

IDC Executive Advisory Group

IDC's 3rd Annual Buyer Experience Study – Guidance for Sales & Marketing

**IDC Executive Web Conference
April 22, 2010**

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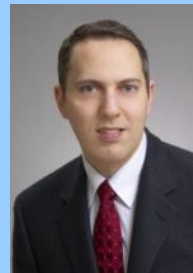
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Sales and CMO Advisory Service: 2010 Buyer Experience Study Webcast

- **Navigating The Perfect Storm of Productivity Loss:**
 1. Recession
 2. Sales and Marketing Expense Increase
 3. Negative Buyer Sentiment
- **Understanding the Buyer and the Buy-Cycle**
 - What Can we Impact?
- **Guidance and Additional Resources**



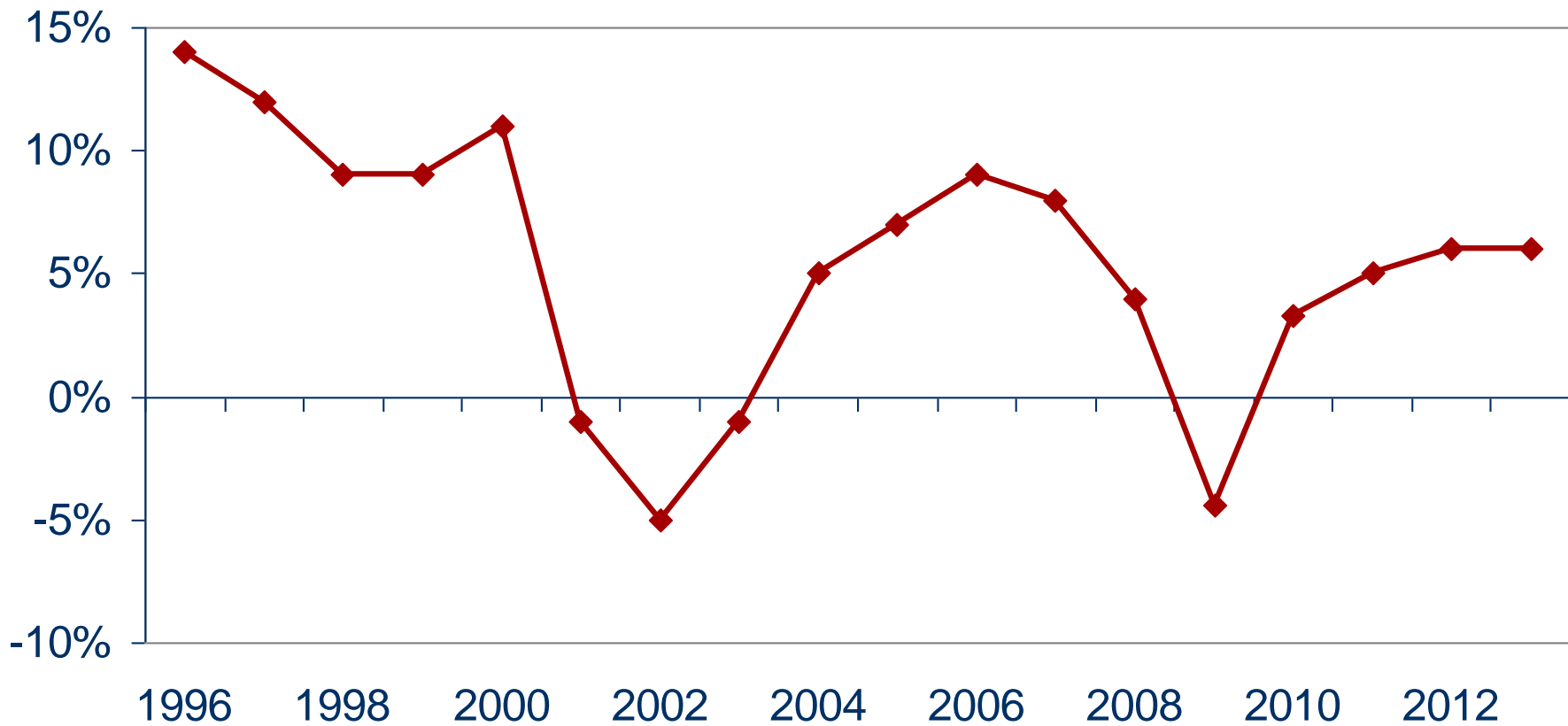
Rich Vancil
VP EAG and
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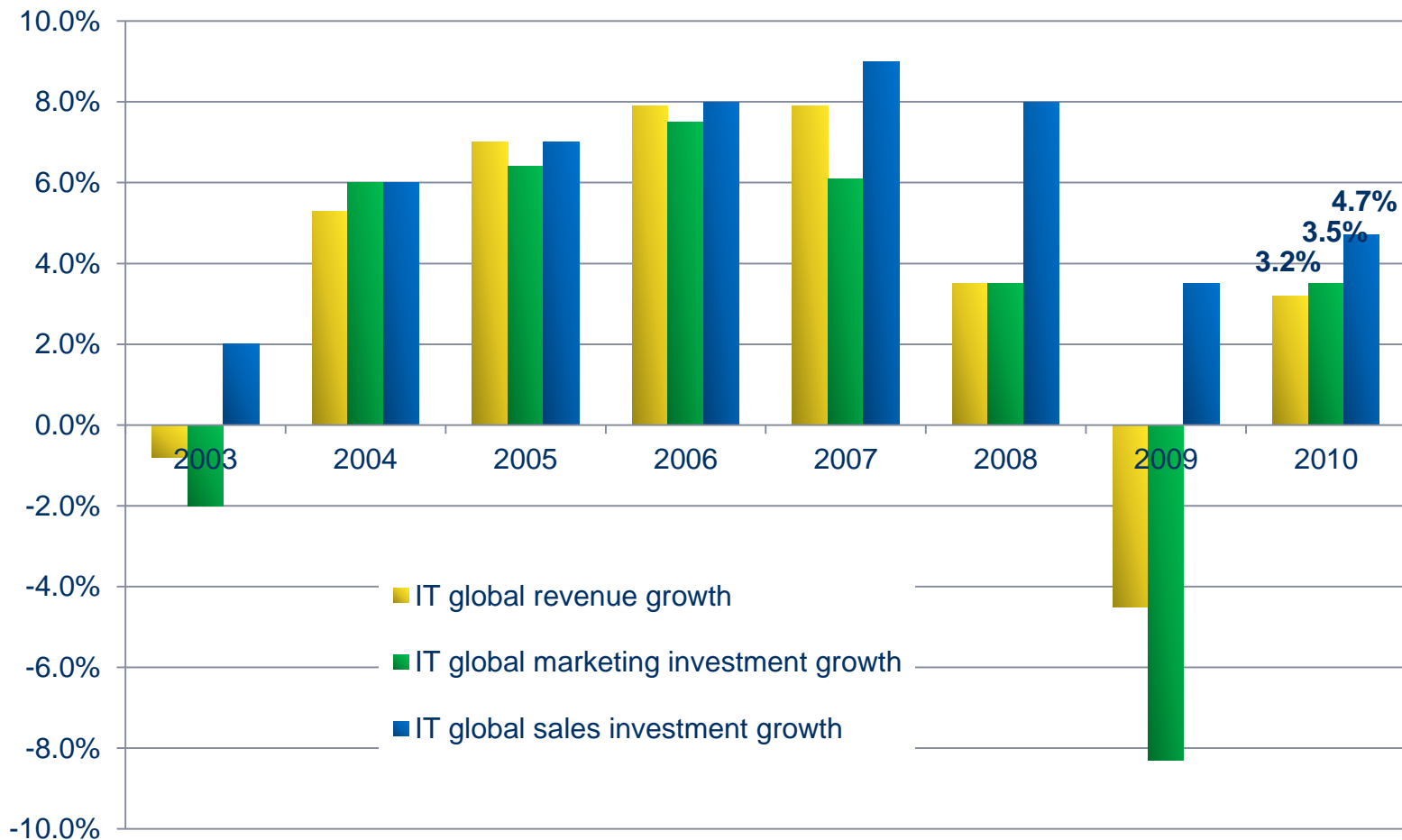
The Perfect Storm (1): The Great Recession

