consensus

Showing Your ROI ✓

Task Management ✓

FAQ ✓

Scaling Your Team ✓

Process Optimization ✓

The Complete Guide to
Product Qualified Leads

Table of Contents

Goodbye MQLs

The writing is on the wall. The MQL (marketing qualified lead) is dying. As much as demand marketers try to optimize them to boost quality and volume, the reality is upon us and it's coming fast. We need a change, and we need it now.

One of the best ways to drive impactful conversations and support conversion outcomes? Find leads who've actively engaged with your product in a way that indicates genuine interest and alignment with your solution. What are these magical leads called? Product qualified leads (PQLS).

Unlike traditional leads that come through marketing campaigns or sales outreach, PQLs have already demonstrated an understanding of your product's value by interacting with it, through a video demo, product simulation, or other hands-on product experience.

This type of lead is invaluable because it signals readiness to engage at a much deeper level than content leads. Content leads just don't equal gains. A huge source of sales ""mal-content" is the quality of marketing MQLs: Over 80-90% of leads are typically content leads that convert at less than 2%.

Paid search is also changing. It's the lifeblood of demand curation, but costs are increasing and results are harder to reach. According to eMarketer, paid search ad spend grew 4% YoY, but impressions declined by 15%. Modern businesses are paying more for lower engagement, and the problem is only getting worse. The CEO of Hubspot estimates that AI will reduce click volume by 25% in the next two years.

Plus, buyers are more educated than ever before. They're no longer entering the purchase process blindly, but rather armed with deep research and clarity regarding the options. Between vendor websites, referrals, review sites, and analysts like Garter and Forrester, they have a wealth of information to use before talking to sales. In fact, according to Gartner, 83% of the buying journey is complete before even talking to sales.

What does all this mean? Sales and marketing teams need to move into the future. Embracing PQLs means aligning with this modern buying process and delivering a sales experience that resonates with informed, self-guided buyers. With product-qualified leads, you can not only identify buyers who are already invested in your product's value but also accelerate the path from interest to conversion by focusing your efforts on leads that matter most.

In this article, learn how to differentiate PQLs from other leads, leverage key insights from PQLs to optimize engagement, and generate more high-quality, conversion-ready leads. Ready to turn your hottest buyers into your happiest customers? Let's dive in!

What are Product Qualified Leads?

Product-qualified leads, sometimes called intent-qualified leads or demo-qualified leads, are strong potential buyers who meet several criteria indicating demand for your product. These leads fit your ideal client profile and already appreciate your product's value. All that's left is to help them understand why they should sign up or upgrade to a paid plan.

A product qualified lead:

- Has used or experienced your product in some capacity, usually through an interactive demo, product tour, or product simulation
- Has taken actions indicating buying intent such as viewing your pricing page
- Falls into your ideal client profile concerning specified location, team size, and other metrics

PQLs usually require a shorter sales cycle, fewer follow-up discussions, and a lighter lift for your GTM teams.

Qualifications for PQLs differ from one business to another. Imagine a SaaS tool was offering a free two-week trial for real estate investors seeking risk management insights. To be determined as a PQL for this product, a trial user might have to:

- Log in to the platform 5-10 times per week
- Run three or more models using the tool
- Share analysis with colleagues or invite collaborators
- Click to learn about premium features such as data exports or additional visualizations
- View the product pricing page

Or perhaps a project management SaaS platform offers an interactive demo to buyers. In order to qualify as PQLs, these buyers might complete actions like:

- Clicking the link to view the demo
- Watching 80%-100% of the demo
- Interacting with the demo to try out the platform firsthand
- Sharing a demo link with colleagues
- Engaging with internal links from the demo to learn more about platform features.

These actions suggest the user has a strong potential to become a paying customer. Since they've used the tool, the sales team can skip the product overview—the buyer has already explored it firsthand.
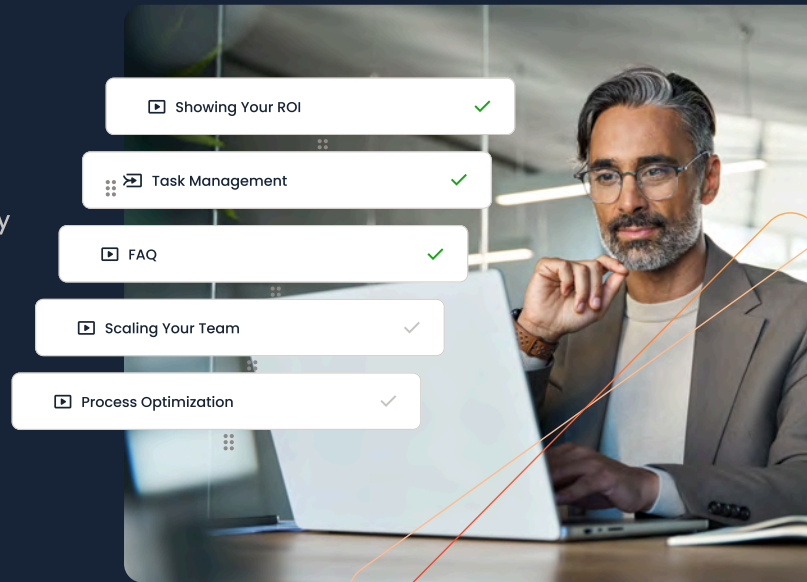
PQL vs MQL vs SQL

