Product Strategy and Launch for Tech CEOs Primer for 2021

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Initiatives: Product Strategy and Launch for Tech CEOs

Product strategy and launch is the practice of delivering products and services to market that are aligned to customer buying behaviors and business outcomes. Product and service success relies on market research and competitive intelligence, as well as optimized pricing and packaging.

Scope

This initiative covers research to evaluate market opportunities, understand user needs and identify the best practices for product strategy and launch.

The topics we cover include:

- **Market research and competitive intelligence**: Identifying and quantifying technology trends and market opportunities. Understanding the competitive landscape and your position within it.

- **Product strategy, pricing and packaging**: Developing your product or service strategy and roadmap to leverage disruptive technologies. Defining packaging and pricing that scale with value for your target customer.

- **Product launch**: Planning and executing launch strategies that lead to revenue acceleration.

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Analysis
For a successful product strategy and launch, innovative products and services are critical for startup CEOs and emerging tech CEOs. (Note: In this document, the term “product” is used to refer to traditional products, as well as services and offerings that combine both products and services.)

Market research and competitive intelligence are incredibly important, and tech CEOs know that product success is grounded in a deep understanding of customers’ business needs and objectives, coupled with an understanding of the possibilities of technology. In a recent Gartner survey (see Survey Data: Gartner Annual Tech CEO Survey, 2020), 1 we asked tech CEOs of organizations with less than $250 million in
annual revenue about the most critical challenge to solve for the overall performance of their company. These tech CEOs ranked “identifying clear opportunities” (e.g., unmet needs, market research and competitive intelligence) as the third (out of 13) most critical challenge. Sensing shifts in the market or buyer behavior early can give tech CEOs a head start in developing new products or the ability to make product changes to leapfrog the competition. Yet a provider must understand the gaps and weaknesses in competitive offerings to prioritize the right areas for investment and potential to disrupt more-established competitors.

Product strategy, including packaging and pricing strategies, must be designed based on buyer preferences to yield an offering that is both valuable and easy to buy. Tech CEOs of startup and emerging tech providers have adopted the move to subscription pricing. According to Gartner’s Tech CEO Customer Acquisition Survey 2020, 47% of tech CEOs at companies with less than $250 million in revenue reported using a “monthly or annual subscription” as a primary pricing model. Proofs of concept (POCs) have become more common; according to the same survey, 63% of tech CEOs report using POCs. Tech CEOs reported an average conversion rate of 42% on POCs.

Product launches require lead time and cross-functional coordination to be successful. Too often, planning for a product launch is inadequate. The launch plan may be superficial or started too late, or providers may assume that, because the product is innovative, it will sell itself. If executed well, a product launch can generate enthusiasm within the provider organization and the partner’s alliances and ecosystem, and lead to rapid customer wins and market traction.

Topics

For a technology startup, a successful product and/or service strategy, in the absence of customer references or case studies, will leverage free trials and POCs to drive first sales. But without a compelling and differentiated product vision, obtaining the initial customers can be slow or impossible. As customer adoption grows and revenue targets increase, product strategies may require refinement, and trade-off challenges can become more acute. Investment must be balanced between enhancements for existing customers and new features to pursue new markets. With primary research and guidance based on best practices, Gartner assists tech CEOs in navigating product strategy and launch challenges faced throughout the progressing stages of product maturity.

Our research in this area addresses the following topics:

Market Research and Competitive Intelligence

Product success is grounded in a deep understanding of customers’ business needs and objectives, coupled with an understanding of technology — in particular, the possibilities presented by emerging technologies. Equally, sensing gaps and weaknesses in competitive offerings through a strong market research and competitive intelligence practice enables a provider to prioritize the right areas for investment and potentially to disrupt more-established competitors.

Questions Your Peers Are Asking
How do we establish a clear understanding of the competitive landscape?

What are the unmet needs and gaps in existing solutions?

How do we identify trends and assess future market opportunities?

**Recommended Content**

- Some recommended content may not be available as part of your current Gartner subscription.

- Tech CEOs Can Expand the Container-Based Infrastructure Market by Supporting Edge Computing and Machine Learning

- Key Actions Tech CEOs of Local and Regional Cloud MSPs Can Take in the Asia/Pacific Market

- Tech CEOs Must Leverage Customer Scenarios to Create Compelling Roadmaps

- Tech CEOs Must Have a Razor Sharp Focus on Target Markets to Succeed in IoT

- How Tech CEOs Leverage Innovation and Trends Through Large Public Cloud Provider Portfolio Strategies

- Tool: Public Cloud MSP Capabilities Self-Assessment for Tech CEOs

**Planned Research**

- How competitive intelligence changes the go-to-market strategy for tech CEOs

- Bringing product suites to market: Risks and strategies for tech CEOs

- How cloud MSP tech CEOs can avoid the typical cloud project fails of their clients

- How tech CEOs leverage large public cloud provider services in their product strategy

- How MSP tech CEOs build their digital touchpoint portfolio

- How to leverage trends in RPA

- How to defend against indirect competitors

**Product Strategy, Pricing and Packaging**

A product strategy must be clear, structured and well-justified if a provider is to succeed with its broader communication and adoption. This clarity will help in aligning the development and commercial sides of the organization, bringing consistency to the go-to-market strategy. A product strategy aligned to a go-to-market plan is pivotal in ensuring disciplined prioritization, product-/service-to-market fit and, resultantly, the ability to deliver on business objectives.
Packaging and pricing of products must also be aligned to the product strategy to ensure profitable growth. If pricing is not aligned with product positioning, the inconsistency can undermine efforts to stake out a sustainable place in the market. Meanwhile, creating compelling product packages requires understanding of customer pain points and needs to deliver complete solutions maximizing business value.

