

REvolution

Putting the P in Product-Market Fit

Featuring Marcus Andrews

Episode 108

Marcus: Growth isn't the only thing that matters. So, I mean, growth still obviously matters, you know, software company, but if you can be high growth and have amazing retention, have, you know, like, amazing profitability, all these things related to efficiency, then your company is gonna, like, your valuation is still gonna be really, really high and you're gonna get funding, like the type of funding you want.

Mary: Thanks so much for joining us on the podcast today, Marcus. We're super excited to have you on. We've had a lot of guests so far this season talking about revenue as a team sport across marketing and sales and CS, and incredibly excited to have you on to kind of represent the product side, but I know we have a lot to talk about in terms of the overall market as well and what's going on and how teams are working to kind of shift their focus.

I'm curious if you'll start. Just share a little bit of your background with the listeners so they can understand where you're coming from and what you're passionate about working on today.

Marcus: awesome. Well, thanks for having me. I appreciate it. It's really fun to sit down with you guys and do this and I'm so excited to be here.

Yes. My name's Marcus. I'm the director of product Marketing at Pendo. I've been in product marketing for basically like the last 10 years. I started in SaaS working in software at a startup called Wildfire, which was in San Francisco or Redwood City in the Bay Area, just a little startup and worked there for a couple years and was acquired by Google.

And like during that time I did some sales enablement and like services and like, I kind of figured out that what I really, really love to do is marketing, but close to the product. And you know, I like all these things like positioning and making decks and telling stories and kind of trying to figure out what it was and what that, what the heck that role was and like where do I wanna take my career? And that sort of thing. And, sort of figured it out that it was product marketing. And so started doing that at Google and then, moved to Boston and did it for five and a half years at HubSpot, where HubSpot's a great place to be a marketer and really get a good education on marketing.

And also during that time I was there, HubSpot really transformed from a sales and marketing driven company to a product led company. And they created a freemium product, but also just put millions and millions of dollars into R&D and turned their like, kind of not great product into one of the best software products, you know, out there. So it's great to go through that evolution.

And now I've been at Pendo for, coming up on two-ish years, a little over a year and a half, and yeah, leading a team of marketer, product marketers, working really closely with products, bringing products to market, spending a lot of time on positioning and messaging and product launches and, all of that very fun stuff.

Mary: That's awesome. That's quite a background and I love the part about storytelling. I think there's one part of your background that jumped out to me in terms of narrative design. I think is, is something that you've worked on before. Can you just unpack what that is and how you think about that in terms of positioning at a high level and what's different about it?

Marcus: Yeah, definitely. I mean, I think there's, there's so many, like when you look at any, like when I first started working in software 10 years ago or so, like there was, for most of us, there weren't too many competitors in your space, right? Like if we, like when I, the company that I was working at, like the startup that I started at Wildfire was, we're a social media marketing software company.

And like for people, all we had to do, for people to pay attention to us was say like, Hey, we're doing social media marketing software, because there was one other competitor. So if you were interested in that, like, okay, I get it. Cool. Right? But now if you look at a space like that, or the CRM space or the like really anything, there are hundreds and hundreds and hundreds of options and people are begging for you to be like different.

And for them, for buyers and users, they are desperate to understand why, who are you different? Who are you for? How can you help me? Because they see all this competition and they see all these companies and they're just like, and what usually happens is that if you start a company, or if you have a company and you're in a space like that where there's hundreds of options, it's usually winner takes all, it's usually like two or three companies that eat up like 80% of the market. And then everybody else is kind of left fighting for scraps.

And those companies, a lot of the time there's this very natural pull to just sort of like adhere to the status quo. It's like, oh, we're in this space. We're gonna try and kind of look and act and we'll have the same

colors and we'll have the same value prop, and we'll have the same message as the big guys, and we'll all just kind of fit in together.

And what those companies don't do is they don't really define their narrative. They don't take the time to design it. They don't look at their space and they don't say like, Hey, who are we and what do we stand for? And how are we helping people? And what do we care about? What do we not care about? And so narrative design is really just kind of like taking hold of your narrative, like trying to understand what the, like the macro story is in your space, ideally doing something but really just like putting in effort on that.

Every company has a narrative, whether you like it or not. You know, like a story that your buyer is telling themselves about, like who you are and why you exist. Most people don't ever take the time to sit down and think about it. At HubSpot, Brian Halligan, I think that's all I thought about, like the CEO and founder, like he just put a lot of time and effort into that and so I learned a ton from him. And sort of the people at, at HubSpot who really did that well. And you know, that's where I, I learned it and really helped us. So that's, that's what, that's what it is to me. That's, I think a lot about it.

The term is, I'll shut up in a second, but the term is actually borrowed from, like in video games, there's narrative designers and they, like people put a lot of effort into designing a narrative for a video game. And the idea, if you apply it to business is like a perfect analogy. So that's where I scooped it up from because I didn't, I didn't really hear it called anything, and I'm like, look, this is the same thing, but we're doing it in business. And so I said, that's what, that's what this is.

Alex: Yeah. It's awesome how I, I love it. And, and it's also hard to do, as, you know, Marcus, it's, it's not a, it's not a trivial thing. Is that why more companies don't do it, do you think?