Worldwide IT Spending Growth 1996-2013 (%)



Source : IDC Worldwide Black Book, Q4 2009

The Perfect Storm (2): Sales and Marketing Costs on the Rise



* Constant Currency (US\$ values based on an average of 2008 calendar year exchange rates)

Source: IDC's CMO Tech Marketing Benchmarks and Barometer Studies 2003-2010 and IDC Q4 '09 Black Book

The Perfect Storm (3) Buyer Sentiment of Sales is Very Poor

**1/2 of All Sales Reps
Did Not Hit Their Quota
in 2009**



**“Poor Sales Team Relationships”
were at fault 2/3rds of the time for
Buyers Switching Vendors in 2009**

Navigating Clear of The Perfect Storm...

1. Let's better understand The Buyer... and The Buying Cycle

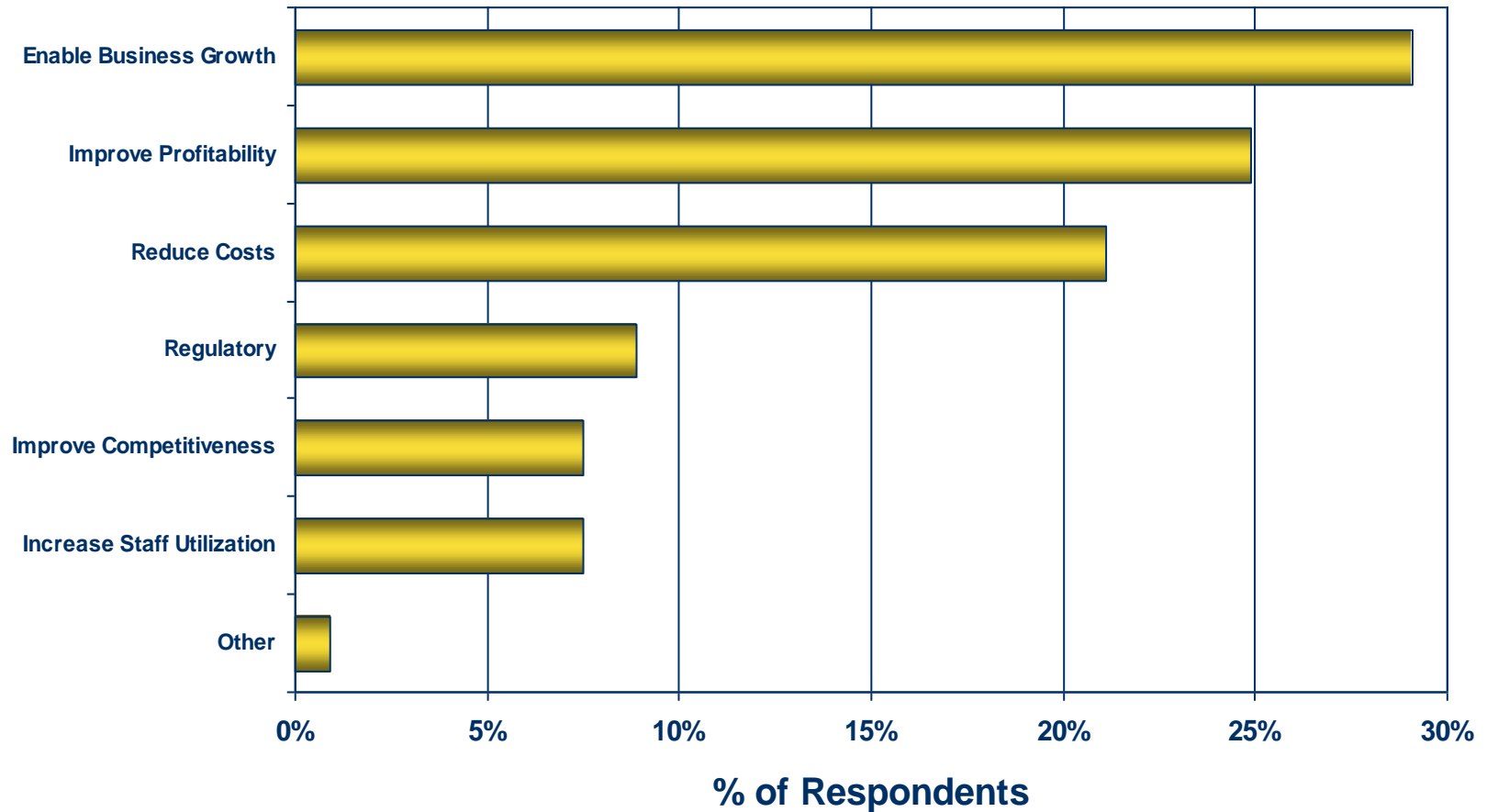
- What do Buyers do?
 - How do they Inform their decisions ?
 - What happens within the Buy Cycle?
 - Why is the Buy-Cycle Lengthening?
- What Can you Change?
- What is Outside of your Control?

2. “Before the Call”– Marketing Impact

3. “Before, During and After the Sales Call” - Sales Impact

Why do Buyers Buy?

