# 2017 U.S. Technology Marketing Report

Consumer Perceptions & Attitudes

**LAVIDGE**

# Contents

# Introduction

It's a fabulous time to be in technology in the United States, and it's only going to get better.

Top of mind among many analysts and experts is machine learning or artificial intelligence (AI) which, in part, stems from the exponential growth of big data, which in turn makes it possible to market to individuals in personalized ways marketers could only once dream of achieving.

The 1-2-3 punch of AI, Big Data gathering and its subsequent filtering for personalization has created a trifecta of sorts, where technology can thrive. No longer relegated to the realm of digital personal assistants, AI is virtually everywhere, impacting our lives daily. Think of it this way: it's as if Siri®, Cortana®, Google Assistant™, and Alexa®, voice-activated virtual agents who have grown up together, have graduated from college with ever-increasing intelligence—while building previously unimaginable alliances along the way.

The rest of us, whether we build cabinets or racks for use in data centers, use those boxes to provide cloud platforms or offer technical services for others, develop the code (front-end or back-end) that works behind the scenes, manufacture microchips, solar panels or semiconductors—

or engage in any other business related to technology—would do well to follow their example, and this report explains why.

First, the demand for technology is high.

"Consumer enthusiasm for both emerging technology and resilient mature categories is exceeding expectations—driving the U.S. consumer technology industry to an estimated 3.2 percent revenue growth in 2017, earning $321 billion in retail revenues ($251 billion wholesale)," according to the July edition of U.S. Consumer Technology Sales and Forecasts, published by CTA, the Consumer Technology Association.

"Driven by consumer demand for the products we already know and love, as well as new, innovative technologies, revenue growth in the consumer technology industry is exceeding expectations," said Gary Shapiro, president and CEO, CTA. "Not only are breakthrough technologies changing our lives for the better—such as drones delivering medical supplies to remote areas or the use of VR in patient care—tech is also a key driver of the U.S. economy, outpacing GDP growth, and reinforcing America's role as a global leader in innovation."

*"For the first time ever, the five most valuable companies in the world were all technology companies. While stock market valuations should be taken with a grain of salt, it did mean technology supplanted the behemoths of the energy, finance, healthcare, and manufacturing sectors."*

—*CompTIA, an IT industry association, January 2017*

*"CompTIA's IT Industry Business Confidence Index (BCI) increased 3.2 points to 67.4 on a 100-point scale. All three components of the Index showed increases. Looking ahead over the next two quarters, IT industry executives expect the momentum to continue, with further increases to the BCI."*

—*CompTIA, August 2017*

In addition, like it or not, the future is now. By 2020, 75 billion devices are expected to be chatting amongst themselves, thanks to the Internet of Things (IoT). Will you, and your things, be part of the conversation?

With the technology sector in the spotlight and technology buyers poised to open their wallets, it's important to understand nuances that are needed to capture your piece of the pie. We can help.

You might be wondering how machine learning, big data and personalization apply to companies not equipped with quantum computers, software engineers or fancy algorithms. Trust us, they do. And, while we're at it, we'll explain why developing digital trust is another major trend in addition to the demands for **value, ease of use, reliability, scalability, integration** and the **methods used to convey information**—depending on who they are, the size of their business and more.

Technology marketers are continually looking for effective messaging strategies that will generate more revenue. That's what this report is designed to address. Our spotlight is on the technology industry because we think you'll find the business-to-business consumer perceptions and attitudes about technology advertising and marketing interesting and, more importantly, useful.

Stephen Heitz
**MANAGING DIRECTOR, INTERACTIVE**

Tim Trull
**MANAGING DIRECTOR, STRATEGY**

# Selected Highlights

Technology marketers are competing to win their share of $251 billion in wholesale sales and are stepping up their efforts. But is technology a one-size-fits all market? How can "the rest of us" take advantage of market trends set by technology giants? What are those trends?

LAVIDGE fielded this survey to obtain business-to-business customer perceptions and attitudes about the technology industry to answer these questions, and many more. Welcome to our virtual unboxing. Go ahead. Peek inside.

## TECHNOLOGY'S FUTURE LOOKS BRIGHT

Employment of computer and information technology occupations is projected to grow 12 percent from 2014 to 2024, faster than the average for all occupations.

These occupations are expected to add about 488,500 new jobs, from about 3.9 million jobs reported in 2014 to about 4.4 million jobs by 2024, in part due to:

- a greater emphasis on cloud computing

- the collection and storage of big data

- more everyday items becoming connected to the Internet in what is commonly referred to as the "Internet of things"

- the continued demand for mobile computing.

Source: U.S. Bureau of Labor Statistics, Occupational Outlook Handbook, Computer and Information Technology Occupations

## REFERRALS LEAD THE WAY

We wanted to know where the customer journey begins for businesses in search of technology. We asked what sparked their interest. More than half, at 52%, said they prefer to consult colleagues and friends during initial discovery.

## KNOW WHEN TO GET PERSONAL

Telemarketing and cold calls turned out to be the least preferred ways to learn about technology products or services. Only 4% of business technology buyers prefer telemarketing or cold calls, the lowest percentage of any marketing tactic. So, what works with the other 96%? Read on to find out.

## MEET IN PERSON, AND MAKE IT COUNT

We know you're busy. Everyone is busy. So, we were a little surprised to learn companies still prefer to meet with vendors when considering technology purchases. What's more, 50% of enterprise companies prefer basing buying decisions on vendor presentations during the final process, compared to 23.6% of smaller businesses.

## PRICE IS NOT ALWAYS KING (OR EVEN THE PRINCESS)

Price is important in the final selection of technology vendors, but not always the most important. Nearly half of technology buyers overall, at 44%, prefer to use pricing information to make the decision regarding technology vendors. However, companies with more than $10 million annual revenue continue to meet face-to-face and listen to vendor presentations throughout the selection process, choosing vendors based on those presentations and meetings.

Only 4% of business technology buyers prefer telemarketing or cold calls.
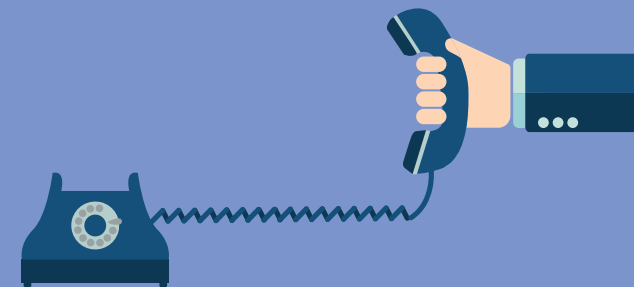
## TECHNOLOGY BUYERS DEMAND CONFIDENCE

Claims about reliability and ease of use are deemed most preferred when choosing business technology products or services. In this regard, size makes little difference with 68% of customers rating reliability as the most preferred claim when choosing a technology product or service. Close behind, 64% chose ease of use.

## INTEGRATION AND SCALABILITY MATTER MOST WITH LARGER BUYERS

In addition to reliability and ease of use, technology buyers at larger organizations prefer claims about integration and scalability over their smaller counterparts. Sixty-one percent of larger organizations prefer claims about how business technology integrates easily, compared to 33% of SMB. In addition, 36% of larger organizations prefer the claim of scalability, while only 8% of organizations under $10 million in annual revenue deem scalability as preferred.

