

The State of SaaS Virtual Training in 2022

An Industry Report



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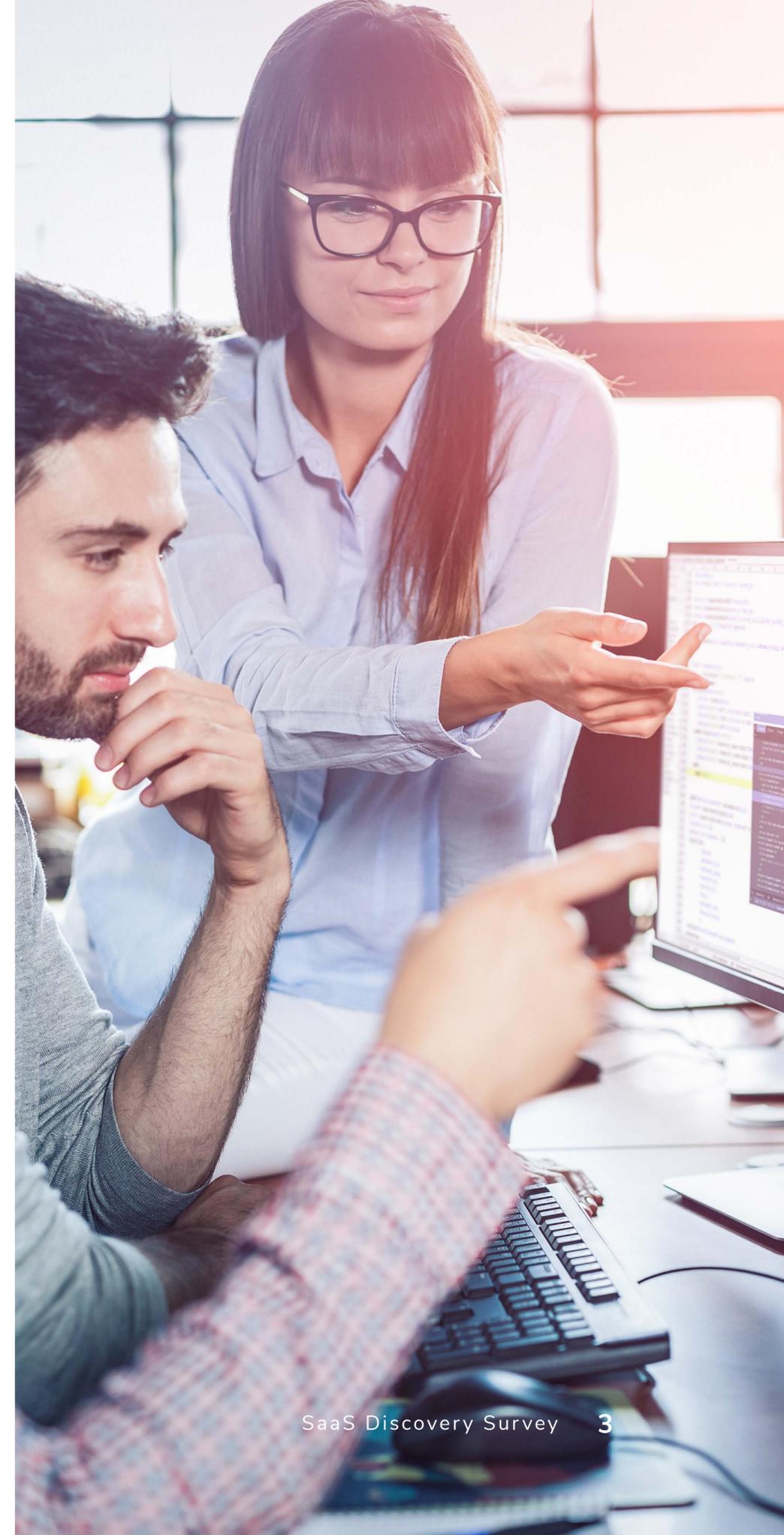
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Introduction

According to McKinsey research, “companies who provide [outstanding digital experiences](#) are about 70% more likely to be chosen as a primary supplier than those providing only fair ones.” The impact of stellar customer experience is equally applicable for any company, boosting retention, driving engagement, and reducing churn. So, can SaaS companies benefit from hands-on virtual training environments? And essentially, are these tools in demand from today’s SaaS leaders?

To get better insight into whether today’s SaaS leaders see value in creating hands-on digital experiences for their customers, and how self-paced learning resonates with SaaS companies vs VILT, we surveyed 100 software training managers and executives from across the United States, in companies with 200+ employees. The survey was completed by independent survey company, Global Surveyz.

Through the responses to our survey, we uncovered the extent of the demand for both self-paced and virtual instructor-led training in SaaS companies. We saw budget is growing for customer training, and customer experience being the top priority. With this goal in mind, perhaps as a driver for customer experience, a large proportion of respondents have virtual training platforms on their radar, and many looked to purchase one in the past year. To meet this need in the market, digital training platforms will growing need to meet the SaaS world’s greatest challenges - scheduling, integration, reporting, and customer engagement.



Key Findings

1

Training Budget is Growing for Today's SaaS Companies



The myth of a lack of budget for customer training seems to be debunked. Almost half of respondents (48%) have a budget of between \$20,000 and \$50,000, and 27% have a budget of between \$50,000 and \$100,000. 82% expected to increase this budget in 2022. this budget for 2022 and will have more resources to draw from to improve customer training.

2

Customer Experience is the Top Priority for this Budget



When asked how they would channel this budget, the largest slice of the pie and the top spending priority is customer experience, at 34%. For small companies between 200-500 employees, this becomes even more important, at 45%. It's also the top pick for companies who have between 500 and 1,000 employees.

3

Self-paced Learning Proves Dominant



Virtual Instructor-led Training (VILT) has been touted as the hero of the pandemic, but self-paced training is currently the most popular training choice. More than a quarter of respondents rely on self-paced training between 70% and 80% of the time. VILT remains important, but self-paced proves equally essential.

Key Findings

4

SaaS Companies Want to Leverage Virtual Training



SaaS companies don't need a complex technical product to see the value of hands-on experiences. 38% of companies wanted to use virtual training, while 39% of that group planned imminent adoption within 2022. A further 10% indicated they would adopt this technology, but feel their budget is currently holding them back.

5

Four Top Challenges Stand Out for SaaS Leaders



Companies feel positive about the impact of customer training, and yet still call out four clear main challenges: Scheduling (42%), integration with other training tools (39%), reporting and visibility (37%) and engagement tools (32%). Tools that make these tasks easier or more accurate will be able to differentiate themselves from the crowd.

6

The SaaS Market is Ready to Leverage Virtual Training



Heavily focused on self-paced training as well as VILT, with growing budget and a focus on improving customer experience – SaaS companies are ready to take advantage of the benefits of virtual training to accelerate business growth and reduce the challenges listed above.

Customer Training Budgets in 2022

80% of survey respondents have an annual budget for customer training from \$20,000 to over \$100,000 (figure 1). These were expected to grow in 2022 for 82% of companies (figure 2). Only 7% of companies did not anticipate any change to their 2022 budget.