Marcus: I think the first thing is that people feel a lot of safety by, in the status quo. So like, if you are a small company and you're going up again into a space and you're new, I think the, the thinking and it's like, I don't think people are doing it on purpose necessarily, but I think the thinking is like, Hey, if I look and kind of sound and feel like the big guys, then I can trick buyers into thinking that I'm actually a better option than I really am.

So I think it's like a lack of confidence and they say, I'm just gonna try and do what everybody else is doing and like blend in. And maybe I'll trick some people into thinking that like, My product is better than it is. What, it's really fucking scary to do the opposite where you say, I'm gonna look at what everybody else is doing and then I'm gonna go this way because, and I'm gonna be like, because you know, you don't, you

wanna be different, but you don't wanna be like weird and scary to people, right? And that line is very thin.

And if you go off the, and there's company, there's example examples of it, right? Where people are trying to be different and they're too different and it's scary to buyers, but if you're not different at all, then you can't differentiate. But trying something new and different is, is terrifying. So I think a lot of companies like they, they do what the status quo says to do.

Alex: All right, so we, we, I didn't think we'd go here this quickly, but now I got a deep question for you. Over the, certainly as a founder I've thought about this, but I've thought about this even before. I was with the company once, fortunately, Sequoia backed company, so we had a lot of cash. Behind us a lot of, lot of venture capital and we were creating a category.

And Category creation is hard. Very hard. It scares me personally. What comes first? Narrative or category creation? Let's talk a little bit about category creation.

Marcus: Yeah. I mean, category creation I feel like, I think is a specific play for a specific company, right? Like if you have some really innovative tech that nobody understands, that is unheard of like you gotta create your own category. There's potential to go out and sometimes you can look at a market where there's like no one is ever deviated from the category, and you can create your own category and carve out this new niche. But I'd only think it's a small percentage of companies where category creation actually makes sense.

But I think just about every company can take hold of their narrative and design a narrative. And so I think it's different. And like, I think the example I'll give you is HubSpot. So HubSpot, they were in the marketing automation space when they started. They looked at the marketing automation space and they're like, we gotta go up against Marketo and Eloqua and like all these companies where they're much bigger, much more crowded.

And so instead of they, the company put more effort and dollars into inbound marketing than marketing their own brand. So they said, we're gonna spend more money and time and effort creating inbound marketing and marketing back. That versus marketing the HubSpot brand and inbound marketing is not a new category.

It's not like, it's not, they didn't say, oh, there's marketing automation, we're gonna do marketing, whatever. You know? It's just a new game. It's just a new narrative. But there, if you go on G2 Crowd, there is no inbound marketing category. So they didn't create a new category, but they did take hold of their

narrative and they said, we're gonna create this new game and we're going to really define something that feels much, much different.

But in reality, if you kind of look at the product, it's like it's marketing automation.

Alex: I think a lot of times it really depends on the situation too. I, I, you know, I've read some of your stuff and I think in there, you had Gong is revenue intelligence, like when we talk about Gong. Yep. And Gong was actually doing two things, right?

I think they were creating a new category and they had the narrative to go with it, as well as conversational revenue intelligence is there, is there sort of, you know, narrative stake in the ground? So would you agree? I, it really depends on the company and what they're trying to do and, but category creation.

So one more question on category creation. So in your opinion is category creation, do you come out of the gate with category creation or do you sort of slow roll it and, and, and ride the coattails of others?

Marcus: You know, it, it can depend like, with Pendo there's a product that, like, there's a product led wave and movement right now. And it's not necessarily like our narrative, but it makes, we can own it and we can shape it. But it makes so much sense for us to ride that narrative because it's new and it's early and no one has figured it really out yet. And so we get to be one of the companies that's like figuring it out from our own point of view.

But that was there and we're able to take advantage of it. So yeah, I guess it depends, right? Because like you could go into a like, but that's just because tools for product management teams and product led tools, it's not very well defined yet. It's all very early in the bell curve of, you know, the space.

So I think it depends on that. If you go into a space where it's like there are leaders and everything is established and there's no way to fit in except to come out with a brand new, and like usually a great narrative is based on a change, right? So if you look at these really old school, if there's a space that's very crowded and everybody's doing sort of the same, taking the same approach they have for years and years and years, then I think you can come in and you can be disruptive and innovative with a new narrative, brand new narrative.

But then like, yeah, there's opportunities for like Gong where they had some new technology that like, I mean, some of that had been around before, but it felt pretty new to me, at least from the outside in. And

they kind of did both and that really worked for them. So yeah, I don't know if that answers your question, but I think it's like, because it depends.

Mary: I'm curious, we've, we've talked a little bit about PLG now and narrative and category creation. I think Alex knows how I feel about category creation. And if you're watching on YouTube, you probably know how I feel about it too based on, based on face alone.

Marcus: Well, tell, tell me. I don't know. Do you like it or not? What do you think?

Mary: I think that you have to have narrative, otherwise you don't know what category you're even in. I don't know how much our buyers care about category so much as the problems that they need to solve. So I do wonder how much of it is internal ranking versus perception.

Alex: Although Mary, you know, you and I know, it's crazy how often people are like, well, what category are you in? Who do you compare to?

