

Gainsight.

THE STATE OF THE
**CUSTOMER
SUCCESS
PROFESSION
2019**





FOREWORD

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Stop and think for a second—what kind of jobs will the next generation have access to that don't even exist today? The rapid advancement of technology and business has opened up doors that we couldn't have been fathomed 20 years ago. One of those emerging industries is customer success.

Technology today is incredibly powerful, but it can only do so much. It lacks a human element. It needs a human element. That's why customer success is of such importance. It's a product of the adaptations the business world has had to undergo in order to remain competitive. It's exhilarating to see how many other industries are fitting customer success into their strategies.

This report is proof of the growth that customer success has experienced in the past four years. And it's showing

no signs of stopping. The role of customer success manager has become one of the most promising modern job roles and continues to grow. In fact, LinkedIn's Most Promising Jobs of 2019 Report ranked Customer Success Manager as one of the fastest growing roles of today. Businesses that want to advance in the current landscape will do well to provide customer success professionals with the opportunity to grow and advance. Individuals that want to elevate their career, in turn, need to build out their already diverse set of skills to include soft skills and deep knowledge in today's technology.



KEY FINDINGS



The majority of customer success professionals (CSPs) work in the Software & IT industry but the profession is showing ascending growth in other industries. 72.8% of customer success managers (CSMs) work in the Software & IT industry. However, CSM positions in industries like Agriculture, Wellness & Fitness, and Recreation & Travel are growing rapidly.

CSMs go on to hold leadership positions. 51.9% of CSMs directly advance to leadership roles.

Enterprise companies are late adopters of customer success. 66.9% of all CSPs exist in companies with less than 1000 employees. This indicates a growth opportunity in the enterprise space.



CSMs require soft skills and technical skills. A CSM has to have great communication skills in order to build customer relationships as well as a deep understanding of the products their customers are using.

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WHAT IS CUSTOMER SUCCESS?

The term Customer Success Manager (CSM) will be used frequently throughout this report in its abbreviated form. While actual job duties may differ, the core of CSM positions has remained consistent throughout the evolution of customer success (CS). This has made it one of the most commonly used and agreed upon job titles across the customer success industry. Executive customer success roles are yet to be standardized so CSM, as a common and consistent job title, has become representative of the entire customer success profession.

Typically an entry-level to mid-level position, CSM roles require a variety of soft skills and technical ability. They're responsible for being experts in product or service offerings and driving customer outcomes.

GLOBAL CUSTOMER SUCCESS 02

CSM TITLES INCREASED 8X

From 2015-2018, the amount of LinkedIn users with the job title CSM grew at a rate of 736.44%

Customer Growth of CSM Positions
LinkedIn members with "Customer Success Manager" titles between 2015-2018



Customer success is growing at a global scale. Since its inception in the early 2000s, customer success has been synonymous with the technology industry and, specifically, recurring revenue businesses.

However, the need to deliver great outcomes and experiences to customers is universal. CSM as a job role has seen a significant amount of growth from 2015 to 2018, showing that other industries are rapidly realizing the importance of the discipline and adopting the nomenclature.

Since 2015, CSM positions at a global scale have grown at a rate of 176.54% year over year. While CSM positions are most prevalent in the United States, positions are trending upward worldwide.

