



# The HubSpot Ecosystem: Nearly \$19 Billion in New Opportunity Ahead

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## IN THIS WHITE PAPER

This white paper sizes the ecosystem of products and services that accompanies cloud software sold by HubSpot, a United States–based customer relationship management (CRM) platform provider.

These add-on products and services include additional software, IT services, business services, and infrastructure, as well as specialized services and software that support marketing, sales, and customer service departments utilizing HubSpot cloud subscriptions.

The sizing includes a forecast to 2024 that relies on IDC forecasts of various IT and cloud market segments, as well as the results of a global survey of 205 companies conducted in late 2020.

# Executive Summary

- ▶ HubSpot, sure to pass a billion dollars in revenue this year, is riding a wave of cloud software growth, as the cloud market grows from 2% of IT spending in 2011 to 22% in 2024.
- ▶ IDC expects the HubSpot revenue base to migrate outward from marketing departments (about three quarters of revenue in 2020 to two-thirds in 2024) and from North America (about 60% in 2020 to less than 50% in 2024).
- ▶ The HubSpot ecosystem is forecast to grow faster than HubSpot as its revenue grows from \$4.8 billion in 2020 to \$12.5 billion in 2024.
- ▶ This growth represents an opportunity of *new* revenue above today's level for the ecosystem of \$18.8 billion over the next four years.<sup>1</sup>
- ▶ The ecosystem that supports HubSpot customers with add-on products and services is more than five times bigger than HubSpot today and is expected to be more than six times bigger by 2024.
- ▶ The challenge for HubSpot will be to keep up with growth and manage an ever more diverse and complex customer and partner base.

<sup>1</sup> This is the sum of revenue in 2021, 2022, 2023, and 2024 above the revenue of 2020.

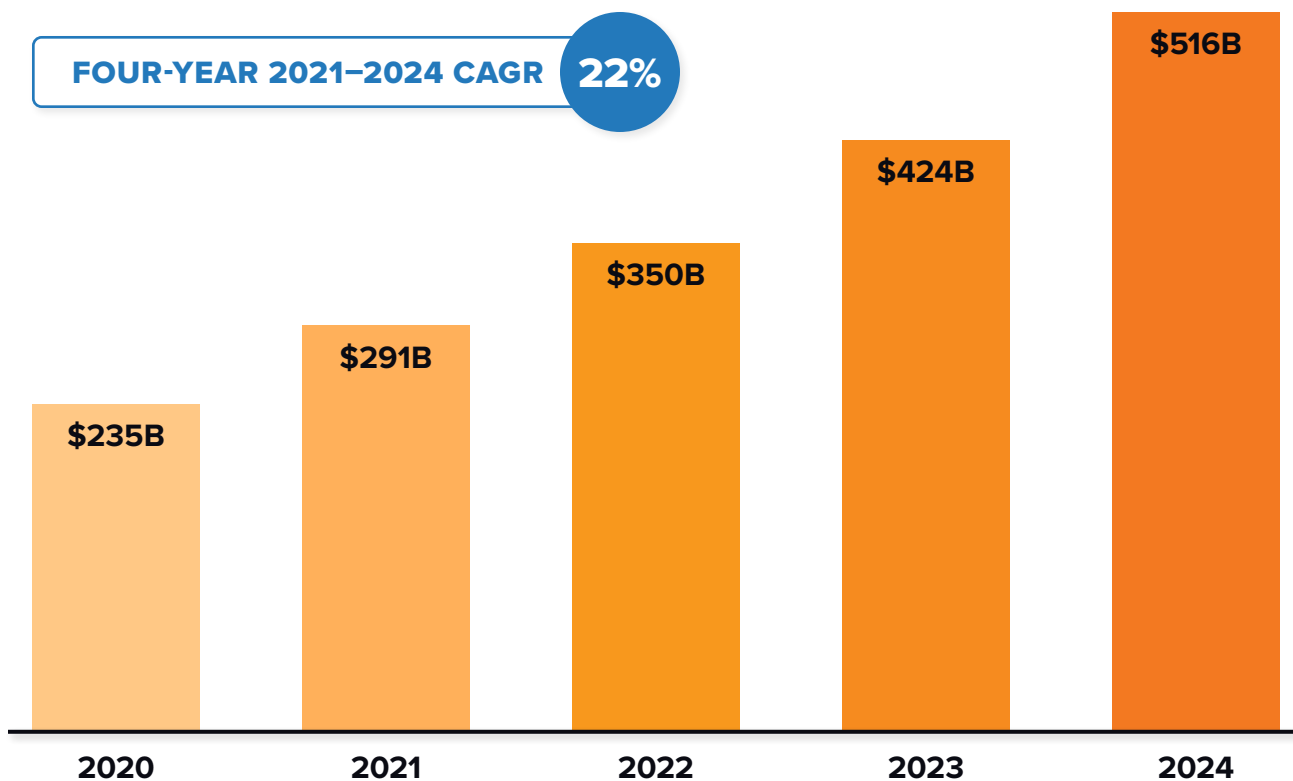
# The Importance of Cloud

The rise of HubSpot—from a half-billion dollars in revenue in 2018 to that expected billion dollars in 2020—is intimately linked to the rise of cloud computing. Ten years ago, cloud computing was less than 2% of IT spending worldwide. In 2021, it will be 14%. In 2024, we expect it to be 22%.

