Product-Led Growth:

An eBook for Product Leaders

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A foreword by Gainsight

This ebook grew out of a partnership between Gainsight and Products That Count, and is the result of conversations with product leaders working at the forefront of product-led growth.

The project began with discussions around a series of questions, including:

How can you turn your product into your company's biggest growth engine?

How can you scale your strategy to truly accelerate the growth of your business?

What challenges stand in the way of building product-led strategies?
Most important of all, what else can you do to help your product grow your customer's success, and ultimately, your own?

As you read, you'll see the answers to these questions have one very important theme in common: it all starts with the people you're serving. The secret to product-led growth strategies is staying human-first — in your engagement strategies, in your product design, and in your success measurements.

We partnered on this ebook to highlight the evidence-based best practices for executing human-first product-led growth strategies. Inside, you'll read insights from product leaders at HubSpot, NBC News, and more, who are all attempting to solve the same problems as you. They discuss everything from the issues at the forefront of their mind, to the solutions they are using to take advantage of new opportunities, to what they're looking forward to in the new year.

We hope their insights can spark new ideas for your team as you build out your product-led growth strategies.

From all of us at Gainsight, wishing you an amazing 2022 filled with human-first wins.

Gainsight

How can PMs accelerate product-led growth?

Given the events of the past two years, the role of product in a company's growth has never been clearer. Take Zoom. Hardly a household name at the beginning of the COVID-19 pandemic, by the end of 2020 the California-based video communications company was experiencing 300% growth. Its very name has become synonymous with video conferencing.

Why? The long answer involves the history of a company that was an early innovator in video communications; a company that acted quickly in marketing its product as a solution to remote work necessitated by a global pandemic; a company that made its product easy to use for businesses and consumers alike.

The short answer is that Zoom embraced the concept of product-led growth.

Product-led growth is a business strategy in which the main driver of growth is the product itself. Acquisition is typically spearheaded by a free trial or freemium model, with the idea being to get a foot in the door and then delight customers with a superior product that they will want to pay for. That is exactly what Zoom did, offering a freemium subscription with the full functionality of a paid plan, the main limitation being a meeting cap of 40 minutes.

Zoom is just one example, and product-led companies are springing up across many industries, in B2C as well as B2B spaces.

In B2B and B2C, an increasingly common take on the freemium product-led growth strategy is to **show customers or users features they do not own so that they see the product's larger possibilities**. While, traditionally, customers would not see features they don't own, revealing those locked features shows customers that they could do more, that the product can do more, and that they can get more value with a different subscription. Some companies are also experimenting with in-product purchases, even at the enterprise software level.

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> **It's not enough to optimize the customer acquisition. In a subscription business, you want to optimize end-to-end engagement, because then renewal will follow. And to get a more solid renewal, you need that product engagement to be consistent and growing as users actually use your product.**



Mickey Alon
Gainsight PX CTO and Founder

While customer acquisition models are important to product-led growth, they are not the whole story. **Product leaders need to consider the entire end-to-end user journey**, including pricing, packaging, and all aspects of the product experience. “It’s not enough to optimize the customer acquisition,” says Gainsight PX CTO and Founder Mickey Alon. “In a subscription business, you want to optimize end-to-end engagement, because then renewal will follow. And to get a more solid renewal, you need that product engagement to be consistent and growing as users actually use your product.”

In an interesting development, many organizations are realizing that it is necessary to have a dedicated team or person to control and own the experience, resulting in the rise of the “growth PM.” **A growth PM is a product manager not devoted to a single product, but rather is a PM responsible for growth metrics** – such as customer acquisition and growth retention rate – for multiple products across the entire user journey.

At some product-forward companies, there is a full team directly dedicated to growth. They might own all the on-boarding flows, all of the acquisition components, and then can assume full responsibility for customer retention. Now that is taking product-led growth seriously.

How product teams can keep improving the customer experience

From the fact that it costs six times more to attract new customers to keep existing ones, to one report that American businesses lose $83 billion per year due to poor customer experiences, it should be clear that customer experience has major ramifications for a company’s bottom line. Companies know this, and spend significant resources learning about and incorporating the “Voice of the Customer” into product metrics through, among other things, the reports of Customer Experience (CX) teams.

It is important to get product teams as close as possible to customers and their feedback. This can be especially challenging in larger, more established organizations, compared with startups where that proximity is much easier.

Some companies build it into their philosophy to put the customer first. “We are a very customer-focused culture,” says Sezzle Product Leader Anokhi Dalvi. “Even if it’s a small feature, we always test it with the

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Anokhi Dalvi
Sezzle Product Leader

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Along those lines, companies can conduct remote usability studies or in-app surveys to get feedback on new features or design changes. In this way, customers can rank features according to their preferences and what's most important to them. Involving the customer in the testing has an added benefit: by including them in the making of the product, those individuals then become more likely to take ownership of it.

