

SmartKarrot Global Customer Success Survey 2020



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The survey seeks to provide insights on how industry practitioners are managing **Customer Success**, what they are tracking, tools they are using and what they expect for **2020**.

SmartKarrrot Global Customer Success Survey **2020**

250+ Respondents

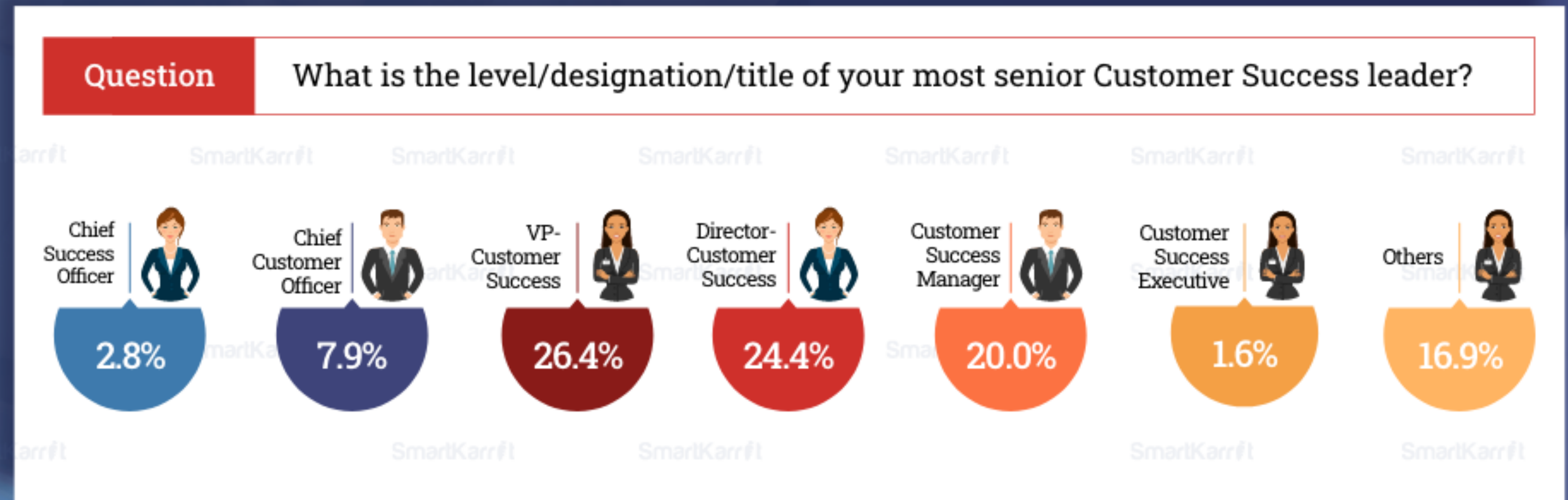
22 Countries



9%

of organizations have **Chief Success Officer** and **Chief Customer Officer** roles

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This is a reflection of the Customer Success function not yet being considered as part of the core C-Suite in most organizations. We hope to see this change drastically in the years to come. Almost 44% of Customer Success functions are being headed by mid-management at this time.



94%

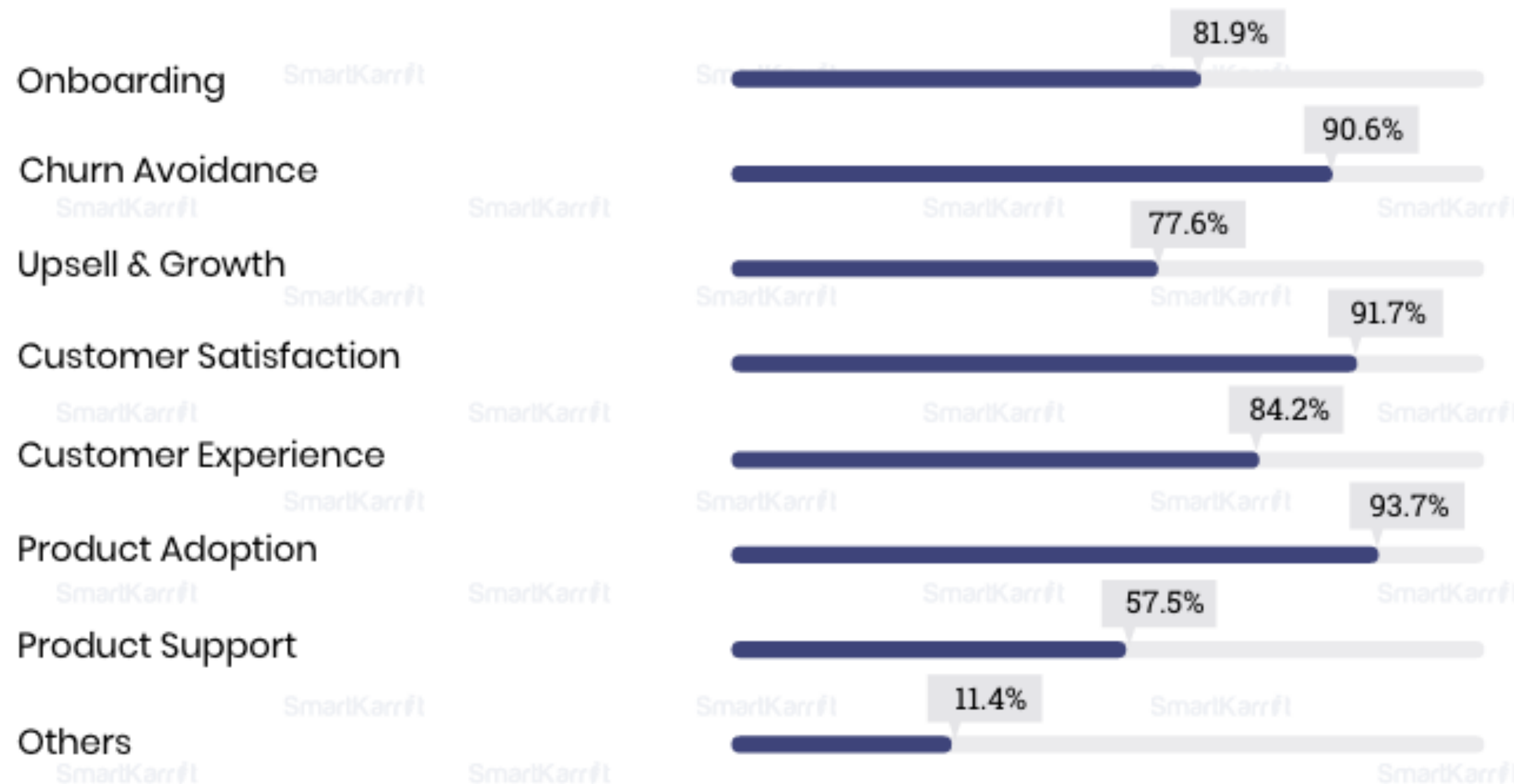
chose **PRODUCT ADOPTION & USAGE** as a key responsibility area of their **CUSTOMER SUCCESS** team

