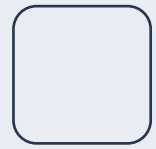
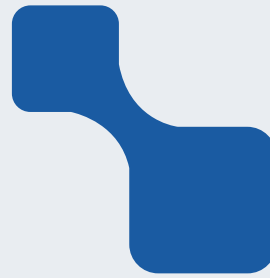


Product-Led Customer Success in 2022: Product-Led Growth & Customer Success Automation



Product-Led Customer Success in 2022: Product-Led Growth & Customer Success Automation

Product-led growth (PLG) is a business methodology in which user acquisition, expansion, conversion, and retention are all driven directly by the product usage. Now, more than ever, Customer Success teams play a critical role in driving PLG and improving the customer experience. Customer Success is responsible for onboarding and adoption — not just at the beginning of an engagement, but also as new users are added — as well as ensuring ongoing effective usage of the product throughout the customer lifecycle.

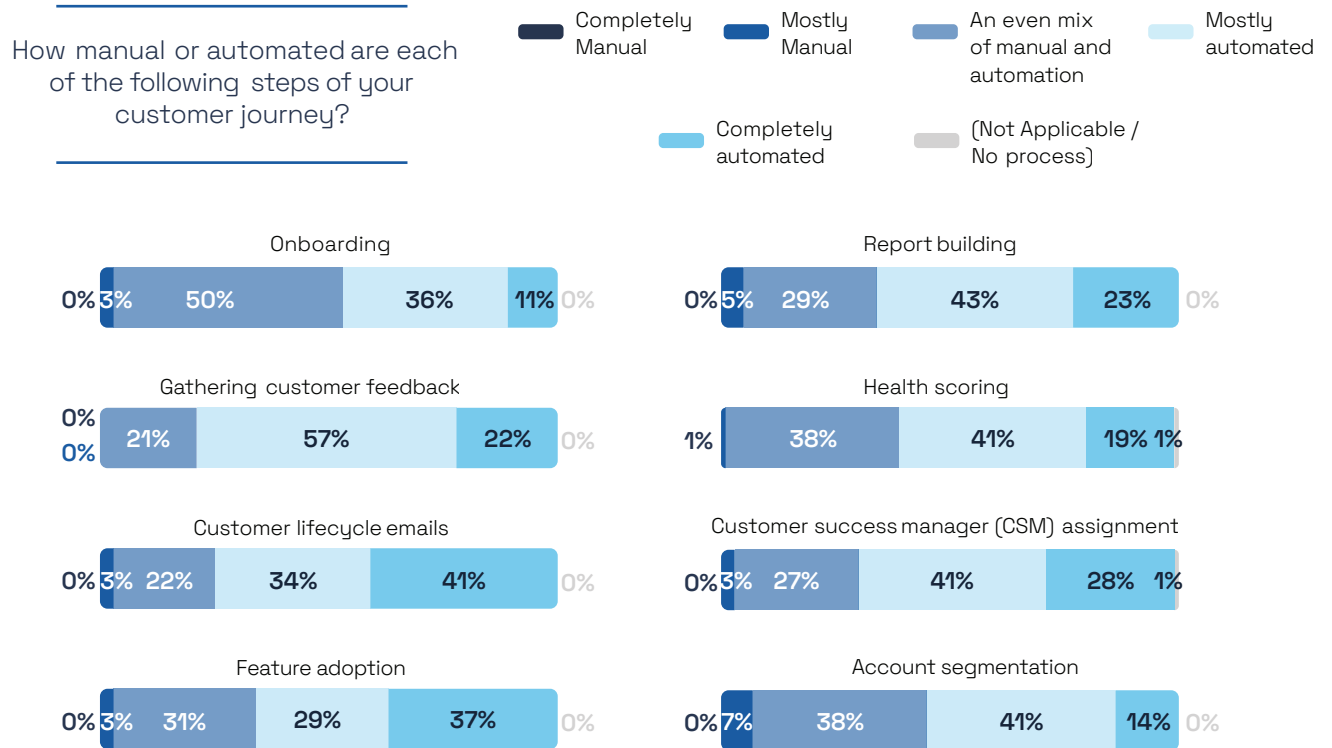
The product is the key to growth, but Customer Success makes sure accounts see traction with the product. As the importance of Customer Success increases, what are executives prioritizing when it comes to Product-Led Customer Success?

