

# Digital Transformation Raises the Bar and the Rewards

**With the trio of cloud computing, big data and mobility** disrupting the traditional IT landscape on an unprecedented scale, buyers face more choices than ever in deciding how their assets should be deployed, who should manage them and how they can be leveraged for operational efficiency and transformative customer experiences. IDG's sixth annual Customer Engagement Study finds that technology buyers are more aware than ever of the impact they can make on their organizations, but the ways they go about researching their options are rooted in tried-and-true practices.



**Organizations have overwhelmingly** bought into the concept of digital transformation, in which data is applied in all parts of the business to streamline processes, better understand customer preferences and accelerate innovation. According to another of IDG's studies, the Role & Influence of the Technology Decision-Maker, 93% of ITDMs said their organizations plan to pursue digital business transformation, yet only 28% currently have an active "digital first" approach. The responsibility for bridging this chasm falls squarely on the IT organization, which continues to be the primary driver of technology investments. Despite the growing involvement of business owners in IT decisions such as the choice of software-as-a-service (SaaS) vendors and mobile devices, the buck still stops with IT. In fact, IDG's 2019 State of the CIO research found that the percentage of tech investments directly controlled by the IT organization will actually increase over the next three years.

Those technology leaders face more choices than ever, and the good news for technology marketers is that they are open to being educated by the companies they do business with. In fact, 77% of decision-makers on both the IT and business side said they are more likely to consider doing business with IT vendors who provide educational resources than those who don't. While that number is down from 85% in the 2017 study, it still reflects an overwhelming interest in trusted advice — regardless of the source.

IT leaders understand that their partners on the business side also need help. Nearly 2/3 said vendors could do a better job of providing educational resources for non-technical users. While this represents an opportunity for vendors, the research indicates that many fall short. Asked how challenging it is to find high quality, trusted information related to enterprise IT products and services, 37% of respondents said either "very challenging" or "extremely challenging." Perhaps more concerning for marketers is that IT decision-makers (ITDMs) reported that only 40% of work-related content they have downloaded provides value, meaning that 60% of the time and budget marketers pour into content is effectively wasted.  It's worth noting that North American

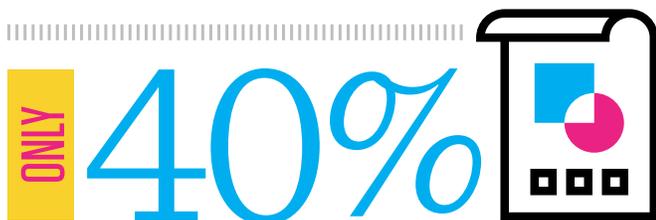
executives are pickier than their counterparts in Europe/Middle East/Africa (EMEA) and Asia/Pacific (APAC); only 38% of them said downloaded content is valuable.

The top reasons ITDMs dismiss vendor content include too much hype (56%), lack of a truly independent perspective (46%) and fear of being contacted by sales representatives (38%). It's clear that they believe many marketers put delivery of a message ahead of the bigger goal of providing actual value, which undermines the effectiveness of their messaging. Buyers would rather hear success stories from other customers than empty claims and buzzwords.

Over the years, the research has firmly documented that IT buyers object to being called by sales representatives after they've filled out a registration form in order to download an asset. However, that doesn't mean they aren't willing to talk to companies that might have a useful solution. The key is constructive outreach at the right time.

The survey found that buyers take, on average, a little less than three days to read a document they've downloaded. However, they would prefer to be contacted after 6+ days, giving them time to consume and perhaps continue their research if they have found value in that content. Email is the preferred form of contact with vendors with 42% saying they prefer it, but in-person meetings are also preferred when strategic decisions are involved. Phone calls and text messages follow far behind at 12% and 4%, respectively.

One thing that's clear is that vendors need to move with deliberate speed when prospects fill out a "contact me" form or request for information. Unlike a registration form, this action signals the need for follow-up, and respondents said they expect it within about 17 hours. The good news is that



***of work-related downloaded content has provided value to tech decision-makers in the last 12 months.***

the race goes to the swiftest: 31% of overall respondents and 35% of IT executives said the first person to answer their questions usually gets the business.

