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## 2009 Technology Buyers Study

### Quantifying Analyst Influence

Analyst Relations (AR) is a maturing corporate function. The AR teams at most major technology vendors are adopting proven best practices regarding working with and through the analyst community to shape market perceptions. AR teams are integrating analyst insight into the market research/product development cycle and establishing informal relationships between their executives and key analysts in their markets. Advanced programs are beginning to build bridges between the AR function and sales teams to drive direct impact on corporate revenues.

As the visibility of AR increases, so does the need for the AR program to provide solid, statistically valid information regarding the impact analysts are having on technology buying decisions. While it is generally perceived that analysts at firms such as Gartner, Forrester and IDC influence technology markets, the scope, mechanisms, and magnitude of that influence has only recently been investigated in a rigorous manner. ASG (and its predecessor SageCircle) has conducted a series of annual studies aimed at developing a quantitative understanding of the influence of the industry analysts on technology buyers. Key findings across all three studies were highly consistent and include:

- Industry analysts rank second after technology buyers' own peer groups as the most influential sources of information during technology purchasing decisions
- Industry analysts are acutely influential regarding creation of the vendor short-lists, with over half of all respondents considering analyst opinions when creating their short lists
- Over 30% of technology buyers indicated that, during the previous year, they had eliminated a vendor from consideration based on concerns expressed by an industry analyst. Conversely, over 60% had considered a vendor who was brought to their attention by an analyst
- EMEA and Asia Pacific buyers project a strong increase in their use of industry analysts to advise purchase decisions
- Analyst published research impacts virtually all stages of the sales cycle, with emphasis on the early stages
- Over 50% of respondents use analyst research reports when developing their vendor short-lists and over two-thirds cite analyst research reports when preparing their business case for a major investment

Since the most recent study conducted in November 2004, several phenomena have impacted technology markets. A resurgence of mergers and acquisitions among technology vendors has increased buyer concerns regarding the long-term strategy and viability of their selected vendors as well as the dominance of others. Most companies have shifted their focus from buying new technologies to buying business solutions with clearly defined business value. CIOs and CTOs are looking to consolidate platforms and transform their aging infrastructures into modular, model-driven, service-based components. The global phenomenon of outsourcing has touched virtually every major organization. ***How have these fundamental shifts impacted the relationship between the industry analysts and business solution buyers?***

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At the same time, the shift to architecture and model-driven infrastructure and application strategies has increased the complexity and long-term impacts of purchase decisions. As a result, many vendors now report that consultants have increased their visibility in advising major technology strategic purchases. *How significant has the consultant impact become? And are buyers more likely to tap into the depth of a major consultancy or rely on the specific domain knowledge of a boutique?*

Lastly, the rise of social networking and the blogosphere has raised legitimate questions regarding the level of influence these new channels of communication have on purchase decisions. Many AR programs are unsure of how they should commit limited resources to monitoring and/or responding to posts within blog communities where non-analysts may be affecting thought leadership and purchasing decisions today in a way not possible even four years ago. *What is the effect of social networking? How/should analyst relations monitor these opinions and where does their influence fall in the decision making process?*

## Objective

ASG is soliciting interest in a Multi-Client Technology Buyers' Study to be conducted during Q2 2009. The 2009 study will focus on industry analysts, technology bloggers, major and boutique consultancies, general and technology media, as well as formal and informal peer groups. We are adjusting both our survey instrument and our promotion and data collection processes to gain specific insight into the following issues:

- What is the relative influence of each influencer group at each stage of the buying process?
- Do the levels of relative influence for each group differ by geographic region?
- Do the levels of relative influence for each group differ for enterprise, midmarket, and small business buyers?
- Does the relative influence of each influencer group differ for major versus routine purchases?
- Which industry analyst firms carry the greatest credibility? The greatest influence?
- Which bloggers are most influential in key industries/technologies?
- Which analyst firm services are used by technology buyers?
- Is reliance on analyst opinions and recommendations increasing or decreasing?
- What is the specific impact of industry analysts on the generation of vendor short-lists?
- What is the specific impact of industry analysts on the vendor selection/qualification process?
- What are the key motivators for using analyst or consultant opinions and recommendations?

Answers to these questions will help technology and telecom vendors to better understand the influencer landscape, to appropriately allocate limited resources, and effectively leverage the influence of the analysts on their target customers and prospects to drive top-line revenues. The results of this study can help quantify the importance of the AR function within the organization and provide insight to specific objectives that can be established for the AR team.

## Process

ASG has developed a survey questionnaire to collect data from business executives, technology executives, technology managers, and technology staff. For North America, EMEA, AsiaPac, and Latin America, ASG is working with various sources to gain access to the IT buying audience.

The desired demographic will have a balance of respondents across:

- Company size (revenue): small business (<\$100M), midmarket (\$100M-\$1B), enterprise (>\$1B)
- Company size (employees): small business (< 50), midmarket (50-1000), enterprise (>1000)
- Industries: Aerospace thru Utilities

Overall findings will be supported by segmented analysis based on company size, industry, and geography.

## **Deliverables**

### ***Research Report***

The Research Report will include the following sections:

- Executive Summary
- Key Findings – Global Impact
- Key Findings – By Company Size
- Key Findings – By Industry
- Key Findings – By Geography
- Detailed Survey Results
- Respondent Demographics
- Study Methodology

### ***Questionnaire***

The full questionnaire is included as an appendix to the Research Report.

### ***Data Tables***

A complete copy of the raw survey response data in Microsoft Excel 2003™ format is available for an additional fee. The raw data supports ad hoc segmentation of survey responses based on customer-specific demographic considerations, including Company Revenues, IT Budget, # of Employees, Buyer Role, Geography, etc. This data allows you and your staff to make additional data cuts to support your specific initiatives and interests. ASG can pull your data cuts for you for an additional fee.

### ***Presentation Decks***

**Key Findings Deck:** An executive presentation deck in Microsoft PowerPoint 2003™ format that graphically highlights the key findings from the study. The presentation slides include respondent demographics, key influencers on Technology Buyers, Buyer's use of Analysts and Consultants and conclusions.

**Executive Presentation Deck:** An executive presentation deck in Microsoft PowerPoint 2003™ format that represents an overview of the key findings deck. This deck gives executives a snapshot of the key findings and conclusions.

### ***Review Session of Presentation Slides***

A 90-minute teleconference session with ASG to review and discuss study findings in the presentation slides. Ideally, the teleconference review session will include company executives and members of the

sales leadership team. The teleconference session includes a 1-hour pre-session conference call with the project sponsor to establish the agenda and tune the content for the review session.

**Interest**

Please contact Rob Kolokousis at (408) 737-2320 if you are interested in sponsoring this study or learning more about participation levels.