GROWTH BY REGION

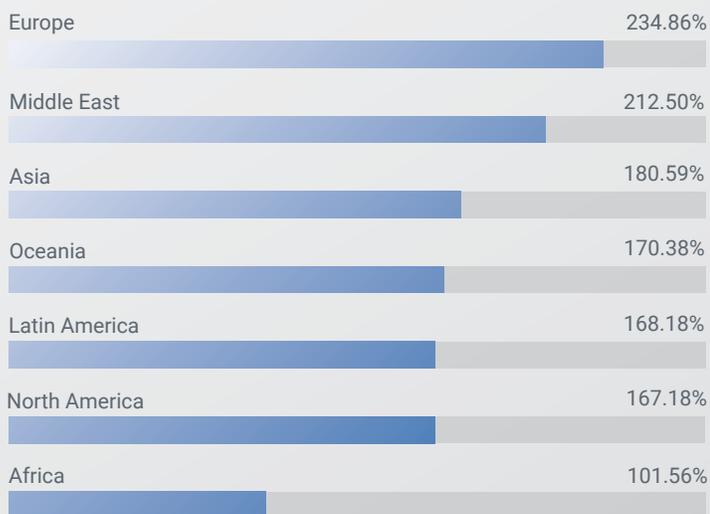
While the world as a whole is experiencing rapid growth of CSM positions, there are regions that are leading the way. Since October 2015, members of LinkedIn's online community with the job title "CSM" grew at a global average growth rate of 1009.48%. Regions represented in the data are Europe, Middle East, Asia, Oceania, Latin America, North America, and Africa. Looking at the CSM growth rate of a country shows how quickly or slowly they are adopting customer success naming conventions and filling positions with that title.

Europe is the frontrunner for growth of the CSM role between 2015-2018, with a year over year (YoY) average growth rate of 234.86%. The Middle East is the second fastest-growing region, with a YoY average growth rate of 212.50%. The third fastest-growing region is

Asia, with a YoY average growth rate of 180.59%. The spread of customer success on a global scale can be attributed to many factors, but one of the most influential being the rise of technology hubs. In a study on hotspots of tech activity by CB Insights, major cities like London, Amsterdam, Tel Aviv, Beijing, and Shanghai saw growth of funding to tech startups between 2012-2018. This correlates with our data showing the growth of CSM positions in the regions where those cities are located.

Looking at growth rates more granularly, by country, further supports the fact that Europe is leading the way in CSM growth. The top five countries with the largest increase of CSM roles since 2015 are Austria (5400% growth rate), Finland (4425%), Greece (3000%), Romania (2900%), and Luxembourg (2400%).

Global Growth of CSP's by Region



GROWTH BY INDUSTRY

Industries that rely on recurring revenue, like Software & IT Services and Media & Communications, have the highest amount of CSMs. However, other industries are creating CSM positions to take on the responsibility of delivering consistent experiences and outcomes.

Industries with the Most CSMs

1. Software & IT Services
2. Media & Communications
3. Corporate Services
4. Education
5. Hardware & Networking

Industries with the Largest Growth Rate of CSPs

1. Agriculture
2. Real Estate
3. Media & Communications
4. Consumer Goods
5. Wellness & Fitness

Global CSM Growth Rate by Industry

Industry Group	Growth Rate
Consumer Goods	1003.85%
Corporate Services	708.93%
Education	650.00%
Finance	818.67%
Hardware & Networking	461.82%
Health Care	708.20%
Manufacturing	649.12%
Media & Communication	1067.74%
Real Estate	1286.67%
Recreation & Travel	851.52%
Software & IT Services	720.63%
Transportation & Logistics	968.18%
Wellness & Fitness	1000.00%