Quality content is an important factor in gaining the buyer's attention, and the lack of such content can work the opposite way. Asked what would cause them to abandon consideration of a vendor during the purchase process, decision-makers cited promotional or self-serving content first followed by a general lack of content. Interestingly, buyers at small and mid-sized businesses (SMBs) indicated they are more sensitive to insufficient or poor-quality content than enterprises: 55% of them said insufficient content will cause them to abandon research, compared to just 43% of buyers at large companies.

Content tailored to specific needs is especially desirable; 93% of buyers prefer it. Content should be tailored to the buyer's industry and/or the platforms they already use. Company size, job title and the stage of the buying process were seen as much less relevant.

### Modeling the Buyer Journey

**THE WAY BUYERS** research decisions has changed little over the years the study has been conducted. What has changed is their sensitivity to information quality. Research has long shown that peer recommendations are the most

*Sales follow-up should happen*



*after content is consumed.*



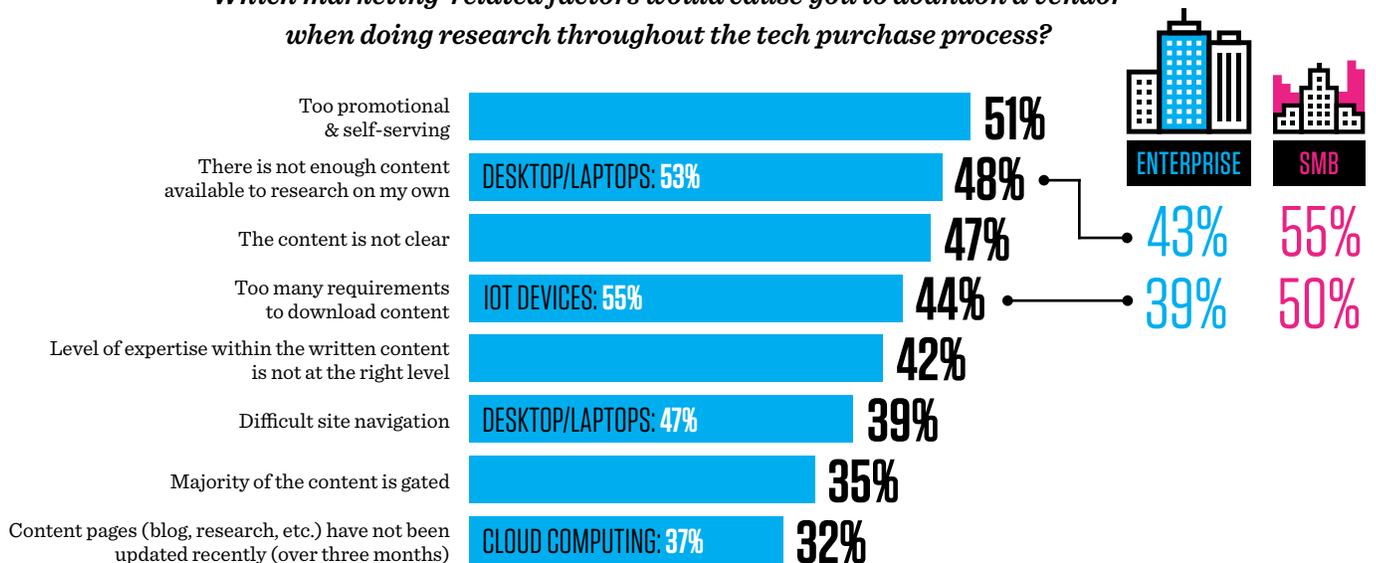
important factor in identifying prospective vendors and our survey found that it's the number one factor that increases trust in online information. However, buyers are becoming more selective about taking recommendations at face value, as evidenced by the fact that association with a familiar source such as a media brand or vendor is the second most important factor in establishing trust. This may be an overhang from the fake news phenomenon and the tendency of people to share information without fully vetting its authenticity. Essentially, buyers are triangulating their decisions.

