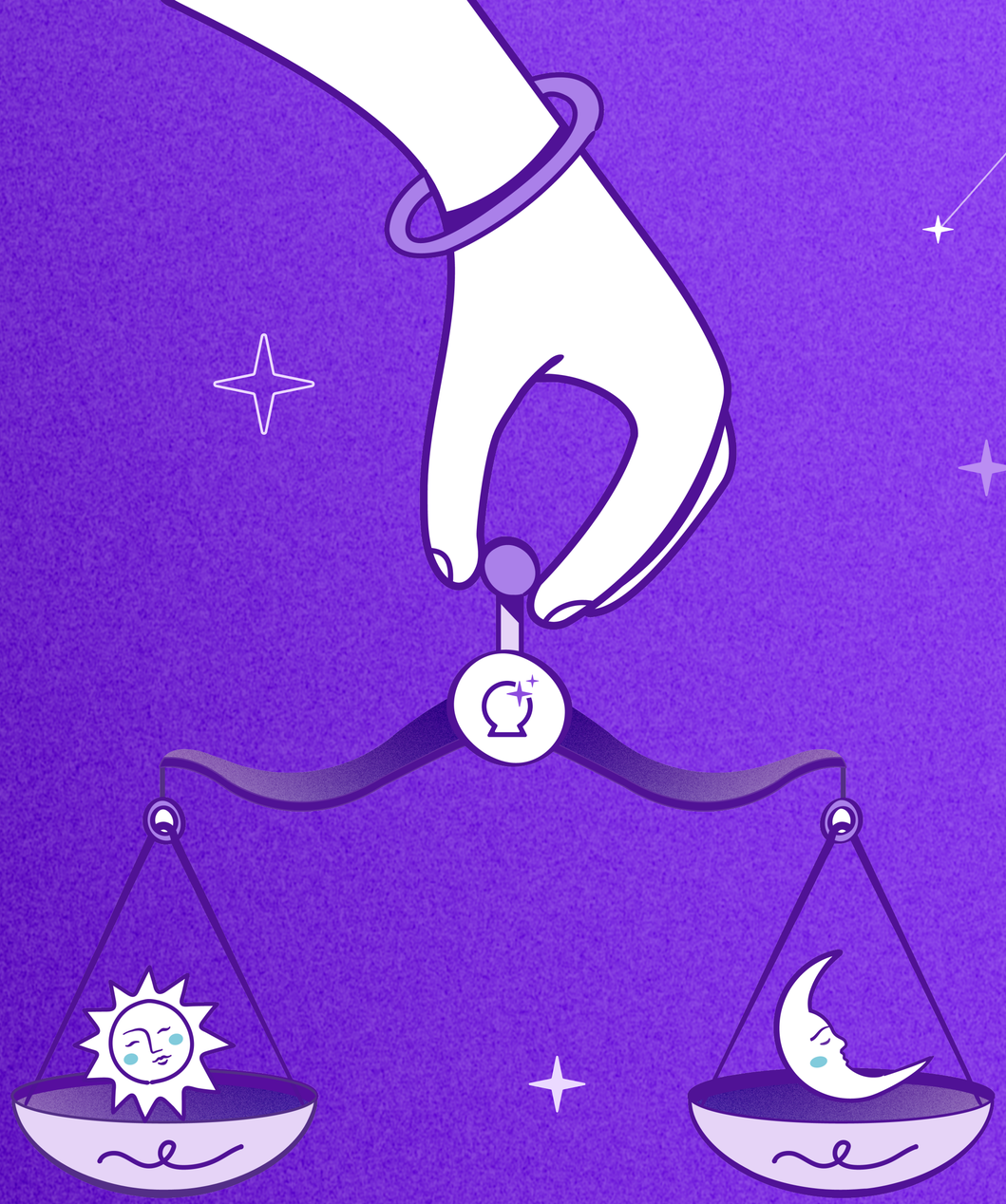
2023

Product-Led Sales Benchmark Report



Pocus

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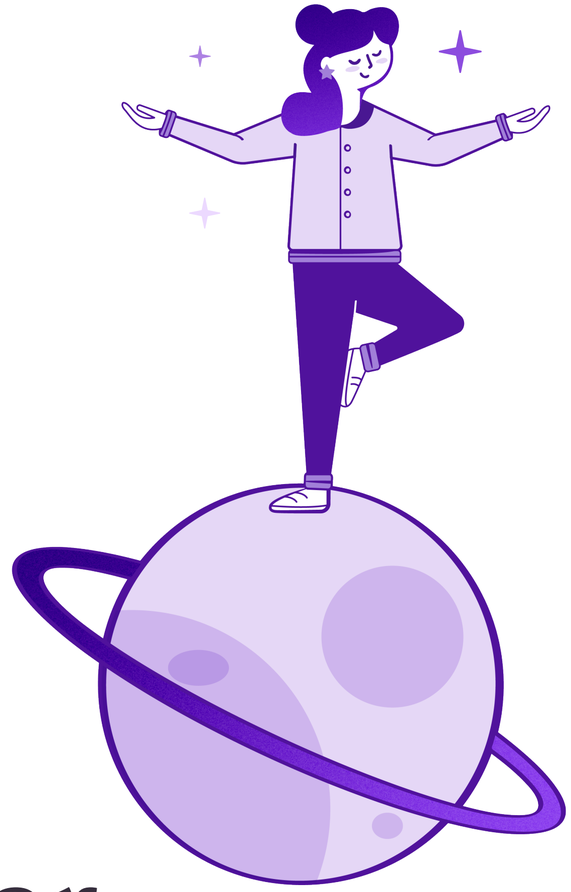


2023

The year of balance

Last year, go-to-market (GTM) teams were up against challenging economic conditions. With constant layoffs and budget cuts, teams had to do more with less. Growth at all costs was out and efficiency was in.

To combat these volatile market conditions, GTM teams sought stability. Companies drove efficient growth by building hybrid go-to-market approaches, relying on a combination of product-led growth (PLG), Product-Led Sales (PLS), and Enterprise Sales.

However, achieving balance is easier said than done, so we put together this benchmark report to share GTM strategy insights and best practices.

In 2023, companies took a blended go-to-market approach, and in 2024, we predict balance will continue to drive success

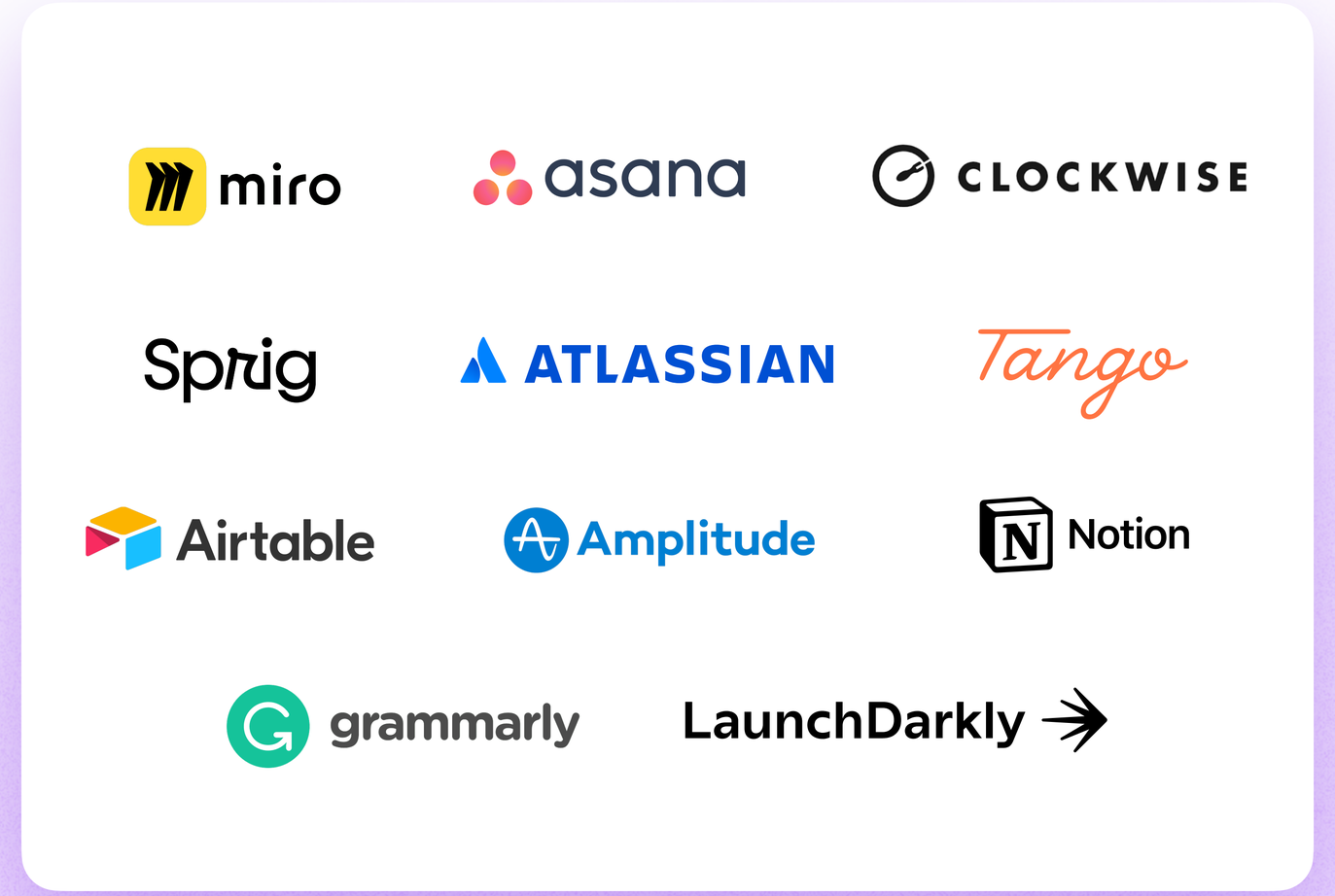
In this report, we break down the state of GTM and reveal the insights we uncovered.

Keep reading for answers to questions like:

- How are teams building their go-to-market strategy?
- Do you need a sales team?
- Why are more companies making the switch to Product-Led Sales?
- How are companies using data?
- What's top of mind for GTM teams in 2024?
- What are the most popular tools used by today's go-to-market teams?

