# 5 product-led growth strategies to help your enterprise win

## Introduction:
## When "business as usual" is no longer an option

As businesses plan for the new year, many are considering how economic conditions will impact their strategic initiatives, resourcing, and more. In short, large-scale corporations that enjoyed seemingly unlimited resources in years past—as well as high-growth companies that once pursued expansion at any cost—no longer have the luxury of conducting business as usual.

Now, growth has to come at the *right* cost, and the smart use of budget and resources has to be priority number one. That means becoming more effective—in messaging and targeting, in lead generation, in deal closing, and in delivering value that matters to customers. But what's the most effective way to drive growth and efficiency?

Put simply: **your product**.

In a recent survey by Pendo and Mind the Product of over 500 product professionals, we found that companies are leaning into product-led growth (PLG) strategies to secure their future. **54%** say their company has implemented or accelerated product-led growth (PLG) in the current economic downturn, in addition to the **29%** who introduced PLG strategies prior to the downturn.

### What is product-led growth (PLG)?

PLG describes a business strategy that places a company's software at the center of the buying journey—and often at the center of the broader customer experience. A PLG strategy counts on the product itself—its features, performance, and virality—to do much of the "selling."

**Learn more about PLG →**

Automation in large part explains why. At a time of tightening budgets and frozen or shrinking headcounts, the status quo is no longer an option. Leveraging the product itself for sales ops and marketing plays saves precious resources otherwise spent on pricey ad campaigns, time-consuming human-intensive outreach, and other operational expenses.

But there's another element to why businesses are turning to their products for better growth and efficiency: The data their products hold about customers and users. This is why, when asked about which trends would shape how their organization approaches product management in the future, **61%** of organizations chose "new business decisions now made possible by product data" as an answer.

Let's take a closer look at five PLG strategies companies are pursuing to thrive amidst the impending downturn, and the role data plays in each.

# 1. Retention:
## Proactively combating churn with usage insights

Businesses achieve growth not just by continuing to gain new customers, but by retaining those they already have. In other words, a low churn rate is a pillar of a successful growth model—and at enterprise scale, can equate to millions of dollars saved. Low churn and high retention is also a core driver of greater efficiency. In almost every case, acquiring new customers costs more money, time, and resources than retaining existing ones. And the best way to drive retention is to ensure customers are continually deriving the maximum possible value from your product.

The most-forward thinking enterprise and large-scale organizations are leveraging the power of product analytics to examine customer usage data and identify at-risk accounts across their product portfolio. If a given account's usage is significantly down period over period, if they haven't adopted any new features, if users seem to be dropping off at key points in their workflows—any number of signs could indicate potential trouble.

The good news is that product teams have it in their power to flag these and other potential issues to their colleagues in customer success, who can then proactively reach out to the account to check in or help remedy any issues that might be arising. They can also target these accounts with customized, automated in-app support. Pendo has found that companies that leverage their products for this kind of proactive and scalable outreach see a **5% reduction** in customer churn, as well as a **15% increase** in net revenue retention (NRR).

## 2. Expansion:
# Driving cross-sell and upsell opportunities in the app

Product analytics not only lets companies keep a finger on the pulse of customer health—it also arms businesses with insights that help them target the right accounts, for the right expansion opportunities, at the right time. And the companies that are leveraging their products to do this at scale are gaining efficiencies through automation.

Consider an upsell example: A company may offer users a freemium version of their product, one that quickly delivers value but limits the features or user seats it provides. When a freemium customer reaches a freemium limit, companies can deploy a notification offering a quick, friction-free opportunity to sign up for a paid version. If the product offers multiple paid versions, companies can tailor suggestions and advertising to the customer based on usage behavior or other triggers.

This approach yields real results for businesses, while making the upgrade experience seamless for customers. Citrix, for example, was able to increase trial conversions by **28%** using targeted messaging based on user data from Pendo.

