



Marketing to IT and Telecoms Decision Makers

Essential information about your customers and prospects

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Some Customer Quotes from the Survey

“Clever and innovative uses of print medium which I have not seen before always attract me to look closer”

“I get irritated when cold callers leave a voicemail asking Me to ring them back - as if!”

“The main challenge I face is separating out the relevant offers and information from the flood of information I receive every day via email, web, print, etc.”

“I ask receptionists to give sales callers my email address. I can then read at my convenience and call them/contact them if necessary.”

“No research into who they are calling. How many times a day do they think IT Managers want to explain their own organisation, just so the caller can find an angle?”

“Telesales is the most annoying, especially when the caller has an accent that's difficult to understand or if they won't take no for an answer or if they call at an inconvenient time.”

“Email is far less intrusive as it doesn't cause an interruption, can be accessed when it's most convenient and can be quickly scanned for relevance.”

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1 Summary of Key Findings

- Email is the favoured way to be kept informed about new products and services; it was chosen by two-thirds of ICT decision-makers. Next came Editorials/articles in the trade press and online/web ads, selected by around two-fifths. The third tier comprised seminars, advertising in print media, newsletters, direct mail and webinars. Attendance at conferences was preferred by less than one-fifth of respondents but supplier contact by telephone was least popular.
- Email has remained the most liked communications method over the past six years despite its pervasiveness in use, and recently online web advertising and webinars have increased in prominence. Conversely, direct mail and advertising in print media have been falling steadily in popularity, and seminars, conferences and editorials/articles in the trade press are all less favoured now than in the past.
- Web 2.0 media, included in this survey for the first time, is a relatively new communications medium encompassing such applications as online forums, corporate communities, social networking sites and blogging. Although much hyped, these methods have yet to find favour with our panel of IT/Telecoms managers when seeking product/service information from suppliers. Only 5% of respondents currently have a preference for these channels.
- When searching proactively for product/service information, the preferred source was the vendor or reseller Website. 91% of ICT Managers reported likelihood to use this resource, closely followed by Internet searches or product review Websites (90%). Three-quarters of panellists are likely to make direct contact with their vendor or reseller and a similar proportion favour recommendations from colleagues. Around three-fifths would seek information in the industry press, with only around half of this level going to exhibitions or trade shows.
- Although not highly favoured as a way of being kept informed by their suppliers, Web 2.0 is becoming a factor for end-users when seeking information proactively, with 14% of all respondents employing these means.
- When questioned on the frequency of different marketing communications, email was predominant, seen "very frequently" or "frequently" by three-quarters of all respondents. This was followed by online/Web ads, advertising in print media, direct mail, editorials/articles in trade press and the telephone. 13% of panellists are already seeing new IT/Telecoms products and services promoted "frequently" or "very frequently" through Web 2.0 media.
- Whereas frequency in perceived use of email, online/Web advertising and telephone have remained at comparable levels in our surveys over the past four years, marked declines have been seen for direct mail and editorials/advertising in the trade press. In 2005, direct mail had the greatest incidence in use, but usage has fallen steadily since that time.
- From the perspective of the IT/Telecom manager, the most useful medium for getting the marketing message across is the trade press. Despite perceived usage having declined, editorials and articles in trade publications stood out from all other media for the influence these could have on the decision to purchase. Next in significance was email, followed some way behind by advertising in print media, online/Web ads and direct mail.
- Not only are Web 2.0 communications being used with increasing frequency, but these methods are being seen to have comparable influence with that use. 15% of respondents indicated that these promotions were likely or very likely to influence purchasing decisions. Telephone communications were believed to have least impact of all methods covered in this research.

- The perceived influence of email marketing reported in our surveys has increased steadily during the last six years. In 2009 it is in second place and fast closing the gap with the leader. By contrast, although still in first place, the impact of editorials/articles in the trade press has been on the wane. The perceived influence of both advertising in print media and online/Web advertising has also fallen rapidly over this period, as has that of direct mail, although direct mail has stabilised over the past two years.
- Over two-thirds of ICT decision-maker respondents open their own post and half have their telephone calls filtered through the switchboard. Although the proportion reached through a DDI has increased steadily over the past 6 years, and half are now contactable through a direct line, IT/Telecoms managers are increasingly defensive of their time and often use voicemail to filter out unwanted calls. In the latest survey almost half of our respondents reported that they regularly filter incoming calls through their voicemail rather than answering them directly. This proportion has been on the rise since the last survey.
- The proportion of IT/Telecoms decision-makers receiving email in HTML format increased markedly to 2007, and now appears to have stabilised at close to 85%.
- Although direct mail is perceived to be declining in frequency of use and its perceived influence on the decision-making process is relatively low, it is still reasonably effective in getting the message across. Almost half (46%) of the panellists report reading or looking at 60% or more of the direct mailings they receive.
- Whereas the frequency of email marketing is significantly higher, the proportion of ICT managers noting the content is comparable with that for direct mail. Two-fifths of respondents reported reading or looking at 60% or more of the email marketing material they receive and this figure has not changed significantly over the last three surveys.
- ICT decision-makers have mixed views about the email marketing they receive. Despite increasing volumes and the perception that it is both annoying and intrusive, half of the research base prefer to receive product information and promotions through email rather than any other means, and the same proportion believe it to be very useful as a means of communication. However, there is little agreement that the messaging received has strong relevance to their needs. As application of email marketing has continued to grow over the past four years, end-user attitudes have appeared to soften. Negative attitudes to certain aspects of this media, although still significant, have been on the decline and agreement with the positive perceptions, such as "very efficient" and "very useful", has been on the increase.
- The intensity of negative attitudes to telemarketing that came over in this survey was marked, however. Unlike the situation with email marketing, few respondents had anything good to say about this form of marketing.
- The Corporate Telephone Preference Service (CTPS) was introduced in 2004 and although awareness in the ICT sector was not high in the early years, its recognition is now steadily increasing. Two-thirds of the IT/Telecoms Managers in our panel have now heard of the CTPS, although only one-in-eight reported its current use within their organisation.
- 70% of the respondents attend between 1 and 4 free technical seminars each year. This is similar to the proportion reported in each of the previous surveys. However, 24% do not attend any such events. Perhaps not surprisingly, the likelihood of attendance at a seminar increased significantly as the travelling time decreased. A high 83% of respondents were "likely" or "very likely" to attend a relevant seminar taking place within one hour of their business location. Three-fifths were still interested for travelling times between one and two hours but likely attendance fell off markedly for longer journey times. Half-day seminars were the

preferred option, with almost half of our sample opting for a duration of 2–4 hours. Overall, almost three-quarters of respondents favoured a seminar of half a day or less.

- With no requirement for travelling time, Webinars are increasing in popularity. Almost two-fifths of panellists attend 1-2 webinars each year, a proportion approaching that attending physical seminars. However, whereas few respondents went to 5 or more seminars in the year, more than a fifth of all panellists participated in similar high numbers over the Web. Interestingly, however, not all end-users have embraced this newer alternative to the traditional seminar. Approaching one-third of ICT managers in our panel reported no use of webinars. The flexibility available with webinars is clearly valued, as two-thirds of users used a mix of live webinars and recordings after the event. However, full interaction was considered important by some, with more than a quarter only logging onto live events.
- Almost three-fifths of the research base went to 1-2 exhibitions per year, with few attending more. More than a quarter of respondents did not go to any.
- End-users rated their suppliers most highly on the way in which they dealt with enquiries, with 56% of our sample believing them to be “effective” or “very effective” in this respect. However, respondents were less impressed with the relevance and hence targeting of the messaging they received. Only one-fifth believed that suppliers’ marketing messaging was relevant to their organisation and even fewer believed it relevant to them as an individual. Least well-considered, but perhaps understandably, was timeliness of the communications. End-users really only want to receive messaging from suppliers when they have a real need for it. Creativity and timeliness of communications appear to be on the decline, both having fallen steadily in perceived effectiveness over the past three surveys.
- By far the greatest impact on end-users comes from marketing that seeks to educate and inform about the technology area and not just the suppliers’ products. Two-fifths of IT/Telecoms Managers selected this type of messaging above all others to have the greatest influence on their purchasing decisions. Other highly favoured techniques also focused on the provision of information. Reports, white papers and guides were seen as having the greatest influence by almost a quarter of all respondents, and endorsements/case studies by a little under one-fifth. Price reductions are of course well regarded in the current economic climate, but are only believed to have the greatest influence by 14% of the sample. One-off offers are generally not favoured.
- Budgeting for purchases on an annual basis is the norm, with more than three-quarters of panellists reporting this method. However, a significant fifth of the research base didn’t have an allocated budget as such, but obtained funding on a project by project basis.

2 Introduction, Scope and Methodology

2.1 Introduction

This report is based on a survey of the UK ICT end-user market undertaken using Rhetorik's unique NetPanel. The panel consists of approximately 1950 key IT and Telecoms decision-makers recruited to be representative of the UK market.

The research was undertaken to understand key marketing requirements for UK business: how IT and Telecommunications professionals respond to marketing communications from suppliers, key information sources for planning purchases and ways in which suppliers can better target their messaging to address the needs and concerns of the end user.

The main areas questioned of the IT and communications customer base included:

- How they prefer to receive marketing information from suppliers
- The frequency with which they receive marketing information through different media
- How they search for products and services when they intend to purchase
- Their views on e-marketing and telemarketing
- When their budgets are allocated
- How many seminars, webinars and exhibitions they attend per year
- Their views on travelling time and duration of seminars
- Their perceptions of the effectiveness of different aspects of marketing communications from suppliers

This is the fourth in a series of surveys undertaken by Rhetorik on a biennial basis since 2003. Consistency in key questioning has been maintained since the 2005 survey to facilitate trending of results where this is appropriate. Comparisons have also been possible with some questions in the 2003 survey.

2.2 Scope

2.2.1 Target Respondents

IT and communications department decision-maker contacts.

2.2.2 Vertical Markets

All vertical markets were targeted in the NetPanel research.

Figure 2 in Section 2.4.2 outlines the profile of respondents with respect to nine broad vertical market segments. Analysis by these verticals has been conducted where appropriate.

2.2.3 Sizes of Organisation

All sizes of organisation were included. Where appropriate, results have been analysed by organisation size and breakdowns given into the following three categories:

- SMEs - 250 employees or fewer
- Corporates - 251–1000 employees
- Large Corporates - More than 1000 employees

Figure 1 and Table 1 in Section 2.3.2 outline the profile of respondents across company size bands.

2.3 Sample & Methodology

The latest study was conducted during July 2009 using the Rhetorik NetPanel. Recruited from more than 110,000 IT/Telecoms decision-makers in Rhetorik's continuous NetFinder™ research programme, the panel regularly communicates with Rhetorik on a wide range of networking, IT and communications issues.

Approximately 1,950 targeted NetPanellists were invited to participate in the study, hosted at www.rhetorik.com, via invitation emails dispatched over a period of 8 working days.

113 completed surveys were received from IT and communications decision-making sites at key organisations across the UK.

2.3.1 NetPanel

Rhetorik NetPanel is a highly targeted method of getting the answers you need for your business, when you need them. Detailed findings from a survey of up to 25 questions can be delivered in two to three weeks.

Rhetorik has recruited a panel of IT decision-makers from a database over 16,500 key UK sites to be representative of the UK IT and Telecoms market (covering user organisations with greater than 20 networked PCs). Recruitment is carried out by Rhetorik's skilled research team, who conduct a screening interview with each potential panellist to ensure they have the authority to answer questions, make decisions and determine strategy within their organisation.

NetPanellists have agreed to take part in regular Web-based surveys on a variety of topics and in return receive feedback that allows them to benchmark their own views and experiences with those of their peers in other UK organisations. As a further incentive, Rhetorik also makes a £2 donation to a charity of the respondent's choice on completion of the survey.

Detailed profile information means that respondents to NetPanel surveys can be segmented by company size, vertical market and installed technology/supplier to enable you to get to the heart of what your customers, or your competitors' customers, are thinking and doing.

2.3.2 Respondent Profile

The profile of respondents can be seen in Figures 1 and 2, and Table 1, below.

Figure 1: Breakdown by Company Size

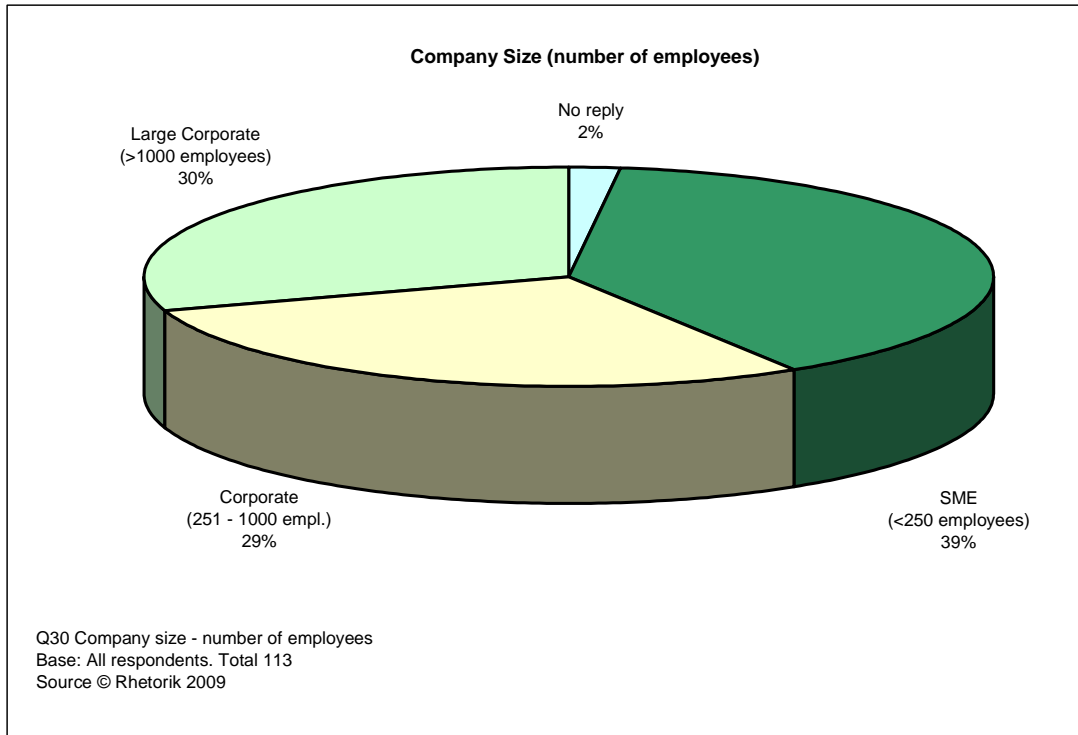
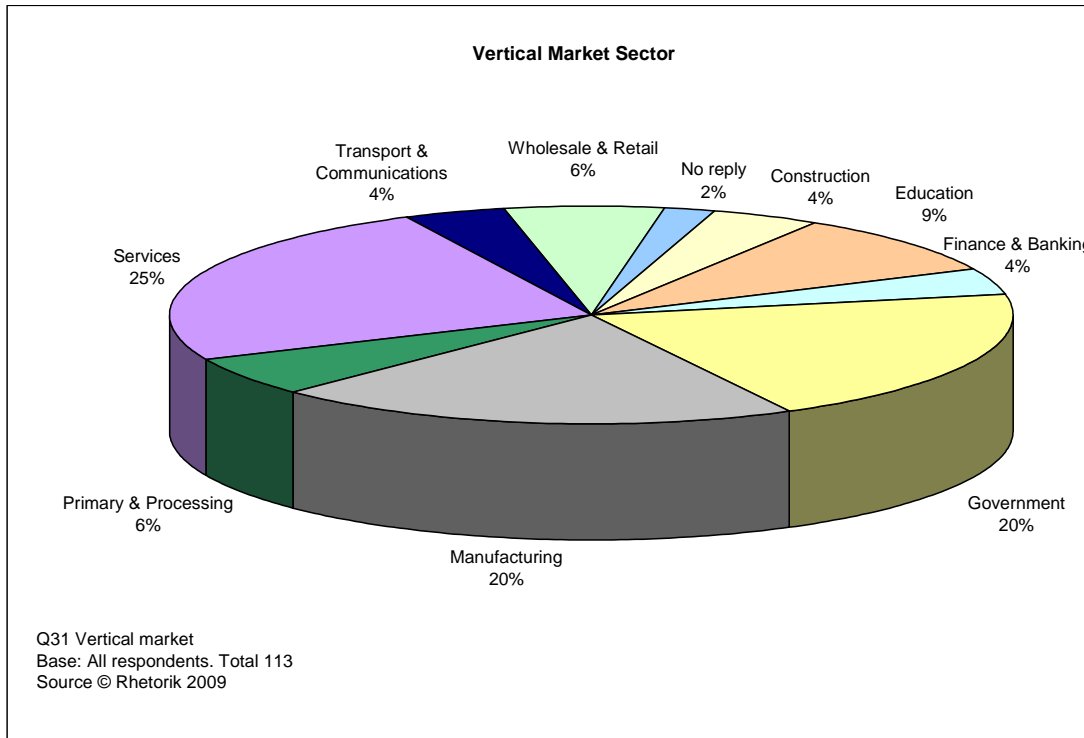


