Technology product marketers face multiple headwinds: an explosion of new competitors, drastic changes in buying behavior, constantly evolving priorities among clients, and an expanding role in helping to shape product strategy and customer experience.

And all of this is occurring during the longest prolonged favorable economic environment for technology selling. A turn is likely coming, making it the right time for tech product marketers to take a larger role in driving results across the business to help their company win.

We regularly survey product marketers and recently surveyed 180+ product marketing leaders about how they are approaching priorities, balancing their time and measuring success. What we found revealed common challenges many of your peers are facing — challenges that hinge on the leader’s decisions. Take a look at what your fellow product marketers are telling us, and explore the insights and solutions for achieving greater effectiveness, visibility and impact.
Mission-critical priorities: The current view

Our survey findings confirm what you may already be experiencing: High-tech marketers and their teams need to balance marketing strategy and marketing execution to truly be valued as high-impact teams.

- Urgent timing to ensure the success of your organization’s commitments

Total respondents, n = 74
Critical priorities point to the function’s strategic importance as the objective voice of the market in the product leadership team. And a majority of other important initiatives points to the importance of executing marketing programs to drive growth.

Winning begins with a better understanding of market dynamics, one of the most urgent priorities for product marketers, since they then pass along current and actionable insights on market dynamics to other teams.

With this as its starting point, product marketing supports excellence in five key areas:

- Targeting potential buyers by improving planning and segmentation
- Developing product messaging and differentiation
- Creating compelling content
- Demonstrating impact
- Exhibiting effective leadership

Better segmentation and understanding of buyer profiles/processes

The buying process is continuously in flux and involves a lot of people. Our research shows that in-progress buying projects are frequently canceled, often due to a change in priorities. Product promotion and awareness programs need to keep buying teams engaged to maintain urgency and keep the buying process on track.

As you might expect, buying teams grow as the size of the project grows. According to a recent Gartner survey of end users, team size nearly doubles as project size moves from less than $1 million to more than $5 million. Bigger deals are also more likely to include security and legal teams. It isn’t uncommon to have 10+ people involved in the buying process, and those same people are often involved in other buying processes.
More actionable targeting

The concept of an ideal customer profile is emerging as a best practice from the SaaS business model. But too often, these approaches are overly reliant on firmographic and demographic/situational information because it is so widely and easily available. They don’t take into consideration equally important dimensions, such as psychographics, technographics and business operating model.

Enterprise persona attributes

<table>
<thead>
<tr>
<th>Firmographics</th>
<th>Technographics</th>
<th>Psychographics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic company information, such as industry, location, company size</td>
<td>Mix of relevant technologies used by the organization</td>
<td>Motivations and thought processes behind an organization’s purchasing decisions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business situation</th>
<th>Business and operating model</th>
<th>Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status and environment of an organization, such as years in business, growth rate, acquisitions, government regulations</td>
<td>How the business operates internally and delivers value to its customers</td>
<td>Monetary and nonmonetary resources an organization has at its disposal</td>
</tr>
</tbody>
</table>
Gartner’s Enterprise Technology Adoption (ETA) Profiles are based on a multidimensional analysis of 10,000+ enterprises (including government organizations). They analyze and categorize typical buying approaches and behaviors, and are based on responses collected from more than five years of surveys.

The seven types of profiles assess an enterprise across three axes based on that enterprise’s approach to planning, control and pace of change. These profiles have proven to be more predictive of technology purchasing patterns, which, in turn, helps marketers create more actionable customer segmentation that leads to improved upsell and cross-sell as part of an ABM (see Page 12 for more on ABM).
Product differentiation and messaging: Building the right foundation

According to many Gartner end-user surveys, differentiation is the most cited reason buyers consider a specific technology and service provider (TSP) — even more than being on the preapproved list.

Though product differentiation and messaging is an important priority for the product marketers we surveyed, it is not an area where they have a lot of confidence in their ability to execute. For most, the simple truth is that their messages look too similar to those of competitors and, even worse, increasingly too similar across tech segments.

Identify your key messages  Replace your product/service name with your competitor’s  If still credible, then you’re not differentiated

No wonder potential buyers are confused trying to navigate the many solutions that might be able to address their needs.
It’s all in the positioning

Positioning forms the foundation for differentiated messaging. But if you build your positioning from the competitive intelligence “why we are better” approach, as many do, you are not truly connecting to your target customers.

A more objective approach produces more compelling and credible messaging that can be tested and refined by product marketing with strategic input from other key market sources, including clients, influencers and internal stakeholders.

The positioning framework used by Gartner, for example, weaves in important information you already know about your customers, and has helped thousands of clients sharpen their positioning, thereby crystallizing the strategy and creating more effective messaging.