Mary: I feel like that's investors though less than buyers. Like buyers wanna know if that's my, like who are you competing against? Like, who can I take out of my tech stack to bring you in? I don't know, maybe it's an oversimplified view of the entire thing. I, I think what we can agree to is that there's a ton of noise in the market, which is why any, like all of this matters is, to your point, Marcus, like I think we had Scott Brinker on a few weeks ago.

The number of tools in the space, regardless of category, is in the tens of thousands, which is bananas. And you know, there's so much noise. It does feel like everyone's narrative is the same. I saw something from him on LinkedIn, he is like, every website I go to, it's like everyone's saying the same thing. I can't figure out what those differentiators are.

And I, I feel like that's not really changing. And the thing that is changing potentially is like internally I feel like there was a lot more money in the market and it was a little bit of growth at all costs. And there were a lot of people and a lot of money. You know, even Alex, to your point, like being Sequoia backed, that could allow you to do a lot of things. And some of that's drying up now, or at least appears to be.

So Marcus, I'm curious, like what do you see kind of as the state of b2b? Like how is that changing in your opinion from kind of that growth at all cost? And how is that evolving now?

Marcus: Yeah, I mean, I think the, sometimes it's, you know, sometimes it's hard to understand what the change is and like what the impact that change is having.

But I think, I think all that's very clear right now. Like, I mean, the change is that like every, like budgets are tight, buyers are being super conservative. Valuations are down. People don't have gone through like tons and tons of change and it's, everybody's a little bit freaked out. So all of that I think is like very obvious.

You know, we've seen the negative, GDPR growth, like, and the impact that's having is all very clear too. It's like everybody is trying to, because funding is, well, I guess cuz valuations have changed and like funding is drying up and buyers are conservative. Everybody's got to get more efficient, like immediately.

And like that meant, you know, maybe it meant like layoffs and getting rid of tools or like everybody kind of had to like change their strategy almost immediately. And so, yeah, I think

both of those things are clear. I think the thing that's less clear is like how do you get more efficient and how do you build a company that's gonna be successful in like 20, 23 and beyond.

Growth isn't the only thing that matters. So, I mean, growth still obviously matters, you know, software company, but if you can be high growth and have amazing retention, have, you know, like, amazing profitability, all these things related to efficiency, then your company is gonna, like, your valuation is still gonna be really, really high and you're gonna get funding, like the type of funding you want.

So I guess how to do that is the thing I'm very interested in, you know, that's what we see how people use Pendo has changed a lot recently, and like that we, that's cool because we see people using Pendo, you know, really trying to focus on how do we increase retention, how do we increase adoption of our products? Because we know adoption leads to retention.

How do we like empower? How do we become less reliant on engineering to like do everything in the products. Like can you make the products better without having to have expensive engineers video only group that can use it. And then how do you use the product for things like in-app self-service where you don't have to hire, like you can do that without humans.

Growth. How can you grow without being totally reliant on humans? I think like in, you know, if it's growth at all costs, it doesn't matter how many humans you hire, as long as you're still growing. So it's like, great, we have the funding, let's just keep hiring people. And I think now people are looking at like, oh, if we can only grow by hiring more salespeople, or if we can only meet our customers' expectations by hiring more services people, like, that's kind of problematic.

So like, how to use the product to solve those sort of things. Like those are the kind of questions that are interesting.

Alex: Yeah. So, so many questions about PLG. I have, I have a feeling it's gonna, infiltrate a lot of our discussion here. I wanna come back to product marketing because I, I actually think it's a, it's such an interesting role inside the organization, Marcus.

Right? You know, that, and I think about marketing as a whole. It's become very horizontal over the last several years, right? It's, it's more about going across the organization. I think the same could be said for product marketing, in terms of all the different things, the responsibilities that you have, even at Pendo. My guess is you're probably talking with all functional areas on a weekly basis, even HR for example, in terms of onboarding team members and things like that. What, what excites you the most about product marketing right now?

Marcus: Yeah. Oh, that's a good question. I mean, you're totally right. Like yeah, you can be, I do talk to HR about onboarding and like training new hires and stuff like that. Like, yeah, we just, I think I did that this week or last. But yeah, that's, it's a challenge because you, you do norm, like naturally get sucked into a lot of stuff as a products marketer. I mean, the thing that I always like and really enjoy is the power that we can have at scale with launches and narratives.

So like, you know, I think when a company really gets a hold of the power of product marketing, they leverage launches in a way where it's almost becomes like their operating system, where they have these big launches a few times a year that they can monetize that come with a really strong narrative that really organize the entire company around them. You know?

So I think trying to get there I think is, is always powerful. And then the other thing that's like very hard but fun, I guess, is just trying to, get go to market teams like bought into a story like, you know, sales people, not, it's not, and like, I don't like long decks. It's not like you need to have like a 20 page, like 30-minute deck that you deliver to tell your company

Alex: Mary and I like one, one or two-page decks. Like that's ideal.

Marcus: Right. That's my, I always, my promise to the sales team is that like my, the sales deck will be 10 slides. It's never gonna be anymore. You're gonna have everything. There will be an appendix full of stuff you can use, sure, but like the core of it is 10 slides and it'll tell you know, this is our company, this is our product, this is our point of view, and it'll get across those. And like it's really like, it's fun because we got a big sales and services team at Pendo, but trying to keep that story updated and then rally the teams around it and get them to use it, like, I mean, that's a great challenge that like we're always thinking about.