Product-Qualified Lead
Experienced their 'aha moment' through first-hand product experience

Marketing-Qualified Lead
Had a meaningful interaction with your marketing materials

Sales-Qualified Lead
Entered details into a landing page or reached out directly

Source: Alore.io - "Generating B2B Sales Leads: The Blueprint for Accelerating Your Business Growth"

Qualified leads are great, but until you dive into the nuances between product qualified leads (PQL), marketing qualified leads (MQL), and sales qualified leads (SQL), it's hard to deliver the appropriate content and next steps for each buyer in your funnel.

MQLs are buyers your marketing team thinks will likely purchase your product...but not just yet.

Teams can use lead-scoring to move people through the funnel and prioritize outreach. While those leads haven't experienced your product and its value yet, they've probably completed actions like:

- Filling out a contact form
- Downloading additional information from your website
- Signing up for your email list

Each of these actions are lead-scoring activities that can guide your team's next steps. MQLs are usually not quite ready for a sales call, but are the perfect group to receive educational and value content from your marketing team.

SQLs are a bit further along in the sales funnel.

These are buyers who are ready to talk with a sales representative and who have engaged with your content for long enough that they conceptually understand what you offer. They differ from PQLs because they haven't experienced your product yet.

MQLs become SQLs once they reach the decision-making stage. Of course, the qualification process to move leads along can differ from company to company. For example, you transition an MQL to an SQL at a Saas company if the buyer books a demo, takes a product tour, or schedules a discovery call. But for an ecommerce business, a buyer might become an SQL if they add items to their cart but don't complete the purchase (especially if they've engaged with high-value products or revisited the site multiple times). This behavior signals a higher buying intent and readiness for a sales interaction, where customer support or a sales rep can help address final purchase barriers, like product fit questions or limited-time offers.

While MQLs need more nurturing content and top-of-funnel information, SQLs are likely ready for bottom-of-funnel materials and sales calls. And a call with an SQL will involve more of a demonstration or product dive than a call with a PQL, who already understands your product and its value.

Why are Product Qualified Leads So Valuable?

Engaged Buyers

Whether they've worked through a self-service demo, used your free trial, or used a product simulation, PQLs have already called themselves out as perfect matches of your ICP. They've seen the value of what you offer enough to sign up for the unpaid versions of your offer—they need what you have.

Not only are PQLs easier to sell to, but they also provide excellent sales and marketing data. Since they represent your target audience and they've demonstrated that they need your solution, paying attention to their behaviors and the messaging they respond to can help supercharge your future conversations.

Shorter Sales Cycles

A sales cycle begins when a buyer discovers your products and ends when you've got a paying customer. An educated buyer fast-tracks the sales cycle. They come prepared with a clear understanding of their needs, specific questions about your product, and a readiness to explore how it fits into their business goals.

This level of preparedness allows sales teams to focus on demonstrating value, addressing unique pain points, and closing deals faster.

Higher Conversion Rates

Since PQLs already see the value of your products, conversion rates are much higher among PQLs than they are among MQLs—5X higher to be exact. If you're generating PQLs by offering a free self-led demo of your product, you'll see much higher conversion rates from them than from someone on your email list who never tried your product.

Focusing efforts on building PQLs leads to higher conversion rates, more sales, and exciting revenue growth.

Improved Customer Satisfaction and Retention

Not only is it easier to convert PQLs into paying customers, but it's also easier to turn them into long-term, satisfied customers that stick around. Some organizations have reduced churn by 60% when they switched their focus to PQLs.

Why such an incredible boost in retention? While SQLs can convert, those new customers could dig into your product only to realize your solution doesn't fit their needs. PQLs have already experienced the ins and outs of your product. When they upgrade out of your freemium version or extend past their free trial, they're met with an improved product they already know how to use and benefit from—making them much more likely to renew, explore additional features, or even expand their usage.

