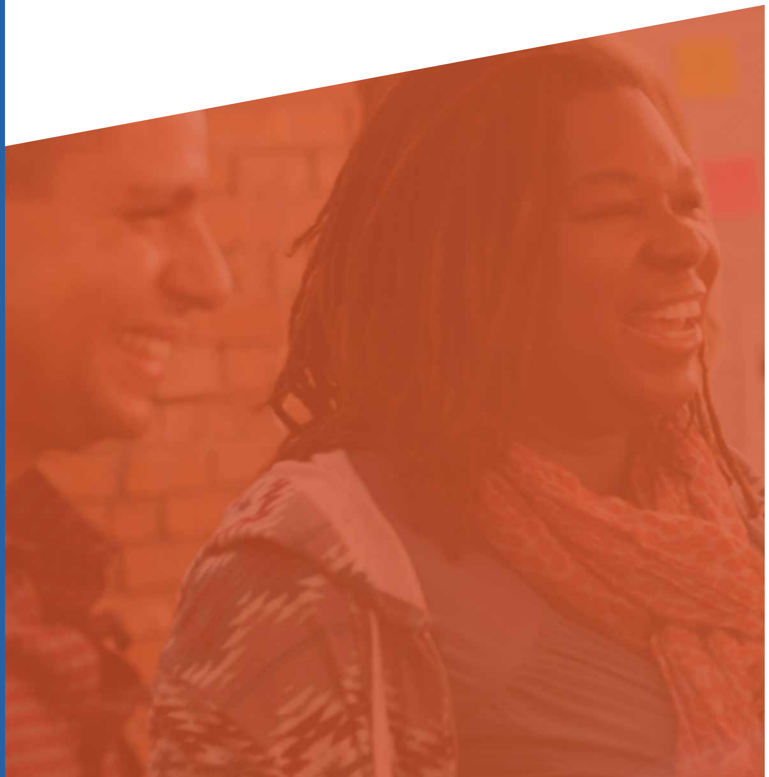


# 2021
## ANNUAL SURVEY

PRAGMATIC
INSTITUTE

# 2020...

# UNPRECEDENTED

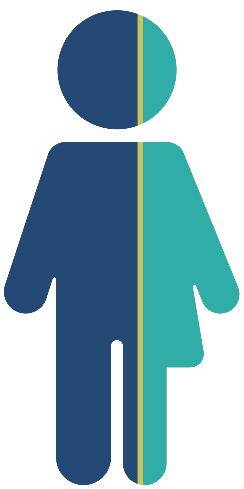
We are still seeing the effects of COVID-19, civil unrest and political turmoil in all corners of our society. But how have these changes affected us as product leaders, managers and marketers? That is one of the key areas—along with our regular research on salaries, activities and obstacles—we explore in this year's annual survey.

## Thank you...

to the thousands of people who responded to this year's survey and the hundreds who agreed to further interviews. Your continued passion for all things product inspires us every year, particularly as we release our **20th annual** product management and product marketing survey.

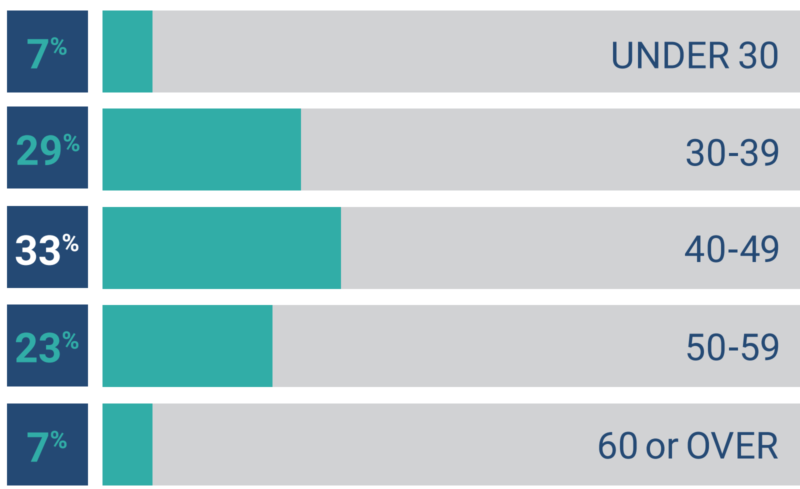
# Profiles of Respondents to This Year's Survey

## Gender



MALE — **58%** FEMALE — **41%** NON-BINARY — **1%**

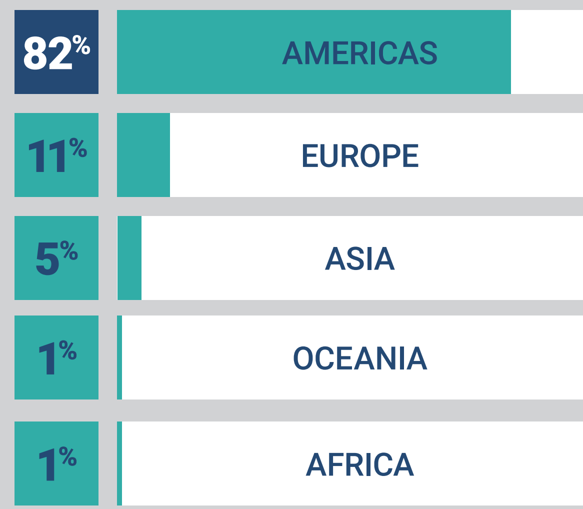
## Age



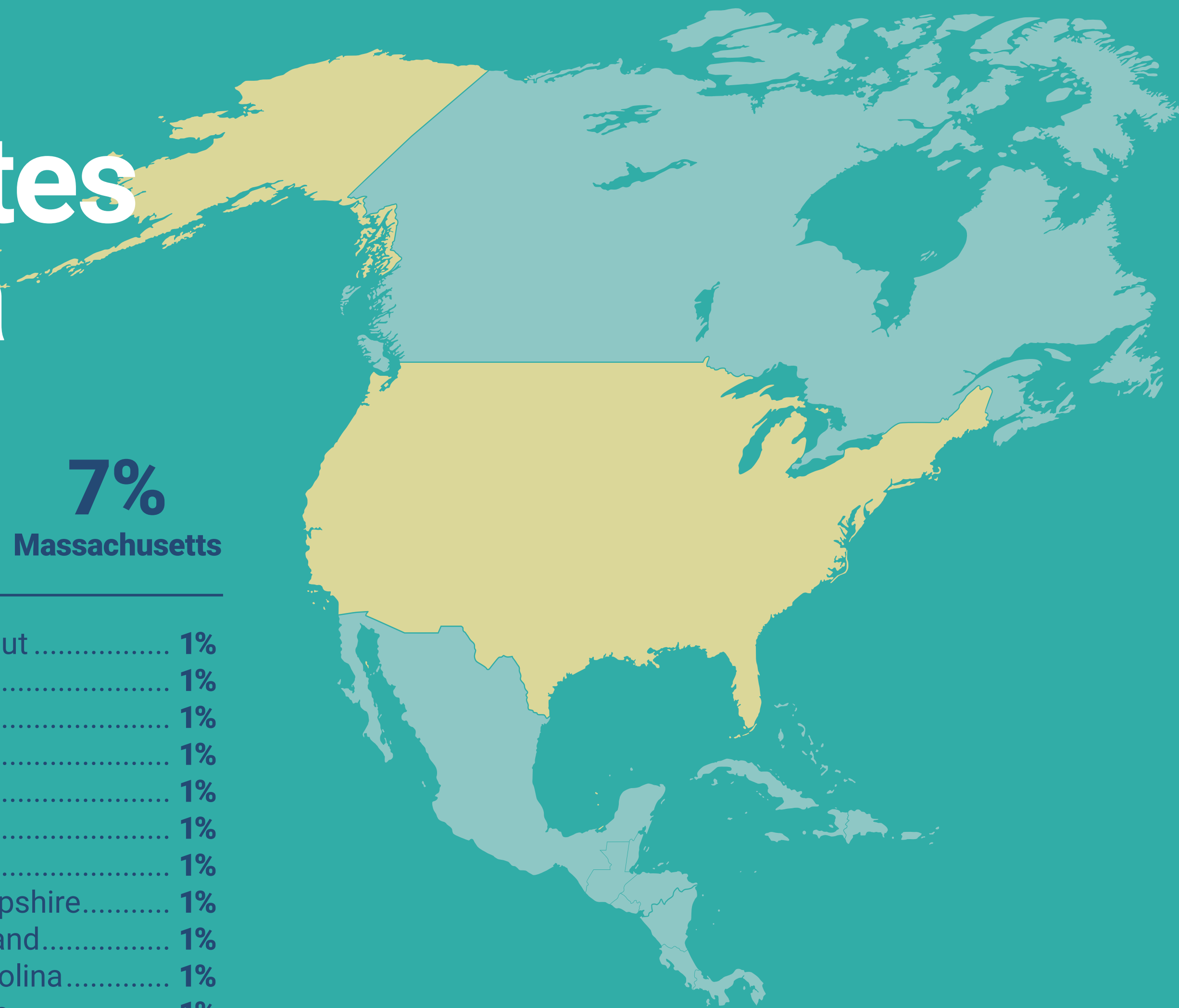



## Location, location, location

This year, we had respondents from 6 continents and 43 U.S. states.



