



..... Exploring Technology Content
..... Usage and its Influence
..... on IT Buying

DEFINE WHAT'S VALUED ONLINE

Today millions of B2B technology buyers gather real-time, relevant data from multiple online sources as they seek to make more informed and complex purchasing decisions. A comprehensive survey now underscores the habits, wants, and needs of these IT researchers while accenting the considerable benefits and advantages of online content syndication and publication.

A CMO Council Survey Report. September 2005.

In partnership with:



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Introduction

Just as consumers now flock to the Internet to research vacation destinations or new cars, buyers of B2B technology turn to the Web to research IT products, services and solutions. In fact, the majority of today's technology buyers are using the Internet as their primary resource for purchasing decisions. According to *eMarketer*, last year 65 percent of U.S. B2B buyers turned to the Web first when researching technology solutions. That number is expected to rise to nearly 70 percent in 2005. Clearly the Internet is the destination of choice for researching technology purchases.

The *Define What's Valued Online* study is a thought leadership initiative exploring online technology content usage and its influence on IT buying. Thousands of technology white papers, analyst reports, product brochures, product reviews, news and more are produced and distributed online through a wealth of Internet channels — reaching millions of business and IT professionals worldwide. This study provides insight in to just how useful, compelling and persuasive the wealth of online technology content is to those who access it.

The study was fielded by the Chief Marketing Officer (CMO) Council in partnership with KnowledgeStorm, the Internet's top-ranked search resource for technology solutions and information. Conducted in July/August 2005, the study explores the consumption habits, patterns and relative importance of various information sources and destinations. It also measures where and how technology content is impacting purchasing and procurement decisions.

The program began with a dozen qualitative interviews of IT researchers across a variety of job titles, industries and company sizes. Those discussions, which focused on consumption habits, wants and dislikes of online technology content, were invaluable in shaping the quantitative survey, which was distributed among KnowledgeStorm's user base. Nearly 1,400 technology researchers took part in the survey. Demographic breakdown shows that 56 percent of the participants were business users and 31 percent were information technology professionals. Nearly half of the participants either make the final purchase decision within their organization or significantly influence outcomes. Further, one-third of participants said they exerted major impact on vendor preference and selection, and nearly half mentioned that more than 10 people within their organization relied on them for technology content sourcing and advice.

So just how compelling is online technology content to those who access it? Here is a look at some key findings...

Summary of Key Findings

Online Technology Content is a Key Ingredient in the IT Buying Process...

Nearly 90 percent of survey respondents said that online content has a moderate to major impact on vendor preferences and selections. Over 50 percent of respondents dedicate up to five hours a week, and an additional 25 percent log on for five to 10 hours per week to research technologies.

...but Satisfaction Level with the Caliber of Online Content Could be Higher

About 50 percent of respondents were "somewhat satisfied" with the caliber of technology content, and 22 percent said they were "very satisfied." This illustrates that marketers still have an opportunity to improve their company's messaging and value of online technology content.

Online Technology Researchers Cite Ease of Use as Key Benefit

When asked to cite the key benefits of researching technology on the Web, 53 percent surveyed said "ease of access and availability" was key, while 43 percent listed "breadth and depth of information available" as an important benefit.

Internet Giveth and It Taketh Away

The two most pressing problems or concerns cited by respondents are those faced by Internet users in general: "invasive online advertising" and "pop-ups, spam or phishing." "Biased and slanted content" ranked third among problems.

"Marketing Hype" Top of Mind for Content Pet Peeves

When asked their top technology content pet peeves, "hype and puffery of offerings" topped the list of worst offenders at 53 percent. "Poor communication of business value proposition" and "too few proof points that evidence ROI" were the next most common complaints.

Summary of Key Findings

Vendor White Papers Most Popular Content Shared with Peers

“Vendor white papers” were the most popular type of technology content downloaded and shared with peers according to 58 percent of respondents. Other content types that are popular for sharing include “Product reviews” and “Analyst research reports.”

Technology Vendors Face Tough Competition from Other Content Sources

When asked what content types gained the highest level of confidence and trust, respondents said analyst-generated reports/white papers garnered the most confidence and trust, followed by professional and industry association content. Vendor-generated content garnered mostly “moderate” values of confidence and trust.

Vendor Content Also Lags Behind in Decision Support Value

Once again, analyst, professional and industry associations garnered the highest levels of IT decision support value. Vendors again garnered mostly moderate votes in this category. Interestingly, articles by industry journalists, news articles and product reviews — content traditionally thought of as valuable — drew moderate levels of decision support value.

Search Engines and Directories Score Big With Tech Buyers

Nearly 70 percent of respondents start their online research using search engines (such as Google and Yahoo!) and directories. Vendor Web sites are a distant second. They also overwhelmingly trust search engines and directories and value them as channels for online information.

Conclusion

Millions of B2B technology buyers gather real-time, relevant data from multiple online sources as they seek to make more informed and complex purchasing decisions. Both business and technology executives are involved in gathering knowledge, insight and third-party validation during the process of sourcing business-critical IT solutions and services.

The goal of *Define What's Valued Online* was to investigate where and how IT buying is shaped, influenced, qualified and driven by online content distribution and consumption. The study clearly proves the value of online technology content to IT buyers. The Internet provides easy access and availability to a wide range of timely information that helps IT buyers make better purchase decisions. A clear indication of this is seen in the study results — 75 percent of technology buyers are spending up to 10 hours a week online, researching IT products and services. To follow up on that statistic, the study concluded that nearly half of the online buyers surveyed either make, or significantly influence, their organization's purchase decisions.

Not only are nearly three-fourths of tech buyers satisfied with their online research experience, but they trust online content and its accuracy to help them make better purchase decisions. Most especially, they trust research and white papers produced by industry analysts and professional and industry associations. Vendors should take note of this, and re-evaluate their strategy and relationships with such associations, in an effort to better position their content.

Vendors should also be cognizant of the survey respondents' top pet peeves: "hype and puffery of offerings, poor communication of business value propositions and too few proof points of ROI." Content needs to be well planned, messaged and positioned. Online researchers in the initial buying stage should not be hit over the head with a marketing anvil. Furthermore, buyers are looking for better proof points, clearer value propositions and the inclusion of more real-world examples of successful implementations of a product or solution. All of these issues, if properly addressed, could help improve the influence of a particular piece of content.