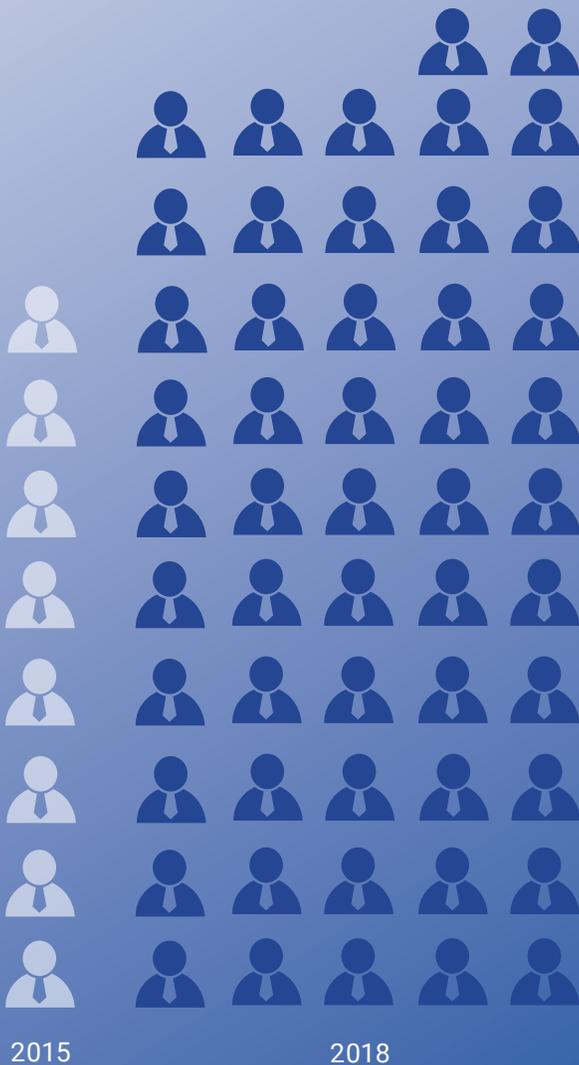
CUSTOMER SUCCESS IN THE U.S. 03

The term CSM was born in Silicon Valley and because of this early start, the U.S. remains a global leader in customer success opportunities. LinkedIn's data shows that U.S. CSM trends closely mirror global ones. Since 2015, the amount of U.S.-based CSMs on LinkedIn has grown at 168.51% YoY. This is a slightly lower rate than the global year over year average growth rate, 176.54%.

**CSMs in the U.S.
make up 52.75% of
the world's total.**

Customer success job seekers in the U.S. have a better chance of finding opportunities in metropolitan cities. New York, Boston, and Chicago have experienced the largest growth rates of major U.S. cities and prove to be the most promising areas for CSM positions.

Since 2015, the number of CSPs in the U.S. grew 7.7x



Top Five Fastest-Growing US Metropolitan Cities for CSMs

1. New York City, NY
2. Boston, MA
3. Los Angeles, CA
4. Chicago, IL
5. Atlanta, GA

Growth Rate of CSMs in Metro Cities from 2015-2018



THE CUSTOMER SUCCESS LANDSCAPE 4

We live in the Age of the Customer. Constant technological innovations have created a surplus of products and services. We've also been experiencing a shift from on-premise technology and one-time payments to cloud-based solutions and monthly or yearly contracts. These combined give consumers the upper hand. Once a contract is up, they're not stuck—they can move on to whatever new product or service fits their needs. Now more than ever, it's critical that businesses continuously deliver value.

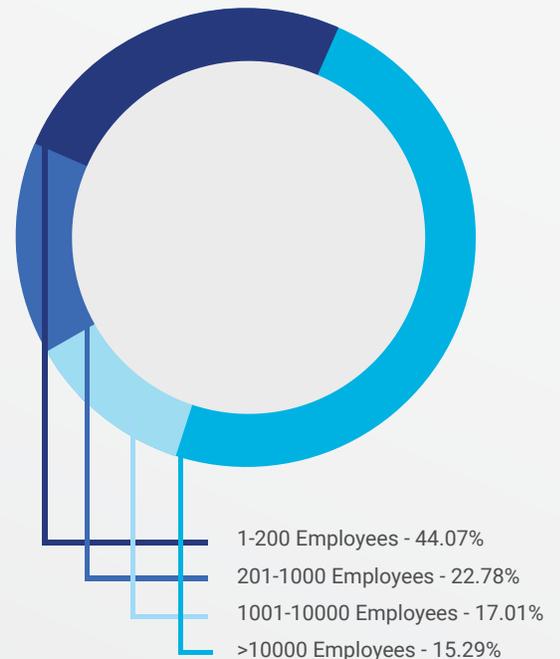
The World Economic Forum reported that while there is, and will continue to be, a rise in automation, "expected to grow are roles that leverage distinctively 'human' skills." Customer success professionals are in an advantageous position. Their soft-skills paired with a deep understanding of technology make them an important part of the expanding digital workforce.

