a cohesive, central strategy that pulls all the different elements of a successful program together.

The Customer Education Playbook: How Leading Companies Engage, Convert, and Retain Customers, the bulk of which comprehensively discusses a framework we call the *Customer Education Playbook,* will help you develop that strategy. In Chapters 1–2, we'll define customer education and discuss how to operationalize it in your business, whether you're just getting started or hoping to mature your program. In Chapters 3–14, we'll cover the 12 steps of the *Customer Education Playbook,* all of which are based on research conducted from speaking to hundreds of customer education professionals and executives across multiple B2B industries. Finally, in Chapters 15 and 16, we'll explore the phases to achieving a mature customer education function and give you our thoughts on the future of the industry.

Our hope is that the *Customer Education Playbook* will help professionals on the ground to develop a clear and structured approach that leads to impactful, engaging, and measurable customer education programs. As you read the following chapters, you'll learn the answers to all of those questions you've previously been expected to "figure out on your own," and you will get practical and actionable advice on how to effectively target and educate your customers – transforming them from prospects to champions.

1

How Customer Education Transforms Prospects to Champions

Your customers are the center of your universe. The survival of your business hinges on their choices – whether they buy or churn, renew their subscription, tell their friends about you, or become a drain on your support teams.

As the center of your universe, your customers deserve your research, your dedication, your focus, and a deep level of understanding into their behavior at every stage of their journey.

The Evolution of Customer Education

The emphasis on "Customer is King" is far from a new idea, but over the past decade, there has been a slow shift toward understanding how important it is not only to know the customer but also to educate them. This evolution has been accelerated with drivers from three directions.

1. *The increasing complexity of today's products.* Today, customers need more hand-holding than ever to get to the point of value with your product. If you don't educate them on how they can reach that value quickly, they may assume that your product isn't a good fit or that it's too complex for their needs.
2. *More competition than ever before.* According to US Census data, new business formation has been growing steadily since 2010, and between 2019 and 2020, the number of new businesses registered leapt by 24 percent.[1] A well-executed customer education strategy can make all the difference in helping your business stand out from the competition.
3. *Growing customer expectations.* Education and training have become an expected part of the customer experience. Whether it's in-product tutorials, skills-based learning, or certifications, your customers want to learn and grow as professionals and are increasingly looking to you to make it happen.

The Business Benefits of Education Across the Lifecycle

The focus on educating the customer may have started out as the route to customer success, but what began with an emphasis on improving customer experience has quickly proved itself to be an economic imperative, an approach that pays dividends across the customer lifecycle.

Pre-sale

The concept of an Educated Qualified Lead (EQL) is simple – a lead that is already knowledgeable about your product and what it can do for them before they reach out to show curiosity or interest. By educating the market, generating leads becomes easier, and the quality of those leads is much improved, with many ready to move into the second phase of the sales cycle even before they reach out. These inbound prospects that come through your door already have some idea of what gap you can fill for them, and therefore they can ask better questions and already have a foundation for learning.

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[1] US Census Bureau, "Business Formation Statistics," December 8, 2021, https://www.census.gov/econ/bfs/index.html.

Your interested customers have now become true prospects, and at this stage you might be channeling them into some kind of trial. Customer education offers a route to optimizing trials for success by focusing on the value proposition and controlling the flow of information so that customers don't feel overwhelmed. Examples might include offering the customer a tool to learn new vocabulary at the start, using visual aids to shape thinking, or breaking down the trial into smaller sections where customers can really kick the tires. The trial stage is a really sensitive moment in the customer journey, and customer education allows you to curate experiences that work for individual personas and roles. You can also extend the benefits of education to your channel partners, from distributors to resellers. The quicker and easier you can get these important stakeholders trained and confident with your product, the more likely that they will achieve results on your behalf and the less you will need to micromanage those relationships behind the scenes.

Education also allows you to scale and streamline your trial and onboarding processes far beyond what you could achieve with customer success managers (CSMs) and sales teams alone. If your prospects can walk themselves through a trial experience or an onboarding journey, complete with tutorials and education built for any points of friction, you are immediately reducing your customer acquisition costs (CAC) while increasing the number of simultaneous customers that you can onboard.