Gartner Peer Insights and Vitally surveyed 100 technology executives who consider their company to be a PLG company to understand the state of the customer journey and the role Customer Success plays in PLG.

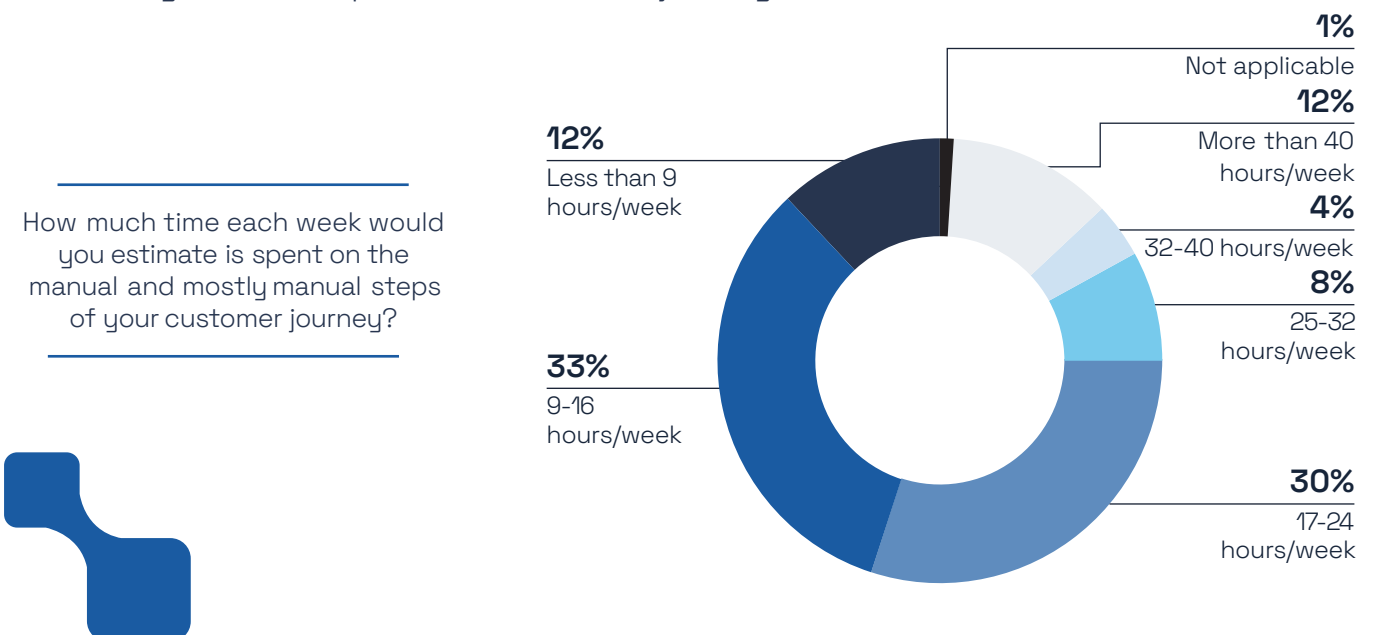
Data collection: November 3 - 28, 2021
Respondents: 100 technology executives

Although most steps of the customer journey are now automated, teams are still spending many hours per week on manual steps

Majority of executives say that all of their customer journey steps are mostly automated.



63% of executives estimate between 9 and 25 hours per week are spent on the manual and mostly manual steps of their customer journey.

