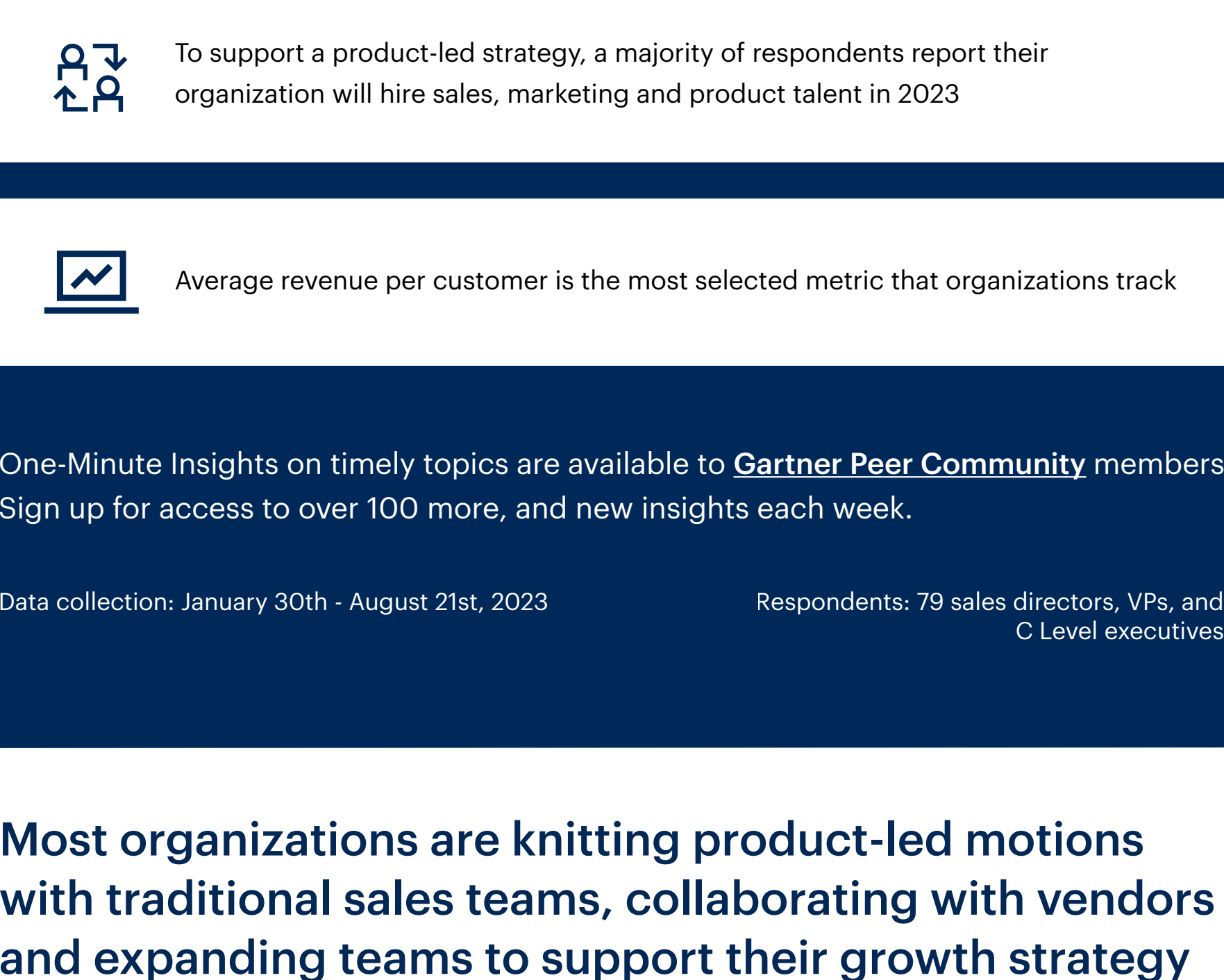


2023: The State of Product-Led Sales

Product-led sales is a rapidly growing approach to modern B2B sales where the product takes a central role in driving customer acquisition. By focusing on an accessible self-serve model and an intuitive end user experience, a product's inherent value propels the sales process forward.