Search engines and directories play a monumental role in the buying process, as seven out of 10 technology purchasers surveyed indicated that they most often begin their research on search engines such as Google, Yahoo! and others. This data point underscores the importance of search engine optimization (SEO) and search engine marketing (SEM) efforts. By ensuring that the most effective product and solution keywords appear on relevant search networks, companies have a greater chance of being found on the Internet. Marketers need to keep in mind that successful online marketing campaigns go beyond the traditional marketing mix — today's online campaigns include SEO and SEM elements to help companies increase their exposure and influence on the Internet. This may seem simple in concept, but many companies still struggle with implementing successful online marketing campaigns.

Conclusion

The top-line goal of the *Define What's Valued Online* study was to give technology marketers a view of just how much and where their online content was influencing technology purchasing. From the resulting data it's clear that business and technology decision makers are highly reliant on the Internet and its content for information that will help them make better technology buying decisions. Consequently, by ramping up their content efforts and tracking the results, marketers have a golden opportunity to generate more leads, close more sales and ultimately improve the bottom line.

From the results, it's clear that a high percentage of researchers and buyers leverage information gathered through the Internet to help make better decisions, and they see content offered by vendors and other trusted sources as valuable to the process.

“ Going on the Web now to do technology research is like when fax machines came out – how did we ever get along without them? ”

- Programmer/ E-Business Analyst, Manufacturing Company

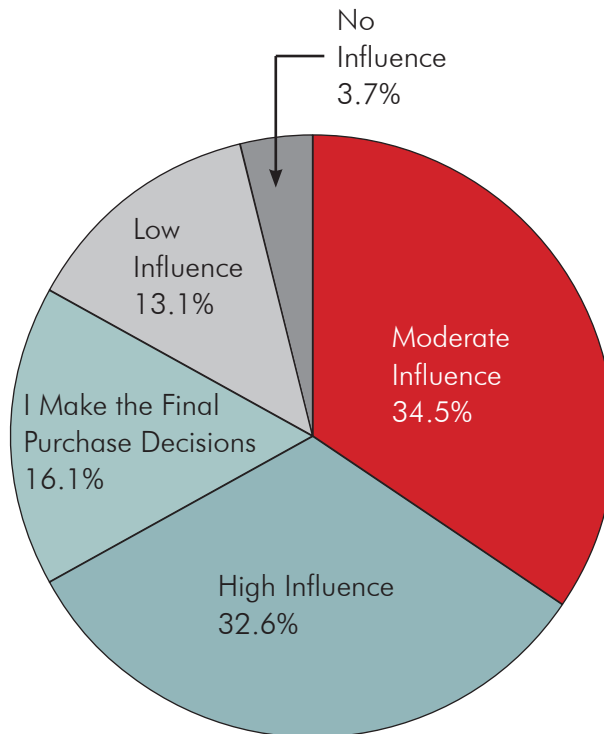
Detailed Findings

IT Purchasing Influence Within Organizations

Nearly half of respondents (48.7 percent) either make the final purchase decision within their organizations or significantly influence the outcome. Only 16.1 percent of respondents said they make the final IT purchase decision within their organization, reflecting the more complex nature of the B2B purchase process, but nearly one-third (32.6 percent) responded they have High Influence on purchase decisions.

Over one-third (34.5 percent) indicated they have Moderate Influence on purchase decisions. Only 3.7 percent had No Influence on IT purchasing decisions.

How Much Influence Do You Have on IT Purchasing in Your Organization?

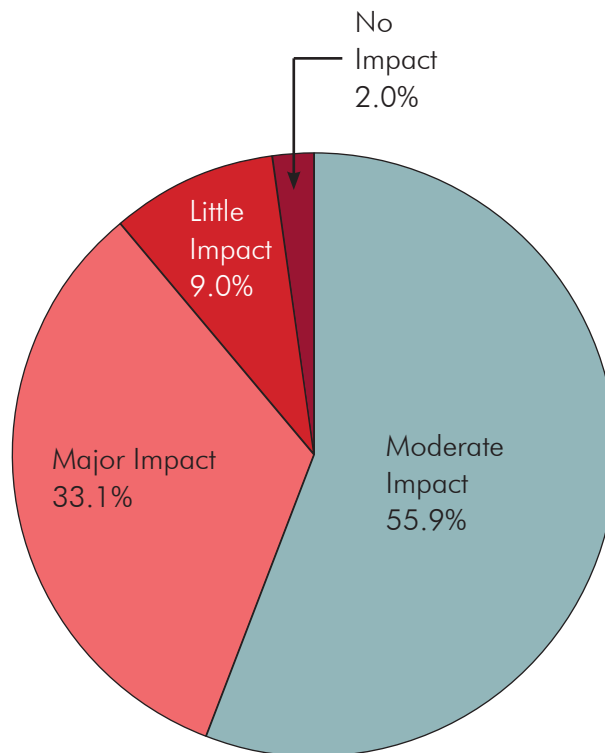


Detailed Findings

Impact of Online Content on Vendor Preference and Selection

One-third of respondents felt they had Major Impact on vendor preference and selection, congruent with the one-third of respondents earlier who said they exert High Influence on purchase decisions. The majority (55.9 percent) indicated they had Moderate Impact, and only 2 percent No Impact.

What Impact Does Online Content have on Your Vendor Preferences and Selections?