Interestingly, the professionalism of the website that provides the information is also a major trust factor, as is related coverage from media organizations. Taken together, these results indicate that buyers are becoming more savvy about vetting information sources and less likely to take information at face value just because it appears on a website.

The value they place in a vendor's track record is evident in the finding that 80% of buyers said that known and trusted brands are more likely to make their short list. This contrasts to a similar question in last year's survey that found that only 55% of buyers cited trust as a short-list factor, behind both cost and quality. Executive IT (29%) and business management (37%) respondents were both more

## DO YOU HAVE ABANDONMENT ISSUES?

*Which marketing-related factors would cause you to abandon a vendor when doing research throughout the tech purchase process?*



# 80%



**of buyers said that known and trusted brands are more likely to make their short list.**

open to being among the first clients of a new or emerging vendor, far more than IT managers (20%) and IT professionals (16%). On a product category basis, SaaS and web application startups are most likely to get a hearing, while fledgling enterprise software and mobility makers have the most difficulty penetrating the executive suite. This disparity is probably a function of corporate standards, since mission-critical software is perceived as too important to entrust to untested companies and most buyers have probably settled on a limited set of mobility platforms.

The typical short list includes three to four prospective candidates. Enterprise shortlists tend to be longer, while resource-constrained SMBs generally have a smaller field of candidates. Buyers research companies on their short list intensively, downloading product information, reviewing testimonials and contacting sales representatives.

The research documented some interesting variances in the way buyers go about making decisions for different

types of products. For example, they researched an average of seven vendors when considering the purchase of Internet of Things (IoT) products but only four when buying desktop or laptop computers. This probably reflects the dynamic nature of new markets in which many startups compete for attention and few clear leaders have emerged. In contrast, the PC market is mature and stable.

This new openness to evaluate new vendors has probably been influenced by the intense entrepreneurial activity of the last few years in areas like cloud and big data. And it appears that buyers are more willing to take risks. Those who said they will evaluate new vendors only upon recommendation from trusted sources fell to 17% from 21% in last year's study, indicating that the benefits of being the first on the block with the new technology are increasingly being perceived as outweighing the risks that it will fail.

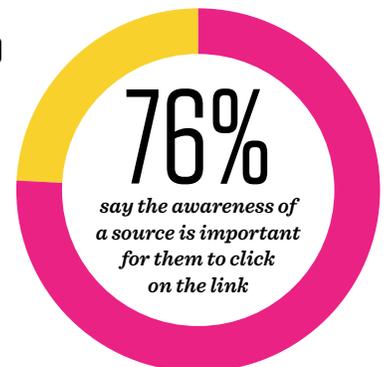
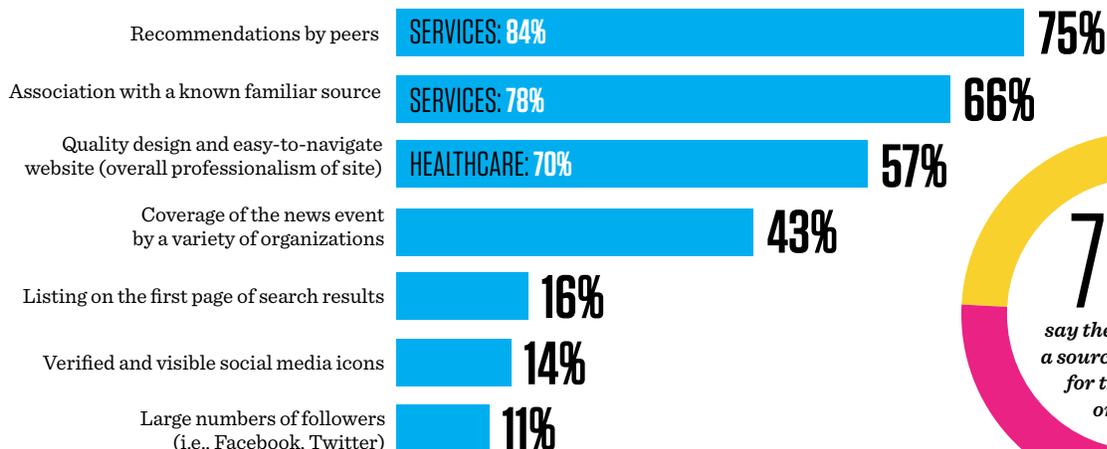
### Information Consumption