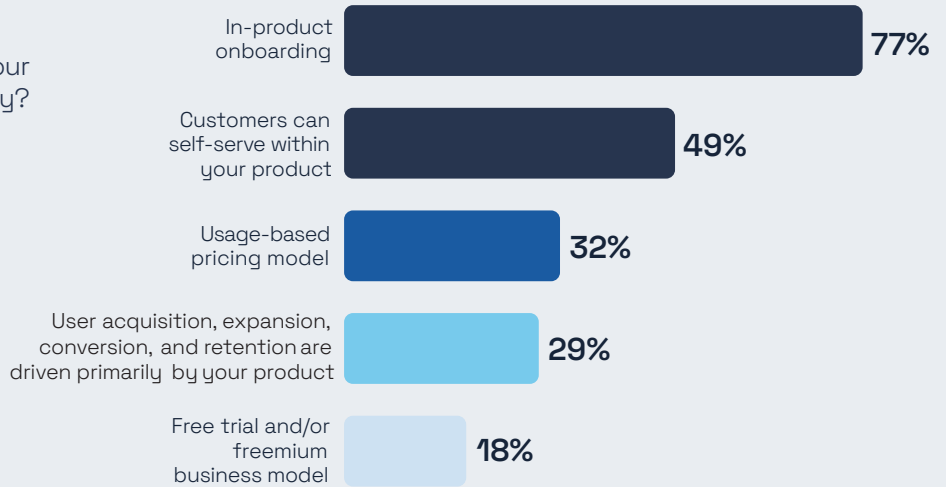


Leaders are focused on in-product onboarding and average revenue per user for their PLG strategy—but remain reliant on Customer Success

Executives say their Product-Led Growth (PLG) strategy involves in-product onboarding (77%), self-serve for customers within their product (49%), and a usage-based pricing model (32%)

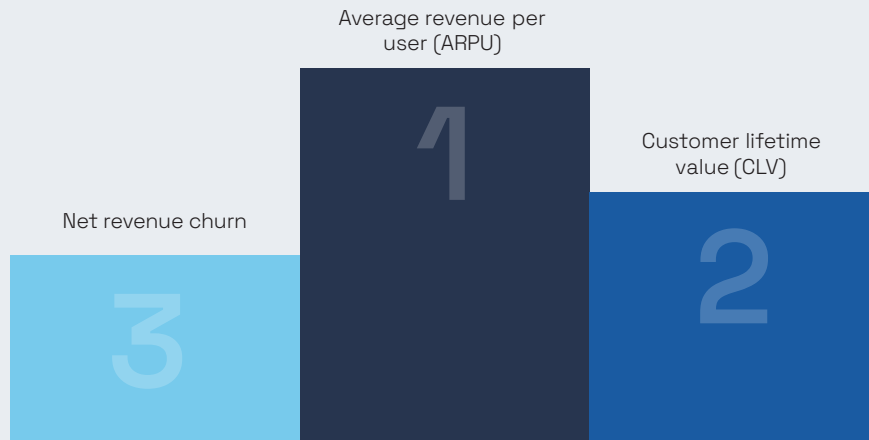
What characteristics are true of your Product-Led Growth (PLG) strategy?

In-product personalization 5%, Customer Health Scores matched to customer lifecycle stage 4%, In-app user segmentation (i.e., segmenting your users by in-app events) 1%, Account-based user segmentation (i.e., segmenting your users based on account data [e.g., company size, premium clients, lifetime free, etc.]) 1%



Respondents rank average revenue per user, customer lifetime value, and net revenue churn as the top 3 PLG metrics most important to their organization's 2021 priorities.

Rank the Product-Led Growth (PLG) metrics below in order of importance to your organization's 2021 priorities.