We conducted the survey between September 2023 and December 2023

This benchmark report includes data from over **175 respondents**



Thank you to our partners

Adam Schoenfeld

Keyplay

Kyle Poyar

OPENVIEW

Leah Tharin

PRODUCTEA with Leah

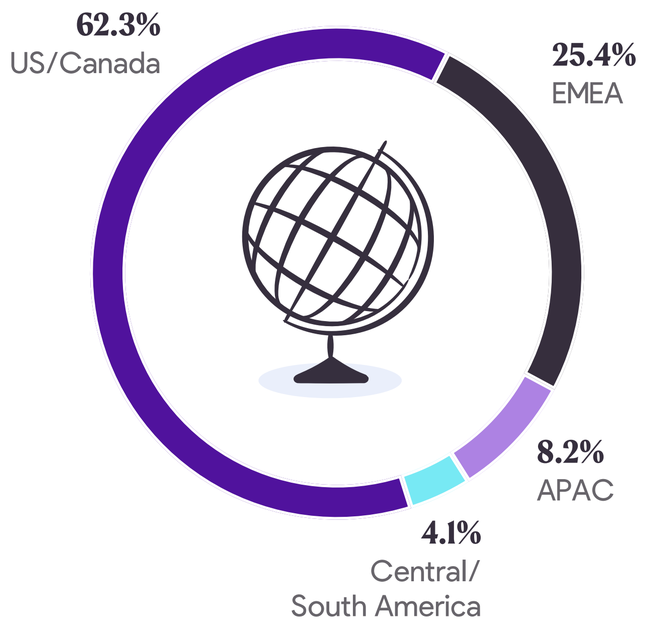
02

Participant Overview

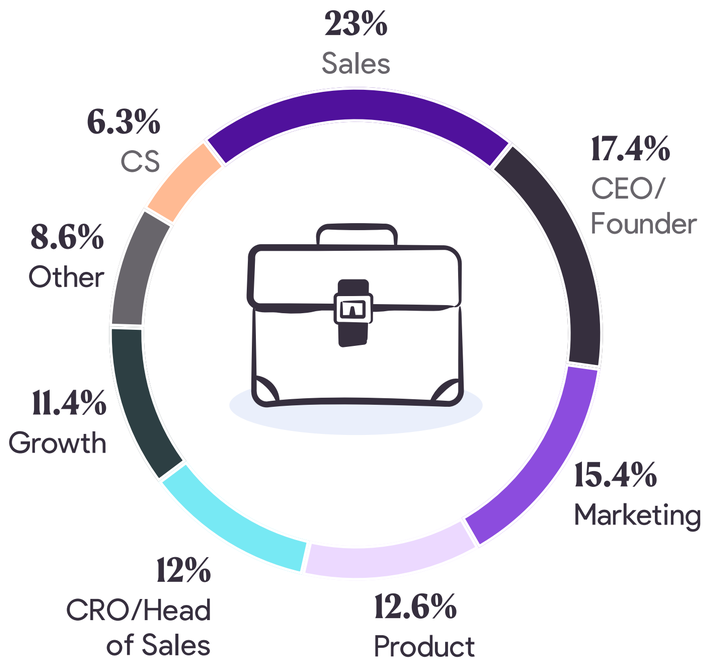
Distribution

Sales was the most common response with **23%** followed by an almost equal split across various GTM funcitons. **62%** of respondents work for companies that are headquartered in the United States.

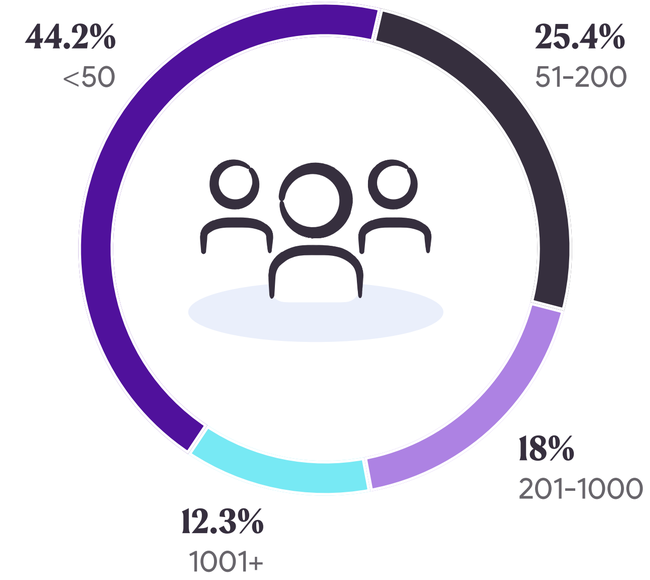
Company HQ



Role



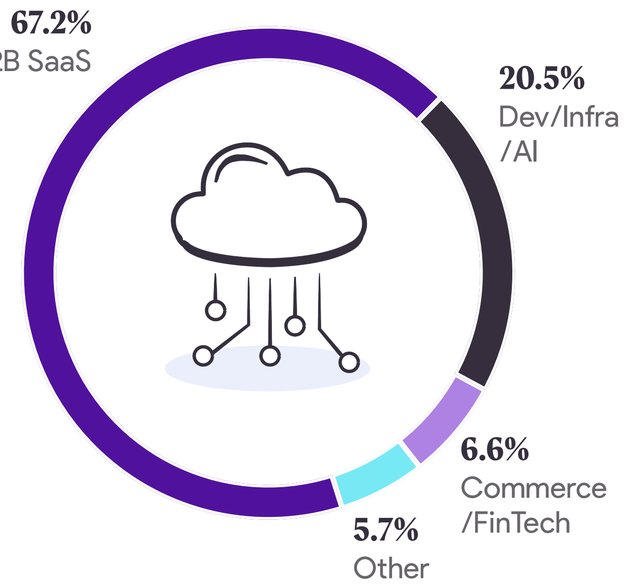
Employee Size



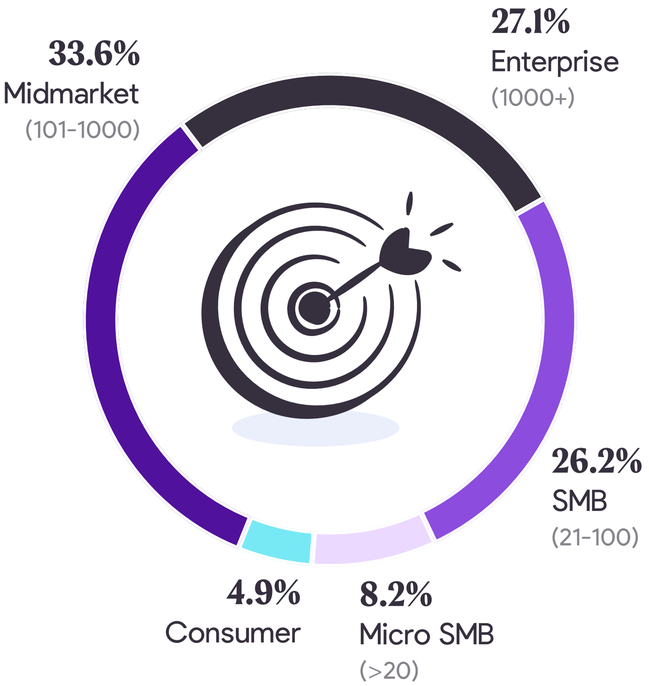
Distribution

67% of respondents sell a B2B SaaS product. Keeping with the theme of balance, there was a fairly even split between respondents selling to SMB, midmarket, and enterprise companies.

What they sell (product type)



Target market



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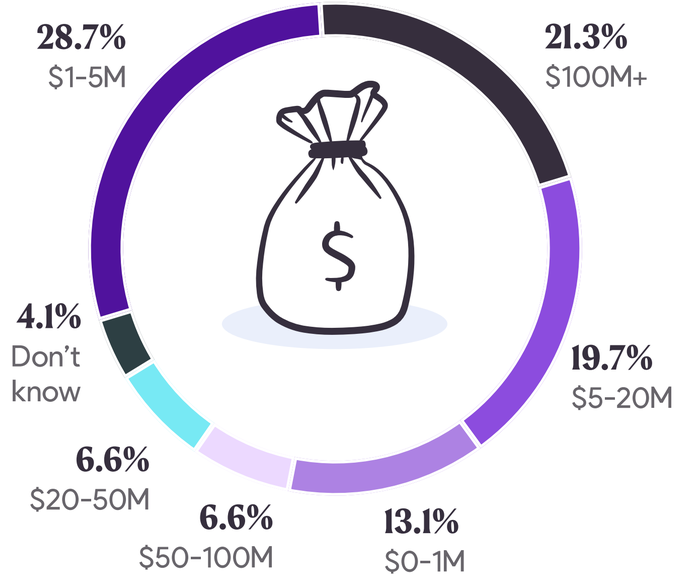


03

Go-to-market Insights

Go-to-market motion refresher

67% of respondents sell a B2B SaaS product. Keeping with the theme of balance, there was a fairly even split between respondents selling to SMB, midmarket, and enterprise companies.

Self-serve (PLG)

Product-led growth positions the product as the primary channel for acquiring, converting, and retaining customers. Users can try the product without talking to a human first.

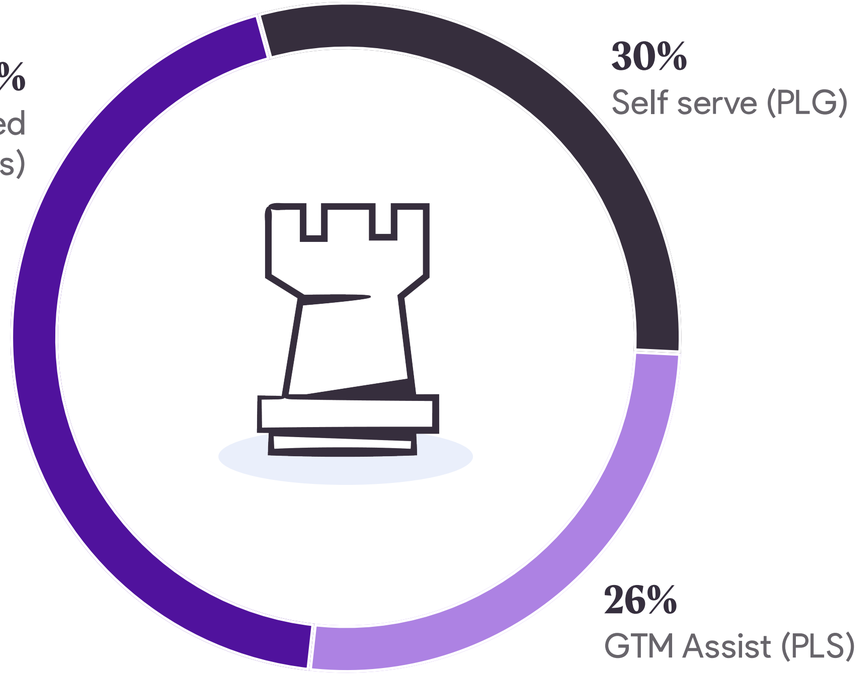
GTM-assist (PLS)

Product-Led Sales is a go-to-market approach that relies on existing product users to drive revenue, including conversion, upsell, cross-sell, and expansion.

Sales-led (Enterprise Sales)

A sales-led approach relies heavily on sales guiding prospects through a more traditional and often longer sales cycle.

How each GTM motion contributed to revenue



Companies took a hybrid approach in 2023

Last year, companies looked to find balance with a blended go-to-market approach.

We found that companies used a combination of sales-led (Enterprise Sales), self-serve (PLG), and GTM-assist (PLS) motions to drive revenue.