Positioning framework

<table>
<thead>
<tr>
<th>For</th>
<th>Target customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who</td>
<td>Statement of need or opportunity</td>
</tr>
<tr>
<td>And what</td>
<td>Statement of experience expectations</td>
</tr>
<tr>
<td>The</td>
<td>Product/service name</td>
</tr>
<tr>
<td>Is</td>
<td>Product/service category</td>
</tr>
<tr>
<td>That</td>
<td>Statement of key benefit/compelling reason to buy</td>
</tr>
<tr>
<td>Unlike</td>
<td>Primary competitive alternative</td>
</tr>
<tr>
<td>Our product</td>
<td>Statement of primary differentiation</td>
</tr>
</tbody>
</table>

Source: Adapted from Geoffrey Moore, “Crossing the Chasm: Marketing and Selling Disruptive Products to Mainstream Customers.”
Creating compelling content: Support improvements throughout the demand generation funnel

Messaging and content have to resonate strongly throughout the demand generation funnel. For most tech marketing teams, what happens in the middle of the funnel matters more than growing the top of the funnel. In other words, improving engagement and nurturing through the funnel will drive more growth than simply responding to “more leads.”

Yes, more channels and more calls to action (CTAs) drive conversion rates, but just doing more is not the entire answer. It’s more complicated. The findings from a recent Gartner survey of demand generation leaders can help product marketers ensure that messaging resonates across the most effective channels.

Diving into the survey data

- Tech marketers use 9.3 channels, on average, and recognize events as being the best-performing channel.
- Product marketing is creating a lot of content to support high-performing teams. Tech marketers provide five CTAs, on average — events and product demonstrations being the most frequently used and considered the most effective.

Conversion rates (mean)

<table>
<thead>
<tr>
<th>Fewer than six CTAs</th>
<th>Six or more CTAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>60%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>48%</td>
</tr>
<tr>
<td>SAL to SQL</td>
<td>52%</td>
</tr>
<tr>
<td>Fewer than 10 channels</td>
<td>10 or more channels</td>
</tr>
<tr>
<td>0%</td>
<td>60%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>46%</td>
</tr>
<tr>
<td>SAL to SQL</td>
<td>53%</td>
</tr>
</tbody>
</table>

Base: Knowledge of marketing conversion rates, excluding “not sure.”
Q. What are the conversion rates with your organization’s marketing funnel from inquiry (form fill) to marketing qualified lead (MQL)? (n = 395)
Q. What are the conversion rates with your marketing funnel from MQL to sales accepted lead (SAL)? (n = 396)
Q. What are the conversion rates with your marketing funnel from sales qualified lead (SQL) to SAL? (n = 392)
So what new content can product marketers add to the mix that will improve demand generation results? Also from the data:

- Give prospective buyers more of the content they want. Value assessment tools and thought leadership content by third parties are high-performing content types that more than 45% of tech product marketers are not using.
- Learn from successful approaches in other technology market segments. For example, only about a third of IT services product marketers use free trials as a CTA, a top-performing CTA for software product marketers.

**Product marketing as orchestrator**

Simply adding CTAs and marketing channels, with limited buyer understanding, will not improve lead conversion. Both need to be aligned to personas, buying-cycle stages and buyer behavior to increase campaign effectiveness and conversion rates.
Channels and CTAs are not in exact alignment to buying streams. Each target buyer profile — even those within the same account — has distinct needs and utilizes unique channels. Each also responds to different CTAs based on where they are in the exploratory, evaluation or engagement stream of the buying cycle. Product marketers able to orchestrate this continuous and dynamic buying process will deliver the greatest impact.
Demonstrating impact: Give your KPIs a lift

Proving impact on product strategy, customer experience and overall business results can be tricky.

The survey showed that the majority of product marketers are evaluated on revenue growth rate, followed by market share and new product revenue. Yet team key performance indicators (KPIs) are often inclusive of tactical performance measurements, and many are jointly shared with other teams.

The survey also revealed another important point about growth that shapes the overall tech marketing team: Growth organizations are most likely to measure new product revenue, marketing spend-to-revenue ratio, and cost per lead. In fact, organizations that do not use these three KPIs are half as likely to be growth companies.

As a product marketing leader, make sure you understand how your activities help drive improvements in these and other KPIs, and expand your impact on the business.

Introducing or optimizing account-based marketing

Account-based marketing is being widely adopted by tech marketing teams at large TSPs. Gartner defines ABM as a go-to-market strategy targeting a defined set of accounts, with a synchronized and continuous set of marketing and sales activities.

One of the most important differences between ABM and traditional demand generation is around the role of marketing. Marketing stays involved for much longer in ABM, and sales gets involved much earlier. And here is where product marketers armed with the best understanding of market dynamics can help their teams outperform the competition.

Many of the KPIs that product marketing is accountable for will be positively lifted by a well-run ABM program. According to our demand generation research, only 5% of TSPs running ABM programs haven’t seen any lift, and getting the most lift helps to separate high-impact product marketing leaders from their peers.
Gartner research shows that, on average:

- An ABM program lifts the pipeline by 12% compared with a traditional demand generation program.
- The lift increases with more channels and more spending.
- ABM can improve key sales KPIs, including a 25% improvement in win rates and a 28% increase in deal velocity.

**Traditional demand generation versus ABM**

Old model

New model
Effective leadership means collaborating with internal stakeholders

In an age of SaaS products, the notion of DevOps, or the continuity that must exist between development and operations teams, has become very important. In a similar manner, product, sales and marketing must be synchronized to ensure that prospects and customers receive consistent messages from external-facing teams.