Even more pronounced is the penetration of cloud into the software market. Excluding infrastructure as a service, which is basically shared hardware, cloud software will go from less than a third of all software sold in 2019 to 70% in 2024.

Figure 1 shows growth of cloud computing worldwide—22% a year—from 2020 to 2024. In HubSpot’s major market sector, enterprises with fewer than 2,000 employees, growth is even slightly faster.

**FIGURE 1**  
**The Rapid Growth of Cloud Computing:**  
**Worldwide Spending on Cloud Computing, 2020–2024 (\$B)**



Source: IDC, 2021

## But cloud computing is not just growing fast—it is also powering massive change in the use of technology:

- ▶ Cloud-related software and services accounted for 23% of all software and services supporting enterprise digital transformation<sup>2</sup> (DX). By 2024, that will reach 31%.
- ▶ Digital transformation will drive spending in support of marketing, sales, and customer support, with uses cases for automating omni-channel marketing, digital selling, and customer onboarding and success more than doubling in four years.
- ▶ While cloud software spending grew 25% in 2019, the impact of COVID-19 caused it to grow only 20% in 2020. Noncloud software, which grew 6% in 2019, dropped to 0% in 2020.

# The HubSpot Environment

As HubSpot nears the billion-dollar revenue threshold, it finds itself expanding outward in multiple ways. Last year, for instance, IDC believes that more than 75% of HubSpot revenue was focused on marketing-oriented solutions embodied by its Marketing and CMS Hubs. And, while we forecast those to grow, we expect them to fall under 65% of revenue by 2024, with sales and customer support solutions, via HubSpot's Sales Hub and Service Hub, contributing a greater portion of revenue as a result of higher growth rates as these Hubs are earlier in their adoption cycles.

IDC also expects HubSpot customers to become increasingly international, with North American revenue going from nearly 60% of the total in 2020 to under 45% by 2024. IDC also expects to see HubSpot's market presence continue to expand into upper midsize companies. HubSpot's software capabilities and back-end scalability have been improving for several years to support more complex teams and go-to-market models in larger organizations.

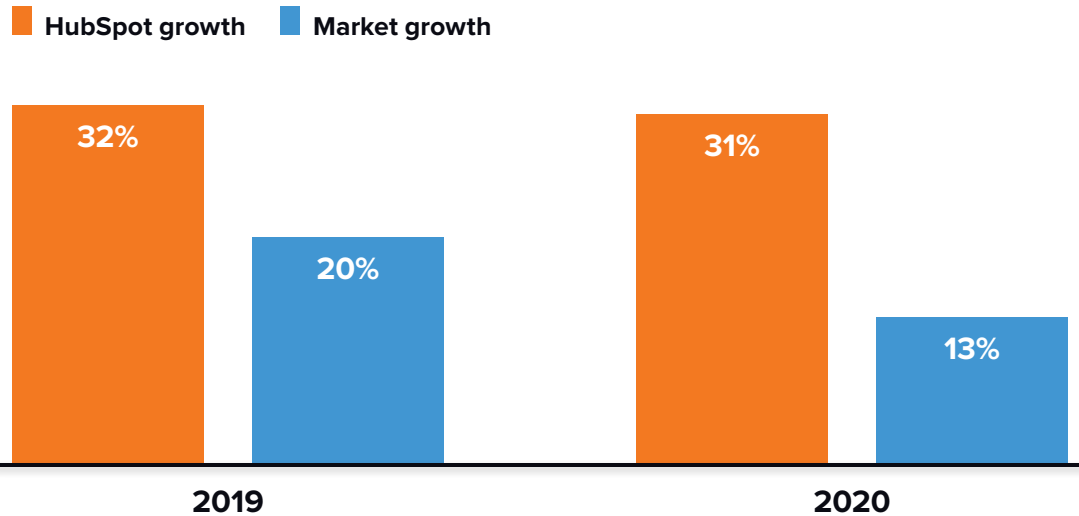
Meanwhile, the marketing, sales, and customer support areas in which HubSpot and its ecosystem concentrate are in a fervor of change. IDC's Digital Transformation Spending Guide lists 184 discrete cloud-related use cases, a quarter of which involve marketing, sales, or customer support. That 25% will drive a third of documented use case spending from now to 2024 and will grow at >20% a year.

The vibrancy of these particular use case areas helps explain HubSpot's growth within the cloud marketing, sales, and customer service categories. To date, HubSpot has grown at better than twice the rate of its target market<sup>3</sup> segments, as shown in **Figure 2** (next page).

<sup>2</sup> IDC defines digital transformation as the continuous process by which enterprises adapt to, or drive disruptive changes in, their customers and markets, leveraging digital competencies to innovate new business models, products, and services that blend digital and physical and business and customer experiences while improving operational efficiencies and organizational performance.

<sup>3</sup> The target market segment data comes from a dozen representative cloud software categories in marketing, sales, and customer services out of a list of 78 in IDC's Software Tracker. These proxy categories range from advertising and digital commerce applications to marketing campaign management and persuasive content management applications.

**FIGURE 2**  
**HubSpot's Growth Relative to the Market, 2019 and 2020**



Source: IDC, 2021

# The Effervescent Customer-Facing Markets

There are many forces driving demand for digital transformation related to customer-facing functions in every business.

