

# The Power of Customer Satisfaction

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...and the importance of research in the independent learning technology market

*By David Perring, Director of Research*

81% of shoppers research online before buying, according to Retailing Today. They conduct research via search engines, compare product prices, read user reviews and product information. They also turn to independent evaluations of products and services referencing impartial expert reviews and commentaries using from organisations such as Which? to support their decision making. Typically, the higher the price of the purchase the more inclined we are to invest more time and money in understanding our choices.

In the learning technology market there has not been an abundance of independent market research in Europe to illuminate buyers' decisions about who they work with. Who do customers believe provide them with the highest levels of customer service, business impact, levels of innovation, exceed learners' expectations and consistently provide value for money?

At Fosway Group, we have been collating insights about the market for over 20 years, tracking who works with who, and what they thinking of them, the total costs of ownership and assessing the impact/benefits organisations have from different Learning technology providers and their solutions. We share these insights in our vendor profiling reports and our Fosway 9-Grid™ reports. But in the quest for continuous improvement we've partnered with Learning Technologies, the people who bring you even more insights about the great and the good in learning technology. Our joint aim to create the definitive market barometer, which will give buyers like you, transparency to a learning technology market that can be clouded in marketing spin and consultancy opinion, but not a great deal of data.



The first phase of our research partnership was delivered for the Learning Technologies event in London in February 2016. Over 900 respondents contributed to our initial conference and exhibition survey.

## So what did we learn?

- 1) **Buyers need to set clear expectations when they engage with suppliers.** Customers reported that suppliers only 'always' or 'frequently' understand their needs 60% of the time. With LMS providers that appreciation of customer needs falls to 50%. Whilst it would be easy to blame the vendors, in reality it is potentially more symptomatic of buyers actively explaining their wants especially with content solutions. It's a failure to communicate. With LMS providers the added complexity can come from learning departments struggling with learning management modules within legacy HR systems, but that's not to excuse the sentiment that 1 in 10 have with their LMS provider never understand their needs.
- 2) **There is lots of room for vendors in the learning technology market to compete on quality of service.** Whilst service levels are good (62% of customers report consistently getting 'great' service), only 15% of respondents always believe they get great service from their suppliers. Yes, there are skews with learning content topping the quality of service ranking (76%) and LMS providers being at the lowest (41%).
- 3) **Buyers need to shop around for innovation.** Of all the themes within the survey innovation was one that received the lowest overall rating. 55% of customers reported a consistently positive innovation from their learning technology providers. Customers reported 61% of learning content providers and 74% of LMS providers only occasionally, rarely or never innovated their offering. What's surprising about these figures especially for LMS providers is that Cloud based solutions typically offer quarterly upgrades to their platforms and do offer a high cadence of new functionality. In fact, we hear many LMS managers raising concerns about their ability to keep pace with the updates they are provided with. So looking beyond the data this might be more representative of the focus of innovation rather than the pace of innovation. In learning content, the level of innovation was also surprisingly low. Customers reported as little as 6% of learning content providers always innovate their offering, with two thirds believing they don't consistently get innovations in content. With such a small proportion providing higher levels of innovation in their solutions you clearly need to scour the market place for fresh thinking.



4) **If you want to consistently exceed learners' expectations – set learner experience as your top selection criteria and involve learners in selection process.** Of all the results this is potentially the most concerning. Less than 50% of learning technologies consistently exceed learners' expectations. It's an interesting debate about how often we should be looking to exceed learners' expectations and how much that might cost. But with 10% of learning technology providers always exceeding learners' expectations, I know who I would prefer to be partnering with and it's not the other 90%.

The challenge is how we bring more transparency to the learning technology market as a whole, not to witch hunt the worst providers but the highlight what the best are doing and who they are and why they succeed. We all have a role to play in that. You have a role to play in that by being an active part of the learning technologies community and sharing your experiences both in its forums but also in European focused research. And that is the second phase in our research agenda for 2016.

Over the coming weeks, in association with Learning Technologies, we will be launching a year-long survey to help uncover the market leaders so we can help provide you not just with the market trends but the names of the leading companies. Its insight and feedback you need to share if you want to bring better transparency and independent data to your decision making. So please, be open, be involved when our next survey comes to your door.



# Accelerate and De-risk

To talk to us about our research on learning and talent systems, or to discuss what it might specifically mean for your organisation please contact us directly.

We will use our independent expertise to provide you with the guidance you need to accelerate and de-risk your decisions. We have a wealth of experience, tools, research and profiles at our disposal. We don't have any "products" to sell and we have no "vested interest" to bias your outcomes. We concentrate on pragmatic, independent advice.

## Accuracy of Information and Warranties

The analysis and recommendations made in this document are based on the information currently available to Fosway and from sources believed to be reliable.

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# About Fosway Group

At Fosway Group, we understand that developing and engaging people is how complex global organisations deliver performance and achieve success. Just as every employee's talent journey is unique, so is every organisation's people strategy.

Fosway Group's analyst and advisory services deliver the insights your organisation needs to achieve results and eliminate risk. We know that every aspect of next generation HR and talent are more intertwined than ever. When you work with us, you accelerate your insight and make better decisions.

We're Europe's #1 independent HR analyst, and just like the Roman road we draw our name from, you'll find that we're unusually direct. We don't have a vested interest in your technology or consulting choices. You can depend on us to tell you what you need to know to succeed.

**Example clients include:** Alstom, Aviva, Boots UK, BP, BT, Centrica, Deutsche Bank, Faurecia, HSBC, International SOS, Lloyds Banking Group, Novartis, PwC, Rolls-Royce, Royal Bank of Scotland, Sanofi, Shell, Swiss Re, Telefonica, Thomson Reuters, Toyota Europe, and Vodafone.

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