# United States of America



**13%** California

**9%** Georgia

**8%** Texas

**7%** Massachusetts

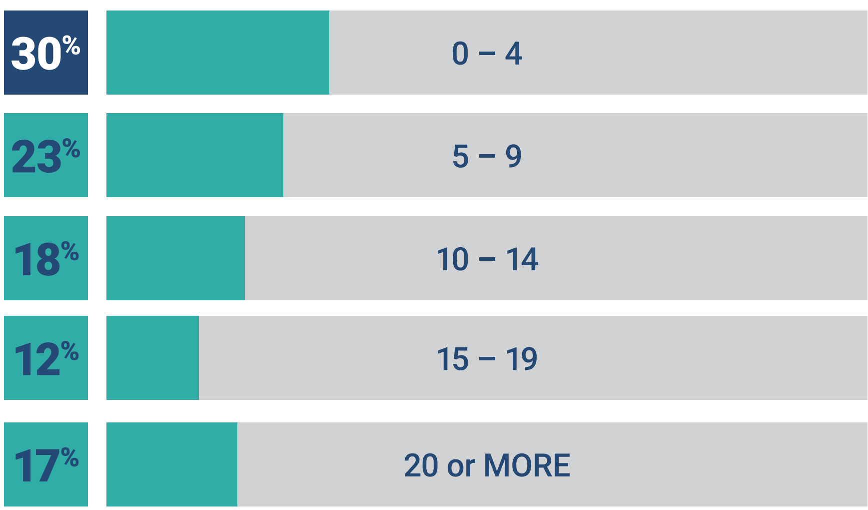
| | |
|---|---|
| Colorado | 5% |
| Minnesota | 5% |
| Pennsylvania | 5% |
| Arizona | 4% |
| Illinois | 4% |
| New York | 4% |
| Florida | 3% |
| Virginia | 3% |
| Washington | 3% |
| Wisconsin | 3% |
| Michigan | 2% |
| New Jersey | 2% |
| Ohio | 2% |
| Oregon | 2% |
| North Carolina | 2% |
| Utah | 2% |
| Alabama | 1% |
| Connecticut | 1% |
| Delaware | 1% |
| Indiana | 1% |
| Kansas | 1% |
| Maryland | 1% |
| Missouri | 1% |
| Nebraska | 1% |
| New Hampshire | 1% |
| Rhode Island | 1% |
| South Carolina | 1% |
| Tennessee | 1% |
| Idaho | 0.4% |
| Maine | 0.4% |
| Oklahoma | 0.4% |
| Iowa | 0.3% |
| New Mexico | 0.3% |
| South Dakota | 0.3% |
| West Virginia | 0.3% |
| District of Columbia | 0.1% |
| Louisiana | 0.1% |
| Mississippi | 0.1% |

# All Through the Years

**We asked respondents both the number of years they've been in the profession and the number of years they've been in their current role.**

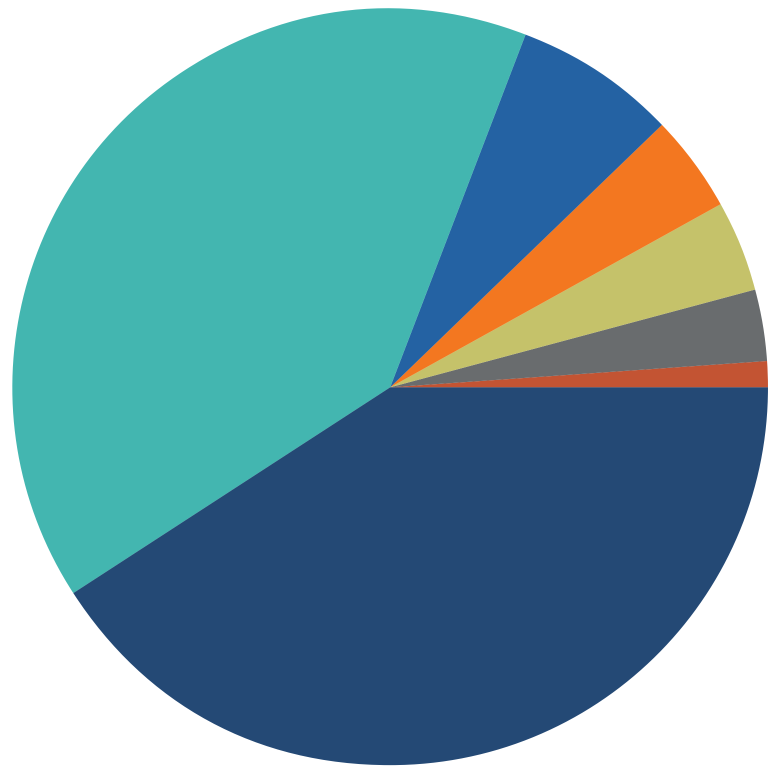
While the average years in the profession did not shift greatly year-over-year, the average time in the current role—**3.23 years**—did. This is nearly a full year longer than we have seen over the past 20 years. This is most likely indicative of the limited number of individuals who elected to voluntarily shift jobs during the unknowns of the pandemic. It is also a sign that the product profession will likely experience high job migration rates this year, similar to those being experienced in other industries.

## Years in the profession




One of the things we most enjoy hearing about from our respondents is what path they took to their product role. The answers are as diverse as the respondents.

# Paths to Product



## Education

- Doctorate degree – **4%**
- Master's degree – **41%**
- Some master's *(degree not completed)* – **7%**
- Bachelor's degree – **40%**
- Associate degree – **3%**
- Some college *(degree not completed)* – **4%**
- High school – **1%**

## Number of professional certifications

| | |
| --- | --- |
| 15% | 0 |
| 69% | 1 – 3 |
| 13% | 4 – 6 |
| 3% | 7 or MORE |

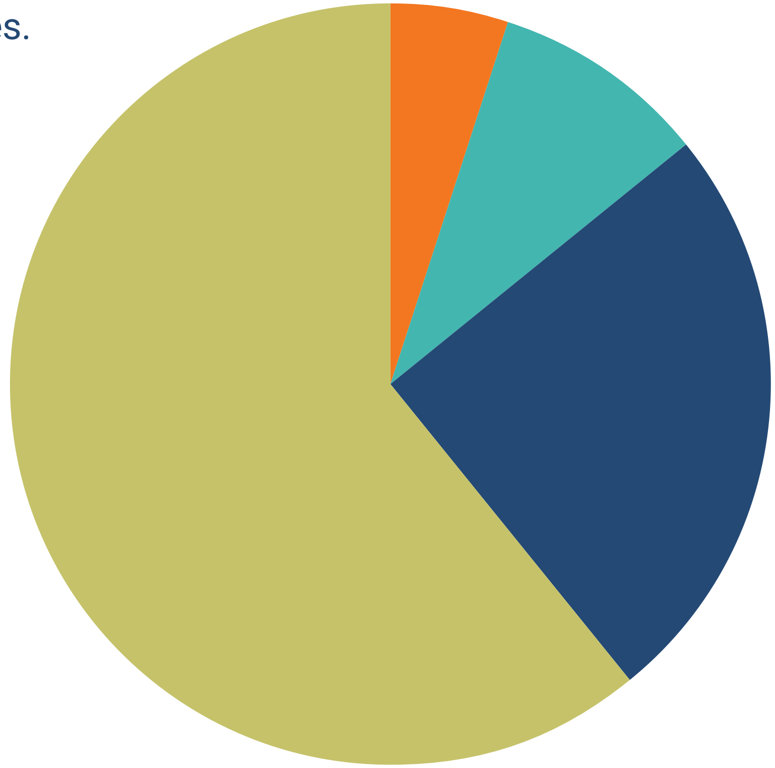
## Other roles held in their career

| | |
| --- | --- |
| 61% | Product Manager |
| 41% | Product Owner |
| 32% | Technical/Development |
| 25% | Product Marketing Manager |
| 23% | Outside Consultant |
| 22% | Trainer/Educator |
| 21% | Sales |
| 20% | Marketing Communications |
| 33% | Other *(see below)* |

- *Account Manager*
- *UX*
- *Customer Success*
- *Business Analyst*
- *Project Manager*
- *Technical Support*
- *Technical Writer*

The unexpected events of 2020 *(COVID-19, natural disasters, civil unrest and political turmoil)* affected all of us on a personal level. Here, we explore their effects on our products and our companies.