Questions Your Peers Are Asking

- What are the requirements for a compelling product strategy and roadmap?
- How do we determine the optimal packaging and pricing for our products?
- How do we best manage a portfolio of products at various stages of their life cycle?

Recommended Content

Some recommended content may not be available as part of your current Gartner subscription.

- Successful Value-Centered IoT Software Pricing Strategies for Tech CEOs
- Tech CEOs: Differentiate RPA Products via Process Mining and Robotic Process Discovery
- Tech CEOs Must Enhance Application Test Automation Services Using RPA
- How Tech CEOs Can Offer the Right Pricing Model for Consulting, Implementation and Managed Service Offerings

Planned Research

- How tech CEOs should package a freemium offering
- Tech CEOs: How and when to align your messaging to your pricing strategy
- How to optimize your pricing strategy in hyperautomation markets as a tech CEO
- Practical approaches to enhancing your customer experience with AI
- Balancing competitiveness and risk in the service market
- Triangulate cost, competition and value for successful pricing
- The transition from services to products — A roadmap for tech CEOs
- Toolkit: Product portfolio management

Product Launch

The typical focus on completing engineering, operations and delivery preparation as the product launch date approaches can mean that other elements of the launch lose the team's attention. But a weak
product launch can be a missed opportunity to create momentum inside and outside the organization. A launch plan to manage the activities, responsibilities and milestones, built on proven best practices, will align stakeholders’ efforts and increase the odds of a product achieving success in the market.

Questions Your Peers Are Asking

- What are the best practices for successful product launch?
- How do we effectively communicate information about a new offering to sales and other internal stakeholders?
- How do we generate demand for a new product from new and existing customers?

Recommended Content

- Ignition Guide to Creating a Product Roadmap as a Tech CEO
- Tech CEOs Must Expand the Concept of Use Cases to Be Truly Customer-Centric
- Tech CEOs Must Rethink Their Product Launch Following a Pandemic Crisis
- Product Roadmap Priorities: Modern Business Intelligence Platforms
- Tech CEO Guide to Protecting Intellectual Property in an Agile Delivery Environment
- Tech CEO Go-to-Market Best Practices for Data and Analytics Startups
- Differentiation Strategies for Tech CEOs of Multicloud Container Management Software

Planned Research

- Tech CEOs should focus product roadmap on enhancing core value
- Product launch marketing tactics for the startup
- Sales enablement for new product launches
- Toolkit: Developing your go-to-market plan

Suggested First Steps

- Gartner Tech CEO Priorities Navigator
- Leadership Vision for 2021: Tech CEO High Tech CEO Benchmarks
- High Tech CEO Score
Essential Reading

- Tech Providers 2025: Free Trials and Freemium Products Will No Longer Be Optional for Tech CEOs
- Tech Providers 2025: Tech CEOs Must Continually Adapt Pricing and Packaging to Keep Up With Market Forces
- Tech CEOs Must Expand the Concept of Use Cases to Be Truly Customer-Centric
- Tech CEOs Must Rethink Their Product Launch Following a Pandemic Crisis

Tools and Toolkits

- Ignition Guide to Creating a Product Roadmap as a Tech CEO
- Tool: Tech CEOs Should Calculate Solution Value to Customers
- Tool: Public Cloud MSP Capabilities Self-Assessment for Tech CEOs

Evidence

1 Gartner’s Second Annual Tech CEO Survey 2020 was conducted online between December 2019 and February 2020 among 285 tech CEOs in North America, Western Europe and Asia/Pacific. Qualified organizations reported annual revenue of $250 million or less and operate in the high-tech industry (applications/software, cloud, business and technology services, communications services, hardware, IT services, and semiconductors).

2 Gartner’s Tech CEO Customer Acquisition Survey 2020 was conducted online in July and August 2020 among 246 tech CEOs in North America, Western Europe and Asia/Pacific. Qualified organizations reported annual revenue of $250 million or less and operate in the high-tech industry (applications/software, cloud, business and technology services, communications services, hardware, IT services, and semiconductors).

3 Gartner’s 2019 KPIs for Tech CEO Survey was conducted online between April and June 2019 among 507 tech CEOs in North America, Western Europe and Asia/Pacific. Respondents were required to track at least one KPI in their area of business. Qualified organizations reported annual revenue for 2019 of up to $250 million and operate in the high-tech industry (applications/software, cloud, business and technology services, communications services, hardware, IT services, and semiconductors).

Note: These surveys were developed collaboratively by a team of Gartner analysts and were reviewed, tested and administered by Gartner’s Research Data and Analytics team. The results of these studies are representative of the respondent base and not necessarily the market as a whole.

Document Revision History

Product Strategy and Launch for Tech CEOs Primer for 2020 - 2 January 2020
## Related Priorities

<table>
<thead>
<tr>
<th>Initiative Name</th>
<th>Description</th>
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<tbody>
<tr>
<td>Business Performance Management for Tech CEOs</td>
<td>The business performance management research agenda focuses on best practices and strategies for tech startups and emerging tech providers to effectively manage their growing teams.</td>
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<tr>
<td>Customer Acquisition for Tech CEOs</td>
<td>The customer acquisition initiative provides best practices and strategies for startups and emerging tech providers to improve sales, marketing and channel initiatives to enable sustained growth.</td>
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<tr>
<td>Corporate Development for Tech CEOs</td>
<td>This initiative covers the corporate development actions technology providers must pursue in the planning and execution of strategies for growth beyond their current products and customer segments.</td>
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<tr>
<td>Technology Market Essentials</td>
<td>The technology market essentials research provides a fact base for analytical insights that enable you to harness growth opportunities across IT product and service portfolios.</td>
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