Figure 1
Importance of Customer Training

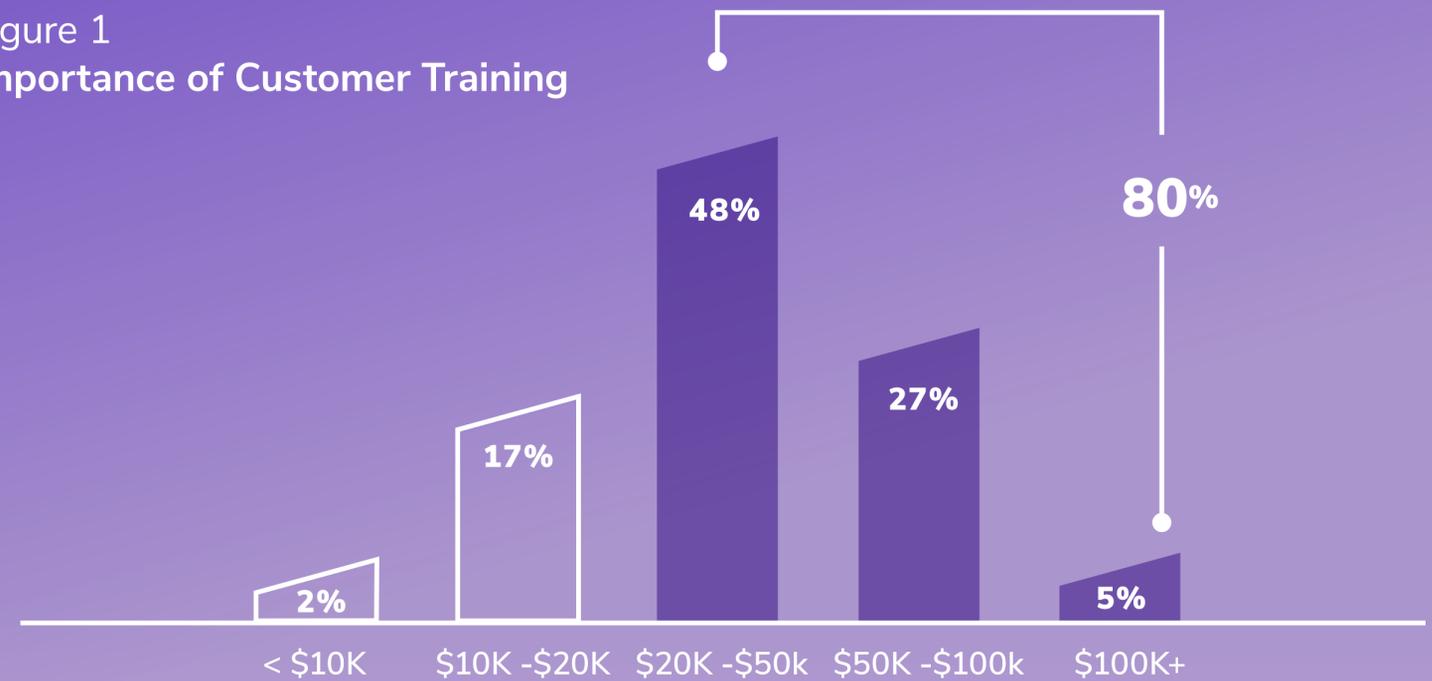


Figure 2
Budget Growth in Customer Training, 2022

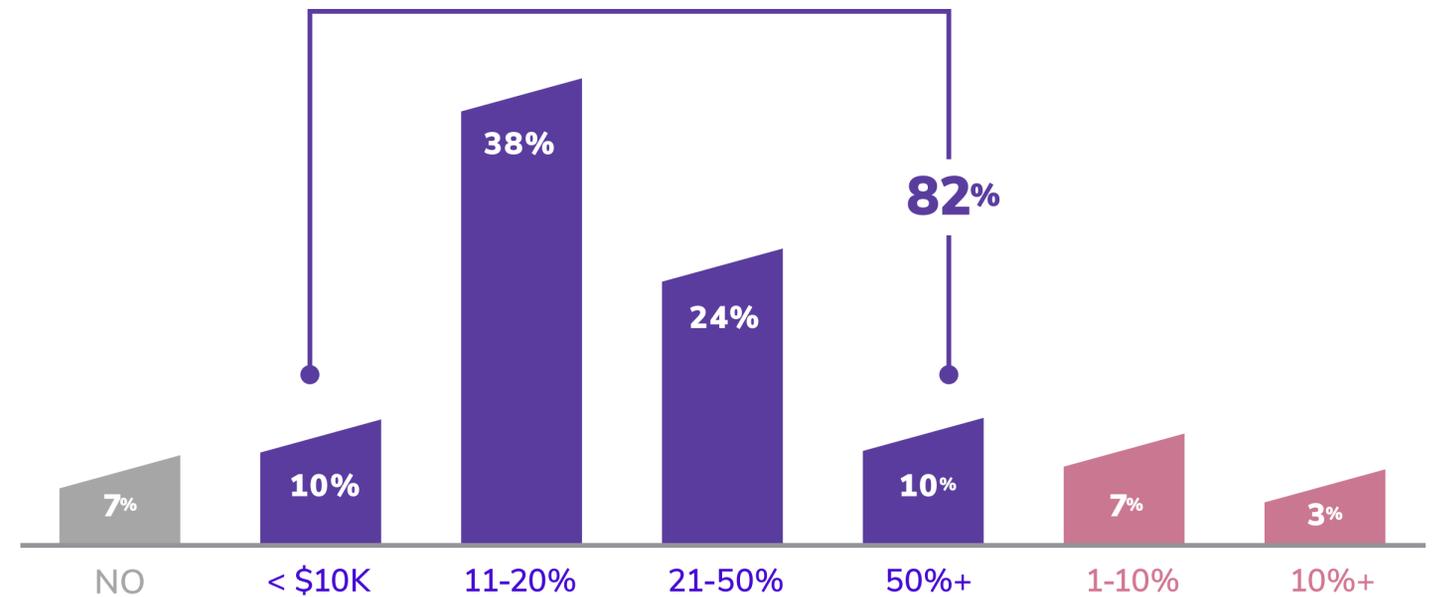
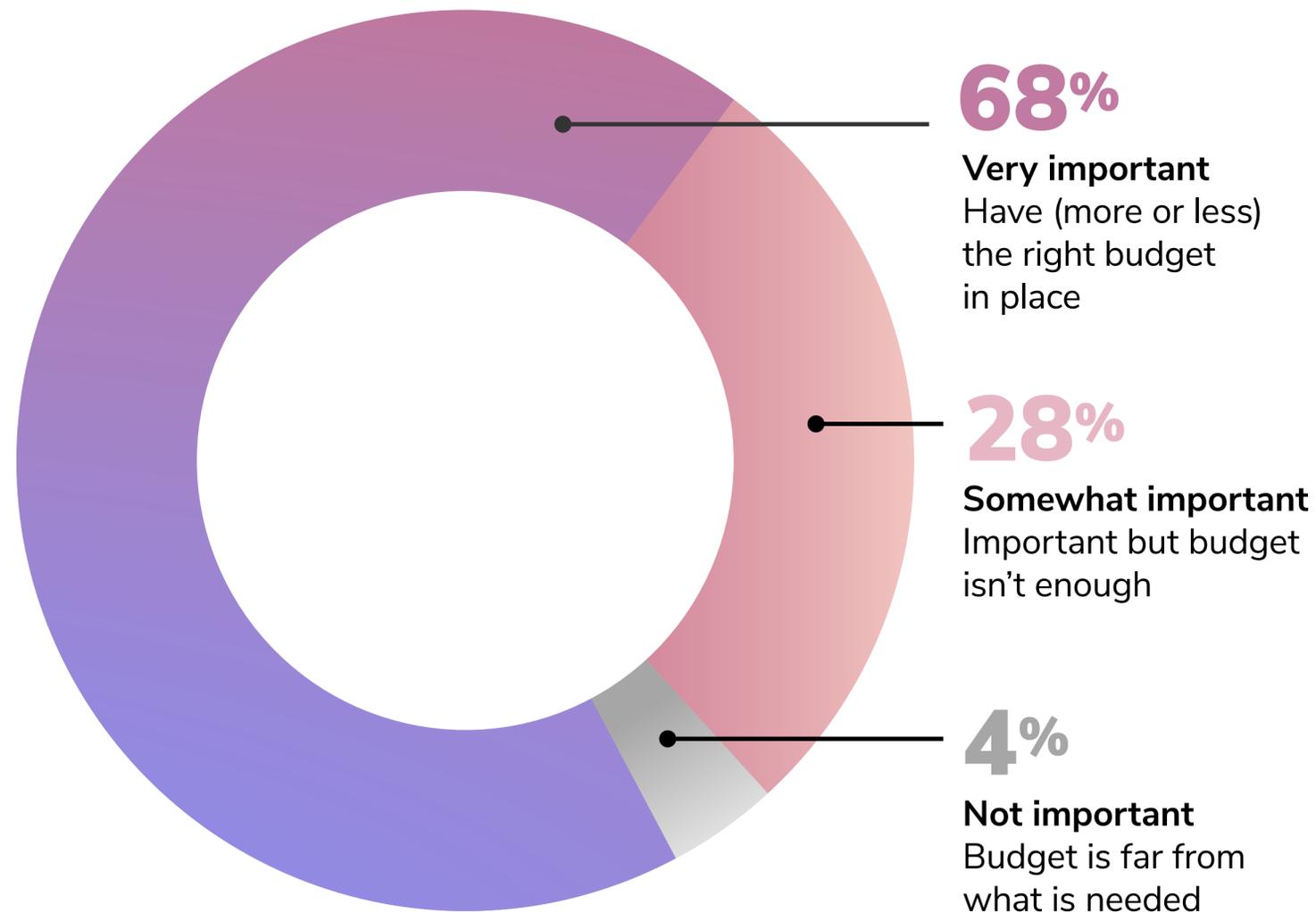