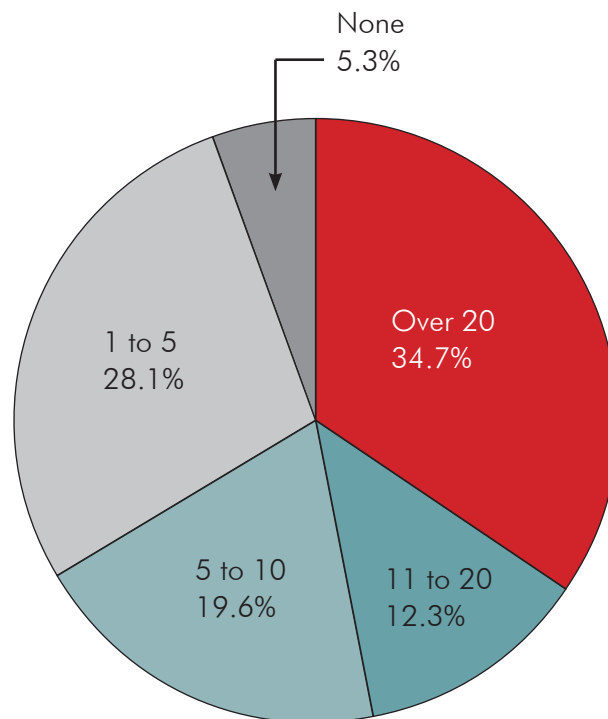


Detailed Findings

Number of Company Employees That Rely on Respondent For IT Content Sourcing and Advice

Almost one-half of respondents (47 percent) indicated that more than 10 people within their organization relied on them for content sourcing and advice. A substantial number (34.7 percent) said 20 or more people rely on them.

How Many People in Your Company Rely on You for IT Content Sourcing and Advice?



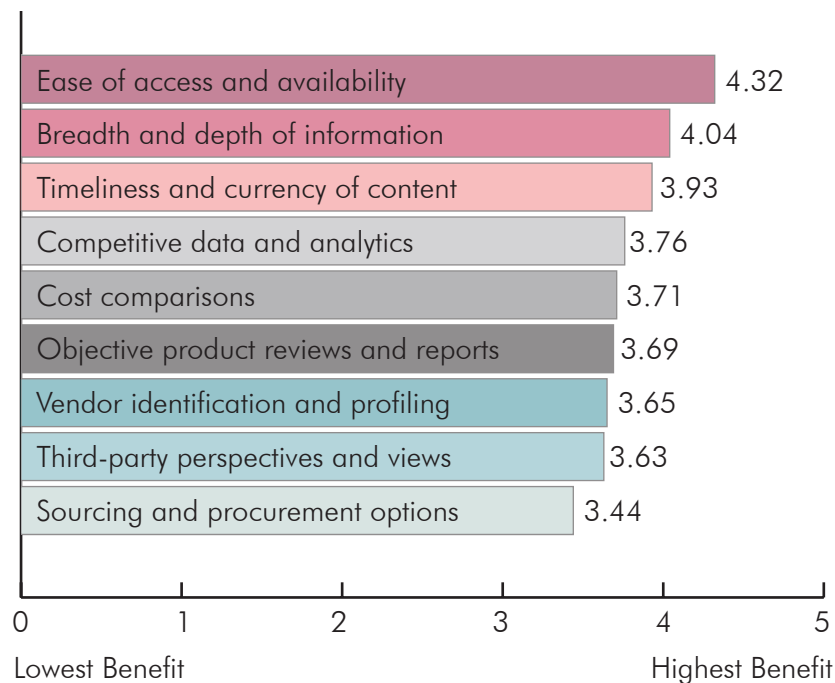
Detailed Findings

Key Benefits of Internet Research

When asked to rate the key benefits of Internet research (1 being the lowest benefit, 5 being the highest), Ease of Access and Availability had the highest response average at 4.32. Breadth and Depth of Information was rated second with a 4.04 response average, followed by Timeliness and Currency of Content at 3.93. Sourcing and Procurement Options was the lowest rated benefit with a 3.44 average.

Cost Comparisons finished in the middle of the pack with a 3.71 rating as a key benefit.

What Are the Key Benefits of Internet Research in Helping to Make More Informed IT Buying Decisions? (Rate each on a scale of 1 to 5, with 1 being the lowest benefit and 5 being the highest)

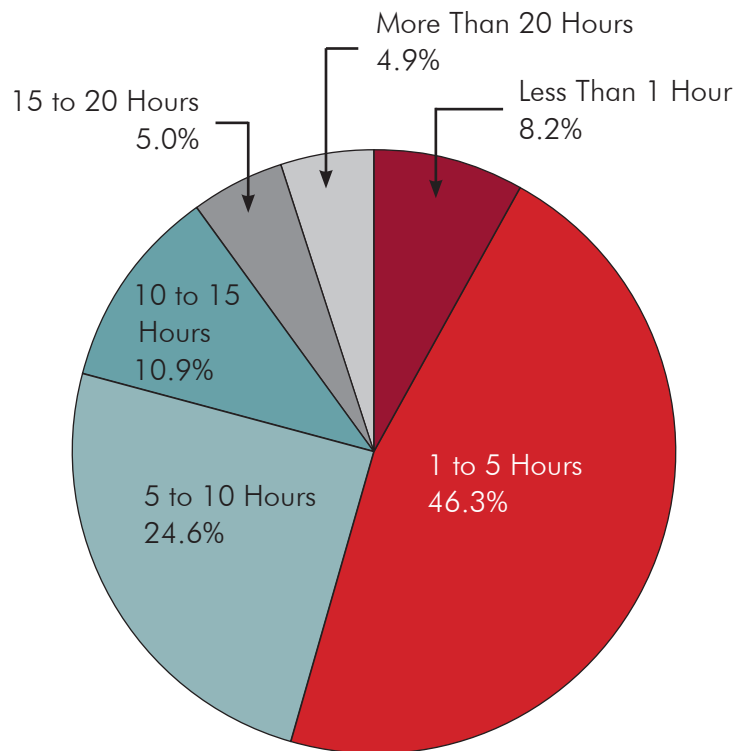


Detailed Findings

Hours Per Week Spent Researching IT Products, Services, and Solutions Online

A majority of respondents (54.5 percent) spend up to five hours per week online researching products, services, and solutions while another quarter (24.6 percent) are online researching for five to 10 hours a week. Only 4.9 percent can be considered heavy users who spend a significant 20 hours or more of their time conducting online research each week.

How Many Hours Per Week Do You Spend Online Researching IT Products, Services and Solutions?



