

INSIGHT REPORT

End to end: The role of industry analysts in the enterprise technology buying process

PAGE 3–4
01 — Introduction: analysts
are influential across
the buying process

PAGE 5–6
02 — About the survey
and key findings

PAGE 7–8
03 — Situation analysis

PAGE 9–10
04 — Most technology
purchases involve
industry analysts

PAGE 11–16
05 — Industry analyst
influence throughout
the buying process

PAGE 17–18
06 — Conclusion

01 Introduction: analysts are influential across the buying process

Introduction: **analysts are** **influential across** **the buying process**

CCGroup's exclusive research into the drivers of enterprise IT buying decisions reveals that, despite challenging market conditions, budgets remain healthy. However, buyers are demanding more. When purchasing technology, they want solutions that will help growth, reduce costs, and include the latest features, without choosing between or balancing these aspects. Expert voices, including industry analysts, are of increasing importance throughout the process.

This report looks at the influence of industry analysts on the enterprise technology buying process. Do enterprise IT vendors think about their influence in the right way? With their in-depth understanding of the market and the differences between vendors, we might expect analysts to be most influential on the final buying decision, rather than longlisting or shortlisting. It turns out that their influence goes much further.

02

About the survey

CCGroup commissioned research using an extensive sample of enterprise technology buyers across a range of industries.

We surveyed 200 buyers across a number of sectors, including retail, financial services, and healthcare.

The survey was conducted by independent market research agency Coleman Parkes, as part of a wider analysis of buying trends. This report focuses on the influence analysts have on enterprise IT buying decisions.

Key findings

- 1. Analysts are influential throughout the entire buying process**, and not just the final stages of an enterprise technology sale. Enterprise technology buyers are looking to analysts to inform their shortlists as well as their ultimate decision.
- 2. The two biggest drivers of new technology decisions** are a need to increase revenue, and a need to keep up with technological change.
- 3. Analysts have more influence on buyers in bigger businesses**—but their influence on smaller companies should not be underestimated.
- 4. Businesses rate analyst reports highly** when it comes to the content that influences their buying decisions, but those reports also have a significant effect on their awareness of vendors.
- 5. Businesses with internal analysts** still rely on external industry analysts for insight—their influence on buying decisions is roughly equal.



03 **Situation analysis**

Today, there are two competing influences on enterprise technology decisions. There is the need to grow in a challenging macroeconomic environment, and opposing this, there is the need to spend to take advantage of emerging technologies.