Post-sale

Congratulations! Your prospects have become customers. They've signed on the dotted line, onboarded your product, and passed the line into a post-sale relationship. But don't make the mistake of seeing that line as a finish line – in reality, it's more like your starting point. At this stage, marketing and sales often drop out of the relationship, and the baton is regularly passed over to customer support or customer success. Without a strong educational strategy in place for proactive support, CS teams can become a reactive presence, waiting for problems and troubleshooting as they occur.

While you can use your CSMs to train or support a single customer easily, once you hit a certain threshold, it becomes much more difficult to scale. How can a single CSM effectively manage training for many customers, all of whom will be at different stages of adoption with your product, and still have time to build relationships and drive value? Moreover, what happens when CSMs leave your organization and you haven't yet trained new ones to manage accounts? As your growth relies on deeper product adoption and customer satisfaction, you need a scalable path to customer onboarding so that they realize value as quickly as possible and can access the help they need on their own terms.

Customer education can be used to deflect support tickets and even turn support interactions into training interventions at the moment of need. Instead of onboarding new CSMs to handle an ever-increasing number of tickets, you can strategically place education where known pain points occur in your product, or you can develop a robust knowledge base so that customers can resolve their own problems. As customers become more confident that they will find the answers, your support costs drop, even as the number of customers you onboard increases.

Advocacy

Your customers are now achieving increasing levels of comfort and mastery with your product, and they're getting there faster than ever, speeding up overall time to value (TTV). Providing opportunities for customers to gain deeper mastery will lead to an increase in net promoter scores (NPS) and customer satisfaction (CSAT), because you're creating brand ambassadors who have used your product to become more effective in their role. The more legitimacy you gain in the market as an expert in your field, the more opportunities there are to grow direct revenues through paid education, such as courses and paid eLearning.

Today, skills-based learning and certifications are highly relevant and increasingly in demand. Customers are happy to pay for applicable and significant credentials that bolster their resume. Companies who can leverage this and create certifications that become known as the industry standard are carving out a competitive advantage, alongside a new line of revenue.

Crossing the Chasm: When Is the Right Time to Invest in Customer Education?

One of the first questions that you'll likely ask yourself is: When is the right time for your business to start investing in customer education?

To answer this question, we want to touch on the idea of the *Technology Adoption Lifecycle* by Geoffrey Moore,[2] as seen in Figure 1.1.

As your customers move through the lifecycle, they expect an increasing amount from your company. Innovators and early adopters, by nature, are likely to be more enthusiastic and self-motivated to learn and play with your product. On the business side, you have a lot more time on your hands at this stage to offer a white-glove experience when they need support. In contrast, as you cross the chasm into early-majority and late-majority

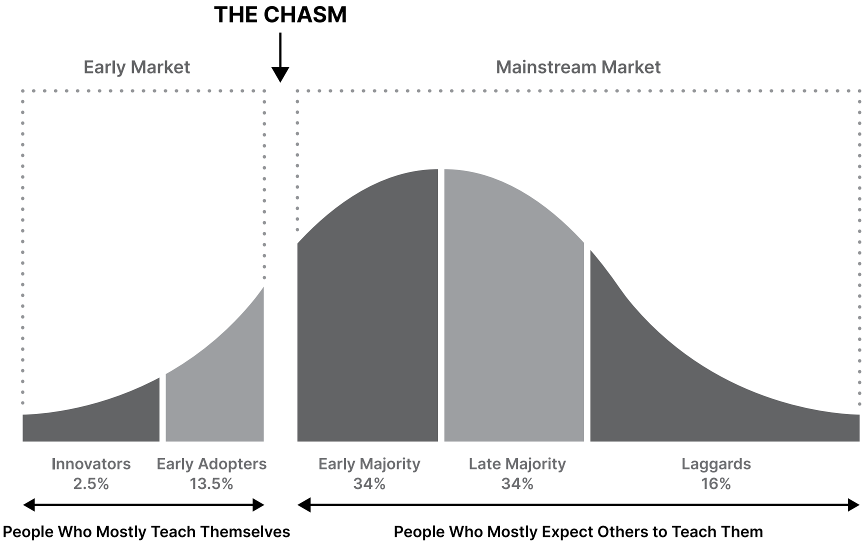

Figure 1.1 Crossing the Chasm

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[2] Geoffrey Moore, *Crossing the Chasm: Marketing and Selling Disruptive Products to Mainstream Customers,* 3rd Edition (New York: Harper Collins Publishers, 2014).