# What We Found

## TECHNOLOGY BUYERS PREFER TO 'PHONE A FRIEND'

PREFERRED MARKETING TACTICS DURING INITIAL DISCOVERY

| Tactic | Percentage |
|---|---|
| Colleagues and friends | 52% |
| Search engines | 39% |
| Vendor websites | 34% |
| Conferences and tradeshows | 28% |
| Product brochures | 27% |
| Trade or industry articles or websites | 24% |
| Case studies, white papers or industry reports | 23% |
| Buyer's guides | 22% |
| Online communities and blogs | 22% |
| Catalogs | 18% |
| YouTube | 17% |
| Direct mail | 15% |
| Magazine advertising | 12% |
| Vendor videos | 11% |
| Online/digital/mobile ads | 9% |
| Sponsorships | 8% |
| LinkedIn | 8% |
| Vendor infographics | 8% |
| Corporate social responsibility | 7% |
| Telemarketing, cold calls | 4% |

Game show contestants do it. Everyday consumers do it. And, thanks to our survey, we now know that enterprise technology buyers prefer to "phone a friend" before making the $10,000 or $1 million decision to invest in your products or services. Asking a friend in today's connected world can take place through text message, email, social media, an actual phone call—or even face to face. The method is less important. The information communicated is paramount.

In fact, the data shows that organizations in search of technology follow a process similar to when individuals make purchases for themselves—they consult a colleague or friend. A Nielsen® Harris Poll®, conducted in 2016 on behalf of Business 2 Community, showed 82% of Americans seek recommendations before making any purchase. At 52%, more than half of technology buyers surveyed on behalf of LAVIDGE also reported referrals as being their preferred source of information during the initial discovery phase.

The larger the budget, the more likely the decision-maker is to reach out for a warm lifeline. The Harris Poll showed an uptick of 4 percentage points among personal consumers in households earning more than $100,000. Our survey revealed a 7 percentage-point increase above the overall average in reliance on colleagues and friends among companies with more than $10 million in annual revenue.

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of Americans **seek recommendations** before making any purchase

# 52%
of technology buyers reported **referrals** as being their **preferred source of information** during the initial discovery phase.

Clearly, whether a targeted technology customer is at the personal or enterprise level, referrals make a significant impact. While some referrals will take place organically, technology marketers can put this insight to work by finding ways to encourage referrals.

Bomgar™, Google® and IBM® successfully put such programs into action. Bomgar, a B2B remote-access technical support service, created a social community where happy customers could earn rewards by becoming active advocates or influencers to help Bomgar grow. Google offered G Suite™ users up to $1,500 for every business referred who adopted it for themselves. IBM promised increased results for those who recommended IBM software as a service (SaaS) or platforms as a service (PaaS) in addition to opening the door to a long-term relationship with the tech giant. Reaching out to those who needed a nudge to join the conversation helped each of these tech companies capture warm referrals they otherwise might have missed.

Not everyone turns to direct human sources for referrals. Search engines ranked second overall with 39% of survey responders overall noting it as their preferred marketing interaction during the initial discovery. The larger the business, the more search engines came into play. Small businesses ranked them at 34.5% and larger businesses with more than $10 million in annual revenue ranked search engines at 50.5%.

*Not everyone turns to direct human sources for referrals. Search engines ranked second overall with 39% of survey responders overall noting it as their preferred marketing interaction during the initial discovery.*

*The larger the business, the more search engines came into play.*

By the consideration phase, search engines ranked nearly equally among businesses based on size with an overall average 21.3%. Slightly more variations came into play with females expressing 16.8% preference and males 25.4%, and those under 35 years of age indicating a 22.4 percent preference compared to those aged 35 to 54 at 27%.

At 34%, vendor websites ranked third overall. Deploying a combination of paid and organic search marketing efforts will drive technology shoppers to paid campaign landing pages and the website home page. Optimizing for user experience (UX) will help those visitors engage once they hit your site.

The financial differentiation in potential benefit between optimizing for traffic or UX varies by brand, and can best be determined by testing each. In any case, having a strong interactive marketing strategy in place benefits these customer profiles as well as those whose journeys began with a warm referral. Ideally, when the conversation between friends progresses to online research, a well-planned sales funnel is ready to greet them, every step of the way.
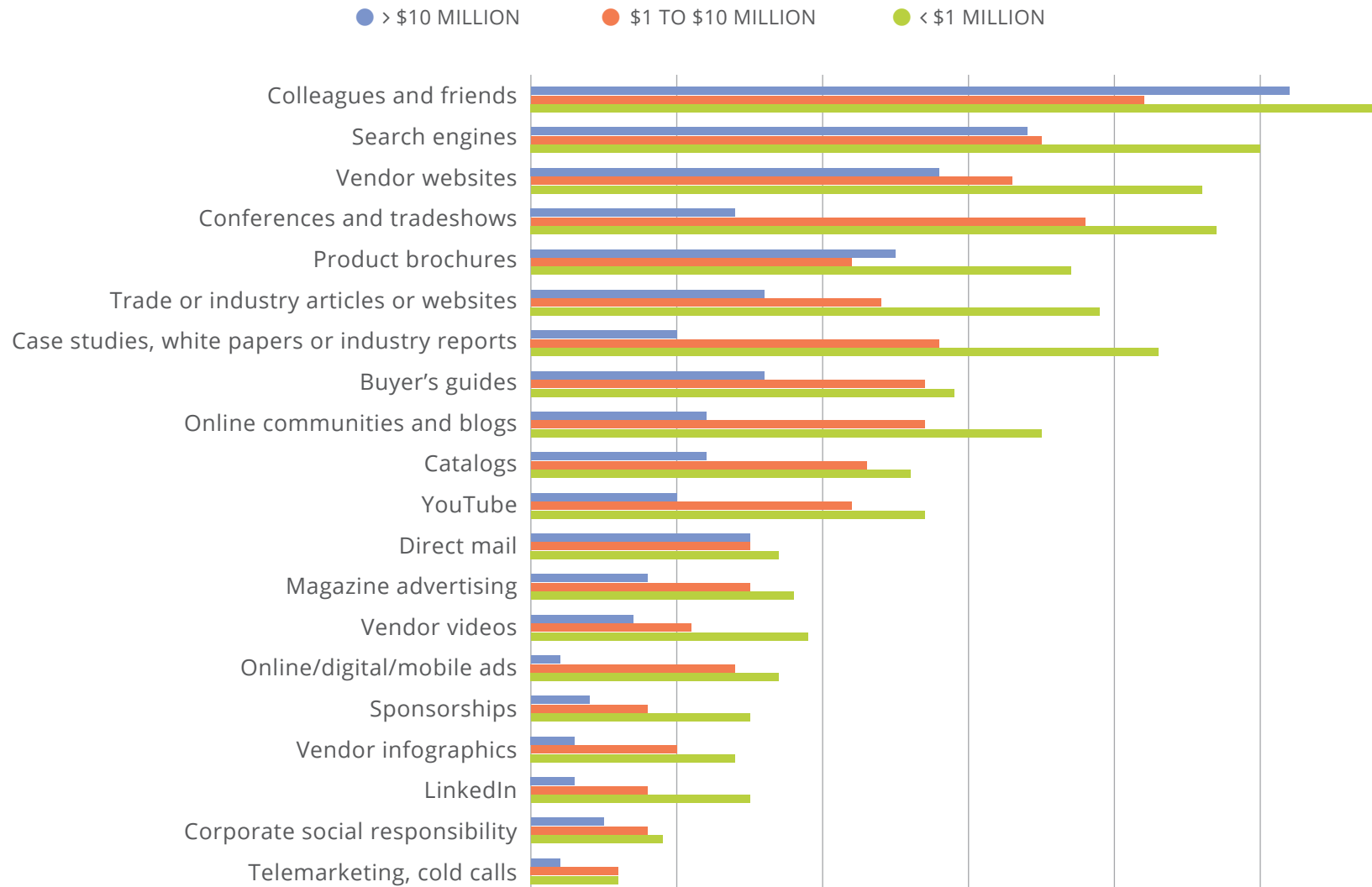


The financial differentiation in potential benefit between optimizing for traffic or UX varies by brand, and can best be determined by testing each.