# The Best Laid Plans

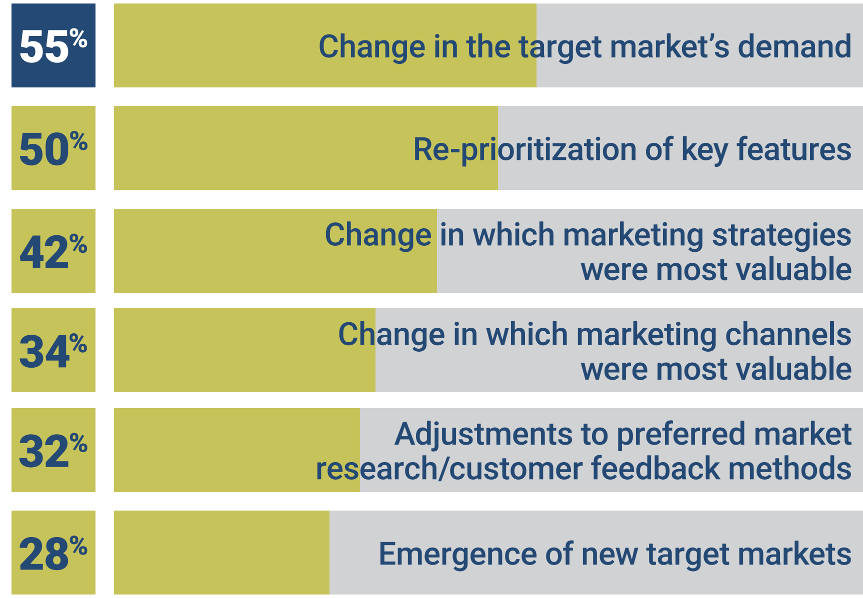


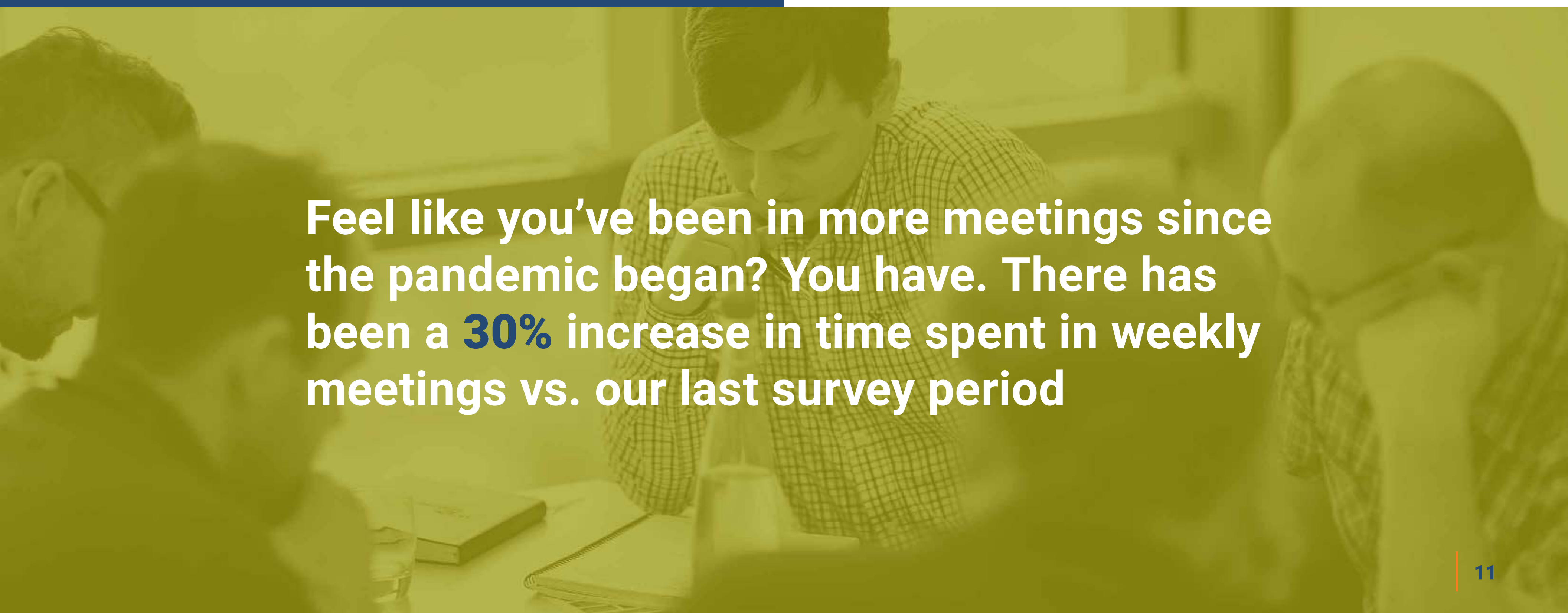
## How well did our January product roadmaps and plans hold up?

- Held up completely – **9%**
- Held up moderately well – **61%**
- Complete rework – **25%**
- Not applicable – **5%**

## Where the shifts occurred

Whether positive or negative, the following activities were those most affected by the unexpected events of 2020.

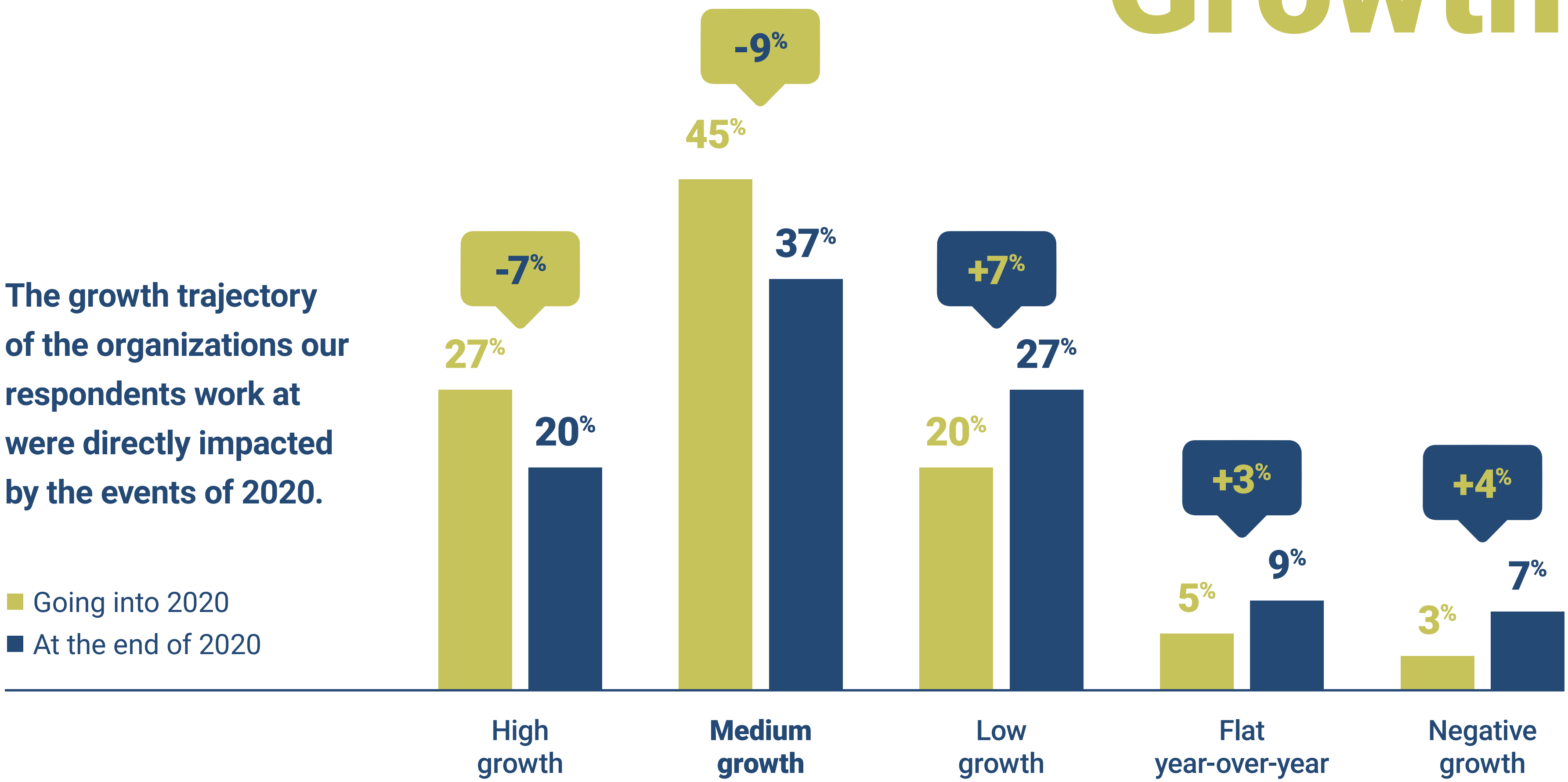


**Feel like you've been in more meetings since the pandemic began? You have. There has been a 30% increase in time spent in weekly meetings vs. our last survey period**

# Effect on Organizational Growth

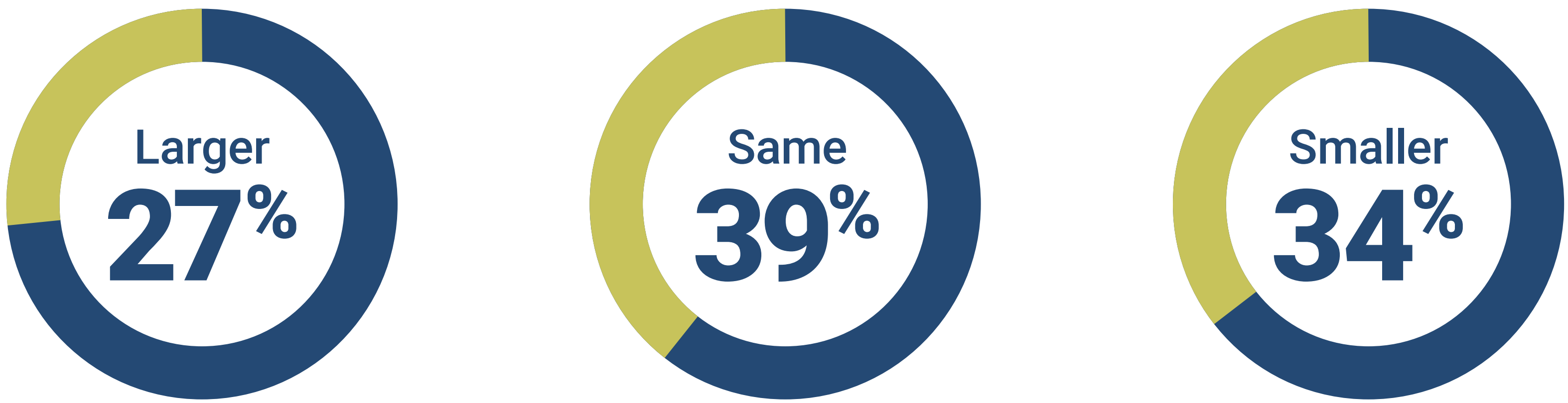
**The growth trajectory of the organizations our respondents work at were directly impacted by the events of 2020.**



# Effect on Department Growth

The bad news—departments and budgets shrank overall in 2020.