adopters, your customers will start to expect more hand-holding and an established strategy for training them in how to be successful with your product. The profile of these kinds of customers dictates that they are going to be less comfortable or successful going it alone.

Conventionally, as companies feel this pressure – the need for customer education becomes clear. When you arrive at this point, as you cross the chasm, your business will need to have a sound strategy in place for education if it is going to successfully scale.

Let's take this even further and highlight the benefits of creating this strategy earlier in your maturity. As already outlined, customer education is beneficial throughout the customer journey, so why not bring it in at the beginning of your business maturity? Don't just view education as a function that will solve the learning needs of late-majority customers when they ask for help. Rather, also leverage education as a scaling function for content marketing and lead generation, as well as to support early adopters who might not traditionally need education as much but for whom low-effort content such as short, engaging videos can really deepen their engagement with the product. In that way, education helps your company to move from early market to mainstream, effectively facilitating the crossing of the chasm rather than merely reacting to it.

This attitude may sound like we're conflating education with the marketing function of the business – and that's okay! There is a lot of overlap between the two. If the goal of marketing is to drive awareness and to attract and convert new customers, customer education can play a big role in that if you start your education function early. It's never too soon to be thinking about your customer learning strategy and journey, identifying the moments of their customer lifecycle and crafting a content strategy around teaching the right education at each of those moments. Increasingly, customers expect production-quality education, thanks to the likes of YouTube, TikTok, Instagram, and more, so getting education involved in marketing projects can be a great way to boost marketing campaigns, too.

Ready to get started? In the next chapter, we will discuss how to define the scope and responsibilities of your customer education team, including where to place your team to get the most value and how to choose the portfolio of education programs that will drive behavioral change across the customer lifecycle.

2

Customer Education as a Catalyst for Business Growth

Effective customer education requires us to have a learning strategy and to overlay that strategy across the entire customer journey. As such, it is much more than an activity that's shared across many different teams, but rather, a strategic function for the business that is accountable for achieving specific goals in the same way as other functions, like sales, marketing, and customer success.

The Importance of a Centralized Strategy for Customer Education

When you don't have a centralized holistic function that is thinking about the entire learning journey, you can't help but end up with a disjointed and fragmented experience. If your learning isn't mapped out cohesively, the customer is not nurtured from one stage to the next, and customer education becomes limited to individual projects like creating some help articles for the support team or creating an onboarding workshop with customer success. You'll end up with different teams teaching your customers different things in different ways, and customers will almost certainly experience friction as a result.

In contrast, when customer education is a strategic function, you can focus on the holistic learning journey – by dedicating a team of professionals with expertise around facilitating behavioral change through learning.

What Else Is Customer Education? And What Isn't It?

When you're creating this centralized strategic function, some fundamental principles can help you stay focused and inform what customer education is and, perhaps even more importantly, what it is not.

It Is . . . a Learning Journey That Is Overlaid on Top of the Whole Customer Journey. That means it's not just a slice of that journey, where you end up hyperfocused on one segment like onboarding. However important a single segment is, it is never where learning definitively starts or stops.

It Is . . . Programmatic and Active. When you create customer education, you're intentional about facilitating learning in a specific way to get specific outcomes. You have a clear program that you put in place, and the content will be contextual, depending on what stage the learners are at and who they are. It's not a passive experience, where you create a bunch of content and then wait for the customer to engage.