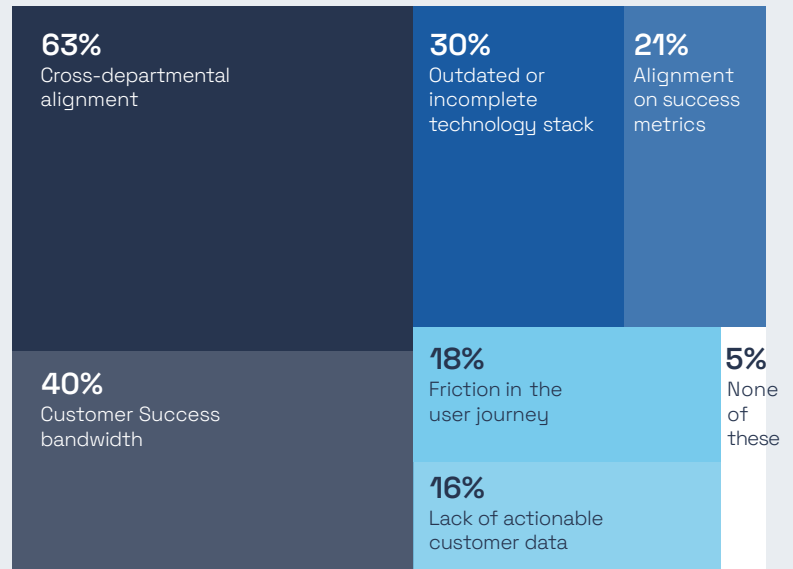


Time to value (TTV) #4, Product-qualified leads (PQLs) #5, Net account churn #6, Expansion revenue #7, Net Revenue Retention Rate #8

The 3 biggest challenges to PLG at their organizations are cross-departmental alignment (63%), Customer Success bandwidth (40%), and an outdated or incomplete technology stack (30%).

What are the 3 biggest barriers to Product-Led Growth (PLG) at your organization?

All aspects of the customer journey are being increasingly automated, but even product-led growth companies still need heavy Customer Success intervention to guide the customer journey. The best PLG companies lean heavily on Customer Success to ensure optimal adoption and experience with the product.



Customer Success is driving go-to-market (GTM) strategy. Quality data is driving Customer Success

When it comes to their go-to-market strategy, executives are using customer data to understand ongoing trends and to help plan out their next steps.

With as much detail as possible, please give an example of how your organization is currently using customer data (e.g. product usage, customer health score, adoption rate, customer feedback, etc.) to drive your go-to-market strategy.

“Customer data keeps us on the right track. It gives us a lot of in-depth understanding as to what our next steps should be.”

- C-suite, software,
51 - 200 employees

“We use customer feedback and customer behavior to create a better segmentation and launch customized marketing campaigns.”

- C-suite, software,
51 - 200 employees

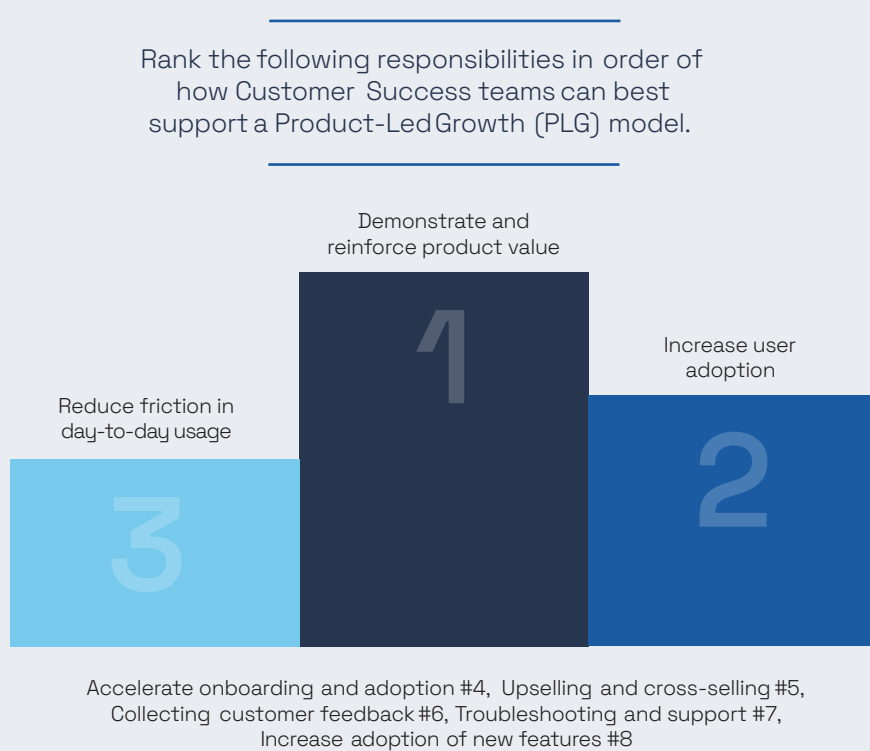
“This organization studies data to understand the ongoing trends. We also use data to prepare ourselves for the future.”