Table 1: Full Breakdown of Respondents by Company Size (number of employees)

Number of employees in organisation	No. of respondents	Percentage of respondent base
Not known	2	2%
<50	7	6%
51-250	37	33%
251-500	20	18%
501-1000	13	12%
1001-2500	9	8%
>2500	25	22%
Total	113	

Q26 Company size - number of employees
Base: all respondents. Total 113.
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Figure 2: Breakdown of Vertical Markets



The key verticals across the respondent base, in terms of numbers of responses received, were Manufacturing, Government and Services. Where it is appropriate to comment on vertical market sectors emphasis will be on these vertical markets.

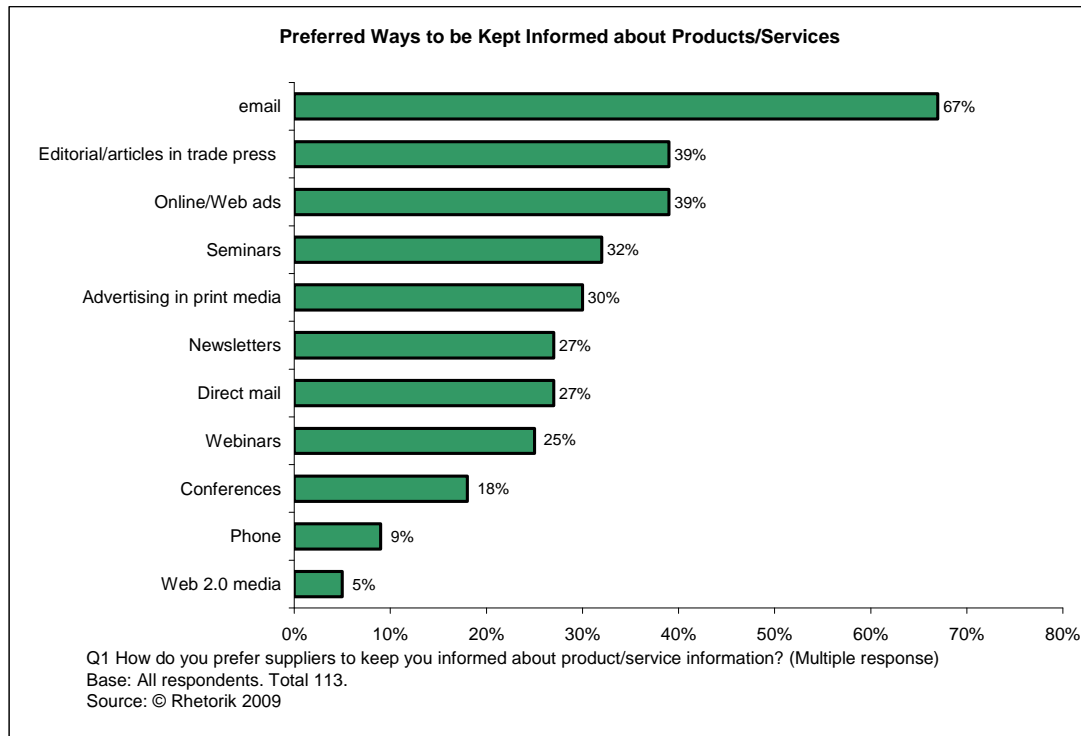
3 Keeping Informed

In chapter 3 we explore the ways in which ICT Managers prefer to be kept informed about the products and services they need from their suppliers. Preferences by media for receipt of marketing messaging from suppliers and questions are also investigated and we look at how these managers source information proactively when planning to purchase.

3.1 Preferred Ways to be Kept Informed

Respondents were first presented with a list of marketing methods and media and asked to select the ways in which they preferred to be kept informed about new products and services by their suppliers. The results are presented in Figure 3.

Figure 3: Customers' Preferred Ways to be Kept Informed about Products and Services



- Email is by far the most favoured way to be kept informed about new products and services. It was chosen by two-thirds of ICT decision-makers. This was followed by editorials/articles in the trade press and online/web advertisements, both selected by around two-fifths of respondents.
- Seminars, advertising in print media, newsletters, direct mail and webinars all had a following, preferred by between a quarter and one-third of IT/Telecoms decision-makers.
- Attendance at conferences was chosen by less than one-fifth of respondents but supplier contact by telephone was over and above the least popular of the traditional communications techniques.
- In this survey for the first time we also included communications through Web 2.0 media as an option. This relatively new communications medium includes such applications as online forums, corporate communities, social networking sites and blogging. Although much hyped, these methods have yet to find favour with our panel of IT/Telecoms managers when seeking information on products and services from suppliers. Only 5% of respondents currently have a preference for these types of supplier communication.

- Of the significant vertical markets, end-users from the Services sector were less inclined towards online/web advertising and direct mail, but had an even stronger preference for email than the norm.
- By size of organisation, perhaps unsurprisingly, conference attendance was more relevant for respondents from larger firms. Only 7% of SME respondents found favour with this method. Interestingly, the perceived benefit of traditional direct mail marketing increased steadily with organisation size.
- Email has continued to predominate, being the most favoured medium in this and all past surveys. Telephone contact has remained least popular amongst the traditional methods over the same timescale.
- Of those seeing change, webinars and online web advertising have both increased in popularity since the 2007 survey, with use of the first perhaps reflecting the constraints on travel imposed by many organisations in these cost-conscious times.
- The popularity of direct mail and advertising in print media has fallen steadily throughout the past 6 years. In 2003, almost half of all respondents preferred direct mail and this has now fallen to little more than a quarter. Similarly print advertising was popular with almost 60% of panellists in 2003 and this has now fallen to half of this level.
- Other significant losers in more recent times have included attendance at conferences, down from 24% in 2007 to 18%, and at seminars, from 52% to 32% over the same period. Over this timescale, coverage in press editorials and articles has also fallen from a preference level of 56% to a much lower 39%.

When asked if there were any other ways they would prefer to receive information in the latest survey, a few interesting responses were received:

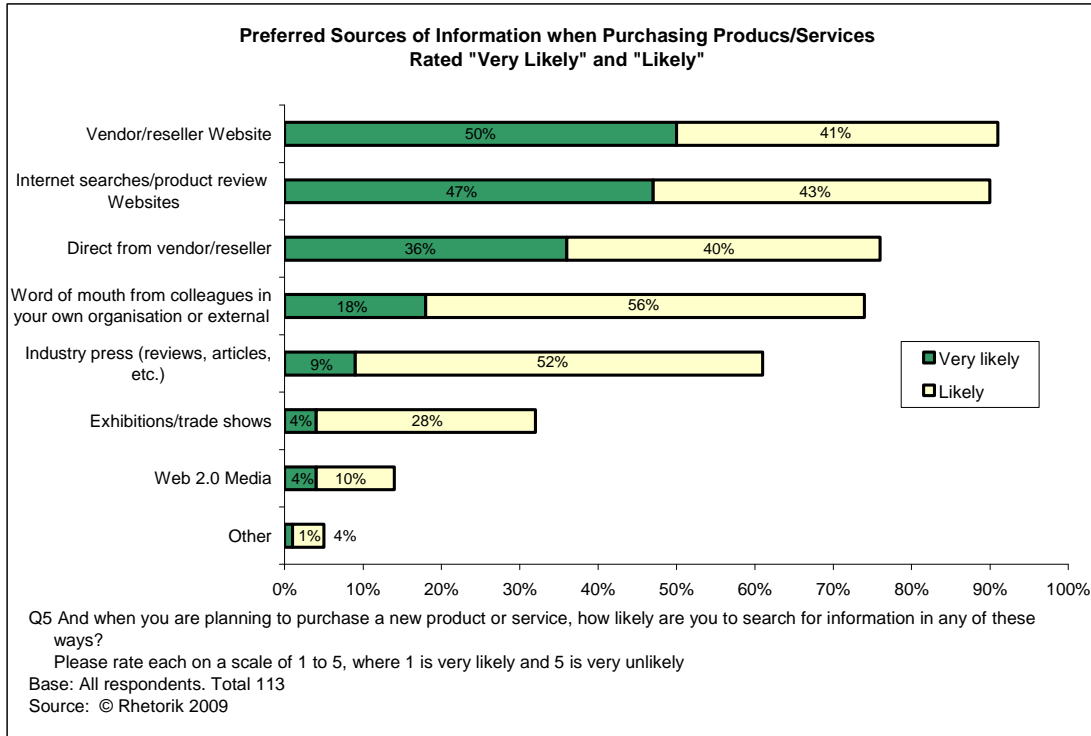
- *Business partners, though wary of impartiality.*
- *Face-to-face meeting.*
- *For major partners 121 roadmap updates preferable.*
- *I receive briefings from Account Managers at Supplier Service Review Meetings and occasionally they will promote a product as a Gold Partner.*
- *It is sometimes nice to see real people i.e. reps. The good ones know what is relevant to us. 80% of the email, phone and direct mail product advertising is irrelevant for SMEs like us.*

3.2 Sources of Information

To understand what sources were most valued, respondents were presented with a list of key information sources for IT and Telecoms products and services, and asked how likely they would be to search in each when planning to purchase a new product or service. They were requested to rate likelihood of use on a scale of 1 to 5.

For ease of interpretation, Figure 4 presents the overall percentage of respondents rating use of each source as "very likely" or "likely" (1 or 2).

Figure 4: Customers' Preferred Sources of Information when Purchasing Products or Services



- When searching proactively for product/service information, the favoured resource was the vendor or reseller website. 91% of ICT Managers indicated that they were "very likely" or "likely" to use this facility. This was closely followed by Internet searches or product review websites, similarly rated by 90% of the sample.
- Three-quarters of panellists prefer to make direct contact with their vendor or reseller for this information. A similar proportion would seek recommendations from colleagues, although the highest likelihood of use (very likely) was substantially lower for this method.
- Around three-fifths of panellists look for information in the industry press, with only around half of this level going to exhibitions or trade shows.
- The relatively new Web 2.0 media (online forums, communities, social networking, blogging, etc.), are becoming a factor, with 14% of all respondents likely to seek information through these means.
- The results across surveys show a slow but steady increase in reliance on recommendations from colleagues as well as Internet searches/product review websites over the past four years.

4 The Frequency and Impact of Marketing Communications

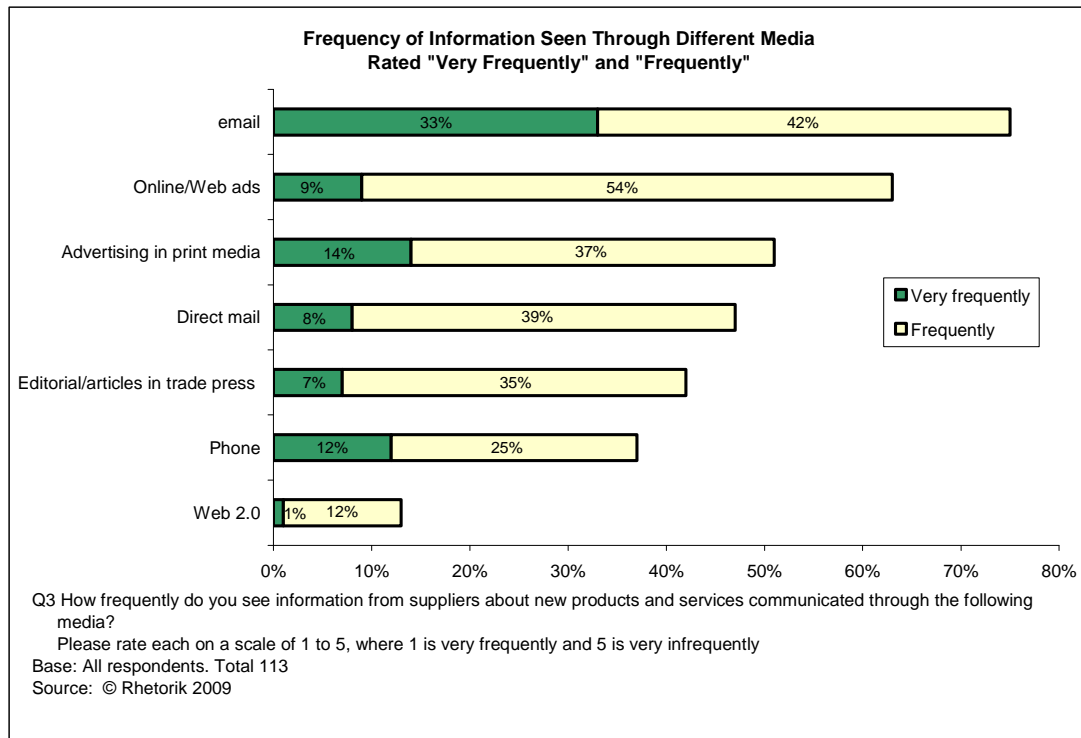
In this section of the report we investigate the frequency of marketing communications received by ICT Managers through different media, and their perceptions of the influence that this marketing has on their ultimate decision to purchase.