**THE VOLUME AND** variety of advisory content is proliferating, and decision-makers are showing a willingness to use all of it. The type of content they prefer varies by product category, however, as does the way they prefer to consume it. For marketers seeking leads, the good news is that 92% of ITDMs say they've registered for tech-related content during the past six months, trading information about themselves for something they deem valuable.

Throughout the survey, respondents showed a greater

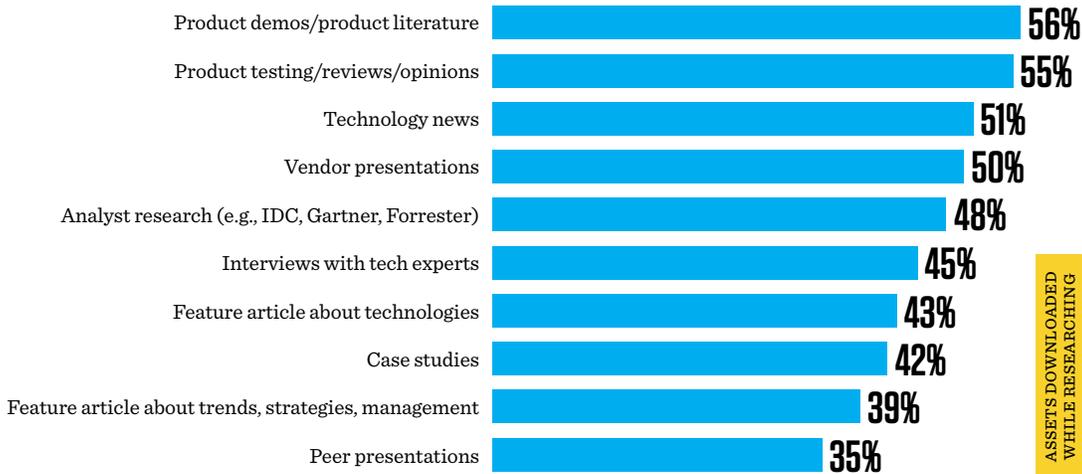
## PEERS AND FAMILIAR SOURCES CREATE THE MOST TRUST

*Which of the following factors increase your trust in the information you read online?*



# PRODUCT INFORMATION CONSUMPTION

*When making the following purchases, which types of information or content do you rely on most?*



**5** Average number of assets downloaded during the purchase process



ASSETS DOWNLOADED WHILE RESEARCHING

- 6** Cloud, Enterprise Software (SaaS & non-SaaS)
- 5** Data & Analytics, IoT, IT Services, Mobile Apps, Security, Web Apps
- 4** Networking, Servers/Storage, Telecom
- 2** Desktops/Laptops

appetite for information about areas that are new, rapidly changing or that address risk. Not surprisingly, security tops the list, with two-thirds of decision-makers saying they've registered for content related to that topic. Among IT executives, that number climbed to 72%.

Security is followed closely by cloud computing at 63%, with IT services, SaaS and data/analytics in a virtual tie for third at just over 50%. At the bottom of the list are mature technologies like PCs and telecommunications. IoT devices also ranked low, but that's probably a function of their limited penetration in the market.