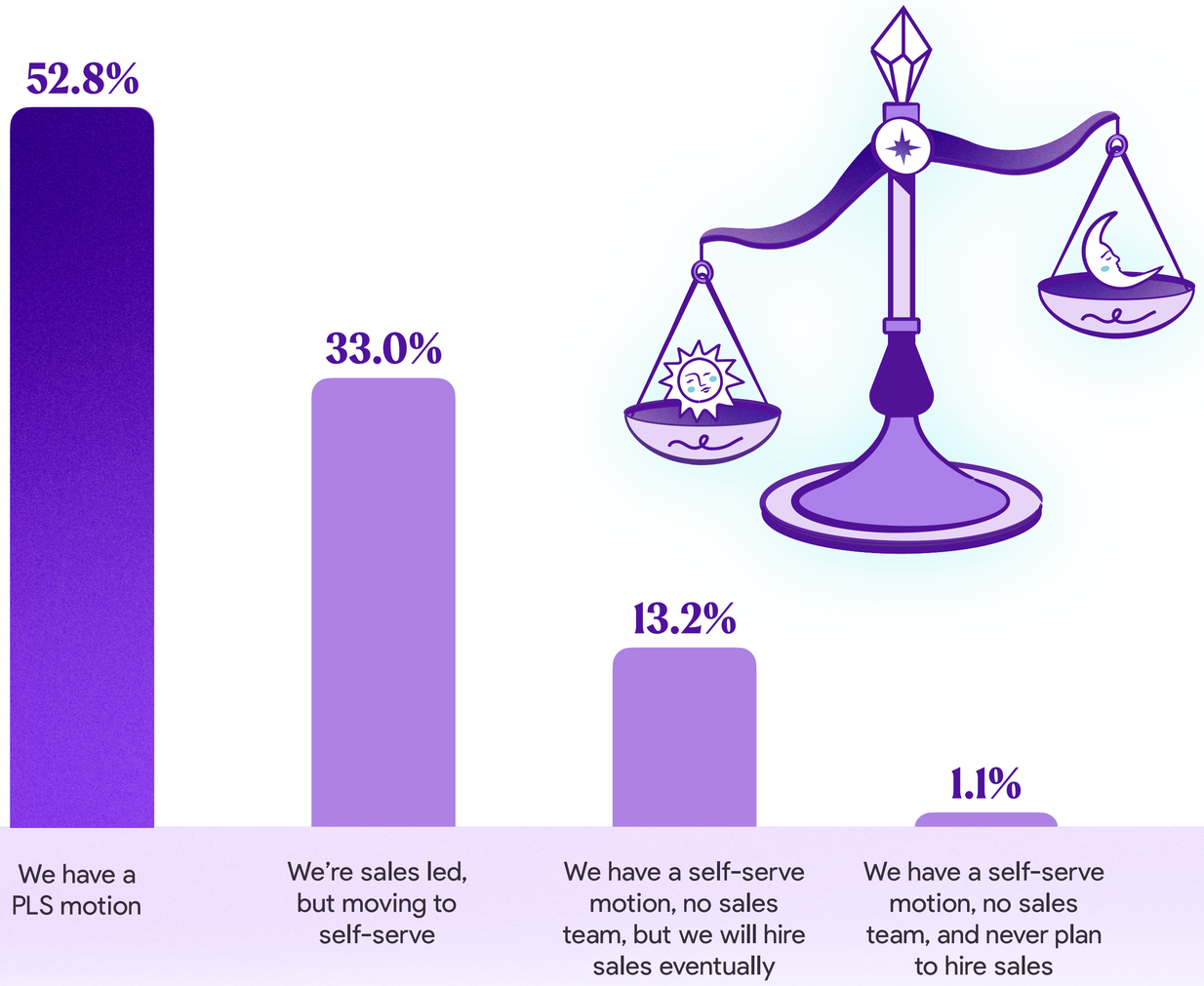
Diversifying their GTM approach helped companies stay afloat during a rocky year.

GTM motions with sales teams tipped the scales

While companies used a variety of go-to-market motions, many relied on their sales teams to help attract and convert customers.

- Over half of respondents (53%) have a Product-Led Sales motion which incorporates both self-serve and human elements
- Only 1% of respondents don't have a sales team and don't have any intention of hiring one

What best describes your current GTM strategy?

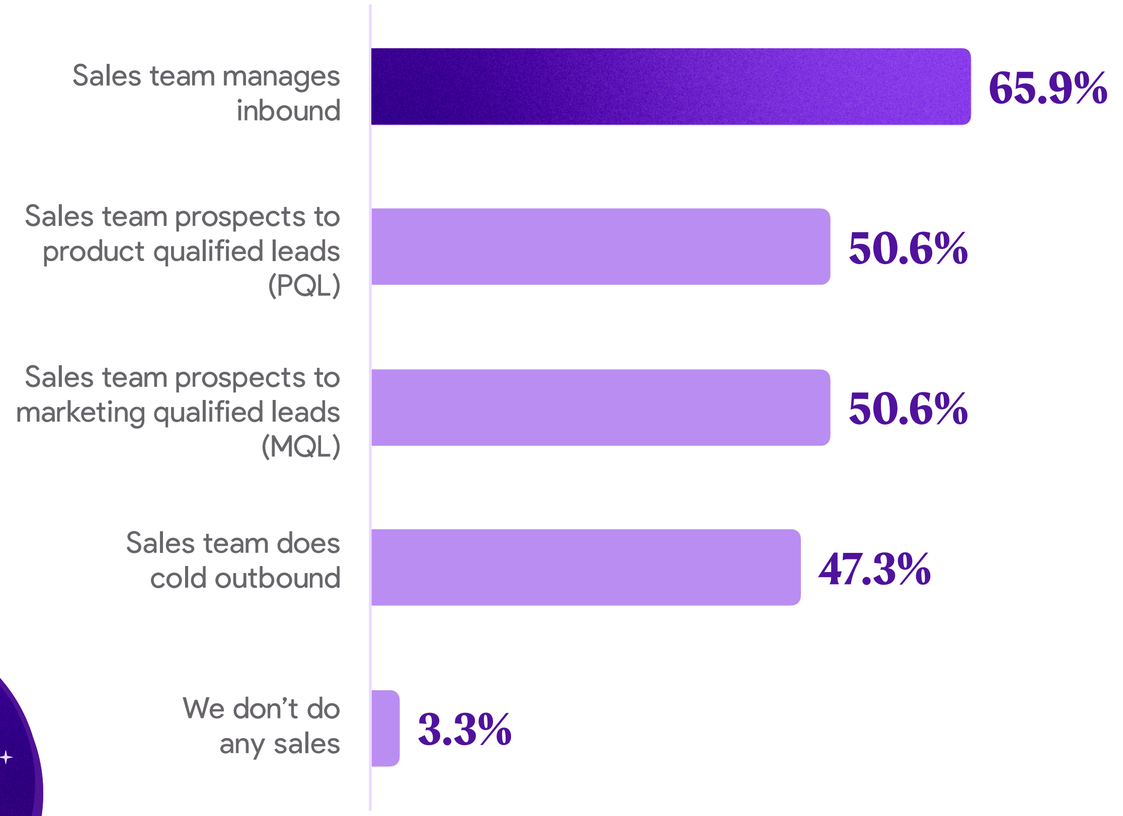


It's all about balance

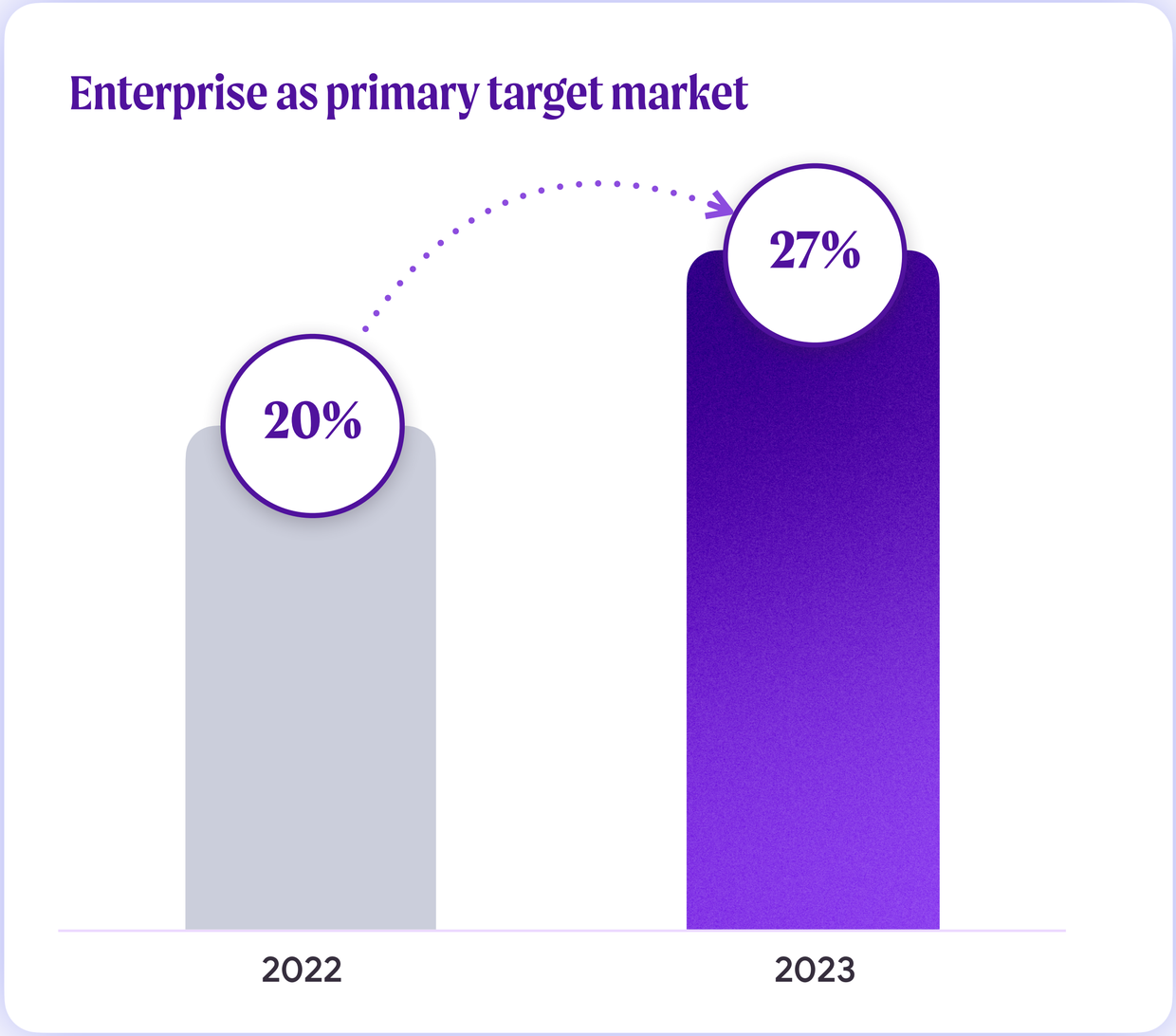
Sales and marketing folks love to make controversial statements like "cold outbound is dead!" or "email marketing is a relic of the past."