4.1 Marketing Communications through Different Media

All panellists were presented with a list of marketing media and asked how often they received information on new products and services from their suppliers through these means. For each method of communication, they were asked to rate the frequency of receiving information on a scale of 1 to 5, where 1 represents "very frequently" and 5 "very infrequently".

Figure 5 presents overall responses in percentage terms for those indicating that they received information from their suppliers "very frequently" and "frequently" (1 or 2).

Figure 5: Frequency of Marketing Communications Seen Through Different Media

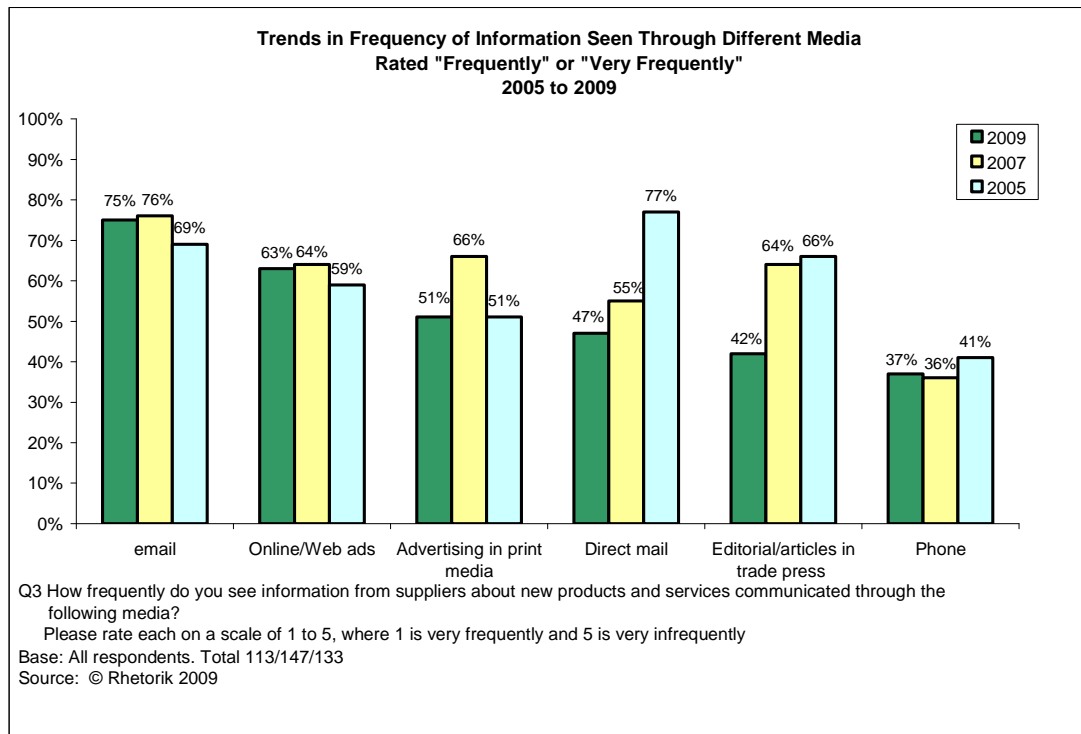


- Looking at overall frequency of communications, email led the way with three-quarters of ICT Managers saying that they received these mailings "very frequently" or "frequently".
- This was followed by online/Web ads (63%), advertising in print media (51%), direct mail (47%), editorials/articles in trade press (42%) and the telephone (37%).
- Email was predominant when considering information seen "very frequently" alone, with one-third of the research base rating it in this way. Advertising in print media and the telephone came next, with a much lower 14% and 12% of respondents respectively.

- 13% of panellists are already seeing new IT/Telecoms products and services promoted "frequently" or "very frequently" through the new Web 2.0 media and this proportion is expected to increase as this form of communication accelerates in future use.
- Respondents from the manufacturing sector perceive greater contact from their suppliers by telephone, with 56% seeing frequent or very frequent new product/service calls compared with not much over one-third for the total respondent base.

Some interesting trends have been observed in perceived frequency of information seen through different media over the past four years. For information seen "frequently" or "very frequently", percentage comparisons have been presented in the figure below.

Figure 6: Trends in Frequency of Information Seen Through Different Media



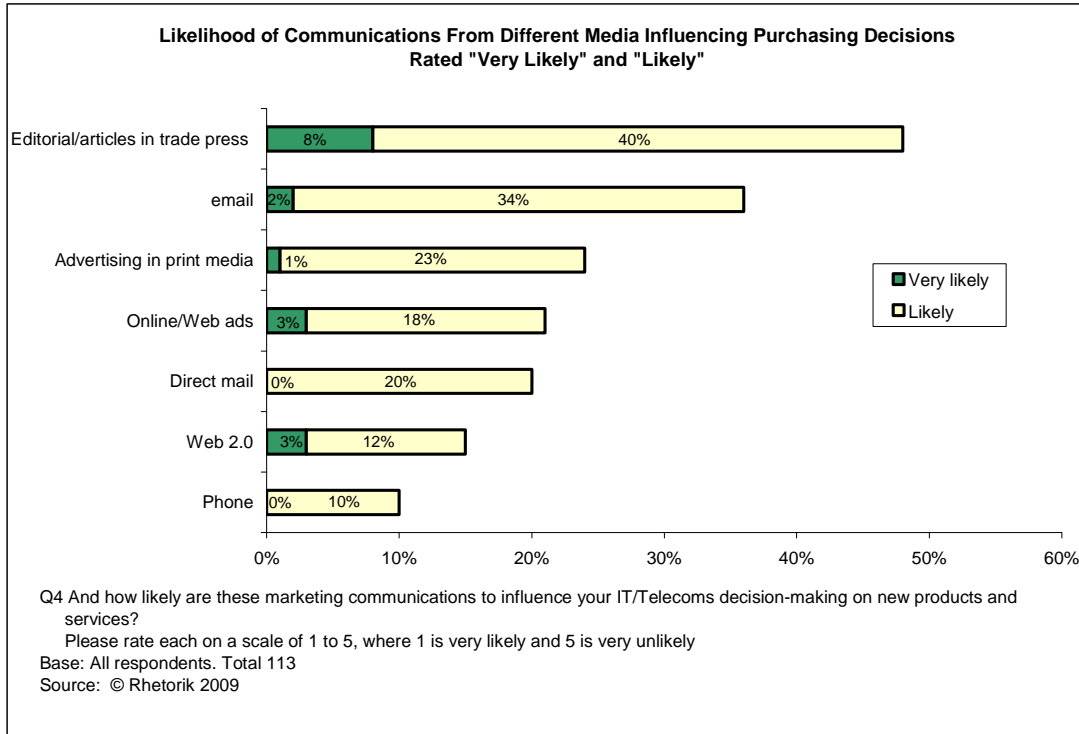
- Whereas frequency of use for email, online/Web advertising and telephone use have remained at comparable levels in each survey year, marked changes have been seen for direct mail and editorials/articles in the trade press.
- In 2005, direct mail had the greatest incidence in use, but usage has fallen steadily over subsequent surveys. Direct mail is now fourth in our rankings on this measure.
- Editorials and articles in the trade press are also perceived to have declined in use. In 2005, 66% of respondents saw information of this nature "frequently" or "very frequently", whereas in the latest survey the incidence rate fell markedly to only about 42%.

4.2 The Influence of Marketing Media on the Decision to Purchase

IT decision-makers were next presented with the same list and asked how likely marketing communications through these media were to influence their purchasing decisions. For each medium, they rated this likelihood on a scale of 1 to 5, where 1 represents "very likely" and 5 "very unlikely".

Figure 7 presents overall responses in percentage terms for those rating communications through each means as "very likely" and "likely" to influence (1 or 2).

Figure 7: Likelihood of Marketing Communications to Influence the Purchasing Decision

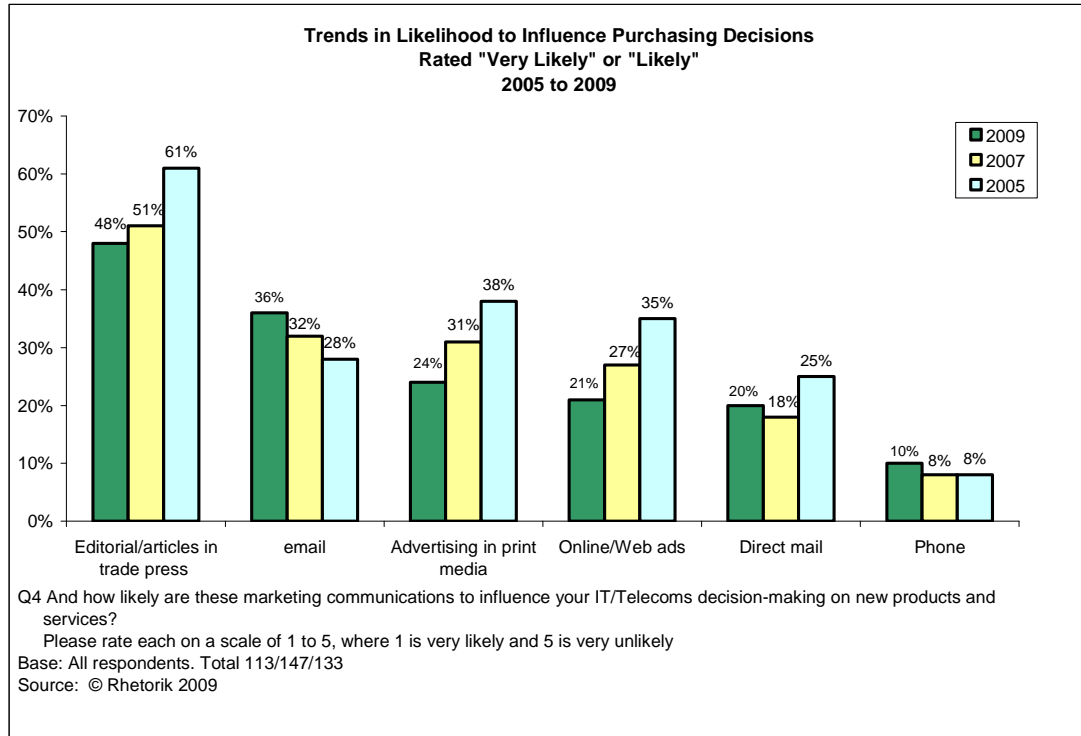


- From the perspective of the IT/Telecom Manager, the most useful medium for getting the marketing message across is the trade press. Despite perceived usage having declined, editorials and articles in trade publications stood out from all other media on the influence these could have on the decision to purchase. Almost half of all respondents stated they were "very likely" or "likely" to be of influence.
- Next in significance was email, at 36%, followed some way behind by advertising in print media (24%), online/Web ads (21%) and direct mail (20%).
- Not only are Web 2.0 communications being used with increasing frequency, but these methods are being seen to have comparable influence with that use. 15% of respondents indicated that promotions through these media were likely or very likely to influence purchasing decisions.
- Telephone communications were believed to have least influence of all those researched.
- Respondents in the Manufacturing sector were generally more positive than others about the impact that these promotional methods might have on their purchasing decisions. This was particularly the case for advertising in print media and direct mail, where overall purchasing influence was perceived by a high 39% and 30% respectively.

- Interestingly, the influence of advertising in print media and email marketing was greatest for respondents in the SME sector and perceived to decline with increasing size of organisation.

As with frequency of use in the previous section, some interesting trends have been observed in perceived influence of different media over the past three surveys. For media "likely" or "very likely" to influence, summary percentage comparisons have been given below.

Figure 8: Trends in Likelihood to Influence Purchasing Decisions



- The perceived influence of email marketing has increased steadily during the last six years, as reported through the last three surveys. In 2005 email marketing was well down in the rankings, and considered the fourth most likely medium to influence purchasing decisions. By 2009 it was in second place and fast closing the gap with the leader.
- By contrast, although still in first place, the influence of editorials/articles in the trade press has been on the wane. This is perhaps not surprising considering the decline in information seen through these media as reported in section 4.1 above.
- The reported influence of both advertising in print media and online/Web advertising has also fallen rapidly over this period, as has that of direct mail but in this case with a degree of stabilisation over the past two years.

5 Delivery and Receipt of Marketing Messaging

Chapter 5 explores the ways in which ICT decision-makers receive mail, phone calls and emails, and how much direct mail and email marketing is opened or noticed.

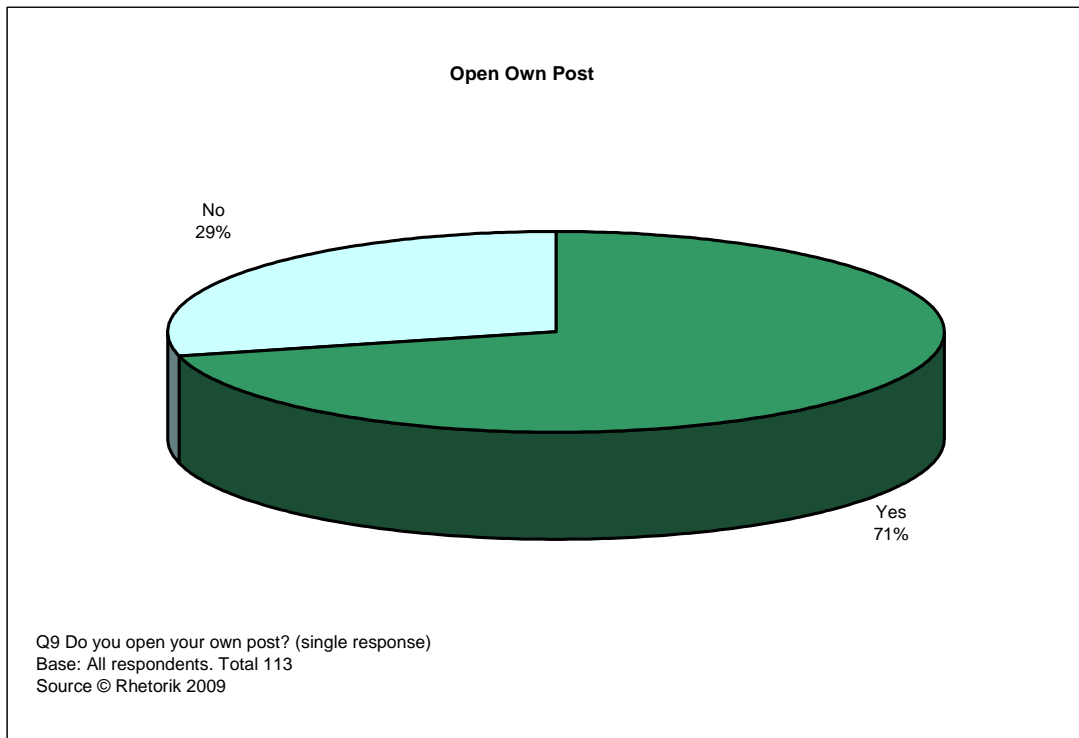
5.1 Delivering the Message

All respondents were asked about their receipt of direct mail, telephone calls and emails.