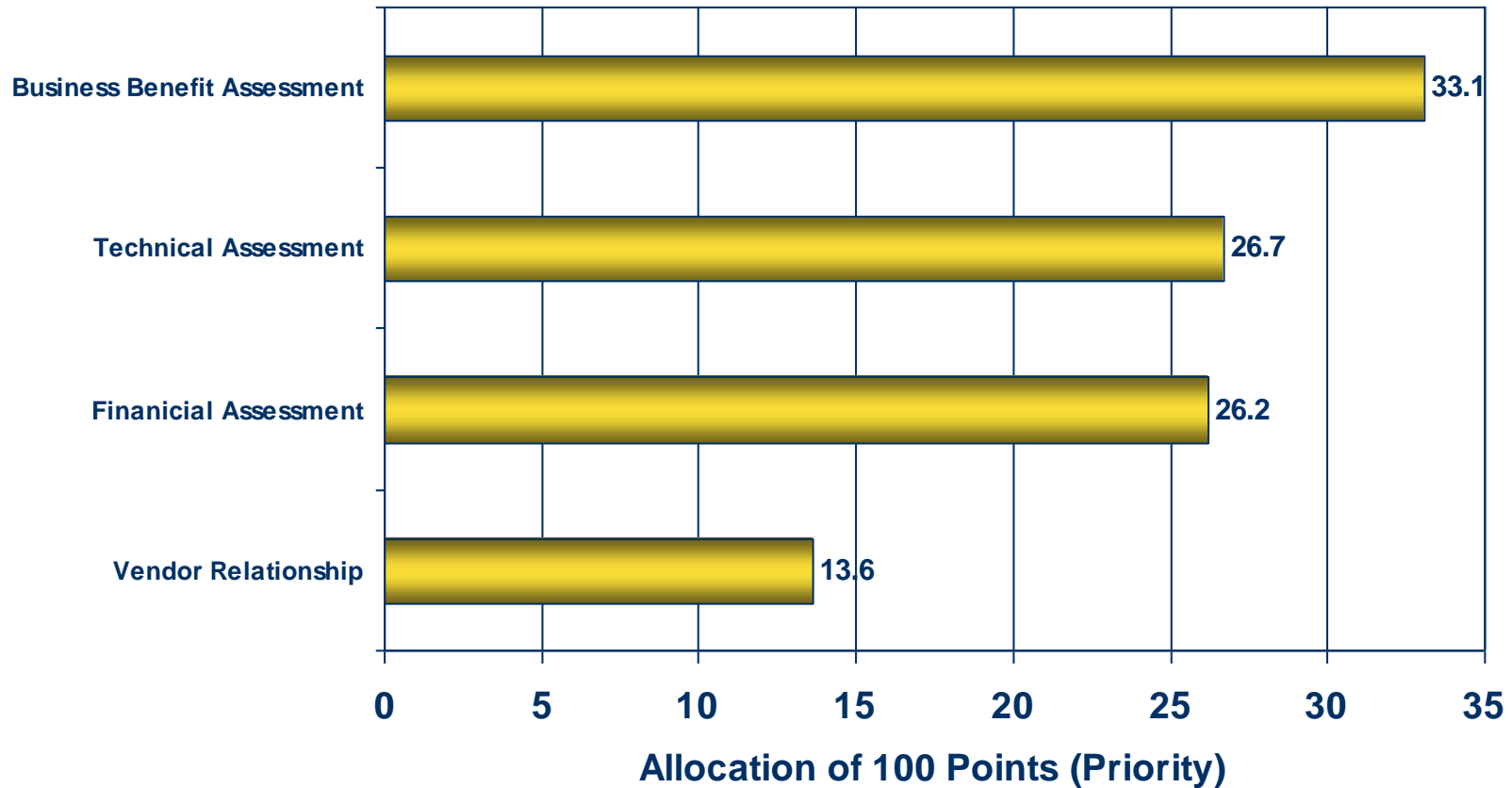
Q. What do you consider the most important organizational goal that will compel your organization to consider IT investment alternatives and purchase decisions in 2010?



Source: IDC's 2010 Customer Experience Survey (n=213)

What Drives IT Purchase Decisions?

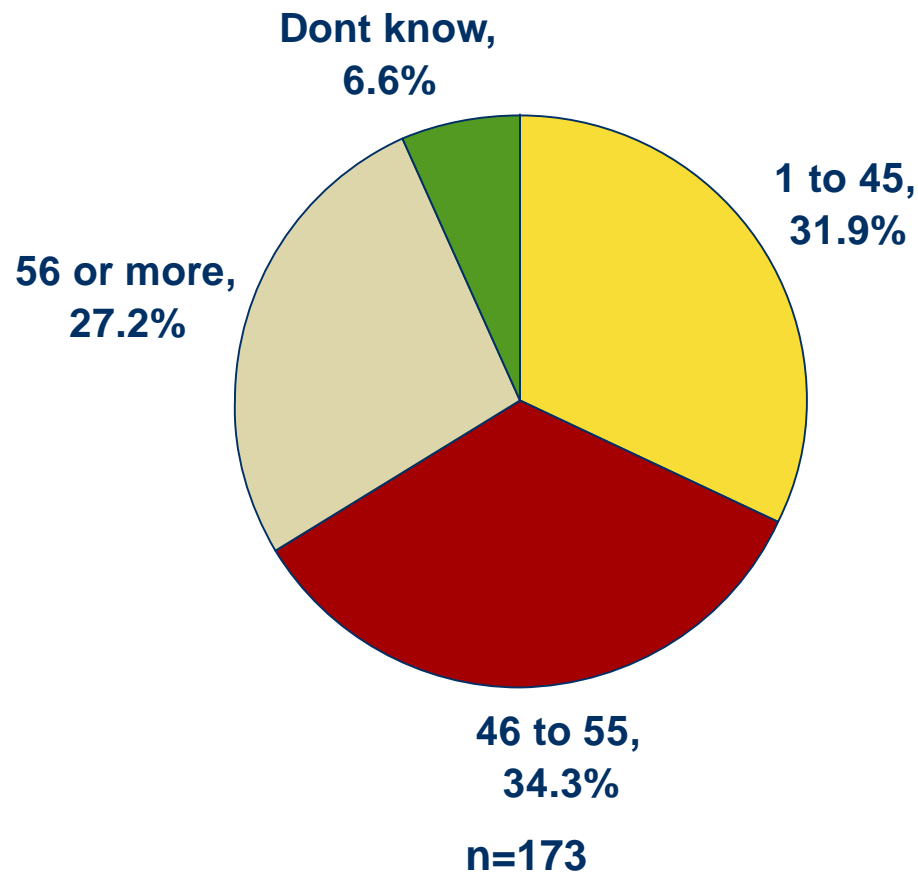
Q. Please indicate the impact and relative importance of the following areas when your company makes its IT decisions. (Split amongst 100 points)



Source: IDC's 2010 Customer Experience Survey (n=213)

IT Buyers' Schedules are Over-Loaded: Time is Valuable

Q. In the next 12 months, on average, how many hours a week do you expect to spend on work-related activities? (extremes excluded)



Source: IDC's 2010 Customer Experience Survey (n=213)

How do they Spend Their Time? . . .

A Day in the Life of an IT Buyer:

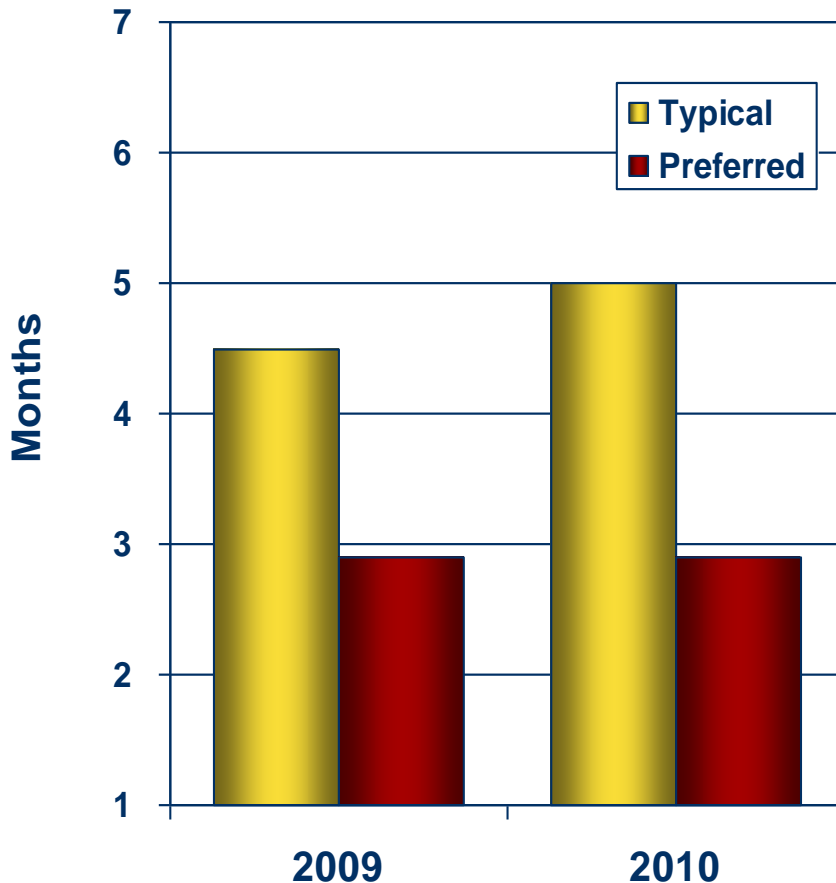
Q. If you could condense the next 12 months into one work day, what percent of your typical work day would you spend on the following activities?