Chief among them is the pandemic-accelerated digitization of brand-buyer relationships from digital ready to digital first to digital only. All three modes will continue, but the mix has shifted to the latter. Given that the effects of the pandemic will continue through most of 2021, IDC expects many businesses will find their customers normalized around the convenience and safety of contactless commerce.

This requires strong capabilities across all facets of the digital buyer's journey from awareness through consideration, purchase, success, advocacy, and repeat/renew cycles. This, in turn, demands expansive digital engagement capabilities, automation, and integration between marketing, sales, and service.

The ubiquity of mobile and the demands of social distancing have created a digital-first/digital-only mentality for most consumers and business customers. Sellers must engage digitally, but to provide a holistic experience, they must deploy technology in a coordinated way across multiple customer-facing functions. The key to doing so is to implement standards for operations, governance, data definitions, and technical integration.

Over the past decade, the only way to build a complete infrastructure technology was based on “best of breed” departmental systems. But this approach leads to a lack of customer centricity because the systems are not specified based on managing customer experiences across them.

Today, most large enterprises prefer integrated suites for their cloud/SaaS solutions, and small and medium-sized enterprises have the ability to select systems from a single vendor built on a common back end for customer data management, process orchestration, event management, and more.

### **Underlying shared services are essential to enabling every customer interaction to enhance every other interaction:**

- ▶ **For a customer service call** to dynamically change the timing or content of a marketing message
- ▶ **For a cluster of web visits** to update the lead score of a company in real time
- ▶ **For a sales call** to trigger customized marketing collateral on a customer-by-customer basis

Fundamentally, if the underlying infrastructure isn’t customer centric, nothing will be.

As a result, companies cannot continue to implement departmental solutions independently. These systems need to be funded, deployed, and operated as an end-to-end infrastructure regardless of whether they are bought at the same time or as steps on a road map.

Most importantly, the data layer of the infrastructure needs to be a service that is available across the front office. Specifically, the CRM should not be defined as a departmental system but as an enterprise resource that complies with data standards and integrates through open APIs. At the application layer, each department will need multiple systems as the company grows, adding greater capabilities and complexities. This, by the way, opens up big opportunities for HubSpot partners to develop and deliver a wide range of software and the related implementation, integration, and operation services.

However, technology is only the foundation. A host of technical skill sets and operational best practices are needed to realize the full potential of the digital infrastructure.

Almost all businesses, especially small and midsize companies, will need to leverage outside services to meet the demands of competing on digital platforms. Service opportunities for HubSpot partners include all activities across these departments, from running Facebook ad campaigns to producing content; from scoring leads based on what ads, web pages, and videos a customer has seen to customizing sales content and enablement; from developing customer support knowledge bases to implementing self-service resources; from building web apps to migrating websites and implementing CRMs; and many more.

The next section describes the top near-term needs of HubSpot customers; a full list is included in the Appendix section.

# The HubSpot Ecosystem

As mentioned previously, to support the marketing, sales, and customer support functions that drive customers to use HubSpot cloud software, customers need a constellation of other products and services. For instance, of respondents asked about 16 discrete marketing software needs—from account-based marketing to video production—over the next 12 months, only 4% of respondents said “none of the above.” On the contrary, respondents said that they needed more than five additional types of software on average to support marketing, sales, and customer support. Similarly, when asked about 19 additional marketing services, only 4.5% said none of the above. **Tables 1–3** show the top 5 service needs for marketing, sales, and service/support functions. Together, they represent a growth roadmap for partners to expand their skills and account relationships.

**TABLE 1**

## Top 5 Additional Marketing Services HubSpot Customers Need in Next 12 Months

|                             | HubSpot Customers |
|-----------------------------|-------------------|
| Search engine optimization  | 38.9%             |
| Social marketing            | 35.4%             |
| Email marketing             | 34.3%             |
| Video production            | 34.3%             |
| Content/creative production | 31.3%             |

n = 161, Source: IDC's HubSpot Customer Survey, 2020

**TABLE 2**

## Top 5 Additional Sales Services HubSpot Customers Need in the Next 12 Months

|  | HubSpot Customers |
|--|-------------------|
| Sales and marketing alignment          | 43.9%             |
| Sales methodology                      | 32.3%             |
| Training on virtual/video sales skills | 29.6%             |
| CRM implementation                     | 28.6%             |
| Sales enablement content               | 27.5%             |

n = 189, Source: IDC's HubSpot Customer Survey, 2020



TABLE 3

**Top 5 Additional Support Services HubSpot Customers Need in the Next 12 Months**

|                              | HubSpot Customers |
|------------------------------|-------------------|
| Customer survey and analysis | 45.6%             |
| Knowledge base development   | 40.4%             |
| Customer success training    | 37.4%             |
| Customer support training    | 35.1%             |
| Help desk implementation     | 27.5%             |

n = 204, Source: IDC's HubSpot Customer Survey, 2020

Fulfilling the needs listed previously in Tables 1–3 as well as scores, if not hundreds, of other services is the role of the HubSpot ecosystem, and many, but not all, official HubSpot partners.

**For expediency's sake, IDC has grouped hundreds of add-on revenue opportunities into four buckets:**



In fact, customer spending on these add-on products and services is much larger than spending on HubSpot cloud software. **Figure 3** (next page) shows IDC's forecast size of the HubSpot ecosystem in terms of its ratio of revenue to HubSpot revenue.

Last year, that ratio was 5:1. By 2024, it will be more than 6:1.