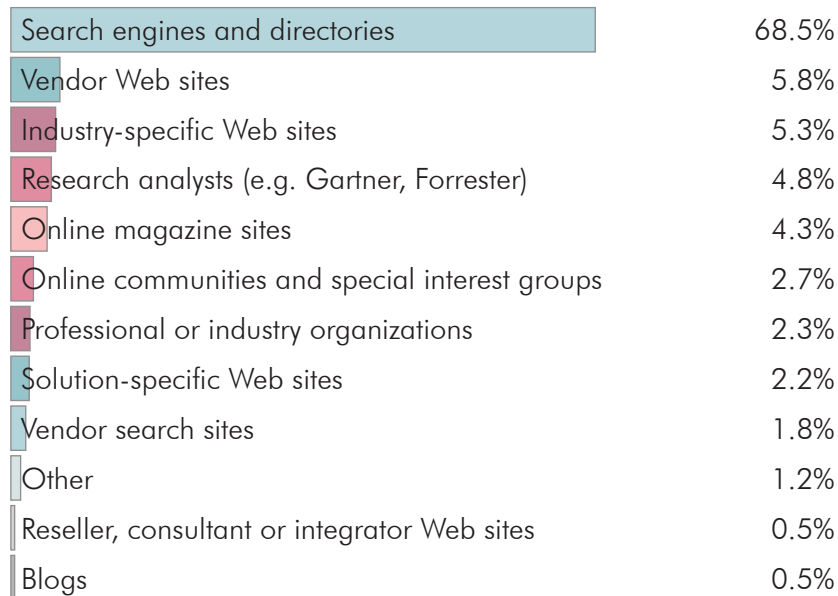
Detailed Findings

Where Respondents Start Online Research

Far and away, the number one starting point for researching technology products, services and solutions is Search Engines and Directories with nearly 70 percent of responses. Vendor Web sites are a distant number two starting point for online research with 5.8 percent. Industry-specific Web sites (5.3 percent), Research Analysts (4.8 percent) and Online Magazine sites (4.3 percent) are also favored sites.

Reseller, Consultant or Integrator Web sites and Blogs tied at the bottom for online research starting sites with a half percent each.

Where do You Start Conducting Your Online Research for Technology Products, Services and Solutions?



“ I go to Google first when researching. That generates lots of choices. From there, I normally go straight to a vendor. The last time I did some research I wanted to read more about lifecycle management. I ended up at EMC, HP and Oracle. I printed out whatever white papers they had, and when I had a spare moment I'd dive in. ”

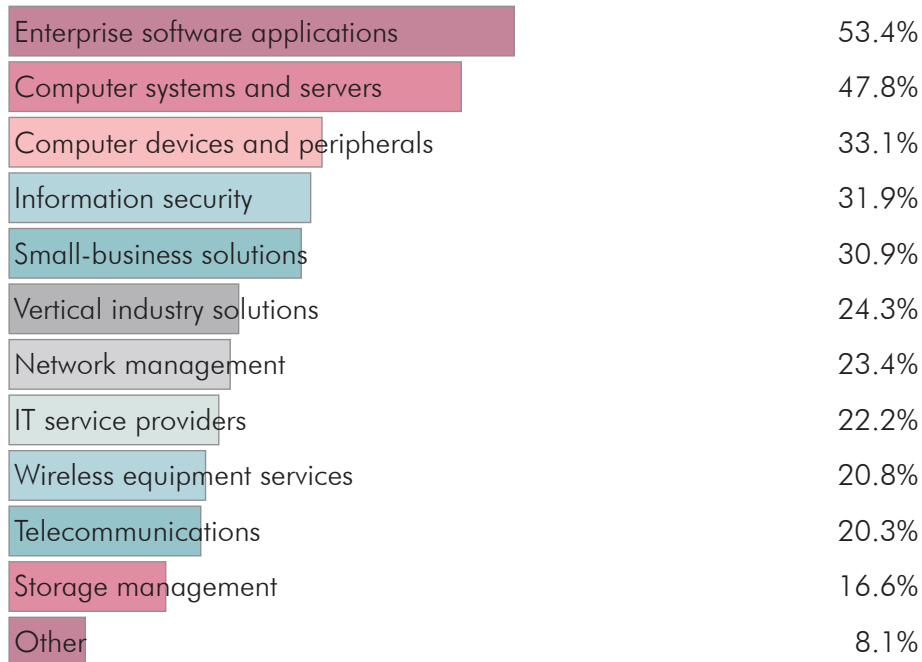
- Service Center Manager, Technology Company

Detailed Findings

Top IT Categories Researched Online

Enterprise Software Applications (53.4 percent) and Computer Systems and Servers (47.8 percent) were the two top categories researched online. Fewer than 20 percent (16.6 percent) of respondents felt Storage Management was a top category.

What Are the Top IT Categories You Primarily Research Online? (Select top three)



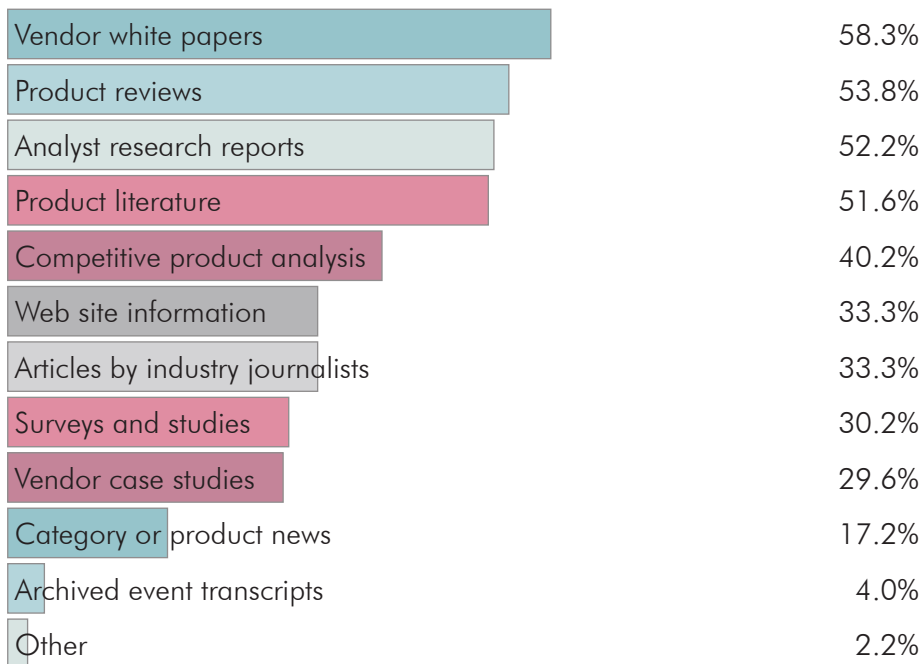
Detailed Findings

Online Content Most Frequently Downloaded, Read or Passed to Associates

Vendor White Papers are the most used online content with nearly 60 percent of respondents downloading, reading or passing them on to associates. Nearly as popular are Product Reviews (53.8 percent), Analyst Research Reports (52.2 percent) and Product Literature (51.6 percent)