But, in 2023, we saw that teams used a healthy mix of sales motions to support their diversified GTM strategy.

Which of these options most accurately describes your sales motion?



*Respondents could select more than one answer



Companies set their sights on enterprise

With fewer resources and limited budget, companies saw the value in acquiring larger deals.

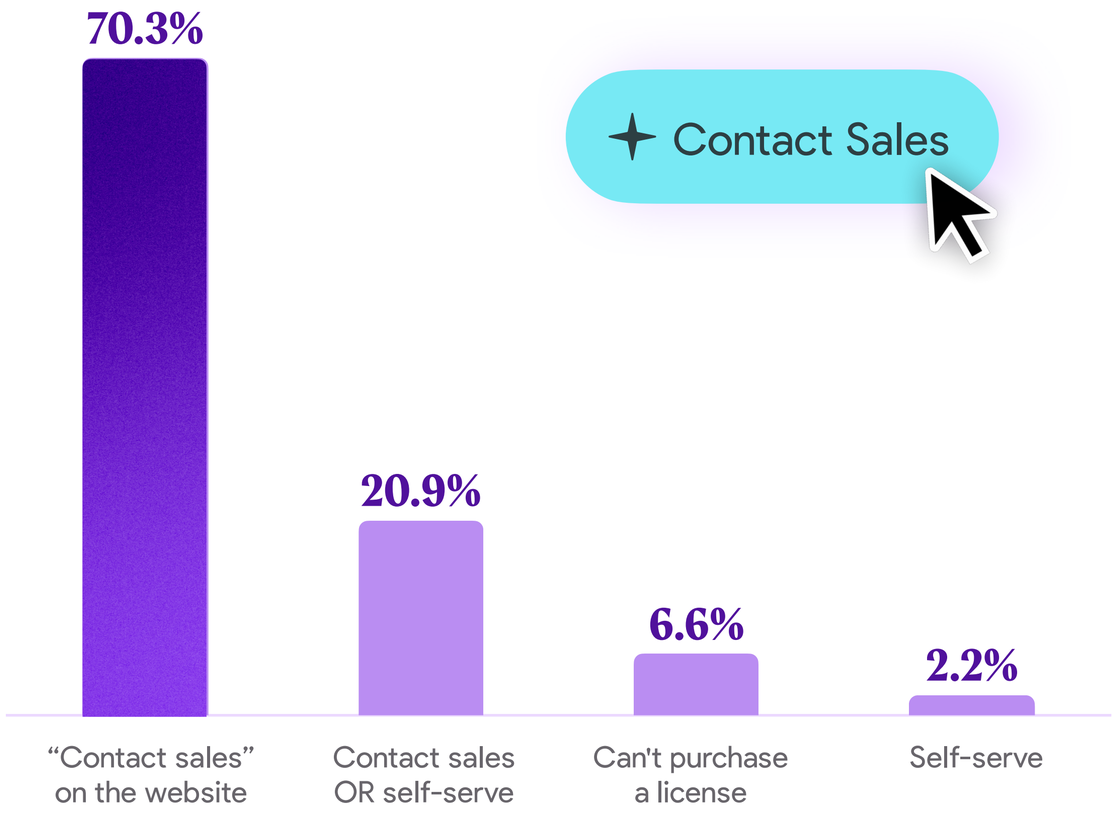
In 2023, 27% of respondents cited the enterprise segment as their primary target market, compared to only 20% in 2022.

Selling to the enterprise required a sales touch

If companies wanted to sell enterprise deals (which it seems like they did, given the growth in the enterprise segment), they almost always needed a sales team.

- **70%** of respondents (compared to 64% in 2022) said that if a user wants to purchase an enterprise-wide license they must select “contact sales” on the website
- Only **2%** of respondents allow users to self-serve onto the enterprise product directly on the website

If a user wants to purchase an enterprise-wide license, they:



Teams plan to move upmarket in 2024

Effectively using sales teams to acquire enterprise customers is top of mind for 2024.

Going upmarket/increasing average contract value is one of the main priorities for teams this year.

Here are the top 3 GTM priorities in 2024:

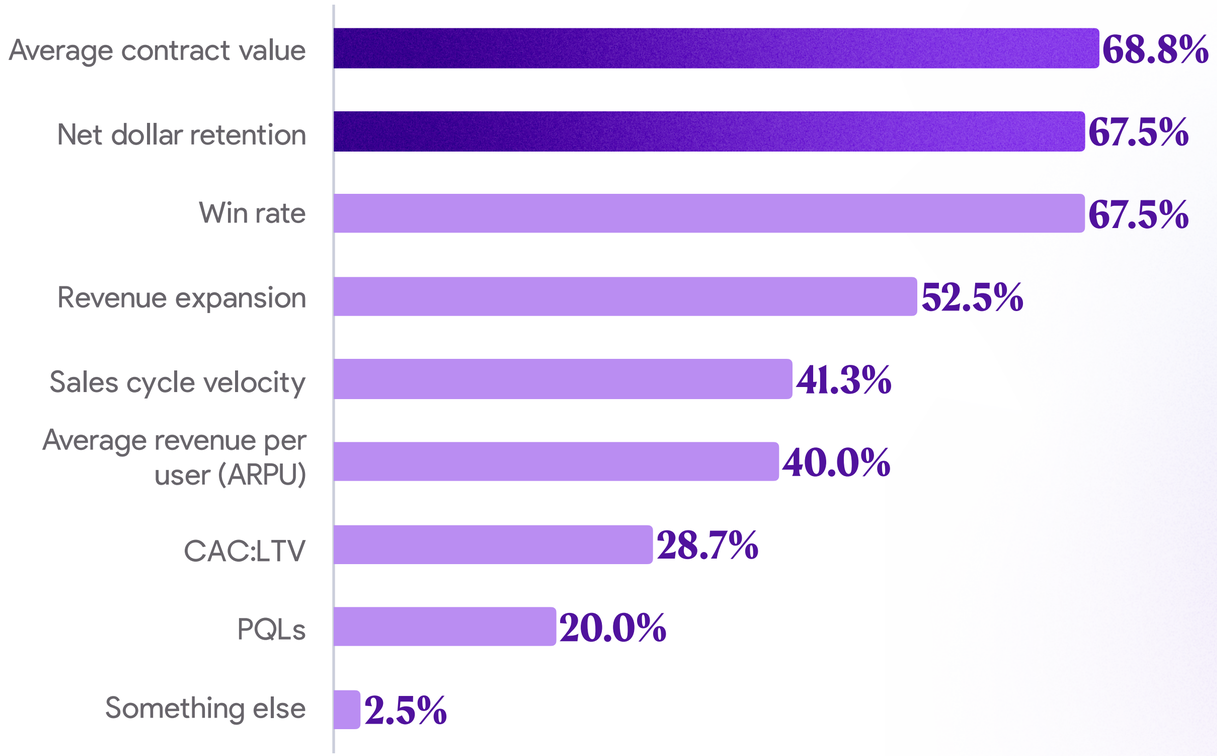
- Improve sales productivity/improve pipeline efficiency
- Find new sources of pipeline
- Go upmarket (increase ACV)

Rank from most important to least important the following GTM priorities for 2024

1. Improve sales productivity / improve pipeline efficiency
2. Find new sources of pipeline
3. Go upmarket (increase ACV)
4. Improve rep training & enablement
5. Using AI to automate workflows / improve rep productivity
6. Hiring more reps
7. Move downmarket (target SMBs)

Upmarket selling puts a focus on ACV

What metrics do you use to track go-to-market team performance besides the usual (revenue)?



With increasing deal size as a top priority, it's no surprise that teams are closely tracking average contract value.

GTM teams are keeping a close eye on:

- 69% of respondents are tracking ACV
- 68% of respondents keep an eye on Net Dollar Retention (we predicted this would be important for modern GTM teams in 2023)

In challenging times, teams are are hoping to bring in large deals and retain current customers.

04

Product-Led Sales insights

PLS is a key growth driver

2022 was the year of Product-Led Sales, and it certainly played an important part in GTM strategies in 2023.

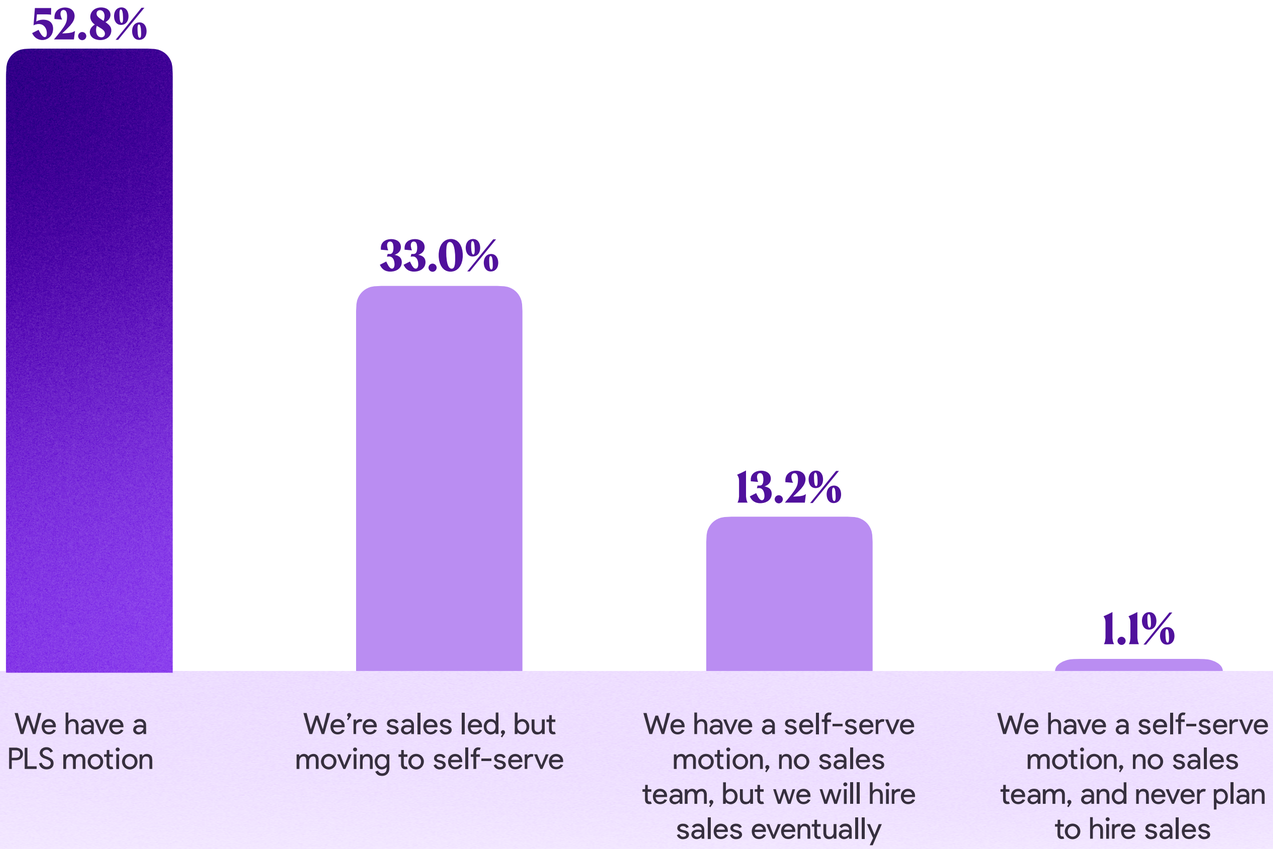
Not to toot our own horn, but last year we predicted that mature PLG companies would begin to invest more into PLS, and we were right. Over 70% of the Cloud 100 had a PLS motion in 2023.