INDUSTRY SEGMENTATION

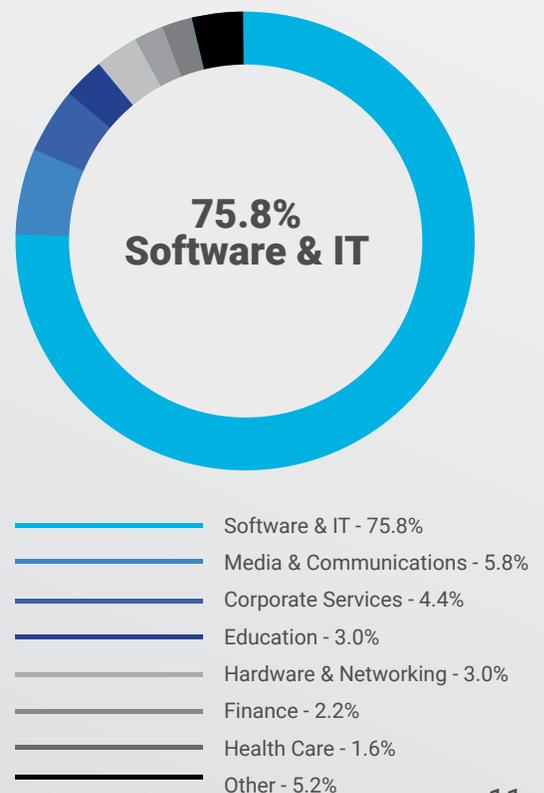
In both global and U.S. data, the Software & IT industry has the most Customer Success Manager positions. On a global scale, 72.8% of all CSMs are in the Software & IT category.

Over 50% of all the CSMs in existence come from companies with less than 1000 employees. Of these types of companies, smaller businesses with less than 200 employees have the highest percentage of CSPs (38.78%), whereas companies with more than 1,000 employees have the lowest percentage of CS professionals (21.39%). This indicates an opportunity for improvement in larger, enterprise companies, the customer success benefits could help them to maintain their large contracts. Although it's important to keep in mind that it takes more effort to create change in an established enterprise-sized company.

CSP by Company Size



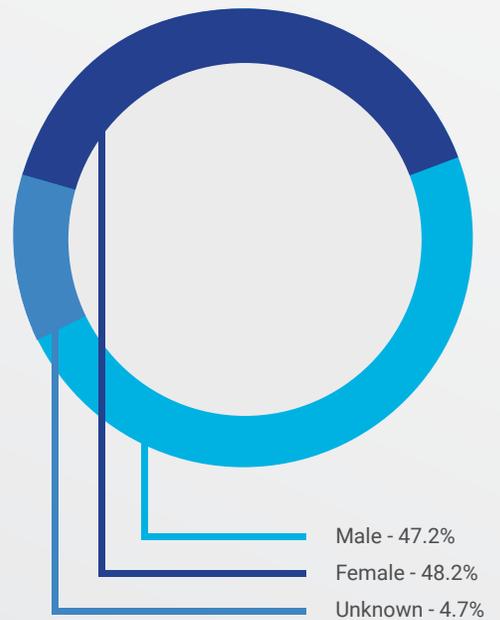
Fastest Growing Industries in CS



GENDER DIVERSITY

Gender diversity has 48.2% parity. This is in line with the trends facing technology companies today that emphasize diversity. While this is positive, it shouldn't result in passive acceptance. Instead, it should drive companies to close the remaining gap and carry this equality through to executive positions.

CSM Breakdown by Gender



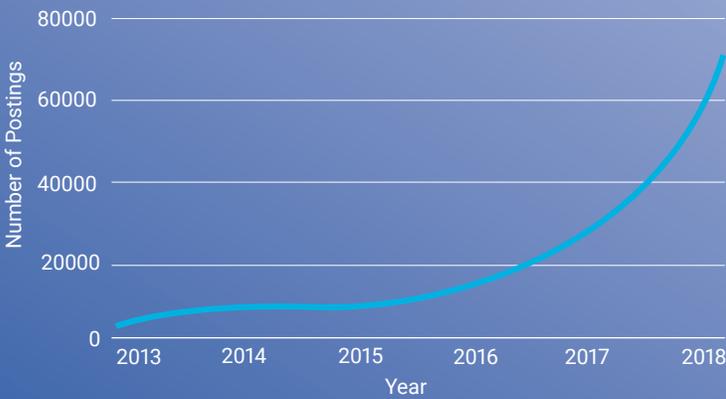
CAREER PATH

Customer success positions have a history of growth, moving up and to the right. From 2017 to 2018 customer success experienced the biggest spike in job postings and hires. The average YoY growth rate of CSP job postings on a global scale is 3087.85%. The average YoY growth rate of CSP job postings in the United States is 84.27%.