Online content downloaded less frequently was Archive Event Transcripts, with only 4 percent of total responses.

What Types of Online Content Do You Most Frequently Download and Read, or Pass On to Associates? (Check all that apply)

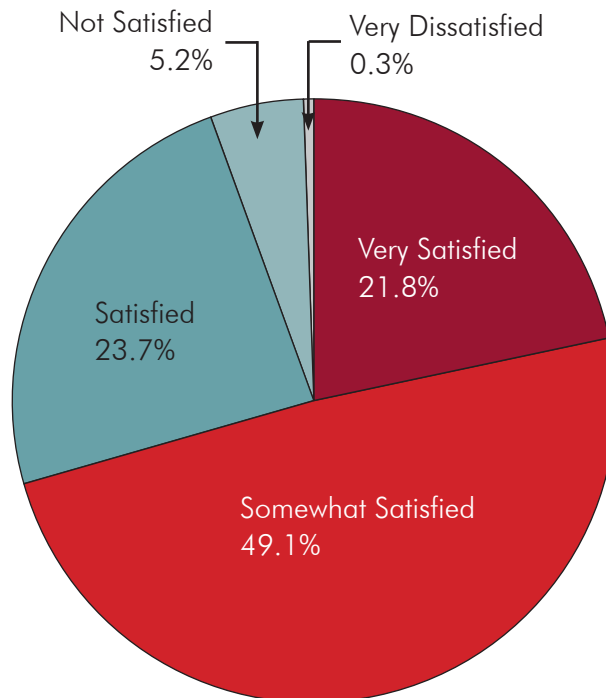


Detailed Findings

Satisfaction With Caliber of Content Freely Available Through Business and Technology Channels

Over 70 percent were Very Satisfied or Somewhat Satisfied with the caliber of content available through business and technology channels. Just over 5 percent claimed they were Not Satisfied or Very Dissatisfied.

How Satisfied Are You With the Caliber of Content That is Freely Available Through Business and Technology Channels?

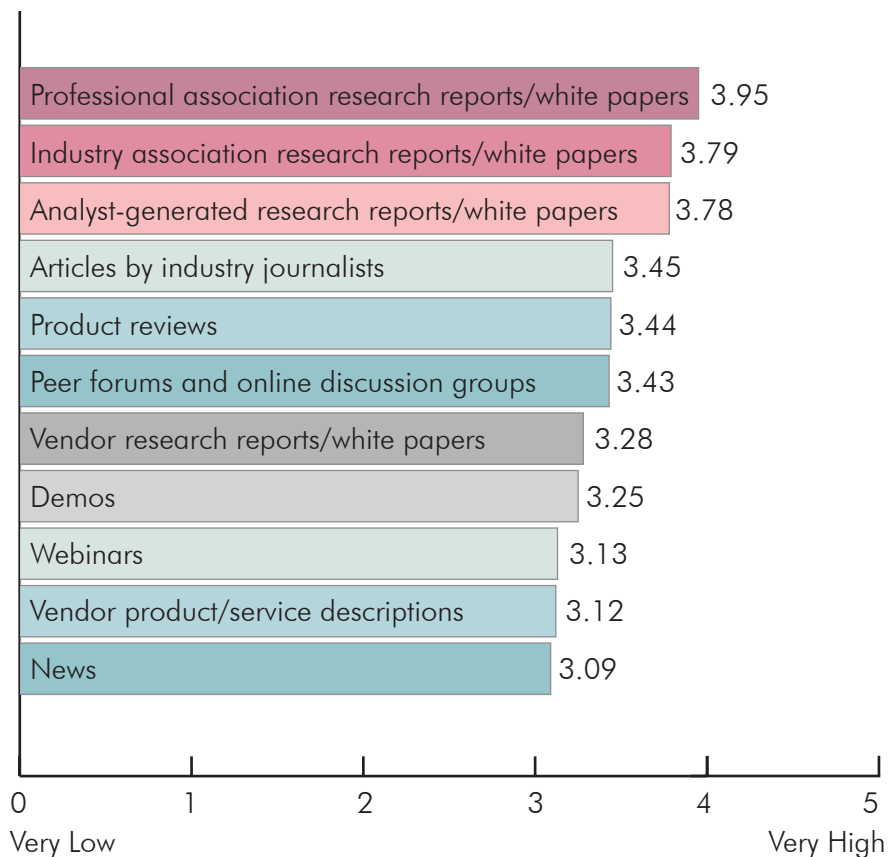


Detailed Findings

Level of Confidence and Trust in Technical Accuracy of Online Content

Rated on a scale of very low, low, moderate, high to very high, Professional Association Research Reports/White Papers was the most trusted online content in the survey with 3.95 response average, followed closely by Industry Association Research Reports/White papers with a 3.79 average. Analyst-generated Research Reports/White Papers was third most trusted at 3.78. This illustrates the high regard that associations and analysts have with technology researchers.

When Researching IT solutions Online, What is Your Level of Confidence and Trust in the Technical Accuracy of the Following Content Types?

