

SPECIAL STUDY

An Inconvenient Truth: The Role and Value of Information in the IT Buying Process

Clare Gillan
Michael Gerard
Richard Vancil
Susan Feldman

Holly Brown
Lee Levitt
Cushing Anderson

IDC OPINION

An inconvenient truth for IT vendors: The factors least considered by vendors in go-to-market programs are those most valued by technology buyers:

- ☒ IT vendors focus on the ROI of their marketing programs and their sales programs. They might also talk about the ROI a buyer can expect to achieve with their product (i.e., product ROI). Few sufficiently consider the ROI a buyer expects to achieve by spending time with a vendor's information and people — the relationship ROI.
- ☒ Technology marketers build marketing mix plans based on format (e.g., advertisement versus conference versus blog) and communications channel (e.g., TV versus Web versus print). But, in making IT purchase decisions, corporate buyers value content relevance and credibility over format and channel.
- ☒ When it comes to mobilizing a sales force, most tech vendors subscribe to one sales methodology or another and institute a sequence of selling stages. Meanwhile, the buying process is far from standard.

According to a recent IDC study, buyers spend up to 4.8 hours per week, on average, with third-party information to support current or future IT purchase decisions. Of this, about three hours per week are spent on information related to new purchases or general education that can lead to new purchases.

Meanwhile, IT vendors invested over \$174 billion in marketing and sales in 2007 to reach and influence technology buyers. This investment creates a lot of competition for that three hours per week per IT buyer. To engage and deepen relationships with buyers, vendors must strengthen a buyer's return on time spent with their information, whether delivered online, at events, or through their sales teams.

IDC expects to see a more pronounced industrywide shift within IT sales and marketing driven by these buyer priorities. Relevance, content, and credibility will become the increasing focus of marketing mix planning and sales enablement. The catalysts of the change are rising sales and marketing costs that outpace the growth in IT spending, the commoditization of IT solutions, and the fact that savvy buyers are becoming more protective of their time. The implementers of change are many: IT marketing and sales, channel partners, content providers, content management vendors, marketing and sales consultants, media partners, and other participants along the vendor's go-to-market chain.

TABLE OF CONTENTS

	P
In This Study	1
Situation Overview	1
The Yin and Yang of ROI.....	2
The Marketing Mix Gap	6
Marketers as Educators.....	9
Relevance and Credibility in a Web 2.0 World.....	12
Achieving Relevance Through Content Value Mapping	13
Where Does a Marketer Begin?	17
Sales Enablement and the Mythical Buying Process.....	18
Sales Enablement: A Real-World Example	19
The Mythical Buying Process	21
What Is Sales to Do?.....	23
Sales as Educator?	23
What Role Should Sales Play: The Answer Revealed.....	24
Recommended Actions for IT Marketing and Sales Leaders	24
Conclusion.....	25
Study Methodology	26
Survey-Specific Information.....	26
About the IDC Enterprise Panel.....	27
About IDC Research in Partnership with IDG.....	27
Respondent Demographics	27
IDC's June 2007 Customer Experience Research: Built on a Strong and Relevant Foundation	28
IDC Related Practice Areas.....	28
Learn More	29
Related Research.....	29

LIST OF TABLES

	P
1 IDC Content Value Map	14
2 Top Tech Industry Information Tags by Company Type	20
3 Selling Process Stages by Buying Activity	22
4 Buying/Selling Misalignment	22

LIST OF FIGURES

P

1	IT Industry Conundrum: The Sales and Marketing Cost Envelope Increases While IT Spending Slows	2
2	Weekly Hours Spent Consuming Third-Party Information to Support IT Purchase Decisions.....	4
3	Buying Team Role by Title	5
4	The Customer Creation Funnel	6
5	Technology Marketing Program Investment Allocation	8
6	Importance of Marketing Mix Factors	9
7	Intentionality Related to the Pursuit and Transfer of Information as a Driver of Relationship ROI.....	11
8	Primary Objective for Actively Turning to Third-Party Information Related to IT	12
9	Preferred Participants in an Ideal Online Community.....	13
10	Information Types or Topics of Greatest Value by Buying Activity	14
11	IDC Content Value Framework	17
12	The Marketing Mix Gap	18
13	Individual Buying Activities	27
14	IDC's Go-to-Market Coverage.....	28

IN THIS STUDY

This study addresses significant points of misalignment between IT marketing and sales organizations and the prospects and customers they work to reach and influence. While IDC's *Customer Experience Survey*, conducted in June 2007, provides key supporting data, this study represents thought leadership from across several go-to-market-related practices at IDC. The study also includes illustrative commentary from senior IT leaders expressed during IDC's October 2007 Marketing Operations Board and Sales Leadership Board meetings, at which we brought IT marketing and sales executives together to share best practices, review research, and solve common problems. More details regarding supporting research are provided in the Methodology section of this study.

SITUATION OVERVIEW

Global IT spending is projected to increase by 6.7% in 2007, while IT marketing and sales costs are expected to increase by 6.1% and 9.0%, respectively (see Figure 1). Based on these measures, it is becoming more expensive for IT vendors to generate each new dollar of revenue. Increasing buyer expectations are further straining the go-to-market cost model. As the tech industry matures and offers are commoditized, buyers are turning their attention to the quality of their prepurchase vendor relationship as an indication of postpurchase value. Time and time again, buyers tell IDC they want partners, not vendors. For many buyers, the purchase process is an opportunity to interview vendors for the job of trusted partner. Kenric Anderberg, the CIO for Philips Medical Systems, recently told IDC, "I am not focused on product functionality. I assume if [the sales rep] is meeting with me, someone on my team has checked out the functionality. By the time a vendor meets with me, the relationship is more important than the product they are trying to sell. Vendors need to treat each sales call like a job interview — spend the time up front to understand my business and make sure you know about our previous interactions."

Vendors need to adapt current marketing and sales approaches to address rising costs while delivering higher-quality prepurchase relationships. The challenge is enormous, but improvement is necessary. The truth is, today, *the factors least considered by vendors in go-to-market programs are those most valued by technology buyers* — that is, providing relevant and credible information to support specific buying activities, enabling sales to bring value to each customer conversation and, ultimately, demonstrating greater respect for the time investment buyers make in the buyer-vendor relationship.

These misalignments take their roots within the vendor's marketing and sales organizations. For example, if the marketing function is focused on turning up the volume and expanding its channels for messaging without mapping messages and delivering value to specific audiences, audiences may entirely tune out. If marketing does succeed in building and nurturing a lead to the point of sales engagement, the vendor is often eliminated during this last mile due to sales missteps such as delivering a canned presentation rather than engaging in a more consultative discussion with a prospective buyer. There are numerous points where these

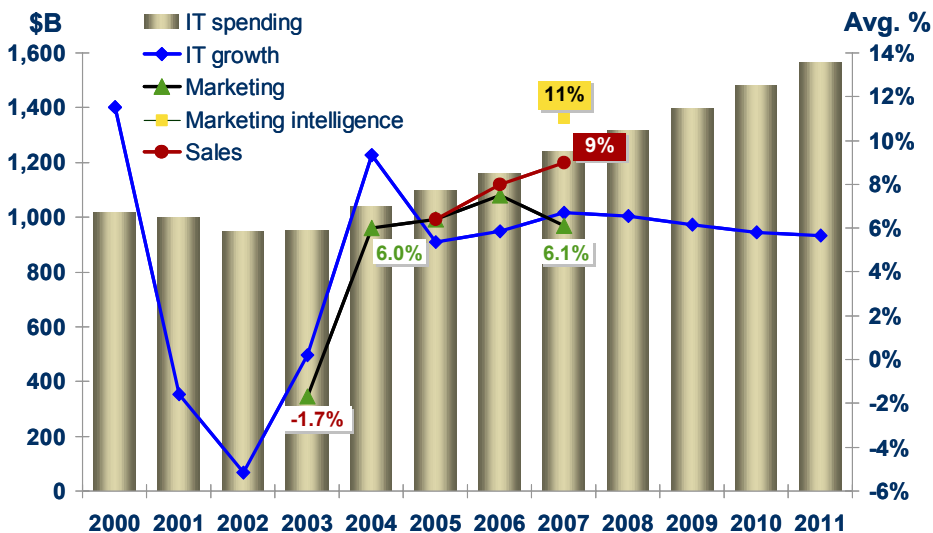
Global IT spending is projected to increase by 6.7% in 2007, while IT marketing and sales costs are expected to increase by 6.1% and 9.0%, respectively. Based on these measures, it is becoming more expensive for IT vendors to generate each new dollar of revenue.