PLS is an efficient way to appeal to enterprise buyers and move upmarket (if you recall, both are top priorities of GTM teams). PLS also enables teams to reduce customer acquisition cost. It's a win-win.

Product-Led Sales is here to stay, and dare we say, become even more of a GTM powerhouse in 2024.

PLS rises in popularity

What best describes your current go-to-market strategy?



*Respondents could select more than one answer

- Recognizing the importance of reducing costs and bringing in larger deals, more companies leaned into Product-Led Sales.
- Over half of survey respondents (53%) said that they had a PLS motion in 2023, compared to 49% in 2022.
- We anticipate that PLS will become even more prevalent in 2024.

So, why did teams make the switch to PLS?

Upmarket selling in PLG is tricky. PLS brings in org-level strategic focus in planning and execution.

We moved from PLG only to PLG+PLS to expand ACV and better leverage the existing user base as pipeline.

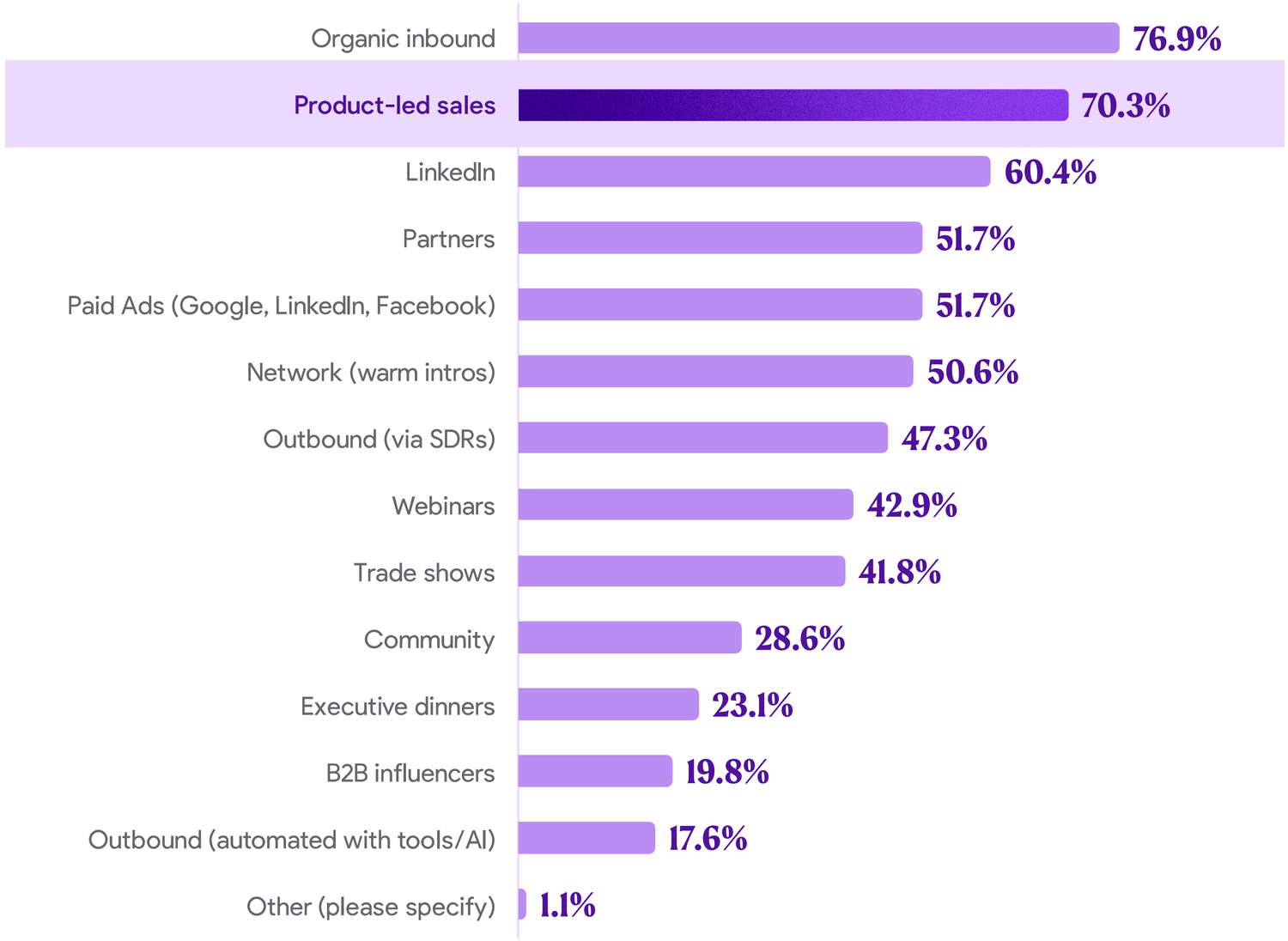
We are investing further into PLS. We are focused on using customer signals in trials and as accounts to guide plays for sales engagement, expansion and risk prevention.

PLS is a major driver of pipeline

- Product-Led Sales was the second most popular driver of pipeline in 2023.
- Over 70% of respondents rely on Product-Led Sales to source pipeline.

*Respondents could select more than one answer

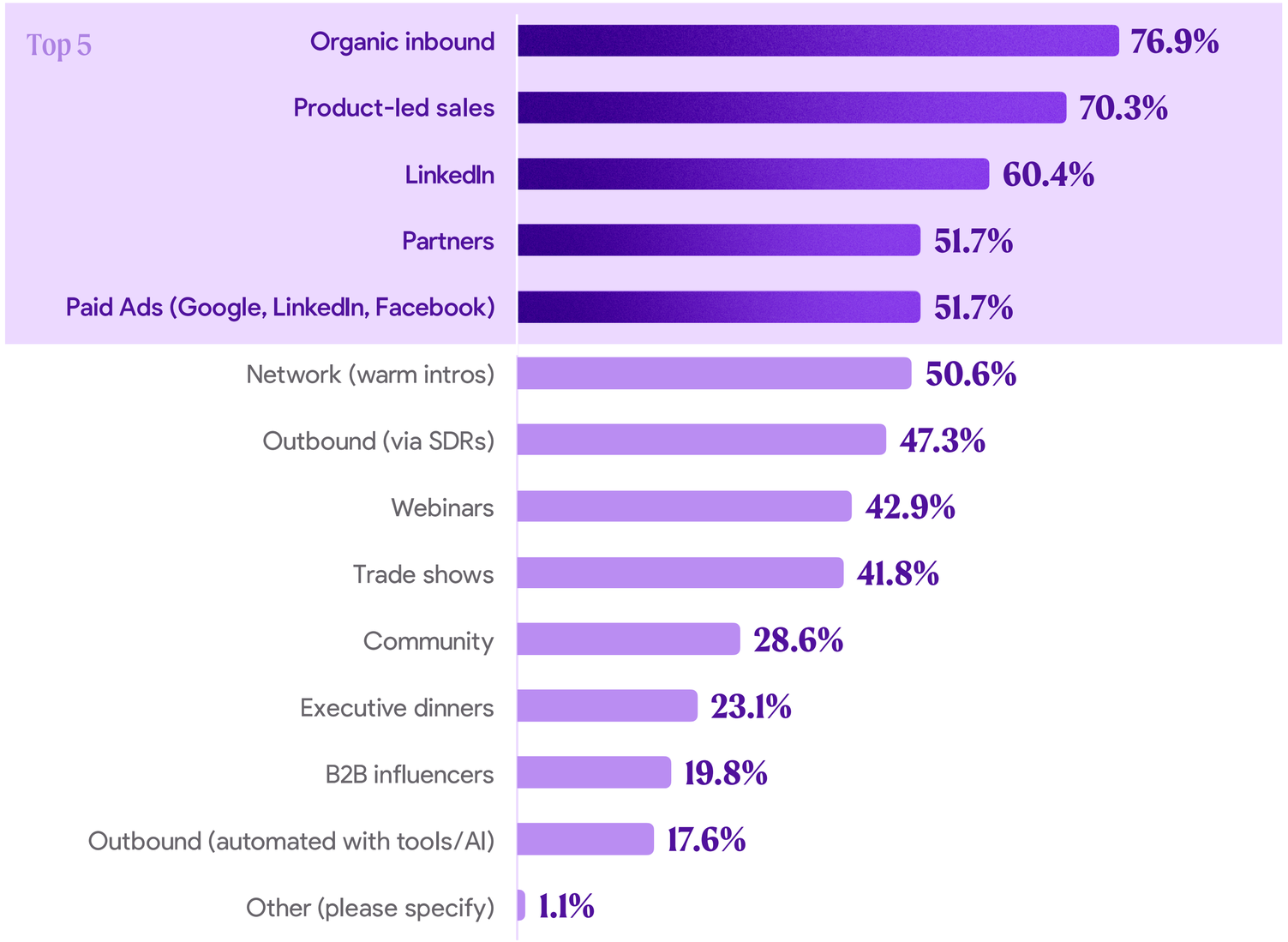
What are your sources of pipeline today?