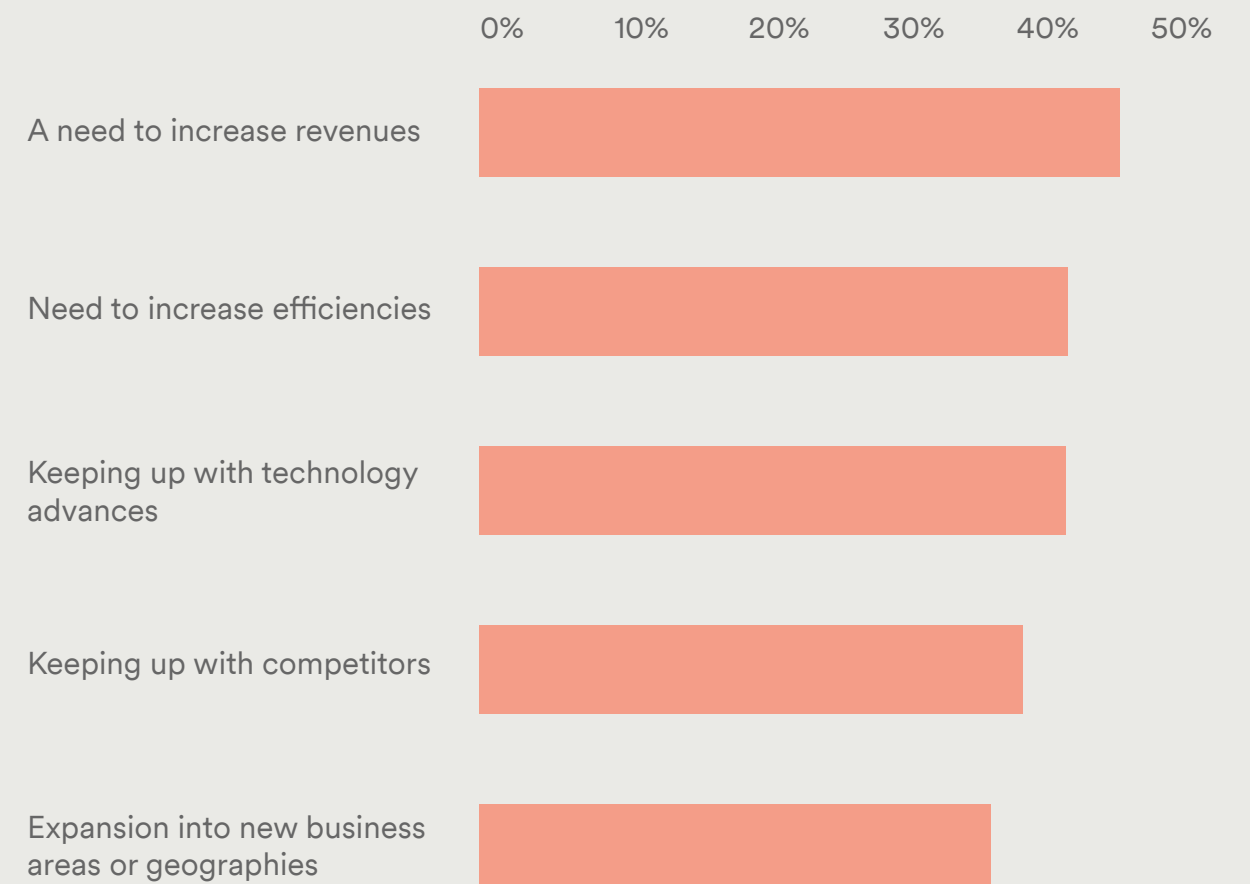
Businesses are seeing their budgets tightening in many areas, just as new technologies—including AI—may offer efficiencies, give them a competitive advantage, or possibly even both. Buying decisions are always important, but these pressures make them critical. Every dollar needs to count at a time when it seems every vendor is encouraging their customers to experiment with the possibilities of new features.

Our survey bears out the idea that new technology purchases are being driven by the need to increase revenues and reduce operating costs. Asked about the factors driving the need for new technology, our survey showed 47% cite increased revenues and 42% want to reduce operating costs. Keeping up with new technologies is third, a top concern for 42% of businesses. Other factors remain important, such as customer experience, regulatory demands and ESG initiatives, but the twin concerns of trying to increase revenue and not falling behind on advances are the most important.

We should expect this pressure to mean that potential buyers carefully consider the technology they buy, scrutinise what they already use, and seek information from various sources before making decisions.

Vendors need to carefully consider where they invest to make sure they reach decision-makers.

% respondents citing factor as a top 5 driver technology purchasing



04 **Most technology purchases involve industry analysts**

Over half (55%) of all technology purchases involve industry analysts, whether that's reading analyst reports, interrogating vendor analyses, or inquiry sessions with specialist analysts.

