

Improve Customer Retention by Embracing Product Adoption Strategies as a Tech CEO

Published 7 April 2020 - ID G00721271 - 13 min read

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Initiatives: [Customer Acquisition for Tech CEOs](#)

Retaining customers is a key priority for startup and emerging tech firms. To achieve this goal, tech CEOs must embrace a customer success mindset and mandate product adoption programs to help customers achieve value and grow into advocates.

Overview

Key Challenges

- Startup and emerging tech firms are hyperfocused on customer acquisition and growth. If time is not allocated after customer acquisition to engage clients, tech CEO organizations will realize a decline in customer retention rates and revenue loss.
- In harmonizing an acquisition-centric mindset with a customer success orientation, providers struggle to balance priorities between programs that persuade organizations to buy versus helping customers achieve value.
- Lack of resources, including tools and people to focus on customer success management (CSM), hinders the organization's ability to engage existing customers, foster advocacy and improve retention.

Recommendations

To improve customer acquisition, customer success and retention, tech CEOs should take these actions:

- Prioritize programs for existing customers by first defining clear goals for customer adoption, advocacy and retention in order to deliver experiences that can accelerate time to value.
- Drive your organization to embrace a customer success mindset with “owning cycle” content that lays out the steps to realize value, deepens product usage and encourages customer advocacy.
- Identify CSM resources to focus on customer retention, and drive alignment with marketing, product management and sales so that they reinforce the organization's “total value” for customers by collaborating on product adoption and customer marketing programs.

Introduction

This research document is written for tech CEOs whose companies are dependent on renewable revenue to achieve growth objectives. It is based on [“Improve Customer Retention by Embracing Product Adoption Strategies”](#) that was written for product marketers.

Due to a focus on driving new customer acquisition, technology and service providers (TSPs) may spend more time developing content for prospects and sales teams instead of focusing on existing customers. Content such as sales presentations, competitor analysis and webinars are designed to communicate the benefits and key differentiators of products and services to new audiences. Because of the acquisition mindset, TSPs may neglect content and touchpoints designed to engage customers during their owning cycle. But as the technology industry continues to shift its focus to renewable, subscription models, TSPs must rely on customer retention and the expansion of existing relationships to grow their business. According to Gartner’s 2019 KPIs for Tech CEOs Survey, customer retention rate (CRR) is tracked by 47% of respondents. ¹

For TSPs that prioritize and measure retention, a customer success mindset must be embraced. This mindset will help clients to achieve business outcomes and derive more value from their investment. Although customer acquisition and revenue from new accounts are still important, key performance indicators (KPIs) must be aligned to customer retention initiatives. Furthermore, customer acquisition becomes much easier after you establish a strong set of product advocates who are willing to provide case studies and testimonials. Gartner research highlights the importance of case studies to buyers who are evaluating a solution (see [“3 Ways to Deliver Content That Builds Trust and Adds Value Throughout the Buyer’s Journey”](#)).

This research provides guidance on how to plan and execute strategies that can drive customer adoption, advocacy and retention.

Analysis

Define Goals and Prioritize Programs for Existing Customers

To play a leading role in driving high CRRs, tech CEOs should recognize that the path to retention begins with strong product adoption. To encourage customers along this path, your teams can provide programs to educate customers and build relationships to foster advocacy.

The path to retention starts with a clear set of goals (see Figure 1). For example, to achieve high customer adoption, you need to stimulate recurring product usage and active consumption of learning content. Once you have a clear goal, you can effectively prioritize programs and content to support your most important customer success objectives.

Figure 1: Sample Goals for Customer Adoption, Advocacy and Retention

Sample Goals for Customer Adoption, Advocacy and Retention



Source: Gartner
ID: 721271

To speed time to value, several methods can be used to improve customer and product adoption. During the onboarding phase, customers must understand how to get started quickly and what steps are required to implement the technology. Table 1 describes content and programs that your teams can use to deliver educational information and best practices to improve product adoption. Broad-reach (low-touch) options, such as webinars, in-app product guides and online communities, can engage hundreds or thousands of users. In contrast, narrow-reach (high-touch) options, such as user group meetings in a major city, provide opportunities for two-way interaction and foster relationship-building with potential advocates. For both types of experiences, your marketing team will need to partner closely with customer success management or product management to plan an effective sequence of experiences and customer communications to achieve your goals.