# What We Found

## CALL OR EMAIL WITH A COLD LIST—ONLY ON OPPOSITE DAY

### PREFERRED MARKETING TACTICS DURING INITIAL DISCOVERY
*by annual company revenue*

● > $10 MILLION    ● $1 TO $10 MILLION    ● < $1 MILLION



Colleagues and friends
Search engines
Vendor websites
Conferences and tradeshows
Product brochures
Trade or industry articles or websites
Case studies, white papers or industry reports
Buyer's guides
Online communities and blogs
Catalogs
YouTube
Direct mail
Magazine advertising
Vendor videos
Online/digital/mobile ads
Sponsorships
Vendor infographics
LinkedIn
Corporate social responsibility
Telemarketing, cold calls

*No one likes to be interrupted. Whether you're at home whipping up dinner or at work digging into an important report, a visit, phone call, email, text or any other type of unexpected communication from someone you don't know will get little—if any—of your attention. Perhaps that's why only 4% of survey respondents overall said they prefer telemarketing or cold calls when considering technology products or services.*

Still, telemarketing does have its place. It costs about 80% less, for example, to make phone calls instead of visiting potential clients in person. It also provides a way to reach customers who would not likely make the trip to your place of business. And some of those who do answer the call will be happy to learn why they should adopt your solution for survival in a world of disruptive technology. If just such advice and education are what you're selling, you could score some major wins. Expecting a prospect to make a final purchasing decision after a single phone call might be, well, a little over optimistic.

The term "cold calling" can also be applied to B2B email marketing or sending message blasts on social media if the list does not key in on prequalified recipients with a reasonable expectation of receiving your message. Compared to a ROI of 4,400% for B2C email marketing efforts using an opt-in list, results for B2B will likely be disappointing—especially with a scraped or cold list.

Business size does matter, but only slightly. Of those surveyed who generate less than $1 million in annual revenue, only 2% responded positively to telemarketing and cold calls, while businesses generating $10 million or more in annual revenue revealed a 6% preference for this marketing tactic.

One possible solution to avoid making calls or sending emails that leave recipients cold is to use intelligent methods to identify warm leads. In doing so, it's more crucial than ever to work with a business partner capable of gathering and analyzing relevant data. Gartner Blog Network® member Todd Berkowitz predicted the rise in access to intelligent data will lead to more personalized emails to more targeted lists in 2017 and beyond based on technographics, intent and predictive analytics.

This can already be seen with the explosion of big data in 2016 and at least one marketing technology newcomer with a proprietary algorithm to access, analyze and repackage that data at a highly personalized level. Node, a San Francisco-based startup also known as Node.io, uses AI to identify opportunities by diving deep into people-based data for warm connections.

These kinds of services, provided at varying degrees by a variety of providers, make it possible for anyone to take advantage of AI, big data, and advanced analytics to offer personalization. By 2035, AI could double annual economic growth rates.

However you do it, tap into your connections. If you don't know how to identify or create them, partner with an organization that does (we'll go in more depth on creating ecosystems on page 24). It's far better than risking interrupting someone who's potentially heating up a frozen meal for dinner.

*"Machine learning shows the most immediate promise; it has the capacity to enhance a wide array of applications, particularly those involving classification, prediction, anomaly detection, and personalization."*

— *Deloitte® 2017 Technology Industry Outlook*

# What We Found

## MEET IN PERSON AND BRING A GREAT DECK

### PREFERRED MARKETING TACTICS TO CONSIDER A VENDOR
*by annual company revenue*

● > $10 MILLION　　　● $1 TO $10 MILLION　　　● < $1 MILLION
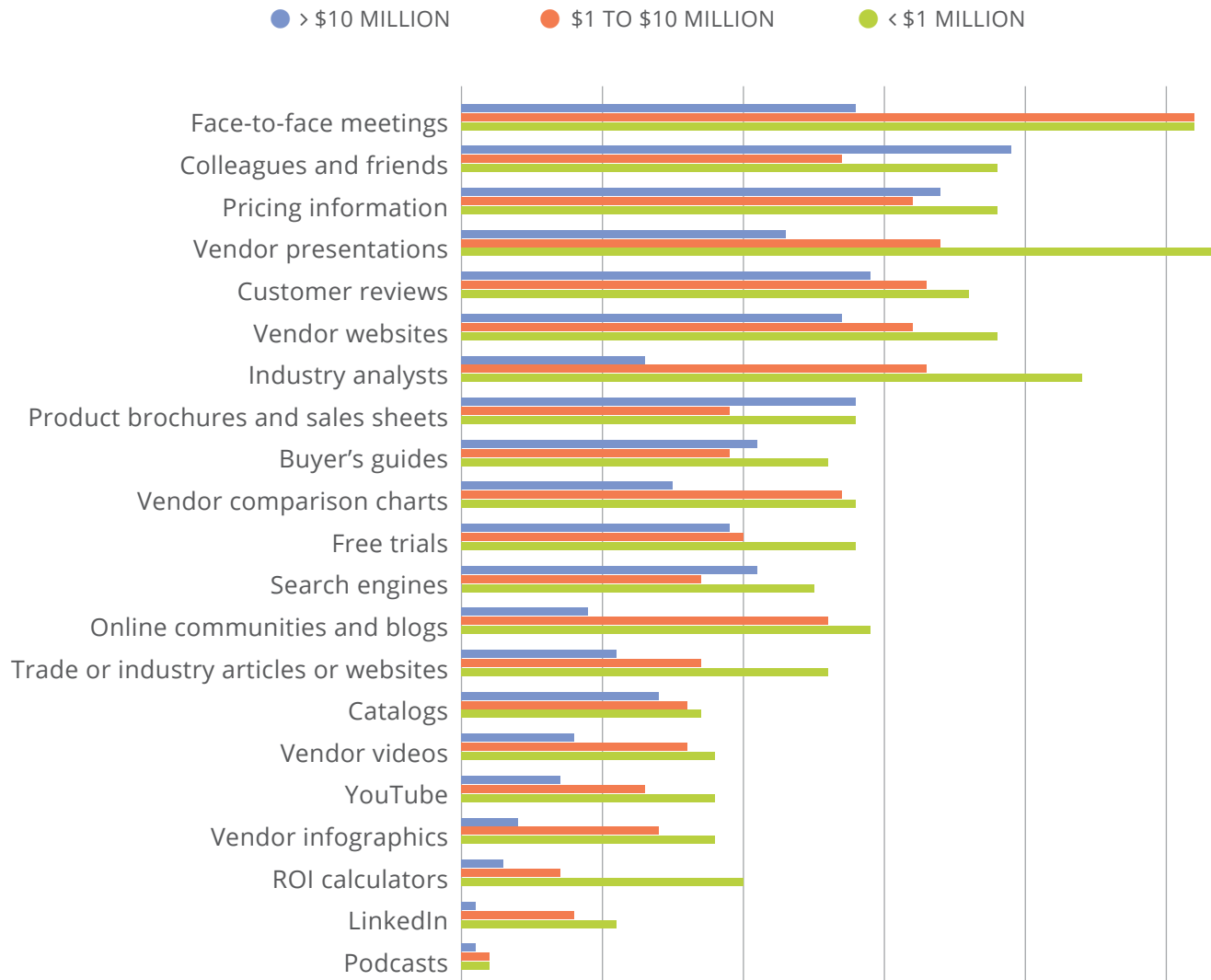
Let's face it. There's nothing like looking someone in the eye and shaking their hand before doing business together. Despite ever-increasing advances in communication technology and a global marketplace, our survey revealed that 40% of decision makers prefer **face-to-face meetings** when in the consideration phase for technology purchases—and the larger the business, the more likely they are to base final decisions on what takes place during them.