**Size of department now vs. January 2020**

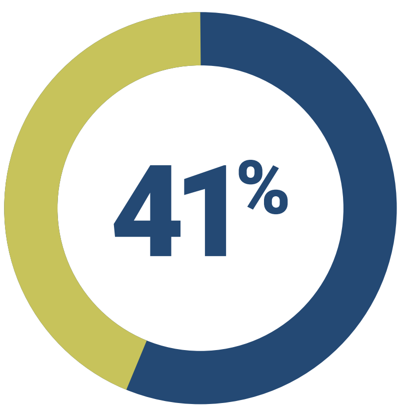



**The good news—52% of respondents stated that there are currently openings within their department, with nearly 20% saying they have five or more current open positions *(that's over 730 open positions)*.**

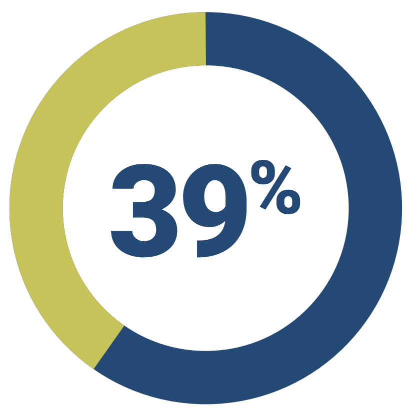
# Lasting change?

## Of all the changes that occurred, which do our respondents expect to last?

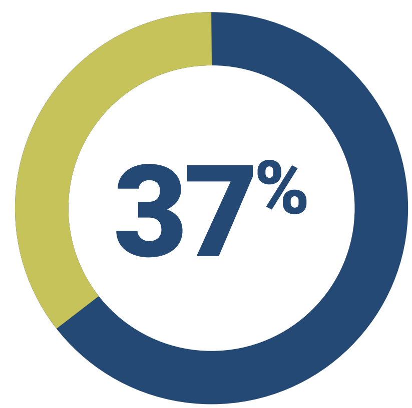
**Change in the target market's demand**




**Re-prioritization of key features**

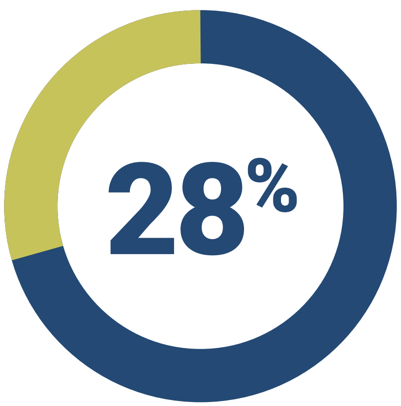



**Change in which marketing strategies were most valuable**

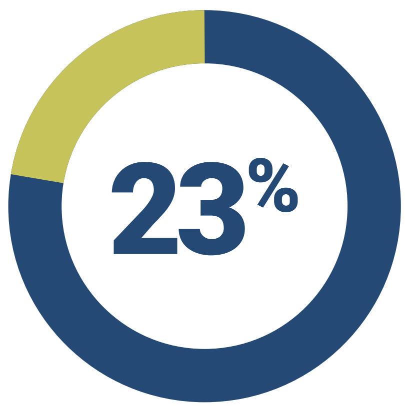


## When we asked what they **hope** *(vs. expected)* to have a lasting change, the number one answer was **emergence of new target markets**.

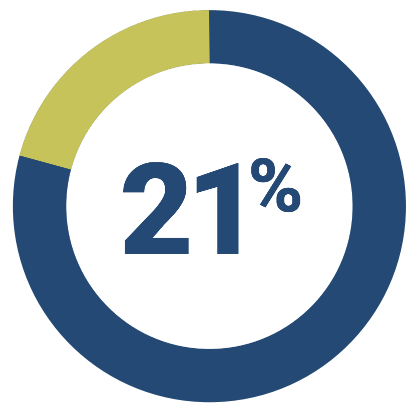
**Change in which marketing channels were most valuable**




**Adjustments to preferred market research/customer feedback methods**




**Emergence of new target markets**



# 2020-2021 Bold Wins & Missed Opportunities

(what we should have done, or done sooner)

# Free Offers

Respondents cited the successful use of free trials and discounts to **land new customers** and secure existing customers as a bold win.

## Bold Wins

**"Provided NEW CAPABILITIES at no cost and new capabilities for extended free trial."**

**"OFFER FREE TAKE-OUT MODULE for a couple of months. Many of the free modules have converted to paying modules."**

**"Offered a FREE TRIAL OF OUR PRODUCT (add-on feature) to our global customer base, which helped drive awareness and conversions."**

## Missed Opportunities

# "Potential discounting/FREE TRIAL for those impacted by COVID pandemic."

**"Aggressively change pricing strategy in favor of a land-and-expand model."**

# Partnerships

COVID affected every industry. Those who navigated successfully often cited the fact they **didn't go it alone** as the reason.

## Bold Wins

**"Shifted to partner channel strategy as a method to SCALE RAPIDLY."**

**"A PIVOT TOWARD PARTNERSHIPS over in-house for items that aren't clear differentiators."**

**"TECHNOLOGY PARTNERSHIP with small, but rapidly growing, hardware maker."**

## Missed Opportunities

# “Worked with strategic partners to help organizations move to WORK-FROM-HOME, securely.”

# Prioritization

**Ruthless prioritization** is often the difference between success and failure. This is only amplified in a time of crisis.

## Bold Wins

"IMPROVED PRIORITIZATION—reducing what we are focused on in order to drive speed."

"Maintained commitment to ONE MAJOR PROJECT on our beginning roadmap—used remaining capacity to be responsive."

"Adjusted resources to PRIORITIZE WHAT OUR MARKET INDICATED was now most important in the new landscape."

## Missed Opportunities

# “KILLED projects.”

“Sunset a product line that was not picking up and focus the strategy.”

“Let go of what’s not working.”

# Internal Investment

One of the most varied areas of response was around whether organizations **increased or decreased internal investments**, and the areas they focused on.

## Bold Wins

**“Put PEOPLE BEFORE PROFIT.”**

**“Able to FILL A COUPLE NEEDED POSITIONS in PM even though company was on a hire freeze.”**

**“CREATED MORE PROCESS around product management.”**

# Missed Opportunities

## “INVESTED MORE in development.”

“Should have started hiring sooner to get good candidates that were laid off elsewhere.”

“Took for granted how much information was communicated in halls/drop-bys.”

# Market Focus

For some, COVID represented an opportunity to pivot to large, untapped markets. But the **speed at which a company could pivot** was key.

## Bold Wins

**"New vertical markets for ESSENTIAL JOBS."**

**"OFFERING NEW PRODUCTS and services aligned with a suddenly sanitized and touchless world."**

**"Focused on new markets that were less affected by events. DOUBLED DOWN ON SOME MARKETS forced into digital transition by events."**

## Missed Opportunities

# “Market/revenue DIVERSIFICATION.”

“We saw a surge in demand for certain financing options that was not foreseen. We should have done a better job anticipating the impact.”

“New features to support target audience now having to work from home.”

# Sales & Marketing

Success in sales and marketing focused on two areas: a strong **focus on existing customers** and a **smooth transition to digital events**.

## Bold Wins

**"Turned to 100% CLIENT RETENTION FOCUS, nothing new and shiny."**

**"SHIFTED BUDGETS from travel and tradeshows to content and online ad spend."**

**"Shift the messaging from 'look at us' to 'HERE'S HOW WE'RE CONTRIBUTING'."**

# Missed Opportunities

## “Focus on RETENTION and LOYALTY.”

**“Stayed closer to each client and redirected marketing strategies.”**

**“Monitor how users’ buying changed.”**

# A Look at Product Teams Today

Department sizes ranged from one to 51, with an average size of 16.

## A seat at the table

For the first time, the majority of respondents—**57%**—stated that product is its own department, reporting to itself or directly to the CEO.

