GO-TO-MARKET & PRICING

What is product-led growth? Product usage is not a growth loop

Product-led growth is a commercial motion, not a usage count. Define the product trigger, handoff, feedback path, and outcome before naming a loop.

Sinan Isoglu, MBA (Quantic)
Commercial growth leader, lecturer and doctoral researcher

PUBLISHED
6 September 2026

READING TIME
6 min

WORDS
1,327

https://isoglu.com/insights/journal/what-is-product-led-growth/

CONTENTS

MANAGEMENT SUMMARY

Product-led growth (PLG) is a go-to-market motion in which product access or use creates an observable route into acquisition, activation, expansion, or sales assistance. Product usage alone is only a signal. This article separates product usage, activation, product-qualified leads, product-led sales, sales-assisted motion, and a repeatable growth loop. A synthetic worksheet shows the trigger, threshold, human handoff, constraint, and later outcome for five accounts. Tiwana et al. provide bounded context on platform architecture and governance, while Steinhoff et al. keep onboarding and post-onboarding stages distinct. The loop test, formula, rows, and review card are author synthesis, not a PLG benchmark or a causal claim.

Keywords: Product-Led Growth · Product Usage · Product-Led Sales · Sales-Assisted Motion · Growth Loop · Product-Qualified Lead

A company can count signups, active users, invitations, and feature events and still lack a growth motion. An event becomes commercially meaningful only when the team can show what it triggers, who receives the work, what happens next, and whether the path can begin again.

Product-led growth is a go-to-market motion in which product access or use creates an observable, repeatable route into acquisition, activation, expansion, or sales assistance. Product usage is a signal inside that motion. It is not the loop, the outcome, or proof of growth.

The activation-rate article owns the first-value cohort metric. The time-to-value article owns elapsed duration to realized value. The go-to-market resource-allocation article owns the wider allocation problem. This page owns the process boundary that turns product evidence into a commercial motion.

What does product-led growth mean?

Use the labels for different objects:

Table 1 What does product-led growth mean?

Object	Observable boundary	What it answers	What it does not answer
Product usage	Event, session, workflow, invitation, or consumption	What did a user or account do?	Whether it wants to buy or will retain
Activation	Declared first-value event in a fixed window	Did the unit reach an early value milestone?	Whether a repeatable growth path exists
Product-qualified lead	Product threshold crossed under an eligibility rule	Which units are ready for a defined handoff?	Budget, authority, or opportunity creation
Product-led sales	Seller action triggered or informed by product evidence	How does human selling enter the product path?	That the seller caused the outcome
Sales-assisted motion	Human support changes the next commercial step	Where does assistance occur and under what rule?	That assistance is always superior
Growth loop	Trigger, transfer, feedback, and next-entry path recur	Can the motion produce another qualified entry?	A single usage event or a one-time campaign

Table from this essay. Sources and interpretation are given in the article.

The distinction prevents a common category error. A product may be easy to use without generating qualified referrals. A high-usage account may need procurement or security work before expansion. A seller may close a deal after a product signal without that signal having caused the deal.

What makes a product event a loop trigger?

A practical loop test has four parts:

1. Trigger: a declared product event crosses a threshold at a named user or account grain.
2. Transfer: the event creates a next action, such as an invitation, referral, expansion cue, or accepted sales handoff.
3. Feedback: the next action changes an observable product or commercial state.
4. Next entry: the changed state creates another eligible trigger without relying on an unrecorded manual rescue.

The loop can be interrupted by a security review, an unqualified plan, a missing owner, a capacity limit, or a procurement process. Those are not inconvenient details. They are part of the motion's boundary and should remain visible.

For a threshold-based handoff, one author convention is:

qualified handoff rate = accepted sales handoffs / accounts crossing the product threshold

The rate describes a declared interface. It does not measure loop strength, conversion, incremental revenue, or product-market fit.

What do the studies contribute?

Tiwana, Konsynski, and Bush describe platform evolution as a coevolution of platform architecture, governance, and environmental dynamics. That framework is useful as a boundary reminder: product access, control rights, and ecosystem participation can evolve together. It does not define PLG, provide a self-service benchmark, or establish that a particular platform design causes growth.

Steinhoff and colleagues distinguish onboarding from post-onboarding in a B2B digital-subscription setting and report different observed relationships across those stages. A product event during onboarding therefore should not be silently treated as a post-onboarding growth outcome. The study is observational and does not identify a universal PLG effect.

What does a PLG worksheet look like?

The five rows below are synthetic. They show a trigger, the rule that follows it, the human action, and the result at a named horizon. They are not product telemetry, customer records, or a PLG benchmark.