Although face-to-face ranked highest, colleagues/friends, and pricing information came in close behind at 36.3% and 34.5% respectively.

What happens during those face-to-face meetings matters most among larger businesses.

**Vendor presentations** at 33.8% ranked fourth overall, but fared significantly higher at 54.1% among larger businesses (more than $10 million in annual revenue) compared to only 22.7% of SMB (less than $10 million in annual revenue) surveyed.

A similar gap existed between SMB and enterprise organizations in the final decision-making phase for face-to-face meetings with a 17-percentage point gap between SMB 32.5% preference and enterprise organizations' 49.5% preference.

**40% of decision makers prefer face-to-face meetings** when in the consideration phase for technology purchases—and the larger the business, the more likely they are to base final decisions on what takes place during them.

**The greatest insight,** however, comes from a 27-percentage point gap between SMB 23.6% preference for vendor presentations and enterprise organizations' 50.5% preference—more than double that of their smaller counterparts.

**Another key takeaway** is the importance of creating opportunities to meet others. Consider attending or hosting tech-industry events. Participate in relevant Meetups® or Hangouts®. Put yourself in situations where you and your prospects can get to know one another.

*Entrepreneur* magazine explains why: first, nonverbal cues only possible in face-to-face meetings build trust and lead to long-term business relationships and partnerships; second, prospects can interact 1:1 with your technology; and third—in keeping with trend 2 identified in Technology Vision 2017—it's more personal.

The preference for face-to-face meetings holds true when controlling for larger companies with more than $1millon in annual revenue. In contrast, smaller companies with less than $1million in annual revenue prefer more impersonal tactics when considering technology.

So, get out there, pump a few handshakes, create a killer presentation based on **personalized research** and put your product or service in your prospect's hands. In short, put people first. You'll both be glad you did.
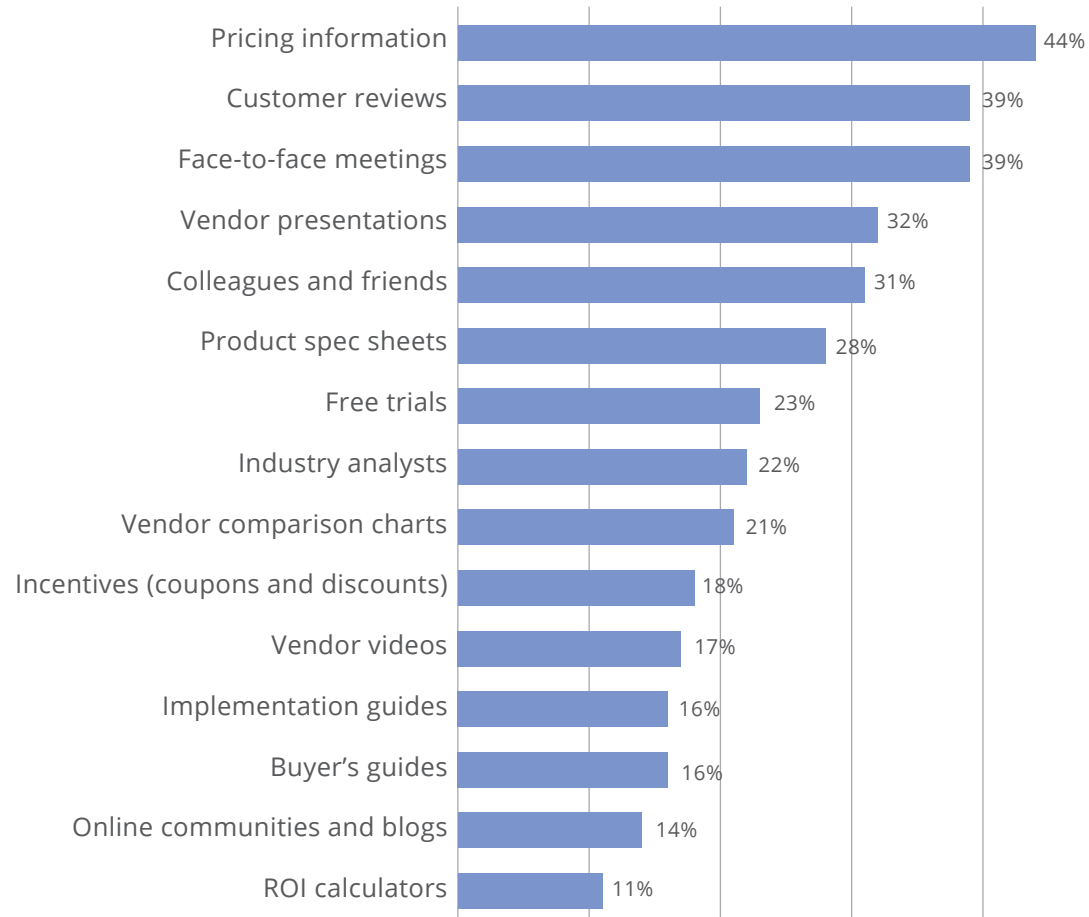
*"Making all of this work requires a People First approach. Whether its consumers or employees, their goals and needs must come first. Companies will meet this demand with their technology, which becomes inherently more focused on helping people as it becomes more human. More than ever, technology is an agent of change—and now it can empower people in an interactive, collaborative way, on each individual's own terms."*

—*Accenture® , Technology Vision 2017*

# What We Found

## PRICE ISN'T ALWAYS KING

PREFERRED MARKETING TACTICS FOR FINAL VENDOR SELECTION

| Tactic | Percentage |
|--------|-----------|
| Pricing information | 44% |
| Customer reviews | 39% |
| Face-to-face meetings | 39% |
| Vendor presentations | 32% |
| Colleagues and friends | 31% |
| Product spec sheets | 28% |
| Free trials | 23% |
| Industry analysts | 22% |
| Vendor comparison charts | 21% |
| Incentives (coupons and discounts) | 18% |
| Vendor videos | 17% |
| Implementation guides | 16% |
| Buyer's guides | 16% |
| Online communities and blogs | 14% |
| ROI calculators | 11% |

No one wants to find themselves stuck in a business deal gone wrong. So, while price is important in the final selection of technology vendors—with 44% of survey respondents citing it as their top priority—it's not always the most important.

Larger companies with more than $10 million annual revenue continue to meet face to face and hear vendor presentations throughout the selection process, 49.5% stating a preference to make their final decision on vendors based on those meetings. They expect, and get, personalized information specific to their account.

In contrast, 32.5% of businesses with less than $1 million in annual revenue flagged the absence of face-to-face meetings as a possible deal breaker.

By taking time to meet with larger prospects, B2B technology vendors can apply account-based marketing (ABM) strategies to overcome price-point objections with expertly tailored and programmatic solutions. No longer reserved for top-tier clients, B2B ABM is now possible to offer at scale because of the visibility of digital footprints, the processing power of big data and today's level of automation—touching everything from workflow to execution.

In short, B2B customers have become accustomed to being catered to as consumers with intelligent algorithms—such as those used by Netflix® and Amazon to predict "what else" they

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might like—at just the right time. They expect nothing less from enterprise technology vendors. (We'll address on page 24 how to apply this if your own business is not equipped for in-depth research.)