# Where do departments report up?

| | |
|---|---|
| 33% | **Product Management** |
| 3% | Product Marketing |
| 12% | Marketing |
| 2% | Sales |
| 15% | Development or Engineering/CIO/Technology |
| 22% | Directly to the President/CEO/Managing Director |
| 0% | Support |
| 1% | Services or Training |
| 12% | Other |

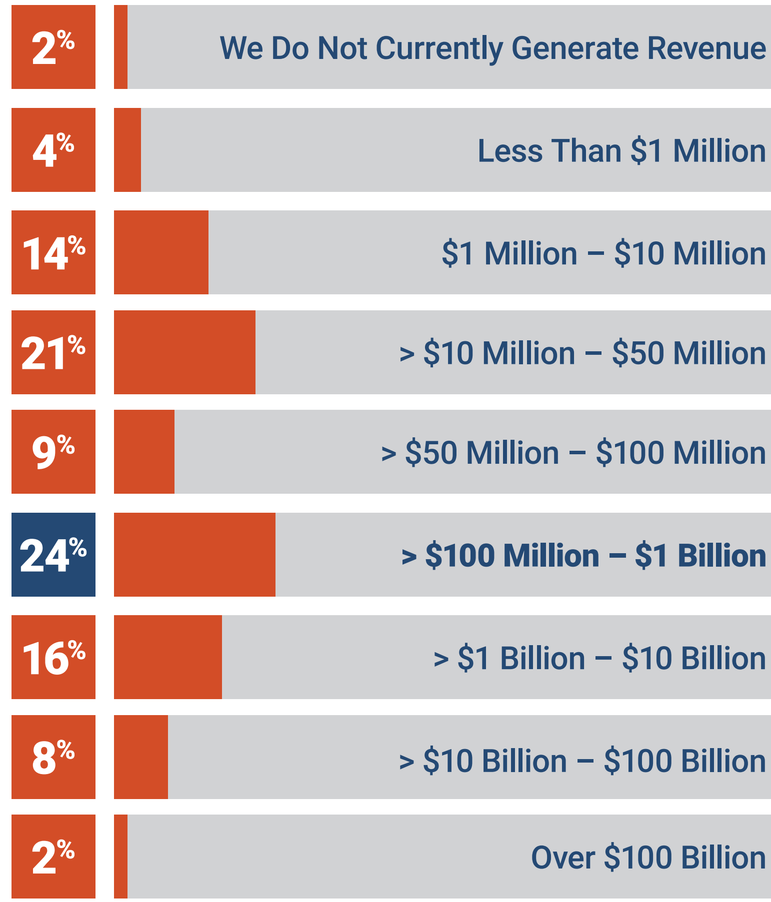
# How organizations measure the success of product teams

Product teams are increasingly being measured on the items closest to the company's bottom line—on-time releases that deliver revenue and satisfy customers.

| | |
|---|---|
| 12% | Number of Releases in a Year |
| 64% | **Product Sales** |
| 44% | Customer Satisfaction or NPS Scores |
| 27% | Market Share |
| 28% | Competitive Positioning |
| 10% | Number of Bugs Reported/Rework Required |
| 16% | Lead Pipeline |
| 30% | Launch/Release Dates Are Hit |
| 16% | Unknown or We Don't Measure |
| 8% | Other |

# The Companies Served

## Revenue & sources



| Primarily B2C | Primarily B2B | About equally B2B and B2C |
|---|---|---|
| 8% | 80% | 12% |

## Types of products offered

| | Software | Hardware | Hosted or Cloud Services | Professional Services or Consulting |
|---|---|---|---|---|
| Types of products offered | 80% | 27% | 52% | 55% |
| Primary source of revenue | 49% | 18% | 18% | 15% |

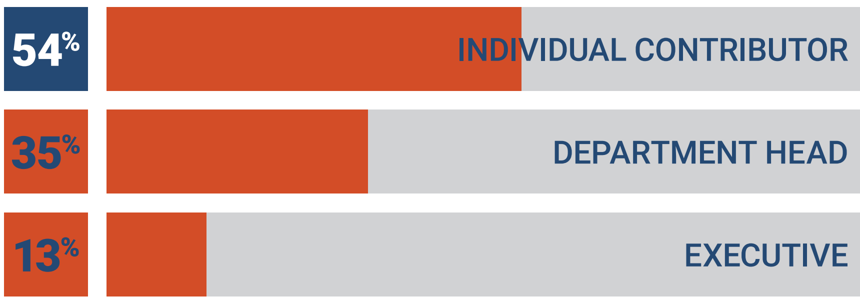
## Primary source of revenue

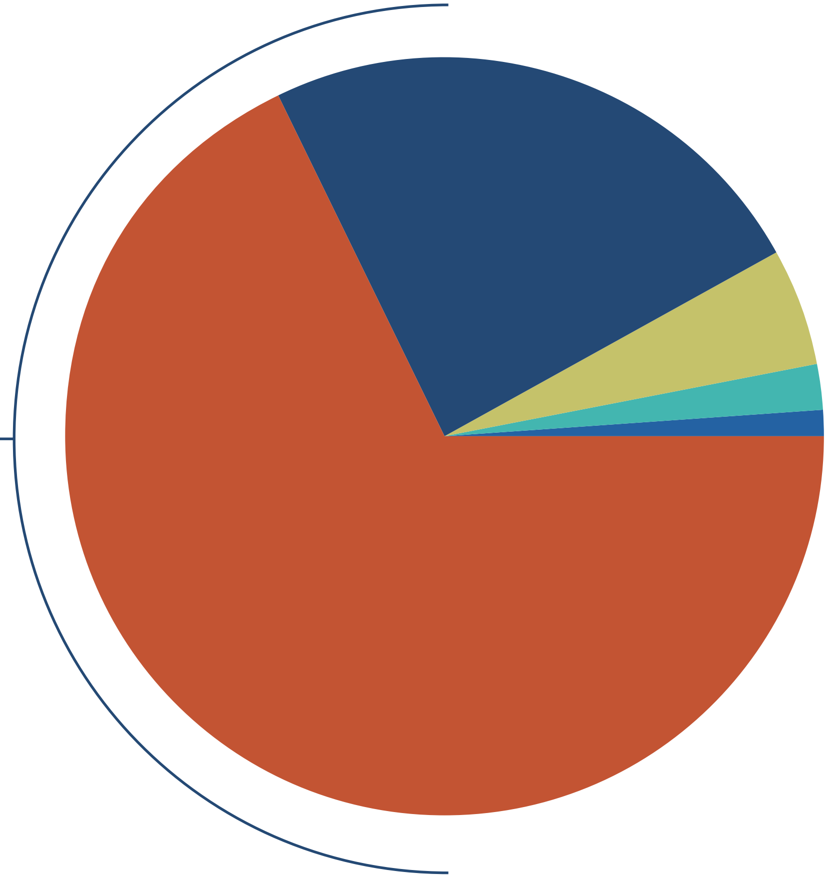
# Industry

- 1% Agriculture and Food Services
- 3% Construction
- 7% Education and Educational Services
- **15% Financial Services and Insurance**
- 13% Healthcare
- 8% Manufacturing
- 14% Professional, Scientific and Technical Services
- 1% Real Estate
- 3% Retail
- 3% Utilities
- 1% Wholesale
- 3% Direct-to-Consumers/ Households
- 28% Other

# The Roles Of Product Team Members Today

## Role



## Number of direct reports

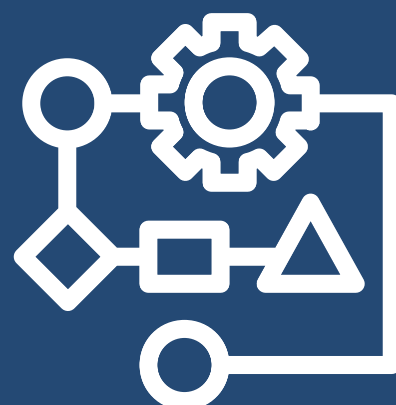
- 1–5: **68%**
- 6–10: **24%**
- 11–15: **5%**
- 16–20: **2%**
- 21–25: **0%**
- More than 25: **1%**

## Number of products managed or worked on

| | |
|---|---|
| 68% | 5 or Less |
| 18% | 6 – 10 |
| 5% | 11 – 20 |
| 3% | 21 – 30 |
| 1% | 31 – 40 |
| 1% | 41 – 50 |
| 4% | More than 50 |