Kenric Anderberg, the CIO for Philips Medical Systems, recently told IDC, "I am not focused on product functionality. I assume if [the sales rep] is meeting with me, someone on my team has checked out the functionality. By the time a vendor meets with me, the relationship is more important than the product they are trying to sell. Vendors need to treat each sales call like a job interview — spend the time up front to understand my business and make sure you know about our previous interactions."

misalignments can occur, and they are further amplified along a vendor's go-to-market chain, which includes media and channel partners. Improving alignment with what buyers value is a strategic imperative for IT vendors, and it must begin in-house, within the marketing and sales process areas. To provide a deeper understanding of this inconvenient truth, we explore each area of disconnect in greater detail, beginning with the overarching theme of ROI.

FIGURE 1

IT Industry Conundrum: The Sales and Marketing Cost Envelope Increases While IT Spending Slows



Source: IDC's *CMO Tech Sales/Marketing Barometer, 2007*, and IDC's *CMO Tech Marketing Benchmarks Database, 2007*

The Yin and Yang of ROI

ROI is a blazing topic these days among technology marketers and their sales counterparts. In conjunction with the ROI discussion, most medium-sized to large technology vendors are building marketing dashboards and sales dashboards as well as searching for metrics to demonstrate and improve their ROI. Many of the larger technology organizations (e.g., Xerox, EMC) have implemented Lean Six Sigma initiatives. The Lean Six Sigma objective is, in simple terms, to achieve quality improvements faster. Many IT vendors that have brought Lean Six Sigma projects into their organization have adopted a rigorous ROI focus in conjunction with the quality focus — and within sales and marketing as well as development and manufacturing. Now think about the buyer's ROI. If you are in a sales or marketing position, you likely think, "What ROI will the buyer achieve with our offer, and how do I communicate this to them?" Few vendors, in our experience, think about the time a

Vendors virtually never consider the relationship ROI from the buyer's perspective: What does the buyer receive in return for investing time with vendor-provided information and people?

buyer invests prepurchase (the focus of this paper) in reading vendor white papers, listening to Webcasts, and meeting with vendor sales teams. If this thought occurred to you, then you are at the forefront among your peers. In the hundreds of conversations we have with technology marketing and sales professionals, the ROI concerns center on making the vendor side of the equation more efficient. Vendors virtually never consider the relationship ROI from the buyer's perspective: What does the buyer receive in return for investing time with vendor-provided information and people?

Buyers are busy people with too much to do and too little time and resources. A prospective buyer will spend 4.8 hours per week, on average, with third-party information related to current or future technology purchase decisions — whether this information is from a vendor, a friend, a consultant, an independent authority, or the media (see Figure 2). IDC estimates three hours of this time are spent on information related to new purchases or general education that can lead to new purchases. In the midst of a big purchase decision, the amount of time spent on third-party information can grow to a full-time job for a while — but this doesn't mean the prospective buyer's time should be any less valued by the vendors fortunate enough to have their attention.

Many buyers have also adopted Six Sigma initiatives (in fact, Lean Six Sigma originated in the manufacturing industry) or other initiatives focused on accountability to streamline resource investment and measure results as well as improve quality — and companies are generally under pressure to increase profit margins. Technology organizations within these companies are also under pressure to show increasing business value, not only to counter the "cost center" bias but to preserve the value of a North American presence as many jobs begin moving offshore. Further, technology decisions have increasingly become "business" decisions. According to IDC research, the average buying team has grown to seven or more people over the past decade — with many of the team members representing finance and various lines of business (see Figure 3). This also puts pressure on vendors to improve the ROI on time invested for all key buying team members — from IT to line-of-business professionals.

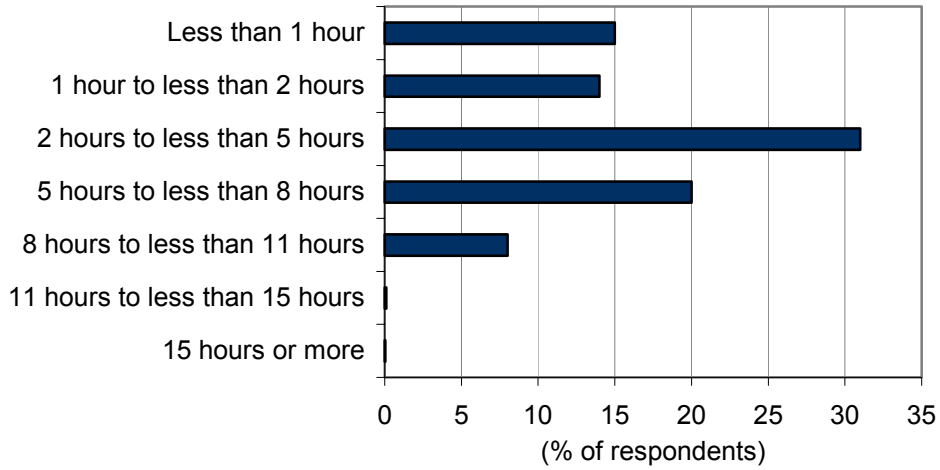
The growing focus on the business value of IT investments paired with greater commoditization of products is causing buyers to seek more value from vendor relationships. Time and time again, buyers tell IDC they want partners, not vendors. It is in the prepurchase experience where buyers directly assess a vendor's potential as a trusted partner. Vendors must demonstrate relevance and credibility at each customer touch point to attain deeper levels of value and engagement. According to IDC research, vendors will invest \$174 billion in sales and marketing costs to reach and influence the IT buyer (see Figure 4). However, there is a lot of waste in the system due to process, offer, and support misalignments within marketing and sales. Vendors that better calibrate investments with what buyers value most and more consistently demonstrate value during each customer interaction have a clear opportunity to gain mindshare and walletshare.

According to IDC research, vendors will invest \$174 billion in sales and marketing costs to reach and influence the IT buyer. However, there is a lot of waste in the system due to marketing misses and sales missteps.

FIGURE 2

Weekly Hours Spent Consuming Third-Party Information to Support IT Purchase Decisions

Q. *Please give your best estimate as to the number of hours you spend, on a weekly basis, consuming this third-party information to support current or future IT purchase decisions?*
[data was normalized for a weekly view]