Products that are feature-rich can bewilder users with a perception of complexity. In that case, companies may need to embark on an initiative to simplify experiences for each user persona (i.e. the profile of a typical user) without diminishing functionality. Such a task may require **significant investment in design**, and continuously evolving teams to an understanding of what the simplified user experience can mean.

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Joshua Kinberg
NBC News Director of Product Management

In order to simplify those user experiences, it is necessary to involve the engineering organization. Since engineering might not often have direct contact with customers, it is incumbent on product managers and designers to share those stories with them. Just as in other aspects of the business, companies need to be fully aligned in order to fully improve the customer experience.

Another important area of customer experience is **accessibility**. Product accessibility features might include larger fonts, adjustable audio, and multiple languages. NBC News, for example, conducts accessibility interviews with a panel including individuals with various disabilities who utilize their products and provide feedback on areas for improvement. For people with poor eyesight, using a particular flow or using a screen reader might not work and lead to necessary changes.

"It's humbling when you see someone greatly struggle trying to use your product," says NBC News Director of Product Management Joshua Kinberg. "And you know you can make it better! So accessibility has been a theme for us. It's hard because we don't have a product team dedicated to accessibility, but we're trying to chip away at experiences to make them more accessible to all types of users. We have a really great Accessibility Lead at Comcast, who has helped us get panels of users with different ranges of abilities and really understand their context."

Challenges in delivering a seamless customer experience

A seamless customer experience can relate to many things, from design, to process flow, to relationships. Seamlessness, broadly conceived, even relates to the way people are moved through the product using language. Though often overlooked, the copy users read is an important part of their experience.

In the case of SaaS products, a major key to seamlessness is self-service in the customer onboarding process. For many companies, this means the onboarding process needs to be revamped from end to end. This can involve complicated data sets and significant investments into making self-service tools that customers can use to onboard themselves.

Done well, **the onboarding time frame can be significantly reduced so that customers can start using the product very quickly**. To enable self-service there's a certain learning curve that the customer has to go on, but customers have proven willing if this part of the journey is built correctly.

Product-led organizations who are serious about providing a seamless customer experience may need to implement systems to ensure consistency. Prioritization hierarchies can be put in place so that teams who are not meeting their most important objectives can be allowed to defer all new product work and focus solely on, say, UX performance, security, and infrastructure work until they meet their defined exit criteria. Such a system would require alignment from the CEO on down to enable that team to get rid of dependencies, say "no" to everything else, and just focus on that work.

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Andrew Mallen
HubSpot Product Leader

Scale becomes an issue for seamless customer experience as well, simply because consistency across product teams is easier in a small company. As companies grow, that consistency increasingly becomes a challenge, threatening seamlessness.

A leader in user experience at scale is HubSpot, the Massachusetts-based marketing, service, and sales software company. The company has steadily grown since its founding in 2006, reporting income in 2021 of $1 billion. Along with such growth comes the challenge of consistency.

HubSpot has about 150 autonomous product teams made up of engineers, researchers, designers, and PMs. “Providing a consistent product at that scale is really challenging,” says HubSpot Product Leader Andrew Mallen. “We need a strong culture of making sure that we’re taking into consideration the consistency at scale. And it’s a big challenge. I don’t think we’ve solved it. And I think it’s probably going to be even harder of a problem as you continue to grow. So probably it will be something we continue to deal with. But we’re trying to implement different ways of planning and coordination across our different teams to help provide a much more consistent experience.”

From Zoom to HubSpot, companies are finding unprecedented success by taking seriously the idea that **product should lead growth**. Product teams have the ability to delight and retain customers by facilitating seamless product experiences. Companies who use the right tools to listen to their customers have greater retention, which leads to greater revenue that allows companies to continue innovating and growing. The role of product managers and leaders in that process shows no sign of diminishing.

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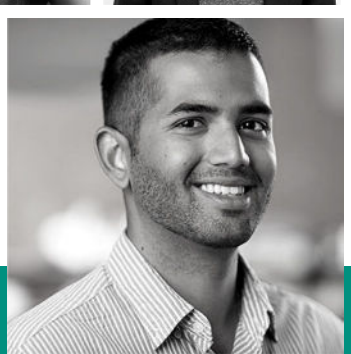
- Best practices from Netflix product VP, Box CPO and more
- A focus on answering the question, “What makes a great product?”
- Its commitment to inclusion and increasing diversity in product











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