5.1.1 Opening the Mail

Panellists were first asked whether or not they opened their own post. The results are summarised in Figure 9.

Figure 9: IT/Telecoms Decision-makers Who Open Their Own Post

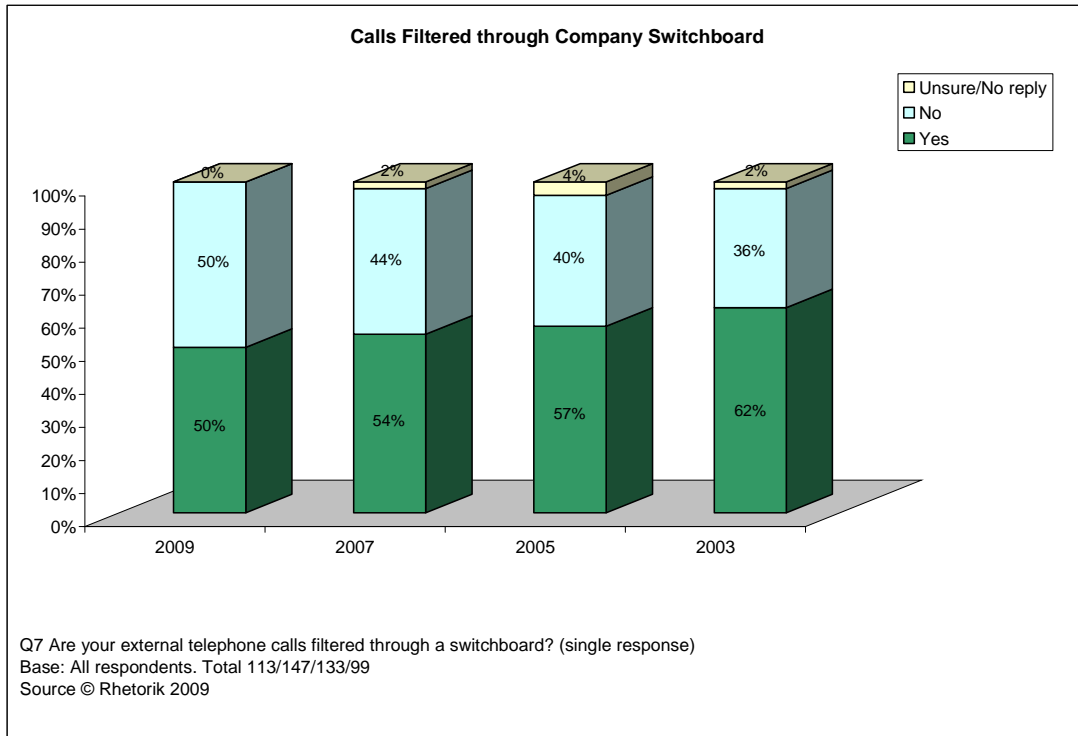


- Over two-thirds of IT/Telecoms managers open their own post.
- Interestingly, managers in SMEs were more likely to have support staff opening their post than were those in the larger organisations.

5.1.2 Calls Filtered Through the Switchboard

Managers were next asked if they received telephone calls direct to their extension or if calls were filtered through a company switchboard. In Figure 10 the results are presented and compared with those from previous surveys.

Figure 10: IT Decision-makers with Calls Filtered Through the Company Switchboard

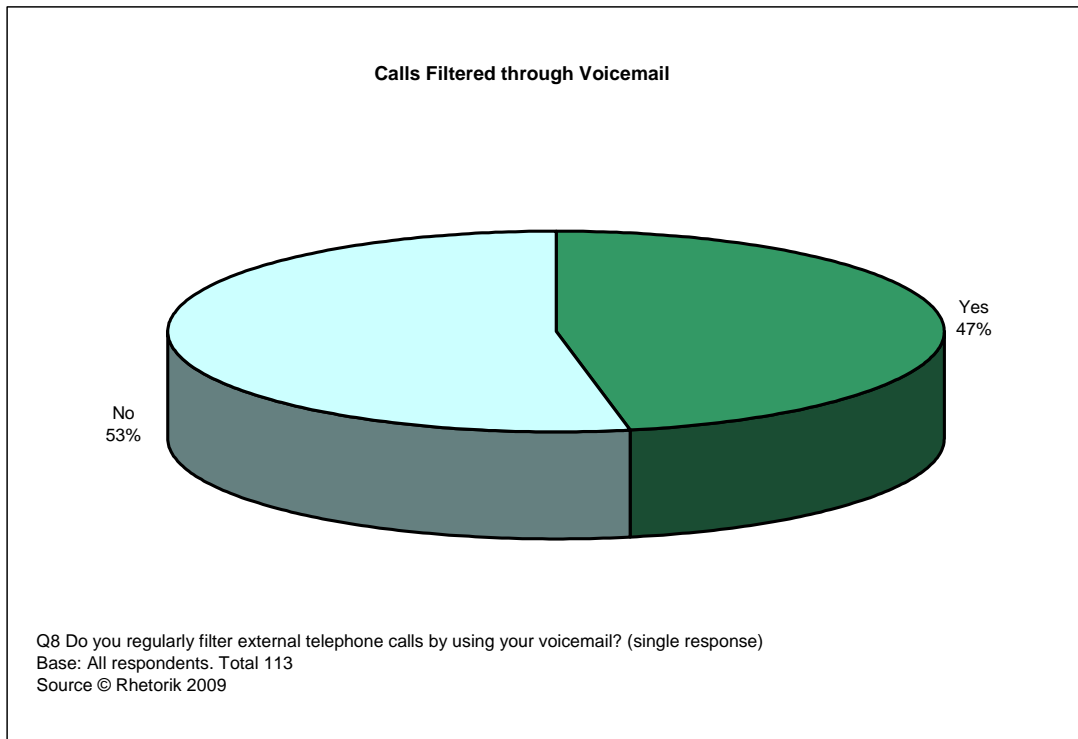


- Half of all respondents are still reached through a telephone switchboard, with the same proportion called on a dedicated direct line. The proportion contactable through a DDI number has increased steadily over the past 6 years
- Respondents in SMEs were much more likely to have calls routed through a switchboard, with over two-thirds reporting in this way. Conversely, IT/Telecoms managers in Government organisations were predominately contactable by DDI. This latter result may however be influenced by the large size of many Government enterprises within our sample.

5.1.3 Calls Filtered Through Voicemail

Respondents were next asked if they received telephone calls direct to their extension or if calls were routinely filtered through a voicemail system.

Figure 11: IT Decision-makers with Calls Filtered Through their Voicemail

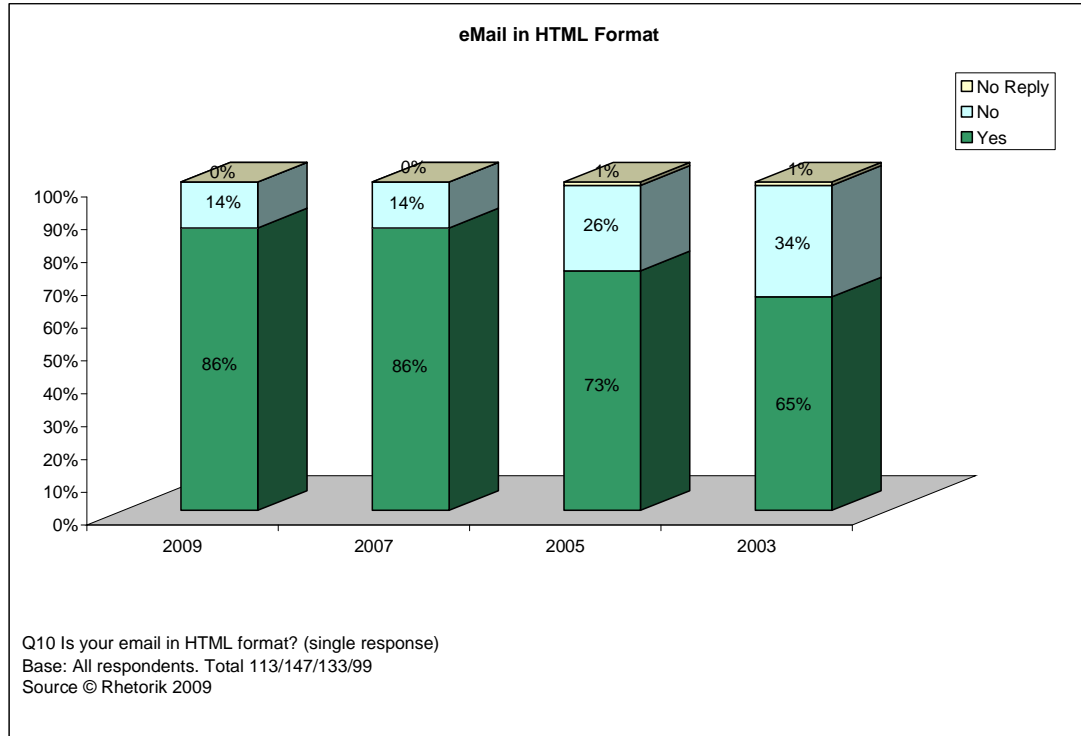


- Although half are now contactable through a DDI, IT/Telecoms managers are increasingly defensive of their time and often use voicemail to filter out unwanted calls.
- In the latest survey almost half (47%) reported that they regularly filter incoming calls through their voicemail rather than answering them directly. Furthermore, this proportion is rising, with only 43% reporting like this in the 2007 survey.
- However, use of voicemail in this way is much less common in the Government sector, where only one-in-five responded positively to this question.

5.1.4 email in HTML Format

All panellists were questioned on the ability of their email systems to receive mail in HTML format. In Figure 12, the results are presented and compared with those from previous surveys.

Figure 12: IT Decision-makers with eMail in HTML Format



- The proportion of IT/Telecoms decision-makers using email in HTML format increased markedly to 2007, but now appears to have stabilised at close to 85%. In 2003 only two-thirds of IT/Telecoms respondents were able to access and use mail of this nature.
- HTML in the target audience increases the scope and possibilities for success with creative email marketing campaigns. Even so, in any such campaign it must be considered that a small proportion of the potential target IT/Telecoms end-user audience may still not be able to accept messaging in this format.
- There were no significant variations in use of HTML email by vertical market or size of organisation.

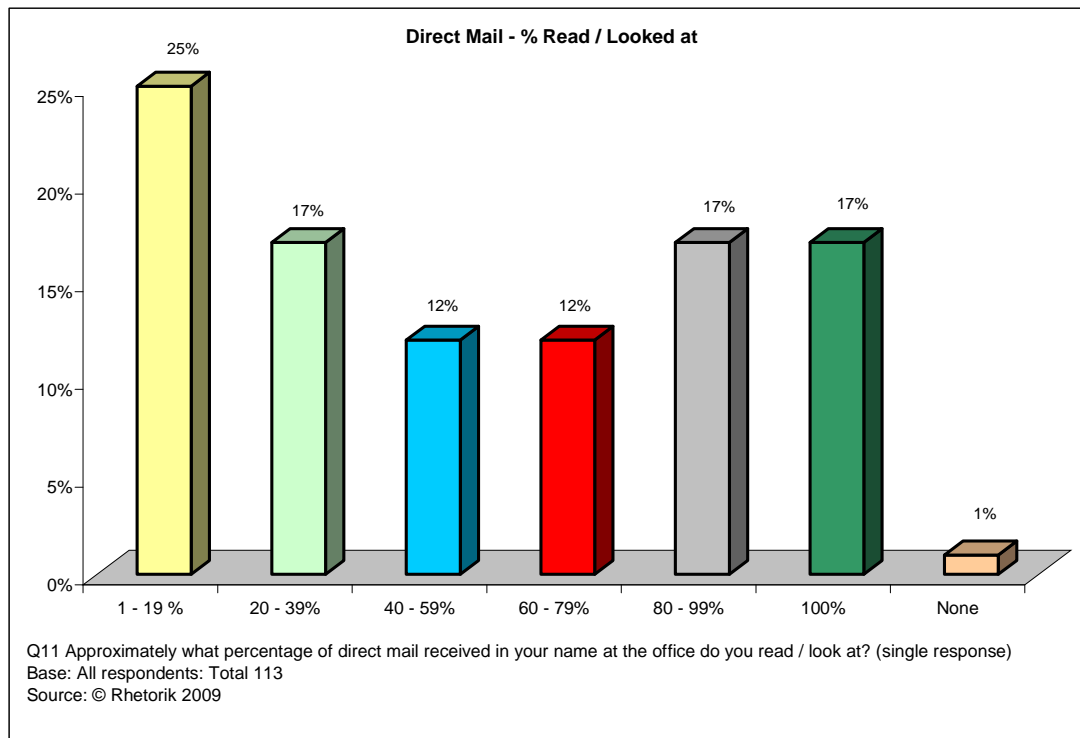
5.2 Does the Message Get Through?

This section explores how much of the direct mail and email marketing received by IT and Telecoms decision-makers is actually read or noticed.

5.2.1 How Much Direct Mail is Read or Looked at

Managers were asked to specify the approximate percentage of direct mail received in their name at the office that they read or looked at. The results, in six percentage bands, are presented in the figure below.