- C-suite, software, 51 - 200 employees

With quality, actionable customer data, Customer Success teams are driving future-focused go-to-market strategies that promote expansion and retention, rather than relying on a traditional top-down sales approach.

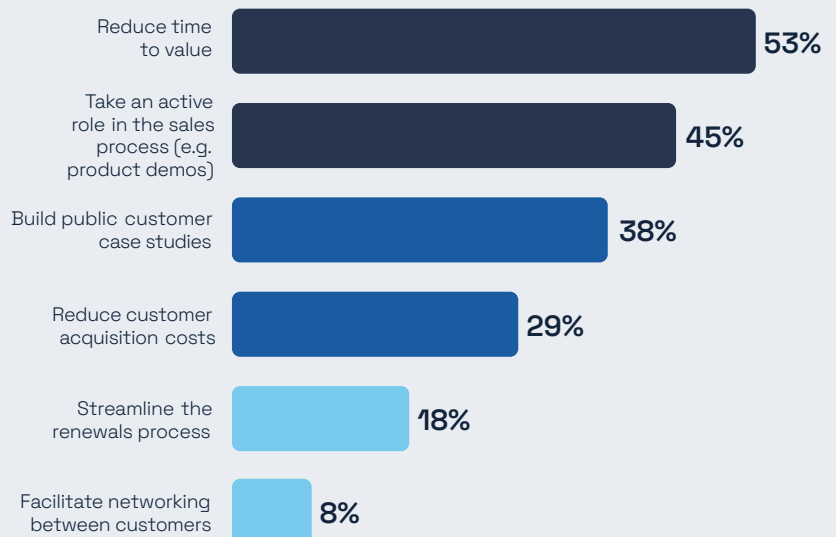
Customer Success teams can reinforce product value to ensure a successful PLG model

Based on these executives' rankings, the top 3 ways Customer Success teams can support a PLG model are to demonstrate and reinforce product value, increase user adoption, and reduce friction in day-to-day usage.



Respondents say that Customer Success teams should prioritize reducing time to value (53%) and taking an active role in the sales process (45%) to ensure a successful PLG model.