Traditionally, product marketing is the role best positioned to address all these connections. Though the product marketing and product management functions may trade ownership of some elements of the customer journey, product marketing serves as the “connective tissue” in the product leadership team.

**Embedding the Three V’s**

High-performing product marketing teams demonstrate leadership in the “Three V’s” and are skilled in defining, communicating and translating them internally and externally:

- **Value** in terms of product/service benefits for buyers
- Customer’s **voice** for understanding and relaying market (and sometimes specific customer) needs
- Sales **velocity** through appropriate sales channels or routes to market
Taking on more strategic responsibilities

Once the Three V’s are understood and established, product marketing leaders can become more strategic to the business by uncovering solutions to emerging challenges. High-performing leaders actively analyze important questions such as:

- Has deal velocity decreased?
- Are conversion rates declining?
- Is customer churn increasing?
- Have the pipeline and forecasts become more unpredictable?
- Do clients believe your value proposition seems less unique?

A “yes” to any of these questions means the new buying cycle may be the culprit. Value, voice and velocity will be instrumental in changing your trajectory. This requires collaboration across product, sales and marketing.
Facilitating versus owning

Product strategy, sales support enablement, demand generation, and positioning/messaging are most effective when product, sales, and marketing are aligned. High-performing teams rapidly identify emerging changes and patterns in these areas and beat their competition’s velocity to market.

Product marketing should take a leading role in driving messaging and positioning and increasing conversions, and a more active role in gathering feedback and leading product launches. But there are other processes that require coordination between sales, marketing, and product management. As you further embrace agile marketing concepts, the importance of an orchestrated collaboration will heighten.

In many areas — such as sales training and enablement — product marketing may act as a facilitator rather than the owner. Product marketing will need to be the objective voice of the market through informed and compelling analysis to drive consensus. Our survey found that organizations where product marketers spend an above-average amount of time understanding the market landscape tend to outperform their counterparts in terms of revenue growth achieved.
The figure above shows the suggested individual and joint responsibilities in a collaborative model. The survey found that two-thirds of product marketers interact daily or weekly with product management. In addition, 85% of product marketers describe the relationship with product management as collaborative or highly collaborative.

This model allows product marketing leadership to create compelling stories to drive high-performing content, focus on down-the-funnel conversions, provide key contributions to product strategy, and contribute to sales effectiveness improvements.
# Product marketer framework

<table>
<thead>
<tr>
<th>Frame market environment</th>
<th>Know the competitors</th>
<th>Understand customer buying journey</th>
<th>Define ideal customer profile</th>
<th>Develop differentiated positioning</th>
<th>Devise portfolio marketing strategy</th>
<th>Create compelling stories</th>
<th>Manage and enable SDRs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify addressable market</td>
<td>Compare/contrast competitive offerings</td>
<td>Determine influencers and decision makers, processes</td>
<td>Identify key firmagraphic and demographic attributes and personas</td>
<td>Build sustainable differentiation based on business outcomes</td>
<td>Craft portfolio positioning and messaging that presents a full story</td>
<td>Embrace authentic stories to create value across the life cycle</td>
<td>Hire, train, enable and manage effectiveness</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase partner alignment</th>
<th>Manage internal stakeholders and external partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leverage product marketing tech</td>
<td>Implement and manage marketing, advertising and ABM tools</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planning and segmentation</th>
<th>Product messaging and differentiation</th>
<th>Product promotion and awareness</th>
<th>Product marketing leadership</th>
<th>Product marketing impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Improve product marketing performance</th>
<th>Optimize product marketing budget</th>
<th>Manage product marketing team</th>
<th>Drive customer advocacy and growth</th>
<th>Deepen vertical, geo and partner marketing</th>
<th>Plan and run account-based marketing</th>
<th>Improve sales enablement</th>
<th>Accelerate leads through funnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase contribution to pipeline and revenue</td>
<td>Balance products, channels, content, resources and tech</td>
<td>Hiring, org design, performance benchmarks</td>
<td>Drive renewals, upsells/cross-sells references, advocates</td>
<td>Extend impact of marketing alignment with field, geo, partner organizations</td>
<td>Select accounts, drive engagement and measure success</td>
<td>Create and manage content, onboard and train reps</td>
<td>Manage drip and nurture campaigns, increase deal velocity</td>
</tr>
</tbody>
</table>

SDR = sales development representative
Mapping a path to success for the entire tech marketing team

Growth is what drives product marketers, and large TSPs are growing. Total revenue for the global top 100 IT vendors grew 12.4% in 2018, and 42% of the top 100 grew more than 10%.

Outperforming the competition requires peak performance in five key areas across the tech marketing team, and product marketing can make a big impact in all of them:

• Planning and segmentation
• Product differentiation and messaging
• Product promotion and awareness
• Product marketing impact
• Product marketing leadership

As forces continue to evolve inside and outside your organization, it’s a difficult balancing act.

But you don’t have to go it alone. Our aim is to support you and your team as you work out your strategic and execution responsibilities, and navigate your growing role in the success of the business.

Learn more at gartner.com/en/industries/high-tech/tech-marketers.
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