Figure 3
Importance of Customer Training



Importance of Customer Training in the Organization

The value of customer training is often reflected by the budget it is given in the organization. Just as 68% of respondents reported a budget of \$20k+, 68% also say they have the right budget in place and that customer training is seen as very important. 28% would like more budget for customer training, as the function is seen as “somewhat important.” Altogether, 96% of survey respondents said customer training is considered to be important in their company, suggesting that the awareness is there and the budget may follow.

2022 Technology Investment Priorities in Training Programs

The top priorities for technology spend in training program budgets for 2022 were customer experience (CX) (34%), AR/VR (24%) and analytics tools (22%).

While AR/VR are regularly cited as areas of interest, the technology is still in its infancy. In contrast, CX technologies are available and already making an impact in many organizations, a realistic priority for today's decision-makers.

When comparing priorities by company size (figure 5), customer experience is the most important for smaller companies (45%), but still holds its own for mid-sized and large companies, playing a significant role in technology spend at more than a quarter for each.

Figure 4
2022 Technology Investment Priorities in Training Programs

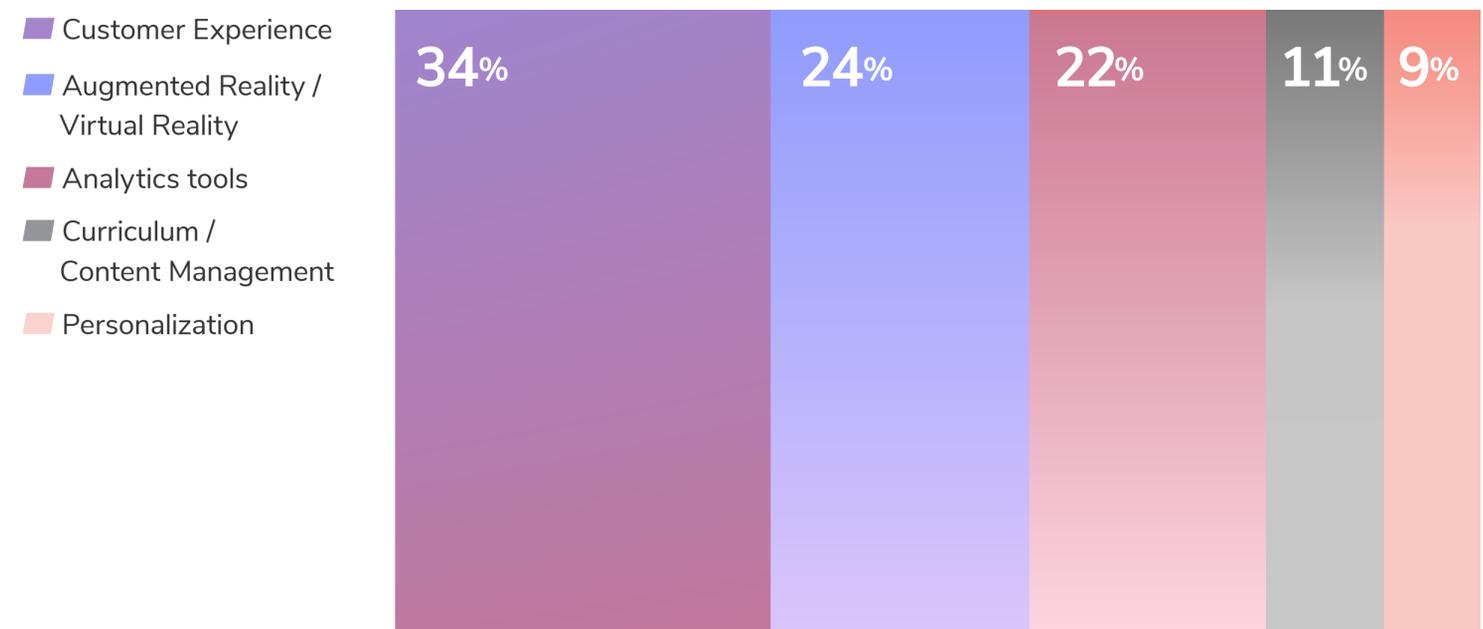


Figure 5
Technology Investment Priorities in Training Programs in 2022, by Company Size