Question

What ALL is the customer success team currently responsible for, in your organisation?

Responses

Percentage of Total Respondents



We have always felt that product success is an integral part of Customer Success and are happy to see this validated. It is interesting to note that churn avoidance and onboarding outrank upsell – will keep an eye out for this to change next year.

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24%

of respondents consider NPS as valuable **ONLY** when combined with other metrics

Question

How relevant is **NPS** as a metric?SmartKarrrot
ResponsesPercentage of total
Respondants

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We feel this is very true. NPS needs to be stopped being used as a vanity metric. It is a critical component of measuring sentiment when used in conjunction with other metrics like usage metrics, value milestones, touchpoints etc.

84%

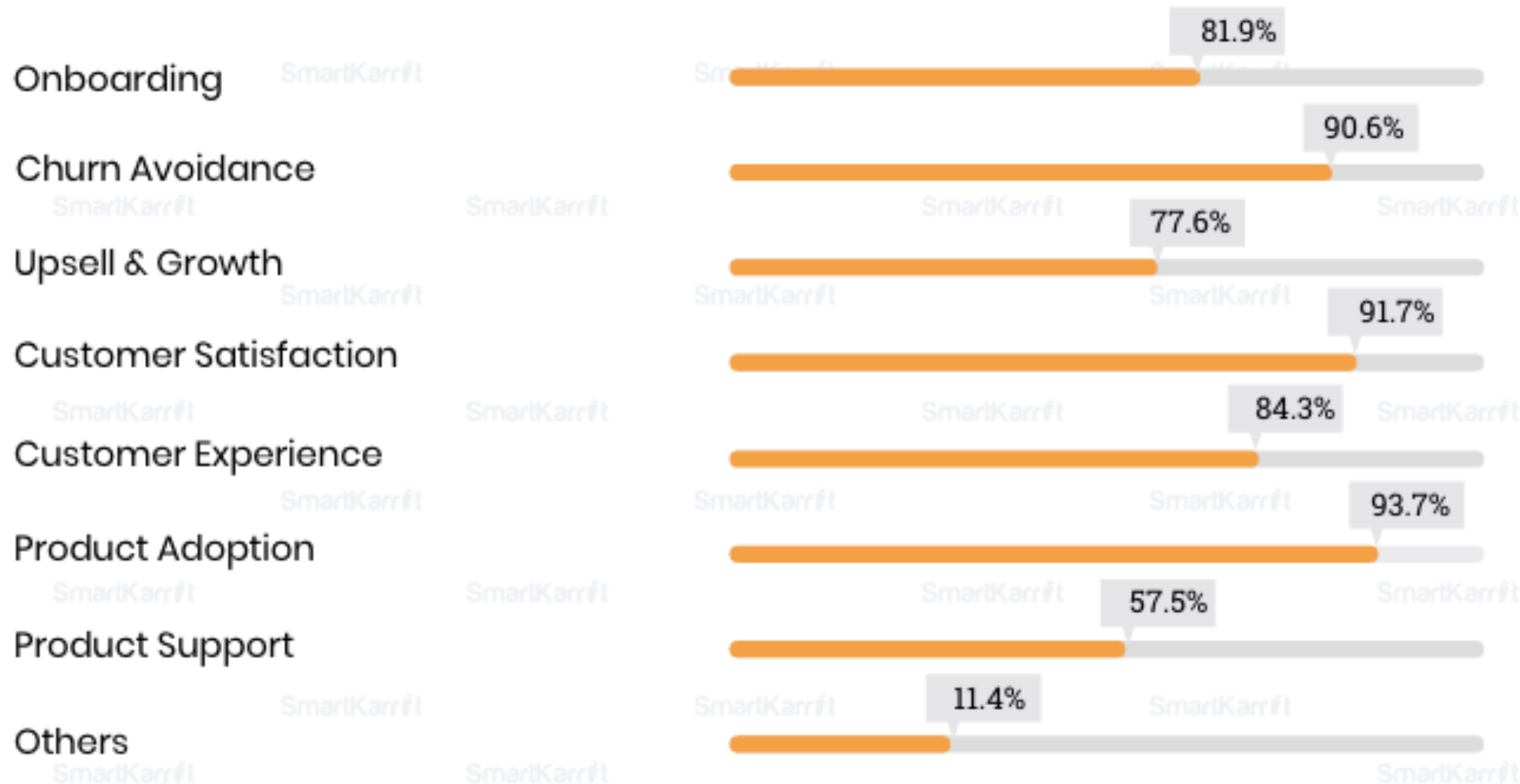
chose **CUSTOMER EXPERIENCE** as a key responsibility area of their **CUSTOMER SUCCESS** team

Question

What ALL is the customer success team currently responsible for, in your organization?

Responses

Percentage of Total Respondents



We have always felt that product success & customer experience are an integral part of Customer Success and are happy to see this validated. Customer experience goes beyond just measuring NPS and will evolve into managing and influencing customer touchpoints across channels.