n = 333

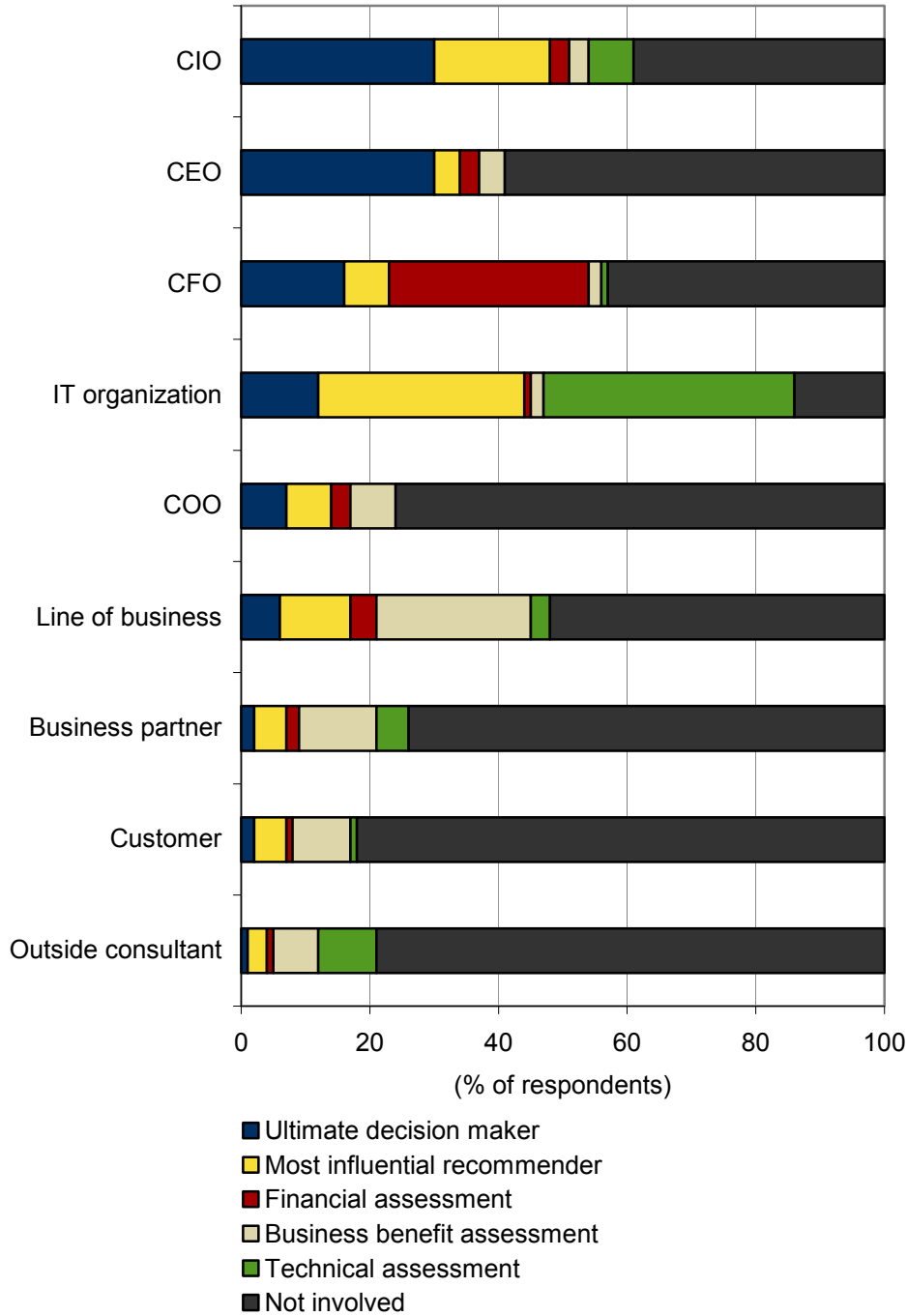
Mean = 4.8 hours

Source: IDC's *Customer Experience Survey*, June 2007, in partnership with IDG

FIGURE 3

Buying Team Role by Title

Q. For each of the following roles, please indicate: Who had ultimate purchase decision authority (choose one)? Who was most influential in selecting the finalist for review by ultimate decision maker (choose one)? For the others on the buying team, what was the primary role they played?



n = 589

Source: IDC's Customer Experience Survey, June 2007, in partnership with IDG

FIGURE 4

The Customer Creation Funnel

Sales and Marketing Cost Envelope*



* Marketing and sales investment ratios are averages across 90+ IT companies. Investment varies as a function of sector, size, and channel strategy.

Note: Data provided by IDC CMO Advisory Service and Sales Advisory Service.

Source: IDC, 2007

The Marketing Mix Gap

IDC research on the budgeting and planning practices of IT marketers shows an industrywide pattern of marketing by medium. There is an organizational reason for this. Marketing budgets tend to be owned by silos of marketing executives who are medium centric: the head of advertising, the head of PR, etc. As such, these budget areas are the political turf of the marketing department and are heavily guarded. One result of this is that marketing execution, in turn, tends to focus on the expansion of the *medium* of communications, whether this be a white paper, an event, or an advertisement (see Figure 5). From the standpoint of the individual budget holder, expansion of the medium means expansion of the budget — and therefore the perception of more security for that budget area and owner. IDC has observed this management context at a majority of tech vendors. It is a deeply rooted problem, and it leads to typical strategy statements and questions by marketing managers such as:

- "What should we offer first, a Webcast or a white paper?"
- "How many press releases should we aim to produce this year?"
- "Where should we invest more, TV advertising or print advertising?"

☒ "Do we need to have a blog?"

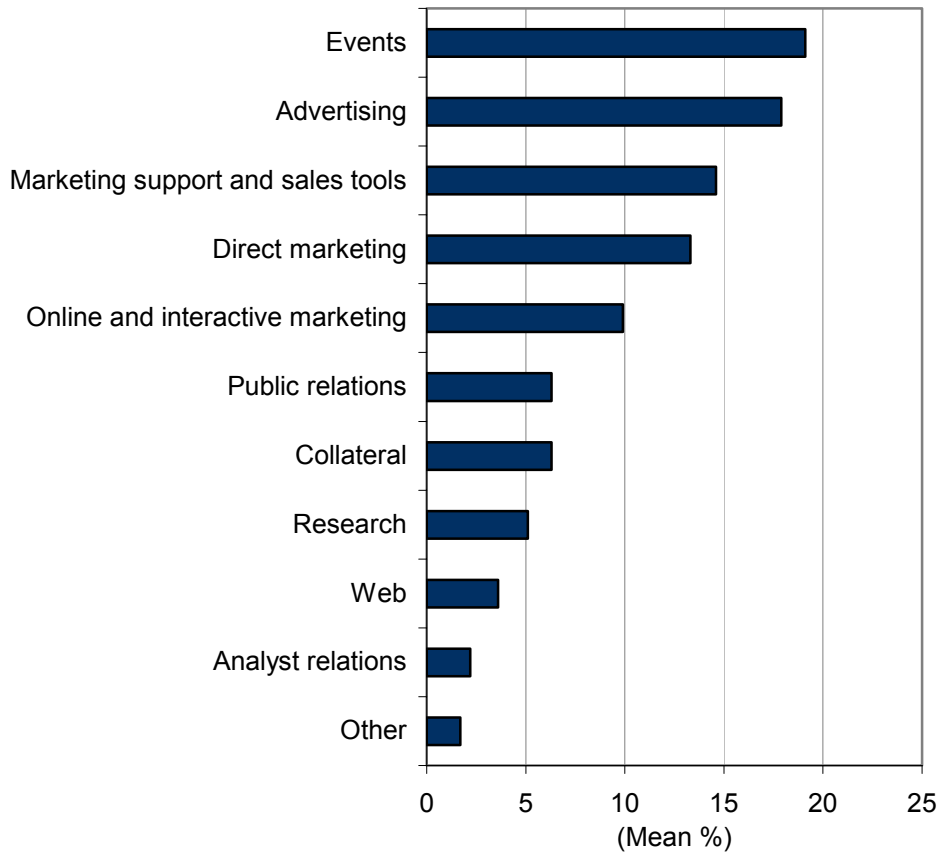
Again, the inconvenient truth rears its head: the factors least reflected in marketing mix planning are those most valued by IT buyers — namely, relevance and credibility. Given the buyer's need to efficiently make the right IT recommendation and/or decision, it is no surprise that when corporate buyers turn to third-party information in support of IT purchase decisions, they value content topic/type (i.e., relevance) and source (i.e., credibility) above other marketing mix factors such as format and communications channel (see Figure 6). While corporate buyers have format preferences, this is a tertiary consideration. The communications channel (e.g., print versus TV ad) is also a distant consideration, if considered at all by buyers.

Considering the buyer's growing demand for relationship ROI and the marketer's need to control costs in a slower-growth industry, it is more imperative than ever for marketers to better plan investments according to what buyers value most.

Given the buyer's need to efficiently make the right IT recommendation and/or decision, it is no surprise that when corporate buyers turn to third-party information in support of IT purchase decisions, they value content topic/type (i.e., relevance) and source (i.e., credibility) above other marketing mix factors such as format and communications channel.

FIGURE 5

Technology Marketing Program Investment Allocation



n = 86

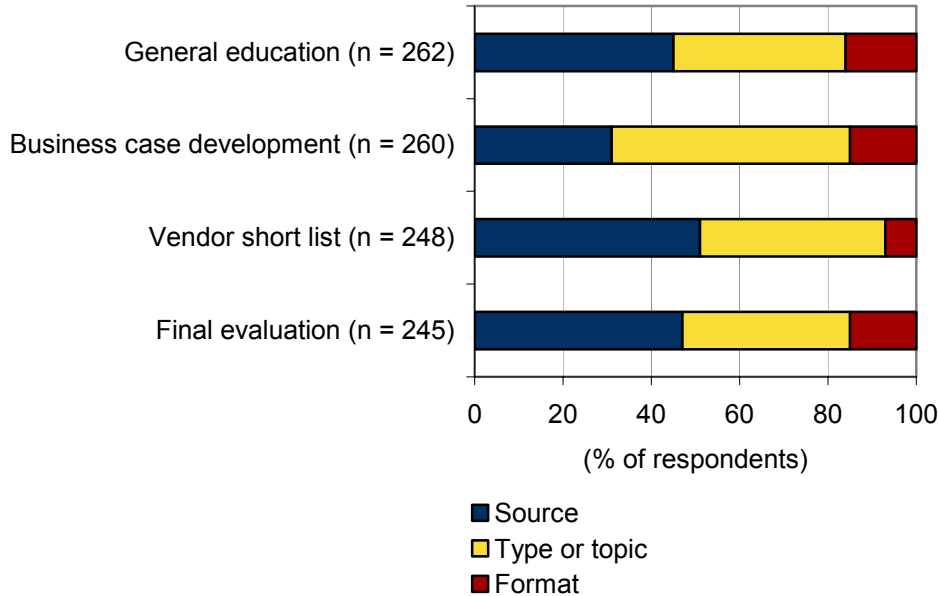
Note: Data includes program spend only and does not include spend related to people.