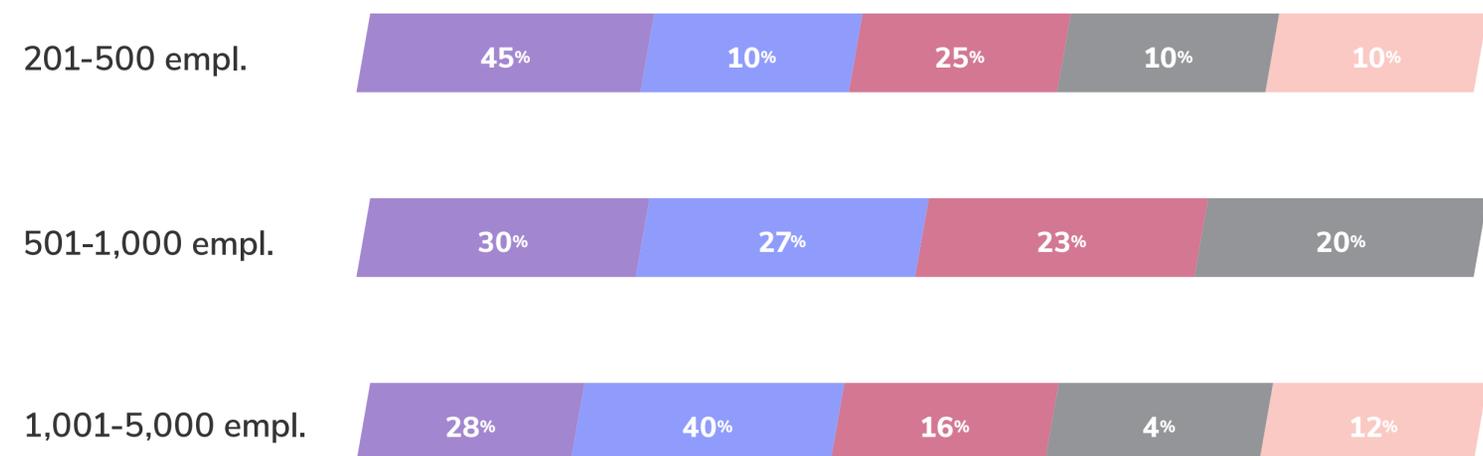
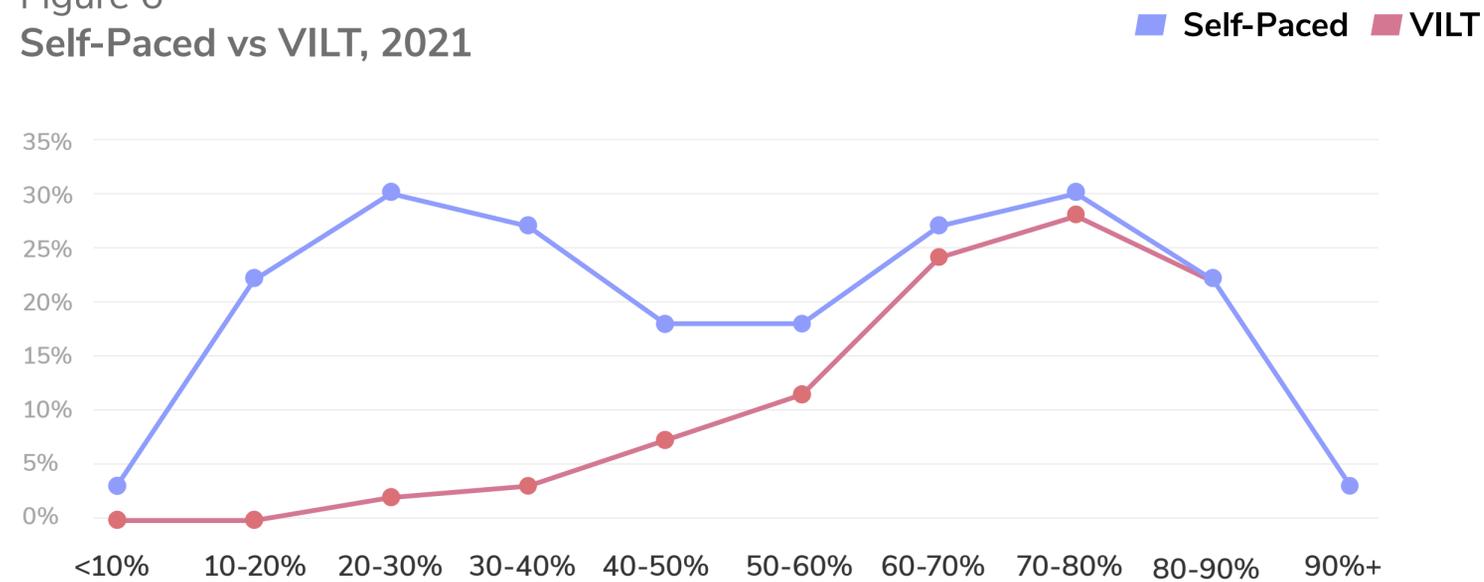
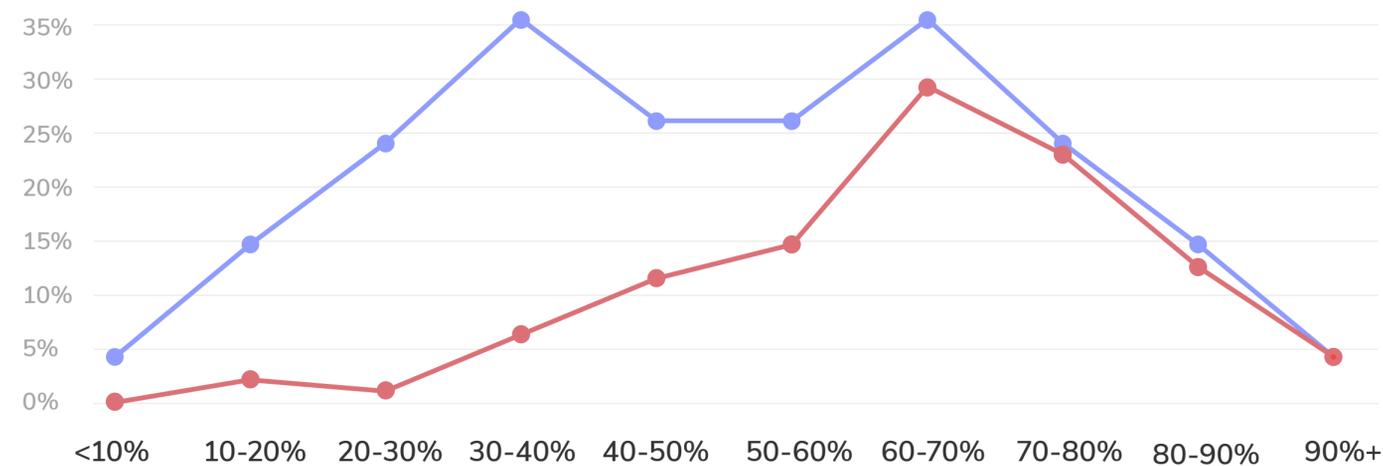


Figure 6
Self-Paced vs VILT, 2021



Averages: Self-paced 68% VILT 32%

Figure 7
Self-Paced vs VILT, 2022



Averages: Self-paced 62% VILT 36%

VILT vs. Self-Paced Learning

When comparing how regularly customer training programs are delivered through self-paced learning vs Virtual Instructor-led Training (VILT), we see overall that self-paced is dominant. Self-paced was used on average by 68% of companies in 2021, and was projected to be used by 62% in 2022, while VILT was gradually growing with an average usage of 32% in 2021, and expected usage of 36% in 2022.

VILT vs Self-Paced Learning – Adoption by Company Size

Breaking down the use of VILT vs self-paced training by company size, we can see that all companies from small to large use self-paced training, with 30% of medium-sized companies leveraging self-paced between 60% and 70% of the time. VILT is clearly used for smaller use cases, peaking at between 20% and 40% of usage, no matter the company size.