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65%

of respondents consider the **CUSTOMER SUCCESS FUNCTION** in their organization to be **SOMEWHAT INTEGRATED + SILOED**

Question

Do you feel customer success is siloed within your company or integrated across teams?



Well
Integrated
35.4%



Somewhat
Integrated
59.8%



Completely
Siloed
4.8%

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This is not surprising considering the multifunctional aspects of Customer Success operations. We do hope to see this improve in the years to come. Leadership backing, organizational structure and use of integrated Customer Success platforms will be likely contributors.

90%

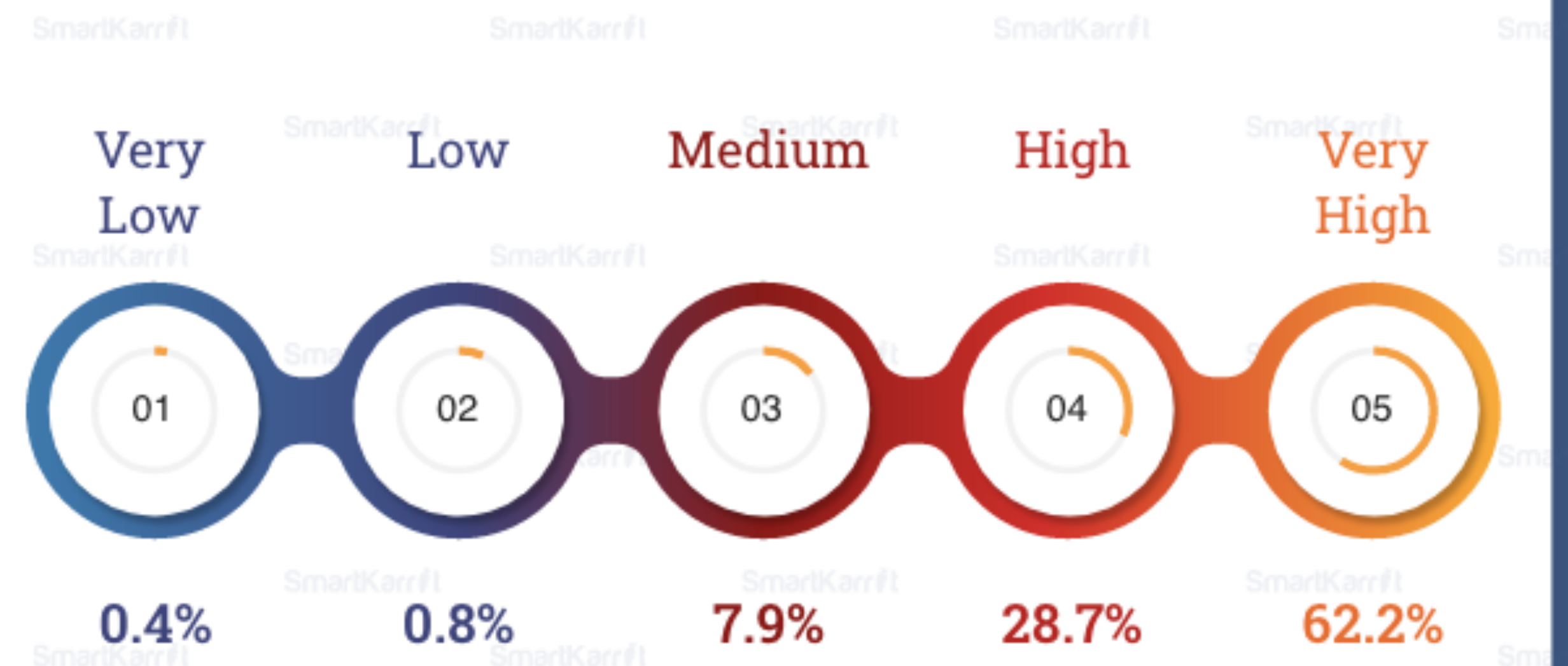
respondents recommend a high or very high degree of overlap between **PRODUCT MANAGEMENT** and **CUSTOMER SUCCESS** teams

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This is a key aspect of being able to create true customer value. From initial product onboarding to new feature release and overall customer experience – the needed overlap is quite evident.

Question

For great Customer Experience, in your opinion, what is the level of overlap/co-operation required between Customer Success & Product Management?