Next, to drive customer advocacy, “happy” customers who have achieved some of their business outcomes must be identified. If you have a CSM team, they can provide this type of information. Once happy customers have been identified, meetings can be requested with individuals who may become internal or external advocates for your product. By building relationships with these customers and explaining the benefits of your advocacy program, your organization can create a pipeline of opportunities for customer success stories (case studies) and public speakers. For example, some of these customers may be willing to educate their peers about best practices by participating in online webinars, user conference sessions or user group meetings.

Table 1: Content and Programs for Enabling Product Adoption

Description	Broad Reach, Low Touch	Narrow Reach, High Touch

Webinars	Virtual and recorded training sessions that provide best practices and tips for standard or advanced product usage	x	
User Conference Sessions	In-person breakout sessions at your global user conference (e.g., “Top 10 Tips for CRM Administrators”)	x	
User Group Meetings	In-person meetings at a regional user group that can include a best-practice presentation and interactive Q&A		x
Customer Meetings	In-person or virtual meetings with a single company that can include a presentation and interactive Q&A		x
E-Books or White Papers	Documents that explain how to achieve business outcomes and guidance for speeding time to value	x	
Success Stories	Customer success stories (case studies) that describe challenges, solutions and how results were achieved	x	
Blogs	Articles that focus on best practices, along with tips and tricks, for implementing and using a product	x	
Newsletters	Highlights of the most recent or popular blogs, e-books, white papers and success stories	x	
In-App Messages or Product Guides	Provide users with information and feature tutorials after they log in to a software application product	x	
Online Customer Communities	Virtual forums with discussion areas for sharing best practices, Q&A and product support	x	

Source: Gartner (April 2020)

To understand the effectiveness of programs for improving adoption, Gartner asked TSPs to report their level of success in driving product adoption with customers. As shown in Figure 2, blogs are

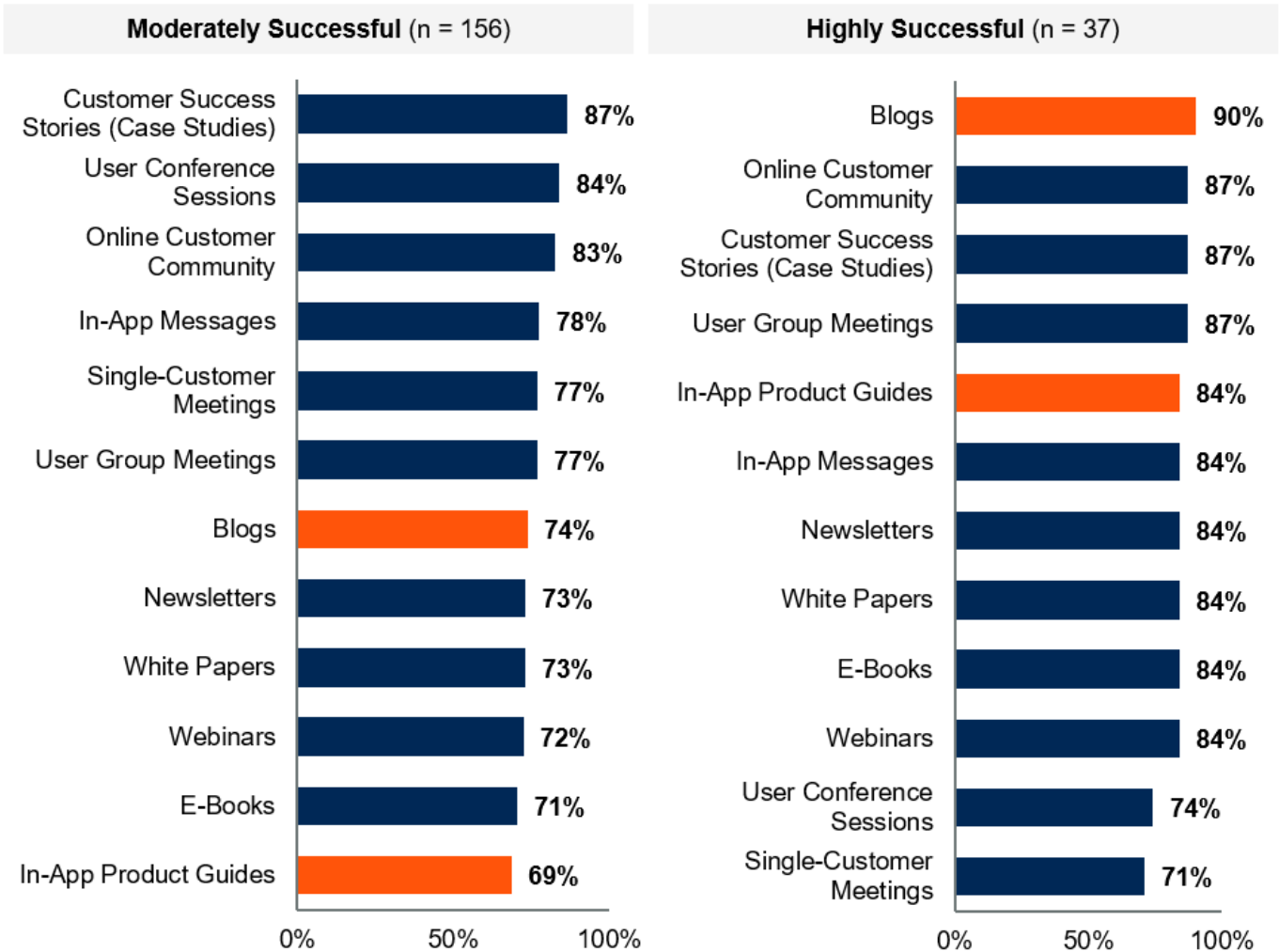
used more frequently by companies that self-assessed as “highly successful” (90%) versus those that are “moderately successful” (74%).² Typically, blogs are created as part of an organization’s content marketing strategy. Some TSPs use blogs to attract new visitors to their website from social media and search engines to generate leads. However, to support the needs of existing customers, blogs should focus on sharing best practices and tips to audiences that use the organization’s products.