How are organizations implementing this approach and marrying it with the traditional sales led motions?

One-Minute Insights:



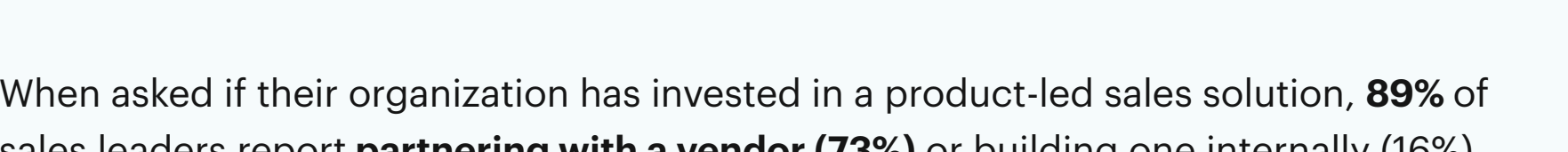
One-Minute Insights on timely topics are available to [Gartner Peer Community](#) members. Sign up for access to over 100 more, and new insights each week.

Data collection: January 30th - August 21st, 2023

Respondents: 79 sales directors, VPs, and C Level executives

Most organizations are knitting product-led motions with traditional sales teams, collaborating with vendors and expanding teams to support their growth strategy

The majority of respondents (**87%**) describe their GTM strategy as **product-led**, with a sales team.



When asked if their organization has invested in a product-led sales solution, **89%** of sales leaders report **partnering with a vendor (73%)** or building one internally (16%).



At least half of respondents report that their sales team manages **interactions with inbound leads (86%)**, **manages interactions with MQLs (78%)** and **manages interactions with PQLs (54%)**.



“It’s all about driving demos. PQL, MQL, SQL are all about getting to that first demo. We don’t offer up a free glimpse into the system until the demo has been presented. When that demo is presented, then the QL’s get a POC they can evaluate.”

- VP, Software, North America, <1,000 employees

Question: What is the most effective tactic or strategy your organization employs as part of its product-led sales strategy?

To support a product-led sales strategy, **75%** of respondents report that their organization is planning to **hire more sales talent in 2023**. **63%** report their organization is planning to **hire in product**.

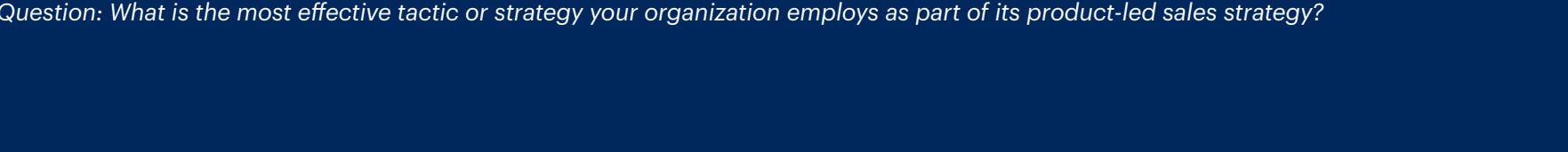


Is your organization planning on hiring in any of the following departments in 2023 to support a product-led sales strategy? Select all that apply.

CEO or Founder 7% | CRO or Head of Sales/Growth 4%

For a majority, the sales process begins when a prospect raises their hand, while freemium and seat-based plans are most commonly offered

Most commonly, customers have the **first interaction with a human** only after reaching out to **ask for more information/speak with someone (61%)**.



“Our move to a product-led sales strategy starts with the product itself. We are currently creating a new version of the product which will be easier to install, set up, and use so that prospect[s] can engage with the product much earlier in the sales cycle.”

- C-suite, Software, United Kingdom, <1,000 employees

Question: What is the most effective tactic or strategy your organization employs as part of its product-led sales strategy?