Figure 13: Percentage of Direct Mail Read or Looked at

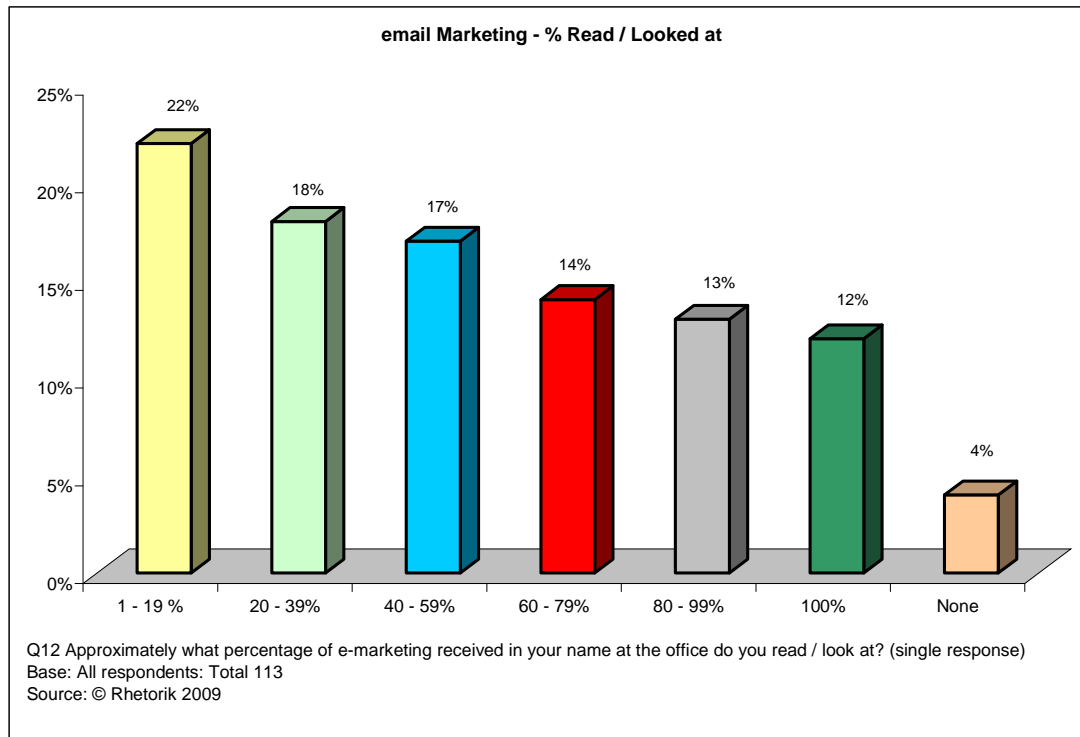


- Although the reported frequency of mailings seen through this medium has been falling, and their perceived influence on the decision-making process is relatively low, it is encouraging to see that a significant proportion of the mail getting through is read or looked at to some extent.
- Almost half (46%) of the panellists report reading or looking at 60% or more of the direct mailings they receive. This proportion has fallen since the 2005 survey (57%) but is still substantial.

5.2.2 How Much eMail Marketing is Read or Looked at

Respondents were similarly asked about the percentage of e-marketing they read or looked at.

Figure 14: Percentage of eMail Marketing Read or Looked at



- Whereas the frequency of email marketing is significantly higher, the proportion of ICT decision-makers noting the content is comparable with that for direct mail.
- Two-fifths of respondents reported reading or looking at 60% or more of the email marketing material they receive and this figure has not changed significantly over the last three surveys.
- Readership of email marketing is seen to fall with increasing size of organisation. In the latest survey 44% of SME respondents claimed to look at 60% or more of email messaging in their inbox, whereas this proportion reduced to 36% for those in the Large Corporate sector.

6 Email Marketing and Telemarketing – The Customer Perspective

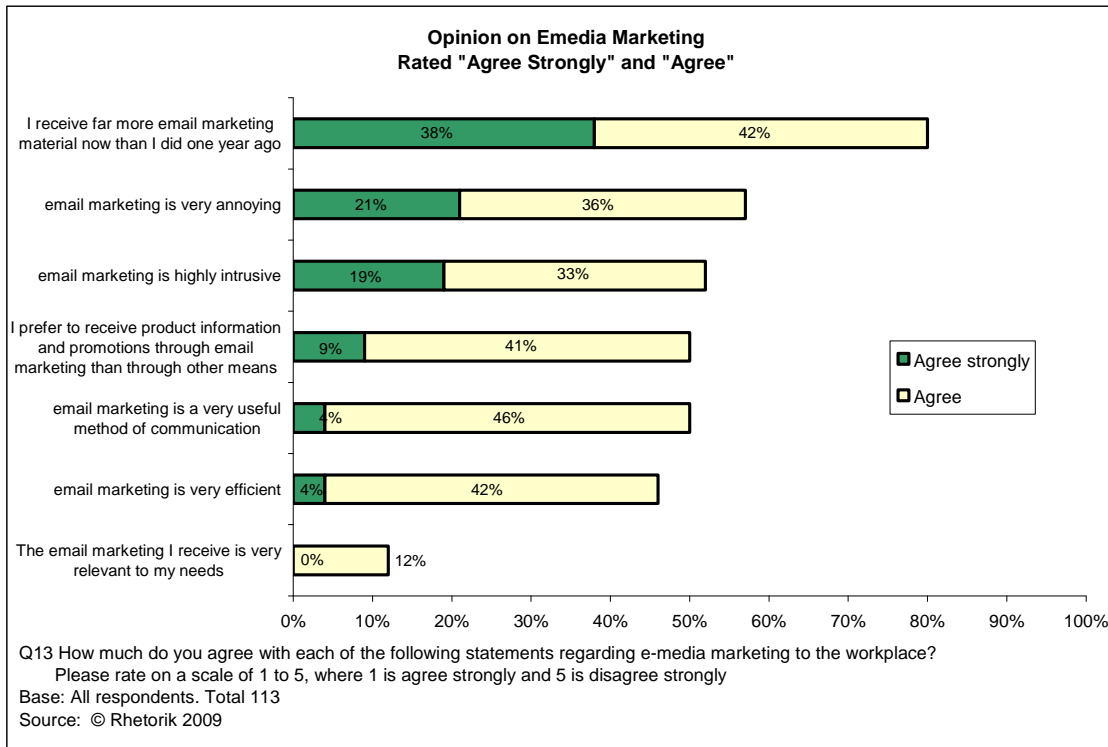
Chapter 6 presents findings on the attitudes and opinions of ICT decision-makers regarding email marketing and telemarketing within their industry.

6.1 Customer Opinions on Email Marketing

Members of the NetPanel were presented with a number of statements regarding email marketing and asked to rate their agreement with each on a scale of 1 to 5, where 1 represents “strongly agree” and 5 “strongly disagree”.

The figure below presents overall responses in percentage terms for those rating agreement with each statement (i.e. rating 1 or 2 – “strongly agree” or “agree”).

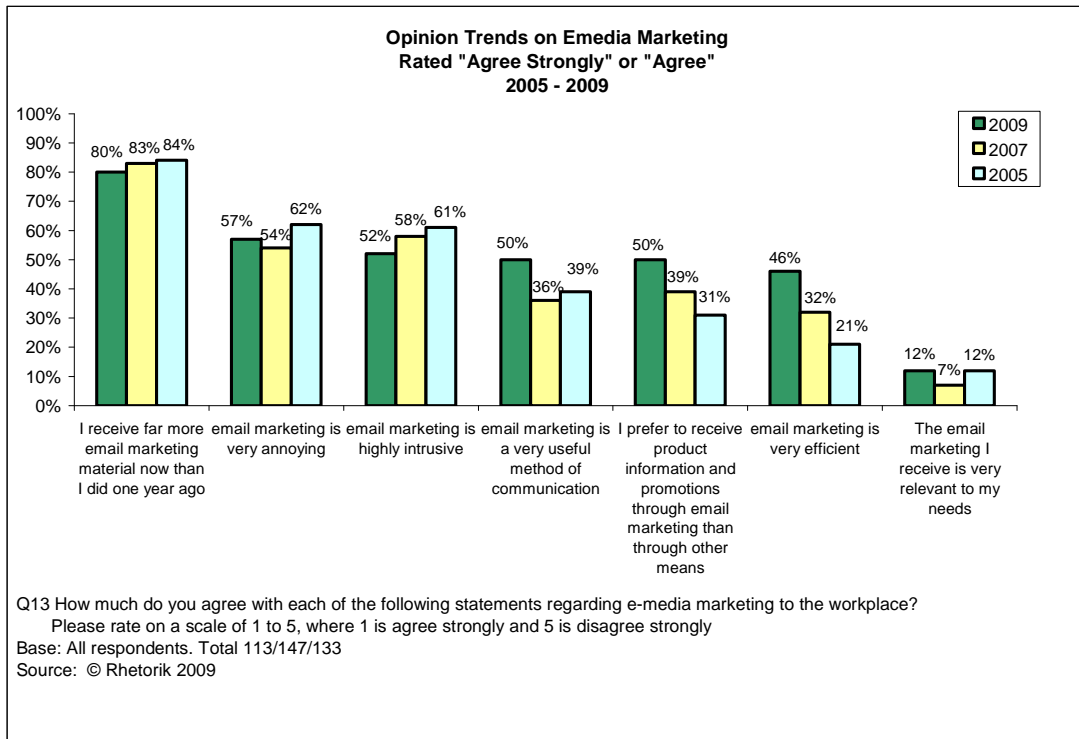
Figure 15: Customer Opinions on Email Marketing



- Respondents consistently affirm that email marketing is on the increase. 80% agreed that they receive far more email marketing material now that they did one year ago, with almost half of these (38% of the total) agreeing strongly and a similar proportion (42%) simply agreeing with this statement.
- However, ICT managers have mixed views about the email marketing they receive. Despite the strong perception that it is both annoying and intrusive, half of the research base prefers to receive product information and promotions through email rather than by any other means.
- In addition, half the base also considers this to be a very useful method of communication and a similar proportion consider it very efficient.
- However, there is little agreement that the messaging received has strong relevance to their needs, indicating a lack of effective targeting in much of the email marketing currently taking place.

There has been some movement in reported opinion on email marketing as techniques have developed over the past four years. The following summarises the results for overall agreement (either "agree strongly" or "agree") with each statement over the past three surveys.

Figure 16: Opinion Trends on Email Marketing



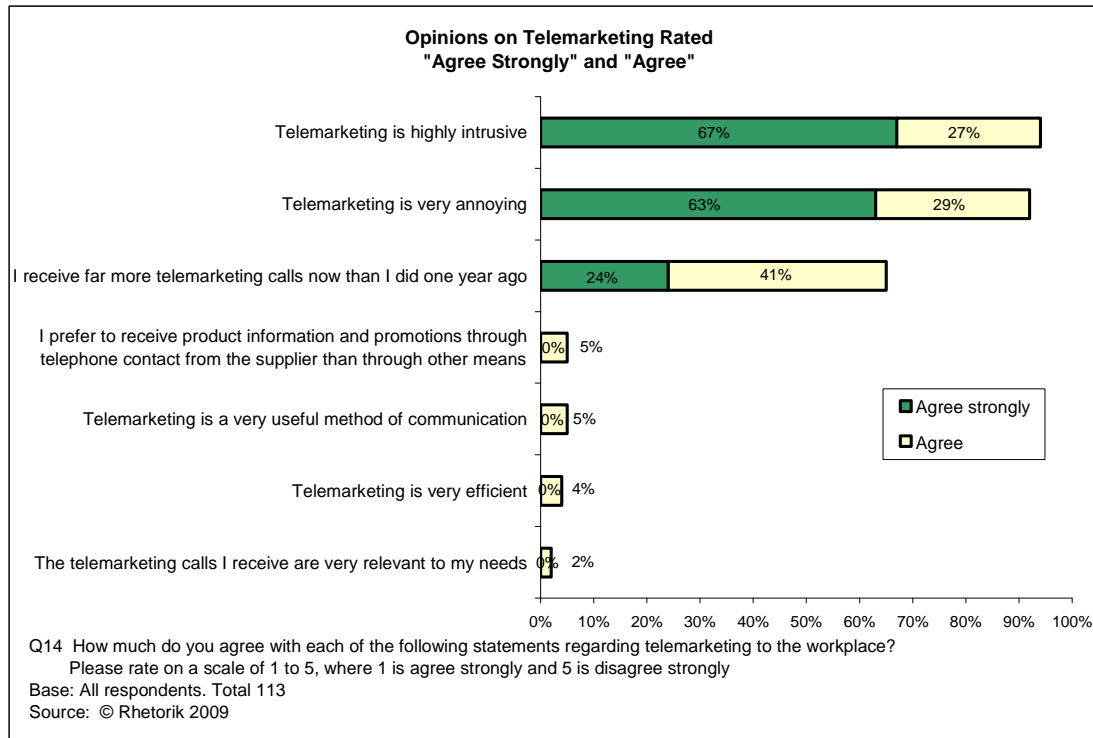
- As application of email marketing has continued to grow over the last four years, end-user attitudes have appeared to soften. Although negativity is still a significant factor, agreement with the more negative statements, such as "annoying" and "highly intrusive" has decreased and agreement with the positive perceptions, such as "very efficient" and "very useful", has been on the increase.
- Overall, increasing numbers of respondents have affirmed their preference to receive product information and promotions through email communication than through by any other media. This strong preference has increased from an incidence rate of 31% in 2005 to 50% in the latest study

6.2 Customer Opinions on Telemarketing

Respondents were next offered comparable statements regarding telemarketing and asked to rate their agreement on the same basis.

Overall responses in percentage terms for those rating agreement with each statement (i.e. "strongly agree" or "agree") are presented in Figure 17.

Figure 17: Customer Opinions on Telemarketing



- The intensity of negative attitudes to telemarketing that came over in this survey was marked. Unlike the situation with email marketing, few respondents had anything positive to say about this form of marketing and, when presented with similar statements, the negativity to telemarketing was way beyond that for email.
- Almost all (94%) of the respondents see telemarketing as highly intrusive with more than two-thirds of these in strong agreement with the statement. A similar high proportion see telemarketing as very annoying.
- Telemarketing is also perceived to be on the increase, although less so than for email.
- Few respondents saw telemarketing as useful, efficient or relevant to their needs. Similarly, there was little preference for this method of communication over others.
- Change in these attitudes over the past three surveys has not been great, and has largely consisted of a fall in agreement with some of the more positive statements. Notable, is that agreement on the usefulness of telemarketing as a method of communication has fallen from 10% of the respondent base in 2005 to only 5% in the latest study.

