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# Product Marketing Leadership Primer for 2019



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**Analyst(s):** Michael Maziarka, Christy Ferguson

Exceptional technology product marketing leaders drive business results by excelling in all facets of leadership. They must secure and allocate budget and resources, adeptly apply technology, improve outcomes based on KPIs, and collaborate with others to influence go-to-market strategies.

## Scope

This initiative provides best practices for optimizing the budget, resources, technology, intra- and intercompany collaboration, and KPIs to drive an agile and impactful product marketing function.

The topics covered within this initiative include the following:

- Manage and optimize teams and budgets
- Improve marketing performance
- Leverage marketing technology
- Increase partner alignment

## Analysis

Figure 1. Product Marketing Leadership Overview



Source: Gartner (February 2019)

Historically, many technology and service providers (TSPs) approached product marketing as a messaging and content generation engine producing materials as a result of reactive requests across the organization. The focus was on helping to build awareness of products and solutions, create demand, nurture prospective buyers, and find ways to make it easier for the sales teams to close business. This aligns with a recent Gartner survey of technology product marketers that found the top success measure of working with others in the organization was customer growth.<sup>1</sup>

However, to be more effective in today's dynamic business environment, the product marketing function is being pressed to be more agile. Continuously repeating a formulaic, template-driven, inward-out approach may no longer be sufficient. Instead, product marketing must continuously innovate to help capture the attention of (and meet the varied needs of) buyers and customers. But these pressures to experiment, learn and adapt can be stymied by the inertia of siloed organizational structures and resource allocations.

Technology product marketers must balance planning and structure against creativity and nimbleness. On the one hand, they must allocate and optimize resources and technology in

coordination with stakeholders and agencies with an eye toward common goals. And on the other, they must motivate these cross-functional teams to take creative and innovative approaches, using key performance indicators (KPIs) to rapidly determine when to increase their investment or change direction.

## Top Challenges and How Gartner Can Help

Proficient product marketing leadership is essential to drive business results. With the growing volume of demands and outcomes at stake, technology product marketers must ensure that they are optimally allocating the resources at their disposal — budget, personnel, agencies and technologies. These resources must be applied in a way that produces results, while being responsive to continuously shifting demands. Through best-practice research and guidance, Gartner helps by addressing the most pressing questions facing the role:

- How should I secure and allocate my budget and resources to drive business impact?
- What metrics do I need to measure success and foster an agile marketing approach?
- What technology investments should I make to enable innovative marketing approaches?
- How do I inspire productive collaboration with internal stakeholders and trusted agencies?

The topics covered within this initiative include:

- **Manage and optimize teams and budgets:** Securing and allocating the resources to support the growing number of strategies and programs
- **Improve marketing performance:** Applying agile concepts to continuously test and adjust approaches based on measured results
- **Leverage marketing technology:** Investing and deploying technologies to innovate and scale targeted marketing efforts
- **Increase partner alignment:** Collaborating with internal stakeholders and external agencies to design and execute launches and programs

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Our research addresses the following common client questions:

### How should I secure and allocate my budget and resources to drive business impact?

By driving positioning, messaging, content and communication strategies to drive awareness and demand, product marketing is a crucial player in persuading the market of the value that can be obtained from the company's products. As the number of channels and sources for information grows and the buyer's attention becomes harder to attract, product marketing is under increasing pressure to be more creative and more precise in its approach. With marketing budgets averaging at 8.9% of revenue (for TSPs with more than \$250 million in revenue annually), allocations are critical

to success.<sup>2</sup> Misses are not only wasted investment, but also missed opportunities in driving revenue. Technology product marketers cannot simply run on autopilot, but instead must constantly optimize their resource allocations. While account-based marketing and intelligent marketing and sales capabilities continue to grow and emerge, even more pressures will be put on product marketing to stretch beyond the traditional methods of building and managing marketing pipeline. To help drive business impact to the organization, Gartner provides guidance based on its primary market research with product marketing peers on marketing spend and management approaches.