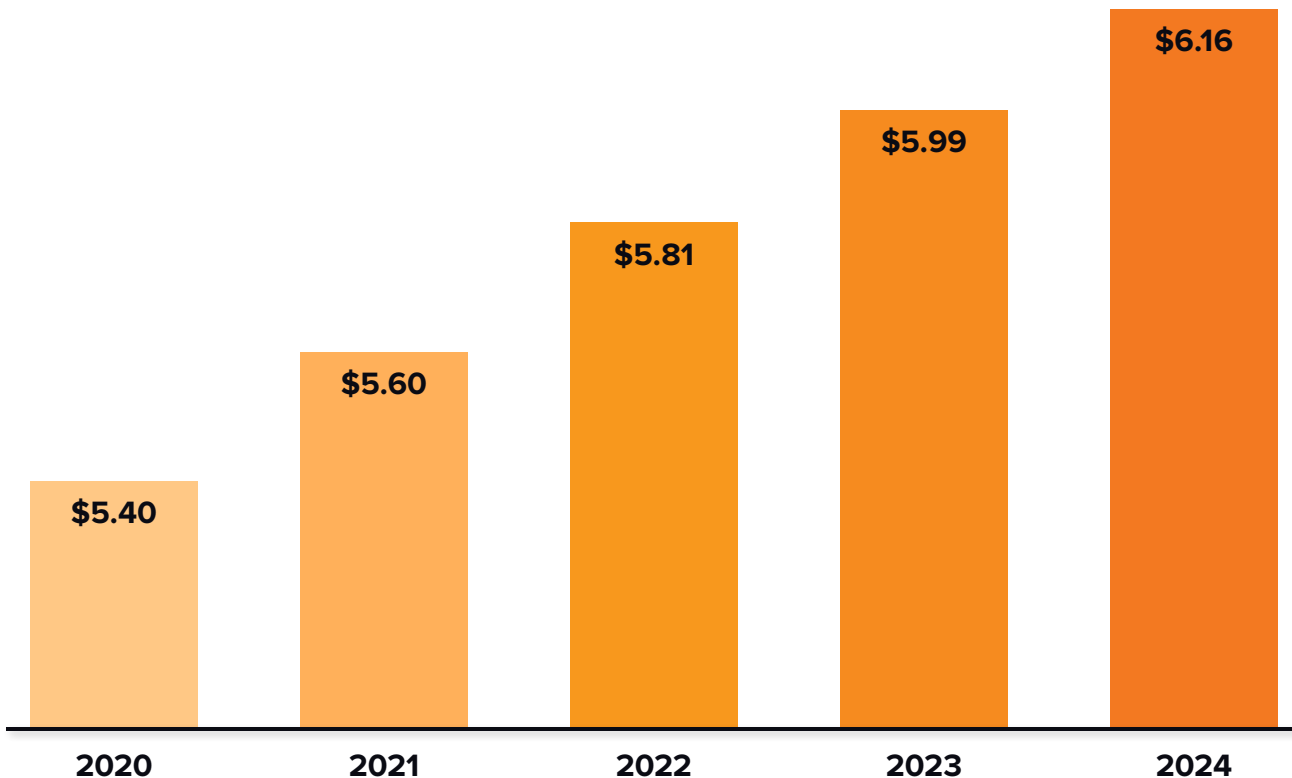
<sup>4</sup> These software categories include system infrastructure, security, application development, general administrative and finance, data management, and analytic applications, along with multiple software types specific to the functions of marketing, sales, and customer support.

<sup>5</sup> These services categories include IT outsourcing, systems integration, custom application development, end-user and IT training, and network and device management, along with services specific to the functions of marketing, sales, and customer support.

<sup>6</sup> This is primarily network line charges but also includes some on-premises client devices/upgrades to support implementations and infrastructure to support add-on cloud services.