9

**The average respondent works on or manages nine products.**

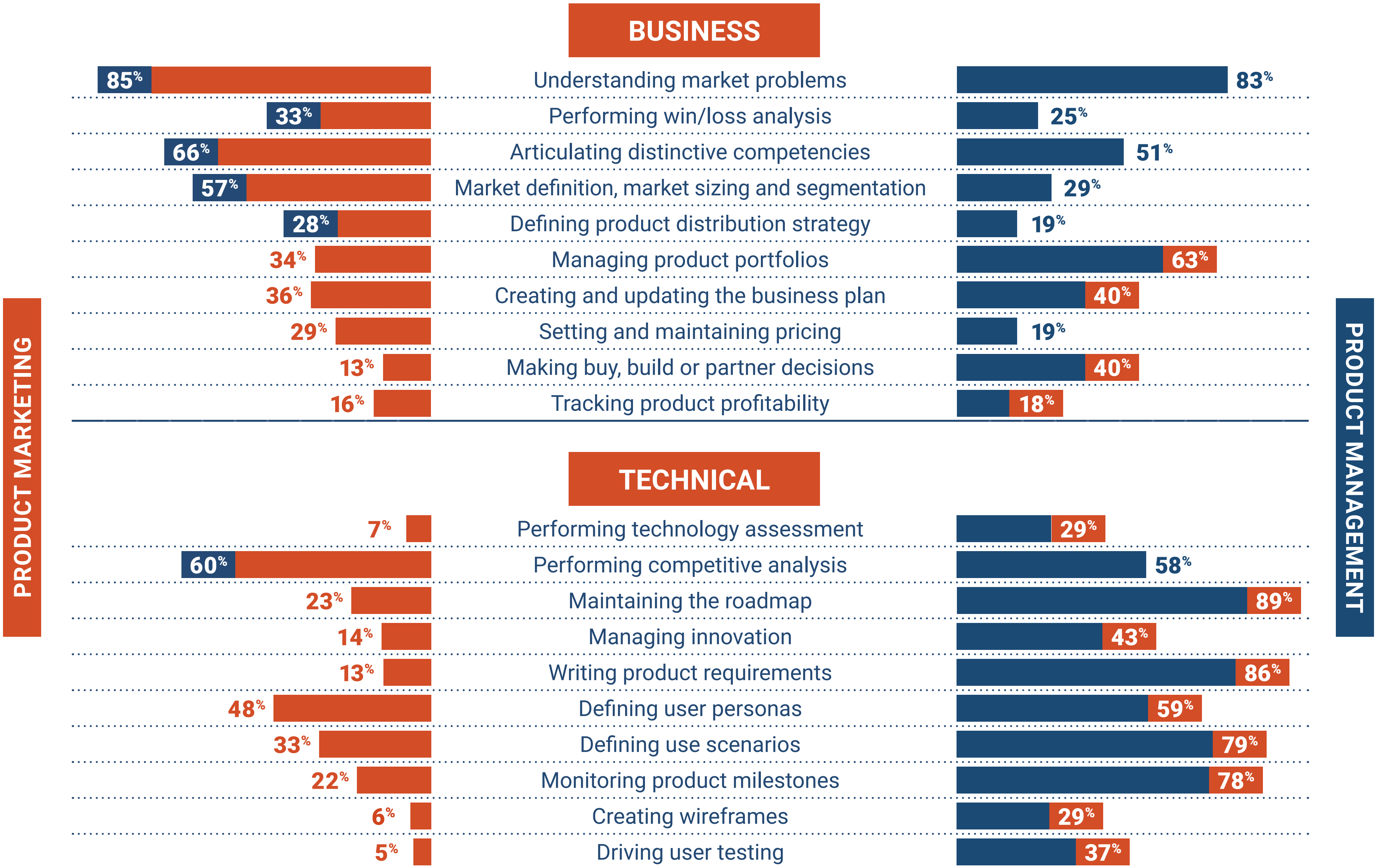


# Product team...

members believe they should spend **53%** of their time on strategic activities, according to this survey. But only **8%** of respondents were able to focus at this level. Over half reported a gap of **25+** percentage points from their strategic goal.

**Discovering new market opportunities for their organization is an under-served activity, no matter who owns it. 69% reported spending zero hours a month interviewing potential customers, 66% spent zero hours on win/loss analysis with evaluators, and 39% reported zero hours interviewing customers. If we're not finding the new opportunities, where will they come from, and will they be market-driven?**

# Who Owns What?



# Time Spent Each Month On Key Activities

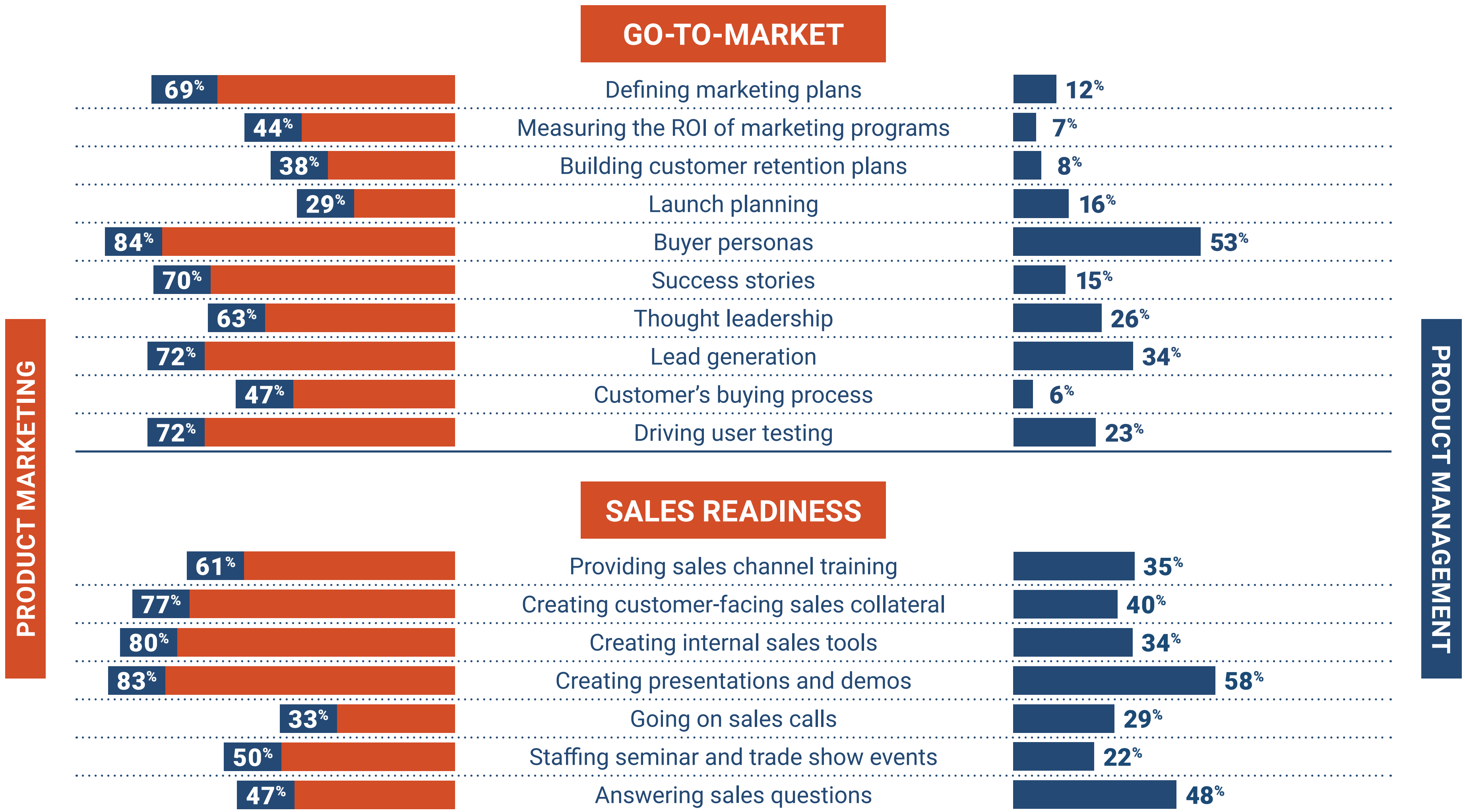
(Both product management and product marketing)

**19** hours articulating and prioritizing product requirements

**12** hours planning and communicating your roadmap

**7** hours analyzing market segments

# Who Owns What?



# Time Spent Each Month On Other Activities

(Both product management and product marketing)

**27** hours managing email

**6** hours creating sales collateral

**6** hours in launch preparation

# SPOTLIGHT: THE EVOLUTION OF PRODUCT MARKETING

## Over the last 7 years...

we've witnessed *(and—we hope—partially helped shape)* a dramatic evolution of the role of product marketing. It is no longer overlooked but seen as a key strategic player and leader in many of today's companies. And nowhere is that truer than in high-growth organizations.

# Profile of a **Product Marketing Manager** in High-Growth Revenue Orgs

**10**

**years in product marketing**

*vs. 13.4 general population*

**3**

**years in current marketing role**

*vs. 3.76 general population*

**58%**

**master's degree or higher**

*vs. 52% general population*

**8**

**products managed**

*vs. 11.7 or other product marketers*

# For Every 1 Product Marketing Professional in the Organization

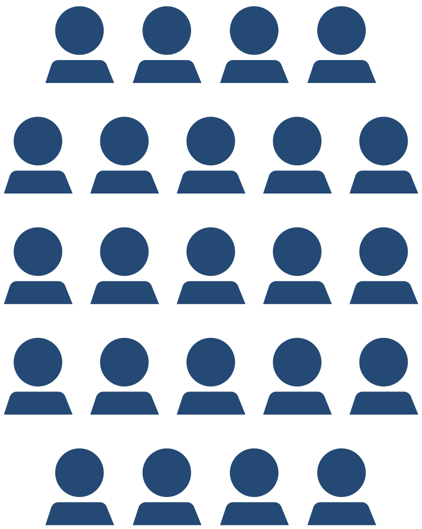
# THERE ARE:

2

**product managers**

2

**marketing communications people**



23

sales people

4

sales engineers

48%

of product marketers at high-growth companies reside in the marketing department; just 9% have product marketing as a separate group. Average department size is 13.

# Key Responsibilities of Product Marketing at High-Growth Companies

**32% of product marketers set and maintain pricing and packaging—this is more than double what we saw just 5 years ago.**

**Ownership of these activities are 10+ pts higher in high-growth companies than others:**

**Understanding customer's buying process**
86%

**Buyer personas**
86%

**Thought leadership**
86%

**Defining user personas**
70%

# Where They Are Spending Their Time

## Sales enablement vs. marcom support

We've noted a shift in the primary focus of product marketing from marketing communications support to sales enablement. This shift is more notable within high-growth organizations.