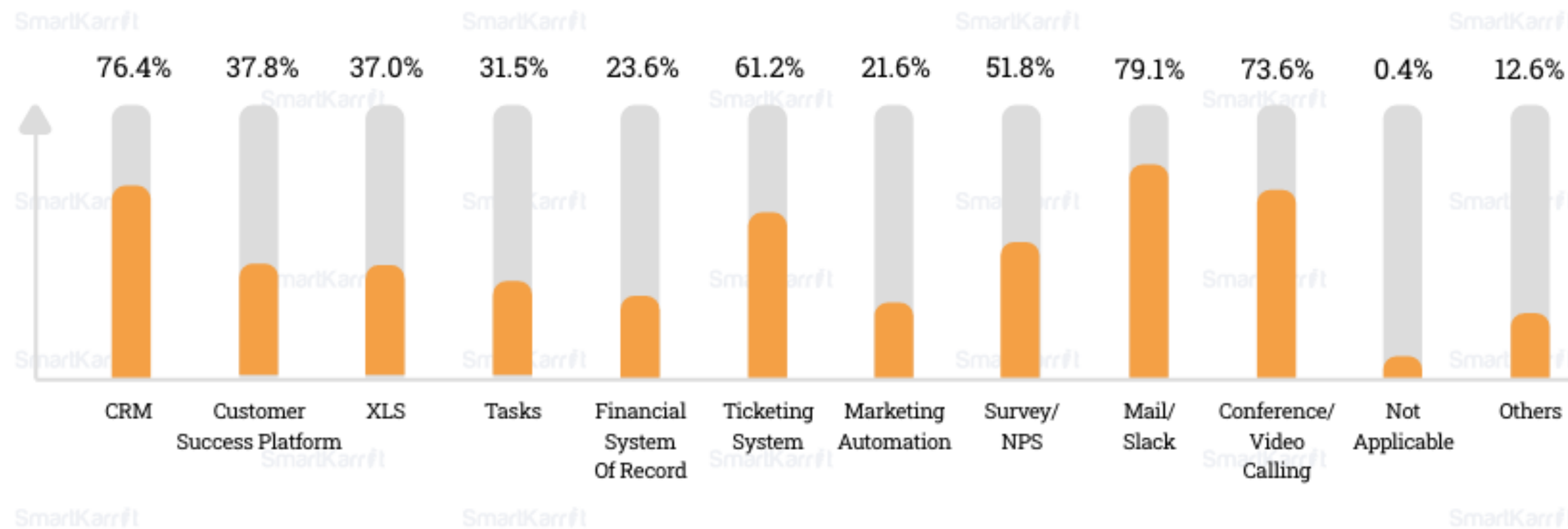


61%

of Customer Success teams **DO NOT** use a dedicated **Customer Success platform** in their day to day operations

Question

Which tools does your Customer Success team use in their day to day operations?



76% still use CRMs as a key tool! We are not surprised.

We do expect to see a change in this as functions slowly evolve into more

“execution” and “operations” oriented tools and move away from only system of contacts and records.

This is also a reflection of a potential gap which Customer Success platforms like SmartKarrot need to be aware of and address.

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48%

feel there are too many **TOOLS** used internally as a top challenge & **54%** feel current tools are ineffective

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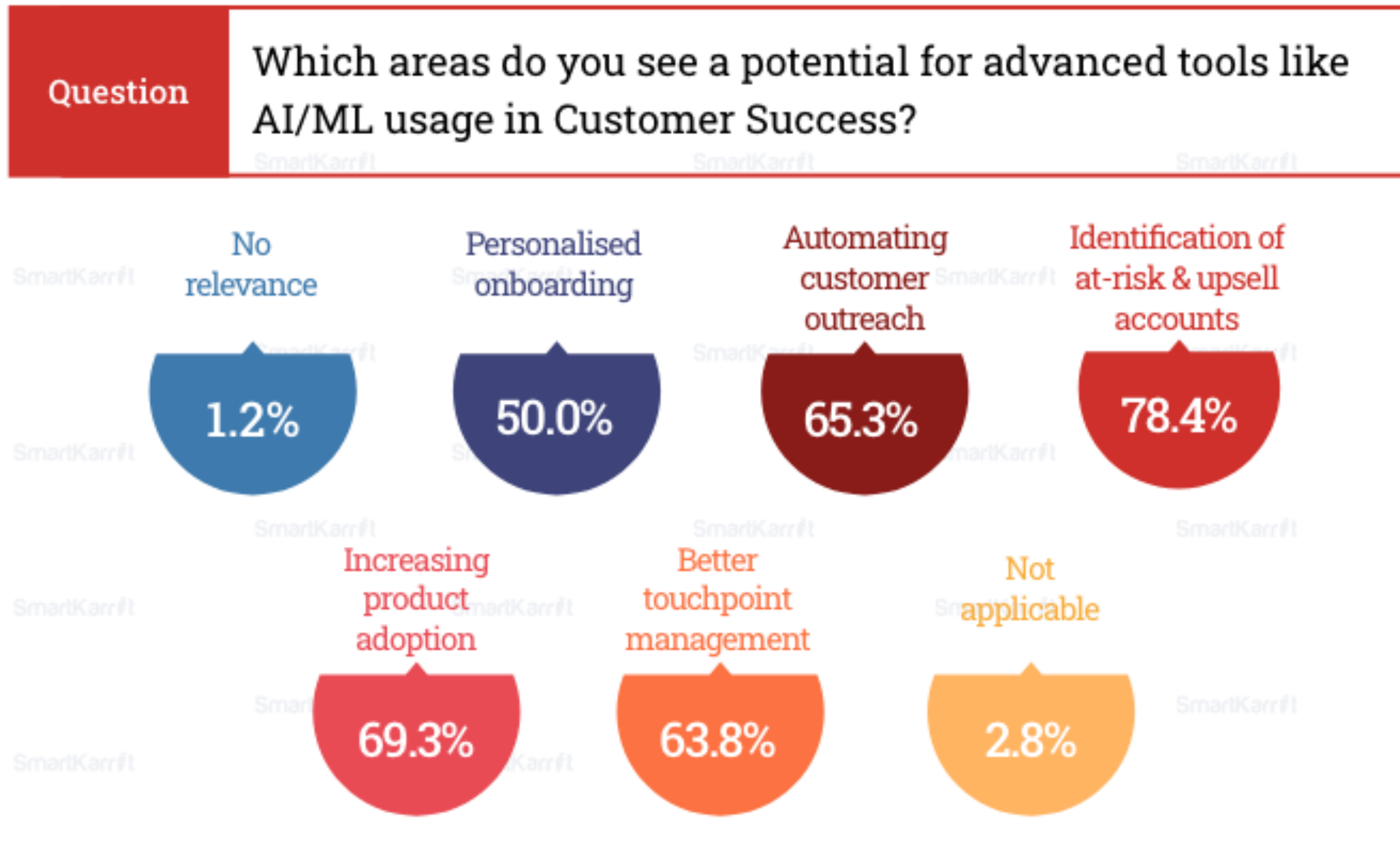


These are stunning numbers. We anticipate the need for significant innovation in Customer Success tools in the near future. Outcome orientation and relevant to outcome features are likely changes we can expect.



79% feel the relevance of AI/ML usage in handling **at-risk & upsell** identification

The need of the hour is to have system driven cues to drive churn reduction and nurture upsell opportunities. Complex but is relevant in regard to Customer Success platforms being aligned to core outcomes.