**FIGURE 3**

**The Footprint of the HubSpot Ecosystem, 2020–2024  
Ecosystem Revenue per \$1 of HubSpot Revenue**



Source: IDC, 2021

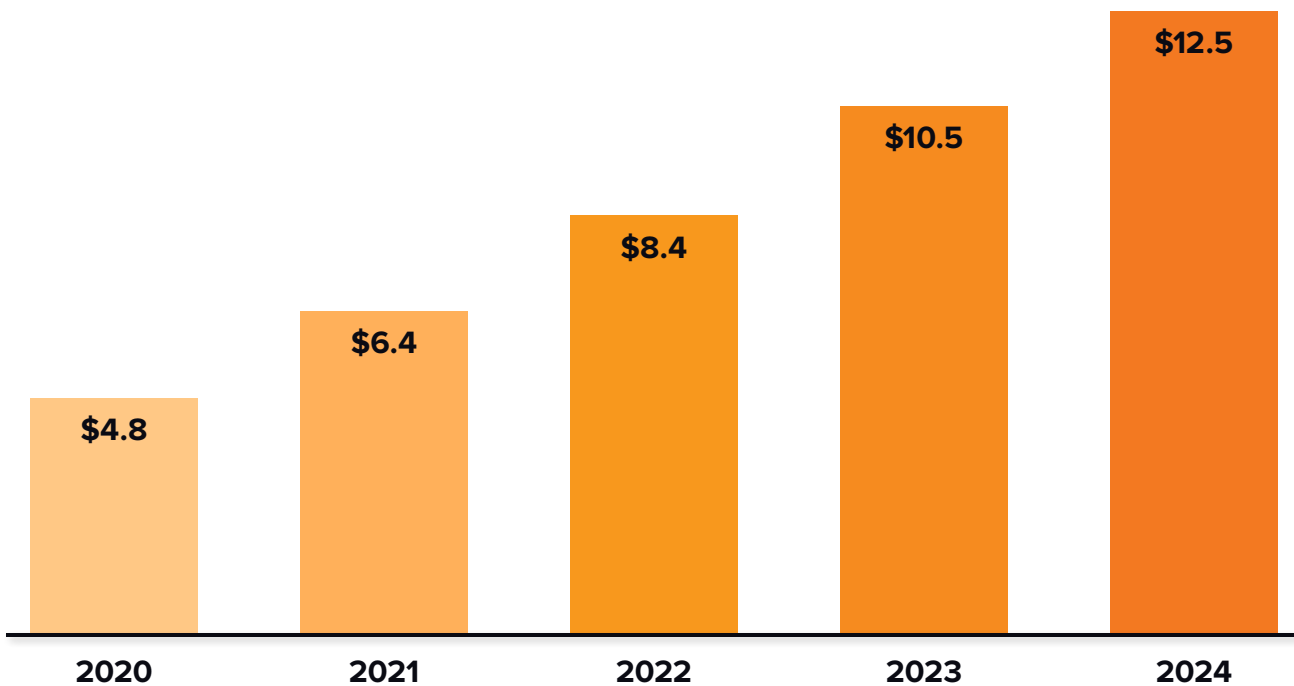
Thus the ecosystem is not just bigger than HubSpot, it’s also growing faster. This is the result of automation needs expanding over time, the need to interconnect and integrate multiple software applications and service efforts, and HubSpot’s active recruitment of partners as the company expands into new geographies, functional areas, and enterprise-size classes.

Put it all together and IDC predicts that over the next four years, the HubSpot ecosystem will more than double in size and, in aggregate,<sup>7</sup> bring in \$18.8 billion in revenue above and beyond the 2020 level as shown in **Figure 4** (next page).

<sup>7</sup> This is the difference from each year’s revenue above 2020 revenue and then summed.

**FIGURE 4**

**HubSpot Ecosystem’s Total Available Market Worldwide, 2020–2024 (\$B)**

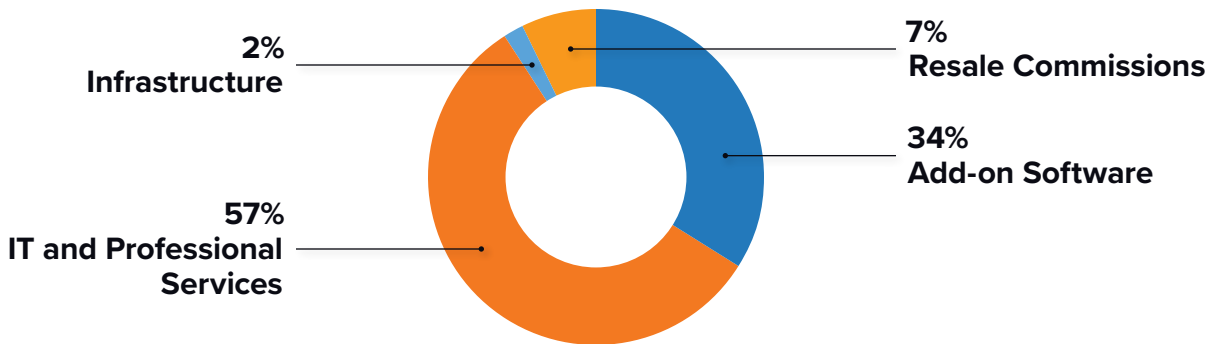


Source: IDC, 2021

Figure 5 shows the category breakdown. Although not shown in Figure 5, most of the software and services revenues will come from products specialized to support marketing, sales, and customer support functions.

**FIGURE 5**

**HubSpot Ecosystem’s Category Breakdown, 2021–2024**



Source: IDC, 2021

The geographic changes expected by IDC will be fairly pronounced, with the EMEA-based ecosystem growing faster than the North American ecosystem and the ecosystem serving the rest of the world growing faster than the EMEA ecosystem.