Alex: And, and I have to ask. I, I never asked Todd this question. I probably need to, I'm wondering if Pendomonium came first and then he named the company Pendo, because I don't think I've ever heard of a company event, an annual customer event named any better than what Pendomonium is. How, how fun is that for you as a product marketer?

Marcus: It's great. It's a really good name. And like what's fun too is like, I don't know whether it's the name or just the, the company or like Todd or whatever, but the spirit of Pendomonium is like a party. You know, it's a, it's a user conference, but it's like we had it at, you guys know Red Hat, right? We had it like, like we wanted, we needed to do it outside because we wanted to be safe at the pandemic and just have something that was like people are more comfortable with.

So like two years ago we just had our, just had one the year before. We did it at Red Hat and it was like, you know, we're like, this is gonna be a party and like we are gonna have, you know, a concert here in this venue and it's gonna be great. So, I don't know which came first. Pendo or the, the Pendomonium. Probably Pendo, but, it is good.

Alex: And Mary could tell you a thing or two about, since she spent, what was it, Mary, about seven years at Red Hat?

Mary: More like six. To be clear I didn't work at the Amphitheater, but we used to get that question a lot. So you work at the amphitheater and it was like, no, there's actually a, there's a company around the corner as well,

That's really fun and, and fun to think about product marketing and all the touch points across the organization as well. I'm, I'm curious to dive into a little bit more, you know, we talked about the role of product marketing. We talked a little bit about what's going on in the market and I think we started to touch on.

What kind of key themes you see emerging that it takes for organizations to be successful today that absolutely tie in to product marketing and all things that that team's responsible for. You shared something recently, and I think there were four, four key areas that you think about. Would you be willing to share those and then we'll dive into, into those and see what questions emerge.

Marcus: Yes, absolutely. So I think the, sure. The notes here, but the, the first one, yeah. So it's like, and it gets back to that like, all right, how do you, how do you become more efficient? How do you become successful? Another way to put this, I think, is like, you know, how do you make sure that you've got product market fit and you've got, you don't have like a leaky bucket and you've got a successful business.

The first one is retention. So like, I mean, there's such a focus on retaining your customers and then, you know, retaining dollars associated with them too. Just like with buyers being more conservative, like the cost it takes to acquire a user is much, much more expensive. And then there's just lots and lots of options.

I mean, those are three things that, three forces that are kind of fighting against you to keep your customers and keep them happy and keep making more money from them. But it's also makes them so much more valuable because it's harder to acquire customers, it's easier for them to leave. They have more options.

If you can keep the customers you have, and then also to continue to grow them, upsell them cross sell them, you know, have them like pay for more users, whatever it is, super key to being successful right now. You know, product marketing can definitely have a big impact on that cross sell, upsell product, being product led company, the key is you have to have a product that your, your customers love and want, want more of, you know, and then you have more things to sell them. That's super important right now. That's probably the first one.

Mary: Yeah. I think the, the thing that I was reading about was in a lot of organizations when it was growth at all cost, It was saying yes to everything. One thing that I've certainly been thinking about and reflecting on from even prior purchasing decisions on my part at other organizations is, you know, sometimes it's just not the right fit.

So even thinking about customers that are not just hard to acquire, but also hard to onboard and costly to onboard, are there somewhere it's just like you need to walk away from, and what role does product marketing have and kind of self-selecting out of some of those deals, like?

Marcus: Yeah, I don't know. I don't know how the, I think that's an interesting question for Alex too, because right, like, don't you wanna say you wanna acquire, you wanna keep expanding your tam and you would never, you don't wanna say no to customers and you wanna like, I mean that's a challenge for us, right?

It's like, sure, there's a lot of different companies and roles that use Pendo and Love Pendo. But I mean, we did just, we did just do this. We were like, I feel like a few quarters ago we were in trying to expand to new personas who we know, like we have our core persona. Product teams have great product market fit there.

And product market fits sort of like, I see it as kind of like a spectrum, you know? Like there's really strong and it's really bad. It's not like you have it or you don't. It's just like what level? And it can always get better. It can always get worse.

Alex: Don't, we? Don't ever found a company because investors will tell you, you either have PMF or you don't. But I totally agree with you. It is a spectrum.

Marcus: Yeah. Maybe, yeah, I mean, I don't, maybe they know, know stuff I don't. But, product teams, super strong customer success teams also very strong, marketing teams, like strong, but like customer marketing and product marketing, and we were like trying to grow that audience and acquire more of them, and it was just more expensive than it was to focus on some of our other audiences, right?

So like, I think like looking at that sort of stuff and being like, okay, if we have to be more efficient, then like easy to make that call and like focus on the, the audiences that are really, really core because yeah, not only like easier to acquire them and turn into better customers, but I mean, that's a great point. I don't even think about like the cost to onboard them or to support them or to, try to convince them to stay if they are a bad fit for sure. That's all just a, could be just a waste of time if they're not the right fit.

Mary: That actually ties perfectly into the second one that I was reading from you, which was all about growing faster with less spend.

And I feel like everyone's been trying to figure that out for a long time. How to optimize spend and think about it. But I, this market certainly requires some additional focus on it. I think, you know, one of the things that I was thinking about in terms of what you were just talking about is know your ICP, right? Like, and don't target so broadly necessarily.