Source: IDC's CMO Tech Marketing Benchmarks Database, 2007

FIGURE 6

Importance of Marketing Mix Factors

Q. For each of those buying activities you selected, which is more important to you?



Base = respondents who selected a corresponding answer to an earlier question

Notes:

Source includes vendor, press, independent authority, peer, etc.

Type or topic includes vendor assessment, ROI data, industry trends, product functionality, case study, etc.

Format includes a white paper you might read, a Webcast you might listen to, and a conference you might attend.

Source: IDC's *Customer Experience Survey*, June 2007, in partnership with IDG

Marketers as Educators

When asked how he would describe the difference between marketing and educating, IDC's Cushing Anderson, vice president of Learning programs, responded, "Intentionality — an intention on the part of the learner to learn and an intention on the part of the educator to teach or educate. Marketers are intentionally trying to convince, but they don't seem to care what their prospects are trying to learn." Well, one thing an increasing focus on ROI drives is *intent*, which is defined in *Merriam-Webster's Collegiate Dictionary*, 11th Edition, as "a usually clearly formulated or planned intention."

As buyers are forced by corporate demands to show more return on their time, the intent to learn efficiently (i.e., consume information to support decisions or choose an approach) will become more pronounced. As vendors are forced by competitive demands to deliver more return on the time buyers are investing with their information and people, the intent to efficiently educate (i.e., transfer information to inform

decisions or approaches) buyers on what they most need to know will also become more pronounced. The result will be greater relationship ROI for the buyer and, ultimately, the vendor (see Figure 7).

According to IDC's June 2007 *Customer Experience Survey*, general education is the most significant driver of a buyer's investment in consuming third-party information related to information technology (see Figure 8). This brings to mind an old radio slogan that Syms, a local discount clothing retailer, used to blast across the airways: "An educated consumer is our best customer." How true this is — and on so many levels.

Before a buyer can recommend or justify a significant purchase they need to know, *with confidence*:

- What are the latest technological advances, and how will technology continue to evolve and in what time frame?
- Which technological trends might provide the greatest value to me, and why?
- What is the competitive landscape?
- How can a given offer be expected to perform?
- How have others fared with a given offer?
- How does one secure a given offer most quickly, cheaply, reliably, etc.?

Marketing must transform its role from communicator to trusted educator, both in direct communications with customers and in better enabling its sales teams to deliver relevant and credible information throughout the buying process. And the importance of credibility is not to be underestimated. Emotion factors into business purchases as well as consumer purchases — particularly "practical" emotions such as trust and reliability — hence, the importance of credibility in addition to relevance.

Emotion Mining Co. is a marketing and organizational research company specializing in how people think, see, feel, and decide. Recently, Emotion Mining conducted a study to determine how and why owners and managers of small to medium-sized businesses with less than 200 employees buy information-related technologies. Using its patented Web-based data gathering process, the company was able to differentiate between what the owner/managers said (their expressed needs and desires) and what they truly felt (the emotions underpinning the needs and desires of which they were unaware). The expressed needs (what the individuals said) focused on helping their organizations be more productive and more fluid, etc. Their unexpressed needs, however, were very different. According to Liam Fahey, a director of Emotion Mining, "These buyers revealed emotions around insecurity (e.g., IT issues are never fully solved, the technology is always changing) and even personal disrespect (e.g., feeling ignorant of emerging new products). They wanted the IT decision-making process and related responsibilities taken off their shoulders; they just wanted more freedom to manage the business. These results have huge implications for how the sponsor of the research develops marketing and sales messages for its clients. Both organizations need to sell peace of mind and the ability

Marketing must transform its role from communicator to trusted educator, both in direct communications with customers and in better enabling its sales teams to deliver relevant and credible information throughout the buying process.

to focus on what is truly organizationally important over features and functionality. The marketing and selling process also needs to become one of relationship building, not transactions." Liam was careful to note that these results are particular to this specific study, and emotions will vary by many factors such as company, product, and decision maker. Still, this example illustrates why credibility, in addition to relevance, is so important to today's IT buyers.

FIGURE 7

Intentionality Related to the Pursuit and Transfer of Information as a Driver of Relationship ROI

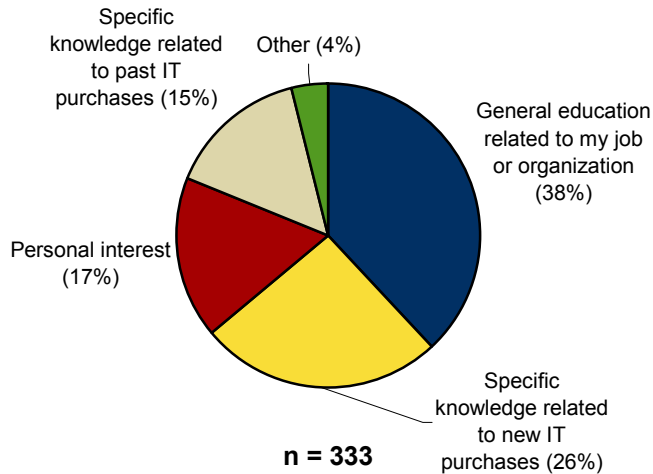


Source: IDC, 2007

FIGURE 8

Primary Objective for Actively Turning to Third-Party Information Related to IT

Q. Which best describes your primary objective(s) for actively turning to third-party information related to information technology?



Note: Mean summary used on a scale of 1–100.

Source: IDC's *Customer Experience Survey*, June 2007, in partnership with IDG

Relevance and Credibility in a Web 2.0 World

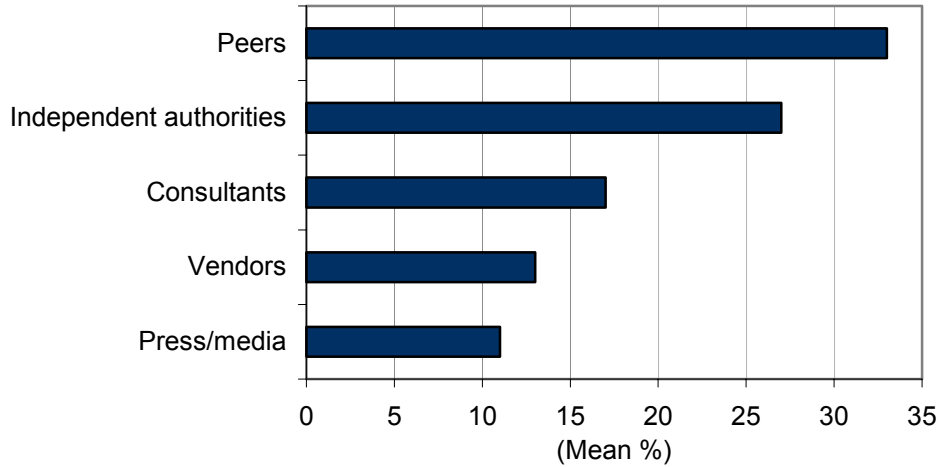
Web 2.0 is accelerating the need for the marketer to become a trusted educator. Through social networks, buyers increasingly learn from each other as well as vendors. The information transfer is immediate, more trusted (though not always more trustworthy), and very relevant. For vendors to have a voice in a purchase-related conversation that is increasingly becoming peer to peer, they need to participate in the conversation with the level of credibility and relevance a buyer expects from a peer community. However, vendors at large have a credibility issue they must overcome. When IDC asked buyers, "Who are the participants in your ideal online community?", respondents ranked vendors far below peers and independent authorities (see Figure 9). IT marketers must build credibility and relevance as a strategic adjunct to more traditional awareness-building initiatives. One approach marketers have taken to earn more credibility is to call upon their CTOs to represent their companies in these peer-to-peer forums.

Web 2.0 is accelerating the need for the marketer to become a trusted educator. Through social networks, buyers increasingly learn from each other as well as vendors.

FIGURE 9

Preferred Participants in an Ideal Online Community

Q. *Who are the participants in your ideal online community?*



n = 266

Base = respondents who selected a corresponding answer to an earlier question

Source: IDC's *Customer Experience Survey*, June 2007, in partnership with IDG

Achieving Relevance Through Content Value Mapping

But what do buyers need to know when? And who do they most want to learn from when it comes to certain types of information? These are the key questions that are missing from the more common "white paper versus Webcast" marketing mix debate. As Figure 10 depicts, buyers do have very different information needs as they move through their buying process. Table 1 expands on Figure 10, not only showing type/topic preferences at a subcategory level but also illustrating how the source or "voice" desired varies by the mix of topic/type. For completeness, we also asked about format preferences and, as the data shows, preferences also vary by type/topic mix. Clearly, buyers learn in different ways and therefore have preferences when it comes to format options—but as demonstrated earlier, format is not a leading consideration. (Note: The data in Figure 10 and Table 1 is at a general level and is provided for illustrative purposes only. For a more reliable map of valued content, the analysis needs to be further segmented by company size, solution area, decision team role, and deal size, as outlined in Figure 11.)