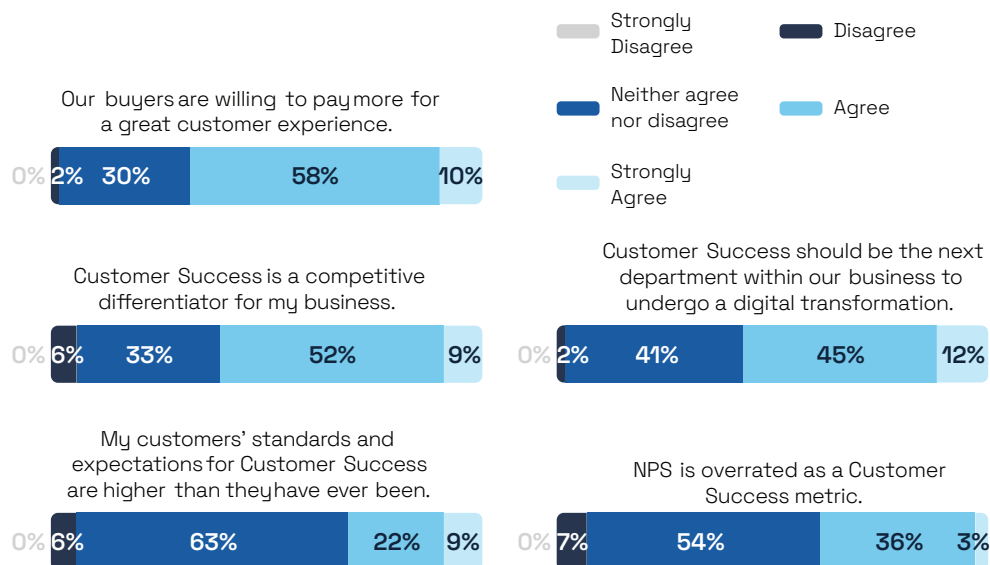
What roles and responsibilities should Customer Success teams prioritize to ensure a successful product-led growth model?



| Many agree that Customer Success and the customer experience is critical to their organization's success

Most agree that Customer Success is important to their organization and customer experience.

To what extent do you agree or disagree with the following statements:



Executives are using customer feedback and customer satisfaction to define the customer experience.

How is your organization defining the Customer Experience in terms of your Product-Led Growth Strategy?

“Customer feedback acts like a mirror when it comes to defining the customer experience.”

- Director, software, 501 - 1,000 employees

“Customer satisfaction score plays a vital role in defining customer experience.”

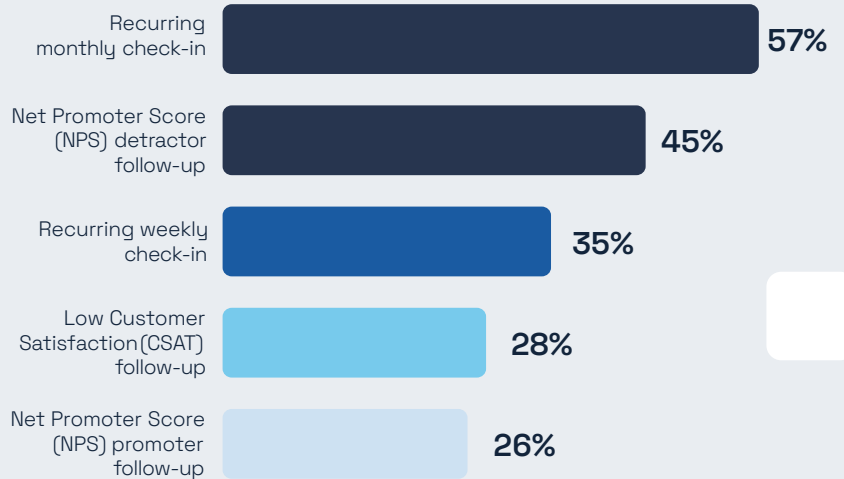
- VP, software, 1,001 - 5,000 employees

| Most Customer Success teams check-in with their customers monthly through video chat

Respondents use recurring monthly check-ins (57%), NPS detractor follow-up (45%), and recurring weekly check-ins (35%) as part of their Customer Success communication process.