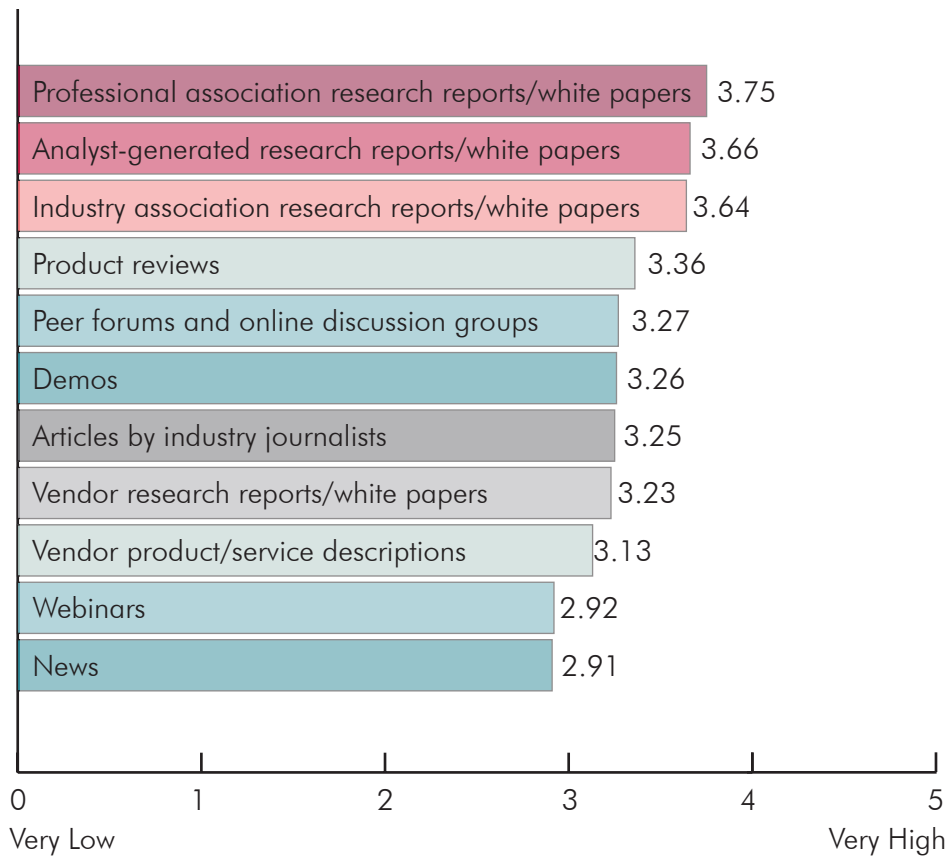


Detailed Findings

Decision Support Value of Content Types

As with confidence and trust in technical accuracy, Professional Association Research Reports/White Papers again topped respondent ratings when it comes to decision support value of online content, with a response average of 3.75. Analyst-generated Research Reports/White Papers (3.66) and Industry Association Research Reports/White Papers (3.64) were second and third, respectively.

How Do You Rate the Decision Support Value of the Following Content Types?

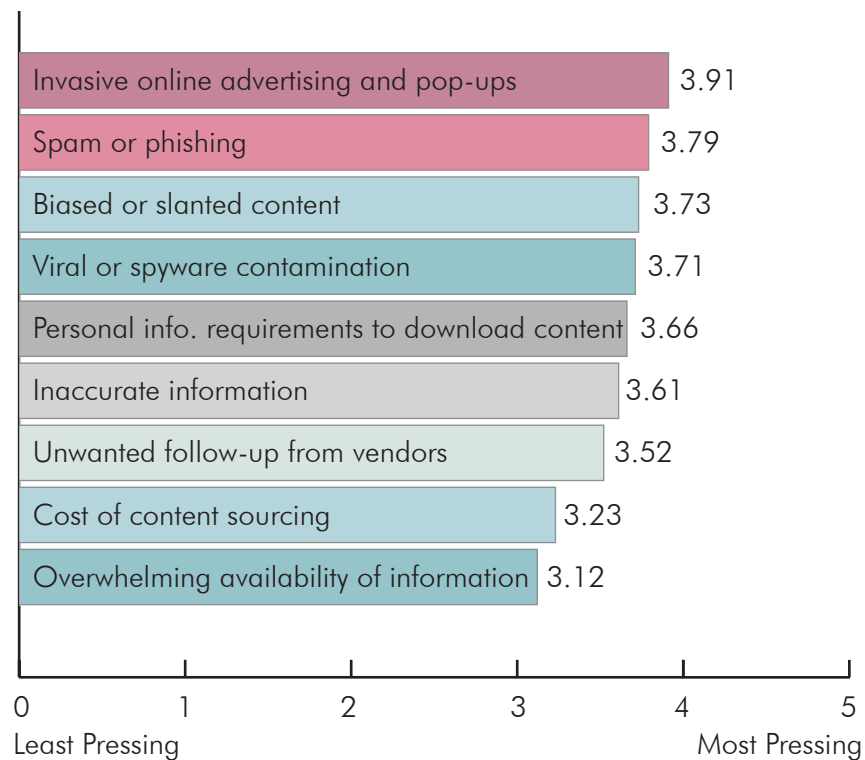


Detailed Findings

Most Important Issues or Problems With Researching IT Solutions Online

Not surprisingly, online tech researchers are concerned with the same problems that all Internet users face. Invasive Online Advertising and Pop-Ups was tapped as the number one issue or problem, with a 3.91 average response rating. Spam or Phishing (3.79) and Viral or Spyware Contamination (3.71) were second and third in this category.