Figure 1 The synthetic product-led growth worksheet

ID	Product event	Qualification rule	Human or system action	Day-30 state
PLG-01	Three active roles and an invitation	Threshold met	No sales handoff; invite path retained	Active account
PLG-02	Five reports exported in 14 days	Threshold met	Sales accepts handoff	Opportunity created on day 14
PLG-03	High usage from one admin user	Threshold met for activity only	Security constraint holds expansion	Handoff held
PLG-04	Admin event plus procurement meeting	Product signal plus human evidence	Sales-assisted motion begins	Opportunity created
PLG-05	One trial login and one report	Threshold not met	No handoff	Trial inactive

Author's synthetic PLG worksheet grounded in Tiwana, Konsynski and Bush (2010) and Steinhoff et al. (2025). Product events, thresholds, handoffs, constraints, and outcomes are illustrative, not company data.

The worksheet contains three threshold crossings: PLG-01, PLG-02, and PLG-03 under the activity rule. Only PLG-02 and PLG-04 enter the displayed sales path, because PLG-03 is held by a security constraint and PLG-04 includes human evidence rather than product usage alone. The counts are illustrative states, not a conversion rate.

When is usage not a growth loop?

Usage is not a loop when the next action is absent, the receiver cannot accept the event, the event does not alter a later state, or the motion depends on a one-time manual intervention. A dashboard with daily active users can describe usage. It cannot, by that fact alone, show acquisition, activation, expansion, or sales assistance.

Table 3 When is usage not a growth loop?

Observed pattern	Missing object	Correct disposition
Many events from one user	Account-level qualification and buying context	Keep as product signal
Threshold crossed, no owner	Transfer and acceptance rule	Hold the handoff
Seller accepts, no next product state	Feedback or outcome link	Report as accepted handoff
One campaign creates referrals	Repeatable next entry	Label as campaign result, not loop
Usage falls after a security review	Constraint and lifecycle stage	Preserve the interruption

Table from this essay. Sources and interpretation are given in the article.

The absence of a loop is not a product failure by definition. It is a finding about the evidence needed to call the motion product-led.

What does product-led growth not measure?

PLG does not measure product-market fit, customer willingness to pay, lower acquisition cost, faster sales cycles, retention, or incremental revenue by itself. It is not a universal operating model and it is not a reason to remove human support from a complex buying process. A product signal can improve the next decision while remaining non-causal evidence about the final outcome.

If the team wants to test whether a PLG intervention changes acquisition, expansion, or revenue, it needs a comparison design with a declared exposure, eligible population, capacity boundary, outcome, and observation window. The existence of a usage-to-sales path is not that design.

How should a team review a PLG motion?

1. Name the product event, unit grain, eligibility rule, and threshold.
2. Record the exact transfer rule and receiving owner.
3. Capture acceptance, constraints, response, and next product or commercial state.
4. Separate onboarding activity from post-onboarding usage and outcome.
5. Test whether the path can begin again without an unrecorded rescue.
6. Report usage, qualified handoff, opportunity, and later outcome as separate rates or states.
7. Change the motion only with a dated comparison and a declared outcome design.

Product-led growth is a process claim. Product usage is one input. A growth loop exists only when the trigger, transfer, feedback, and next entry are all observable.

Steinhoff, L., Kim, J. J., Kanuri, V. K., & Palmatier, R. W. (2025). Unintended consequences of selling B2B digital subscription add-ons for customer onboarding. Journal of the Academy of Marketing Science, 53, 1447-1481. https://doi.org/10.1007/s11747-025-01088-3

Tiwana, A., Konsynski, B., & Bush, A. A. (2010). Platform evolution: Coevolution of platform architecture, governance, and environmental dynamics. Information Systems Research, 21(4), 675-687. https://doi.org/10.1287/isre.1100.0323

END OF ESSAY

HOW TO CITE THIS ESSAY

Isoglu, S. (2026, September 6). What is product-led growth? Product usage is not a growth loop. Sinan Isoglu. https://isoglu.com/insights/journal/what-is-product-led-growth/

KEEP READING

Go-to-market & pricing
What is partner-led growth? A channel needs a counterfactual
https://isoglu.com/insights/journal/what-is-partner-led-growth/

Go-to-market & pricing
What is price adjustment cost? Changing a price changes more than a number
https://isoglu.com/insights/journal/what-is-price-adjustment-cost/

Go-to-market & pricing
Dynamic pricing needs a trigger, constraint, and explanation
https://isoglu.com/insights/journal/dynamic-pricing-needs-a-trigger-constraint-and-explanation/

Sinan Isoglu, MBA (Quantic)
Commercial growth leader, lecturer and doctoral researcher

Online version: https://isoglu.com/insights/journal/what-is-product-led-growth/