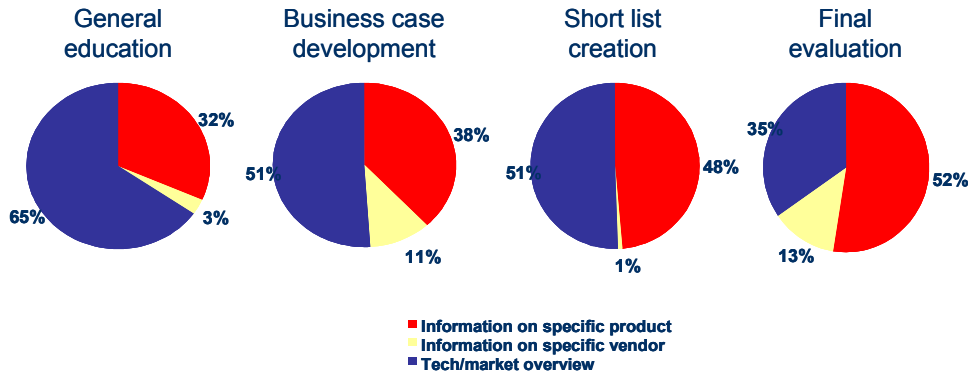
IDC's recommendation is not that format be deemphasized but that topic/type and source become a more consistent and deliberate component of the marketing mix planning and, ultimately, the sales enablement process. Improving relevance and credibility at each point of customer interaction will help drive deeper levels of value and engagement — improving your company's chances for selection.

IDC's recommendation is not that format be deemphasized but that topic/type and source become a more consistent and deliberate component of the marketing mix planning and, ultimately, the sales enablement process.

FIGURE 10

Information Types or Topics of Greatest Value by Buying Activity

Q. Information types or topics that are of greatest value to your decision making process ... [by buying activity]



Source: IDC's Customer Experience Survey, June 2007, in partnership with IDG

TABLE 1

IDC Content Value Map (%)

	General Education	Business Case Development	Vendor Short List	Final Evaluation
Type/topic (i.e., relevance)				
I. Information on a specific product	31.7	38.1	48.4	52.7
II. Information on a specific vendor	2.7	11.2	1.2	12.7
III. Technology/market overview	65.6	50.8	50.4	34.7
Total "type/topic" (I-III)	100.0	100.0	100.0	100.0
I. Information on a specific product				
Functionality and fit (e.g., capabilities, technical requirements)	25.2	20.0	12.1	14.3
Reliability (e.g., product reviews, case studies, references)	1.5	7.3	3.6	4.9
Price, terms, conditions	1.1	7.3	5.2	23.7
ROI/TCO/investment justification	3.8	3.5	27.4	9.8

TABLE 1

IDC Content Value Map (%)

	General Education	Business Case Development	Vendor Short List	Final Evaluation
II. Information on a specific vendor				
Corporate overview (e.g., mission, accomplishments, partnerships)	0.4	1.2	0.0	1.6
Current reliability (e.g., financials, track record, customer reviews)	1.1	6.9	0.0	6.1
Future reliability (e.g., leadership, road map)	1.1	3.1	1.2	4.9
III. Technology/market overview				
General technology trends (e.g., adoption, market dynamics)	11.8	4.6	10.9	3.3
Technology-enabled business solutions and insights (e.g., best practices, results)	38.5	22.7	29.0	18.4
Competitive landscape (e.g., overview of vendors, technology options, comparisons)	15.3	23.5	10.5	13.1
Total "type/topic" subcategories (I–III)	100.0	100.0	100.0	100.0
Source (i.e., credibility)				
Vendors	7.6	20.4	16.9	33.9
Press/media	10.3	6.5	6.9	4.9
Independent authorities (e.g., industry analysts/academics)	51.5	40.0	44.8	30.6
Consultants (e.g., IT consultants, business consultants)	13.0	15.0	18.5	15.1
Peers	17.6	18.1	12.9	15.5
Total "Source"	100.0	100.0	100.0	100.0

TABLE 1

IDC Content Value Map (%)

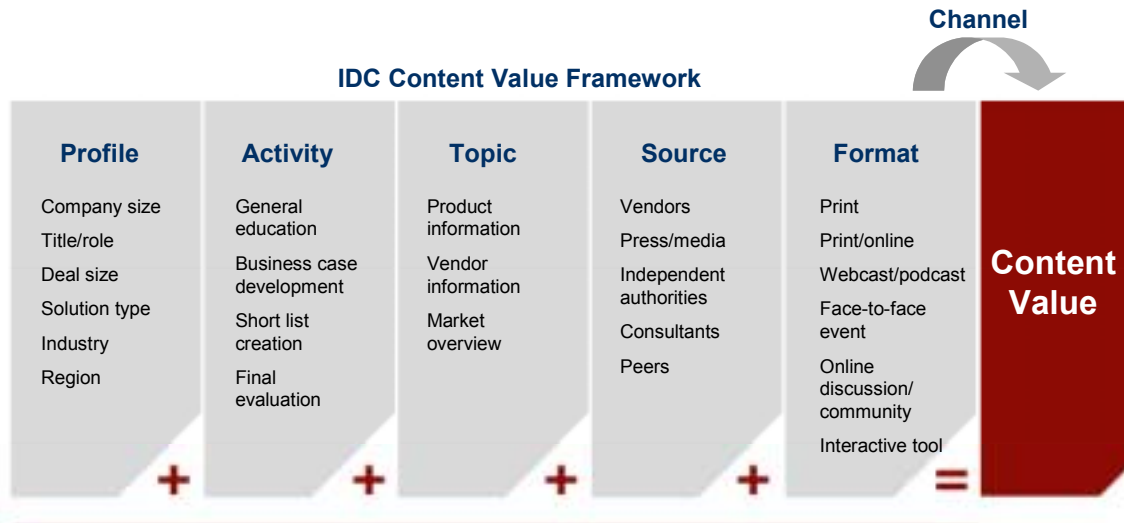
	General Education	Business Case Development	Vendor Short List	Final Evaluation
Format				
Professionally printed information — text format (e.g., magazine, newspaper)	14.1	8.5	12.5	9.4
Online information — text format (e.g., white paper, executive brief)	53.8	42.3	38.3	29.0
Information that is listened to or watched (e.g., a Webcast or Podcast)	4.2	3.5	5.2	2.4
Interactive analytic or decision-support tool	3.4	5.4	10.1	5.3
Face-to-face event or meeting	19.1	35.4	24.2	46.1
Online discussion	5.3	5.0	9.7	7.8
Total "format"	100.0	100.0	100.0	100.0
n =	262	260	248	245

Note: Though it is based on actual data, this Content Value Map is provided primarily for illustrative purposes — demonstrating how buyer content requirements vary by buying activity and how source and format preferences vary by the mix of desired content. A more valuable Content Value Map requires a larger respondent base and is further segmented by company size, solution area, decision team role, and deal size.

Source: IDC's *Customer Experience Survey*, June 2007, in partnership with IDG

FIGURE 11

IDC Content Value Framework



Source: IDC, 2007

Where Does a Marketer Begin?

According to Michael Gerard, research director for IDC's CMO Advisory Service and Executive Advisory Group, "Marketing mix planning is a complicated and often dynamic process that is part science, part art, and too often based on 'what we did last year.' In addition, marketing mix planning is often a decentralized process, adding complexity to an already complex process." As a move to gain more control and visibility over marketing programs spend and planning, IDC's CMO Advisory Service reports that tech marketing organizations have become more centralized in recent years, with a current program spend centralization ratio of 60.7% (for more information, see *Marketing Investment Planner 2008: Benchmarks and Key Performance Indicators*, IDC #208489, September 2007). As marketers continue their march toward gaining more control over their investments with an improved measurement of results, they must now layer on initiatives to improve the alignment of marketing mix investments with what buyers value most — relevance and credibility. Rich Vancil, vice president of IDC's CMO Advisory Service and Executive Advisory Group, each year provides essential guidance to improve the results and advance the overall profession of IT marketing. His guidance for 2008 is, "Think more about marketing from the outside in versus the inside out," advocating a more buyer-centric approach to marketing.

Such outside-in initiatives include researching buyers within the context of how buyers make decisions (rather than in the context of vendor-centric frameworks and methodologies), auditing marketing and sales assets against buyer priorities, creating high-value content that completes the mapping of assets to what buyers need and

value, and enabling both marketing and sales to efficiently pull and leverage the most effective content for a given buyer situation (see Figure 12).