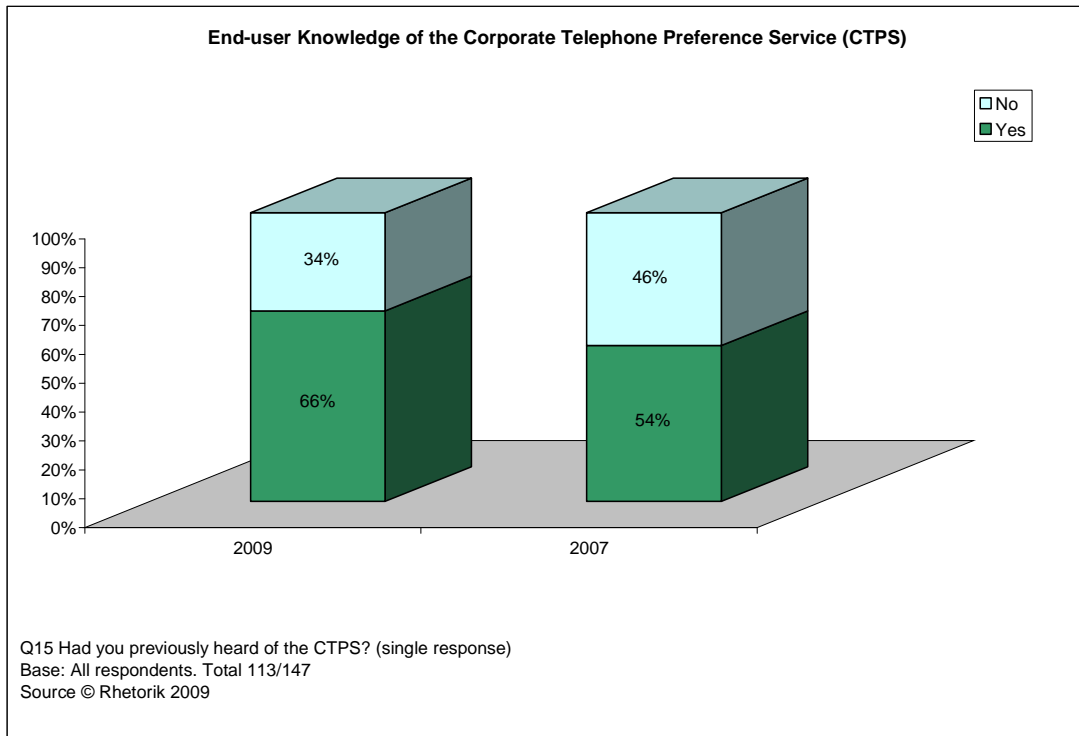
7 The Corporate Telephone Preference Service

Chapter 7 investigates the understanding and views of IT/Telecoms decision-makers on the Corporate Telephone Preference Service (CTPS).

7.1 End-user Knowledge of the CTPS

Following a brief explanation of the purpose and implementation of the CTPS, all respondents were asked whether or not they had previously heard of it. Figure 18 summarises the response and compares with the results in the last survey.

Figure 18: End-user Knowledge of the CTPS



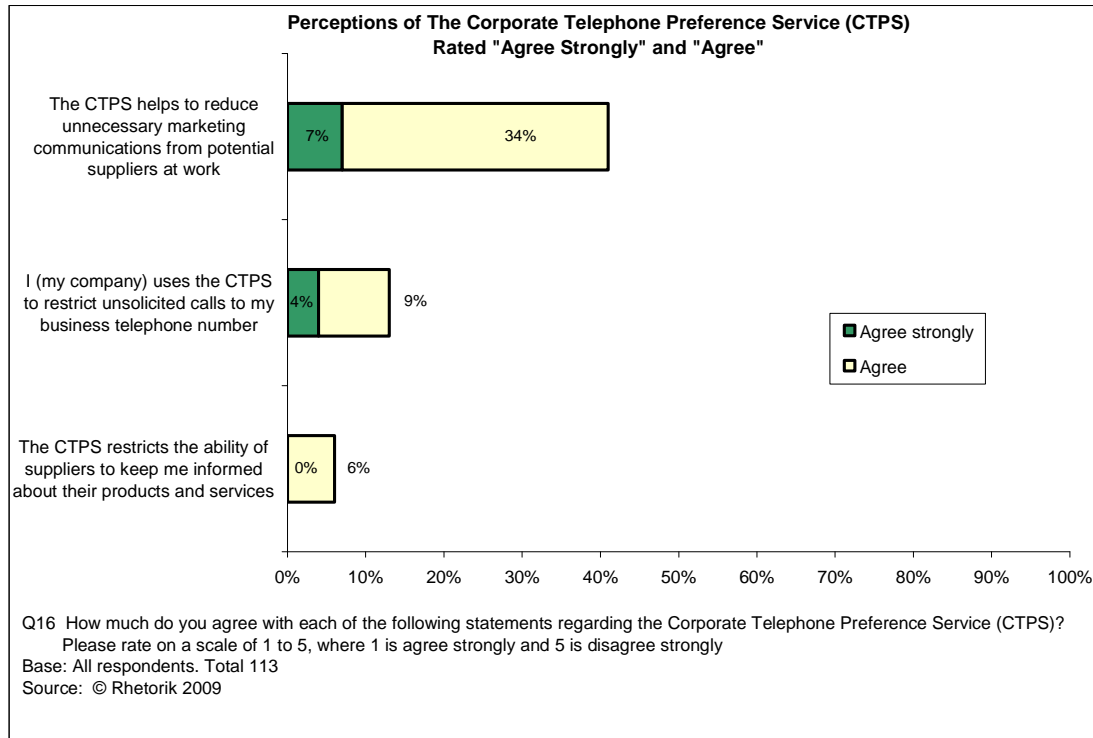
- The Corporate Telephone Preference Service (CTPS) was introduced in 2004 and although awareness in the ICT sector was not high in the early years, its recognition is now steadily increasing. In the latest research, two-thirds of the ICT managers surveyed had previous knowledge of the Corporate Telephone Preference Service.
- This improvement in recognition is significant since the previous survey. In 2007, three years after its introduction, only a little over half of the respondents had knowledge of the scheme.
- At the present time, recognition is highest for panellists in the Government sector

7.2 Perceptions of the CTPS

Respondents were next presented with a number of statements regarding the service and their intention to use it. They were asked to rate agreement with each statement on a scale of 1 to 5.

The percentages of those agreeing with each statement (i.e. rating 1 or 2 – “strongly agree” or “agree”) are presented in Figure 19.

Figure 19: End-user Perceptions of the CTPS



- Panellists are generally positive about the benefits that the CTPS can bring.
- Two-fifths agree that the CTPS could help to reduce unnecessary marketing communications from potential suppliers. However, only a little under one-in-eight respondents believe their organisation currently uses the service!
- Reflecting less enthusiasm, 6% were concerned that the service could restrict the ability of suppliers to keep them informed.
- Large Corporates seem most in favour of the scheme, with almost half of respondents from that sector expecting it to help reduce unnecessary marketing calls. Conversely, SME respondents are most concerned that the CTPS will restrict suppliers from keeping them informed.
- The 2005 survey was carried out not long after introduction of the CTPS and respondents at that time were generally more confident that they would be using it (37%) and that it would bring benefits in reducing unnecessary marketing (59%). The percentage implementation and positivity about the benefits it might bring have fallen significantly since that time. However, so too have the concerns - in 2005 16% felt it would restrict the ability of suppliers to keep them informed, whereas in 2009 only 6% shared that view.

8 Seminars, Webinars and Exhibitions

Chapter 8 investigates seminars, webinars and exhibitions. Frequency of attendance at each type of event is measured, and we question the impact of travelling times on the likelihood of visiting seminars. Preferences for seminar duration are also considered.

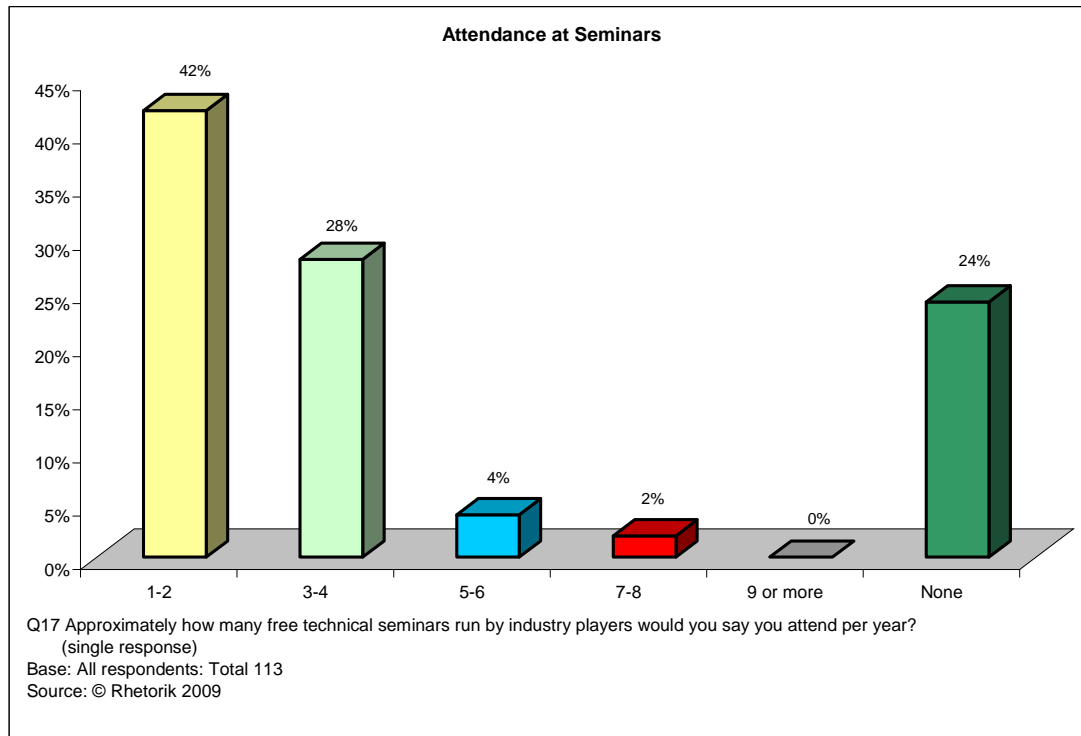
8.1 Seminars

8.1.1 Attendance at Seminars

All respondents were asked to specify the approximate number of free technical seminars that they attended each year.

Results are presented in the figure below.

Figure 20: Number of Seminars Attended each Year



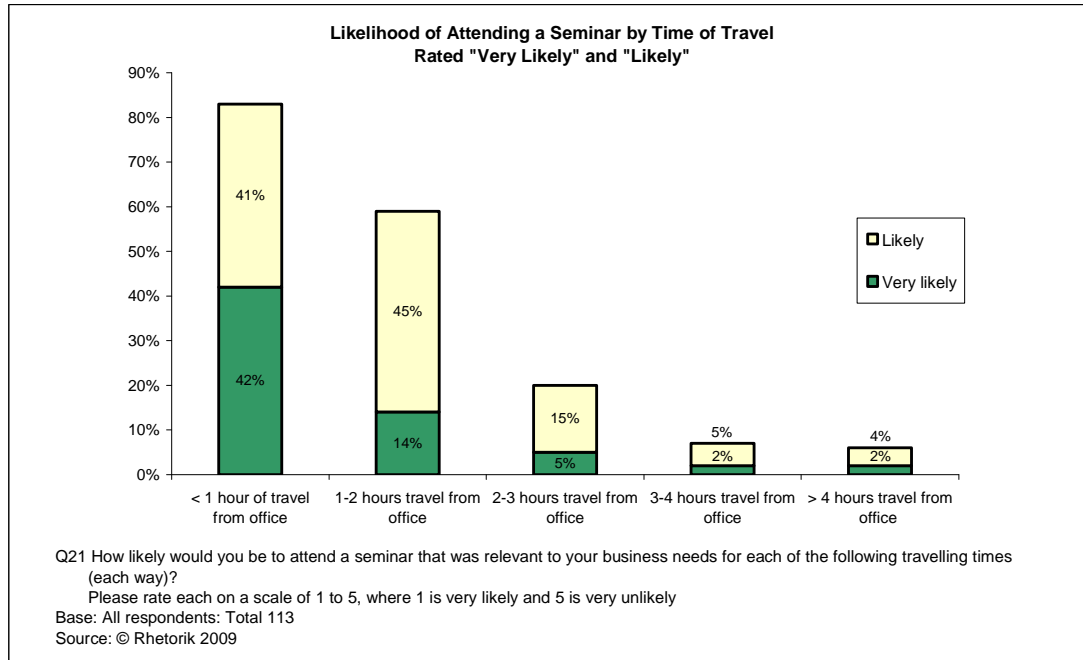
- 70% of the ICT Managers responding in our survey attend between 1 and 4 free technical seminars each year. This is similar to the proportion reported in each of the previous surveys.
- However, 24% do not attend any such seminars, a higher proportion than in previous survey years.
- There is little variation in reported attendance by size of respondent organisation or key vertical market sector.

8.1.2 Travelling time and its Impact on Seminar Attendance

Next, the panel was asked to rate likelihood of attendance at a relevant seminar in relation to travelling time. Likelihood was measured on a scale of 1 to 5, where 1 was "very likely" and 5 "very unlikely".

Results in percentage terms for those "very likely" and "likely" to attend in each of 5 time bands are presented in the figure below.

Figure 21: Likelihood of Attending a Seminar by Time of Travel

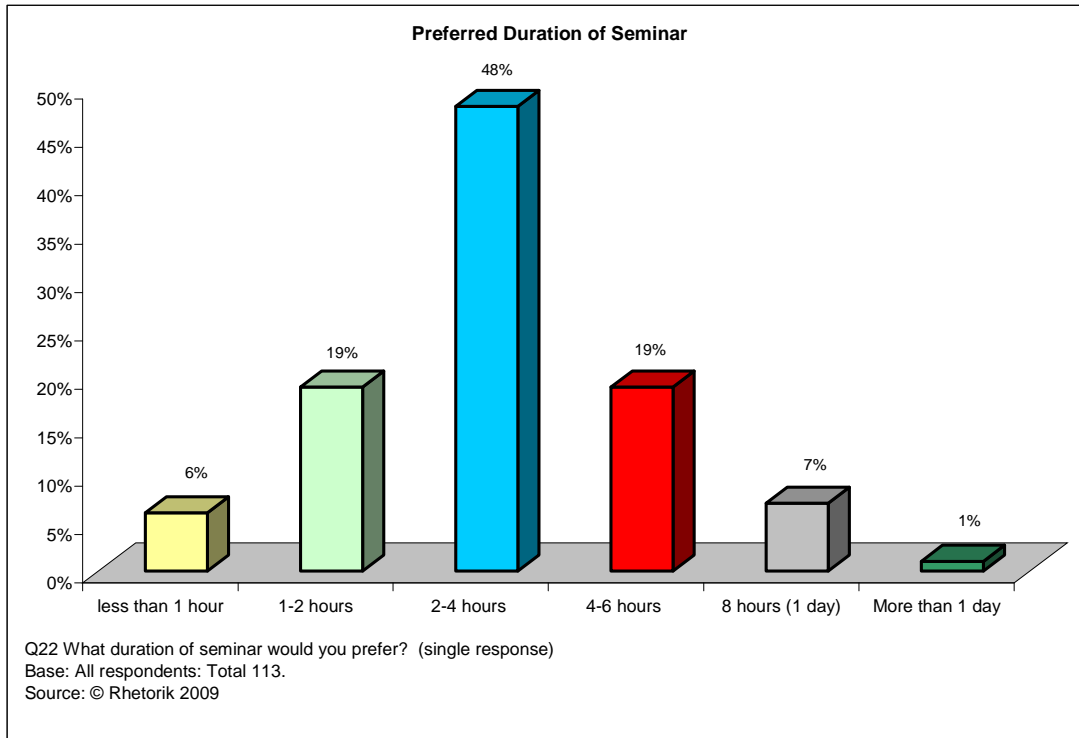


- Perhaps not surprisingly, the likelihood of attendance at a seminar increased significantly as the travelling time decreased.
- A high 83% of respondents were "likely" or "very likely" to attend a relevant seminar taking place within one hour of their business location. Three-fifths were still interested for travelling times between one and two hours but likelihood of attendance fell off markedly for longer journey times.
- Even more notable was the response from those very positive about attendance. More than two-fifths of our sample indicated that they would be "very likely" to attend a seminar that was less than one hour travelling time from the office, but this strong likelihood fell sharply with increasing time beyond that point.
- Generally, respondents from larger organisations are more likely to travel further to these events.
- The results from this question differ little from those obtained in the previous two surveys.

