Product strategy and launch is the timely practice of delivering products/services to market aligned to both customer buying behaviors and business outcomes. Product success is grounded in a deep understanding of customers and how to combine technology and partnerships to deliver complete solutions.

**Scope**

This initiative covers research to evaluate market opportunities, understand user needs and identify the best practices for product strategy and launch.

It includes research covering:

- Market research and competitive intelligence
- Product strategy, pricing and packaging
- Product launch
Innovative products are the primary growth engine for technology startups and emerging providers. (Note: In this document, the term “product” is used to refer to traditional products, as well as services and offerings that combine both products and services). But new product success can be elusive. Across a variety of studies, new-product failure rates have been estimated at between 42% and 80%.

Product success is grounded in a deep understanding of customers’ business needs and objectives, coupled with an understanding of the possibilities of technology — in particular, the possibilities presented by emerging technologies. Sensing shifts in the market or buyer behavior early can give technology providers a head start in developing new products or the ability to make product changes to leapfrog the competition. A provider must understand the gaps and weaknesses in competitive offerings to prioritize the right areas for investment and potentially to disrupt more-established competitors. Additionally, packaging and pricing strategies must be designed based on buyer preferences to yield an offering that is both valuable and easy to buy.

Launching a new product can lead to an inflection point in customer counts and revenue; however, too often, planning for a product launch is inadequate. The launch plan may be superficial or started
too late, or may assume that because the product is innovative, it will sell itself. Effective product launches require lead time and cross-functional coordination. If executed well, a product launch can generate enthusiasm within the provider organization and partner channel, and lead to rapid customer wins.

Top Challenges and How Gartner Can Help

For a technology startup, a successful product strategy will yield an offering that promises such value that the first customers are willing to buy without proof from references or case studies. But without a compelling and differentiated product vision, obtaining the initial customers can be slow or impossible. As customer adoption grows and revenue targets increase, product strategies may require refinement, and trade-off challenges can become more acute. Investment must be balanced between enhancements for existing customers and new features to pursue new markets. With primary research and guidance based on best practices, Gartner assists tech CEOs in navigating product strategy and launch challenges faced throughout the progressing stages of product maturity. With this research we will support tech CEOs by answering common client questions like:

- What customer needs are unmet by existing solutions?
- What packaging and pricing strategies will allow me to win new customers, without leaving money on the table?
- What are the best practices for a successful product launch?

The topics we cover include:

- **Market Research and Competitive Intelligence:** Identifying and quantifying technology trends and market opportunities. Understanding the competitive landscape and your position within it.

- **Product Strategy, Pricing and Packaging:** Developing product strategy to leverage disruptive technologies. Defining packaging and pricing that connects with your target customer.

- **Product Launch:** Planning and executing launch strategies that lead to revenue acceleration.

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Our research addresses the following common client questions:

**What customer needs are unmet by existing solutions?**

A technology provider’s collective understanding of customer needs and its perceptions of the competitive landscape may be overly biased by the staff’s personal experience, or from interactions with just a few existing customers. Unmet needs, especially those of noncustomers, may exist in a blind spot. And providers may fail to recognize which vendors and products represent a competitive threat and, therefore, misjudge priorities for product investment. Technology providers can complement their firsthand experience with trusted insights about user needs, market trends and
competitive solutions to ensure that product decisions are based on an accurate view of the market and competitive landscape.

**Planned Research**

- Know your customers by co-creating with them
- Verify the problem/solution fit in product planning
- Create, don’t find, your next customer

What packaging and pricing strategies will allow me to win new customers, without leaving money on the table?

Packaging and pricing of products impact not just profitability, but also buyers’ overall perceptions of the offering. If pricing is not aligned with product positioning, the inconsistency can undermine efforts to stake out a sustainable place in the market. Creating optimal product packages requires balance, providing choice to customers without overwhelming them with options that could foster indecision and lengthen sales cycles. Pricing models should be simple enough to be easily understood, but provide scalable price points to capture additional revenue from customers as they derive more value from the product.

**Planned Research**

- Pricing best practices for new SaaS offerings
- Is “free” the right price for your product?
- Innovating and differentiating with pricing and packaging

What are the best practices for a successful product launch?

Bringing a solution to market requires extensive planning and coordination among stakeholders. The typical focus on completing engineering, operations and delivery preparation as the launch date approaches can mean that other elements of the launch lose the team’s attention, especially for team members more comfortable with the technical aspects of the offering. But a weak product launch can be a missed opportunity to create momentum inside and outside the organization. A launch plan to manage the activities, responsibilities and milestones, built on proven best practices, will align stakeholders’ efforts and increase the odds of a product achieving success in the market.

**Planned Research**

- Major product launch pitfalls and how to avoid them
- Relaunching — what to do when your product launch fails
- Guerrilla and viral marketing for product launch
Related Priorities