What, what things do you think about kind of top of mind for growing faster with less spend and where there's been traditionally a lot of waste out in the market?

Marcus: Yeah, I mean, I, I just think sales people are, are doing too much. They're required to do so much, you know, it's like they're gonna educate people on what your company is and what your product does, and understand their goals, and then how your product is a solution for those goals.

And like it, there's so much, and like, I mean, they, you know, they don't always like it when you'd like, I think it helps them, I think being product led and have a firm emotion, like really, really helps them because it, people come in without having to talk to a human, they use your product for free.

They understand what your product is, how it's gonna help them, how they will use it, and by the time they talk to a salesperson because they wanna upgrade or they want more or they want to try something new, they've already, like, they don't need a basic demo of Pendo. They don't need to understand what it is.

They need the salesperson to help them like get more budget or figure out how exactly it's gonna solve for their complex organization. But that's the stuff salespeople are good at or better at anyway, you know? So I think that's the, The major efficiencies of, having a product-led motion and freemium motion, even if you have a, a sales team that you want get people to, because, you know, they'll close deals bigger and faster.

The other thing too is that like, if you're just paying, you know, ads and events and whatever to get leads that you put into your funnel. Like they, you're just sort of just renting that audience and then they go away.

But like, if you have a free product that you can promote and pull them into the free product, then you grow that free product and hopefully they stay in there forever. Or like maybe they are working at some startup that can't afford your products, but then they go and they get a job at Adobe or whatever and they're like, oh, you know, we gotta try, we gotta try this product that I love.

And like, they've got the money right. I just, that's the, the benefits of, of free and having a product led motion, freemium motion.

Mary: It's interesting. I've never thought about it before in terms of renting an audience versus like having more of a captive audience when you think about it. Through that, through that PLM, or product led motion.

Marcus: At HubSpot, we would, a lot of our, a lot, product marketing when I first started, we would launch products out into the market and cross our fingers. And by the time I left, we were, we were launching the majority of our products into our free user base. It's like we're still doing like market facing launches, but whenever we would, we would launch something, you know, it would be new, it would be exclusive to our paid options, and we would promote the hell of it to our free audience base.

And we would see a ton of upgrades because those people are already so qualified versus random people on the internet who dunno anything about, HubSpot.

Mary: Would you say that the product led motion is almost a requirement for B2B SaaS today? Are there any exceptions to that?

Marcus: I don't know. I think the, I think the, there's examples more and more examples to prove all the, naysayers wrong these days. I'm sure people could come up with reasons why they're like businesses where it's not a good fit. But I mean, I think, the biggest, section is usually like, oh, I'm an enterprise business.

We sell to Fortune 500 companies freemium isn't gonna help us. People think it's just for down market. But you know, Slack and Zoom and Snowflake and Datadog and Atlassian and Salesforce now, and like all those companies sell to the largest of large enterprise businesses and they all have freemium PLG motions and like it's just, You just educate buyers and the businesses who are gonna buy still have to go through an enterprise sales motion.

But now there's a ton of people at the company who have also experienced the product and are gonna influence it. So I think that's usually the big objection, but I don't think, think the market's proven that one wrong.

Alex: what's been the biggest change with the product led motion for you in product marketing over the last few years?

And I mean, let's just look at the last three years, right? With, with the pandemic. I mean, things must have changed just so much For you with the go to market motion here, product led motion over the last few years, what's been the biggest change you see?

Marcus: Yeah, I mean, I think like when I first started, like Pendo is going through, is going through more of like, like we're in the process ourselves, which is, which is great.

Like when I first started, when we had a free product when I first started, but now we have the right people and team and momentum and like we're rolling out new, like we just rolled out a starter package. But we are in the, we are in the process like trying, making, trying to make freemium and product-led growth work with our big enterprise sales machine.

At HubSpot, it was more mid-market, so it was like freemium was easier I guess. But when I started, there was a free product, but not a lot of users. And by the time I left, there was a ton of free users. And the shift that I saw there was like, your marketing ends up, you still need. Sales does so much, right?

So like at a, if it's just sales, they're one to one educating buyers on what it is that your product, like your story, if you have freemium, the product is gonna educate people, but it doesn't really, it can't really do a good job of telling the story, right? So like, it, there was such a bigger impact. There was like the, the narrative and the also the how-to narrative was way more, was really, really important.

So like we launched the strategic narrative called the Flywheel at HubSpot, and like it was, it was to launch a new product line that we had, which was our services hub. And the flywheel was all about like, you know, creating a better go to market motion. But inside of the flywheel was our EGG methodology, which was Engage, Guide, and Grow.

And there was so much like we called it like religion, right? Like about how to use the product that was built into the narrative. And like if you start, if you bought this product, you were gonna get so much that was gonna help you use the product, but also like have a system that you could bring to your company and implement.

And like that went, I think that should be driven by product marketing and like, you know, that sort of replaces what, what otherwise just happened in like a one-to-one deal where it's like, here's how you're gonna use your product.

Alex: I also feel. You know, I'm much older than you. So, I'll think back to like product management used to drive the narrative for product marketing and now I think it's flipped.

Can you talk at all about like that relationship? Cuz I would imagine in some, if not many cases, product marketing is now hopefully influencing product management in a lot of what it's doing because you're interfacing directly with so many touch points within the business, especially customers and prospects.