Pipeline sources abound

In addition to PLS, GTM teams relied on a wide variety of sources to drive pipeline

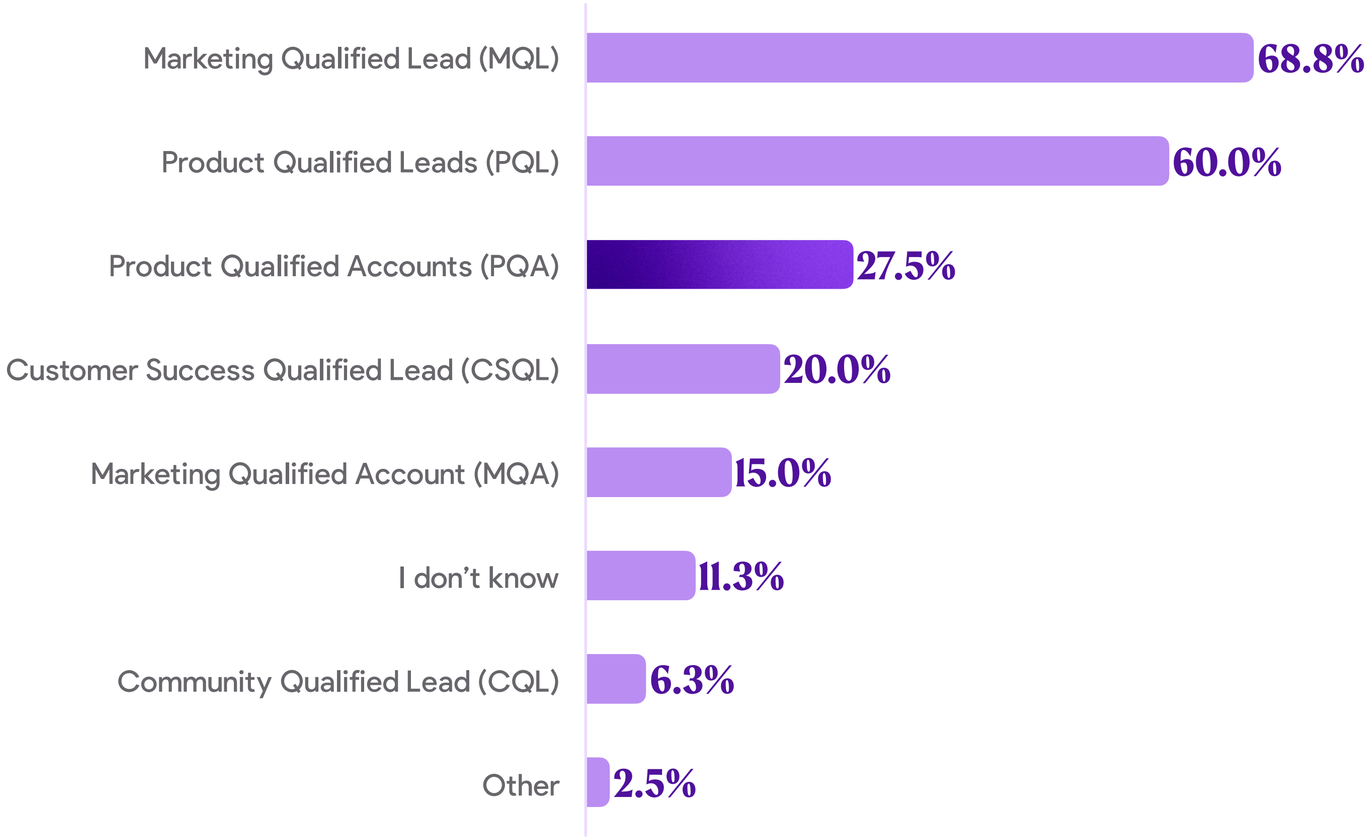
What are your sources of pipeline today?



*Respondents could select more than one answer

A rise in PLS brings PQAs to the party

Which of the following do you measure and track?

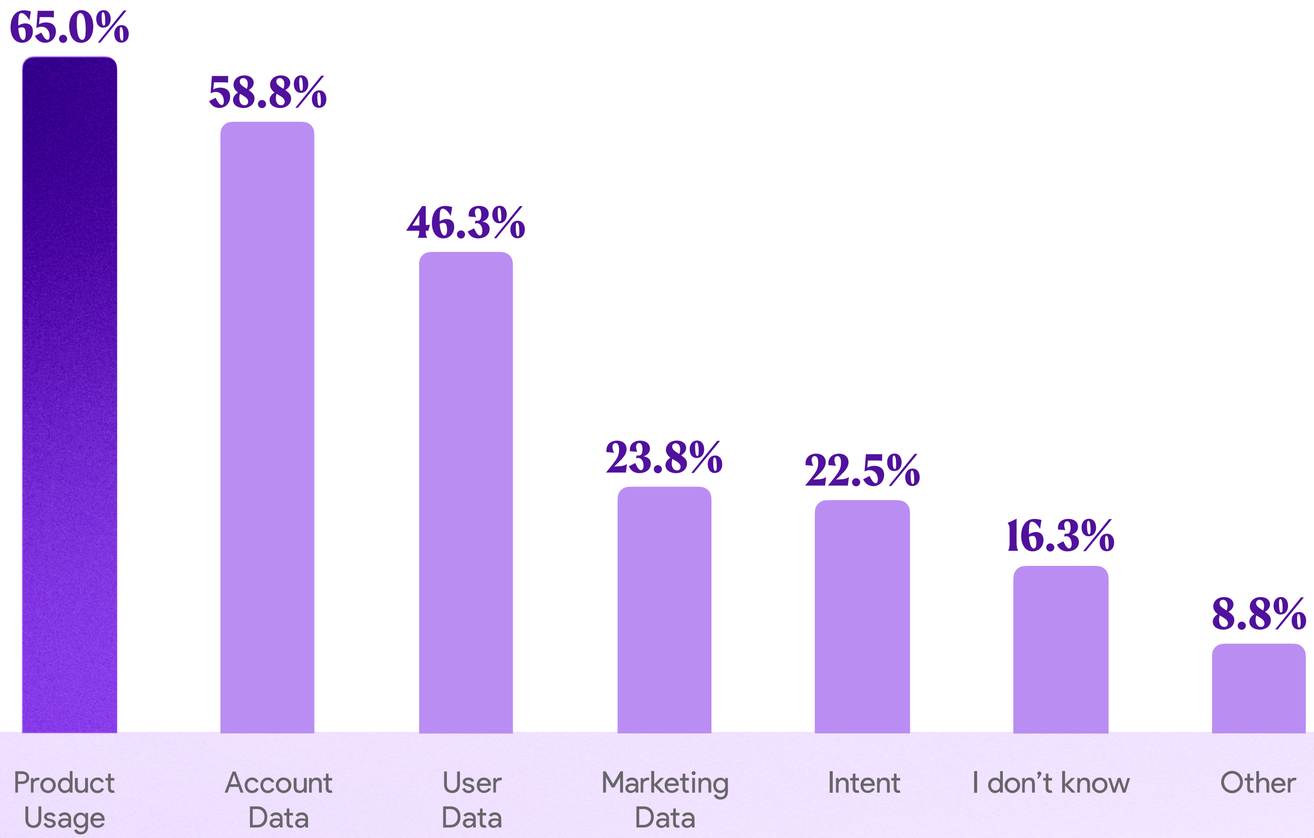


- A PQA (product qualified account) is a composite score based on how many individual users within an account have become product qualified. It takes into account customer fit, product usage, and buying intent.
- The percentage of people tracking PQAs increased from **17% in 2022 to 28% in 2023**.
- As teams continue to move upmarket, taking an account-level view will be extremely important.

Here's how teams track PQAs

To build PQA and PQL scores, teams relied on product usage data (how the user/account interacts with the product) and account data (how closely the user/account fits your ICP)

What do you use to calculate product-qualified leads/accounts (PQL/PQA)?



*Respondents could select more than one answer

05

Sales team insights

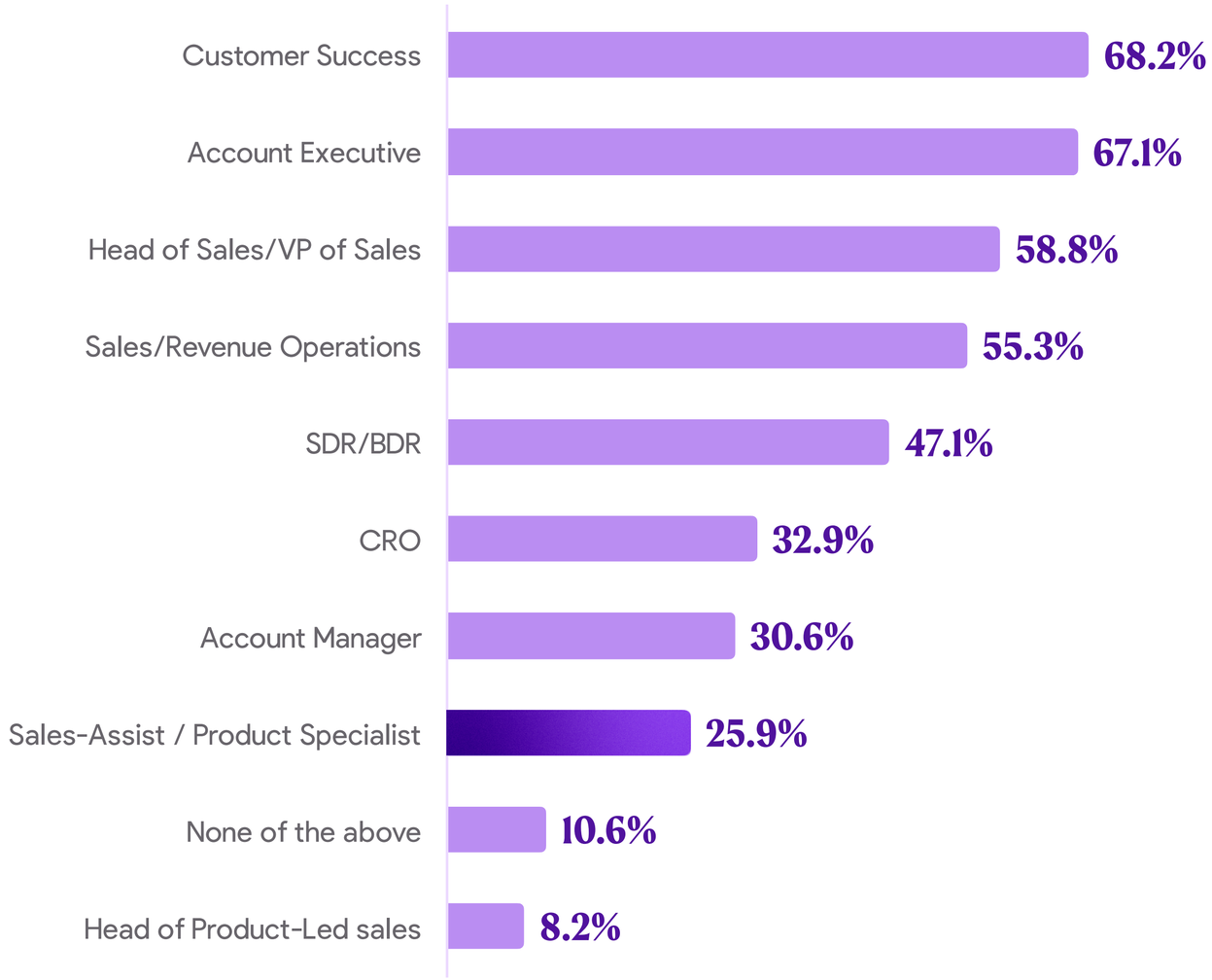
Companies want top-tier sales teams, but hiring is a challenge

In 2023, many companies leaned into building their sales team to support their PLS and Enterprise Sales motions. However, building a top-tier team was easier said than done.

Many GTM leaders found it challenging to hire the right reps with personal skills and technical acumen. Sales reps didn't have it easy either, and were contending with more data and more tools.

So, what's all that really mean?
Let's take a look.