n=213

IT Vendors Have Failed to Impact the Buying Cycle Length

Q. How long is your typical purchase process for an enterprise-level purchase when multiple vendors are competing for your business, in terms of months?

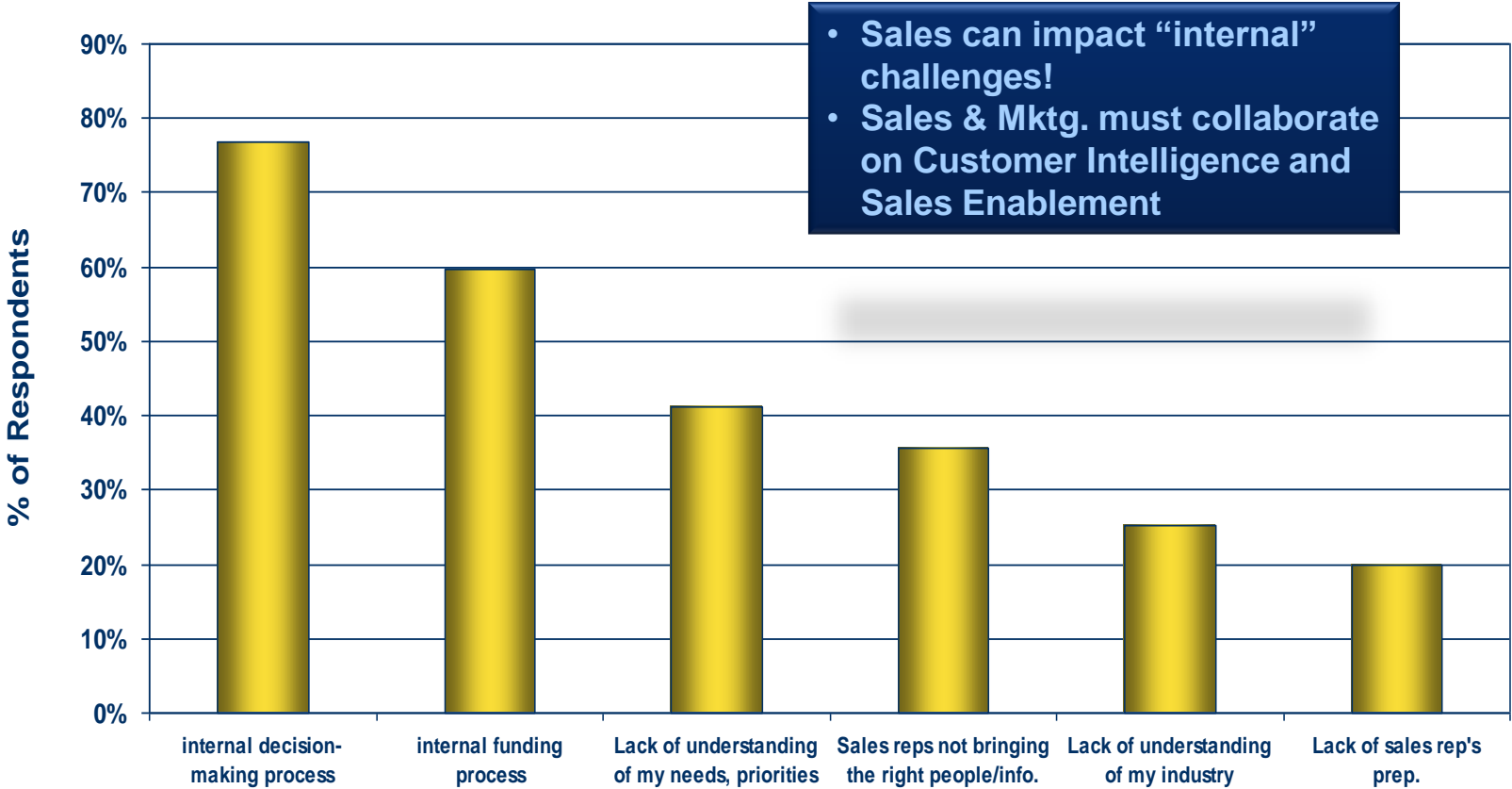


- The buying cycle has increased over 10% in the past 12 months
- However, IT buyers still want to shorten this time by ~50%

Source: IDC's 2009 and 2010 Customer Experience Survey

Significant Opportunities Exist for Marketing & Sales to Impact the Buying Cycle

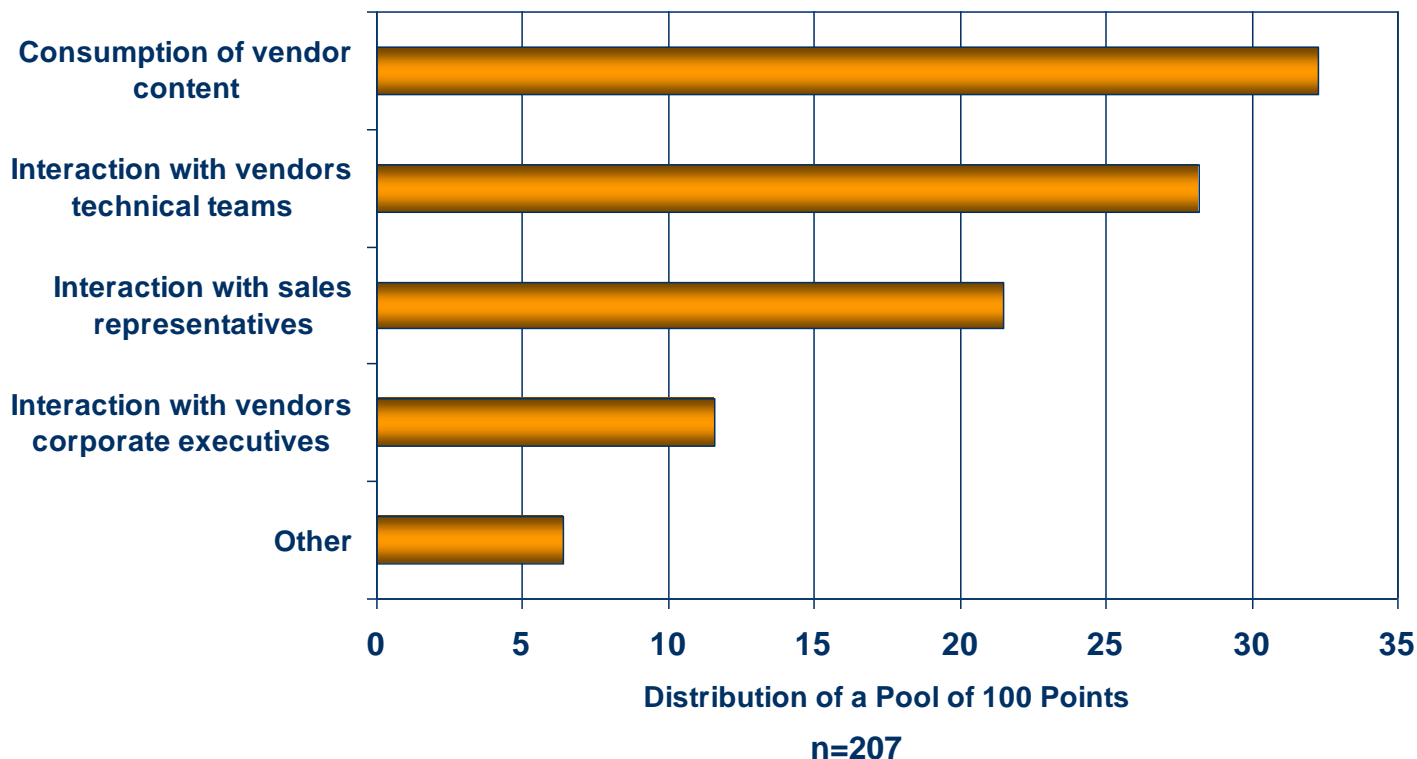
Q. How much of the delay is primarily caused by . . .
(Select 3 responses)