How to Identify and Grow
Product Qualified Leads for Your Team

Identifying and nurturing PQLs will help you handle these leads appropriately, moving them toward "paying customer" status in the most efficient way possible.

1. Observe Product Usage and Behavior Patterns

To identify your PQLs, begin by observing how your buyers are interacting with video demos, product tours, and product simulations. Behaviors will vary based on your product and marketing funnel structure. But in most cases, a PQL has likely engaged in:

- Watching the majority of your demo videos
- Sharing your interactive demo with their team lead
- Signing up for your free trial
- Using a free version of your product
- Logging in to your platform frequently

These behavior patterns help differentiate PQLs from SQLs and MQLs and indicate a higher likelihood of conversion. Accenture found that PQLs are eight times more likely to convert than MQLs.

2. Identify Stakeholders

Identifying key stakeholders ensures you're engaging with a potential PQL who has purchasing authority—these are the people who have the power to make things happen. Before diving into product details or hopping on calls, double-check you're speaking to someone who can make a real impact on that team. It's all about connecting with the decision-makers who can turn interest into action.

Depending on your product, the end user might be the exact stakeholder you need to speak with. But in some company structures, you may need to request an introduction or dig deeper to identify the team member who makes the final investment decision.

Want to make it even simpler? Consensus, a demo automation software, removes the guesswork from identifying stakeholders so sales teams can build a better pipeline. You'll know who the members of your buying group are and exactly how to sell to each of them. The result? You close deals faster with informed, enabled buyers who can view and share content at will and make buying decisions faster.

Learn More About Consensus →

3. Score and Qualify Leads

Use data around product usage, adoption, and user behavior to create a system for scoring and qualifying leads. For example, a lead who exchanged their email address for an *interactive demo* but only watched four minutes of your introduction should be treated differently than someone who watched 90% of your demo video material and clicked into additional literature for each feature.

There are a few ways to score leads. Maybe a lead qualifies for a sales call if they hit certain metrics, like viewing at least 80% of the demo video content, engaging with 50% of the features, and sharing it with one other team member.

Or, you could use a 10-point scoring system that breaks the user behavior down further:

- Up to 4 points for percentage viewed (0 for up to 20%, 1 for up to 40%, 2 for up to 60%, 3 for up to 80%, and 4 for over 80%).
- Up to 3 points for level of engagement with your interactive tours, corresponding to expected actions like link clicks, dashboard creation, or model tests.
- A point for every share, maxing out at 3.

With a consistent scoring system, you can easily prioritize your leads so your busy sales team can use their time effectively.

4. Improve Lead Engagement

Increased lead engagement takes the pressure off the sales team and allows your solution to speak for itself. Lead engagement involves interacting with potential buyers to better understand their needs, priorities, budget, and schedules before diving into more pointed sales tactics.

To improve lead engagement and build out PQLs, take advantage of *demo automation*. Demo automation software allows your buyers to get hands-on experience with your products on their own schedule, without direct oversight from your sales team. Plus, automated demos are shareable, allowing your buyers to champion your solution among shareholders and team leaders.

Consensus allows you to deliver interactive experiences without adding to your revenue teams' workload. From product simulations and tours to interactive demos, the platform provides engaging, on-demand experiences for leads, enabling you to nurture interest and identify top buyers efficiently. This scalable approach lets you focus resources where they're needed most, increasing presales capacity by 30% or more —and closing deals up to 3X faster.
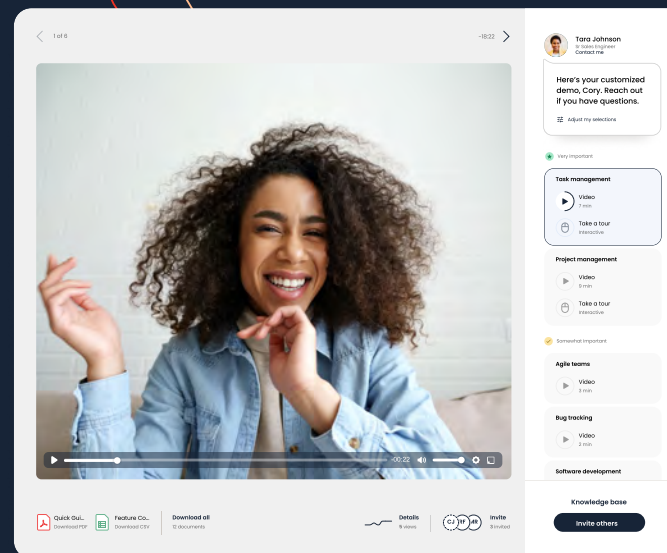
5. Track PQL Metrics

Set monthly or quarterly meetings to review important PQL metrics. Talk through the performance of your videos, your close rate, the volume of PQLs coming through your pipeline, and the new connections with stakeholders at your buyer companies to gain a robust understanding of the trends shaping your broader sales process.