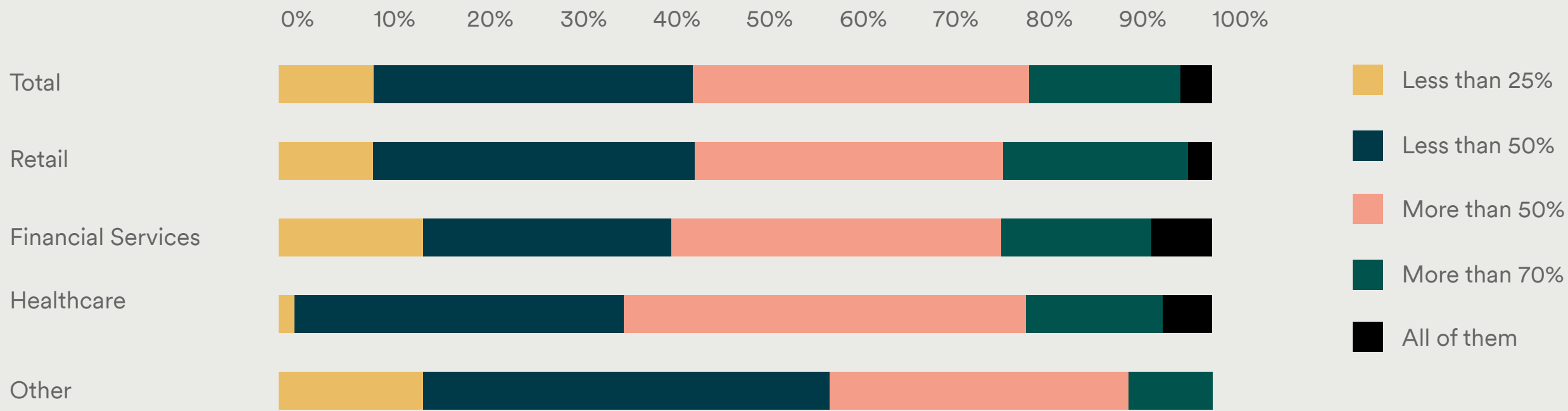
Financial services providers reported that they involved analysts in their decision-making slightly more often, perhaps because of the need for products to meet regulations. No one was able to say that they never referred to analysts—every respondent we asked used industry analysts at some point when buying technology.

The size of businesses had an effect here, with the biggest companies more likely to involve industry analysts in decision making: 65% of technology purchases in those businesses with over five thousand employees involve analysts in some way.