Marcus: Yeah. Yeah, I think so. I think, I think the, you know, how products get made, they think more about the market and what people are thinking about. And also like, you know, how do, how do we create something that is going to, like either differentiate us or we can launch it and monetize, or I think like maybe like product management.

When I first started, it was more about just like, what are users asking for? What can we build that's gonna like meet their needs and that sort of stuff. And like, and, and PMs were very technical, you know, they're all CS pagers and now you have a lot of non-technical PMs. And like we have GMs at Pendo and we have GMs at, at HubSpot.

And like, that's like a, you know, they're a VP at product, but they also care about like the go to market side of things. Like they care about sales and marketing and so definitely, I think our voice has gotten louder and people want to hear like, what's gonna differentiate us? What, how do we monetize this thing?

What do like tell, Hey Marcus, tell me what to launch that people are gonna like, think is, is you know, really interesting in this space. And like it's good. It's a challenge for us. It's hard to do, but Yes.

Alex: Yeah. It's leading as Mary, and I love to say, I mean, it's leading with empathy, right? Versus the other way around. It was very, very myopic, very in introspective instead of, you know, anyway, you get the point. So, sorry Mary, I'm dominating, you go.

Mary: no, it's all good. I mean, that ties in perfectly. I feel like I'm giving away your list, Marcus, which is hopefully okay with you. The third one was all about not making poor product decisions, which is exactly what we were talking about.

But I think the thing that is so hard that y'all were just touching on, the feedback loops across the business, right? Like there's so much data that is like actual quantifiable telemetry data and NPS and all of those things that are out there, but there's also like a lot of qualitative data as well that comes in in terms of feedback that drives roadmaps and drives onboarding conversations and shapes narrative and all of those other things.

How, how do you, do you avoid making bad product decisions and what data do you think maybe was relevant a few years ago that's no longer relevant? Like what, what are your thoughts on all of that?

Marcus: Yeah, I mean, you know, I work closely with product not on, on, not a PM and not on the product team. But I mean, what we see with our customers usually is that like, the reasons why, the biggest reasons why they make bad product decisions is one.

They're not close enough to the customer, so they're out of touch with the voice of the customer, which definitely happens where they're just not, you know, they're not looking, they're not obsessed with NPS and their customers and their problems and their challenges, and you really have to be customer obsessed and have maniacal focused on the customers that we call it Pendo.

That's probably first. And you need, you need data to do that, right? You need to be able to, you gotta go and you gotta talk to a lot of customers. But then you also need ways to kind of collect that data at scale. So it could be, you know, it's polls or surveys or NPS or like that sort of thing. And then the other is that they're just too, you know, they're shooting from the hip too often and there's a lot of product teams where they're just kind of shooting from the hip and it's based on gut feel.

It's based on what's worked with them. It's based on, like, you know, a founder who thinks he knows what's best. I don't know, I'm not trying to offend you or anything. I don't, we don't wanna call out any founders here, but, you know, sometimes you got a founder who it's like, we gotta do this thing cuz I know it's right.

And like, yes, that, that usually works for a, for a time. But then you get to a certain size and it's like, okay, we have to add in data here to either verify these assumptions that are really good or challenge them or come up with new ways. So I think like those are the two big things where it's, there's sort of, everybody goes through a learning curve there where it's like, we're not customer obsessed.

We have to get more customer obsessed, or we're just doing too much gut feel decisions, you know? So I think those are the two biggest, and if you can fix those two, the other, the other is like product adoption, you know, like that's a metric that I think should be elevated to, like, it should be something you report to the board on along with it.

Like we don't, there's not a lot of, like, you know, companies will report on NPS and that's a, you know, proxy for customer happy. But also adoption is a leading indicator of that. Cause if you don't adopt the tools, you're never gonna be successful with them. You're never gonna have a good NPS. So like we think a product adoption should be something that's like, like presented at board meetings along with ARR and all that.

So like, those are probably the three big things that I think will help there. They help make better product decisions.

Alex: Are you seeing, I'm, I'm, I'm just super fascinated by the, and Mary, I know we have a lot to get through, but like, This PLG motion is, is PLM motion, whatever we wanna call it. Cause I, I, I've, I've read recently that some people have some challenges with the G part, the growth part.

And I don't disagree necessarily. I think it should be about the experience for the customer, whatever we call it, product led. Let's just go with that. Organizationally, are, are you seeing a lot of change in terms of, where product sits and product marketing sit relative, or stands in my case, relative to the other functional areas inside the business.

Like how is that evolving for you and how are you all thinking about that right now? As, as, as an example, as one central revenue team instead of these sort of traditional silos that we've had?

Marcus: Yeah, I think one central revenue team, you see that, I mean, I've seen the emergence of GMs and I've seen that work really, really well.

I think as soon as product is responsible for a revenue number, you really start to cook because then they like, they take responsibility and they're like, okay, I gotta hit my revenue number two, and I'm gonna, so I

have to work with sales and marketing. I mean, I think that's one big thing is like more cross-functional teams.

Like I know Todd talks about this a lot and, and he's like product managers and product marketers, like extremely cross-functional, product ops. Like there's all these cross-functional teams where it's like we're not just in our silo. We have to work with all these other teams. You're gonna interface with like lots of teams every week. Like I think that's a major trend.