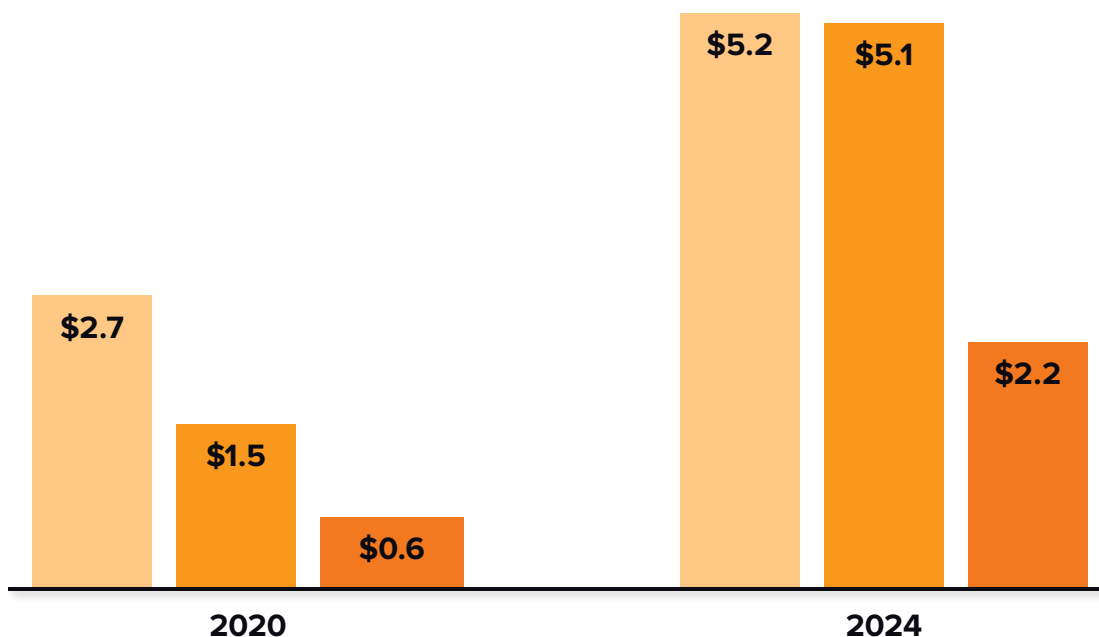
Figure 6 shows the regional comparison.

**FIGURE 6**

**HubSpot Ecosystem’s Geographic Expansion, 2020 and 2024**

Revenue by Region (\$B)

■ North America 
 ■ Europe, Middle East, Africa (EMEA) 
 ■ Rest of the World (ROW)



Source: IDC, 2021

IDC also expects that the ratio of ecosystem revenue to HubSpot revenue will be slightly higher in EMEA than North America and slightly higher in the rest of the world than EMEA. The assumption here is that it will be easier for HubSpot to work through partners than establish local operations in far-flung geographies.

# Challenges

**If HubSpot's expansion and that of its ecosystem are to continue, the company will have to deal with some clear challenges:**

- ▶ Growth alone will have to be managed. It will require new processes, staff, practices, and layers of management.
- ▶ Geographic expansion will require new localization tools, new local presence, an expanding management hierarchy, and continuing support of partners.
- ▶ As HubSpot's offerings expand and grow from solely marketing oriented to sales and customer service, customers will be looking for integration tools and services, while partners will be looking for tools to support cross-selling.
- ▶ As with many high-tech companies growing fast, skilled staff may be difficult to find. And skills will constantly change as digital transformation turns customers more data dependent.

But HubSpot has already passed some impressive hurdles, expanding its product line, selling in nearly 120 countries, and remaining profitable while investing in growth. And HubSpot's core market outlook is good, which bodes well for the company.

# Conclusion and Outlook

The influence of digitalization on buyer behavior and the overall economy requires businesses to be as agile, responsive, and empathetic as they can be. Cataclysmic changes can take place at any time on any scale globally or locally, presenting unpredictable challenges that require new approaches and solutions.

If the COVID-19 pandemic has taught businesses anything, it is that adaptability is the greatest competitive advantage of all. Companies that can reinvent their people, processes, and technology the fastest and most efficiently will win as a result of their ability to not only adapt to new market conditions but also create them.

As they say, the best way to predict the future is to invent it. But to do so requires a technology infrastructure that is simplified, streamlined, connected, and flexible. Buyers want responsive, empathetic engagement to be coordinated across all their interactions. Businesses cannot get away with optimizing each function based on departmental data and insights. If the components of the enterprise are to act as one across the customer journey, the infrastructure must enable data to drive innovation everywhere.

This trend to ever more digital, ever more integrated, is a major growth driver for HubSpot and its partner ecosystem. The work of the next decade for HubSpot and its partners will be to provide the software and services customers need to grow and compete on customer experience. Across marketing, sales, and service that comprises a broad set of opportunities for partners to expand the offerings they deliver on the HubSpot solutions, as well as related software and services. To capitalize on this and outperform their peers, HubSpot partners will have to create road maps for growth, invest in their skills, expand go-to-market activities, and sustain high levels of customer support capabilities.

# Appendix

## Data Tables

The regional growth of the HubSpot ecosystem is provided in **Table 4**. A list of additional service and support opportunities for HubSpot partners are presented in **Table 5**.