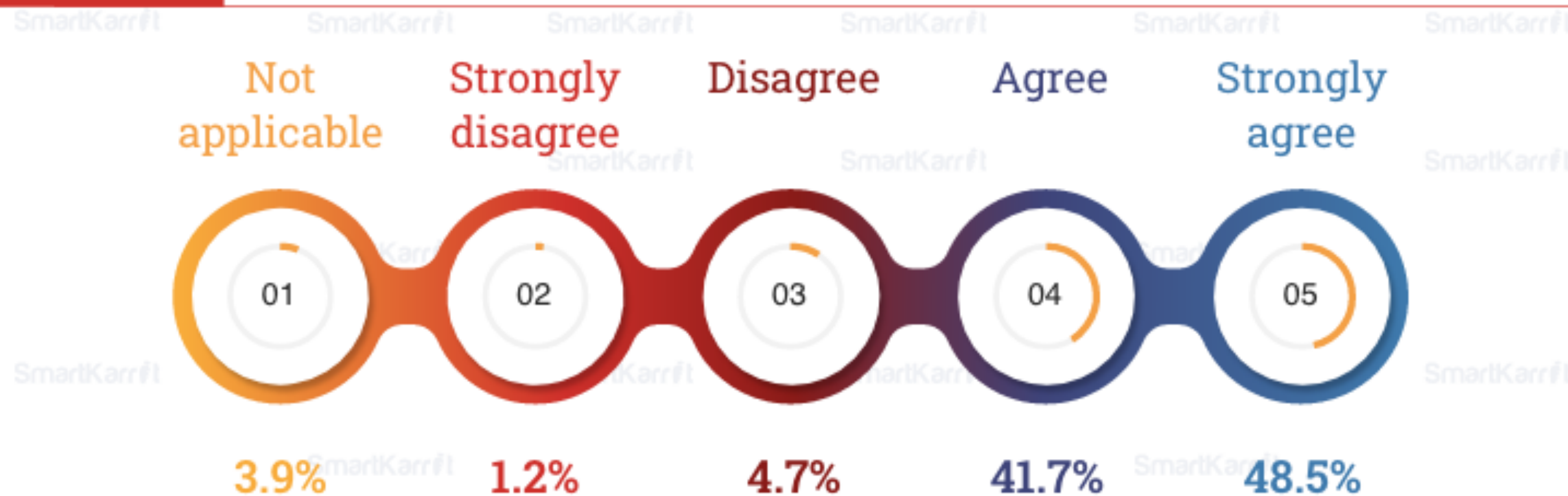
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89% of respondents think that **Customer Success tools** should enable real time actions in response to **user behavior**

Question

Do you agree with the statement: "Within my Customer Success tool, I would like the ability to automate real-time actions in response to user behavior"



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*This reiterates our belief that most tools today are an extension of CRM systems – great at being a **system of record** (when used effectively) and a **system of contacts**. Customer Success as a function needs to influence outcomes and tools/platforms will need to evolve accordingly.*



75%

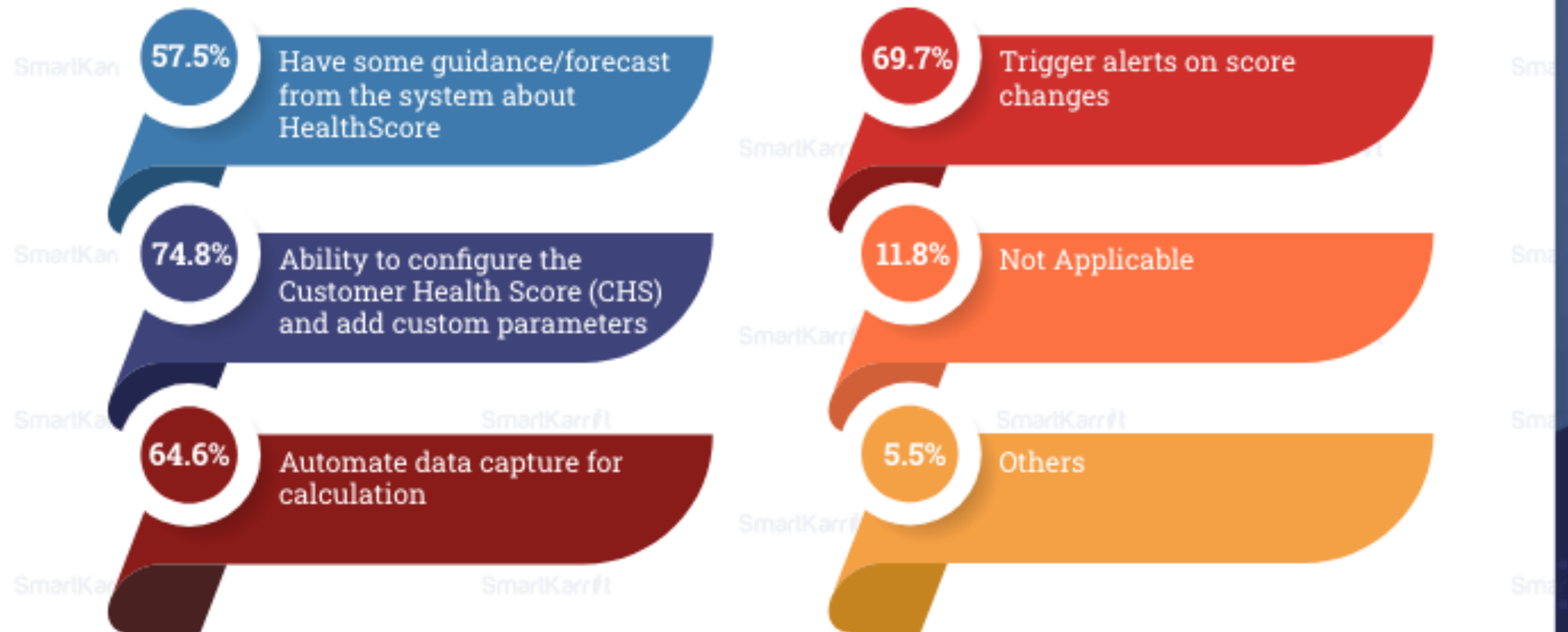
of respondents felt that **health scoring** of accounts need to be configurable to meet specific organizational needs

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70% wanted automated alerts on score changes and 58% wanted predictive models. This is consistent with what we think. Health Scoring needs to be a leading indicator and a true metric of health one can action on proactively.