The same pattern is evident in the number of assets buyers download during the purchase process. For example, they download an average of six assets about the topics of cloud computing, SaaS and enterprise software, but only two about PCs. The buying decision takes a little less than five months to complete, on average, which implies that buyers seek different assets at different stages of the process. This is supported by the most popular types of information they request, a varied list headed by demos and product literature, tests and reviews, technology news, vendor presentations, analyst research and market overviews. The variety of this content supports the view that buyers look for advisory information about an overall market early in the selection process and then drill down to more specific details about specifications as they near a decision. This pattern influences both the type of content they desire and the way they consume it. For example, previous surveys

have found that video case studies are widely used by lower-funnel buyers whereas those just beginning their research prefer white papers and market overviews.

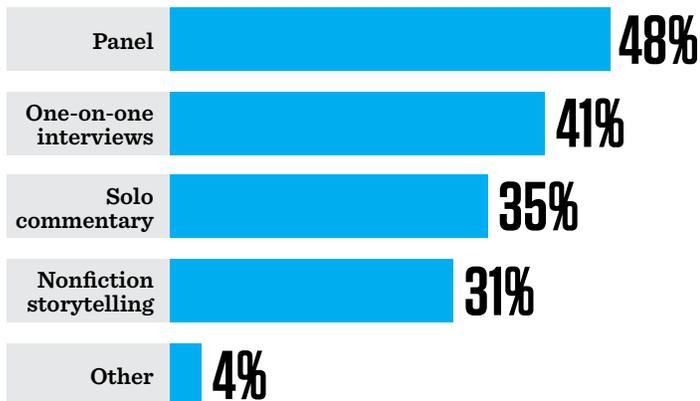
Some interesting distinctions arise when these numbers are broken down by region and company size. SMBs show a higher interest in product tests and reviews than enterprise buyers by a 59% to 53% margin. Conversely, enterprise buyers have a stronger proclivity for vendor presentations and analyst research. This is probably a function of the nature of the business, since many small businesses don't have the luxury of interacting with vendor sales representatives directly or buying syndicated research.

Geographically, respondents in the Asia-Pacific region favor product demos and literature by a 66% to 51% margin over North American buyers. Global companies should consider this when designing campaigns that will be aimed at specific regions.

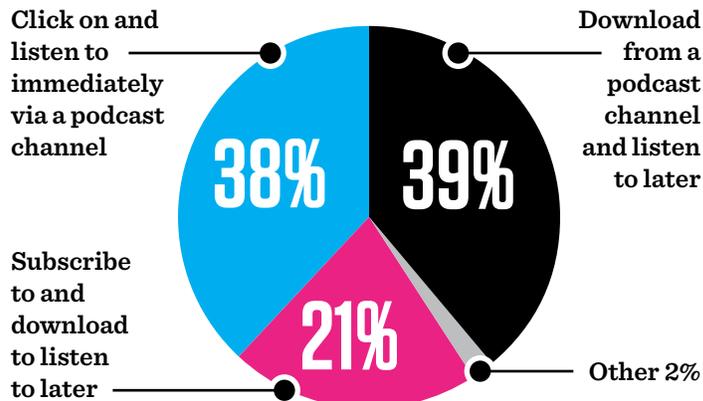
They should do the same when targeting job titles within an organization. While product demos and tests are near the top of nearly every decision-maker's list, some significant differences are apparent between people on the business side and those in the IT trenches. For example, 56% of business managers said they value vendor presentations compared to just 32% of IT professionals. In the area of analyst research, the difference is even more stark, with 54% of business decision-makers finding those assets valuable compared to just 23% of IT pros. This trend has been consistent throughout the six years the survey has been conducted: Business leaders

# PODCASTS PART OF MULTI-CHANNEL APPROACH TO CONTENT CONSUMPTION

## PREFERRED FORMATS FOR BUSINESS PODCASTS



## HOW DO YOU PREFER TO LISTEN TO PODCASTS?



*Have you listened to a podcast in the last three months for business or personal purposes?*



want context while front-line IT workers want details.