### Planned Research

- Developing an Agile Organization
- Marketing Spend and Business Impact
- Budgeting for Demand Generation
- Making the Case for Growing Your Content Marketing Budget
- The Impact of Specialized Product Marketing Roles

### What metrics do I need to measure success and foster an agile marketing approach?

As technology buying dynamics continue to shift, product marketing cannot rely on a single formula for developing messaging, content, events, programs and enablement. What works for one product or campaign, may not work for the next. Instead, product marketing should start with templated approaches, and then adjust those in a pragmatic way to be creative and innovative in its approach to reach and appeal to buyers. And it must continue to execute plans at scale. With change being a constant, technology product marketers recognize the need to rapidly measure success of their programs, campaigns and tactics so they can optimize their next steps. But the way success is measured needs to be re-evaluated to include not just how specific marketing programs and tactics are performing. It also needs to include how effective cross-functional teams are at coming together to meet operational and strategic goals for the business. Gartner research advises on the metrics and approaches most often used to help create a more agile marketing discipline.

### Planned Research

- Measure the Impact of Product Marketing on Customer Success KPIs
- Multitouch Attribution Fundamentals
- Marketing Data Maturity Model

### What technology investments should I make to enable innovative marketing approaches?

To better attract and retain the attention of buyers within increasingly noisy markets, marketing is leveraging explicit segmentation strategies and analytics to deliver personalized messaging and experiences. Transitioning from a one-size-fits-all to a targeted marketing approach increases the number of assets and variables required to support industry solution, field, partner, customer and

account-based marketing programs. TSPs have recognized that the only way to innovate, scale and successfully support these growing needs and variables is through technology. The assortment of technology available to marketing extends from foundational (e.g., CRM lead management) to channel-specific (e.g., social marketing platforms) to program-specific (e.g., customer advocacy). Gartner provides clarity on the options and considerations to selecting and supporting these marketing technology investments.

### Planned Research

- Creating Effective Marketing Dashboards
- Use of Emerging Technologies to Shape the Customer Journey
- Applying Analytics to Deliver Personalized Messaging and Experiences

### How do I inspire productive collaboration with internal stakeholders and trusted agencies?

It is essential that product marketing works as an orchestrating partner with its stakeholders — demand generation, corporate communications, industry solution, field marketing, partner marketing, sales, customer success management, product, services, IT — to drive opportunities, deliver value and help to convert. It should not act as an outsourced content provider, delivering based on requests from across the organization. Instead, it should adopt a collaborative approach to identifying the programs and outreach that will deliver positive business outcomes. In many situations, product marketing must tap into expertise from outside the organization by utilizing agencies and other external creative and communication resources to deliver the best possible results.

Product marketers and their stakeholders continue to become even more dependent on emerging technology and data to deliver the experiences that buyers expect throughout their journey. The need for intelligent marketing and sales solutions means the relationships between product marketing, sales and IT resources will play an even more important role in reaching operational and strategic goals.

Technology product marketers want to know how to foster these internal and external relationships and leverage technology for maximum effect. Gartner provides insight and recommendations based on the best practices it finds effective from its continuing interaction with technology providers.

### Planned Research

- Ensure Cross-Functional Alignment for Demand Generation
- Drive Product Growth by Reducing Friction in Sales and Marketing Models
- Take a Proactive Role in Preparing for Product Launches

## Related Priorities

Table 1. Related Priorities

Priority	Focus
<a href="#">Product Promotion and Awareness</a>	This initiative covers approaches to creating awareness, generating demand and accelerating high-quality leads through the funnel that marketing should apply to improve promotion efforts.
<a href="#">Product Marketing Impact</a>	This initiative covers product marketing contribution into critical functions and programs that drive customer interest and engagement throughout both the buying and owning cycles.
<a href="#">Planning and Segmentation</a>	This initiative covers insights about the markets, competitive environments, targeting approaches and customer profiles that you should incorporate to improve planning and segmentation efforts.
<a href="#">Product Messaging and Differentiation</a>	This initiative provides guidance and best practices for creating differentiated positioning, messaging and storylines for both individual products and entire portfolios.