8.1.3 Preferred Duration of Seminar

We also questioned preferences on duration of seminars. Respondents were asked to select from 8 time options, the length of seminar they would prefer. The results in overall percentage terms are given below.

Figure 22: Preferred Duration of Seminar



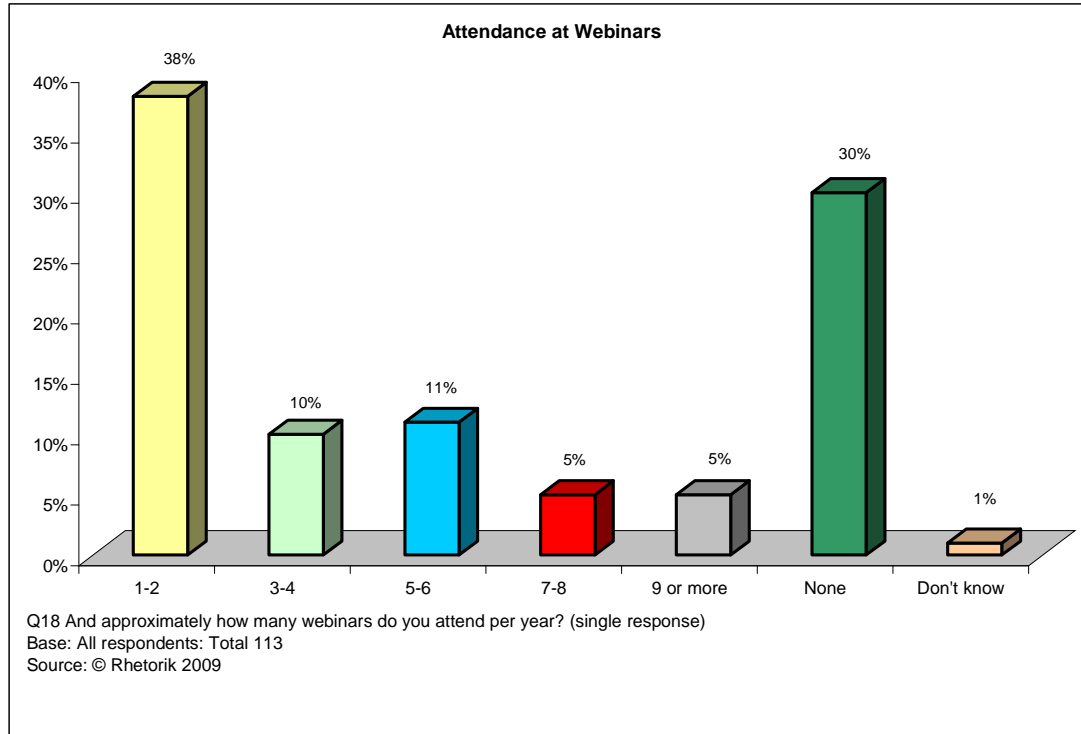
- Half-day seminars were the preferred option, with almost half of our sample opting for a duration of 2–4 hours. Overall, almost three-quarters of respondents favoured a seminar of half a day or less.
- One-quarter opted for a seminar of between half and one day, with almost none favouring more lengthy events.

8.2 Webinars

8.2.1 Attendance at Webinars

For the first time in the current survey, respondents were also asked about the number of webinars they attended each year. Results are presented in the figure below.

Figure 23: Number of Webinars Attended Each Year

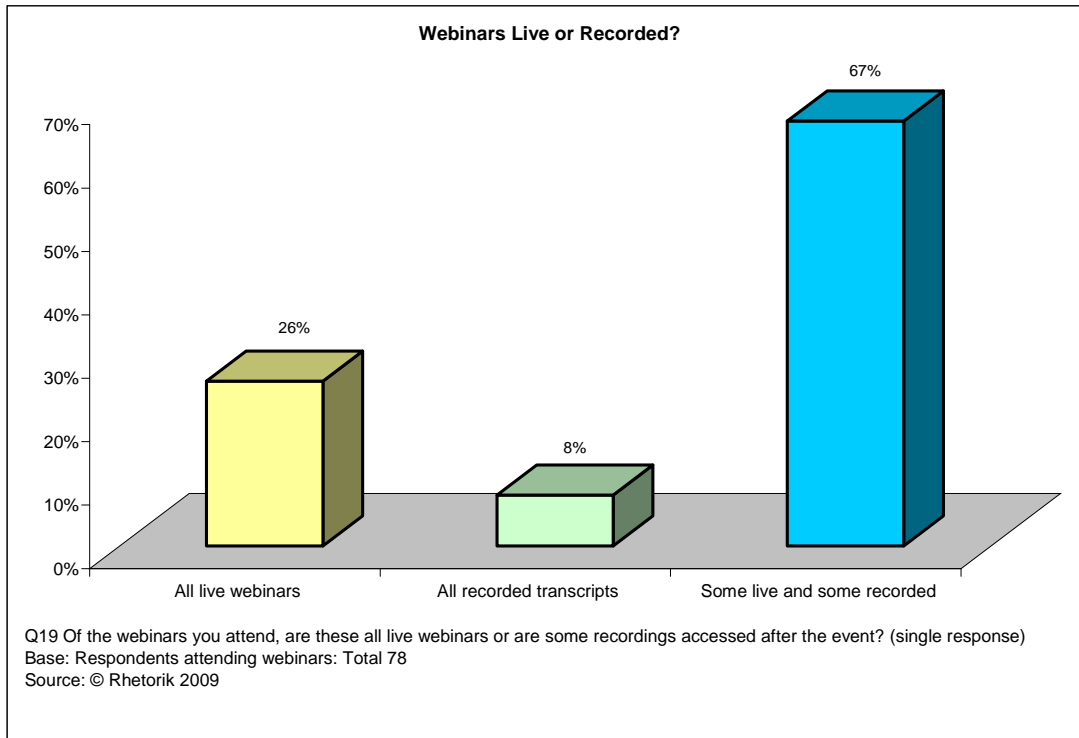


- Webinars are increasing in popularity, largely because they can be attended at the office without any of the additional time incurred in travelling to seminars and other similar events.
- Almost two-fifths of panellists attend 1-2 webinars per year, a proportion approaching that attending physical seminars. However, whereas only 7% of respondents reported attending 5 or more seminars, more than a fifth of all panellists found time to attend similar high numbers of these events over the Web.
- Not all end-users have embraced this newer alternative to the traditional seminar. Approaching one-third of ICT managers in our panel do not attend any of these events.
- From the results of our survey it would seem that webinars are more popular with managers from SMEs and Corporate organisations, but less favoured by those in the Large Corporate sector. Almost half (44%) of Large Corporate (>1000 employees) respondents do not attend any webinars at this time
- ICT managers in Government organisations are also less in favour of this medium. Half of government respondents reported to attendance at such events.

8.2.1 Live or Recorded Webinars

A further benefit of webinars over traditional seminars is that ICT end-users can listen to the event in recorded form at a later time if it is not convenient for them to participate in the live event. To help understand the attractiveness of this capability, panellists who reported attendance at webinars were further asked if they participated in these webinars as live events or if they subsequently listened to the recordings. The results are summarised below.

Figure 24: Live Webinars or Subsequent Recordings

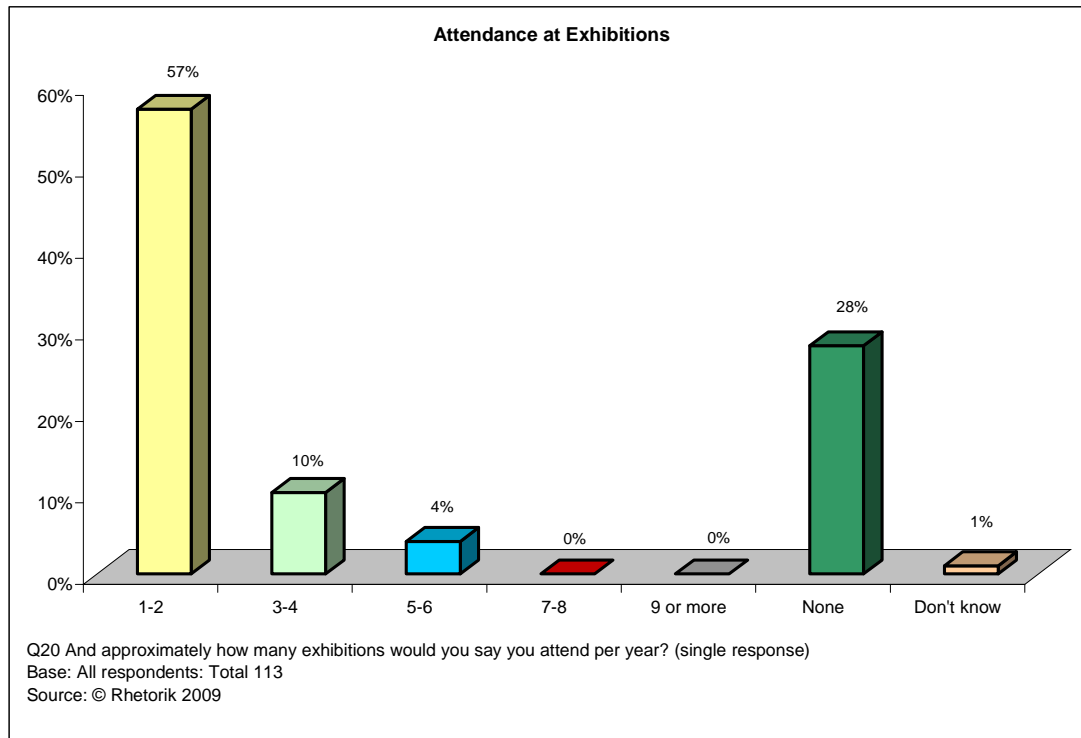


- The flexibility available is clearly valued, as the most favoured method of participating is a mix of both attendance at live webinars (when convenient or perhaps for those topics of greatest relevance and importance) and listening to recordings after the event. Two-thirds of all respondents who attended reported a mix of both.
- However, some clearly valued the interactive opportunities of live attendance, as more than a quarter of respondents only participated in the live events. Furthermore, some of these reported taking part in large numbers of these webinars throughout the year.

8.5 Attendance at Exhibitions

Respondents were also asked about the number of industry exhibitions they attended each year. Results are presented in the figure below.

Figure 25: Number of Exhibitions Attended Each Year



- Almost three-fifths of all respondents attend 1-2 exhibitions per year, one-in-ten visit 3-4 and a very small proportion go to more. However, more than a quarter of the ICT managers in our research sample do not attend any exhibitions at all.
- These overall results differ little from those in the last two surveys.

9 Marketing Effectiveness

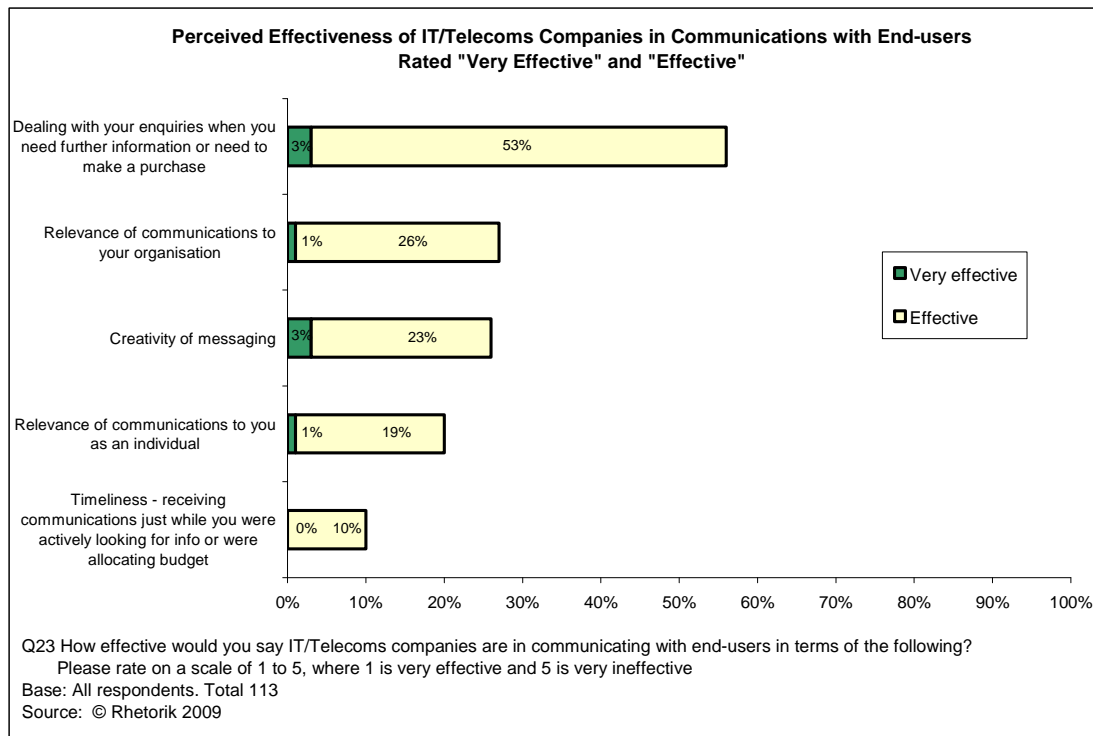
In chapter 9 we report end-user ratings on the effectiveness of supplier marketing communications against a number of key criteria. We also investigate perceptions of the influence that certain techniques can have on the overall decision to purchase.