Meanwhile, an article published by not-for-profit Harvard Business Publishing's *Harvard Business Review*® suggests ways to stand out, including taking advantage of social media data to identify highly qualified leads. Then take the time to sift through a few threads to get a sense of who they are and what they need before making the initial contact. It will provide insight most prospects will appreciate. Then find ways to engage, evaluating effectiveness along the way. Skipping this step can lead to lost sales.

One way to create engagement is to invite prospects to read customer reviews. This marketing tactic was preferred overall among 39% of survey respondents and 45% among businesses earning more than $10 million in annual revenue.

In the end, technology buyers demand enough information to intelligently consider their options, including a variety of possible specifications and how each impacts performance—and take each of these into account in addition to price. Savvy technology marketers will take this into consideration.
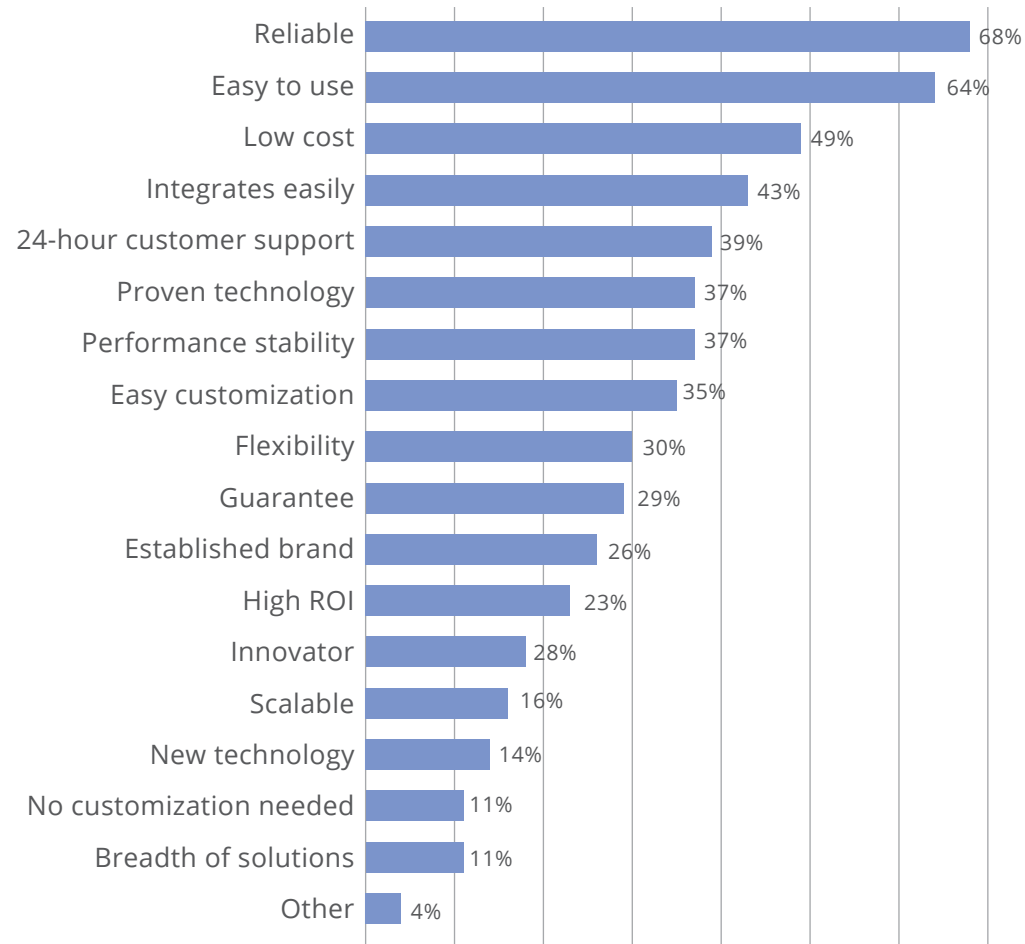
*One way to create engagement is to invite prospects to read customer reviews.*

# What We Found

PREFERRED CLAIMS ABOUT TECHNOLOGY PRODUCTS OR SERVICES

| Claim | Percentage |
|---|---|
| Reliable | 68% |
| Easy to use | 64% |
| Low cost | 49% |
| Integrates easily | 43% |
| 24-hour customer support | 39% |
| Proven technology | 37% |
| Performance stability | 37% |
| Easy customization | 35% |
| Flexibility | 30% |
| Guarantee | 29% |
| Established brand | 26% |
| High ROI | 23% |
| Innovator | 28% |
| Scalable | 16% |
| New technology | 14% |
| No customization needed | 11% |
| Breadth of solutions | 11% |
| Other | 4% |

Some things just have to work. In today's fast-paced world there is often little to no margin for error. And with the humanization of how we interact with technology, such as talking to smart speakers including Amazon® Echo®, Google Home Assistant® or Apple Homepod without using a keyboard or screen. With Nest® smart home-automation, networked devices silently communicate via the Internet of Things (IoT). As a result, consumers increasingly expect technology to work effortlessly behind the scenes.

It's not surprising then that claims about **reliability** and **ease of use** are deemed most preferred when choosing business technology products or services. Among survey respondents, 68% rated reliability as the most preferred claim when choosing a technology product or service, with 64% choosing ease of use.

CEOs who participated in U.S. CEO Outlook 2017, a report published by "Big Four" auditor KPMG®, showed interest in investing in technologies that help their operations run more reliably and smarter including data analytics (61%), cognitive technologies (58%), and the IoT (55%), between 2017 and 2020.

*In today's fast-paced world there is often little to no margin for error... consumers increasingly expect technology to work effortlessly behind the scenes.*

Reliability, in part, can be achieved through **strategic alliance**s creating ecosystems. Remember we said on page 15 we'd get back to how businesses with limited resources can apply trending recommendations? This is how; by creating alliances:

- General Motors® has teamed up with a ride-sharing service and acquired a company developing AI for self-driving vehicles. By 2020, Gartner® predicts 220 million cars will be connected.

- CVS Health® is partnering with IBM's Watson® and Teladoc® to provide better, more reliable service for patients at its Minute Clinic® than it could alone.

- Google, Facebook®, Amazon, IBM, and Microsoft® teamed up to advance AI—making it more reliable for everyone and developing industry standards along the way.

This extends beyond software and professional services. Partnering with quality suppliers of the hardware or firmware needed to produce dependable products is essential to Avnet®, a global electronics distributor based in Arizona. Avnet offers a Reliable Ethernet Network kit, for example, to build redundancy into communication systems for use in Industry 4.0 and the Industrial IoT. The promised result is zero downtime—arguably worth whatever it takes to achieve.

Creating ecosystems and alliances can impact more than the bottom line. Avnet, for example, when it widened its reach to include digital solutions by acquiring Informatica® in early 2017, positioned itself as a major player in solutions for cloud, big data and real-time streaming. It also put itself at risk in a new way, requiring additional responsibility to ensure the same reliability in its digital offerings.

*To deliver the end-to-end solutions their customers need, technology companies are increasingly focusing on what they do best and commonly forming unusual partnerships—both outside their industries and sometimes with their own competitors."*

— *Deloitte, 2017 Technology Industry Outlook*

Consumers have little patience for data breaches, such as the Equifax® massive blunder in mid 2017 which exposed the personal data of 143 million Americans. Building digital trust, in addition to ensuring cybersecurity, encompasses protecting privacy and operating under a code of digital ethics. Accenture's Technology Vision 2017 report suggests adopting blockchain, smart contracts, differential privacy and homomorphic encryption technologies to increase forensic traceability, allowing a trusted third party rather than formal oversight in favor of self-governance, using data from individuals to learn about groups.