Question

In your Customer Success Tool/Platform, which of these are important to you with regards to Health Scoring of accounts?



50%

are **NOT** able to personalize **onboarding** by **stakeholders'** roles in current tools

Question

In your Customer Success Tool/Platform, are you able to personalize onboarding and notifications by stakeholder profiles?

22.4%

Yes

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19.0%

No

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30.7%

No, but I would like to

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27.9%

Not applicable

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Onboarding is a key contributor to success. Personalizing the onboarding experience by roles will be a critical aspect of influencing customer success in the near future.

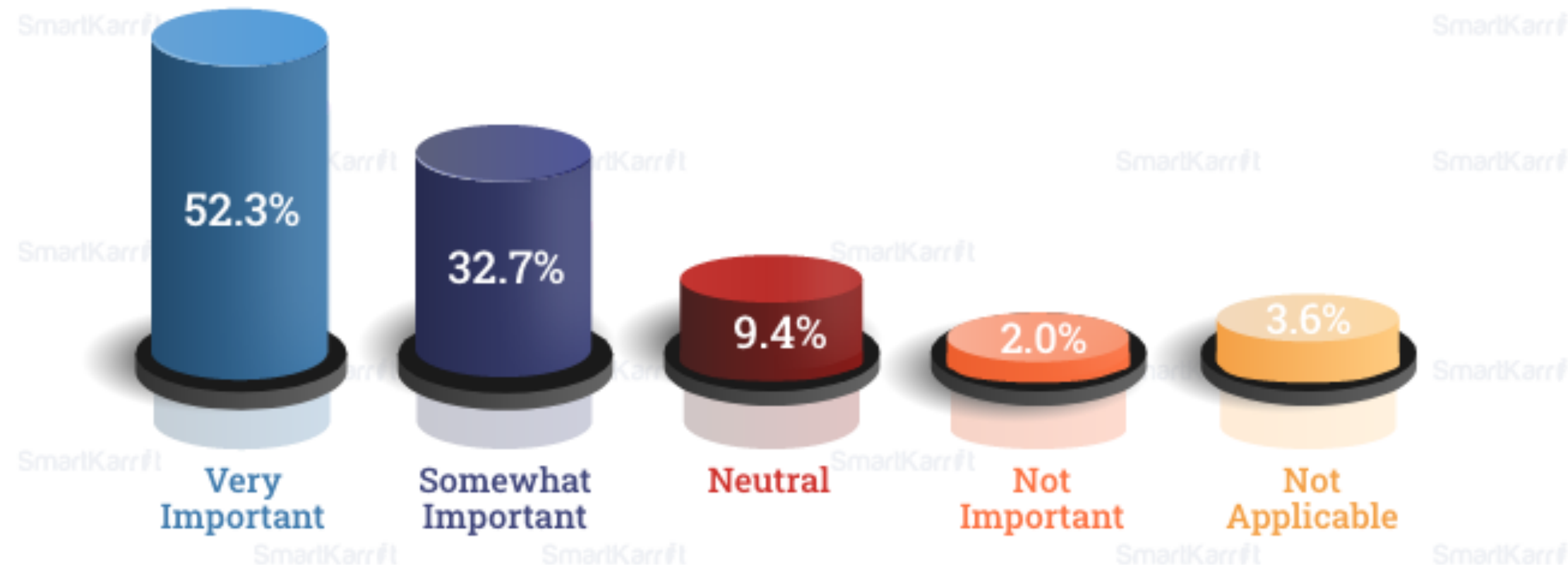
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85%

 organizations need **templated playbooks** for their Customer Success teams**Question**

How important is availability to templated playbooks for your Customer Success team?



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This need for a prescriptive guide to operations reflects the varied resource pool in Customer Success as well as the multi faceted role requirements. Industry and platforms needs to eventually gauge the effectiveness of these playbooks and allow optimization & customization of the same.

33%

organizations' Customer Success platform does not track Product Usage and Adoption

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*We believe tracking is only one part of the need. The ability to **influence** the adoption and usage metrics is probably what the real need is.*

Question

Does your Customer Success Tool/Platform allow you to track product usage and adoption actively as part of Customer Success operations?