From there, you can identify strengths and bottlenecks and improve your overall strategy one step at a time.

If you're sending out demos, use demo automation software like Consensus to track every click and view to better understand the behavior and needs of your PQLs. With the right engagement data and analytics, you can deliver tailored experiences that move PQLs closer to the close.

232
Demo Views

8
Stakeholders Found
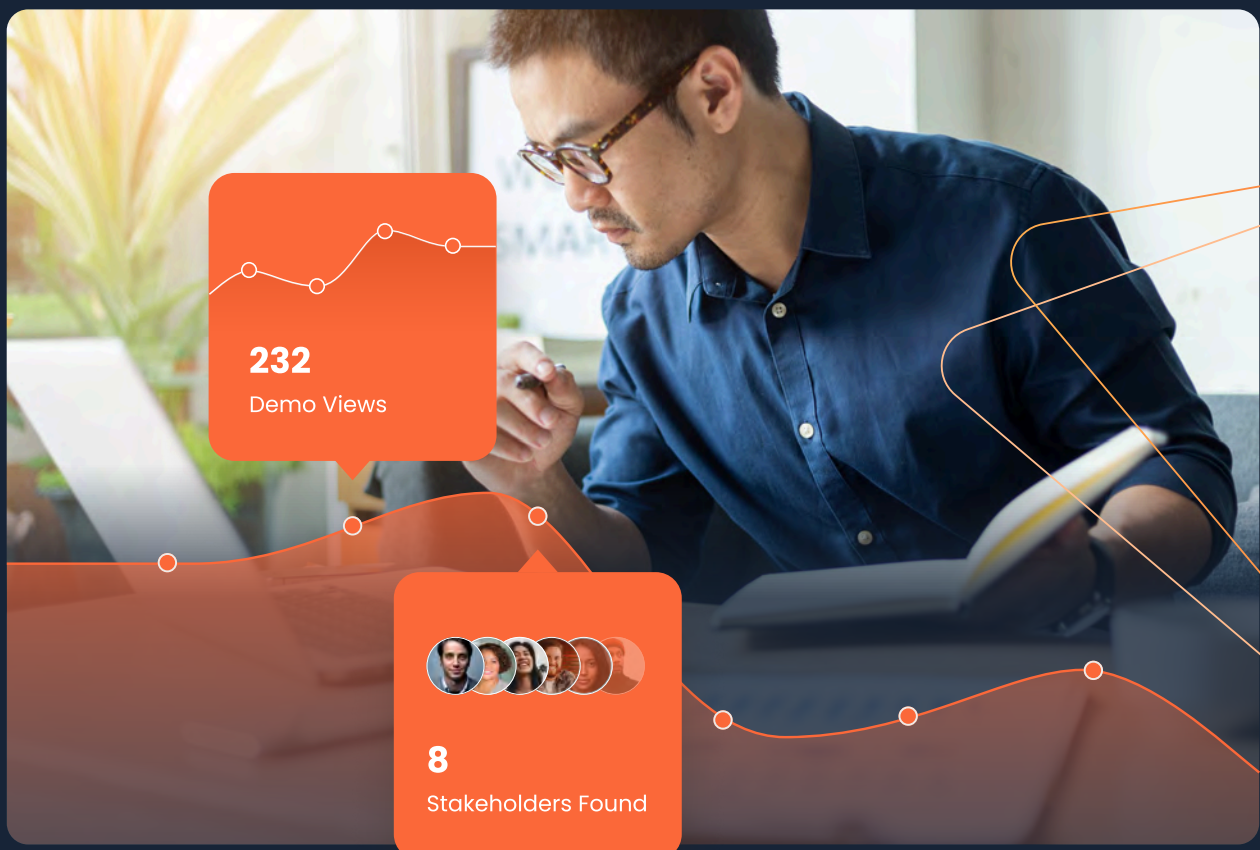
How to Implement PQLs Across Your Business

Marketing

Ideally, marketing teams will have sign-up forms for people who view your ads or land on your website. From there, buyers will consume marketing materials that turn them into PQLs. They should track metrics like demo video views, completion rate of product tours, and feature usage in product simulations. These interactions give insights into which parts of the product spark interest and can signal high engagement and intent to convert.