The demand for reliability varied little based on the size of an organization, with a mere 7 percentage points between the SMB 67% preference and their larger counterparts of more than $10 million in annual revenue at 74%. It cannot be ignored.

**Ease of use** scored similarly among all revenue brackets with an 8 percentage-point gap, but in reverse order. Larger businesses ranked preference of ease of use at 58%. The smaller the business, the more important it became with SMB at 66% and mid-size at 65%.
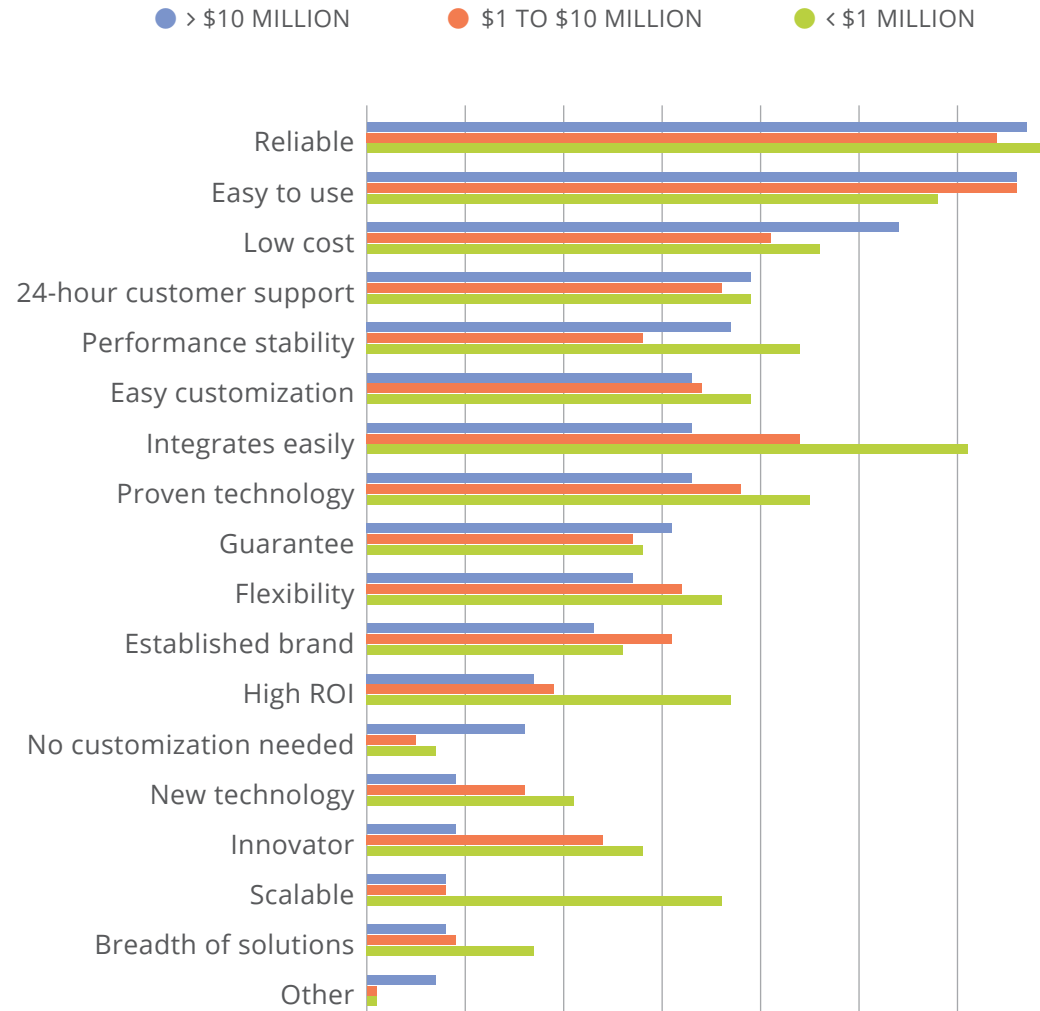
In short: be reliable, develop alliances if needed and make working with your technology intuitively simple. For best results, remember when and how to prioritize these in client presentations based on the size of your prospect.

Be reliable, develop alliances if needed and make working with your technology intuitively simple.

# What We Found

## LARGER BUSINESSES COVET AGILITY

### PREFERRED CLAIMS ABOUT TECHNOLOGY PRODUCTS OR SERVICES
*by annual company revenue*

● > $10 MILLION          ● $1 TO $10 MILLION          ● < $1 MILLION



Reliable
Easy to use
Low cost
24-hour customer support
Performance stability
Easy customization
Integrates easily
Proven technology
Guarantee
Flexibility
Established brand
High ROI
No customization needed
New technology
Innovator
Scalable
Breadth of solutions
Other

It makes sense. Once you've gone through growing pains, you're more likely to understand the importance of being ready to scale up, again and again. Memories of trying to patch together a legacy system and a newer one can be the source of nightmares, insomnia—or both.

So, it's logical that in addition to reliability and ease of use, technology buyers at larger organizations prefer claims about **integration** and **scalability** over their smaller counterparts. Frankly, we understand.

Our survey data bears this out with 61% of larger organizations, reporting more than $10 million in annual revenue, preferring claims about how business technology **integrates** easily. With a 27 percentage-point gap, only 33% of SMB identified integration as a preference.

Startups are known for being nimble, but larger businesses can—and should—retain the ability to adapt quickly. In a disruptive market, being able to scale up or integrate emerging technology can make the difference between survival and going out of business.

Microsoft has created an entire division for these two purposes. Microsoft Enterprise Integration Services® caters to prospects—beginning with a downloadable e-book, "Enterprise Cloud Strategy" (2nd edition). It guides customers to make decisions on scalable cloud services in

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hybrid, public and private cloud environments. The e-book also offers guidance on prioritizing app migration, working with stakeholders to make integration go as seamlessly as possible, advice on security and compliance and more.

Competitors Google, Amazon, and Yahoo!® also offer cloud software and platforms scalable enough for larger businesses, with built-in features making them easy to integrate.

Adobe® is another SaaS provider with its subscription-based Creative Suite® and other products now available in the cloud. No longer do businesses need to update software as version upgrades roll out. The scalable technology seamlessly integrates updates as it evolves and can easily accommodate changes in the number of user accounts based on fluctuating needs.

**Scalability** ranked far lower for smaller businesses with an 8% preference compared to 35.8% preference among businesses with more than $10 million in annual revenue.

Each industry has its own version of key players. With a little due diligence, businesses can unlock a successful future by identifying the ones most beneficial to them.

# Appendix

# Methodology

The objective of this research was to gather quantitative feedback from a random sample of technology product/service decision-makers across the U.S. A total of 400 online surveys were completed, with the following breakdown of completes by geographic region: East, 172; South/Southeast, 78; Midwest, 52; West, 98.

Individual participants were provided by a major online survey panel, with the actual survey hosted by WestGroup Research™ in Phoenix, Arizona. The statistical margin of error for the overall sample is +/- 4.5% at the 95% confidence level, the standard error margin threshold for most public opinion research. Average survey length was approximately 10 minutes to complete.

Error margins for sub-segments of the sample (e.g., industries) will vary depending on the size of that sub-segment. Statistically significant findings are noted within the report where applicable.

Research was conducted by WestGroup Research on behalf of LAVIDGE during July/August 2017.