45.2%

Yes

6.3%

No

27.9%

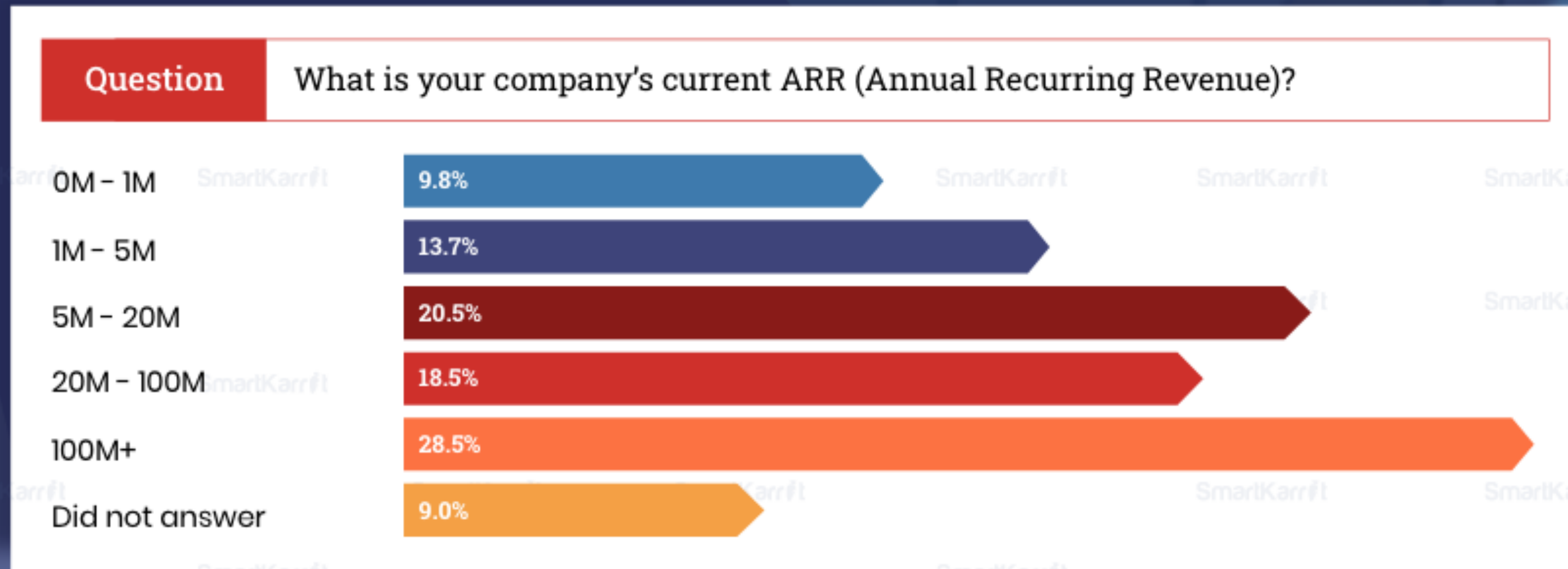
No, but I would like to

20.5%

Not applicable

28%

respondents have \$100M+ Annual Recurring Revenue (ARR)



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*At around **~30% > 100M** and **~30% in the 1M-20M** range, this survey seems to have covered the two ends of the spectrum.*



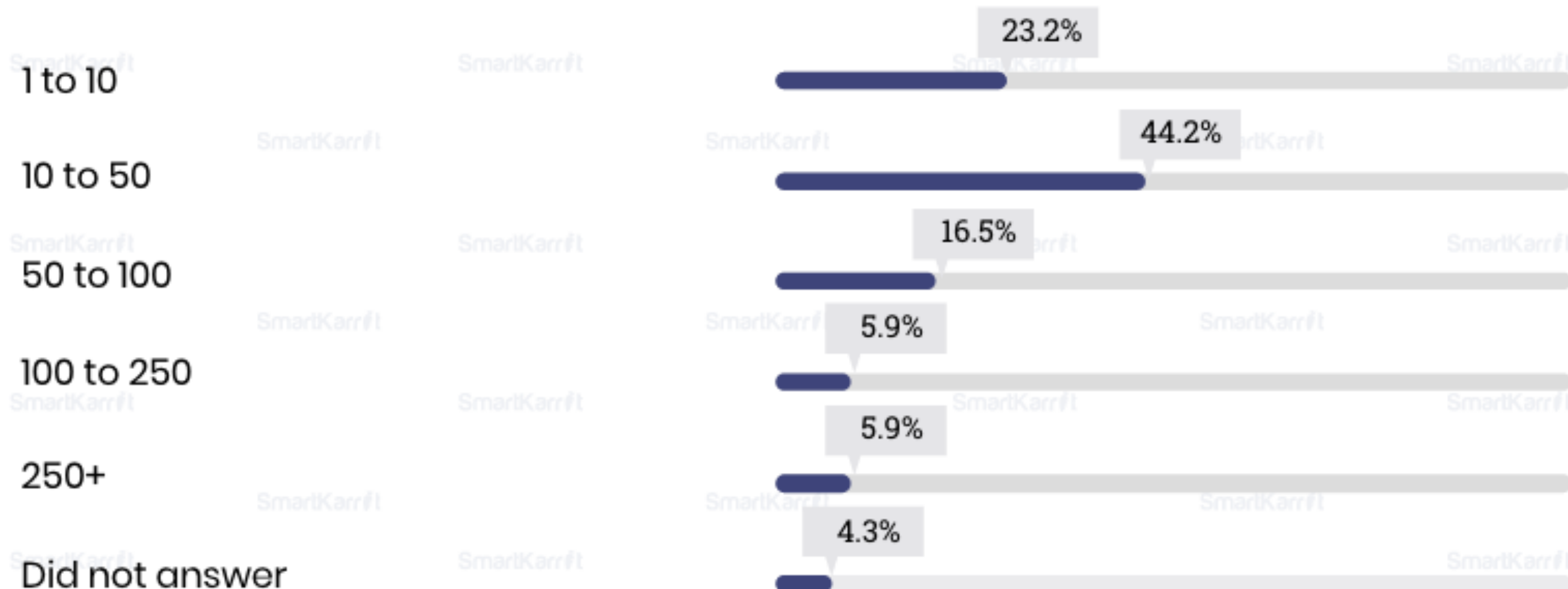
44%

Customer Success Managers manage between 10 to 50 accounts

This appears consistent with what we have been seeing in practice and reading in other reports. ~45% of CSMs have 10-50 accounts to manage. Need to consider that this number is likely to increase as systems become more automated and prescriptive.

Question

At your workplace, how many Accounts/Customers does each CSM manage?