Preferences also vary by the type of product being researched. While product tests are near the top of the list for nearly every product category, the value of analyst research is especially high for buyers researching cloud computing and analytics products. In contrast, analyst research doesn't even make the top-five list in servers, storage, networking, telecom and PC decisions. Buyers clearly lean more heavily upon expert advice when evaluating new markets than they do for mature ones. This would indicate that marketers in high-growth businesses would do better to align themselves with thought leaders than those in which price and performance are dominant buying criteria.

### Social Content Makes Impressive Gains

**AS SOCIAL MEDIA** has progressed from curiosity to mainstream communications medium (93% of respondents say they use it for business purposes, decision-makers have adopted social networks as a core part of their decision-making process. While LinkedIn is the most-used social network overall, other channels saw strong growth compared to previous studies.

LinkedIn has established itself as the way to find, follow and validate business contacts, and 78% of respondents overall and 87% of business managers report using it for

business purposes. LinkedIn is also the destination where decision-makers are most likely to post content. Nearly 40% of respondents have posted content to LinkedIn and 43% have shared, far more than have done so on other platforms.

YouTube saw impressive growth over the 2017 survey, with 67% of respondents saying they use it for business purposes, up from 46% last year. Facebook usage doubled to 52% this year from 26% in 2017 while Twitter usage also jumped to 46% from 26%. People with business management titles are more active users of social media in general, but IT executives are second in most cases and even exceed the activity levels of business managers on YouTube.

This year's study was the first to delve into a content type that is making a bit of a surprise comeback. 🐦 Podcasts are audio programs that listeners can download and consume on PCs and mobile devices. Podcasts have been around for more than a decade, but they were long limited to a niche audience because the technology limitations dictated that they be downloaded to PCs and then transferred to portable devices. With the advent of high-speed wireless services, smart phones and connected vehicles, many of those impediments have now been removed. As a result, thousands of new podcasts have proliferated. The Interactive Advertising Bureau estimates that podcasting revenues will grow to \$659 million in 2020 from \$402 million this year and

Edison Research says 24% of Americans regularly listen to podcasts, up from 21% in 2017.

ITDMs exhibit a much higher affinity for podcasts than the general population: 74% have listened to one or more and 62% have done so within the past three months. Adoption is particularly strong among IT executives, who have voracious information needs and little time. One of the virtues of podcasts is that they can be consumed while commuting, exercising or whenever a few minutes are available. This is supported by the finding that 60% of respondents either download or subscribe to podcasts with the intention of listening to them later.

Many technology companies use podcasts to provide deep insight on their products and introduce the perspective of subject matter experts to their customers. Decision-makers show particular interest in podcast relating to cloud computing (72%), enterprise SaaS and security (both 66%) and enterprise software (67%). When considering podcasts as a channel, consider that 48% of decision-makers prefer a discussion panel format, followed by one-on-one interviews at 41%. While 35% also like solo commentaries, there is a marked preference for programs with an interactive element.

Given their relatively low production and distribution costs, podcasts may be an effective tool in markets characterized by high-growth and rapid change.

Podcasting's elder sibling — webcasts — continue to show strong performance. An overwhelming 96% of ITDMs watch them. Webcasts are also notable for the attention they command; last year's Customer Engagement research found that webcasts enjoyed the longest average viewing time — 16.5 minutes — of any content type. Like podcasts, most webcasts are consumed on demand. In fact, 51% of decision-makers said they prefer to watch a recorded version of a webcast compared to just 22% who watch live. This is an important statistic for marketers to consider, since many place a premium upon live attendance. In fact, total viewership is likely to be considerably higher over time than upon the day of the event.