FIGURE 12

The Marketing Mix Gap

A Common View of Marketing Expense Allocation Today



Buyer Information Priorities and Needs: Relevance and Credibility

- Research
- Audit
- Create
- Enable



n = 86

Source: 2007 Tech Marketing Benchmarks Database and IDC's *Customer Experience Survey*, June 2007, in partnership with IDG

Sales Enablement and the Mythical Buying Process

Ironically, the inconvenient truth — that the factors least reflected in go-to-market programs are those most valued by technology buyers — is one area where marketing and sales are aligned. Relevant and credible information, support of the buying team's process and requirements, and confidence that the vendor represented during prepurchase communications will be a trusted partner postpurchase are things buyers are looking for beyond product-specific considerations. But the factors that are least reflected in sales programs are the ones that are most valued by technology buyers.

Ironically, the inconvenient truth — that the factors least reflected in go-to-market programs are those most valued by technology buyers — is one area where marketing and sales are aligned.

First, let's consider the selling process. Most established sales teams with IT organizations of all sizes subscribe to one sales methodology or another from companies like the TAS Group, M3 Learning, and others. The methodologies consist of, typically, 5–7 sequential selling stages. These methodologies help sales managers bring discipline to their selling teams so that they can keep the selling process tight, eliminate poor prospects early in the cycle, and manage strong prospects to close. The regimented process also helps record activity within their sales force automation system to support opportunity management, pipeline assessment, and other key

management activities. More progressive sales organizations have even begun serving content to specific sales reps based on a specific opportunity and sales stage. IDC considers this to be a better solution than many have today. However, such sales enablement initiatives are largely plagued by the same shortfalls we see in marketing mix planning — that is, the content developed and managed on behalf of sales is largely based on vendor-centric criteria. Even if great content exists within the sales organization, it is difficult for either a sales representative to pull or an automated service to push the most relevant content for a given prospect in support of a specific buying activity (e.g., business case development for a large capital enterprise application purchase within a medium-sized hospital).

Sales enablement initiatives are largely plagued by the same shortfalls we see in marketing mix planning — that is, the content developed and managed on behalf of sales is largely based on vendor-centric criteria.

Sales Enablement: A Real-World Example

To demonstrate the opportunity IT vendors have to make sales conversations more relevant, see the content categories in Table 2, which were provided to IDC compliments of The SAVO Group. SAVO specializes in sales enablement solutions. Through its on-demand services, SAVO provides a cross-company view of how its clients organize information to empower their sales teams. Current categories among these SAVO clients are reflected in Table 2. Across IT and other non-IT industries, the product/service/solution category tops the list, followed by sales asset type (e.g., Webcast versus collateral). Meanwhile, customer pain points/needs — the category that begins to get at relevance from a buyer's perspective — is at the bottom of the list. The good news is that the tech industry seems to be more client centered in its content priorities than non-IT industries in general. As a possible explanation, SAVO reports that its IT customers are often more open to change and recommendations than customers from other industries. With SAVO's guidance, its clients have begun to move beyond the basic content categories of solution area and format to include other buyer-centered considerations such as business goal, industry focus, etc.

The categories shown in Table 2 provide SAVO's end users (i.e., sales teams) with a quick way to understand what kinds of information they have available to meet client information needs or deliver educational value. When these results were reviewed with Sue Feldman, VP of IDC's Content Technologies group, she was quick to point out that, "It's not surprising that format trumps actual content. Busy people will always adapt to the package in which the content is provided, if it helps them accomplish a task. But the package itself is less important than its contents." Feldman also notes that more thoughtful categorization of information is becoming increasingly valuable as a way of accessing and understanding information. "While 'search' dominates 'browse' as a means of accessing information today, categorizing by multiple dimensions turns a jumbled pile of data into understandable patterns."

TABLE 2

Top Tech Industry Information Tags by Company Type (%)

	IT Companies	Non-IT Companies
Top tags within tech industry		
Product/services/solutions	100.0	90.9
Sales asset type	100.0	81.8
Audience/functional role	85.7	36.4
Competitors/competitive intelligence	71.4	50.0
Industry/vertical	71.4	45.5
Sales ops/sales support	57.1	13.6
Business problem	57.1	0.0
Geography/language	42.9	50.0
Internal sales stages	42.9	40.9
Market intelligence	42.9	31.8
Corporate information	28.6	18.2
Customer pain points/needs	28.6	13.6
Alliance partner	28.6	4.5
Other popular tags outside of tech		
Client type/size	14.3	40.9
Sales activity	14.3	36.4
Sales training	14.3	27.3
Events information	0.0	18.2
n =	7	23

Notes: Data was provided to IDC by The SAVO Group in September 2007.

Source: IDC, 2007

The Mythical Buying Process

Even if a vendor succeeds in mapping content to specific buying activities, the sales process and the buying process are unlikely to synch. A further challenge to enabling sales is the unfortunate reality that buyers are not as regimented in their buying process as sales is in its selling process. Buying activities may not only vary from buyer to buyer and deal to deal, but the order of activities, or the process, can also vary widely (see Table 3).

That said, some buyers are moving to standardize their purchase process to gain control over time and monetary investments in IT purchases and to improve the quality of the outcome. In November 2007, Carnegie Mellon announced the next version of its CMMI for Acquisition (CMMI-ACQ). CMMI-ACQ provides guidance to acquisition organizations for initiating and managing the acquisition of products and services that meet the needs of the customer. The model is a continuation of work begun with General Motors specific to software acquisition as well as development. Lean Six Sigma is also making its way into the acquisitions process, which can put Lean Six Sigma-compliant sales organizations at an advantage. Xerox reports that Lean Six Sigma is providing a significant advantage when working with accounts that have already embraced Lean Six Sigma practices (while also enabling a more productive business dialogue with all customers regardless of LSS experience).

While some buyers are moving to standardize the buying process, they are in the minority. Further, few vendors are prepared to sell to buyers according to the buyer-selected methodologies. Rather, sales generally attempts to draw buyers into a sales-driven methodology (see Table 4), creating misalignment and tremendous value leakage, as referenced earlier. Mike Twohig, the CIO for Clean Harbors, puts it, "Vendors spend all this money and effort to reach me. Then they reach me and insist on giving me their canned presentation [after they have made the short list and I need something more]. I will eliminate a vendor based on this — even if they have a solution that might fit my needs — because it demonstrates that they aren't aligned with delivering what I need: solutions."

A further challenge to enabling sales is the unfortunate reality that buyers are not as regimented in their buying process as sales is in its selling process.

Mike Twohig, the CIO for Clean Harbors, puts it, "Vendors spend all this money and effort to reach me. Then they reach me and insist on giving me their canned presentation [after they have made the short list and I need something more]. I will eliminate a vendor based on this — even if they have a solution that might fit my needs — because it demonstrates that they aren't aligned with delivering what I need: solutions."

TABLE 3

Selling Process Stages by Buying Activity

	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Vendor sales process example	Qualify	Build vision	Make short list	Negotiate	Close
Buyer "truncated" process example #1 (23% of deals)*	General education	Business case development	Short list creation	Final evaluation	Purchase/ no purchase
Buyer "truncated" process example #2 (17% of deals)*	Business case development	General education	Short list creation	Final evaluation	Purchase/ no purchase
Buyer "truncated" process example #3 — other less common variations (60% of deals)**	??	??	??	??	??

n = 311

Note: Above, we show four (of twelve) common buying-related activities. However, buyers are not as regimented as the sales teams they purchase from in terms of number of activities or the order of activities (as shown here).

Source: IDC's *Customer Experience Survey*, June 2007, in partnership with IDG

TABLE 4

Buying/Selling Misalignment

What Buyers Want	What Sales Teams Deliver
More technical resources early in the process	More sales people
Understanding of their business and industry	More brochures
To follow a logical evaluation process and timeline	If you buy this quarter, I'll make President's Club ...
The truth — no sugar coating	I <i>think</i> it works that way ...
Sales teams to listen	On page 87 of our presentation ...
Follow through on commitments	Oops!
Shorter buying cycles	More meetings
Innovation through partnering	Prepackaged solutions

Note: This table was originally published in *An Intensive Look at Corporate IT Buyer Requirements: Selling Is Dead; It's All About Relationship Management Now!* (IDC #206428, April 2007).

Source: IDC, 2007

What Is Sales to Do?