But this didn't mean that smaller businesses ignore analysts—far from it. 50% of technology purchases in smaller businesses (those with 1,000 employees or fewer) involve industry analysts. It's fair to say that larger businesses use analysts more often, but they are still a strong influence on many smaller businesses.

While we can see that analysts are important in the enterprise technology buying process, it's useful to understand when this influence is felt most.

What percentage of technology purchases involve industry analysts (e.g., Forrester, Gartner, Omdia) in some way (i.e. inquiry sessions, reading reports, reading vendor analyses etc.)?



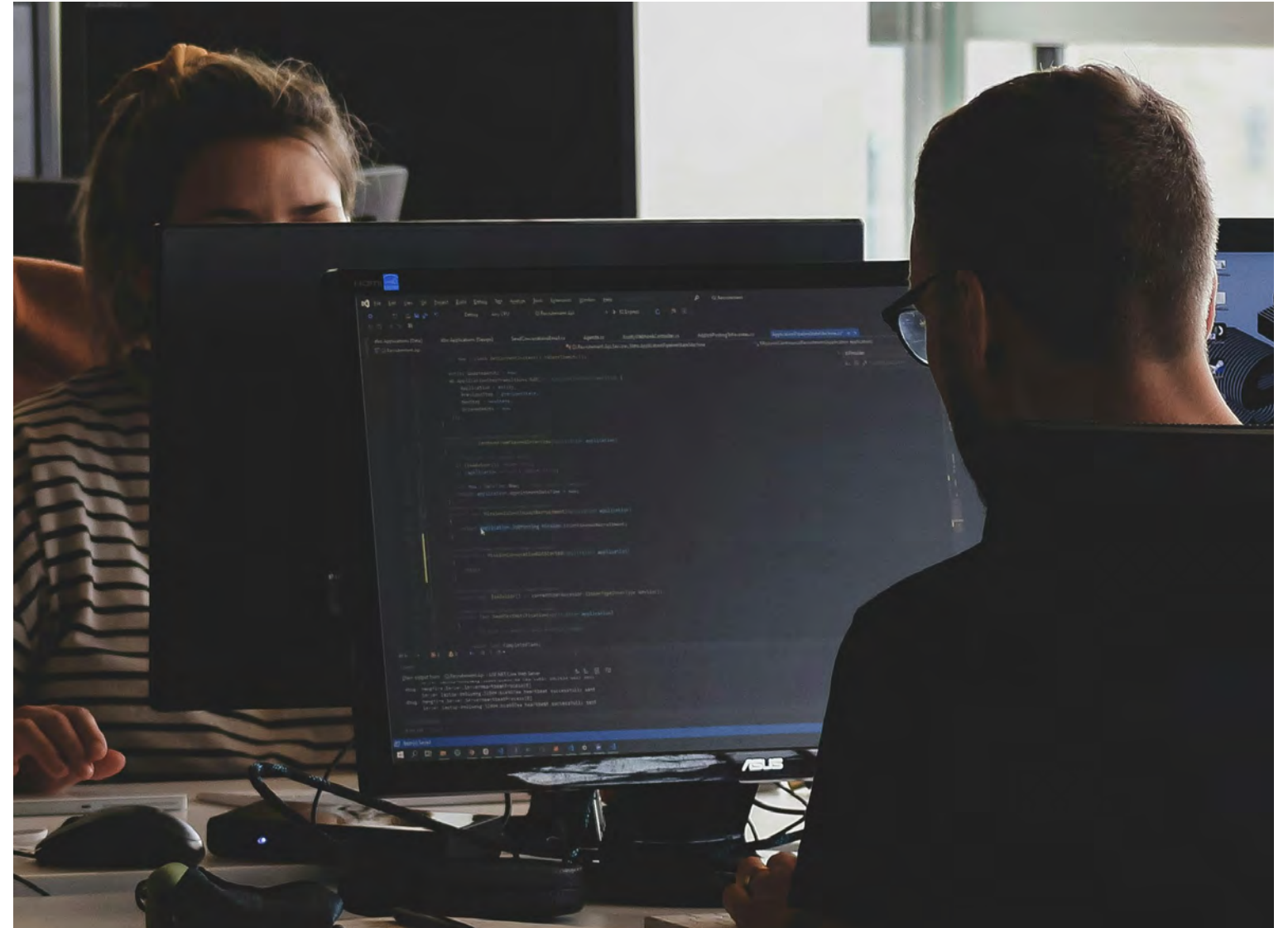
05 **Industry analyst
influence throughout
the buying process**