# Respondent profiles

**GENDER**

| | |
|---|---|
| Male | 51% |
| Female | 49% |

**AGE**

| | |
|---|---|
| Under 35 | 19% |
| 35-54 | 40% |
| 55 + | 41% |

**EDUCATION**

| | |
|---|---|
| High school or less | 11% |
| Some college or trade school | 19% |
| College + | 70% |

**INCOME**

| | |
|---|---|
| Under $35,000 | 29% |
| $35,000 to $49,999 | 16% |
| $50,000 to $74,999 | 23% |
| $75,000 + | 28% |
| No response | 4% |

**DEPARTMENT/FUNCTION**

| | |
|---|---|
| IT | 36% |
| Operations | 18% |
| C-suite | 13% |
| Marketing | 6% |
| Procurement | 5% |
| Other | 22% |

**TITLE**

| | |
|---|---|
| Chief Executive Officer | 19% |
| IT Manager | 11% |
| President | 10% |
| Director of IT | 8% |
| Chief Technology Officer | 4% |
| Marketing Manager | 4% |
| Director of Procurement | 3% |
| Chief Marketing Officer | 2% |
| Chief Information Officer | 1% |
| Director of Marketing | 1% |
| Other | 37% |

**INDUSTRY**

| | |
|---|---|
| Professional services | 19% |
| Technology | 16% |
| Healthcare | 8% |
| Retail | 8% |
| Manufacturing | 7% |
| Construction | 6% |
| Finance and insurance | 5% |
| Government and public administration | 3% |
| Wholesale | 3% |
| Transportation | 3% |
| Agriculture | 2% |
| Other | 20% |

**ORGANIZATION SIZE (ANNUAL REVENUE)**

| | |
|---|---|
| <$1 million | 51% |
| $1 million to $10 million | 21% |
| >$10 million | 28% |

# Data

| Preferred marketing tactics during initial discovery | |
|---|---|
| Colleagues and friends | 52% |
| Search engines | 39% |
| Vendor websites | 34% |
| Conferences and trade shows | 28% |
| Product brochures | 27% |
| Trade or industry articles or websites | 24% |
| Case studies, white papers or industry reports | 23% |
| Buyer's guides | 22% |
| Online communities and blogs | 22% |
| Catalogs | 18% |
| YouTube | 17% |
| Direct mail | 15% |
| Magazine advertising | 12% |
| Vendor videos | 11% |
| Online, digital, mobile ads | 9% |
| Sponsorships | 8% |
| Vendor infographics | 8% |
| LinkedIn | 8% |
| Corporate social responsibility | 7% |
| Telemarketing, cold calls | 4% |

| Preferred marketing tactics during initial discovery (by size of company) | < $1 million | $1 to $10 million | > $10 million |
|---|---|---|---|
| Colleagues and friends | 52% | 42% | 58% |
| Search engines | 34% | 35% | 50% |
| Vendor websites | 28% | 33% | 46% |
| Conferences and tradeshows | 14% | 38% | 47% |
| Product brochures | 25% | 22% | 37% |
| Trade or industry articles or websites | 16% | 24% | 39% |
| Case studies, white papers or industry reports | 10% | 28% | 43% |
| Buyer's guides | 16% | 27% | 29% |
| Online communities and blogs | 12% | 27% | 35% |
| Catalogs | 12% | 23% | 26% |
| YouTube | 10% | 22% | 27% |
| Direct mail | 15% | 15% | 17% |
| Magazine advertising | 8% | 15% | 18% |
| Vendor videos | 7% | 11% | 19% |
| Online/digital/mobile ads | 2% | 14% | 17% |
| Sponsorships | 4% | 8% | 15% |
| Vendor infographics | 3% | 10% | 14% |
| LinkedIn | 3% | 8% | 15% |
| Corporate social responsibility | 5% | 8% | 9% |
| Telemarketing, cold calls | 2% | 6% | 6% |

# Data

| Preferred marketing tactics to consider a vendor | |
|---|---|
| Face-to-face meetings | 40% |
| Colleagues and friend | 36% |
| Pricing information | 35% |
| Vendor presentations | 34% |
| Customer reviews | 32% |
| Vendor websites | 31% |
| Industry analysts | 26% |
| Product brochures and sales sheets | 26% |
| Buyer's guides | 22% |
| Vendor comparison charts | 22% |
| Free trials | 22% |
| Search engines | 22% |
| Online communities and blogs | 19% |
| Trade or industry articles or web sites | 17% |
| Catalogs | 15% |
| Vendor videos | 13% |
| YouTube | 11% |
| Vendor infographics | 10% |
| ROI calculators | 9% |
| LinkedIn | 6% |
| Podcasts | 2% |

| Preferred marketing tactics to consider a vendor (by size of company) | | | |
|---|---|---|---|
| | < $1 million | $1 to $10 million | > $10 million |
| Face-to-face meetings | 28% | 52% | 58% |
| Colleagues and friends | 39% | 27% | 50% |
| Pricing information | 34% | 32% | 46% |
| Vendor presentations | 23% | 34% | 47% |
| Customer reviews | 29% | 33% | 37% |
| Vendor websites | 27% | 32% | 39% |
| Industry analysts | 13% | 33% | 43% |
| Product brochures and sales sheets | 28% | 19% | 29% |
| Buyer's guides | 21% | 19% | 35% |
| Vendor comparison charts | 15% | 27% | 26% |
| Free trials | 19% | 20% | 27% |
| Search engines | 21% | 17% | 17% |
| Online communities and blogs | 9% | 26% | 18% |
| Trade or industry articles or websites | 11% | 17% | 19% |
| Catalogs | 14% | 16% | 17% |
| Vendor videos | 8% | 16% | 15% |
| YouTube | 7% | 13% | 14% |
| Vendor infographics | 4% | 14% | 15% |
| ROI calculators | 3% | 7% | 9% |
| LinkedIn | 1% | 8% | 6% |
| Podcasts | 1% | 2% | 6% |

# Data

| Preferred marketing tactics for final vendor selection | |
|---|---|
| Pricing information | 44% |
| Face-to-face meetings | 39% |
| Customer reviews | 39% |
| Vendor presentations | 32% |
| Vendor videos | 32% |
| Colleagues and friends | 31% |
| Product spec sheets | 28% |
| Free trials | 23% |
| Industry analysts | 22% |
| Vendor comparison charts | 21% |
| Incentives (coupons/discounts) | 18% |
| Buyer's guides | 16% |
| Implementation guides | 16% |
| Online communities and blogs | 14% |
| ROI calculators | 11% |

| Preferred marketing tactics for final vendor selection (by size of company) | < $1 million | $1 to $10 million | > $10 million |
|---|---|---|---|
| Industry analysts | 10% | 27% | 39% |
| Colleagues and friends | 32% | 26% | 31% |
| Online communities and blogs | 8% | 18% | 21% |
| Customer reviews | 41% | 39% | 35% |
| Face-to-face meetings | 33% | 39% | 50% |
| Vendor presentations | 24% | 26% | 50% |
| Vendor videos | 9% | 23% | 26% |
| Vendor comparison charts | 14% | 23% | 32% |
| Buyer's guides | 14% | 16% | 18% |
| Implementation guides | 10% | 14% | 27% |
| Product spec sheets | 25% | 25% | 35% |
| Pricing information | 51% | 23% | 49% |
| ROI calculators | 2% | 10% | 28% |
| Free trials | 21% | 27% | 24% |
| Incentives (coupons and discounts) | 19% | 16% | 19% |