**TABLE 4**  
**HubSpot Ecosystem's Regional Growth, 2020–2024**

|  | 2020    | 2021    | 2022    | 2023     | 2024     | Net Gain from 2020* | Four-year CAGR | % of Total TAM |
|--|---------|---------|---------|----------|----------|---------------------|----------------|----------------|
| <b>Worldwide</b>                           |         |         |         |          |          |                     |                |                |
| <b>Ecosystem revenue (\$M)</b>             |         |         |         |          |          |                     |                |                |
| Add-on generic software                    | \$363   | \$493   | \$649   | \$822    | \$987    | \$1,499             | 28%            | 8%             |
| Add-on function-specific software          | \$1,197 | \$1,631 | \$2,132 | \$2,645  | \$3,098  | \$4,717             | 27%            | 25%            |
| Function-specific services                 | \$1,859 | \$2,507 | \$3,289 | \$4,151  | \$4,970  | \$7,483             | 28%            | 40%            |
| Standard IT and business services          | \$845   | \$1,141 | \$1,475 | \$1,832  | \$2,147  | \$3,215             | 26%            | 17%            |
| Infrastructure                             | \$170   | \$214   | \$277   | \$326    | \$353    | \$490               | 20%            | 2.6%           |
| Resale commissions                         | \$334   | \$457   | \$605   | \$771    | \$930    | \$1,427             | 29%            | 8%             |
|  | \$4,768 | \$6,443 | \$8,426 | \$10,546 | \$12,486 | \$18,830            | 27%            | 100%           |
| <b>Ecosystem ratio to HubSpot revenues</b> | 5.40    | 5.60    | 5.81    | 5.99     | 6.16     |                     |                |                |
| <b>North America</b>                       |         |         |         |          |          |                     |                |                |
| <b>Ecosystem revenue (\$M)</b>             |         |         |         |          |          |                     |                |                |
| Add-on generic software                    | \$226   | \$291   | \$359   | \$425    | \$475    | \$645               | 20%            | 10%            |
| Add-on function-specific software          | \$703   | \$909   | \$1,109 | \$1,269  | \$1,368  | \$1,842             | 18%            | 27%            |
| Function-specific services                 | \$1,076 | \$1,355 | \$1,653 | \$1,922  | \$2,103  | \$2,731             | 18%            | 40%            |
| Standard IT and business services          | \$414   | \$527   | \$635   | \$724    | \$778    | \$1,008             | 17%            | 15%            |
| Infrastructure                             | \$79    | \$91    | \$118   | \$133    | \$134    | \$161               | 14%            | 2%             |
| Resale commissions                         | \$157   | \$198   | \$240   | \$278    | \$304    | \$394               | 18%            | 6%             |
|  | \$2,655 | \$3,370 | \$4,115 | \$4,750  | \$5,163  | \$6,780             | 18%            | 100%           |
| <b>Ecosystem ratio to HubSpot revenues</b> | 5.20    | 5.40    | 5.60    | 5.70     | 5.80     |                     |                |                |
| <b>Europe, Middle East, Africa (EMEA)</b>  |         |         |         |          |          |                     |                |                |
| <b>Ecosystem revenue (\$M)</b>             |         |         |         |          |          |                     |                |                |
| Add-on generic software                    | \$101   | \$149   | \$213   | \$290    | \$372    | \$619               | 39%            | 7%             |
| Add-on function-specific software          | \$352   | \$513   | \$723   | \$965    | \$1,202  | \$1,993             | 36%            | 24%            |
| Function-specific services                 | \$568   | \$839   | \$1,194 | \$1,627  | \$2,094  | \$3,483             | 39%            | 42%            |
| Standard IT and business services          | \$299   | \$421   | \$571   | \$754    | \$931    | \$1,480             | 33%            | 18%            |
| Infrastructure                             | \$33    | \$45    | \$58    | \$71     | \$81     | \$124               | 25%            | 1%             |
| Resale commissions                         | \$117   | \$171   | \$240   | \$324    | \$411    | \$677               | 37%            | 8%             |
|  | \$1,470 | \$2,137 | \$2,998 | \$4,030  | \$5,092  | \$8,376             | 36%            | 100%           |
| <b>Ecosystem ratio to HubSpot revenues</b> | 5.60    | 5.80    | 6.00    | 6.20     | 6.40     |                     |                |                |

|  | 2020  | 2021  | 2022    | 2023    | 2024    | Net Gain from 2020* | Four-year CAGR | % of Total TAM |
|--|-------|-------|---------|---------|---------|---------------------|----------------|----------------|
| <b>Rest of the World (ROW)</b>             |       |       |         |         |         |                     |                |                |
| <b>Ecosystem revenue (\$M)</b>             |       |       |         |         |         |                     |                |                |
| Add-on generic software                    | \$36  | \$53  | \$77    | \$107   | \$140   | \$235               | 41%            | 6%             |
| Add-on function-specific software          | \$142 | \$209 | \$300   | \$411   | \$528   | \$881               | 39%            | 24%            |
| Function-specific services                 | \$215 | \$313 | \$441   | \$601   | \$773   | \$1,269             | 38%            | 35%            |
| Standard IT and business services          | \$132 | \$193 | \$268   | \$354   | \$438   | \$728               | 35%            | 20%            |
| Infrastructure                             | \$59  | \$78  | \$101   | \$122   | \$138   | \$205               | 24%            | 6%             |
| Resale commissions                         | \$60  | \$89  | \$125   | \$169   | \$216   | \$357               | 37%            | 10%            |
|  | \$643 | \$936 | \$1,313 | \$1,765 | \$2,232 | \$3,674             | 36%            | 100%           |
| <b>Ecosystem ratio to HubSpot revenues</b> | 5.98  | 6.09  | 6.20    | 6.32    | 6.42    |                     |                |                |