Furthermore, in the research study, in-app product guides are also used more frequently by companies that self-assessed as “highly successful” (84%) versus those that are “moderately successful” (69%). Similar to in-app messages used by TSPs that provide software application products (desktop or mobile), in-app product guides provide an effective way to reach users with information after they log in to the product. Specifically, in-app product guides are used to deliver a walk-through of important features to users in a tutorial-style format that illustrates important steps for using a capability. The key benefit of this approach is that you reach customers in their moment of need and they don’t have to navigate to a separate user interface.

Figure 2: Content and Experiences Offered to Enable Product Adoption During Onboarding, Standard Usage and Advanced Usage

Content and Experiences Offered to Enable Product Adoption During Onboarding, Standard Usage and Advanced Usage

Percentage of Respondents, Multiple Responses Allowed



n = 196 Marketing professionals who are responsible for driving adoption for products and services in their organization

Q. When does your marketing organization provide the following to clients to promote product adoption?

Source: 2019 Gartner Product Marketing Impact Survey

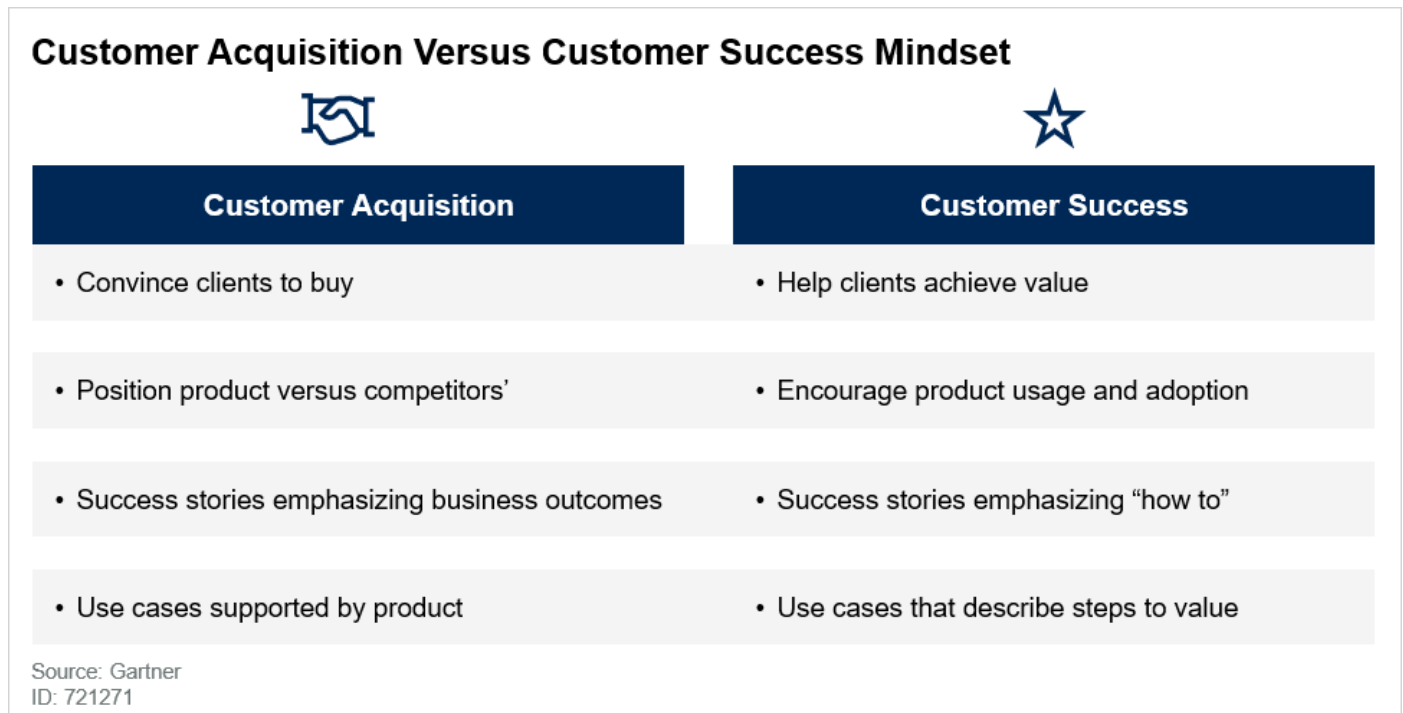
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Drive Your Organization to Embrace a Customer Success Mindset With Your Content