Tracking those metrics encourages marketing efforts to prioritize high-quality leads—not just the number of sign-ups.

Sales

The sales team is responsible for turning PQLs into paying customers on the best possible plan for their needs. Sales automation can help them convert more leads through interactive experiences and custom, hands-on demos. They can also focus on optimizing LTV (customer lifetime value) and helping free trial customers select the right upgrades for their priorities.

Pre-sales

The pre-sales team can focus on working with PQLs to resolve any technical questions, potential integration issues, and uncertainties about specific features or product tiers. They focus on nurturing PQLs and ensuring they have the best possible experience with your product.

Product

The product team is in charge of how well a product meets its users' needs. This can impact the ratio of PQLs to paying customers and can also play a role in customer longevity and LTV. Product team members can leverage usage data and customer feedback to create and improve product features to support ideal customer outcomes.

Customer Success

The customer success team focuses on upsells, converting sign-ups to PQLs, and converting PQLs into premium customers. By providing hands-on support and tracking customer health, this team aims to increase MRR. Using customer feedback and data from demo interactions, the customer success team converts audience members into PQLs—and then paying customers.
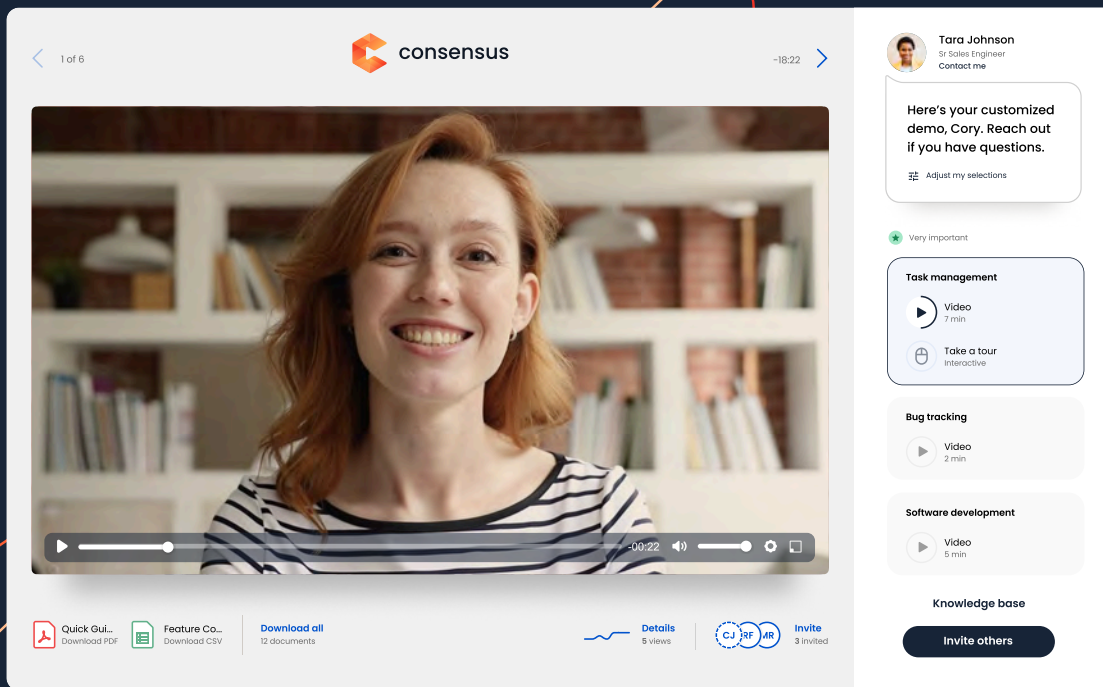
Generate More (and Better) Product Qualified Leads

Make the most of every interaction with potential buyers by shifting focus to generating PQLs. When each team determines generating PQLs as a primary goal, the work of every marketing campaign, follow-up email, and support call becomes much more valuable – and high-converting. Generating PQLs is an excellent strategy for growing revenue, shortening sales cycles, and adding efficiency for every buyer-facing team.

To give your buyers hands-on value and interactive demos to turn them into PQLs, create automated demos using Consensus. With Consensus demos and tours, you enable buyers to spend hands-on time with your solution. Better yet, you make it easy for leads to pull in the stakeholders and decision-makers at their organization who will pull the trigger on investment in your product—without juggling packed calendars.

Automated demos are the best way to show your buyers just what you can do while improving efficiency for both you and your leads. Skip the sales call fluff and the overwhelming information overload–it's time for a scalable solution to generate product qualified leads.

[Watch a Consensus Demo Today](→) →