Does your company have the following roles or equivalent?



*Respondents could select more than one answer

Hiring data-driven sales reps supports PLS

- As more GTM teams continued to lean into Product-Led Sales, they needed the right team in place.
- The percentage of respondents that have a sales-assist/product specialist on their team rose from 23% in 2022 to 26% in 2023.

Hiring sales reps proved to be a challenge

Here's what respondents had to say about challenges they faced finding that perfect sales rep for their PLS motion.

Finding folks who have experience with a PLS motion

Matching sales skills with data skills

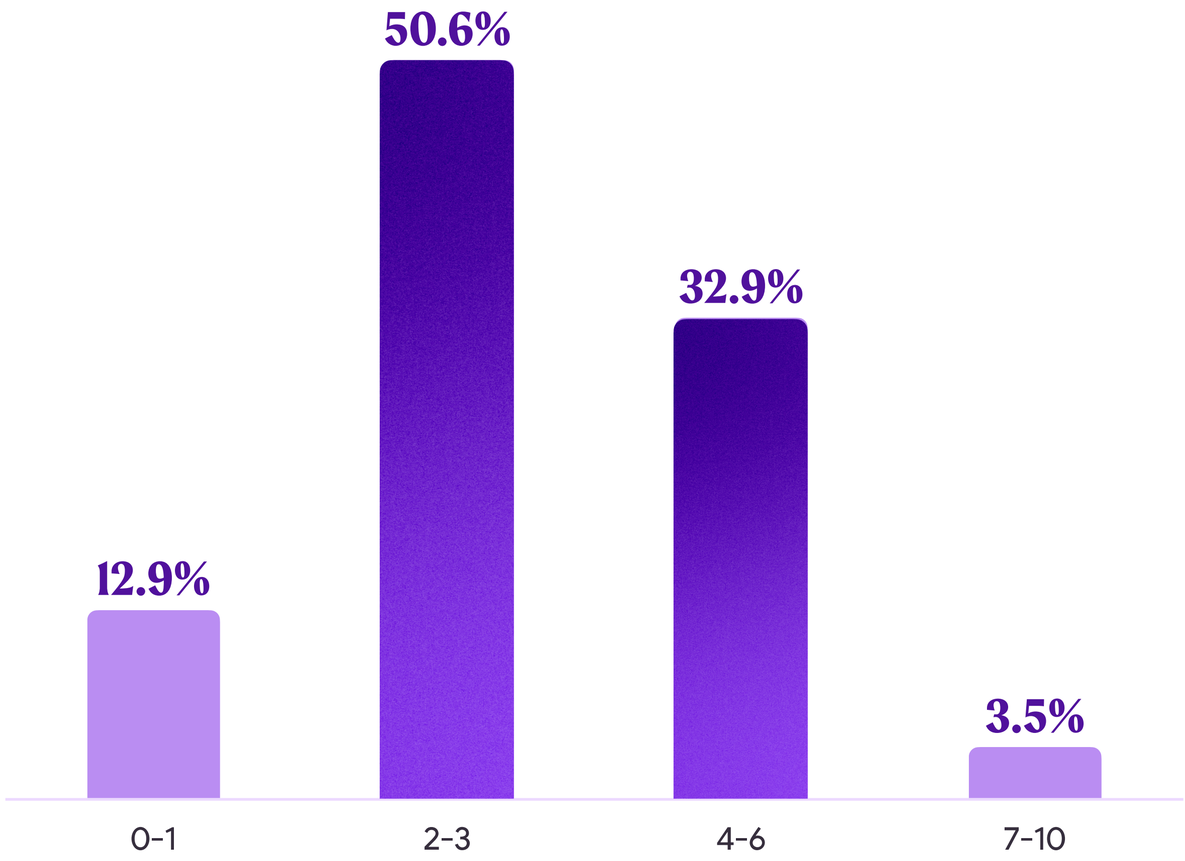
The nuance of knowing when to sell vs when to enable/help activate. Just because someone who looks like your ICP signs up, uses your product and even engages in a way that may make you think they are ready for sales, you still need to fight the urge to instantly sell and instead do proper discovery to show them value and validate their potential interest.

Technical knowledge, product-led experience

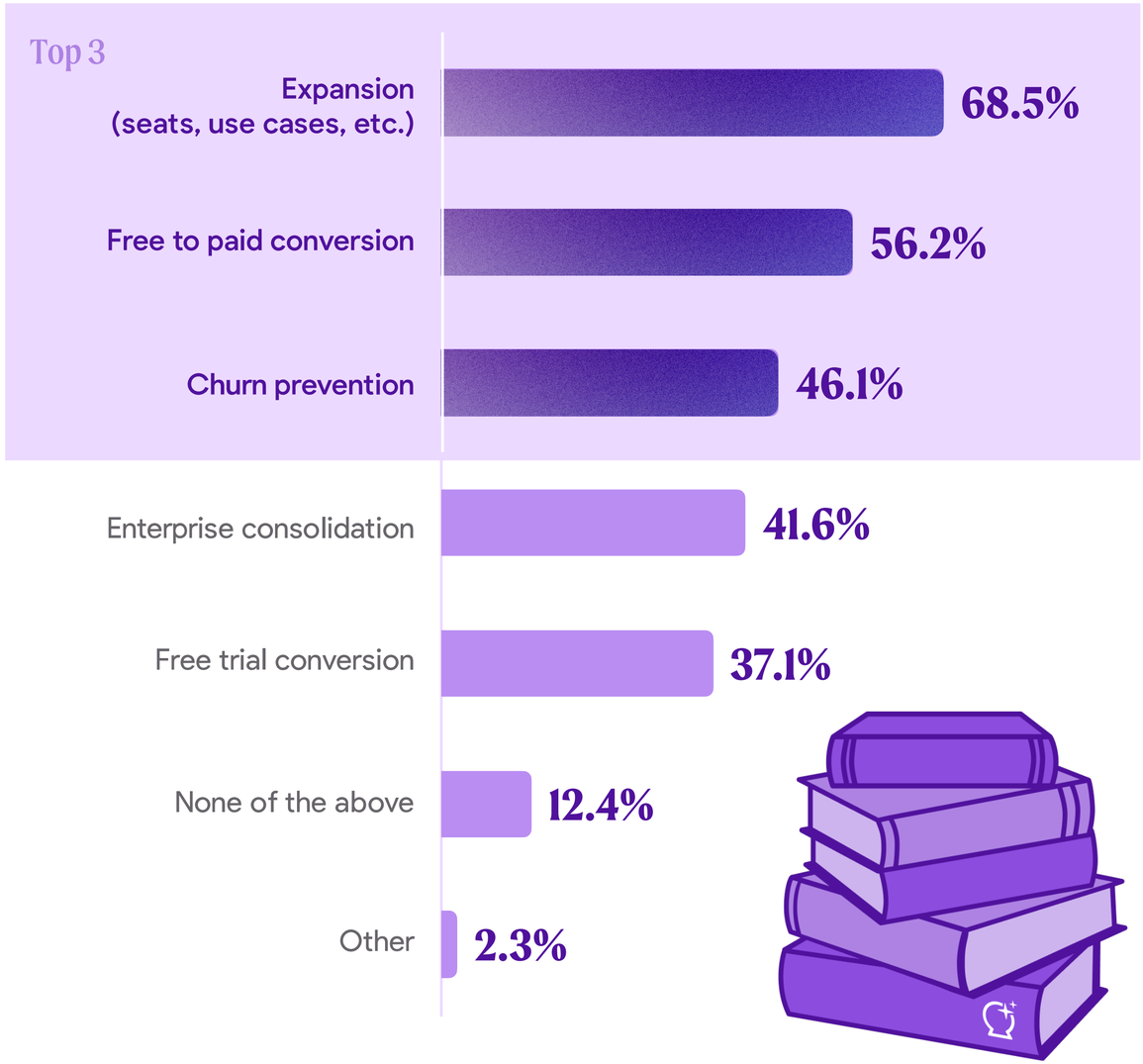
Sales reps must master many tools

Tech stacks continue to grow.
Most sales teams are using **at least 2-3** tools daily, with **many using 4-6**.

How many dedicated sales tools on average are you using to do your work day-to-day?



What sales playbooks are you running?



Sales reps must be experts in many playbooks

In addition to navigating a crowded tech stack, sales reps also had to navigate the ins and outs of many different sales playbooks.

GTM teams relied on free-to-paid conversion playbooks, enterprise consolidation playbooks, expansion playbooks, churn prevention playbooks, and free trial conversion playbooks in 2023 (phew, that was a lot).

With an emphasis on efficient growth, it's no surprise that companies turned to expansion and churn prevention playbooks. Growing and retaining a current customer is cheaper than acquiring a new one.

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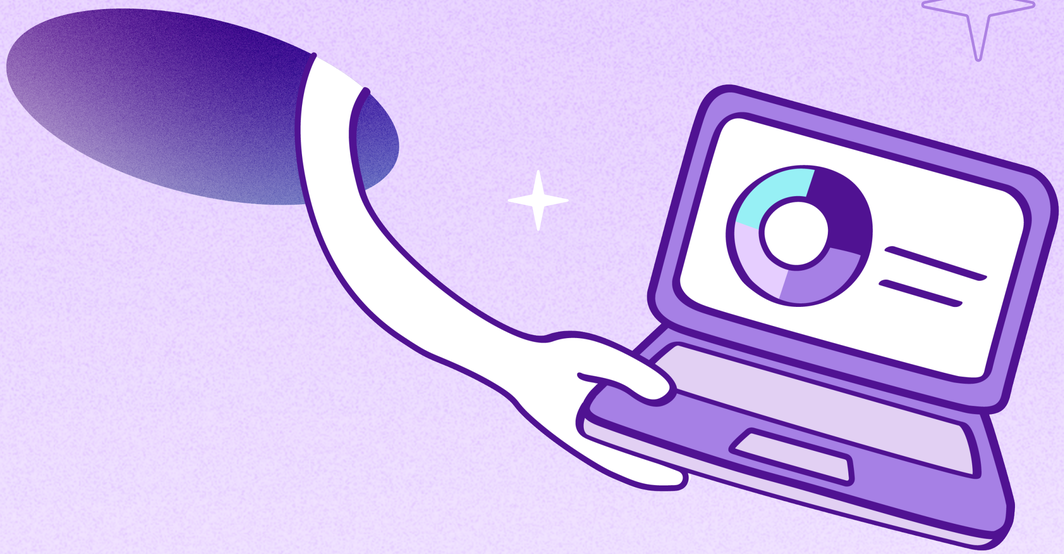
Data & tech stack insights



More of everything

2023 brought an abundance of playbooks, pipeline sources, and tools. While a balanced approach helped companies succeed, it also created some confusion.