> Pendo has found that companies that invest in product-led strategies see a **5% reduction in customer churn** and a **15% increase in net revenue retention** (NRR), on average.
>
> Source: **The business value of being product led** →

## 3. Customer success:
## Scaling and automating support and onboarding

A major drain on IT's time and resources comes in the form of support tickets from customers. Similarly, traditional onboarding models can be prohibitively time- and human-intensive—and new customers can quickly forget much of the material soon after the long (and often tedious) training sessions end. To combat both issues and free up IT and customer success to focus on higher strategic priorities, companies are embracing product-led tactics that leverage in-app notifications.

Companies that leverage in-app messaging to deliver contextual guidance see an average **15% reduction** in support tickets and a **27% reduction** in onboarding time. With in-app guides and walkthroughs, companies can easily scale to keep their support and onboarding "supply" in line with the demand of a growing customer base. Unlike traditional training, these guides walk users through the app as they're using it in real time to set them up for success. Plus, they're always available to users whenever they need them—which is particularly valuable for large enterprises with a global customer and employee base using the product around the clock.
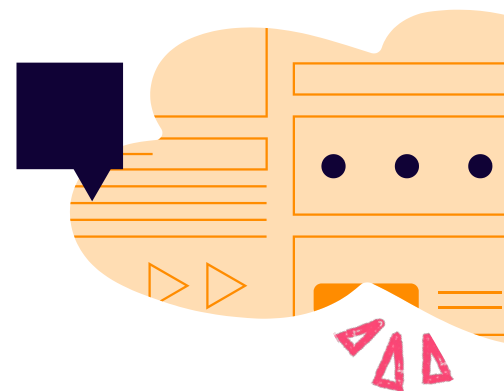
## 4. Feedback:
## Creating comprehensive feedback management systems

Many companies talk the talk about cultivating a "culture of feedback," but far fewer walk the walk. In any organization, it's easy for feedback collection—which traditionally happens across multiple channels (e.g. over the phone, on Zoom, via email surveys) to become scattered, irregular, and isolated from a strategic purpose. But particularly in enterprise-scale or large, multi-product organizations, feedback that's collected by and distributed amongst teams across the company is impossible to manage and understand. That leaves what would otherwise be precious insights from your customers to get lost in a "black hole," never to be analyzed or acted upon.

Product-led companies see feedback as an invaluable resource to help answer all sorts of important questions—about what's working in their product, what could be improved upon, and how to better serve their customers in a more efficient way. To gain the insights to deliver more value (and faster), they're collecting feedback via polls and surveys from users where and when it matters most: in the app itself. They're also [managing that feedback](#) in a single, centralized location that allows them to correlate product analytics to user sentiment data—making it easier and more efficient to turn insights from feedback into action.

For example, the team at Okta was able to [increase the amount of feedback they collected](#) by over **50%** quarter over quarter, and use those insights to help boost feature adoption and drive user retention.

## 5. Prioritization:
## Crafting data-backed roadmaps that won't take you off course

Product data not only informs what you fix today, but also what you build tomorrow. All teams can become more efficient by leveraging product data to power their roadmapping decisions. But especially at scale, reducing the thrash and effort associated with product development and engineering is essential for maximizing value and delivering products and features on-time and on-budget, and in alignment with what customers actually want and need.

Too often, product and engineering teams still execute based on "gut feel"—prioritizing products and features in ways that don't take behavioral or usage data into account. But this approach is detrimental: Pendo found that **[up to 80% of product features are rarely or never used](#)**. That means unnecessary spending, wasted time and resources, and no ROI to show for new features—all dangerous territory, particularly for publicly-traded companies or organizations with many stakeholders to stay accountable to.

There's a better way to plan, and it involves having a good picture of user wants and needs.  Quantitative data in the form of usage analytics coupled with qualitative feedback from customers equips teams with knowledge about what's used most, what users need most, and what users really think about their product experiences—so you can build better, faster, and more efficiently.

## Conclusion:
## Future-proof your organization through your product

The more data you have about your customers and prospects—their pain points, their top feature requests, their business aspirations, etc.—the more you can tailor your present and future product offerings to them, meet them where they are, and set them up for success. By enabling this kind of tailored experience, your product puts your business as a whole on the path to grow faster—and more efficiently.

For even more resources and insights on how to bring a product-led approach to your organization, visit our **Product-led Hub**.