What Are the Most Pressing Issues or Problems Associated With Researching IT Solutions Online? (Rank each of the following from 1 to 5, with 1 being the least pressing, and 5 being the most)

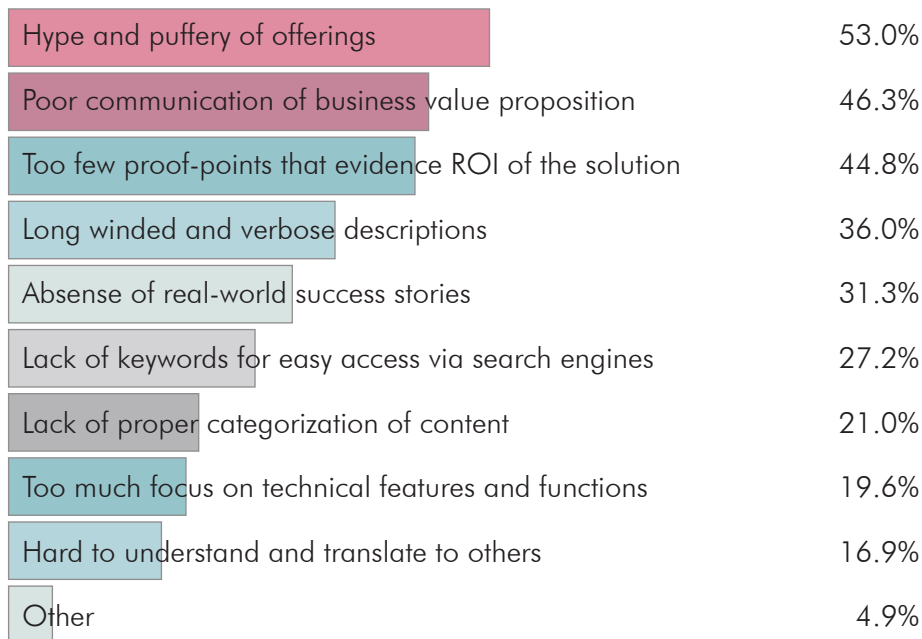


Detailed Findings

Online Technical Content and Information Pet Peeves

The majority of respondents (53 percent) voted Hype and Puffery of Offerings as the number one pet peeve when sourcing content and information on the Internet. Poor Communication of Business Value Proposition (46.3 percent) and Too Few Proof-Points That Evidence ROI of the Solution (44.8 percent) were also thought of as major pet peeves. Least objectionable was Hard To Understand and Translate To Others.

What Are Your Pet Peeves About Online Technical Content and Information Sourced From the Internet? (Select top three)



“ I would like to see a short paragraph at the beginning of the article in plain English explaining what the software is all about. ”

- Project Coordinator, Technology Company

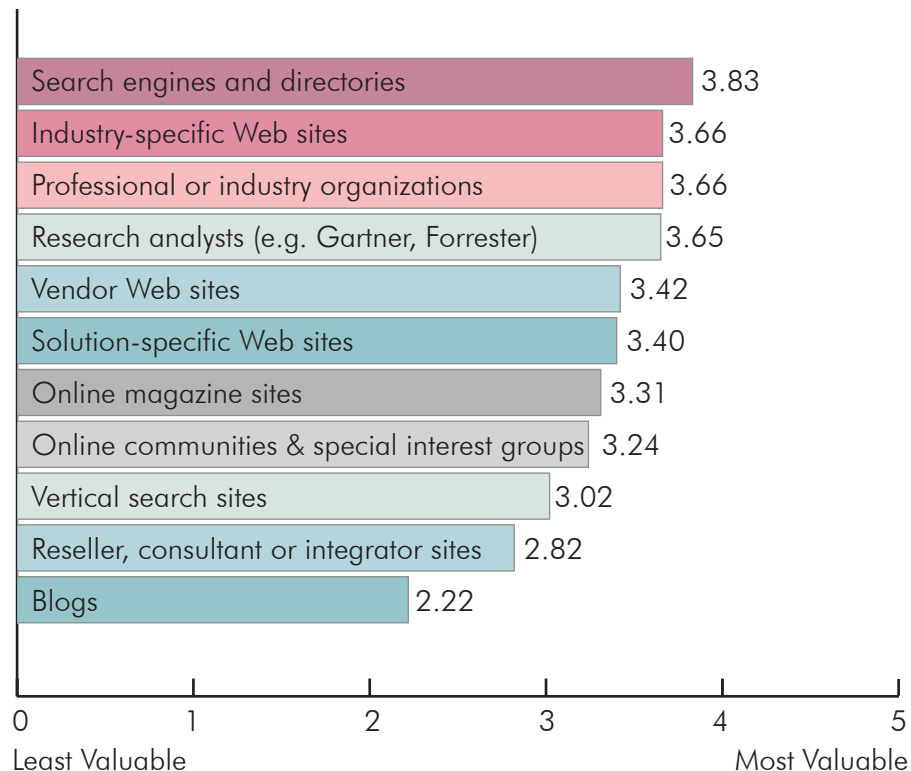
Detailed Findings

Most Valuable and Trusted Channels of Online Information for Technology Sourcing

Again, Search Engines and Directories are overwhelmingly the number one choice of respondents, with a 3.83 average response rating, followed by Professional or Industry Organizations (3.66) and Industry-specific Web sites (3.66).

Least valued and trusted were Blogs, with a 2.22 rating, perhaps reflecting less reliance by researchers on personal opinions when considering a complex IT purchase.

What Are Your Most Valuable and Trusted Channels of Online Information for Technology Content Sourcing? (Rank each channel on a scale of 1 to 5, with 1 being the least valuable, 5 being the most)