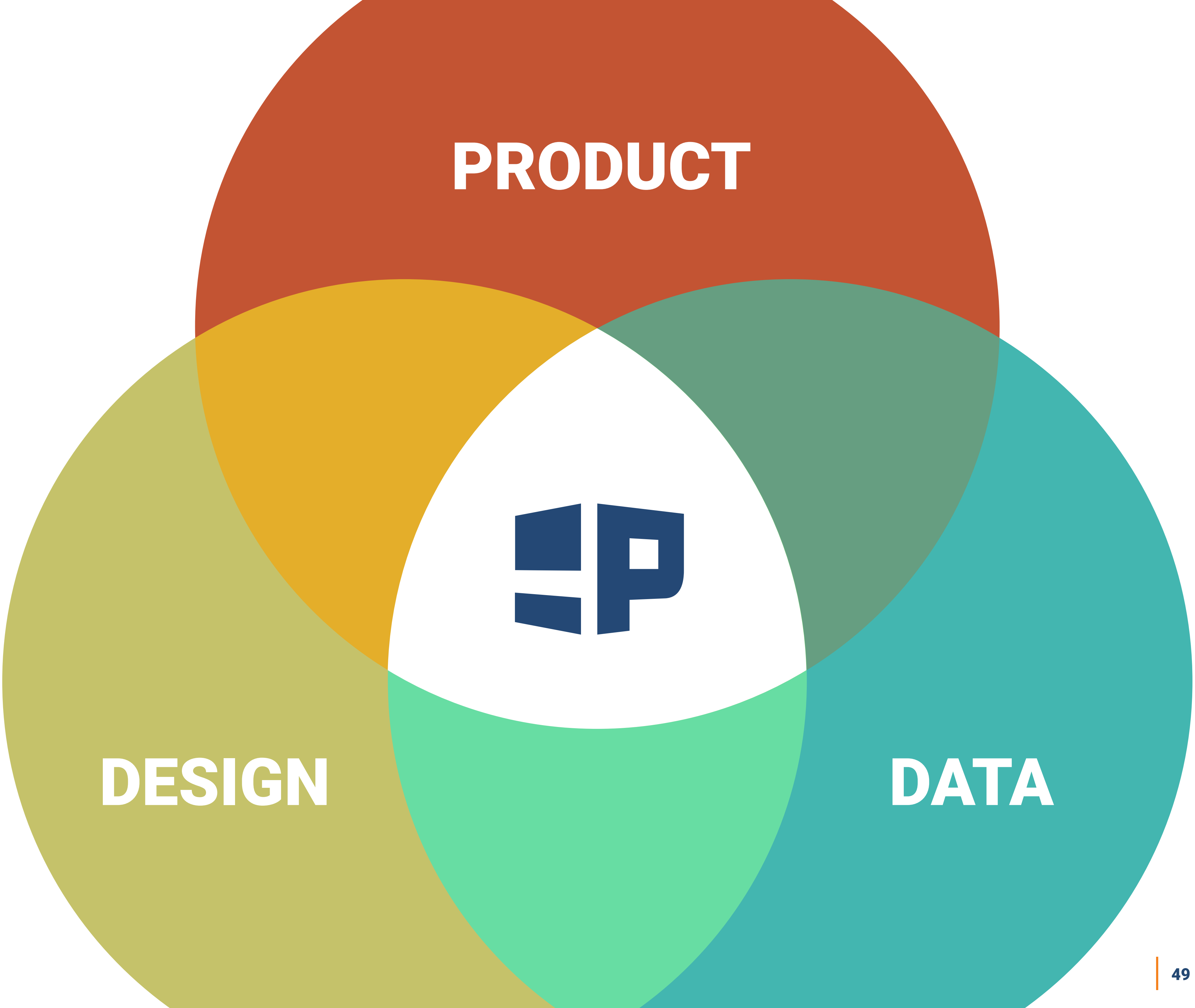
This shift has also culminated in a fairly notable shift in compensation. Those primarily focused on product marketing reported total compensation packages **13%** higher than those in product management. This was across all company growth rates.

| Activitles | Hours per Month | Comparison to Non High-Growth Orgs |
|---|---|---|
| Interviewing customers | 5.37 | 17% |
| Analyzing market segments | 9.52 | 7% |
| Objective investment analysis of potential market opportunities | 8.3 | 13% |
| Researching and documenting the buying process | 8 | 12% |
| Defining plans and budgets for selling products to new customers | 4.46 | -13% |
| Defining plans and budgets for ensuring customer loyalty | 3.63 | -16% |
| **Measuring and tuning product marketing plans to ensure alignment of corporate goals** | 13.88 | 68% |
| Ensuring all departments are prepared for external product launch | 9.42 | 31% |
| Identifying customer referrals and references | 2.38 | -5% |
| **Creating sales collateral** | 21.17 | 90% |
| **Creating sales tools for your sales channel** | 11.88 | 66% |
| Creating or delivering sales channel training programs | 4.46 | 15% |
| Producing standard product presentations and demo scripts | 8.21 | 32% |

# Partners For Success

## The most innovative...

companies are those that have discovered how to leverage and combine the power of data, design and product. How does your company compare to the industry averages in these key partnerships?


PRODUCT
DESIGN
DATA

# SPOTLIGHT: DATA & PRODUCT

**Only 25% of respondents said that big data has changed the way they perform their role to date. But the impact of it on their futures was weighing heavy on their minds.**

The importance of being data-driven is clearly felt by our respondents: when asked how necessary it will be for product teams to be trained in data-driven decision making in the next three years, **54%** said it would be an important differentiator, while **39%** believe it will be mandatory to be hired or retain their position.

While **92%** of total respondents agreed or strongly agreed when asked to rate themselves on the statement **"I am data-driven in my approach to work,"** they also acknowledged the struggles they face to be data-driven. Chief among them were concerns around data living in multiple systems *(making it hard to draw conclusions)* and the desire to be data-driven but lacking access to the data they need, leading to a lack of confidence in predictions being made *(23%, 23% and 17% respectively)*.

Data as a differentiator was also something they were thinking about at the product level. We asked respondents how their companies compare to the competition in terms of the use of big data.

| | |
|---|---|
| Competitors are ahead of us | 40% |
| Competitors are about equal to us | 32% |
| Competitors are behind us | 16% |
| I have no idea | 12% |

## Data...

is a powerful tool to add to strategic discussions, but **10%** of respondents feel that even having that data fails to convince stakeholders. Attempting to get that data from dedicated teams can also be a struggle, with **10%** of respondents feeling that the responses they get back from their data teams don't answer the questions they attempted to ask.

**So, where is being data-driven most powerful for today's product teams? We asked respondents to select three activities that would benefit most from a data-driven approach. The responses clearly favor strategic thinking and positioning in the market:**

**Market problems**
12%

**Pricing**
8%

**Business plan**
5%

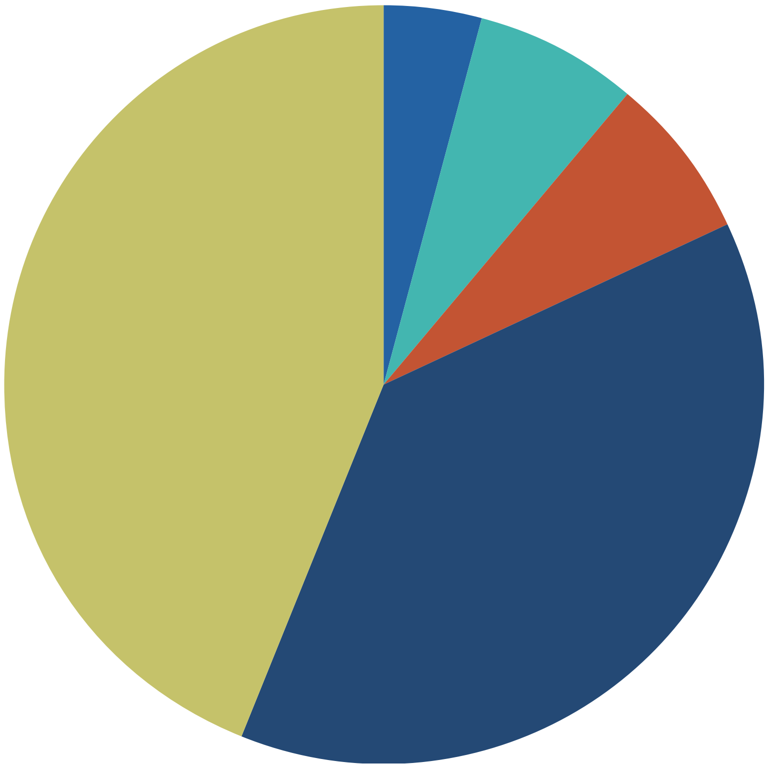
**Win/loss**
5%

**Product roadmap**
10%


STRATEGY
EXECUTION
MARKET
FOCUS
BUSINESS
PLANNING
PROGRAMS
ENABLEMENT
SUPPORT
Business Plan
Positioning
Marketing Plan
Market Problems
Market Definition
Pricing
Buyer Experience
Revenue Growth
Win/Loss Analysis
Distribution Strategy
Buy, Build or Partner
Buyer Personas
Revenue Retention
Distinctive Competencies
Product Portfolio
Product Profitability
User Personas
Launch
Competitive Landscape
Product Roadmap
Innovation
Requirements
Awareness
Sales Alignment
Programs
Asset Assessment
Use Scenarios
Nurturing
Content
Operations
Stakeholder Communications
Advocacy
Sales Tools
Events
Measurement
Channel Training
Channels

# SPOTLIGHT: DESIGN & PRODUCT

90% of our annual survey respondents have a visual interface to their product. With **44%** of respondents actively collaborating with a design resource throughout the design process and **38%** providing feedback on design iterations someone else generates, that interface is clearly a collaborative effort between product and design resources.