9.1 Effectiveness of Marketing Communications Messaging

Respondents were presented with a list of different marketing measures and asked to rate the effectiveness of IT/Telecoms companies in communicating with end-users on each. Effectiveness was rated on a scale of 1 to 5, where 1 represented "very good" and 5 "very poor".

For ease of interpretation, Figure 26 presents the overall percentages of respondents rating each measure as "very good" or "good" (1 or 2).

Figure 26: Effectiveness of IT/Telecoms Companies' Marketing Communications

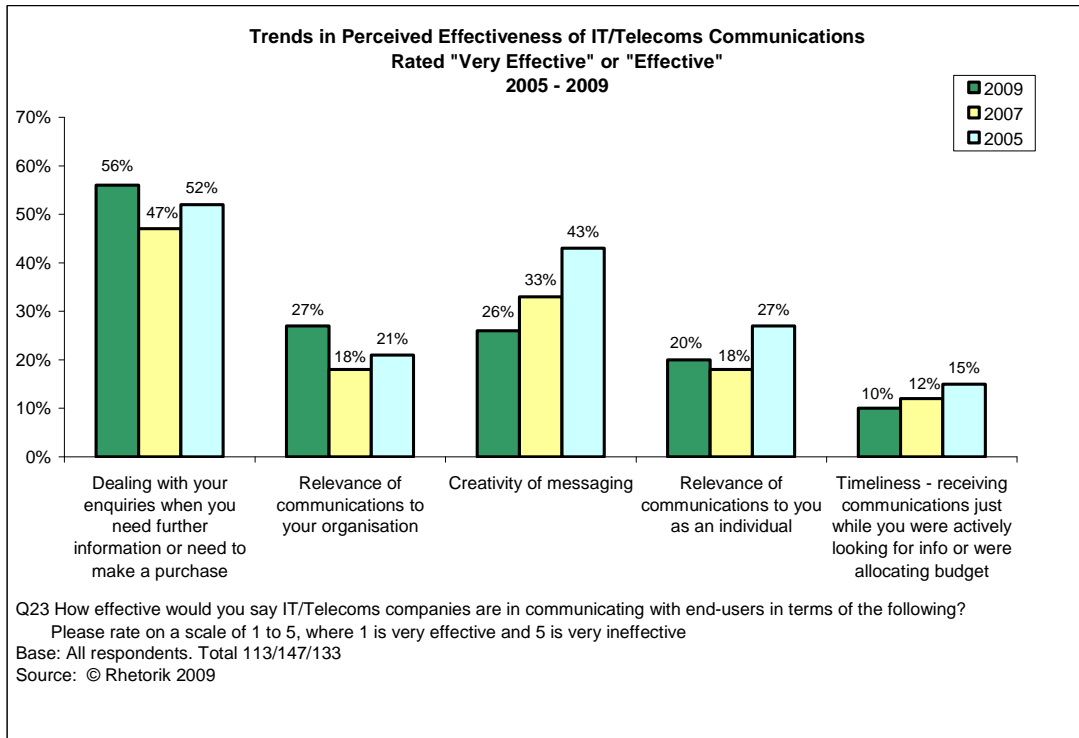


- End-users rated their suppliers most highly on the way in which they dealt with enquiries. 56% believed IT/Telecoms companies to be "effective" or "very effective" in this respect.
- Some way behind came relevance of communications to the organisation, rated on a similar basis by only 27% of the base. However, relevance to the individual was believed worse, reported in this way by a lower 20%.
- Creativity was perceived to be comparable in effectiveness to relevance of messaging to the organisation.
- Least well-considered, but perhaps understandably, was timeliness of the communications. End-users only want to receive messaging from suppliers when they have a real need for it.
- Interestingly, few of the managers researched believed their suppliers were "very effective" across any of these measures.

- Respondents from the Services sector rated their suppliers more highly on “relevance of communications to the organisation” and “creativity” than did those from other key sectors.

Some interesting trends in these perceptions have been observed in our surveys over the past four years. In terms of overall effectiveness, movements have been summarised below.

Figure 27: Trends in Perceived Effectiveness of IT/Telecoms Communications

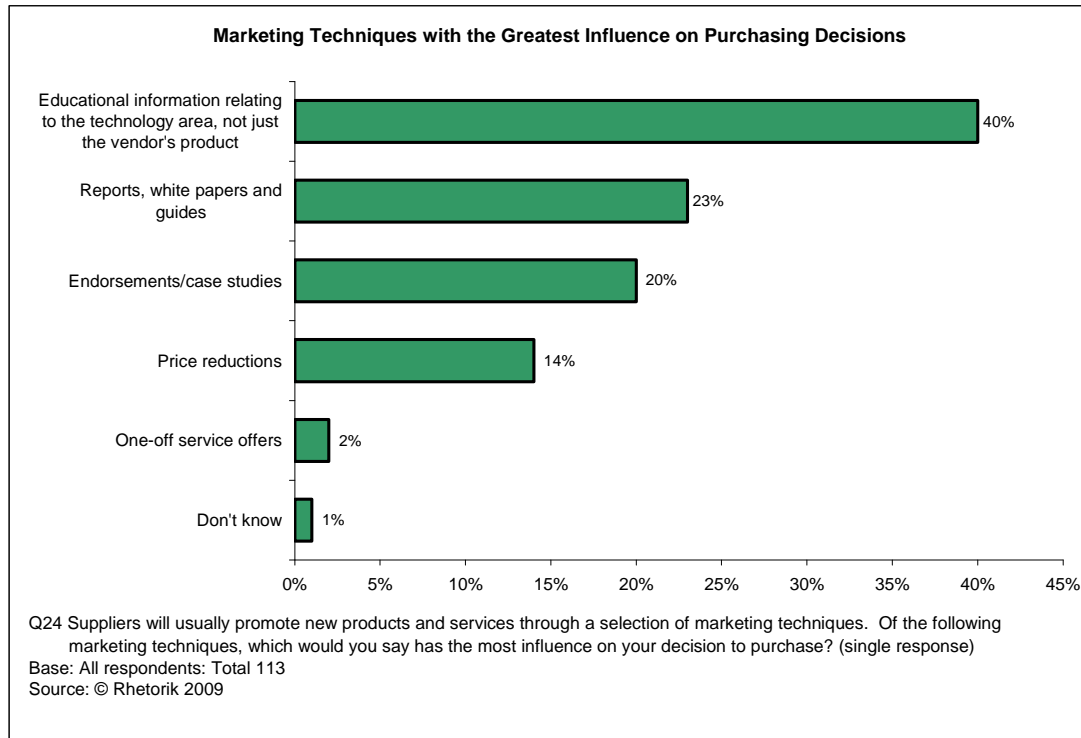


- Creativity and timeliness of communications appear to be on the decline, both having fallen steadily in believed effectiveness over the past three surveys.
- However, although the effectiveness of enquiry handling and relevance of messaging to the organisation both fell back in the 2007 research, they are now perceived more highly by respondents than in each of the previous surveys.

9.2 Marketing Techniques that Influence the Purchasing Decision

All respondents were presented with a list of marketing techniques used by their suppliers and were asked to select the one that had the most influence on their decision to purchase. The results are given in Figure 28, below.

Figure 28: Marketing Techniques with the Greatest Influence on Purchasing Decisions



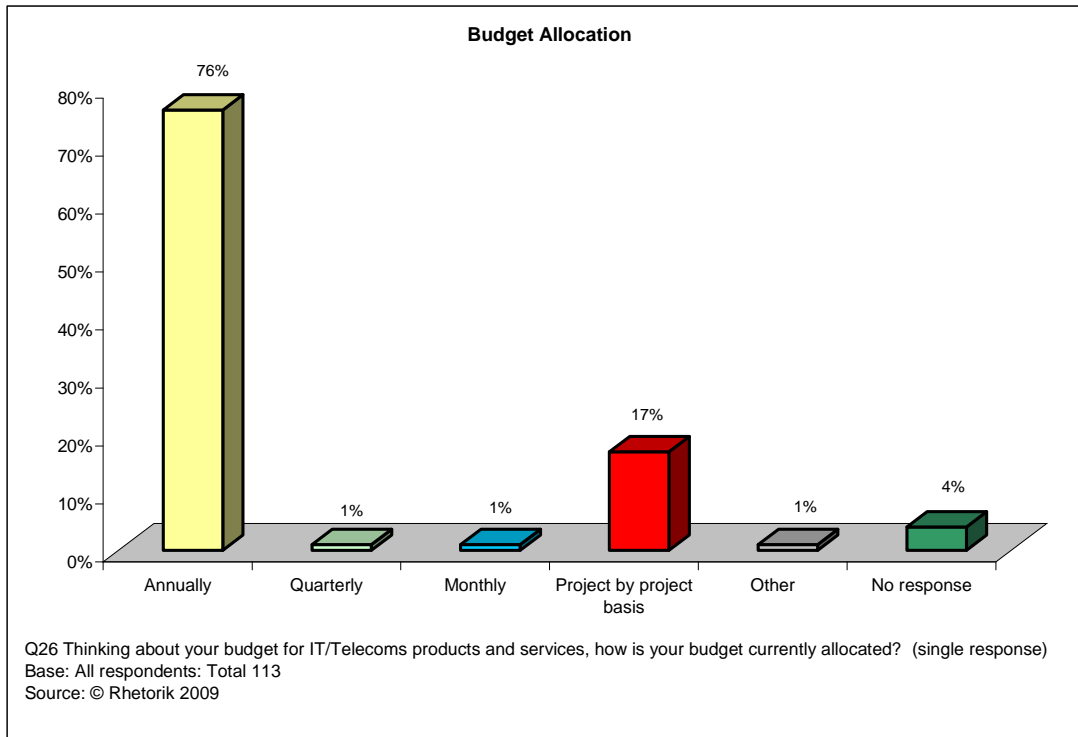
- The results clearly indicate that the greatest impact comes from marketing that seeks to educate and inform about the technology area and not just the suppliers' products. Two-fifths of the IT/Telecoms managers selected this type of messaging above all others to have the greatest influence on their purchasing decisions.
- Other highly favoured marketing techniques also focused on the provision of information. Reports, white papers and guides were seen as having the greatest influence by almost a quarter of all respondents, and endorsements/case studies by a little under one-fifth.
- Price reductions are of course well regarded in the current economic climate, but are only believed to have the greatest influence on purchasing by 14% of the sample.
- One-off offers are not well regarded, and only considered of greatest influence by 2% of the research base.
- No significant trends in response have been seen over the past four years, although price reductions are believed to have marginally greater influence at this time.

10 Budget Allocation

In Chapter 10 we explore the ways in which user organisations budget for ICT purchases.

IT/Telecoms decision-makers were questioned on the periods over which their purchasing budgets were allocated. Overall results are given in the figure below.

Figure 29: Budget Allocation



- Annual budgeting is the norm, with more than three-quarters of panellists reporting this method. However, almost one-fifth of ICT managers didn't have an allocated budget as such, but obtained funding on a project by project basis.
- The larger the organisation, the more likely it is to have a planned budgetary process, and some 91% of Large Corporates and 82% of Corporates reported annual budgets. On the other hand, SMEs are the most likely to rely on project by project allocation, with 30% of such respondents reporting this method.
- By key vertical, Government organisations almost always reported planned budgets, with 87% of these budgeting annually.
- Over the past four years there has been a steady trend towards annual budget reporting in our surveys, with fewer providing funds by project. Quarterly budgeting has also declined, but from a low base of only 5% in the 2005 survey.

11 Other Comments

Finally, the last chapter details a broad range of interesting responses given to a request at the end of the survey questionnaire for "any other comments".

Specifically, the question asked, "Are there any other comments you would like to make about marketing methods and approach used within the IT and Telecommunications industry?".

The most informative of these comments are presented in italics below:

- *A good phone system that identifies an incoming telephone number helps deflect unwanted callers to voice mail. Over 85% do not leave a message waiting for you to pick up the telephone before the sales speech is forthcoming.*
- *'Clever' and innovative uses of print medium which I have not seen before always attract me to look closer.*
- *I get irritated when cold callers leave a voicemail asking Me to ring them back - as if! I ask receptionists to give sales callers my email address, I can then read at my convenience and call them/contact them if necessary.*
- *I would prefer that the person that is trying to sell a product has technical knowledge to answer my question rather than having to book separate meetings to find out it is not the compatible product we were after.*
- *If our receptionist didn't screen my calls I would never get any work done. Likewise with unsolicited e-mails. Both are very disruptive and therefore unacceptable. I also find that many telesales people are very rude and won't take no for an answer. I expect sales people to be persuasive, but not to the extent that when I genuinely don't want something they keep talking. On a very odd occasion I have been forced to hang up on someone, which I really don't like to do.*
- *It is inevitable that prior to wanting any "hard-sell" contact with a supplier there is an element of research activity. It is particularly during this period that telesales calls are annoying, when you need the information, but do not want to commit to having a project and therefore being pestered. A prime example is Messagelabs who publish some interesting White papers, but who always follow-up any download with a sales call. I guess there never was such a thing as a free lunch!*
- *Level of marketing is now causing interference with running the business - and it's generally completely irrelevant because companies don't understand how we have to procure as a public sector body. The CTPS is totally useless - seen no drop in call volume since we registered.*
- *No research into who they are calling. How many times a day do they think IT Managers want to explain their own organisation, just so the caller can find an angle? Plus, very often they look at the 'Group' in our organisation name and try to sell huge systems to a 50 user group - not smart.*
- *Not very well targeted. Suppliers would do well to develop a face to face relationship with customers so they know what we want and may need.*
- *Telesales is the most annoying, especially when the caller has an accent that's difficult to understand or if they won't take no for an answer or if they call at an inconvenient time. Email is far less intrusive as it doesn't cause an interruption, can be accessed when it's most convenient and can be quickly scanned for relevance. I have a folder set up for marketing emails which may be of future use. I prefer to contact companies when I have a requirement rather than to be contacted by telephone when I don't!*
- *The main challenge I face is separating out the relevant offers and information from the flood of information I receive every day via email, web, print, etc. I am just in the process of looking at the CTPS service to stop unsolicited phone calls to the firm.*
- *The sales techniques are dull and do not warrant a second look. Need to embrace the technology. Maybe use of voice and or animation.*
- *The same company will use several sales team members to call offering the same service.*
- *They should cease wasting business time by use of telemarketing. More hours are wasted than are of benefit to our organisation when receiving telemarketing calls.*
- *We also have a separate project and capital budget.*
- *For overhead spend, budget is allocated annually. For Capital spend, budget is on a project by project basis.*

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Rhetorik Ltd
1 Markham Mews
Broad Street
Wokingham
Berkshire RG40 1AB
United Kingdom

www.rhetorik.com

Telephone: +44 1189 89 8580
Fax: +44 1189 89 8590

Rick Paskins
Managing Director
Rhetorik Market Intelligence
rpaskins@rhetorik.com