# Data

| Preferred claims about technology products or services | |
|---|---|
| Reliable | 68% |
| Easy to use | 64% |
| Low cost | 49% |
| Integrates easily | 43% |
| 24-hour customer support | 39% |
| Performance stability | 37% |
| Proven technology | 37% |
| Easy customization | 35% |
| Flexibility | 30% |
| Guarantee | 29% |
| Established brand | 26% |
| High ROI | 23% |
| Innovator | 18% |
| Scalable | 16% |
| New technology | 14% |
| No customization needed | 11% |
| Breadth of solutions | 11% |
| Other | 4% |

| Preferred marketing tactics during initial discovery (by size of company) | < $1 million | $1 to $10 million | > $10 million |
|---|---|---|---|
| Reliable | 67% | 64% | 74% |
| Easy to use | 66% | 66% | 58% |
| Low cost | 54% | 41% | 46% |
| Integrates easily | 33% | 44% | 61% |
| 24-hour customer support | 39% | 36% | 39% |
| Performance stability | 37% | 28% | 44% |
| Proven technology | 33% | 38% | 45% |
| Easy customization | 33% | 34% | 39% |
| Flexibility | 27% | 32% | 36% |
| Guarantee | 31% | 27% | 28% |
| Established brand | 23% | 31% | 26% |
| High ROI | 17% | 19% | 37% |
| Innovator | 9% | 24% | 28% |
| Scalable | 8% | 8% | 36% |
| New technology | 9% | 16% | 21% |
| No customization needed | 16% | 5% | 7% |
| Breadth of solutions | 8% | 9% | 17% |
| Other | 7% | 1% | 1% |

| Preferred claims about technology products or services (by region) | East | South/SE | Midwest | West |
|---|---|---|---|---|
| Reliable | 64% | 65% | 77% | 73% |
| Easy to use | 64% | 64% | 62% | 64% |
| Low cost | 49% | 40% | 50% | 56% |
| Integrates easily | 41% | 53% | 38% | 43% |
| 24-hour customer support | 35% | 42% | 48% | 37% |
| Performance stability | 32% | 37% | 42% | 43% |
| Proven technology | 39% | 36% | 33% | 37% |
| Easy customization | 37% | 37% | 29% | 35% |
| Flexibility | 30% | 29% | 37% | 28% |
| Guarantee | 28% | 31% | 29% | 30% |
| Established brand | 25% | 38% | 15% | 21% |
| High ROI | 23% | 23% | 23% | 22% |
| Innovator | 15% | 22% | 17% | 18% |
| Scalable | 15% | 24% | 12% | 11% |
| New technology | 16% | 17% | 12% | 10% |
| No customization needed | 8% | 14% | 10% | 16% |
| Breadth of solutions | 12% | 10% | 12% | 8% |
| Other | 4% | 1% | 6% | 6% |

# Questionnaire

This brief survey will ask for your opinions about your company's practices regarding business technology purchases more than $10,000, including software, hardware or consulting services. Simply click on the appropriate answer or, for open-ended questions, please provide as much detail as needed to express your opinion. Thanks in advance for your input!

1. Which department/function within your company is primarily responsible for decisions regarding technology purchases? (Choose one.)
   • Procurement
   • Marketing
   • IT
   • Operations
   • C-Suite
   • Other (open ended)

2. What is your title?
   • Chief Executive Officer
   • President
   • Chief Technology Officer
   • Chief Information Officer
   • Chief Marketing Officer
   • Director of IT
   • Director of Procurement
   • Director of Marketing
   • IT Manager
   • Marketing Manager
   • Other (open ended)

In the following questions, you'll be asked to think about sales, marketing and communications tools you use in the discovery, consideration and purchase process regarding business technology products or services.

3. The first stage of buying technology (software, hardware or consulting services) is discovering you may have a problem or need, and to become aware of products, services and vendors who may offer solutions. During this early awareness stage, which of the following resources or tactics do you think will work best to spark your interest in a vendor? (Choose all that apply.)
   • Colleagues and friends
   • Conferences and tradeshows
   • Case studies, white papers or industry reports
   • Online communities and blogs
   • Buyer's guides
   • Catalogs
   • Product brochures
   • Search engines
   • Trade or industry articles or websites
   • Vendor websites
   • Vendor infographics
   • Vendor videos
   • Direct mail
   • Magazine advertising
   • Online/digital/mobile ads
   • LinkedIn
   • YouTube
   • Telemarketing, cold calls
   • Sponsorships
   • Corporate social responsibility

4. The second stage of buying software, hardware or consulting services is to start considering that you have a need and creating a shortlist of potential vendors. During this consideration stage, which marketing tactics or resources are more likely to help seriously consider a vendor? (Choose all that apply.)
   • Industry analysts
   • Colleagues and friends
   • Online communities and blogs
   • Face-to-face meetings
   • Vendor presentations
   • Product brochures and sales sheets
   • Buyer's guides
   • Catalogs
   • Vendor comparison charts
   • Vendor infographics
   • Vendor videos
   • Vendor websites
   • Trade or industry articles or websites
   • Search engines
   • Customer reviews
   • Pricing information
   • ROI calculators
   • Free trials
   • LinkedIn
   • YouTube
   • Podcasts

5. The third stage of buying technology is deciding which vendor to choose. During this final decision-making stage, which of the following resources would you rely on to select a vendor? (Choose all that apply.)

- Industry analysts
- Colleagues and friends
- Online communities and blogs
- Customer reviews
- Face-to-face meetings
- Vendor presentations
- Vendor videos
- Vendor comparison charts
- Buyer's guides
- Implementation guides
- Product spec sheets
- Pricing information
- ROI calculators
- Free trials
- Incentives (coupons and discounts)

6. Tell us about the most effective sales tactic you've experienced from a technology vendor. Please be as specific as possible. (open ended)

7. Next, we'd like to know what claims or characteristics of a technology company that will best help you sell or justify your decision to other internal stakeholders or decision-makers. (Choose all that apply.)

- Reliable
- Integrates easily
- Innovator
- High ROI
- Easy customization
- Performance stability
- 24-hour customer support
- Breadth of solutions
- New technology
- Easy to use
- Established brand
- Low cost
- Flexibility
- No customization needed
- Guarantee
- Scalable
- Proven technology
- Other

8. What was your organization's total gross sales volume last year?

- Less than $1 million
- $1 million to $2.5 million
- $2.6 million to $5 million
- $5.1 million to $10 million
- $10.1 million to $30 million
- $30.1 million to $50 million
- $50.1 million to $75 million
- $75.1 million to $100 million
- More than $100 million

9. Please indicate your gender:

- Male
- Female
- Prefer not to answer

10. What is the zip code where your business is based?

11. Which of the following includes your age?

- 18 to 24
- 25 to 34
- 35 to 44
- 45 to 54
- 55 to 64
- 65 or older
- Prefer not to answer

12. Which includes the highest level of education you have completed?

- Some high school
- High school graduate or GED
- Some college or trade school
- College graduate (bachelor's degree)
- Post-graduate (master's degree or higher)
- Prefer not to answer



WestGroup Research, headquartered in Phoenix and founded in 1959, is the largest full-service market research firm in the Southwest U.S., serving a domestic and international client base.

# About LAVIDGE

LAVIDGE is a Phoenix-based full-service advertising, public relations and digital marketing agency. Since 1982, LAVIDGE has specialized in discovering and communicating insights that engage, motivate and inspire. Agency clients include Axon, CableONE, OneNeck and many more.

Earlier this year, LAVIDGE conducted three consumer marketing studies:

- 2017 Southwest Food Service Marketing Report
- 2017 Southwest Personal Care Marketing Report
- 2017 Southwest Healthcare Marketing Report

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