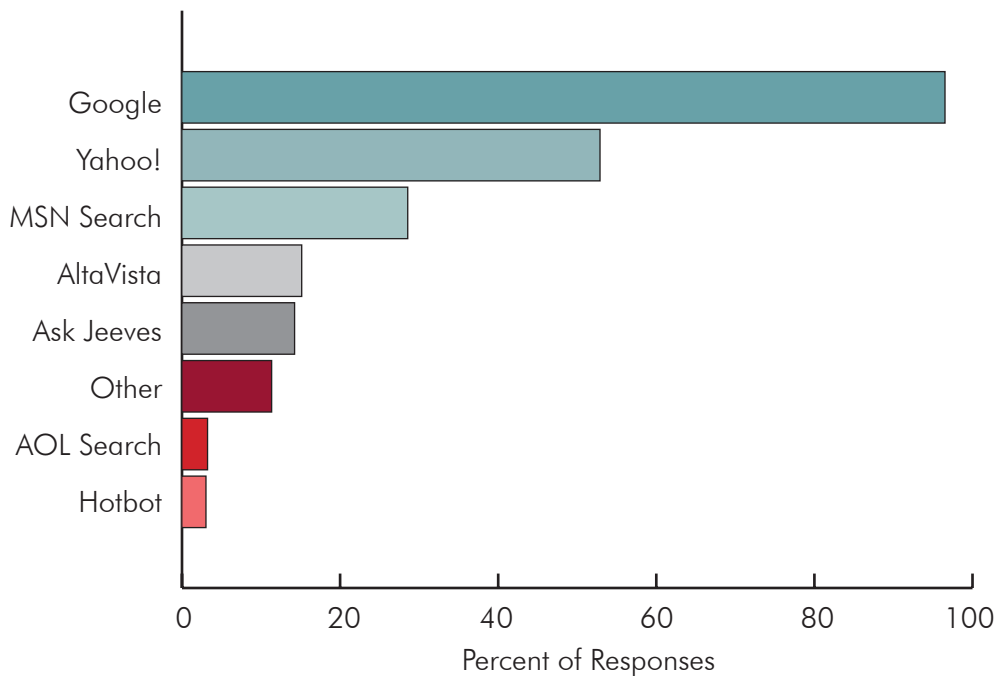


Detailed Findings

Preferred Search Directories for Online Research

Respondents chose Google over Yahoo! by nearly a two to one margin, with Google garnering 96.5 percent of the number one responses to 52.9 percent for Yahoo! MSN Search could muster only 28.6 percent of most favored search directory responses, but it was still far ahead of last place finisher Hotbot with 3.1 percent.

Which Are Your Preferred Search Directories When Conducting Online Research? (Select top three)



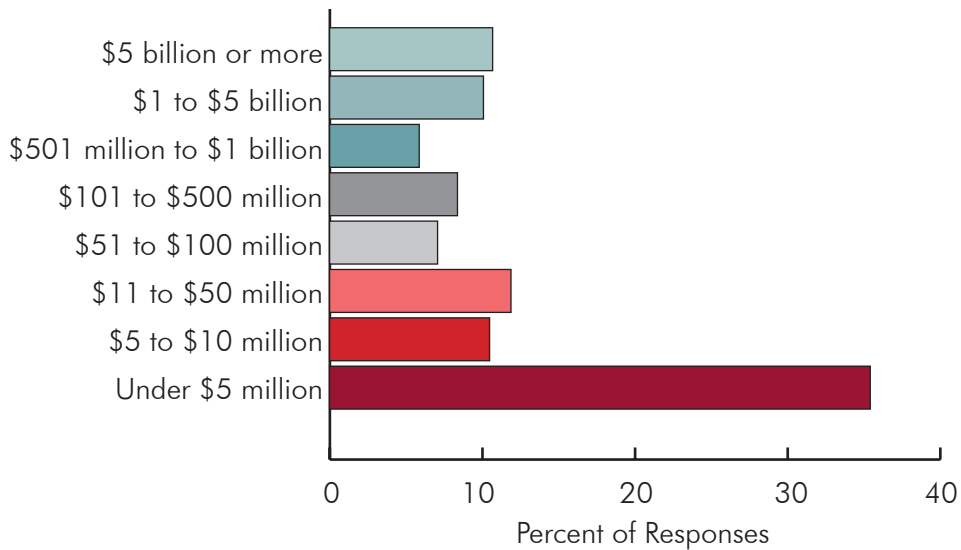
“ One drawback of the search engines: you find a lot of listings that have nothing to do with the solution you’re looking for. Vendors need to improve their search terms, or buy more of them, so we’d get more accurate hits on their information. ”

- Manager, Web Technologies, Financial Services Company

Demographic Snapshot

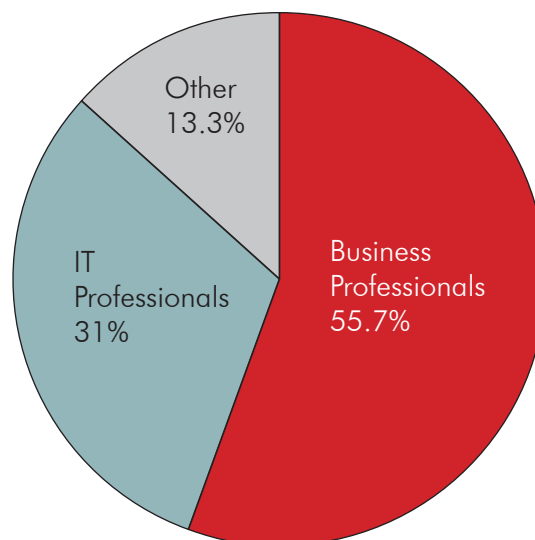
Nearly two-thirds (64.9 percent) of the 1,393 total sample represented organizations with \$100 million or under in revenue.

What Are the Total Annual Revenues for Your Company?



This data shows the depth and breadth of respondents polled. About 56 percent are business professionals, while 31 percent are information technology professionals.

Job Category Breakdown



Sponsors

About the CMO Council

The CMO Council is a private, non-profit organization dedicated to high-level knowledge exchange, thought leadership and personal relationship building among senior marketing and brand decision-makers in the global technology industry. Based in Silicon Valley, the Council works to further the stature, credibility, influence, and understanding of the strategic marketing function among business executives, opinion leaders and critical stakeholders in the technology sector.

More than 1,500 technology companies are currently represented on the CMO Council, accounting for well over \$500 billion in aggregated annual revenues. These include top decision-makers controlling more than \$45 billion in global marketing expenditures for many of the world's foremost computer systems, software, networking, communications, consumer electronics, component, distribution, and consulting brands. For more information, please visit our Web site at www.cmocouncil.org.

About KnowledgeStorm

Founded in 1998, KnowledgeStorm is the Internet's top-ranked technology content and search site. With the largest online index of IT solutions, KnowledgeStorm attracts technology buyers from companies large and small and across a wide spectrum of industries, including technology, manufacturing, finance and healthcare, among others. KnowledgeStorm offers buyers a free, easy and comprehensive means to match business requirements to a "short list" of technology providers and to stay current on technology topics and trends. This information is available through the KnowledgeStorm Network, which includes www.knowledgestorm.com, specialty search sites and syndication partners. Technology vendors use KnowledgeStorm's efficient, effective lead generation services to fill sales pipelines with motivated and educated buyers. For more information, visit www.knowledgestorm.com.