33% of respondents say the **initial user interaction with their product** can best be described as a **combination of freemium or a free trial (38%)**. 33% offer just freemium.



The initial customer or user interaction with our product can best be described as:

“We constantly track user analytics during trials to see how they interact with our product and identify pain points.”

- Director, Real Estate, Rental & Leasing, North America, <1,000 employees

Question: What is the most effective tactic or strategy your organization employs as part of its product-led sales strategy?

Once a customer begins paying, the most common pricing structure is **seat-based (39%)**.



Many traditional B2B sales metrics still crucial for evaluating product-led growth

The three most commonly selected metrics that respondents' organizations track are average **revenue per customer (67%)**, **customer churn (66%)** and **expansion revenue/expansion MRR (58%)**.



Which of the following product metrics does your team or organization track? Select all that apply.

Net Promoter Score 30% | Feature adoption rate 27% | Free trial conversion rate 24% | User acquisition cost 24% | PQLs 11% | Other <1%

n = 79. Other: "Performance/Value per Watt"

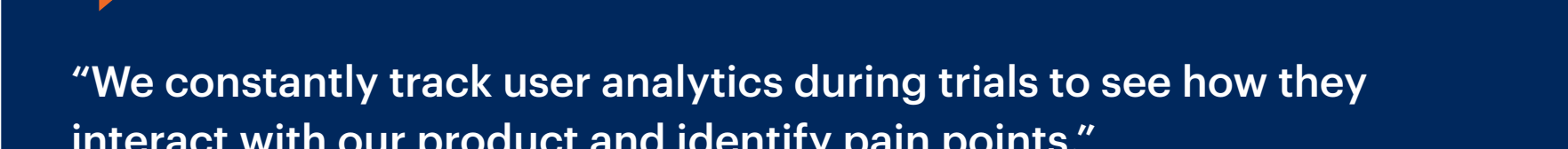
Want more insights like this from leaders like yourself? Click here to explore the revamped, retooled and reimagined Gartner Peer Community. You'll get access to synthesized insights and engaging discussions from a community of your peers.

Respondent Breakdown

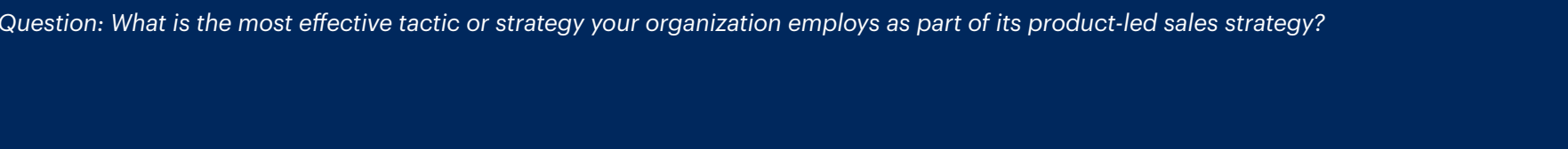
Region



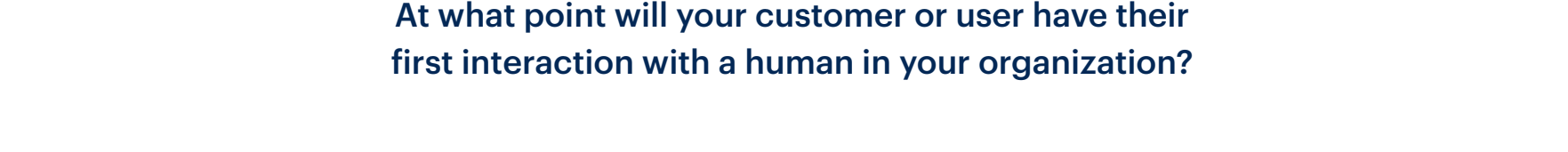
Annual Recurring Revenue



Job Level



Company Size



Note: May not add up to 100% due to rounding. Respondents: 79 sales directors, VPs, and C Level executives