Buying technology is a difficult and daunting process for many enterprises. Gartner, for example, outlines a [multi-step process](#) that goes from the initial planning phase to onboarding the new supplier.

For this report, we looked at two points at the beginning and end of the buying process, “awareness” and “selection”. A business will create a longlist of potential suppliers through a combination of knowledge and research, and then choose a final supplier based on how well it can meet its needs—and possibly other factors.

We can expect some differences in the amount of influence various channels might have at these stages—the criteria that a buyer will consider when adding a vendor to a longlist will be different from those that influence that final decision. We might assume, for example, that advertising would increase awareness of a brand, meaning it makes its way onto a longlist, but it’s very likely another channel will be more influential in that final decision.

However, our research finds that industry analysts are influential throughout the buying process, at the initial awareness stage, and all the way through to final selection.



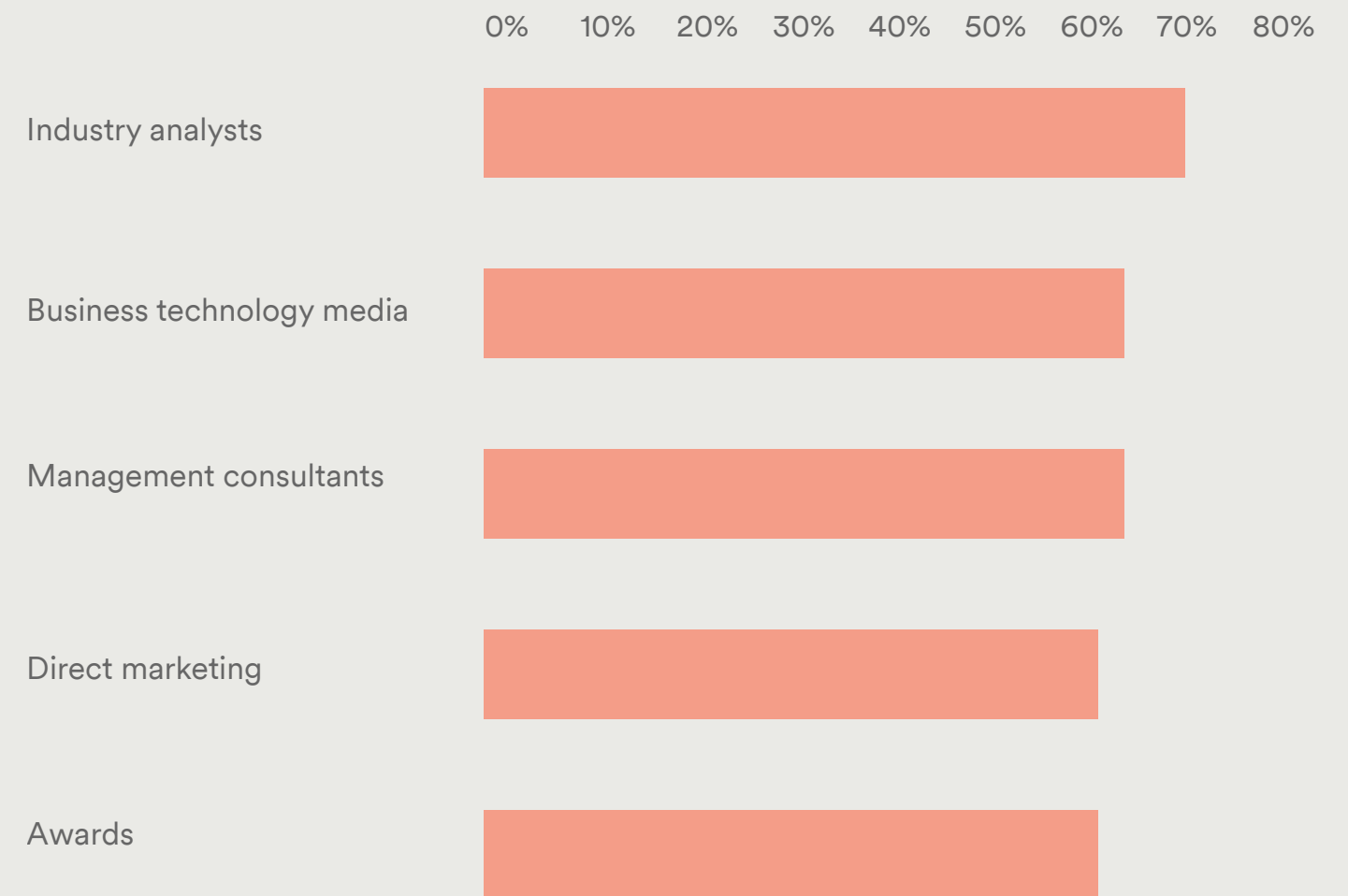
5a. Awareness

At the initial “awareness” stage, 72% of businesses said that industry analysts were influential in this initial pooling of potential vendors. This was higher than any other channel, including specialist trade media, web search, and direct marketing. The effect was so strong that only 11% of respondents said that analysts had no influence at this stage, the lowest of all channels surveyed.

This was true across all of the sectors we examined, although industry analysts were slightly less influential in the healthcare industry, with 67% of respondents citing them as one of their top two influences on vendor awareness. Nevertheless, they held more sway than expected influencers such as peer recommendations or internal analysts.

As with the general influence of analysts we looked at earlier, bigger businesses were the most likely to see industry analysts as influential at this stage, with 82% of businesses with more than 5,000 employees agreeing that they are one of the top two influences on awareness. This equalled the influence of the internal analysts at these big firms, showing that a business having its own analysts does not mean it will not look externally for information.