As soon as your product team, I don't know the right time to do this. Or like when in an evolution of a company you should like, that's like, I'm sure stuff you guys think about, but like when product takes responsibility for the revenue number and they're like, if they're not sole responsibly for it, but they know that like, Hey, we're gonna use our product to influence and grow and meet, whether it's through retention or new products or whatever.

You know, like that's a big evolution and like super helpful. Great for product led companies. And then the, the third thing I would say is like all, I think all business units are starting to understand how they can use the product to achieve their goals. Like marketing is responsible for growth, user acquisition pipeline, we can use the product if the, if there's a free tool that makes it really easy to acquire, like with a tight use case that we can put on a web app, we can use that to acquire a ton of users.

And that's a, we're gonna use a product solution to solve our problems or like customer support. Like if you create in app self-service and have an awesome way for people to get support in app, now your support team is using the product to meet your goals and like you can, I think all departments can do that. So I think there's a big shift there too.

Alex: Yeah, and I'll sort of a little plug for our company Klearly, but also, excuse me, a plug for you all is, we're getting a lot of our customers and prospects now asking us to include Pendo data in our models. And it's product data, right? Because product is part, that engagement process, whether it's, pre-purchase or post-purchase, that product data is incredibly helpful.

And, you know, it's, it's a leading indicator to your point in terms of what's gonna be happening. So people are getting it. People are people that we talk to out in the market, they are very, very excited to include product data in a lot of what they're doing, and not only include it in some cases, but we've talked to companies, Marcus, where their entire organization now is driven by product and by product marketing.

They flip the entire thing, which I, I'm really proud of them. Like, I think that's, that is not a, a, a non-trivial thing to consider from an organizational standpoint. But now think about that, right? Product and product

market are literally leading marketing and sales and customer success. It's a, it's a very interesting paradigm shift that's been happening out in the market.

Marcus: Yeah. That's fascinating.

Alex: so keep up the good work so we can get data and put 'em into our models.

Marcus: Yeah, no, I mean, that's what I was thinking about when I first looked at Klearly and trying to understand what you guys did, and I'm like, oh, this is like, product data in here would make a ton of sense.

Like this should, I mean, so yeah, let's do it. I think it'd be great. It sounds good to me, but yeah, the product usage data as a leading indicator, whether it's sales or support or whatever, extremely valuable. I mean, if you know what people are doing inside the app, I know like an example of that is like outreach.

You know, like who's, okay, we got a bunch of free customers, or even paying customers, like how do I know if I'm trying to look at my, my book and who can I upsell this quarter or whatever. You could just go through the list and start calling people, or you can say like, I'm gonna go and talk to these accounts, I know usage is high or they're hitting their limits on this report or like they look, you know, they, you know, all that is I think a signal.

Mary: Yes. should be much more higher converting. I would imagine once you're, once you moved to that place, you mentioned as part of that product led CS, that was another thing on your list. I think the final thing, what is product-led CS? Can you like unpack a definition for that and how you see it showing up?

Marcus: Yeah, so that, I mean that one's really low hanging fruit. Like, you know, there's been a lot of focus on product led growth and I think it made sense cause we're in this era of growth, but the, I think the next usually easiest place for product led to have an impact is for product led service and support.

And there's a bunch of reasons why it's great. The first is customer driven. Like people would much rather, for most things, help themselves than have to call someone and get, or fill out a ticket or like get into a queue. And, and the reason isn't because, like, you might be able to talk to a human and solve it faster, but like if I get to do it, when I decide I get to do it, like I'm in, you know, like I don't wanna wait.

I don't wanna do it on your time. I'm gonna do it while I'm like waiting for my, you know, laundry to dry or whatever. Like you do it when you have the time and that's preferable. And then also like some people, you know, it's like some people just wanna get in and do it themselves too, so, so that's a big driving factor of

it. People don't really wanna talk to humans as much as they used to or don't wanna get on the phone, especially.

The other side of it is that like, you know, every time you've got a, you have to activate a human. Like you, it's, it's your, it's money, but also humans are great at solving like complex problems, right? Like, we're good at like, like problem solving and being creative and figuring out. If someone forgets their password or like doesn't know how to log into a thing or like, can't use this report, like a product should just do that. And that's better. Like your, your, your services people would like that more too. Cause they don't have to answer these monotonous, ongoing questions.

So your product can solve a lot of that, whether it's like a, you know, a resource center with a knowledge base built into your product. Whether it's like tool tips in your app that are just strategically placed, like a lot of product teams use Pendo to just, they'll find some friction in the app, then they'll put in one little tiny tool tip, that's one sentence and it'll just fix it and support tickets will vanish. So like that sort of stuff, self-service in-app support, the ability to file a ticket or look up your problem in the app on your own time. And then seeing that deflect tickets is kind of the, the basics for all.

Mary: That makes sense. It's all about efficiency on everyone's part at that point.

Marcus: Yeah.

Mary: What other questions? And Alex, I know you have probably a, a list over there that you're curating and ranking.

Alex: I do, I do because I, I really do it because I, I really do truly believe that that product is the future. Like if, if, and product data and product marketing, and I love the narrative.

And again, I've, I mean, I'm five and a half years into this company, Marcus, and you know, the narrative, I'm still working on it. I mean, it's hard. The narrative stuff is hard. By the way, Mary and I are huge fans of Andy Raskin too. We've been following Andy for, shout out to him, he's really informed a lot of my thought processes over the years.