Figure 8
Self-Paced Usage by Company Size

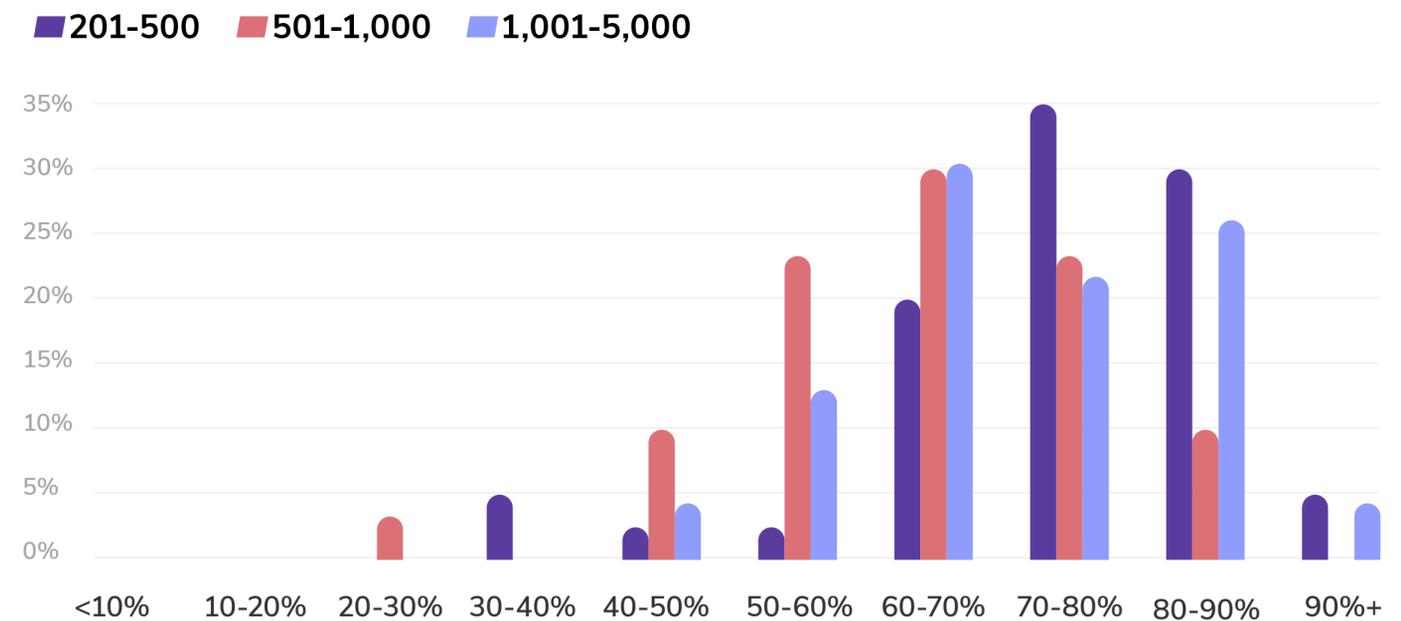


Figure 9
VILT Usage by Company Size

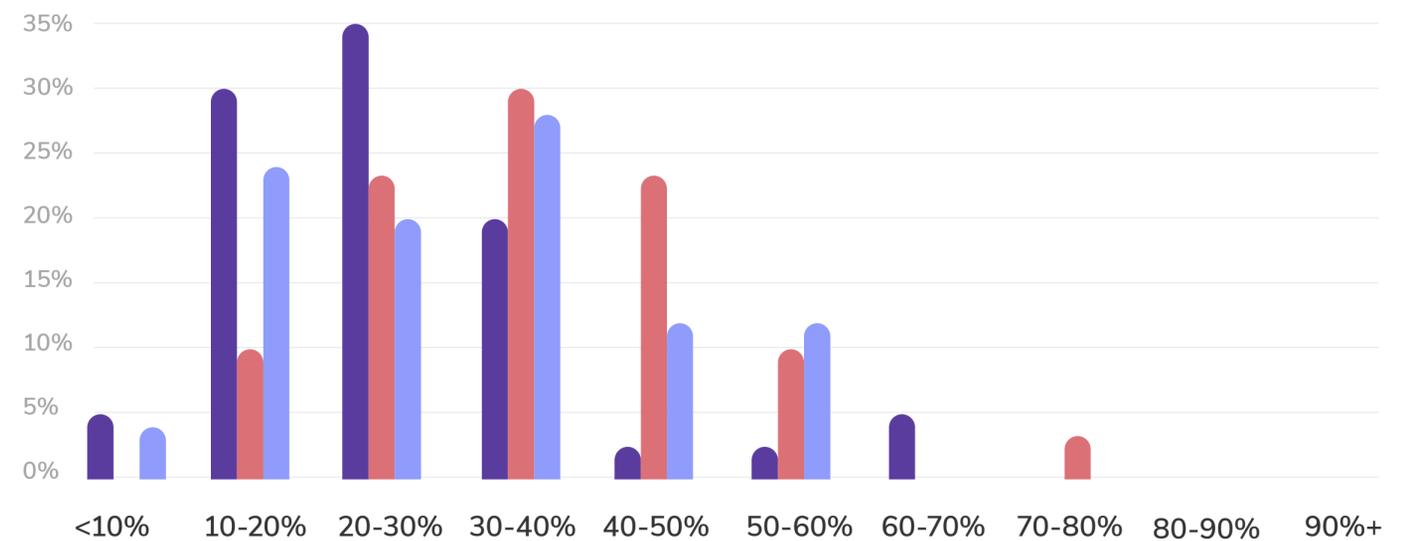
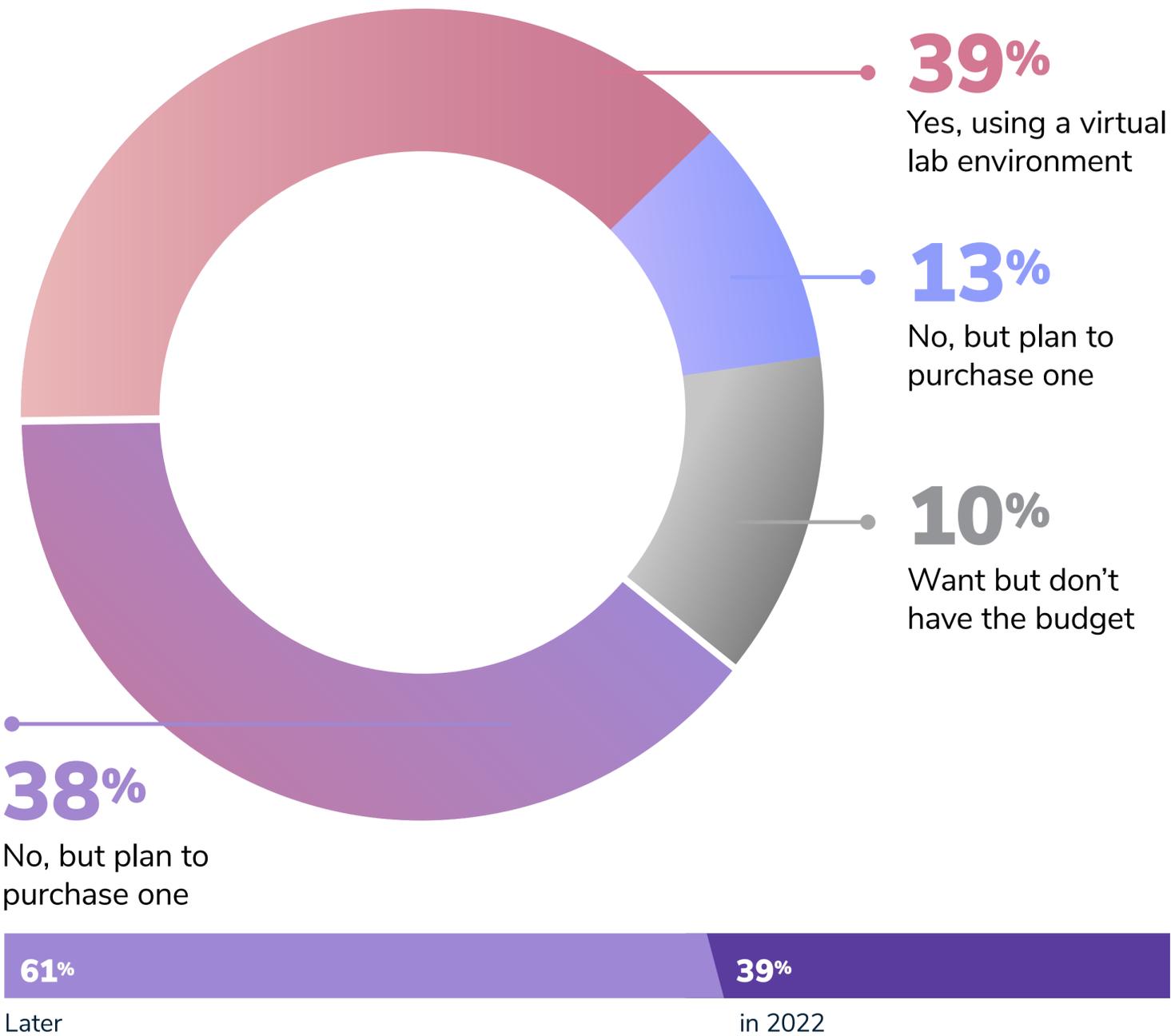


Figure 10
Use of Virtual Lab Environments in Training Programs



Use of Virtual Lab Environments in Training Programs

39% of companies were using a virtual lab environment in their training programs in 2021, with a further 38% that were planning to purchase one to augment their training. An additional 10% see the value and would like to use one, but don't have the budget in place.