It Is . . . Grounded in Data. Customer education is a constantly living and adapting entity. It is not a static artifact that becomes stale and irrelevant, but rather, it involves a continuous cycle of knowing where customers are struggling, understanding your audience, and recognizing what they need at the right time and place. It's not shooting at the hip; it is data-driven and focused to align with the learning needs of the customer.

It Is Not . . . Just about Using the Product. The vast majority of people don't have a job that's about using your product. They have a job where your product is a tool that they can use to better complete their tasks. As a result, customer education is about helping your customers achieve success in their roles, doing the job that they hired your product to do. We'll talk more about this idea later, but the main thing to understand is that customer education thinks beyond the product. It's not about focusing on where to click but about equipping the customer with skills that allow them to thrive in their roles.

It Is Not . . . Customized 1:1 Training. At its core, customer education is a strategy for scale. That means it's not focused on what might be effective for a single customer, but rather, it's about creating and delivering content to many different customers at the right time and at the right place. Customer education is about personalizing content so that it feels uniquely relevant to a customer's learning needs, without having to customize it.

It Is Not . . . Mandatory. Usually, no one will be forcing your customers to engage with customer education. It's not compliance training or internal employee education. That means you need to engage and persuade your users to keep going – you need their buy-in. For this reason, customer education can't be dry and technical, and it often uses a mix of marketing elements to help the content to sing to the customer and encourage them to want to learn.

Where Should Customer Education Sit in the Business?

If we accept that the customer is always learning, from the moment they start looking for a solution to a problem all the way through to when they love your product and are telling their friends about you, then customer education has to work closely with many different business functions. The most common are marketing, product, professional services, and customer success. For this reason, it's not always easy to know where to place customer education as a business function. It doesn't have a clear and obvious home. A lot of companies house it under customer success, emphasizing the role that customer education plays in finding and maximizing value when customers need help or when you want to quicken their time to value so that they renew their subscriptions or relationship.

Other companies will place it in marketing. This works particularly well if your education plays a pivotal role in converting free tier or trial plan customers into paying customers or in attracting Educated Qualified Leads (EQLs). As customer education teams have a deep understanding and empathy for how customers are using the product, they think deeply about the industry and its needs. They have a strong understanding of both your product and the market itself. This makes customer education professionals an exceptionally good choice for creating thought leadership content to bolster the authority of your brand in your market category.

Occasionally, you'll find that customer education shows up in product teams as a way to deepen product adoption and to formalize a connection between the product and the customer base. Placing customer education here can create a connective tissue between the product itself and the customer. If your product is very complex, this can make a lot of sense. Lastly, more commonly in larger organizations, we've seen customer education crop up as a function under professional services, where training and education play a big role in driving revenue for the business.

That's Where It's Traditionally Placed. But, Where Should It Be?

All of those departments are where you might find customer education. However, while they each have benefits, placing customer education under a different department often limits the scope of what it can achieve in a way that serves the overarching goals of that function. That's why at Thought Industries, we have a Learning Strategies department with a VP who reports directly to the CEO and shares a seat at the table with the leadership team. Our charter is "Educate the market, educate the customer, and educate the team." We'll talk more about how Learning Strategies works as a department and how it can support the rest of the business in Step 7 (Chapter 9).

No matter where it sits, customer education as a strategic function is a force multiplier. It amplifies your ability to do more with less. It's a catalyst for accelerating growth throughout the customer journey. All the decisions that your customers make, from buying and adopting to renewing or expanding usage, are grounded in education. They are all about what the customer learns, and how these lessons shape their attitude and behavior.

As a scale agent for the company, it doesn't make sense to wait until you're throwing headcount at your support team or your customer onboarding process before you look to hire a customer education team. Start with the customer education function, and your business can grow proactively, ready for economies of scale.

The Customer Education Portfolio

You've got your strategic function in place, and you're ready to support the business, but what areas fall under your responsibility? Here are some of the most common programs that customer education will take ownership of, and the technology stack and expertise you'll need to run them effectively.