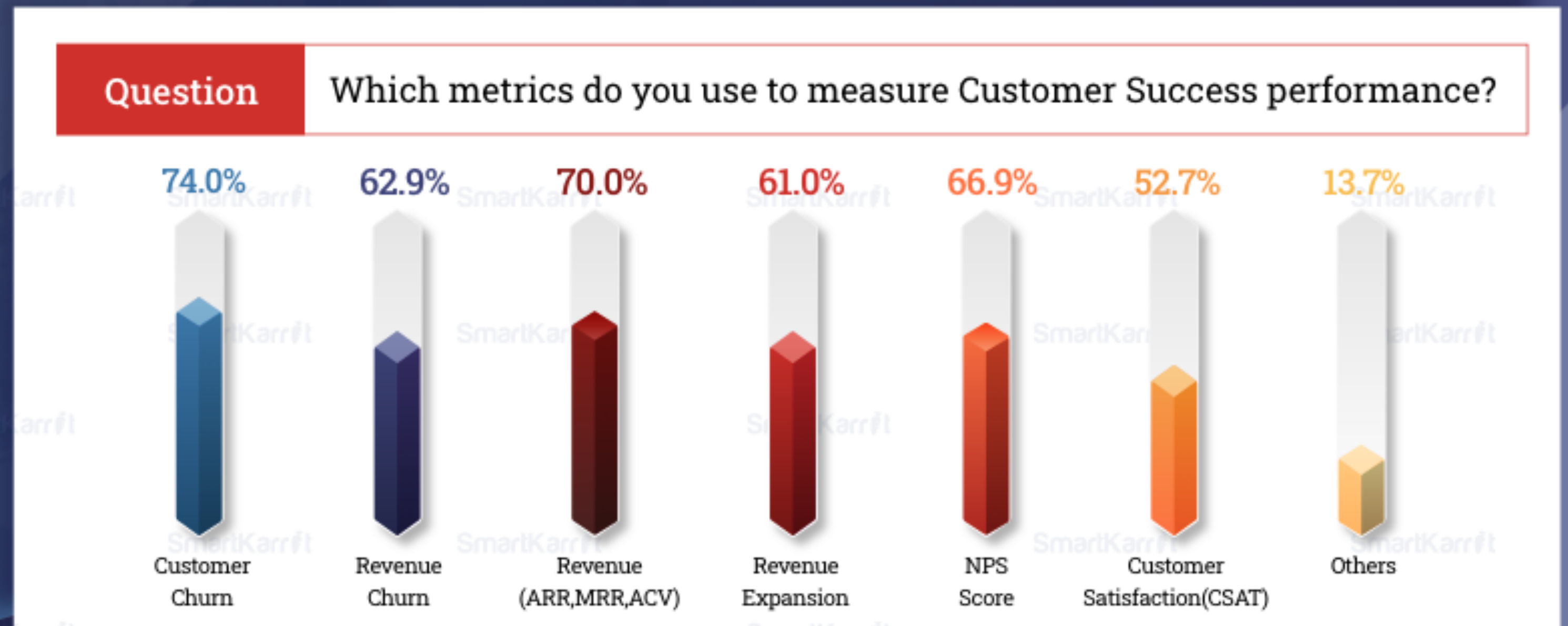
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74%

organizations use **Customer churn** as Customer Success performance measure

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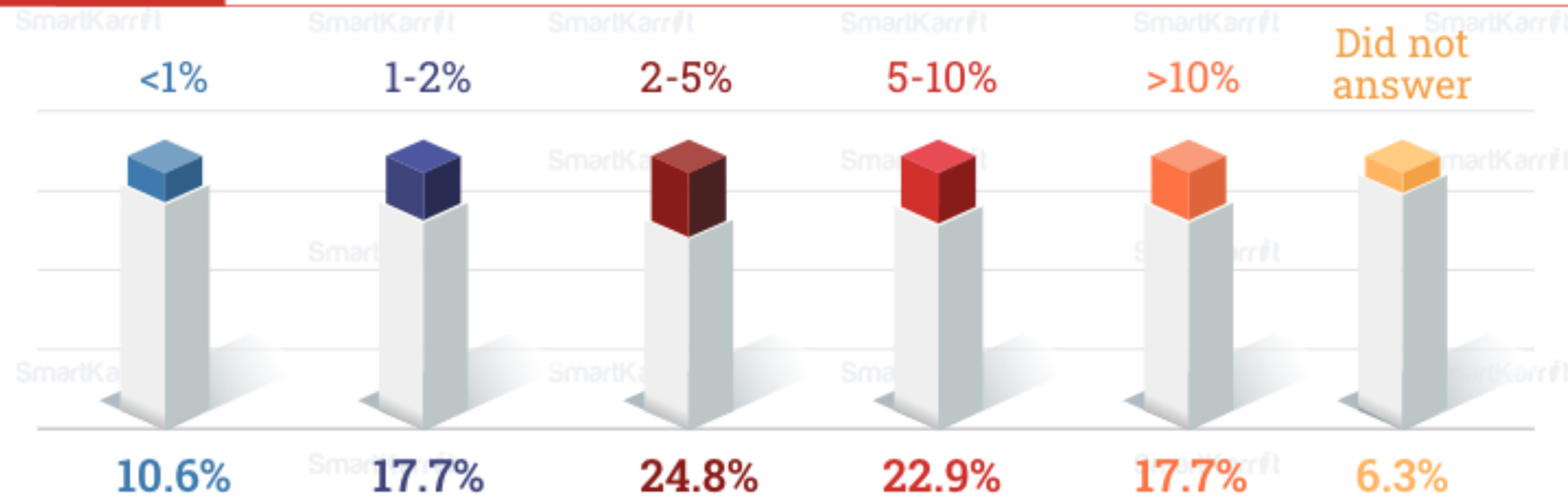


Customer Churn & Revenue at #1 & #2 top metrics being used currently is not a surprise. With the new normal post COVID-19, we expect **Revenue Expansion** to slowly become the go-to metric for CXOs.

48% organizations faced **Customer Churn** between 2 - 10% in past two years

Question

What is the average customer churn your organization has experienced over the last 2 years?



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This is consistent with industry data. We feel post COVID organizations are likely to strive for negative churn and put more weightage around customer retention.



72%

companies plan to **increase Headcount** in Customer Success Team in 2020

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*This is pre-COVID and hence, will need to be relooked. This does give us a sense that **Customer Success** is being increasingly looked at as a key component of scale.*

Question

Is your company planning to increase the headcount in the Customer Success team in 2020?

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Yes



40.9%

Very
Likely

29.5%

Not
Likely

21.4%

No



4.7%

Did not
answer

3.5%

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About SmartKarrot

SmartKarrot helps drive business outcomes around lifetime value, retention, expansion, adoption, engagement and customer experience. One integration engine connecting behavioural analysis, strong personalized engagement and automated actions.

For more details write to:
info@smartkarrot.com