After prioritizing the right programs or tactics, compelling content that illustrates steps to value must be developed. You must pivot your organization’s mindset away from only “selling products and services” to “helping customers achieve business outcomes” so that they realize value from their investment (see Figure 3). You may struggle to change their orientation if they don’t have experience in organizations where retention is a key initiative or if their performance measurement is not tied to retention. However, it is important to adjust the perspective toward the needs of the audience and their goal of achieving tangible value from your product, especially for subscription-

based solutions. Ultimately, successful customers are more likely to retain your products and services and buy again.

Figure 3: Customer Acquisition Versus Customer Success Mindset



With a customer success mindset, you can adjust your content strategy to focus on stories that educate and inspire customers to become active users.

What does good content look like? Here are some examples for a SaaS provider of digital analytics.

Sample Webinar for Getting Started

Audience: Users at new customers who have signed license agreements within the last 30 to 90 days.

Content: Top use cases, customer success stories, implementation process for collecting data on your digital properties, user access and login, tips for using dashboards and reports, customization options, and where to learn more.

Speakers: Product marketer, professional services consultant, customer advocate and product manager.

Key take-aways: Common use cases and examples of success, tips and tricks for basic usage, and additional learning resources.

Sample User Group Meeting

Audience: Mix of new and existing users at various levels of product usage and adoption maturity.

Content: New customer success stories that explain how organizations achieved business outcomes (e.g., “Client uses digital insights to increase website conversion rate”), with a focus on people, process and technology. In addition, show use cases with tangible take-aways and best practices that enable your customer to take similar actions.

Speakers: Product marketer, customer advocate, product manager and customer success manager.

Key take-aways: Methodologies for achieving business outcomes, best practices and benefits of partnering with the vendor to develop a story for your organization.

Sample Online Community

Audience: Mix of new and existing users at various levels of product usage and adoption maturity.

Content: Discussion areas driven by the community and moderated by the vendor. They typically focus around best practices for successful implementation and rollout, along with tips and techniques to advance product maturity. In addition, community members may showcase how multiple products can be used together to achieve business value (e.g., “How digital analytics, plus a personalization engine, can show the effectiveness of one-to-one marketing campaigns”).

Contributors: Sophisticated users, product marketers, product managers, professional services consultants and partners.

These examples illustrate topics that will appeal to customers who seek to grow their product usage to realize the full value of their investment. The process of developing content requires extensive collaboration with other teams outside marketing. In the next section, we discuss the value of partnering with customer success management.

Identify CSM Resources to Focus on Customer Retention

A customer success strategy must go beyond simply supporting existing customers by proactively driving customer retention and satisfaction metrics. If you don't have dedicated CSM resources, then you should identify existing team members who can allocate some of their time to focus on the adoption and renewal of your subscription-based products. For sustained effectiveness, you will need to invest in dedicated resources and a leader for your customer success program.