Source: IDC's 2010 Customer Experience Survey (n=213)

Marketing Impact on the Buy-Cycle: “Before the Call”

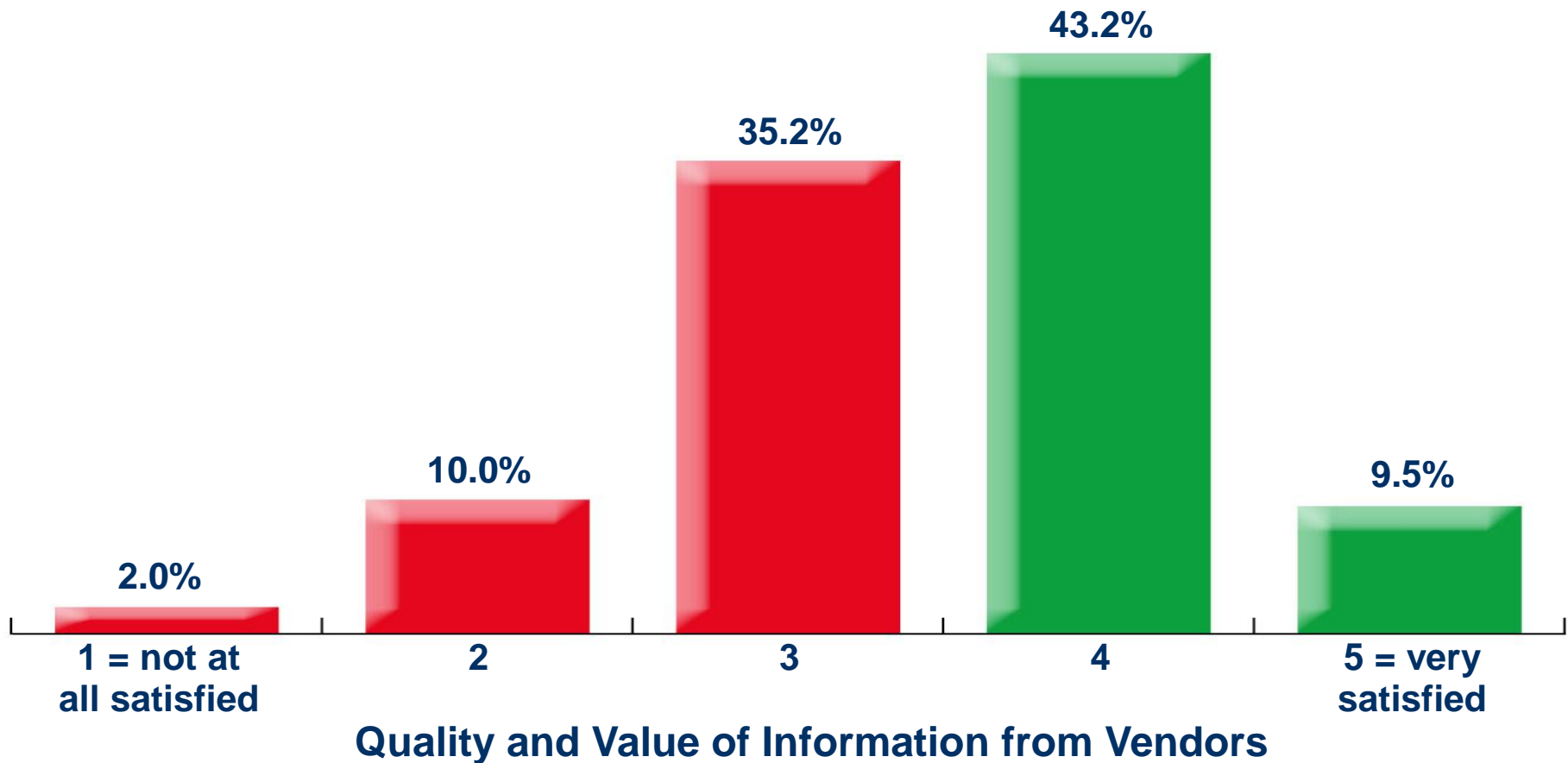
Q. As part of your pre-purchase IT product or solution-related activities, please indicate the relative importance of the following on your decision-making process by using a pool of 100 points. The more important each one is, the more points it should receive:



Source: IDC's 2010 Customer Experience Survey (n=213)

However: Buyers Perceive that Marketing Content Is About “Half Good ... Half Bad”