From the 38% of companies that planned to purchase a virtual lab environment, 39% planned to do so within 2022, while 61% have it on their roadmap further down the line.

Top Challenges to Reach Customer Training Objectives

79% of companies have challenges in reaching their customer training objectives. The four top challenges paint an interesting picture of what they feel is holding them back: scheduling (42%), limited integration with various training tools (39%) lack of visibility into training's impact on company's bottom line (37%), and lack of tools for customer engagement (32%).

Figure 11
Top Challenges to Reach Customer Training Objectives

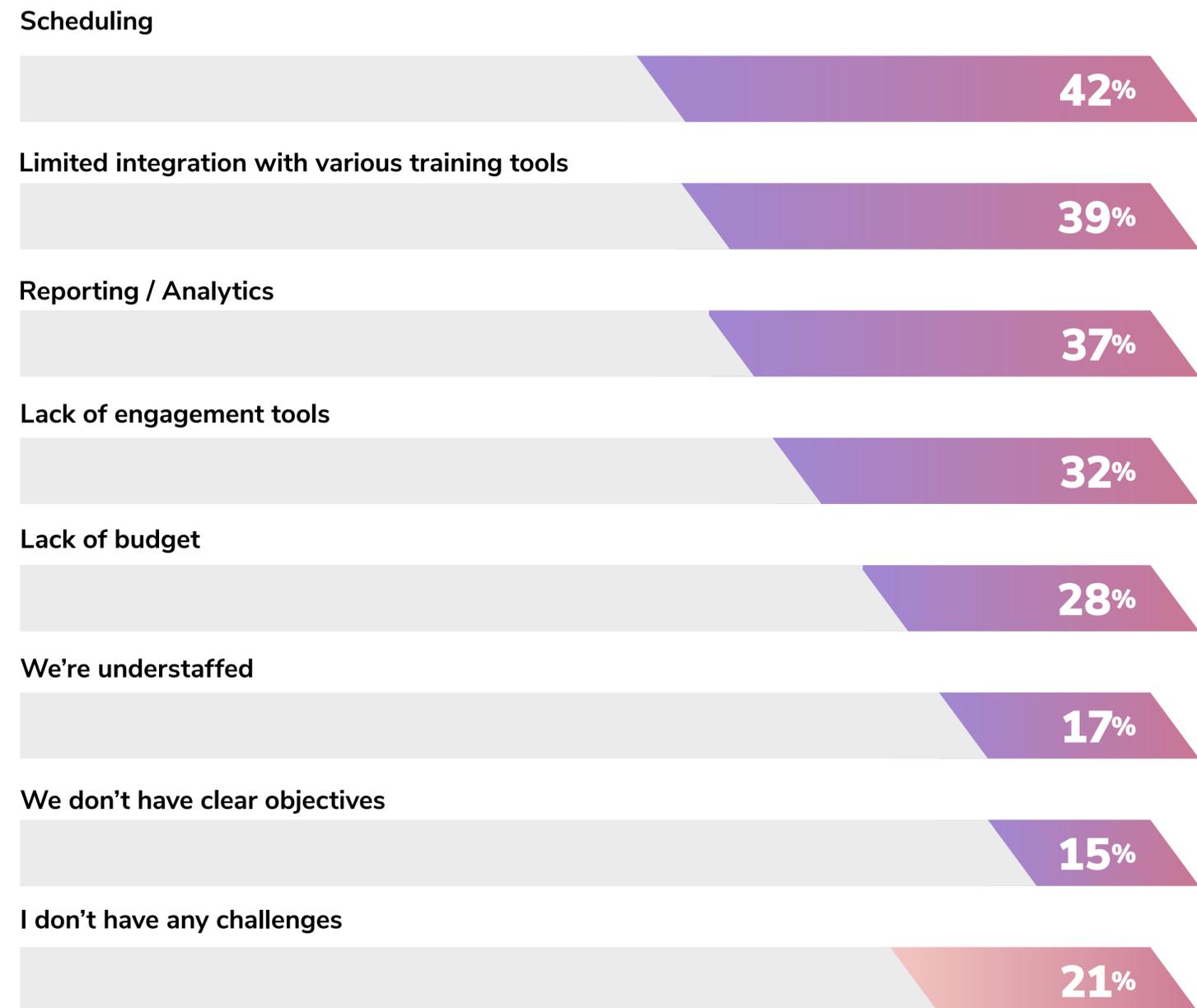
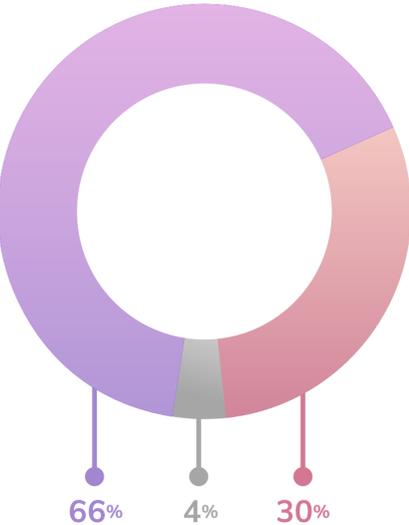
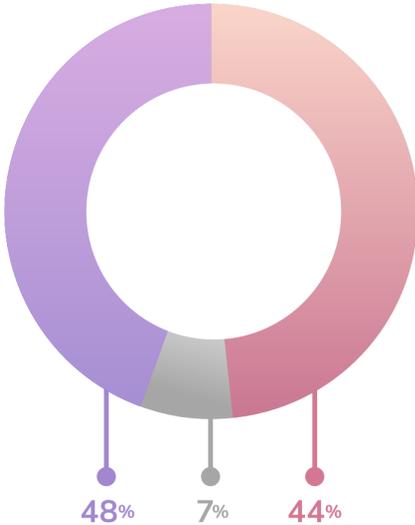


Figure 12
Impact of Training Programs in Companies

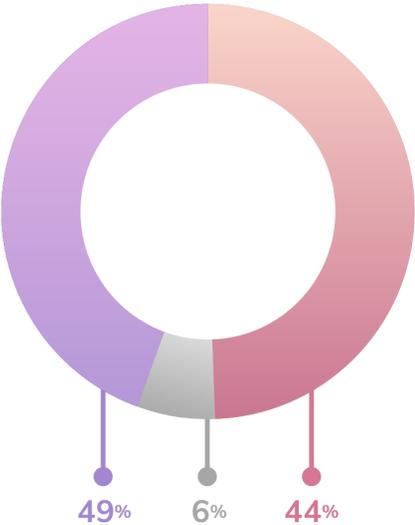
■ Strongly Agree
■ Agree
■ Disagree



We can measure the performance of our training sessions and programs



We have sufficient engagement tools to deliver effective training



We can measure the customer training program's effect on our company's bottom line

Impact of Training Programs in Companies

Interestingly, when we asked companies about the impact of their training programs, the answers were overwhelmingly positive. 66% of survey respondents strongly agree they can measure the performance of their training sessions and program. 44% strongly agree they have sufficient engagement tools to deliver effective training, and 44% strongly agree they can measure the customer training program's effect on their company's bottom line. These are in stark contrast with the challenges listed above. It's possible that respondents have processes in place to manage these goals, but they recognize that they could be improved, streamlined or updated.