Table 1. Related Priorities

<table>
<thead>
<tr>
<th>Priority</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploit IT Services Market Dynamics</td>
<td>This initiative provides critical insights and advice on the journey toward sustainable and profitable growth in the transforming IT services market.</td>
</tr>
<tr>
<td>Build and Market Enterprise Applications</td>
<td>The build and market enterprise applications research will benchmark and assess emerging business models, technology triggers, product innovation, market opportunities and go-to-market strategies.</td>
</tr>
<tr>
<td>Identify Growth Opportunities across the IT Market</td>
<td>This research focuses on cross-technology issues and trends in the IT market that will impact product and service portfolios.</td>
</tr>
<tr>
<td>Business Performance Management for Tech CEOs</td>
<td>This initiative recommends best practices and strategies for tech startups and emerging tech providers to effectively manage business performance.</td>
</tr>
<tr>
<td>Build and Market Cloud-Based Offerings</td>
<td>The build and market cloud-based offerings initiative provides guidance on how to identify opportunities and plan, prepare and execute successful cloud offering strategies.</td>
</tr>
<tr>
<td>Customer Acquisition for Tech CEOs</td>
<td>This initiative recommends best practices and strategies needed to help tech startups and emerging tech providers achieve and maintain significant growth.</td>
</tr>
<tr>
<td>Improve Technology Go-to-Market Effectiveness</td>
<td>This initiative focuses on the core technology go-to-market disciplines used to reach, engage, influence and retain customers as they move through the entire life cycle — buying through owning.</td>
</tr>
<tr>
<td>Exploit Security Market Dynamics</td>
<td>This research initiative helps security technology and service providers (TSPs) anticipate and adapt to fast-changing security buying behavior to transform their business and drive profitability.</td>
</tr>
<tr>
<td>Exploit Infrastructure Software Opportunities</td>
<td>The research included in this agenda is designed to help you understand the fast-changing enterprise software environment, where growth is coming from and how to benefit from it.</td>
</tr>
<tr>
<td>Exploit Digital Disruption Opportunities</td>
<td>Exploit digital disruption opportunities research focuses on disruptive opportunities of emerging technologies and how TSPs can incorporate elements of willful disruption into go-to-market strategies.</td>
</tr>
<tr>
<td>Corporate Development for Tech CEOs</td>
<td>This initiative covers the corporate development actions that technology providers must pursue for growth beyond their current products and customer segments.</td>
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</table>

Source: Gartner

Suggested First Steps

- “Scan, Assess, React: A 3-Phased Approach to Help Tech CEOs Respond to Disruptive Forces”: Improve the company’s ability to react to market disruptions by implementing rigorous
horizon scanning in order to spot disruptive forces — categorizing by trigger, effect, timing and scale.

- “5 Ways That Tech CEOs Can Improve How They Measure the Success of Product Launches”: Identify tailored success metrics for each launch based on launch type and the underlying objectives of the product release, to ensure the metrics are aligned to the specifics of the launch.
- “Market Insight: Key Pricing Principles for Tech CEOs — Choose the Right Model”: Play an active role in setting and managing pricing strategies, starting with the decision of the pricing model.
- **Gartner Tech Growth and Innovation Conference 2019**: Attend this Gartner event designed to help spur new ideas, fast-track project strategy and execution, and advance your professional skills.

**Essential Reading**

- “Invest in the Critical Competitive Intelligence Your Product Strategy Needs”: Invest in creating a practice for collecting and sharing holistic competitive intelligence in order to ensure a more effective product strategy.
- “Tech CEOs Must Improve the Quality of Their Competitive Intelligence”: Avoid bringing undifferentiated products to market that produce lackluster sales, by ensuring you thoroughly understand your competitors’ strengths and weaknesses.
- “Tech CEOs Must Ensure New Product Ideas Have a Problem/Solution Fit”: Mitigate the risk of failure by directing product teams to verify the problem/solution fit of new products through customer discovery.
- “Tech CEOs Create Compelling Value by Understanding Customer’s Adoption Phase”: Launch new solutions understanding the adoption phases of both the overall market and specific customers to deliver effective and compelling value.
- “Tech CEOs Must Use a Minimum Viable Product Release to Reduce Product Launch Risk”: Adopt the MVP approach to validate key new products in development, using the feedback and results to refine the offerings and improve the odds of success.
- “How Tech CEOs Can Accelerate Time to Value to Sustain Rapid Growth”: Emerging software application vendors can win more new projects by delivering business value quickly through faster deployments and increased user adoption.
- “How Tech CEOs Can Overcome Technology Churn to Scale Up Their Business”: Overcome technology churn by sequencing investment in a portfolio of related technologies, and participate in vendor ecosystems.
- “Tech CEOs Must Embrace Competition to Drive Product Relevancy and Customer Agility”: Transform your competitive product strategy for market relevance, and enable new capabilities within increasingly diverse markets.
“Tech CEOs Should Exploit AI Disruption by Offering AI Solutions (Not AI Technology)”: Understand buyer preferences and challenges to build, package and market the right offerings to successfully exploit the AI opportunity.

“Tech CEOs Must Balance Transparency, Predictability and Simplicity in Their Consumptive Pricing Models”: Develop engaging consumptive pricing models by balancing transparency, predictability and simplicity against your business context, considering business strategy, market conditions and competition.

“How Tech CEOs Can Use Free Trials to Accelerate Demand for a New Product”: Provide a free trial product offering that allows customers to see value from your product with little vendor interaction. With the right product, this can be a tremendous accelerator to growth.

Tools and Toolkits

“Toolkit: How Tech CEOs Can Objectively Evaluate Competitors”: Use this Toolkit when identifying competitors’ weaknesses in order to exploit them through positioning, messaging and the product roadmap.

“Tech Go-to-Market Toolkit: How to Prioritize When Planning Your Next Product Release”: Use this Toolkit to prioritize initiatives based on value and effort.

“Tech Go-to-Market Toolkit: Plan for a Successful Technology Product Launch”: Use this Toolkit to identify and manage key elements of a launch (content, responsibility, milestones and process) to increase the odds of launch success.

“Tech Go-to-Market Toolkit: Assess Customer Acquisition Cost and Lifetime Value to Improve Product Success”: Use this Toolkit to drive improvements for two important metrics — customer acquisition cost and lifetime value.

Evidence

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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