CSM is typically the entry-level position in the customer success career path. According to LinkedIn salary data, the average starting salary for a CSM is \$50,000. The median salary for a CSM is \$82,000. On the higher end, the average salary can be as much as \$140,000 but this is dependant upon experience. People that move into CSM positions tend to come from functional roles.

The CSM position is considered an entry-level position because the average tenure in this role is less than two years. After this time, CSMs move into senior positions. This indicates that there are constant opportunities for career advancement into the CSM role from functional roles and from there into senior and leadership positions.

CSP Job Posting Trends Across the Globe



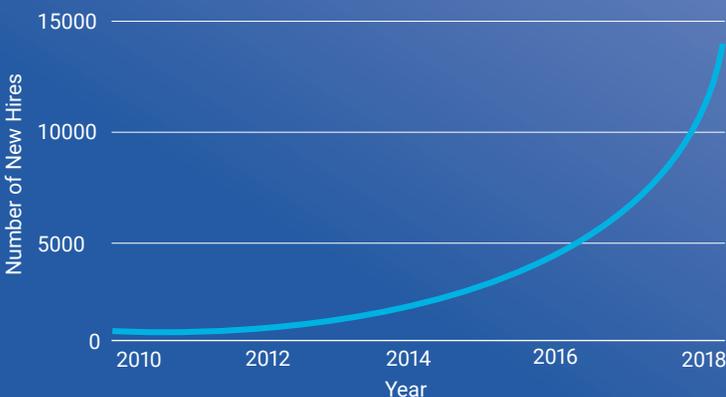
Top Five Job Titles Held Before Working as a CSP

1. Account Manager
2. Project Manager
3. Account Executive
4. Customer Specialist
5. Senior Account Manager

Top Five Job Titles Held After Working as a CSP

1. Customer Team Lead
2. Account Manager
3. Customer Director
4. Customer Specialist
5. Co-Founder

CSP Job Hiring Trends Across the Globe



Skills Represented by CSPs in Entry Level Roles

1. Customer Service
2. Management
3. Sales
4. Leadership
5. Microsoft Office

Skills Represented by CSPs in Senior Level Roles

1. Customer Service
2. Management
3. Sales
4. Business
5. Leadership

CONCLUSION



Customer success is showing rapid growth globally and across a wide variety of industries. It's a common business practice that should be on your radar in the years to come. CSPs are more common in small and medium businesses, leaving enterprise companies in a position to grow their customer success positions even more. Customer success is a promising career for professionals who have a desire to hold leadership positions. The definitions of a customer success profession range, as do titles, therefore CSPs can come from a variety of backgrounds.

Just as the world is adapting the continuous release of new technologies, so is customer success. If companies want to remain competitive, they will need to implement a role that performs the duties of a CSM to provide continuous value that prolongs the customer's use of their products and services.

METHODOLOGY

The results of this analysis represent the world seen through the lens of LinkedIn data. As such, it is influenced by how members choose to use the site, which can vary based on professional, social, and regional culture, as well as overall site availability and accessibility. These variances were not accounted for in the analysis.

All members who listed themselves with customer success profession job titles, including all user-inputted titles such as “customer success account manager,” and “customer success manager,” were included. To determine the trend/pattern in CSP members’ job changes and average tenure, data was collected looking at the job titles held by CSPs before and after they identified as a CSM. CSP hiring trends were developed by observing job posts of CSP-related titles on LinkedIn. Data was collected annually in October.