- I actively collaborate with a design resource throughout the process – **44%**
- I am uninvolved with the design – **7%**
- I create the design myself – **4%**
- I provide feedback on design iterations someone else generates – **38%**
- I provide requirements but am not otherwise involved in the design – **7%**

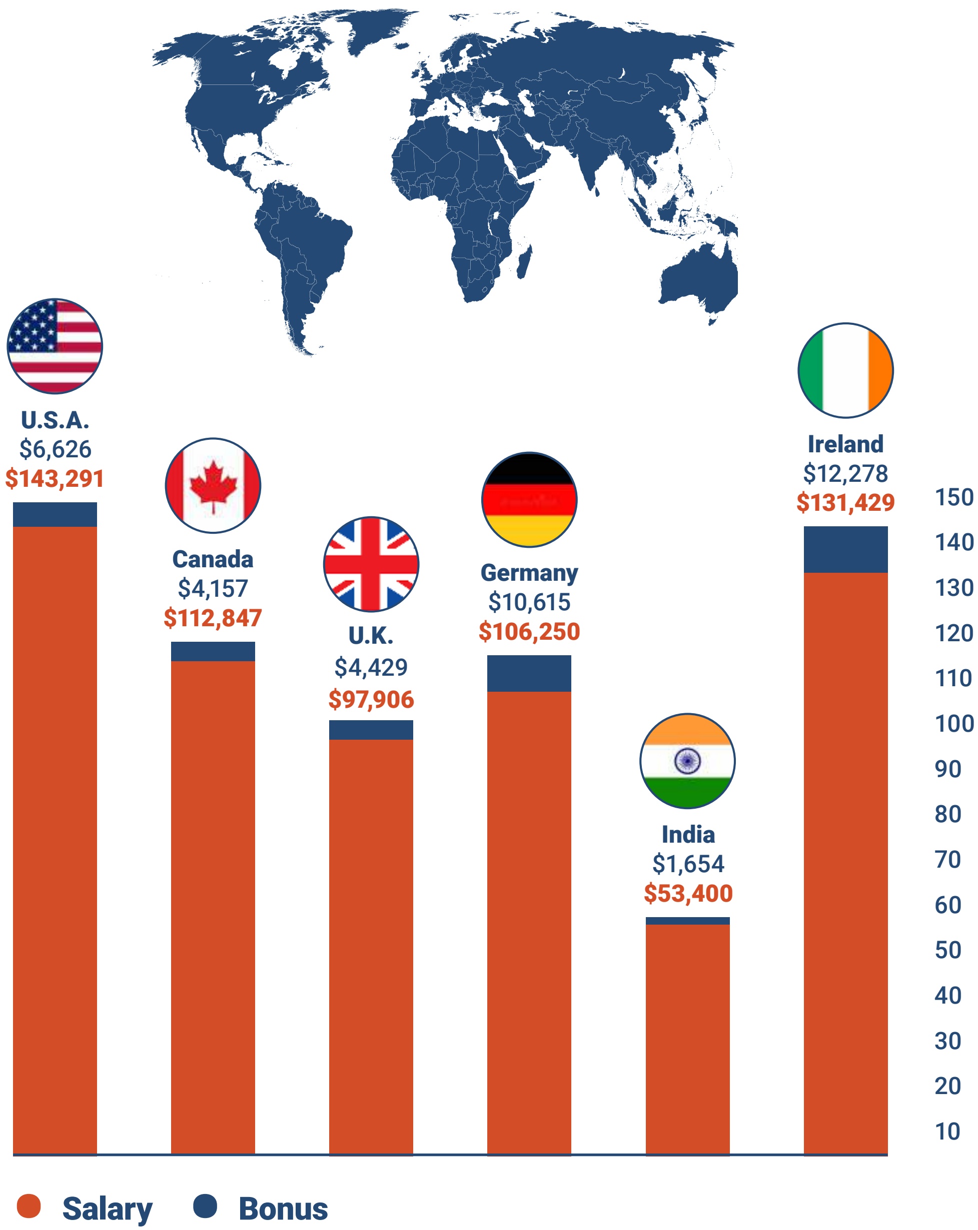
## That collaboration...

is vital but not without its struggles. When we asked product managers what challenges they personally faced around design, **15%** faced challenges making the transition from problem to be solved *(the what)* with execution of a solution *(the how)*; **14%** felt a misalignment with their design teams on what the customer really needed out of a solution; while **13%** struggled in clearly defining what responsibilities were owned by which role.

**While many respondents talked about partnering with designers, there were still questions about responsibilities and roles. 29% of product managers stated that they owned creating wireframes, and 37% stated they owned driving user testing.**

**Our annual compensation reports are used by leading firms and individuals around the world for planning and negotiation. To continually improve the precision of the data we collect, we slightly altered the way these questions were asked. This caused an overall increase in compensation reported. This is reflective of the way the data was collected, not a sizable shift in compensation within the industry.**

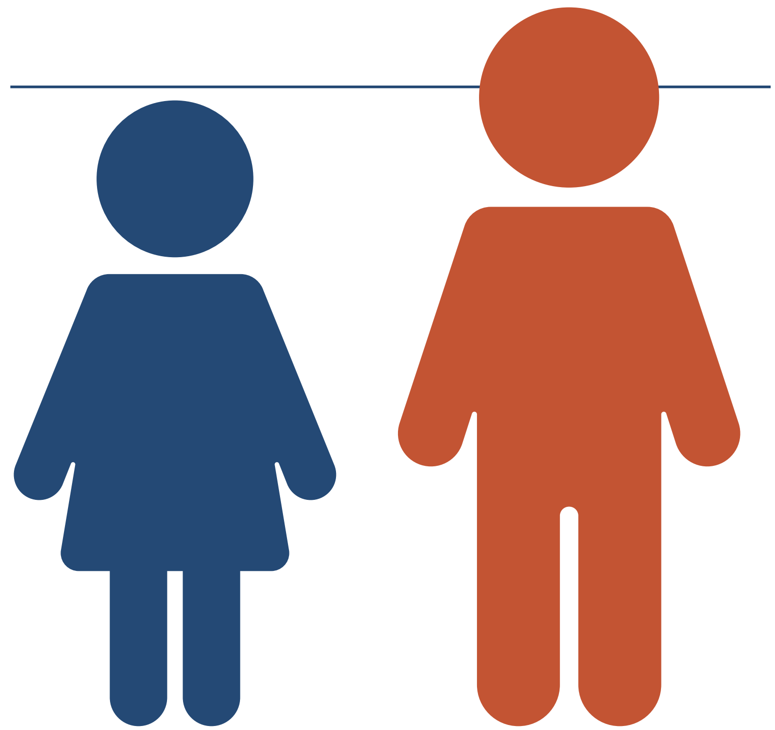
Below is a look at the way product roles are compensated and the key factors affecting pay rates.




## United States of America

| | Salary | Bonus |
|---|---|---|
| Connecticut | $174,000 | $16,056 |
| California | $169,527 | $8,949 |
| Massachusetts | $163,831 | $7,356 |
| North Carolina | $156,000 | $5,107 |
| Georgia | $153,929 | $8,653 |
| Ohio | $146,000 | $8,100 |
| Illinois | $145,000 | $5,481 |
| Virginia | $144,700 | $6,289 |
| Pennsylvania | $141,875 | $8,886 |
| Michigan | $140,000 | $4,167 |
| Colorado | $138,947 | $9,141 |
| Washington | $136,757 | $10,119 |
| Texas | $135,217 | $3,055 |
| Oregon | $134,000 | $9,192 |
| New York | $132,500 | $2,914 |
| Indiana | $130,000 | $8,700 |
| Florida | $127,556 | $7,600 |
| Minnesota | $126,875 | $5,591 |
| Wisconsin | $121,111 | $4,333 |
| Utah | $121,000 | $5,188 |
| Arizona | $113,333 | $2,463 |

# Key Factors Affecting Compensation



## Gender

Males earn an average of 13% more

# Main Area of Focus

The wider the areas of responsibility, the higher the compensation

## $146,879

**Creating and executing go-to-market strategies for products** *(working with sales and marketing, channel support, etc.)*

## $129,500

**Deciding what should go in products** *(gathering requirements from the market, prioritizing, working with development, etc.)*

## $153,464

**Each of the above about equally**

# Education

Those with a Master's earn $15k higher than the average, while the highest bonuses went to those with Doctorates

$15k

PRAGMATIC INSTITUTE

# Practical, actionable training that delivers immediate impact. That's Pragmatic Institute.

**FOUNDATIONS**
Implement a proven, practical blueprint for being market driven.

**MARKET**
Focus your team on the marketing strategies that deliver results.

**FOCUS**
Use market data to identify and present the right product strategies.

**LAUNCH**
Elevate your team's product and marketing launches.

**DESIGN**
Create intuitive product experiences that exceed user expectations.

**PRICE**
Set the right price for each product in each market.

**BUILD**
Align product and development teams to build remarkable products.

**DATA**
Harness the power of data to impact business decisions and accelerate growth.

Pragmatic Institute is *the* transformational partner for today's businesses, providing immediate impact through actionable and practical training.

We focus on building expertise and collaboration within and across data, design and product teams. This allows organizations to accelerate innovation, grow revenue, improve customer satisfaction and drive success.

Our courses are taught by industry experts with decades of hands-on experience, and include a complete ecosystem of training, resources and community. This focus on dynamic instruction and continued learning has delivered impactful education to over 200,000 alumni worldwide.

But we don't just do training—we provide proven methodologies, adaptable resources, battle-tested strategies and world-class support. In fact, thousands of companies around the world—from startups to Fortune 500—rely on our models to drive their business and power their strategies.

If you're ready to empower your teams to create truly innovative solutions for your market, visit PragmaticInstitute.com or call 480-515-1411.

**pragmaticinstitute.com**

PRAGMATIC
INSTITUTE