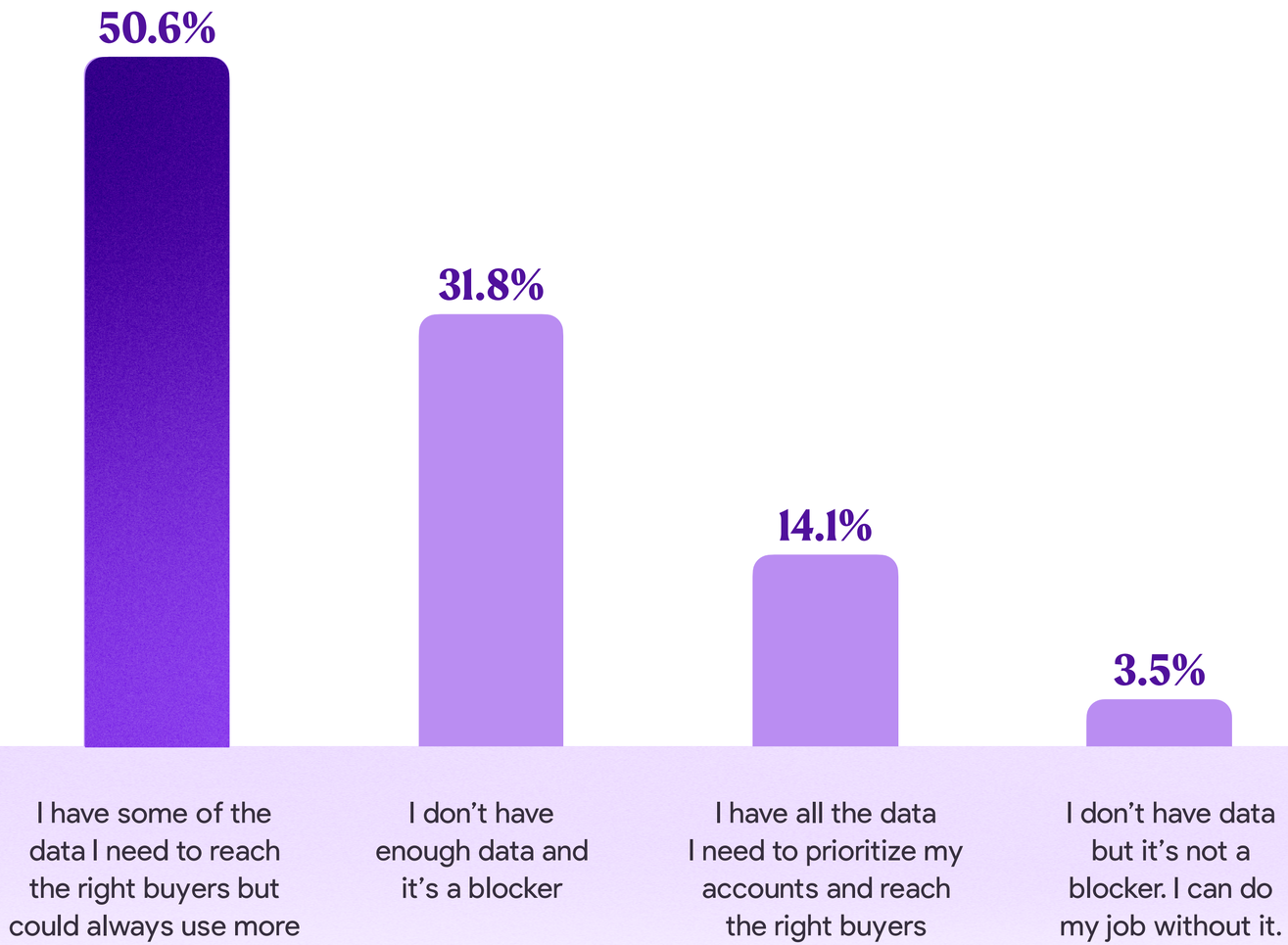
Last year, many teams found it challenging to access the right data in the right place.

We learned that **over half** of respondents felt they have some data but could use more to reach the right buyers.

And, we heard from respondents that when building their Product-Led Sales stack, they often struggled to find accurate data and connect the dots across systems.

While data proved to be a challenge, keep reading to learn how teams kept track of everything.

Choose the sentence that best describes you



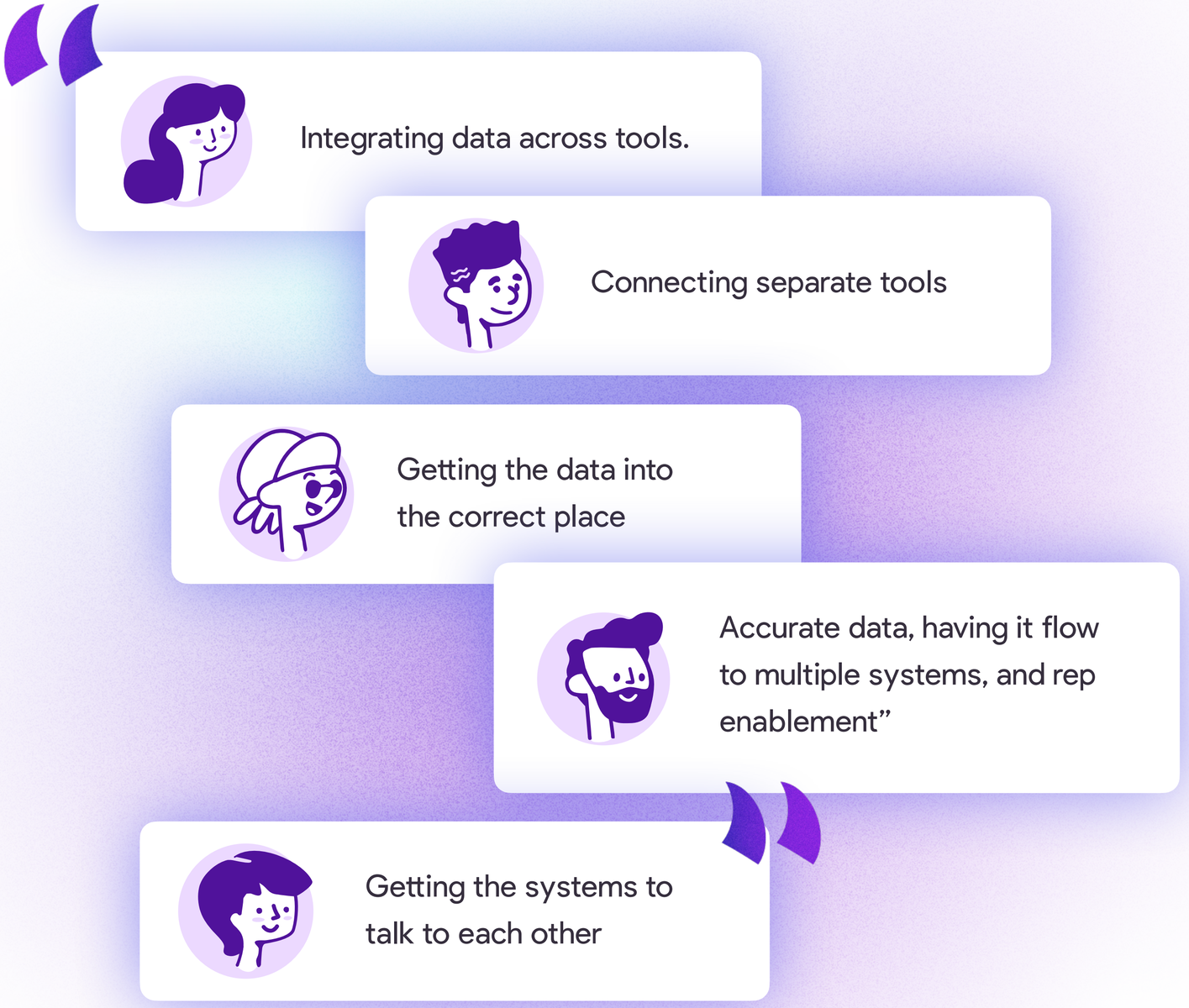
Teams are on the lookout for more data

Over half of respondents answered that they feel they have some of the data needed to reach the right buyers, but could always use more.

Connecting systems and tools is a challenge

Many teams are still figuring out how to surface key insights and connect disparate systems.

We asked respondents what their biggest challenge was when building a PLS GTM tech stack.



Most common GTM tech stack

To find and surface the right data points, teams relied on a wide variety of tools.

Keep reading for a breakdown of the most popular tools in each category.

CRM	Sales tools	Marketing automation platform	Product-led sales tool
salesforce	GONG	HubSpot	Pocus

Data warehouse	Product analytics tool	Data enrichment tool
snowflake	Amplitude	Clearbit (Now HubSpot)

CRM

Salesforce	46.7%
HubSpot	28.5%
attio	7.7%
Other	6.4%
Sheets, Airtable, Notion	3.9%
ZOHO	3.9%
copper	1.3%
We don't have a CRM	1.3%
zendesk sell	0%
pipedrive	0%
I don't know	0%

Sales tools

Other	41.5%
GONG	36.3%
Outreach	29.8%
Apollo.io	20.7%
CHILI PIPER	14.2%
Salesloft.	14.2%
Clari	10.3%
6sense	7.7%
USERGEMS	7.7%
SCRATCHPAD	1.3%

Data Warehouse

snowflake	31.1%
We don't have a data warehouse	23.3%
I don't know	14.2%
Google Big Query	12.9%
amazon REDSHIFT	10.3%
Other	7.7%

Marketing Automation

HubSpot	41.5%
Marketo	15.5%
customer.io	10.3%
We don't have a marketing automation tool	9.1%
Other	6.4%
I don't know	5.1%
INTERCOM	3.9%
braze	3.9%
salesforce pardot	2.6%
ITERABLE	1.3%

Product Analytics

Amplitude	25.9%
mixpanel	24.6%
Built internally	11.6%
Other	11.6%
pendo	10.1%
We don't have one	10.1%
hotjar	3.9%
I don't know	2.6%
June	1.3%

Data Enrichment

Clearbit	33.7%
zoominfo	29.8%
We don’t use one	18.1%
Apollo.io	9.1%
Other	5.1%
I don’t know	2.6%
Lusha	1.3%

Onboarding

Built internally	31.1%
I don't know	25.9%
Other	22.1%
Appcues	9.1%
DOPT	5.1%
userflow	2.6%
bento	2.6%
userpilot	1.3%

Key takeaways

2023 was the year of balance

To drive efficient growth, teams leaned into a blended GTM approach. Respondents used a combination of self-serve, sales-assist, and enterprise sales strategies.

Motions with sales teams tipped the scales

While companies achieved balance through a variety of GTM motions, they relied heavily on their sales teams. Sales teams helped companies sell to the enterprise and bring in larger deals.

PLS rose in popularity, and will continue to be more common

Over half of respondents had a Product-Led Sales motion in 2023. And, the number of people using a PLS platform also increased year over year. PLS is an efficient and effective way to provide value and sell upmarket.

Teams are looking to go upmarket and improve efficiency in 2024

Rocky economic waters aren't set to calm down anytime soon. In 2024, teams will continue to lean into a blended GTM approach. And, they will turn their attention upmarket, looking to capture more of the enterprise segment.