Source: Gartner

## Suggested First Steps

- Read “Connect 3 Technology Product Marketing Priorities to Drive Business Outcomes,” and align product marketing activities with key priorities to better understand buyers, retain customers and drive differentiation.
- Read “How to Prove the Value of Product Marketing to the Business,” and embrace metrics that will link activities to business outcomes to reinforce the value of product marketing.
- Read “Use Gartner’s Hierarchy of Marketing Metrics to Link Product Marketing Execution to Goals” to drive alignment of the business around a common set of goals by defining metrics that will connect strategy with measurable performance.
- Attend [Gartner Tech Growth & Innovation Conference 2019](#) to gain firsthand insight and pragmatic advice to help you develop and execute your go-to-market strategies.

## Essential Reading

- “Optimize the Three V’s in the Product Marketing Triangle to Reach Buyers Effectively.” Manage critical product marketing disciplines characterized by three primary areas: value, voice and velocity.
- “TSPs Should Use Comprehensive Criteria to Improve Marketing Technology Evaluations.” Apply a structured evaluation framework to select marketing technology providers.
- “Drive Alignment Between Product Marketing, Product Management and Sales.” Ensure all relevant groups collaborate on and execute a shared go-to-market strategy by acting as an orchestrator.

- “Technology Product Marketers Should Follow Four Steps to Find the Right Agency.” Build an agency selection process based on transparency and collaboration.

## Tools and Toolkits

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- “Toolkit: Job Description for Hiring a Product Marketing Leader.” Recruit and retain product marketing talent to drive business growth.
- “Toolkit: Job Description for Hiring a Demand Generation Leader.” Recruit and retain demand generation talent to drive business growth.
- “Toolkit: Assess Customer Acquisition Cost and Lifetime Value to Improve Marketing Performance.” Analyze options for value building by assessing customer acquisition costs and customer lifetime value.

## Evidence

<sup>1</sup> In April 2018, Gartner surveyed 180 technology product marketing professionals in North America and Western Europe. We asked about their roles and responsibilities, the team composition, key challenges and priorities, how they are measured, how they interact with peer groups, and areas of strategic importance.

Companies were screened for involvement in the high-tech sector. They had a minimum of 500 employees and provided products through a B2B or B2C model.

The results of this study are representative of the respondent base and not necessarily the market as a whole.

<sup>2</sup> In August and September 2018, 500 respondents (375 in the U.S. and Canada and 125 in Western Europe) were interviewed online and through computer-assisted telephone interviewing. Participating organizations were technology and service providers with annual revenue of \$10 million or more and primary product offerings for software, services and hardware (for the U.S. only).

Respondents were required to have one of the following primary job functions/roles: CEO/president/founder, demand/lead generation, marketing leadership, sales leadership, web/digital social marketing or marketing operations/analytics. They were also required to have knowledge of the marketing budget and spend for the company or business unit and knowledge of the marketing campaign/programs tactics.

The results of this study are representative of the respondent base and not necessarily the market as a whole.



**GARTNER HEADQUARTERS****Corporate Headquarters**

56 Top Gallant Road  
Stamford, CT 06902-7700  
USA  
+1 203 964 0096

**Regional Headquarters**

AUSTRALIA  
BRAZIL  
JAPAN  
UNITED KINGDOM

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**Gartner helps technology providers make the right product, marketing and sales decisions by providing insight into markets, customers, competitors and technologies.**

#### **Product and Service Innovation**

- Drive innovation through your business model, products and services
- Inform your decision life cycle, prioritize investments and identify new opportunities (product, geography or market)
- Anticipate and manage economic boom/bust cycles, and identify and leverage disruptive technology trends

#### **Go-to-Market Strategy**

- Identify how to meet your business goals
- Position marketing operations and campaigns by properly positioning solutions competitively for the right target segment
- Drive increased sales effectiveness by better positioning your solutions

#### **Positioning and Messaging**

- Differentiate your messaging and enhance your unique story for your customers
- Get visibility into what your customers care about and where they are struggling
- Get visibility into where your competitors are succeeding and where they are falling behind through Gartner Magic Quadrants®
- Access Vendor Ratings for profiles of key competitors

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