Imagine the efficiencies that would be gained by vendors and buyers if all agreed to (and honored) one standard sales process that mapped to one standard buying process and if these agreed-to standards applied to 80% or more of the transactions. Unfortunately, compliance across vendors, buyers, and transactions is more of an interesting thought than an achievable reality due to the many variances surrounding each situation. Yet, ignoring the misalignment and value leakage in the sales/purchase process is not an option. lang Jeon, VP of advanced technology for State Street Bank, adds, "I can't tell you how much time we spend in vendor meetings — very expensive meetings, when you consider the number of participants. Then, when they finally get to the point of the meeting — there's usually only five minutes left. They've wasted most of the time on the corporate presentation. If I'm interested in working with them, I'll learn about the company later." More achievable approaches to improving alignment and value delivery include enabling the sales team with information that maps to what buyers value (as discussed under marketing mix planning), providing training on buyer-centered issues and priorities, and deploying processes that enable sales to deliver more value during each customer interaction while maintaining the velocity of the deal.

During a recent study of global selling practices, IDC asked the CIO of a multi-billion-dollar company, "What absolutely confirms your decision to do business with a vendor again?" Of all the possible responses, he said: "Giving me the right information at the right time."

There is little doubt that as the IT industry evolves from product selling to solution selling, the role of sales must also evolve. To launch an effective sales enablement program, vendors first need to answer the multi-billion-dollar question: What role should sales play? — choreographer, trusted advisor, educator?

Sales as Educator?

In the earlier years of the then emerging IT industry, even a junior sales person often knew more about the technology than the buyer. The fact that a sales person didn't know much about a given buyer or the buyer's business was not a big concern. Conversations focused on the technology more than the business.

The opposite is true today. Buyers often know more about the technology than their sales representative, and buyers, to their dismay, are constantly teaching each new rep on their account about his/her company and the nuances of their business, which not only varies industry to industry but niche to niche. Jeon of State Street Bank further told IDC, "It's not enough to know something about financial services. You need to know our company's segment within financial services and our specific roles within our segment. People misclassify us all the time — we're not a retail bank. And, by the way, the segment we play in changes depending on which part of our company you are talking to; vendors really should be doing their homework better."

Tolerance among buyers to teach their sales reps is waning. Buyers are frustrated and just too busy to continue fulfilling the information gaps that exist in their buying experience. This frustration reflects on the overall quality of the relationship, risking current business as well as future business. As Kuljit Dharni, managing director of IT

lang Jeon, VP of advanced technology for State Street Bank, adds, "I can't tell you how much time we spend in vendor meetings — very expensive meetings, when you consider the number of participants. Then, when they finally get to the point of the meeting — there's usually only five minutes left. They've wasted most of the time on the corporate presentation. If I'm interested in working with them, I'll learn about the company later."

To launch an effective sales enablement program, vendors first need to answer the multi-billion-dollar question: What role should sales play? — choreographer, trusted advisor, educator?

Jeon of State Street Bank further told IDC, "It's not enough to know something about financial services. You need to know our company's segment within financial services and our specific roles within our segment. People misclassify us all the time — we're not a retail bank. And, by the way, the segment we play in changes depending on which part of our company you are talking to; vendors really should be doing their homework better."

operations for Harvard Business School, recently told IDC, "We will switch if our account is mismanaged and someone else provides a better service or relationship. In the end, there are too many good options to put up with mediocrity."

As Kuljit Dharni, managing director of IT operations for Harvard Business School, recently told IDC, "We will switch if our account is mismanaged and someone else provides a better service or relationship. In the end, there are too many good options to put up with mediocrity."

Are buyers expecting too much? The *ideal* rep (one that meets the needs of buyers as well as the vendor they represent) is a competent educator and trusted advisor as well as a high-performing dealmaker. Today's buyers want a lot, but they don't expect one rep to have it all. They do, however, expect their sales reps to provide, or choreograph, responses to their needs.

What Role Should Sales Play: The Answer Revealed

The answer to this question has significant implications for the sales profile used to hire, the training sales receives, and the resources provided to sales. Lee Levitt, director of IDC's Sales Advisory Service says "A mix of all three is ideal. But the choreographer skills are essential — enabling sales to bring the right information and the right people to the table at the right time. If sales is not the *trusted advisor* or *educator*, they need to bring trusted advisors and *educators* (e.g., the CTO, the CEO, the industry-savvy sales engineer, the implementation team ultimately accountable for success) to the table."

One of IDC's Sales Executive Service clients recently asked a CIO panel, "Are we kidding ourselves to think we can be trusted advisors?" The response from the panel: "We don't expect you to be trusted advisors, but we do need you to be educators. We have a lot to learn. No one can keep up with their own business, let alone the changes in technology. You will become a trusted advisor if you can educate us in an honest way."

IDC's Sales Advisory Service recommends that vendors *not* try to develop sales reps to be all things to all people — it is expensive and prone to failure. Rather, vendors must better enable their reps to efficiently present (or choreograph the presentation of) valued information and resources at the right time, while instilling a sense of trust throughout the process. A number of CIOs have expressed the following sentiment to IDC over the past several months: "Don't come in telling me I have a solution for you when you don't know what I need. Tell me when it's not a fit ... this builds credibility with me." The "*trusted choreographer*" is an essential role for vendors that strive to earn the "trusted partner" relationship.

IDC's Sales Advisory Service recommends that vendors *not* try to develop sales reps to be all things to all people — it is expensive and prone to failure.

Recommended Actions for IT Marketing and Sales Leaders

1. **Expand the ROI discussion.** When discussing ROI — go beyond the return on marketing and sales investments and more deliberately consider the value a prospective buyer derives from each interaction with your information, whether delivered by marketing or sales.
2. **Research buyer priorities within the buyer's context.** Ask buyers what most draws them to engage with your information-based offers and sales teams. Leading with the overly common format-centric discussion (e.g., white paper

versus Webcast) forces the buyer to respond within a vendor-centric framework in which important information will be missed.

3. **Audit your marketing and sales assets.** Once you understand the information needed by specific buyers at specific times, audit against these needs. Then fill the gaps with content that deliberately and credibly educates specific people with specific needs. *Then* wrap other engaging discussions and creative packaging and delivery around the content, not vice versa.
4. **Create high-value content with buyer-centric mapping for consistent application across the go-to-market chain.** Building and managing buyer-relevant content and effectively and efficiently transferring it to the right buyer at the right time requires a level of information, systems, and process management support that is beyond where most IT vendors are today. Be sure to leverage such effort and investment across sales, channels, and media partners. The content delivery silos that exist within and across each go-to-market area today do not serve the interest of the vendor or the buyer.
5. **Enable your marketing and sales teams to choreograph the information and resources most valued by buyers.** Enablement is not for sales alone. Marketing also needs to enrich its conversations with prospective buyers, delivering greater value at each point of interaction. Capture meaningful metadata about your marketing and sales assets — beyond title, product area, high-level theme, and format. Include the specific audience the asset speaks to, what the audience will learn from the asset (because you have deliberately designed it to teach something specific), the business goal the asset relates to, and more buyer-centered considerations.
6. **Be relevant.** Rely on data and analysis that gets at the heart of what buyers value — not just what's easily measurable. Go beyond the common metadata and system limitations built upon the incumbent marketing mix framework utilized in the tech marketing and media industry. Then drive relevance across your go-to-market chain. While you may need to hold onto your chosen sales methodology for practical reasons, abandon the thought of a one-size-fits-all buying process and understand the process that dominates within your target segment. Enable your sales team with the tools, training, and information necessary to choreograph high-value customer interactions — improving your company's reputation as a trusted advisor.
7. **Be credible.** Buyers want credibility first. Relevance second. The more credibility you achieve for your organization, the more direct path you will build to buyers — and the more you be a welcomed participant in their rapidly expanding conversation in a Web 2.0 world.

Conclusion

This is a study about the role and value of information in the IT buying process and how information can be applied to reduce value leakage along the go-to-market chain, improving business outcomes for both buyers and vendors.

Management teams at IT vendor organizations currently face a huge sales and marketing productivity issue. Sales and marketing costs are outpacing revenue growth, IT solutions are becoming increasingly commoditized, and savvy IT buyers are becoming more protective of their time in the ROI equation. This problem is also a huge opportunity to improve the entire go-to-market approach, and IDC expects to see pronounced industrywide shifts within IT sales and marketing driven by these dynamics. The shift will introduce relevance and credibility as a more deliberate focus of marketing mix planning coupled with advancements in sales enablement. The implementers of change will be many: IT marketing and sales, channel partners, content providers, content management vendors, marketing and sales consultants, media partners, and other participants along a vendor's go-to-market chain.

With new enabling technologies and an urgent need to better align what buyers value most, vendors will increasingly take on an opportunity-rich challenge that is ridden with complexity — and is very inconvenient.