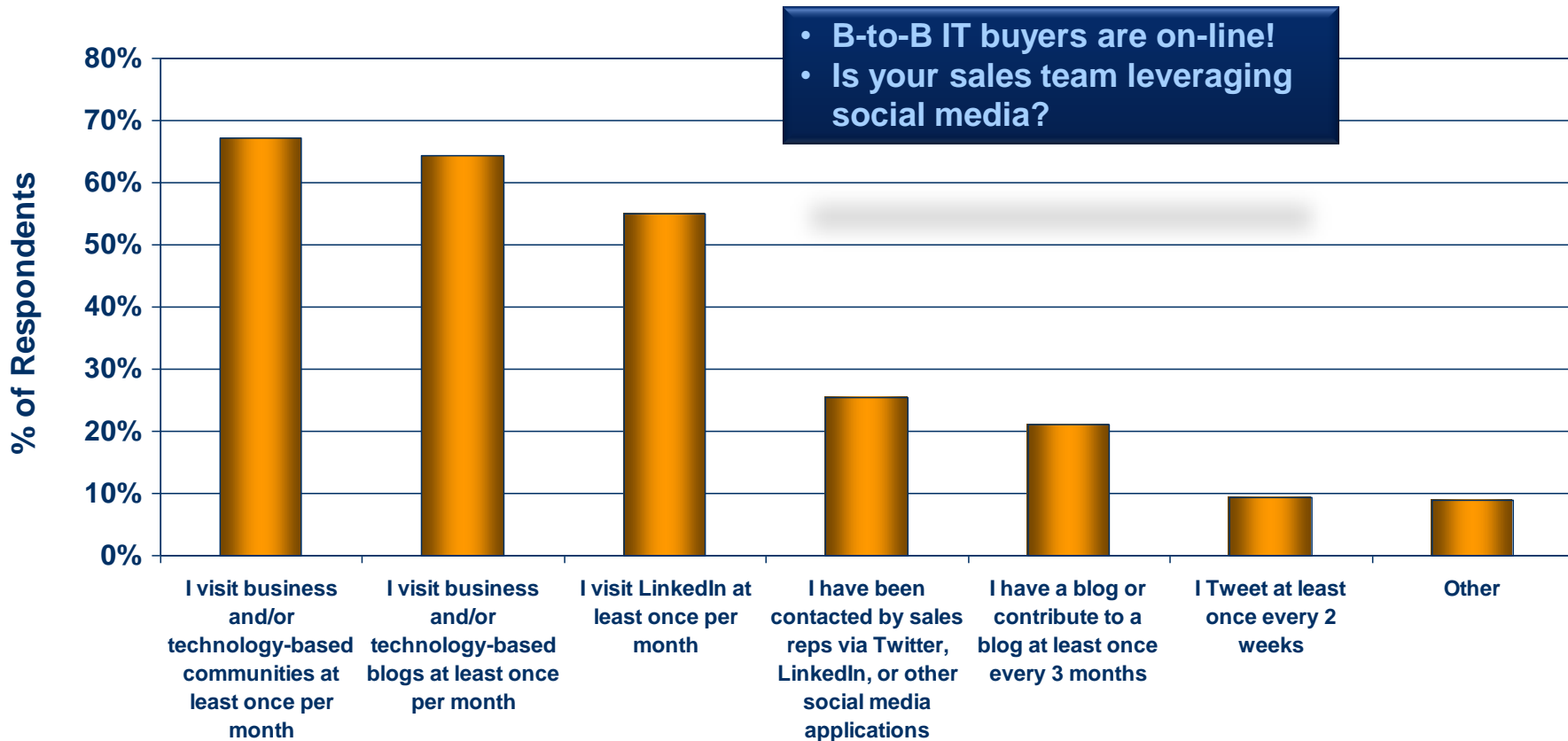
Q. How satisfied are you with the Quality and Value of information from vendors?



Source: IDC's 2010 Customer Experience Survey (n = 213)

Marketing Impact on the Buy-Cycle: “Before the Call”

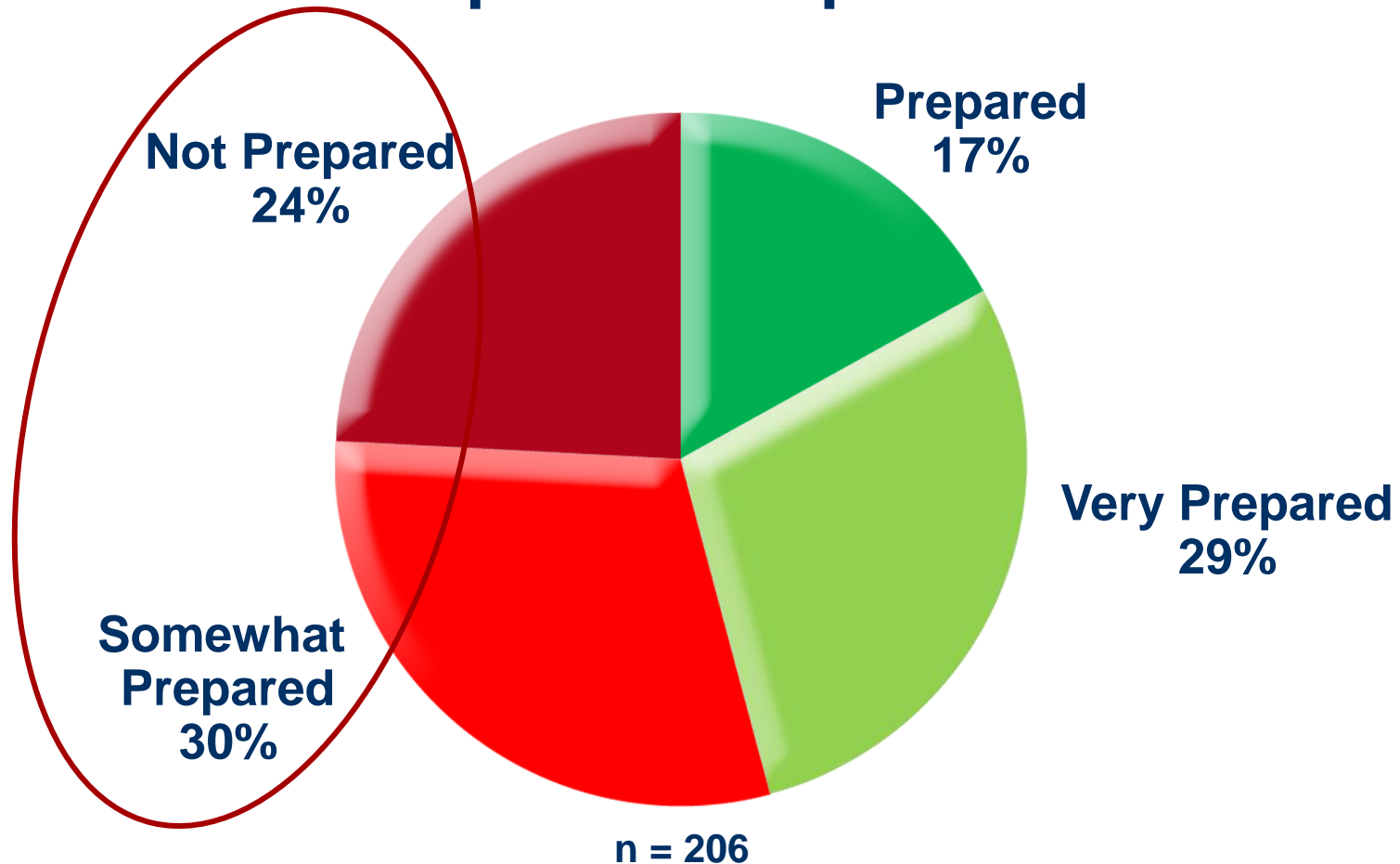
Q. Please indicate how you are leveraging social media channels to keep up with business and/or technology trends or to stay connected with peers and other business contacts



Source: IDC's 2010 Customer Experience Survey (n=213)