Knowledge Base

Also known as a help center, the knowledge base is often the first education program to come online in the lifecycle of the business. It's essentially a collection of articles that helps customers troubleshoot and find answers to their questions. Think of it like a digital instructional manual: great for self-serve and usually easy to search and filter. It is a customer education tool rather than customer education in and of itself.

Your knowledge base is a foundational program for your customer education portfolio, but it's not usually where deep learning takes place. Instead, it's more about information and knowledge transfer, and it's particularly helpful for customers who are just getting started, or who need a little help figuring out how to use a specific feature.

How to Build and Staff Your Knowledge Base You'll likely want to explore implementing a content management system (CMS) to manage your knowledge base. Some people may choose to use a learning management system (LMS), which can help with templates for support articles, but this isn't essential. Some help centers use a GitHub repository to publish content on the website. However, if your product is complex, this can be difficult to update and maintain, and you can end up having issues with version control and management across teams or stakeholders.

In terms of staffing, start with a technical writer – preferably one who has a dash of marketing under their belt. This is because your articles need to be both digestible and concise, but also weave in the value proposition and industry best practices. If you can achieve this, then you're not only deflecting support tickets, you're also starting to explain to your customers and prospects what they can gain from using your product.

One last tip: Don't put your knowledge base behind a sign-in wall for your customers only. I'm often amazed at how often help center content is read by prospects and even people who haven't ever heard of your brand, but who have been channeled to some content during a random Google search. This is a great way to get EQLs and promote brand awareness.

Academy

This is where you'll focus much of your efforts around learning. Customer academies can also be called universities or learning centers. They usually offer courses, videos, and activities that help customers onboard and quickly find value with your products. They do this in a way that's less about knowledge transference and more about deep learning that ultimately leads to behavioral change. Content could be self-paced, eLearning content, or tutorial videos – and sometimes you'll find blended training or virtual instructor-led training (VILT). Often, your academy will start with onboarding content to help your customer find value as quickly as possible. Later, you can supplement onboarding content with deeper or broader learning tracks that help your customers develop mastery with your products. You can even create a certification to demonstrate this proficiency. Eventually, you can expand your content strategy to continuing education, helping customers become experts – not only with your product, but also in their industry. For example, at Thought Industries, it isn't enough that we teach you how to use our platform. We also want to teach you how to create exceptional learning experiences so that the product becomes a canvas for your own customer education strategy.

How to Build and Staff Your Academy You'll definitely want an LMS to create and manage your academy – preferably one that specializes in customer learning. A lot of people make the mistake of only thinking about what they need right now, but you should look for one that scales with your program beyond your first year. It's a huge pain to rip out an LMS and replace it. Look for an LMS with customization options and ways to personalize content that's aligned with the different audiences in your customer base. As we said earlier, you need your customers to want to be here, so engagement and consumption-driving features are a must-have. Make sure that your LMS offers deep integration with other business tools, like ecommerce functionality so that you can charge for the content you're producing, the videoconferencing software you're using for VILT (such as Zoom), the CMS that you're using for your knowledge base, your customer relationship management (CRM) such as Salesforce, and your support ticket software. Don't settle for anything less than advanced reporting capabilities that provide a true understanding of the impact of your learning on the business. For the content that lives on your LMS, you'll find it a lot easier if you have native authoring tools available, but you can supplement these with video and audio editing software such as Camtasia and potential eLearning authoring software like Articulate or Captivate.

When you're thinking about how to staff your academy, look to hire instructional designers, sometimes called learning experience designers. These will be people who can create learning experiences optimized for learning transference. You may also want an academy program manager to holistically stay on top of the academy's progress and look for ways to expand and collaborate across the organization. As it's a different skillset, you might want to hire an LMS administrator who can handle the back-end technical configuration of the LMS itself. The content you want to include in your academy may also dictate what staff you need – for example, trainers for instructor-led training (ILT) or someone with experience in psychometrics for building exams or certifications.

In-Product Education

Next up in the customer education portfolio is in-product education (IPE). One of the most effective ways you can teach your customer is in context of the task they're performing. Rather than ask a customer to leave your product to learn about something, why not teach them just in time, when they're actually using it? Conventionally, IPE is focused on performance