Training Programs Dropout Rates

One of the most common and difficult challenges for online training is learner drop-out rates. 86% of companies are seeing dropouts of between 5% and 30% from their training programs. Only 14% are seeing less than 5% in dropout rates. Finding ways to keep learners engaged to completion is therefore an important goal.

Figure 13
Training Programs Dropout Rates

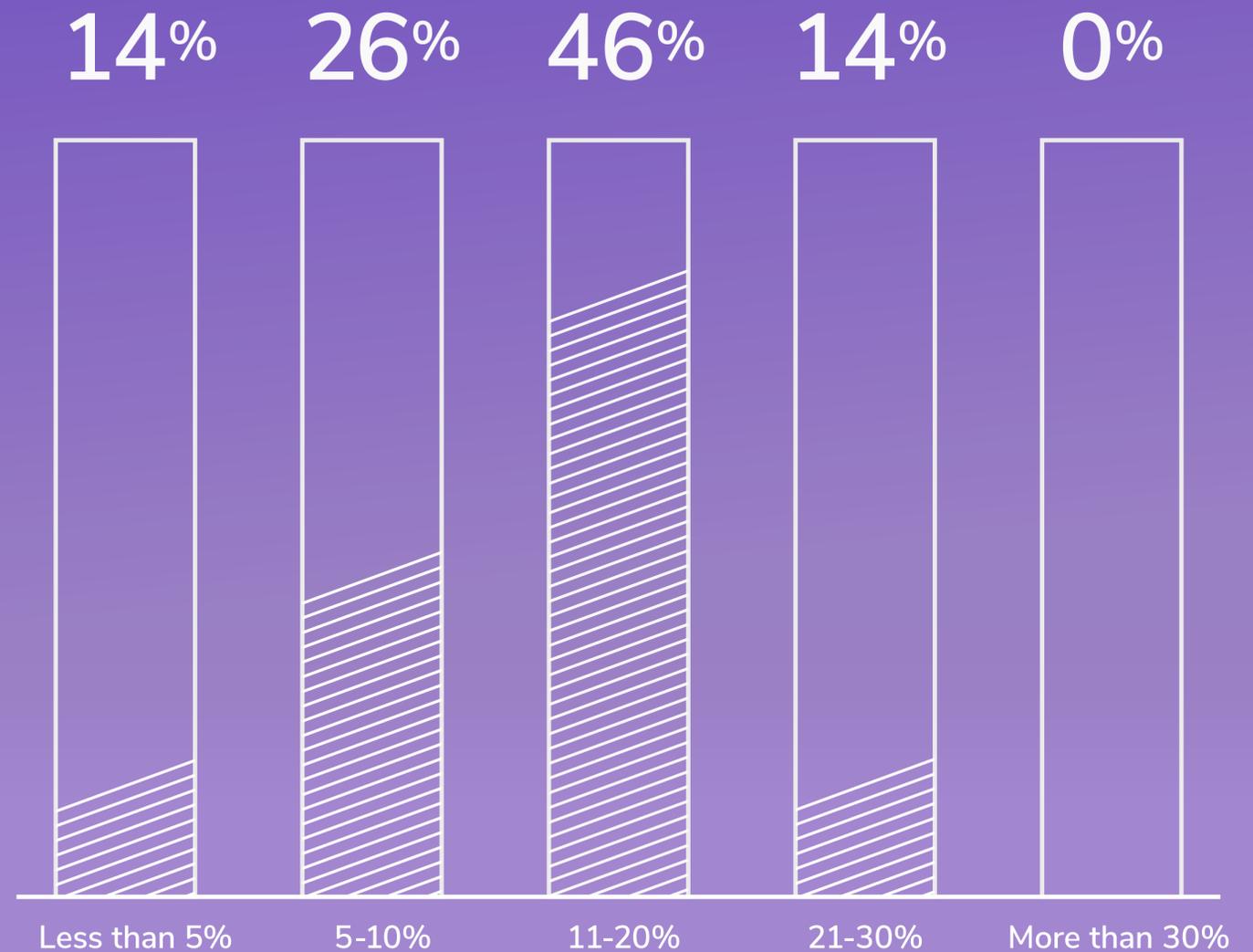
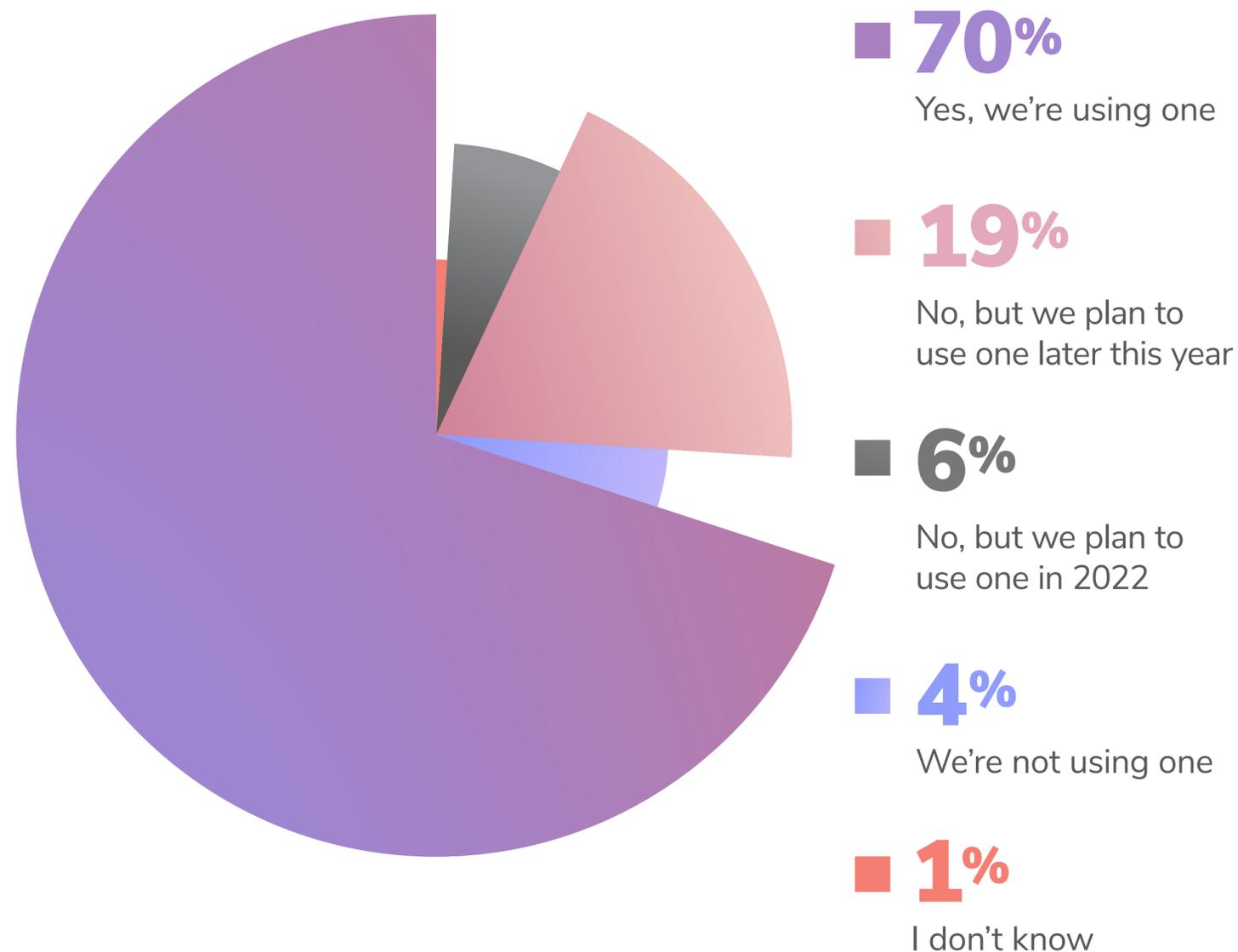


Figure 14
Use of Learning Management System (LMS) in Customer Training Programs



Use of Learning Management System (LMS) in Customer Training Programs

70% are using a Learning Management System (LMS) in their customer training programs and 25% planned to use one in 2022.