Sales' Impact on the Buy-Cycle: "Be Prepared" is Job # 1

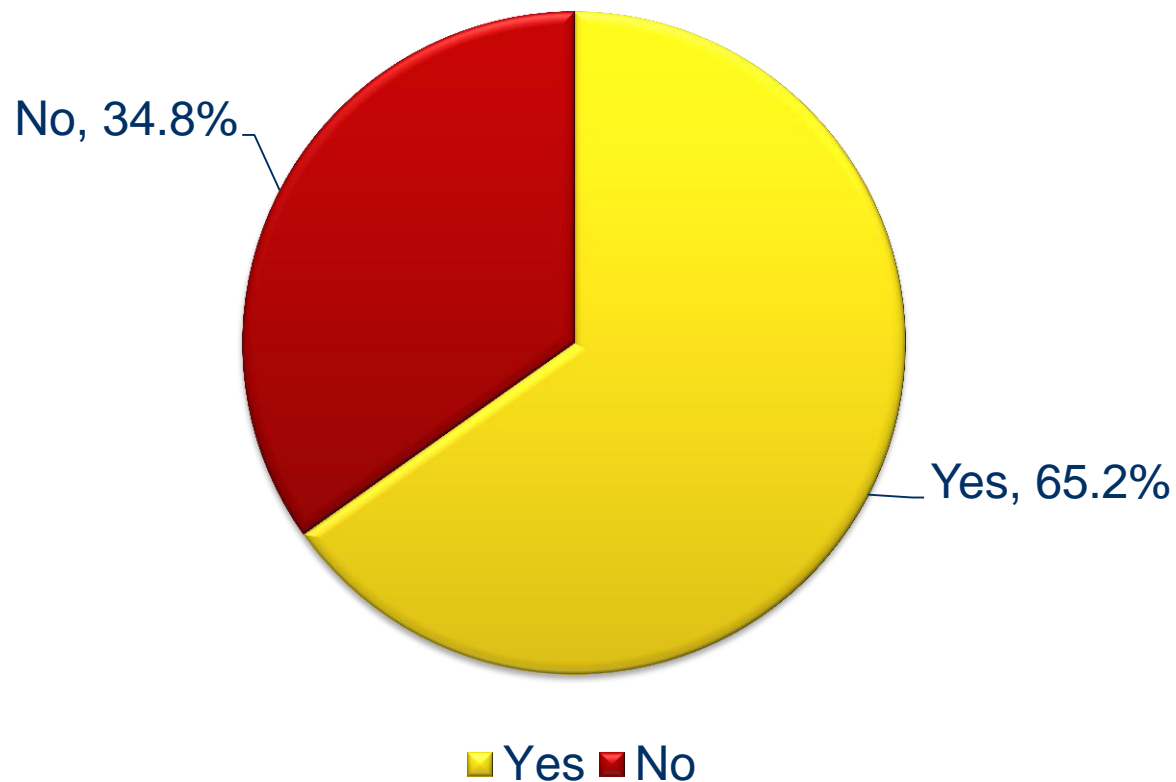
Q. Thinking of your initial meeting with each rep, what percent of reps were:



Source: IDC's 2010 Customer Experience Survey (n = 213)

Not Prepared? Your Buyers are Ready and Willing to Switch Vendors

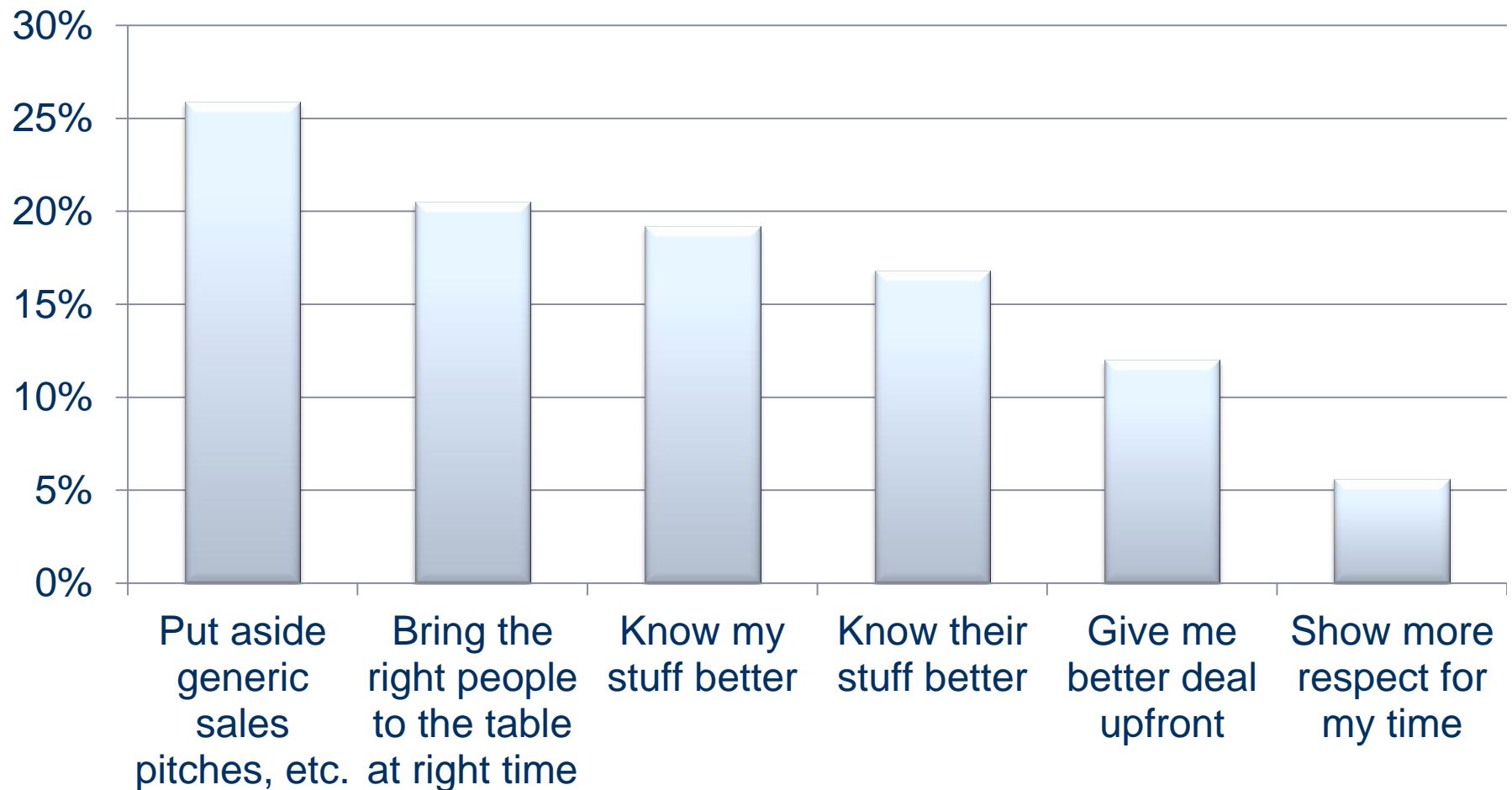
Q. [If you have switched vendors during the past year, was it] in significant part due to a poor relationship with your sales rep and related teams or due to a better relationship with another sales team?