Study Methodology

The customer experience survey most often referenced in this study was conducted in June 2007. IDC's latest *Customer Experience Survey* was designed to get at the heart of the role and value of third-party information in the IT buying process. For the purposes of this study, *third party* refers to external information sources, including vendors, peers, the press, etc.

Survey-Specific Information

Respondents were recruited from the IDC Enterprise Panel. IDC conducted 333 interviews via a Web-based survey during June 2007. This system provided various automatic data checks and skip patterns. Respondents had to meet the following criteria:

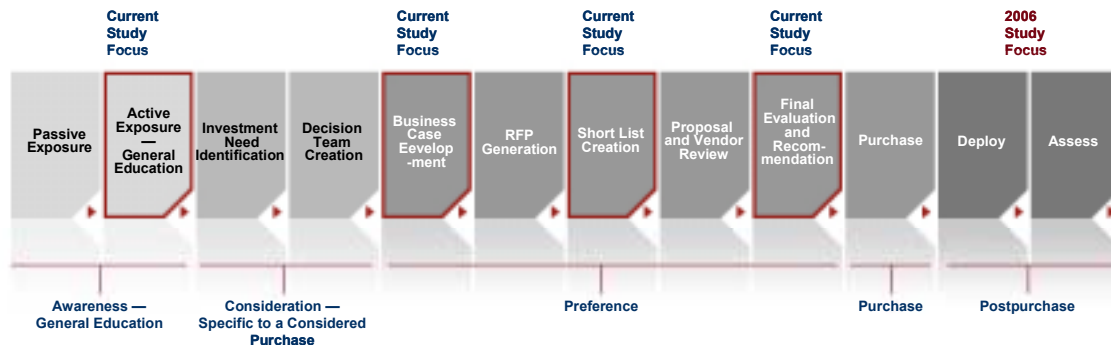
- They had to actively turn to third-party information to support current or future information technology purchase decisions (e.g., read white papers, listen to Webcasts, attend events).
- They had to be employed and reside in North America.

IDC defines 12 standard buying activities that roll up to the categories of awareness, consideration, preference, purchase, and postpurchase (see Figure 13). In this survey, we *chose not* to focus on passive exposure, as this requires a different type of study to provide meaningful guidance. We chose to focus on four buying activities we believe are most influenced by vendor information and for which self-reported importance has a higher degree of accuracy. These activities are:

- General education
- Business case development
- Short list creation
- Final evaluation

FIGURE 13

Individual Buying Activities



Source: IDC, 2007

About the IDC Enterprise Panel

IDC's Enterprise Panel is made up of IT and line-of-business professionals from U.S. and international companies. Panelists are continuously recruited from IDG enterprise media sites (Network World, CXO Media, Computerworld, InfoWorld) and the IDGConnect database of over six million IT and line-of-business professionals. Panelists are offered access to select IDC research in return for panel participation.

About IDC Research in Partnership with IDG

In exchange for providing panel recruitment support, IDC conducts a biannual survey, in partnership with IDG, on IT buyers' behaviors and preferences. The results are made available to IDG for external distribution and for its own application to IDG Market Fusion offerings. While IDG provides guidance regarding desired topic areas, IDC retains design control and final approval of the survey instrument to assure fair and accurate survey results.

Respondent Demographics

- North America
- Strong mix of company and budget sizes
- Mix of LOB and IT
- Broad purchase influence — 97% influence department-level decisions or beyond
- Very active — influencing an average of 15 contracts in past 12 months
- Strong mix of contract sizes

IDC's June 2007 Customer Experience Research: Built on a Strong and Relevant Foundation

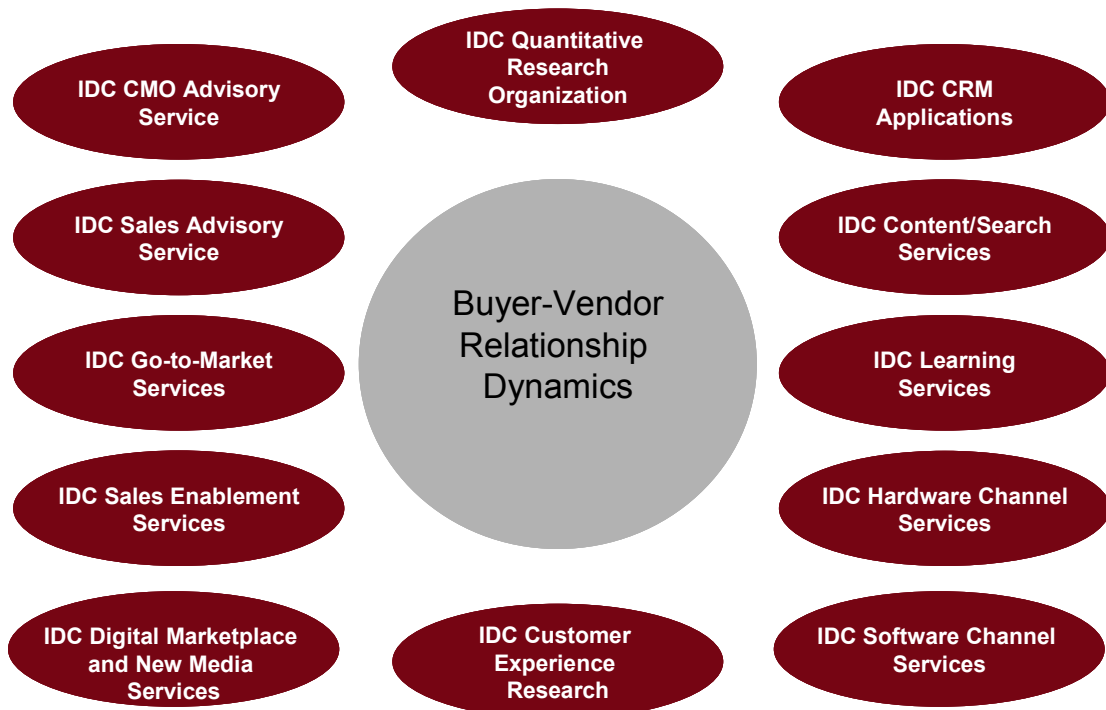
IDC went into this study with the benefit of expert insight gathered from several years consulting to, and conducting research on behalf of, the IT industry's most successful sales and marketing executives through our CMO Advisory Service and Sales Advisory Service. In support of these practices, IDC conducted several customer experience surveys over the past two years, which provided a rich foundation for this latest study. Another related source of context includes 25 executive interviews conducted by IDC with global account-level CIOs and VPs on the topic of what they value from vendor sales teams during the buying process. This study provided additional context for the development of the June study. For more on the CMO Advisory Service or the Sales Advisory Service or these related studies, contact Clare Gillan (cgillan@idc.com) or your IDC representative.

IDC Related Practice Areas

Figure 14 illustrates IDC's go-to-market coverage.

FIGURE 14

IDC's Go-to-Market Coverage



Note: These are a partial list of related areas. Each area may represent multiple services focusing on specific solutions, buyers, or regions. For a complete list of services, visit www.idc.com.

Source: IDC, 2007

LEARN MORE

Related Research

- ☒ *Best Practices in Sales Performance Improvement, Enablement, and Rostering* (forthcoming)
- ☒ *Globally Consistent Selling Practices: What Do Global Buyers Really Need from their Strategic Suppliers?* (forthcoming)
- ☒ *Marketing Investment Planner 2008: Benchmarks and Key Performance Indicators* (IDC #208489, September 2007)
- ☒ *CMO Advisory Best Practice Series: Field Marketing ... the Last Mile to the Customer* (IDC #207984, August 2007)
- ☒ *Best Practices in Sales Performance Improvement: Rostering and Coverage Strategies* (IDC #207079, June 2007)
- ☒ *CMO Advisory Best Practices Series: Product, Solution, and Industry Marketing* (IDC #206551, April 2007)
- ☒ *An Intensive Look at Corporate IT Buyer Requirements: Selling Is Dead; It's All About Relationship Management Now!* (IDC #206428, April 2007)

Copyright Notice

This IDC research document was published as part of an IDC continuous intelligence service, providing written research, analyst interactions, telebriefings, and conferences. Visit www.idc.com to learn more about IDC subscription and consulting services. To view a list of IDC offices worldwide, visit www.idc.com/offices. Please contact the IDC Hotline at 800.343.4952, ext. 7988 (or +1.508.988.7988) or sales@idc.com for information on applying the price of this document toward the purchase of an IDC service or for information on additional copies or Web rights.

Copyright 2008 IDC. Reproduction is forbidden unless authorized. All rights reserved.

Published Under Services: Sales Leadership Board; Corporate Learning and Performance; CMO Advisory Service; Search and Discovery Technologies; The Role and Value of Information in the IT Buying Process