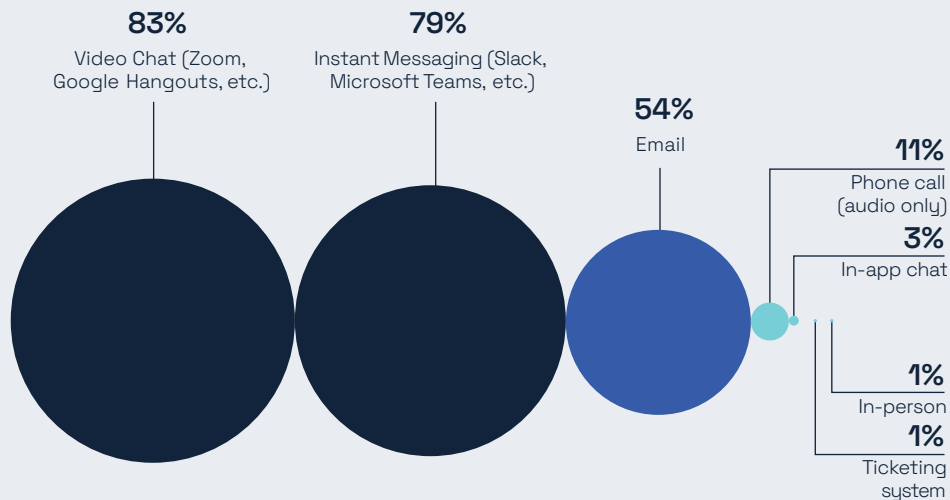
Which interactions are a standardized part of your Customer Success communication process?

High Customer Satisfaction (CSAT) follow-up 26%, Decrease in customer health score 12%, Quarterly Business Reviews (QBRs) 9%, Increase in customer health score 8%, Automated activity summary 1%



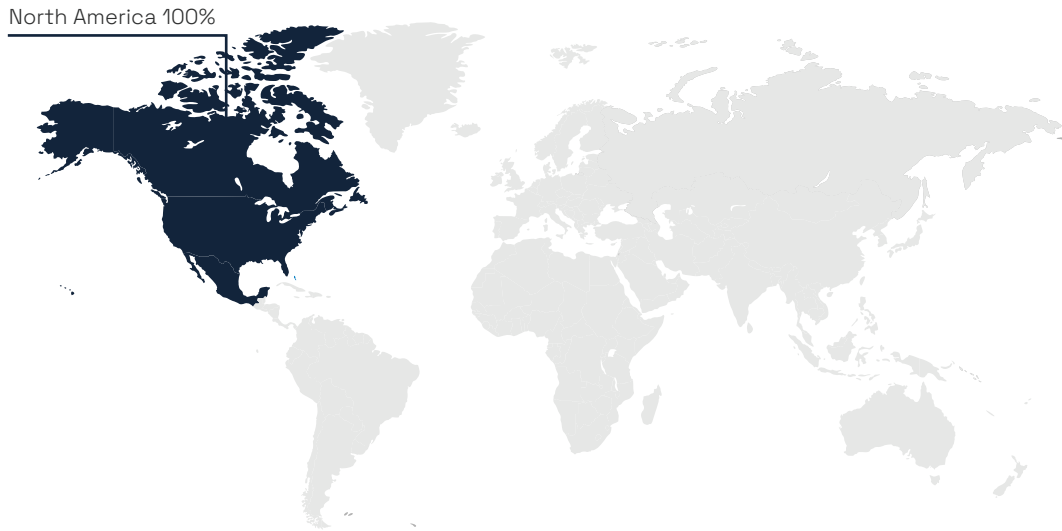
Executives say that their Customer Success Managers most commonly use video chat (83%), instant messaging (79%), and email (54%) to interact with their customers.

Which modes of communication do your Customer Success Managers (or equivalent) most commonly use to interact with your customers?

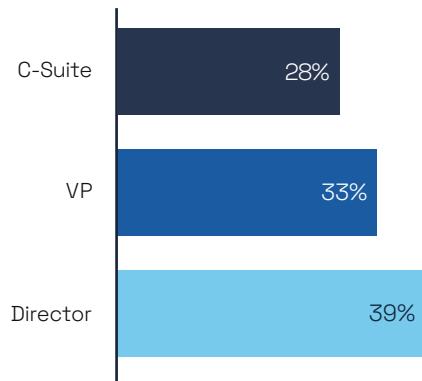


Respondent Breakdown

Region



Title



Company Size