Marcus: I'm glad you see it as your job. I wish every founder did. I mean, I think a lot do, but I'm glad you see it as your like, Hey, this is my responsibility. I'm never gonna stop working on it. That's, that's awesome.

Alex: I, I thank you for that. But at the same time, like I, I'm very frustrated cuz I feel like I, I never do it well.

But one thing I wanted to ask you, Marcus, about product marketing, do you find that it's best for product marketers to stay in a certain sort of swim lane, genre, vertical, whatever you want to call it, or for them to be ultimately successful, or is it better for them sometimes to get outside the vertical outside the industry and bring a fresh set of eyes on things like, do you get stale staying in one swim lane for too long?

Marcus: Yeah, I mean, it can, it can depend. I mean, I worked in MarTech until I started working, until I joined Pendo, and now I'm working with, the primary audience is product teams, but I know product teams really, really well. Cause I've, you know, been in product marketing and I've always worked for, with product teams.

So like, I find that comfort, I find comfort in that, you know, it's like, and it usually, you know, the, the company that hires you is gonna pay for your knowledge at some points. Like, you know, like they want, like Pendo finds it valuable for me to be the director of product marketing partially cuz I know this audience so well.

Right. So I think it's really, there's lots of different ways to be a good product marketer, but like one is like a deep understanding of the audience or the space. Because like if you hire someone who's worked in, if you're a MarTech company and you're trying to make sure like you're doing innovative, interesting stuff in MarTech, you hire someone who's been in the space for a long time and they're gonna bring that.

But no, it doesn't like, the great thing about products marketing is that like, The, I think probably the most important thing is that like you have a wide range of skills, like you're a generalist, you know, and so like you can do a lot of things and that's part of our value is like, you know, our CMO loves it that like we can kind of, you can throw just about anything at product marketing and we'll figure it out.

You know, we may not be the best copywriters or the best whatever, but like we have this baseline of skills that's really, really strong. So it makes us, you know, we're valuable in lots of ways, but also valuable cuz we can play some center field and like be flexible.

So, I don't know if I'm answering your question again, but that's like some random thoughts on kinda how,

Alex: whether you, whether you answer my question or not, doesn't matter. The fact that you brought in a baseball analogy is, is awesome. what's, what la we're gonna wrap up here. What's, what's like the funniest thing that's ever happened to you as a product marketer?

Marcus: Funniest, man. I don't know. I think like, like,

Alex: or scariest.

Marcus: Or scariest? I mean, there's always, there's the typical stuff like products that are launching that are too early to launch or like you, like a product that's, that's launching that you didn't hear. I feel like maybe the, the thing I like the least about product, I love product marketing.

I don't wanna do any other job. It's my favorite thing. It's like really fun. I hate naming, like, naming products is just the worst. Like, you know, it's, there's no, there's no, it's just lose-lose. Like, you can put in so much time and effort to figure out a name and you can have your data behind it, and then you can go and you can bring it to the executive team and they're like, we don't like that. It's just, it's really subjective and there's never a good answer.

And like it's hard to tell if you have a product, the right name. But it's also something I think early in your career you get excited about. Cause it's like, oh fun, I get to name this product and it'll be great. And then it's just so, I don't know. I don't like naming. I feel like naming should just be like, You know, you put some work into it, you kind of corner the, the CPO or the CEO and you say, Hey, let's name this thing really quick, and then you just give it a name, you feel good about it.

Alex: Yeah, a hundred percent. A hundred percent. Totally agree. We, we, us marketers probably feel the same way about brand and website at the end of the day, and very similar. I have a friend of mine that actually started a random name generator to help companies name themselves. And I'm thinking like, that is probably the most brilliant thing in the world.

Like, don't get wrapped around the axle. Just name the thing. Like, did Google, right? I. Although HubSpot's a pretty brilliant name. but,

Marcus: but, but only,

But not at first. They backed into a lot of it. Now HubSpot has like, you know, each product line is called a hub. Right? Makes in hubs or like, it makes a ton of sense. It's almost like they planned it. They didn't plan that. That was just like, they just backed into it. It's just happened.

Alex: Oh, you gotta give Brian in, you gotta get Brian in Dharmesh more credit than that.

Marcus: Maybe I, they did it. They planned it out. They knew the whole time. Maybe they did. I don't want to assume they didn't. But I don't think, I don't think so.

Mary: Part of the two-decade plan, you know, page 987.

Marcus: They're very smart guys. They're very smart guys. Brian just launched a really cool climate change ocean VC fund, so it's like a hundred million fund for climate change companies that focus on preserving the cleaning up the oceans, which is pretty, pretty awesome. Propeller, I think is name.

Mary: That's a great name and I love the logo as well. I'm just, I spent probably about three minutes in my head thinking about it yesterday. That it's, that's a good name. Brian does it again.

Marcus: It is a good name. And it's, cause it's a New England company. There's all sorts of, at HubSpot, there's always lots and lots of, sea and sailing analogies.

So like, I'm, I think they've already got, that's probably why he, he's like, oh, great. A new opportunity to create a bunch of, sea analogies. But it's a good thing. It's a, it's a cool one. It's a good one.