Note: totals may not sum to 100% due to rounding.  
Source: IDC, 2021

**TABLE 5**  
**A Gamut of Additional Service and Support Opportunities for HubSpot Partners**

| <b>Services Need in the Next 12 Months</b>   |  |  |
|--|--|--|
| <b>Marketing Services</b>  | <b>Sales Services</b>  | <b>Customer Support Services</b>   |
| <ul style="list-style-type: none"> <li>Advertising/media buying</li> <li>Branding</li> <li>Campaign execution</li> <li>Campaign planning</li> <li>Community management</li> <li>Content/creative production</li> <li>Content/inbound marketing</li> <li>Conversational marketing</li> <li>Design</li> <li>Email marketing</li> <li>Email templates</li> <li>Event planning/management</li> <li>Mobile/app marketing</li> <li>Public relations</li> <li>Search engine optimization</li> <li>Social marketing</li> <li>Social media home pages</li> <li>Video production</li> <li>Website rebuild/website migration</li> </ul> | <ul style="list-style-type: none"> <li>CRM implementation</li> <li>CRM migration</li> <li>Sales and marketing alignment</li> <li>Sales enablement content</li> <li>Sales methodology</li> <li>Telesales</li> <li>Training on virtual/video sales skills</li> </ul> | <ul style="list-style-type: none"> <li>Customer success training</li> <li>Customer support training</li> <li>Customer survey and analysis</li> <li>Help desk implementation</li> <li>Knowledge base development</li> </ul> |
| <b>Other Services</b>  |  |  |
| <ul style="list-style-type: none"> <li>Data management</li> <li>Contact lists/data enrichment</li> <li>Custom API integrations</li> <li>System implementation and integration</li> <li>System configuration and administration</li> <li>Network and data security</li> <li>Privacy and compliance</li> <li>System operations</li> </ul>  |  |  |

Source: IDC, 2021



## Methodology

For nearly two decades, IDC has been sizing the ecosystems for software vendors utilizing IDC market studies, forecasts, and surveys that illuminate the links between software and the services and products that must accompany software for implementations to be complete. At times, but not in this case, we have looked at internal costs as well.

### Add-on Categories

The model behind the data presented in this White Paper on the HubSpot ecosystem uses IDC's market research to develop ratios of spending on various categories of products and services to spending on HubSpot cloud subscriptions. These add-on categories include:

- ▶ **Add-on software:**
  - Add-on cloud subscriptions
  - Add-on on-premises software
  - Function-specialized software
- ▶ **IT and professional services:**
  - Function-specialized services
  - Standard IT services
  - Standard business services
- ▶ **Add-on infrastructure and networking**
- ▶ **Commissions/gross margin on resales**

Each category of additional products or services was applied to forecasts of HubSpot revenue for marketing, sales, and customer support subscriptions.

### HubSpot Revenue

Developing a forecast of ecosystem revenue using this model requires a forecast of HubSpot revenue. While IDC does not publish vendor revenue forecasts, they are often used in projects like this one.

In this White Paper, IDC started with publicly available financial data through 2020, internal IDC Software Tracker data, and Wall Street forecasts for 2021. Beyond that, IDC grew the HubSpot forecast at the rate of growth of marketing cloud, sales cloud, and service cloud software based on the latest IDC forecasts. For 2022, IDC averaged the market growth rates with HubSpot's 2020 over 2019 growth rate.

### Key Modeling Assumptions

HubSpot revenue is the denominator of each ratio of product/service to revenue that drives the sizing of ecosystem categories listed previously. In general, these ratios come from ratios taken from IDC market studies (e.g., the ratio of infrastructure costs to software spending, services revenue to software revenue). IDC also uses its channel research to estimate the amount of software, services, and infrastructure that might be resold.

Within the model, there are then analyst assumptions—ideally, but not always, driven by survey research—that may adjust these ratios.

**The specific ratios are IDC work product, but there are some meta-assumptions here:**

- ▶ IDC has assumed that while HubSpot is still rolling out Sales Hub, Service Hub, and CMS Hub, some portion of Marketing Hub customers will fill the need with partner sales and support services. Over time, HubSpot will displace some of these add-on services. IDC expects that customers of Sales Hub or Service Hub will rarely augment them with Marketing Hub substitutes.
- ▶ Geographic expansion will drive up the resale percentage of HubSpot revenue. This is the case in the IDC forecast of direct versus indirect spending on software by region.
- ▶ HubSpot's professional services offerings, a small percentage of revenue, will stay as a flat percentage of revenue and not effectively displace partner services.
- ▶ The ratios of products and services that are based on total market ratios have been adjusted for the fact that most of HubSpot customers are in the size classes of fewer than 2,000 employees.

**The Customer Survey**

To support the modeling effort and gain direct insight into customer needs associated with HubSpot installations, IDC conducted an online survey in November 2020 of 205 organizations in 20 different countries—but with 57% from North America and 37% from Western Europe.

**Some other survey demographics are:**

- ▶ 80% of respondents were from small companies (fewer than 100 employees).
- ▶ A third of respondents were in sales, 40% in marketing, and the rest in other functions.
- ▶ A third of respondents worked for technology companies and the rest of the respondents were well distributed across 30+ other industries.

Questions ranged from spending and revenue estimates to the use of HubSpot partners, future categories of software and services required, and ratings of needs.

# About the Analysts



**John F. Gantz**  
Senior Vice President, IDC

As Senior Vice President of IDC, John Gantz has responsibility for IDC's worldwide demand-side research, global market models, and research quality control and standards. He is also a member of IDC's management committee, chief architect of IDC's Worldwide Digital Marketplace Model (formerly the Worldwide Internet Commerce Market Model), IT Economic Impact Model, and PC Software Piracy research. He is one of IDC's chief spokespersons on broad technology and market issues at major forums in the United States and around the world.

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**Gerry Murray**  
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Gerry Murray is a Research Director with IDC's Marketing and Sales Technology service where he covers marketing technology and related solutions. He produces competitive assessments, market forecasts, innovator reports, maturity models, case studies, and thought leadership research.

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## About IDC

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