Because of this, a training platform would need easy integration with an LMS to ensure organizations can meet all their needs, both content management behind the scenes, and hands-on training experiences for the learner.

Methodology and Demographics

This report was administered online by Global Surveyz Research, a global research firm. The survey is based on 100 managers of customer education and training from the United States. Companies all work in the software industry and have a SaaS offering. The respondents were recruited through a global B2B research panel, invited via email to complete the survey.

The average amount of time spent on the survey was 6 minutes and 43 seconds. The answers to the majority of the non-numerical questions were randomized, in order to prevent order bias in the answers.

Figure 15
Company Size (Employees)

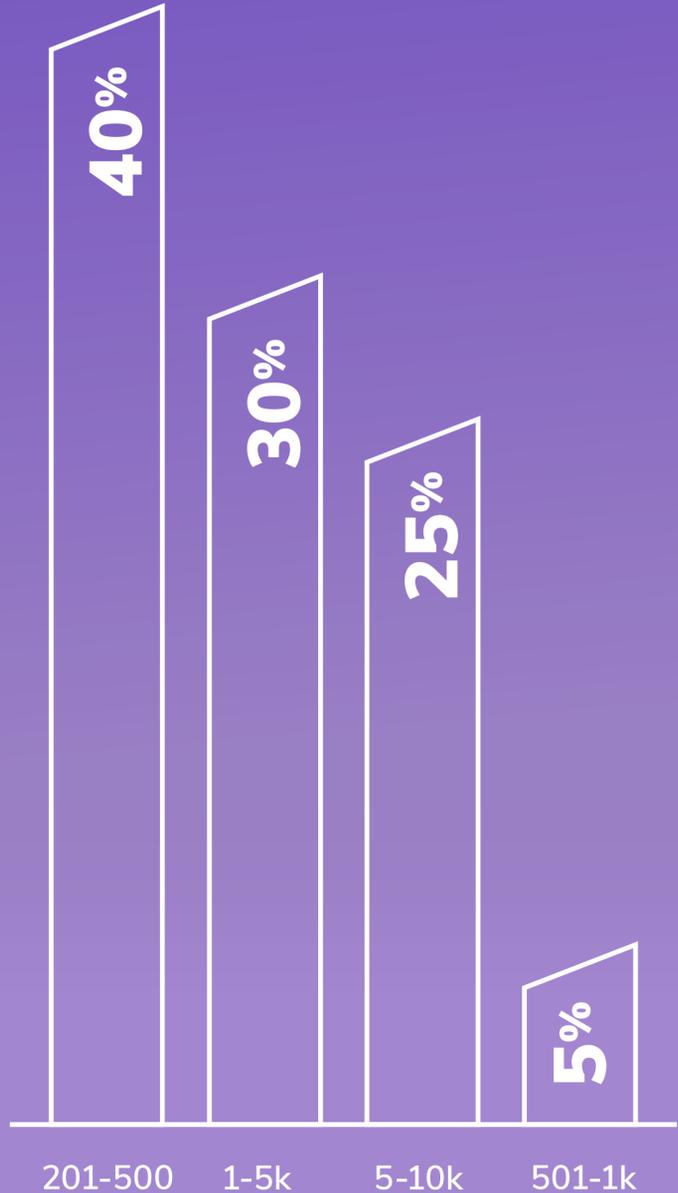


Figure 16
Industry

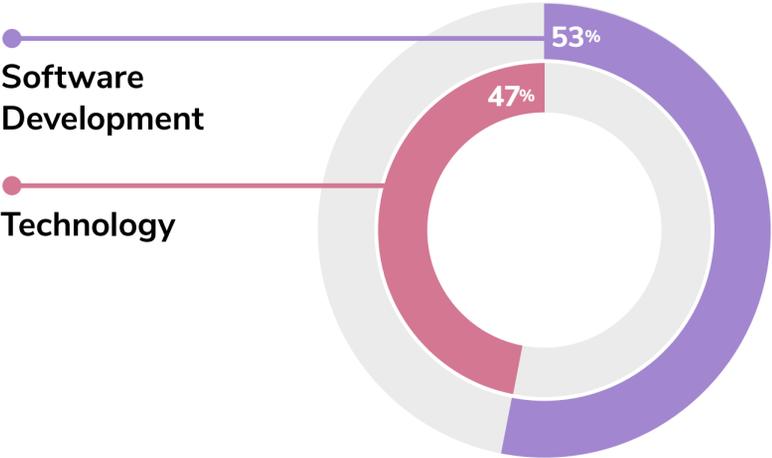
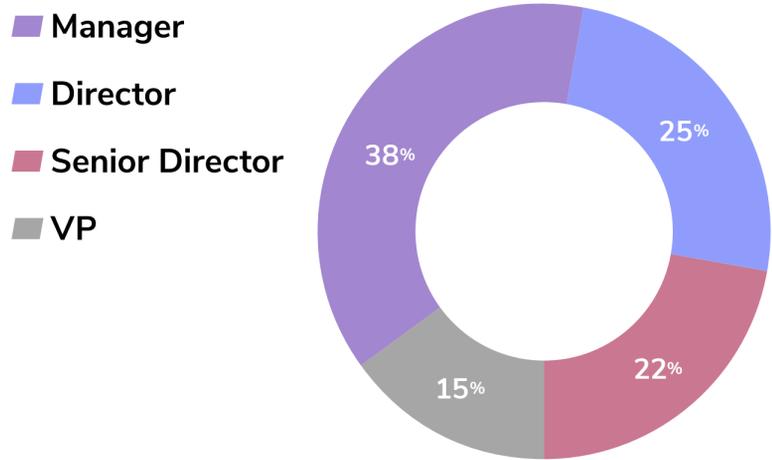


Figure 17
Job Seniority





Conclusion

With customer engagement the top priority for today's SaaS leaders, and 86% of businesses seeing dropouts from their current customer training, it's no surprise that digital training experiences that boost engagement are firmly on the agenda. In 2021 38% of companies were already using virtual hands-on lab environments, and usage was expected to more than double in number, with budgets increased for more than 80% of SaaS companies in 2022.

As market leaders in virtual software training, at CloudShare we are dedicated to meeting the emerging needs and demands of our audience. This report paints a clear picture of the vital requirements for customer training that today's software companies are grappling with. In a drive to accelerate growth and success, SaaS leaders are looking to improve scheduling, integration, customer engagement, and their ability to measure impact.

In response to these needs, we will continue to develop our product to be purpose-built to meet current requirements, as well as support the market with our in-depth research and analysis.



About CloudShare

CloudShare is a leading software experience platform that helps software companies increase customer acquisition and retention by creating highly engaging hands-on virtual POCs, demos, and training environments that generate revenue, quickly, easily, and at scale across the customer journey.

We are proud to serve leading organizations such as Palo Alto, Atlassian, Motorola, Salesforce, ForgeRock, and SAI Global.



Get in touch
with our expert team today