A dedicated CSM team will own and provide an overall framework for improving customer interactions during the “owning” cycle (see [“Tech Go-to-Market: Make Customer Success a Cornerstone of Your Customer Experience Strategy”](#)). In collaboration with customer marketing or product marketing teams, the CSM team should identify customer segments for driving adoption and usage by product, industry and geography. In addition, the CSM team may manage logistics for meetings, communications and content delivery (e.g., webinars, emails and newsletters) to ensure a great customer experience.

Content creation will require active collaboration between the CSM team and subject matter experts (SMEs; e.g., consultants, product managers, support engineers and external partners) who

can share knowledge about implementation, basic/advanced usage and best practices. Furthermore, the CSM team should measure the effectiveness of programs for enabling adoption by collecting customer engagement data across both digital and offline touchpoints. For example, they should evaluate the impact of in-app product guides in activating new users and driving more frequent product usage.

With respect to customer retention, your CSM team should prioritize content that reinforces the total value of your organization's solutions. Communicate value by describing the contribution of products, services and partnerships to the achievement of business outcomes. Customers need to understand and appreciate the total value of your offerings to make a fully informed decision about renewing their business.

Summary

Providers that rely on subscription-based products and services must embrace strategies to increase customer retention rates. To improve customer retention, your teams should help customers achieve value by prioritizing programs and content that drive product adoption, embracing a customer success mindset, and partnering with your CSM team.

Evidence

¹ Gartner's KPIs for Tech CEOs Survey explored what KPIs are measured by startups and emerging companies, the perception about the importance of KPIs, and how startups and emerging providers use KPIs to effect change in the organization. The survey was conducted online by an external partner between April and June 2019.

In total, 507 respondents were interviewed in native language across:

- North America (40%, n = 202; countries including the U.S. and Canada)
- Western Europe (30%, n = 153; countries including France, Germany, Spain, Italy and the U.K.)
- Asia/Pacific (30%, n = 152; countries including Australia, China, India and Singapore)

These percentages may not add to 100% due to rounding. Interpret small base sizes (n<30) with caution.

In order to enable the comparison and contrasting of key trends, quotas were established on key organizational and respondent characteristics:

- Qualifying organizations operate in the high-tech industry (applications/software, communications services, hardware, IT services and semiconductors), with anticipated enterprisewide annual revenue for 2019 of up to \$250 million or equivalent. All organizations focus on businesses and government/nonprofits as their primary customers (including B2B,

B2B2C, B2B2B and government/nonprofit). Companies had to be less than 25 years old and to track KPIs in at least one area of their business.

- Qualified participants have the title of CEO/managing director (59%, n = 300), owner (18%, n = 93) or COO/C-level executive of operations or equivalent (23%, n = 114).

The survey was developed collaboratively by a team of Gartner analysts who follow these markets, and it was reviewed, tested and administered by Gartner's Research Data and Analytics team.

Disclaimer: Results of this study do not represent "global" findings or the market as a whole but are a simple average of results for the targeted countries, industries and company-size segments covered in this survey.

² Results presented are based on a Gartner study to understand marketing's approach and management of adoption, customer experience and customer advocacy. The primary research was conducted online during August and September 2019 among 225 respondents in the U.S., Canada and the U.K. Companies were required to have at least \$100 million in revenue and at least 50 employees and to operate within the high-tech field as a vendor of one of the four following technology categories:

- Applications/software
- Hardware
- Communications services
- IT services

Respondents were required to be marketing professionals with direct responsibility over one or more marketing functions.

Recommended by the Author

[Implement Customer Experience Initiatives to Drive Retention and Growth](#)

[Tech Go-to-Market: Make Customer Success a Cornerstone of Your Customer Experience Strategy](#)

[Tech Go-to-Market: The B2B Customer Life Cycle for Technology Products and Services](#)

[Build Your Customer Reference Program to Support Retention and Drive Higher Growth](#)

[Survey Data: Gartner KPIs for Tech CEOs Survey, 2019](#)

[Improve Customer Retention by Embracing Product Adoption Strategies](#)

Recommended For You

[Differentiation Is Driven by More Than Just Product for Tech CEOs](#)

[How to Articulate the Value of Your Product or Service Offerings' Features as a Tech CEO](#)

[10 Tips for Tech CEOs to Improve Their Messaging Effectiveness](#)

[Develop and Manage a Virtual Customer Advisory Board to Increase Customer Advocacy as a Tech CEO](#)

[Competing in the Security Market as a Startup Tech CEO](#)

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