Source: IDC's 2010 Customer Experience Survey (n=213)

Sales Impact on The Buy Cycle: “Before the Call”

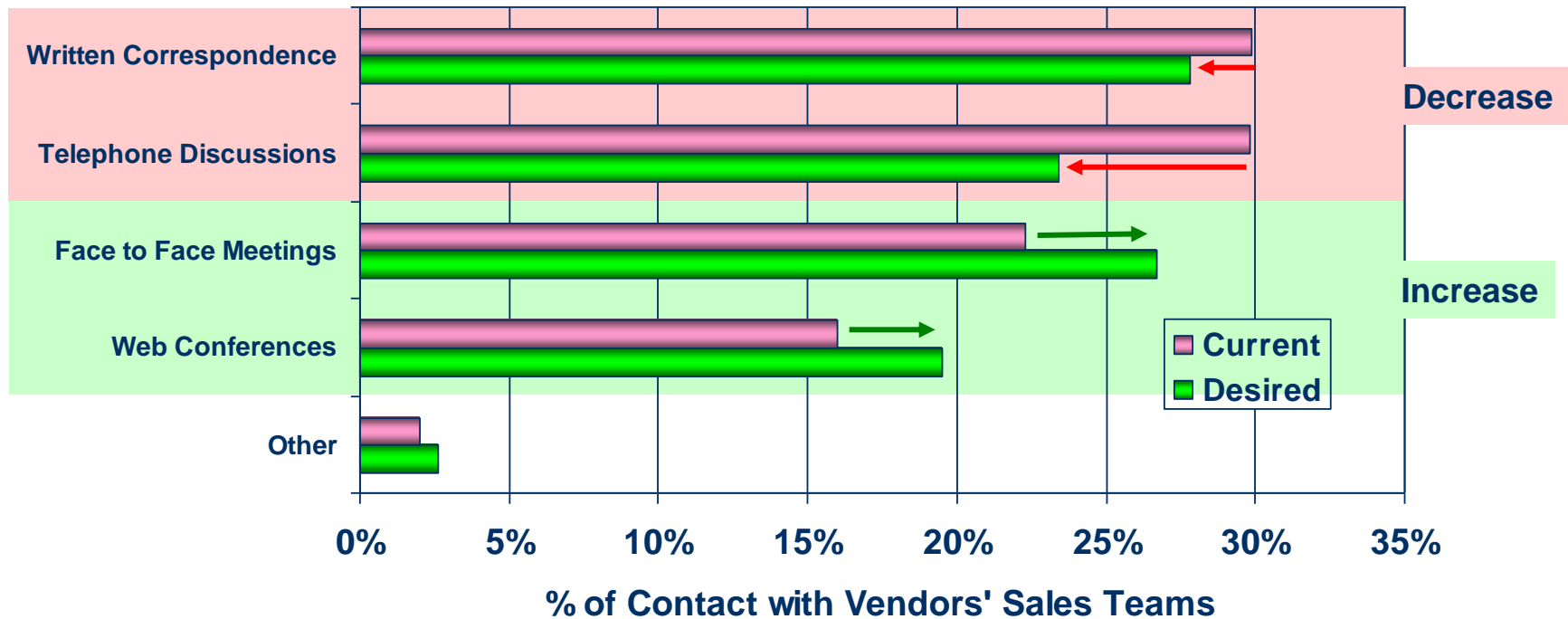
Q. Which of the following can a sales rep do to improve the value of your relationship with the sales team and the vendor they represent? (top 3 responses)



Source: IDC's 2010 Customer Experience Survey (n=213)

Sales Impact on the Buy Cycle: Before/During/After the Call

Q. Please indicate your current and desired level of contact and interaction with vendors sales' teams:

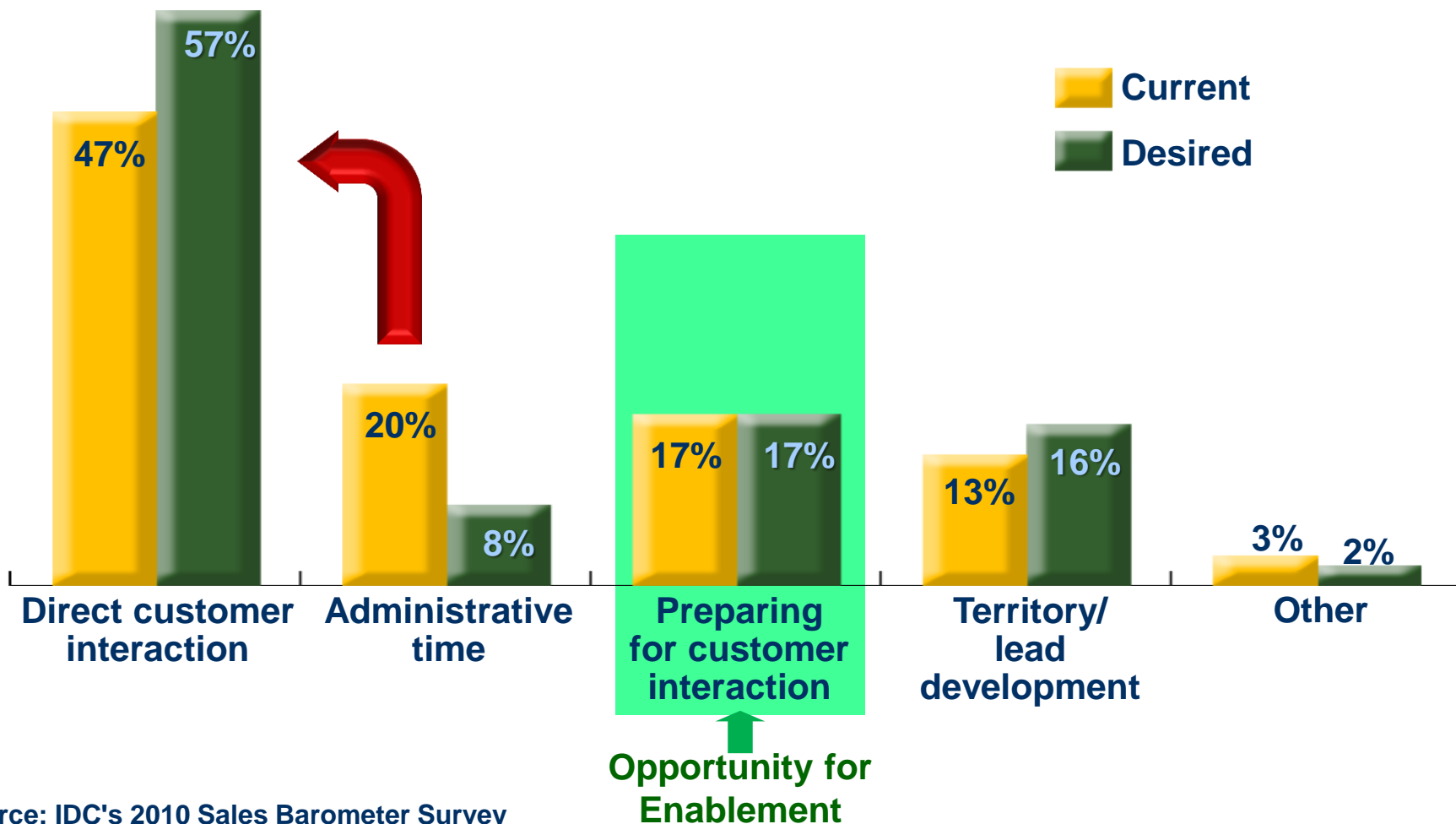


Source: IDC's 2010 Customer Experience Survey (n=213)

Improving Sales' Efficiency and Effectiveness

Q. % of time sales reps spend on . . .

% of Responses



Source: IDC's 2010 Sales Barometer Survey

Actions to Take in 2010 to Improve Sales Productivity

1. Better Prepare and Enable your Sellers.

- This is the Buyers' Biggest Complaint
- Account Planning; Customer Intelligence; Sales Enablement

2. Optimize Sales' Time.

- Identify where sales' time is being spent. Reduce administrative time in exchange for CI + Prep time; and more customer face time

3. Reduce Churn (of sales reps. and sales managers)

- Improve talent management strategies
- Reinvigorate sales training, leveraging new methods and channels