### Events Evolve

**THE DAYS OF** giant IT trade shows are long gone, but events continue to enjoy a special place in the minds of buyers on both the technology and business sides. For ITDMs they are all but essential, as evidenced by the 90% who told us they have attended at least one industry-related event during the past 12 months. Some important distinctions are apparent between the interests of business and IT leaders, however. While buyers prefer technology-specific event topics such as “cloud computing” to broad themes like “digital transformation,” business managers show a significantly higher interest in those big themes, probably reflecting the

## EXECUTIVE IT IS ATTENDING MORE EVENTS

*Have you attended the following types of industry or job-related events in the last 12 months?*

		EXEC IT	IT MGMT	IT PROS	BIZ MGMT
Events where I have the opportunity to interact with the vendors	71%	73%	71%	52%	65%
Vendor-run roadshows/events	57%	60%	54%	47%	54%
Trade shows	56%	58%	54%	51%	54%
Regional events	55%	59%	44%	41%	56%
Events produced by an independent third-party	54%	57%	41%	41%	50%
National events	47%	52%	31%	29%	38%
Vendor user group conferences	46%	50%	38%	32%	35%
Events hosted by venture capitalists	43%	48%	33%	17%	31%
Roundtable style events	21%	25%	9%	13%	21%

nature of their jobs. For marketers who seek to attract buyers across the spectrum, choosing a mix of technology- and business-focused events is probably a good strategy.

It's worth noting that North American respondents are much less interested in broad-themed events (25%) than their EMEA (36%) and APAC (40%) counterparts. Marketers should take this into account, because many events are multinational in scope and topics may need to be adjusted for the preferences of local audiences.

Among the most popular event topics respondents cited are security (60%) and cloud computing (55%). Both are of higher interest to IT executives than to the overall respondent base. Other high-performing topics include IT services, data/analytics and SaaS. At the bottom of list is desktops and laptops, cited by just 18% of respondents. The fact that PCs once supported massive trade shows like Comdex and PC Expo should dramatize to marketers how changeable the event space can be.

Not surprisingly, decision-makers attend conferences to connect with others. This is consistent with the finding that 54% of respondents prefer face-to-face contact when making strategic decisions, well ahead of email at 33%. The top benefits of attending events are to meet with industry experts (cited by 57%), see new products (also 57%), learn about new vendors and offerings (53%), bring value back to the business (50%), and meet with current vendors (49%). Business managers have a much stronger interest in learning about new vendors and technologies to spark ideas for future business projects more so than people on the IT side.

It's worth noting that buyers' interests in connecting with vendors at events seems a bit out of step with the aversion they exhibit toward calls from salespeople. The difference is contextual: Buyers at a conference are in control of

the discussion and can choose who to interact with. In fact 71% say they have attended an event in the past 12 months that gave them the opportunity to interact with vendors, a choice that was far ahead of the runner-up road shows, trade shows and regional events.

### **Bottom Line: Know Your Customers**

**DIGITAL TRANSFORMATION IS** an opportunity for forward-thinking organizations to establish new bonds with their customers, whose information needs have never been greater. However, the bar to success is high. Buyers want timely information that's customized to their needs and is free of hype and buzzwords. When they ask for response, they expect immediate results. They interact through more channels than ever before, and their needs differ by role, geography and industry.

Savvy marketers will learn which stage of a digital-first business their customers and prospects are in to get a better grasp on the technologies they are purchasing. They'll understand the focus and roles in which customers are operating and how content impacts their decisions. And they'll engage with decision-makers through valuable content and follow-up tailored to timing and messaging preferences.

By aligning marketing activities with the ways customers want to interact, marketers can become trusted sources who outclass their competitors by being the first to deliver useful information. Evaluate every possible channel and narrow choices to those that influence prospects at key stages of the buying process. Finally, educate the sales team to focus on delivering value, not just closing the deal. More than ever, buyers want to do business with brands they trust. The challenge — and the opportunity — for marketers is to become an ally in their success.

### **Examining the marketplace**

Research is a valuable tool in understanding and connecting with customers and prospects. Our research portfolio explores our audiences' perspectives and challenges around specific technologies – from analytics and cloud, to IoT and security – examines the changing roles within the IT purchase process, and arms tech marketers with the information they need to identify opportunities. **To see what research is available, visit [idg.com/tools-for-marketers](http://idg.com/tools-for-marketers). And for a presentation of full results from any of these studies, contact your IDG sales executive or go to [idg.com/contact-us](http://idg.com/contact-us).**

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