% respondents citing channel as top 2 influence on vendor awareness



5b. Selection

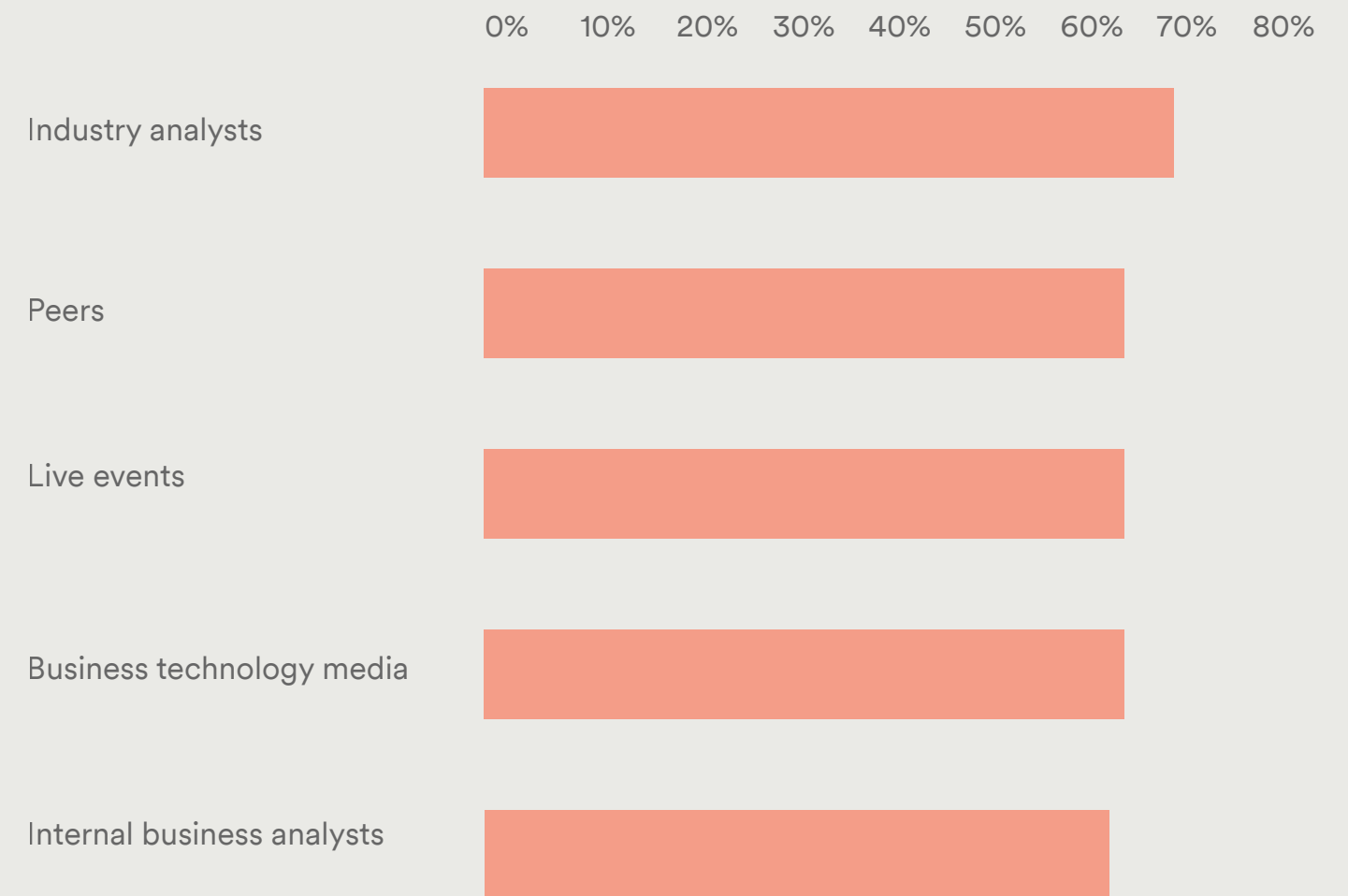
Analysts were also influential at the selection stage, with 71% describing them as either influential or heavily influential. Industry analysts were the most influential channel on vendor selection, followed by peers, events, business technology media and internal business analysts.

Again, this was true for all sectors we surveyed. The financial services sector valued analysts the most, with 80% of respondents citing them as one of their top two influences. None could say analysts had zero influence on buyer selection.

While smaller businesses were less likely to turn to industry analysts, their influence was not small, and was remarkably consistent. 61% of smaller businesses, those with 1,000 or fewer employees, said that analysts were influential at the awareness stage, increasing to 68% at the selection stage. This is likely due, at least partly, to cost—but although engaging analysts may be seen as expensive, the desire to make the right choice means even the smallest businesses are looking to them for the best insight.

When it came to positions within an organisation, CFOs, CIOs and CMOs were the roles most likely to be influenced by analysts at all stages of the decision-making process, suggesting that analyst expertise is being sought to ensure both return on investment, and the right feature set, from enterprise software purchases.

% respondents citing channel as top 2 influence on vendor awareness

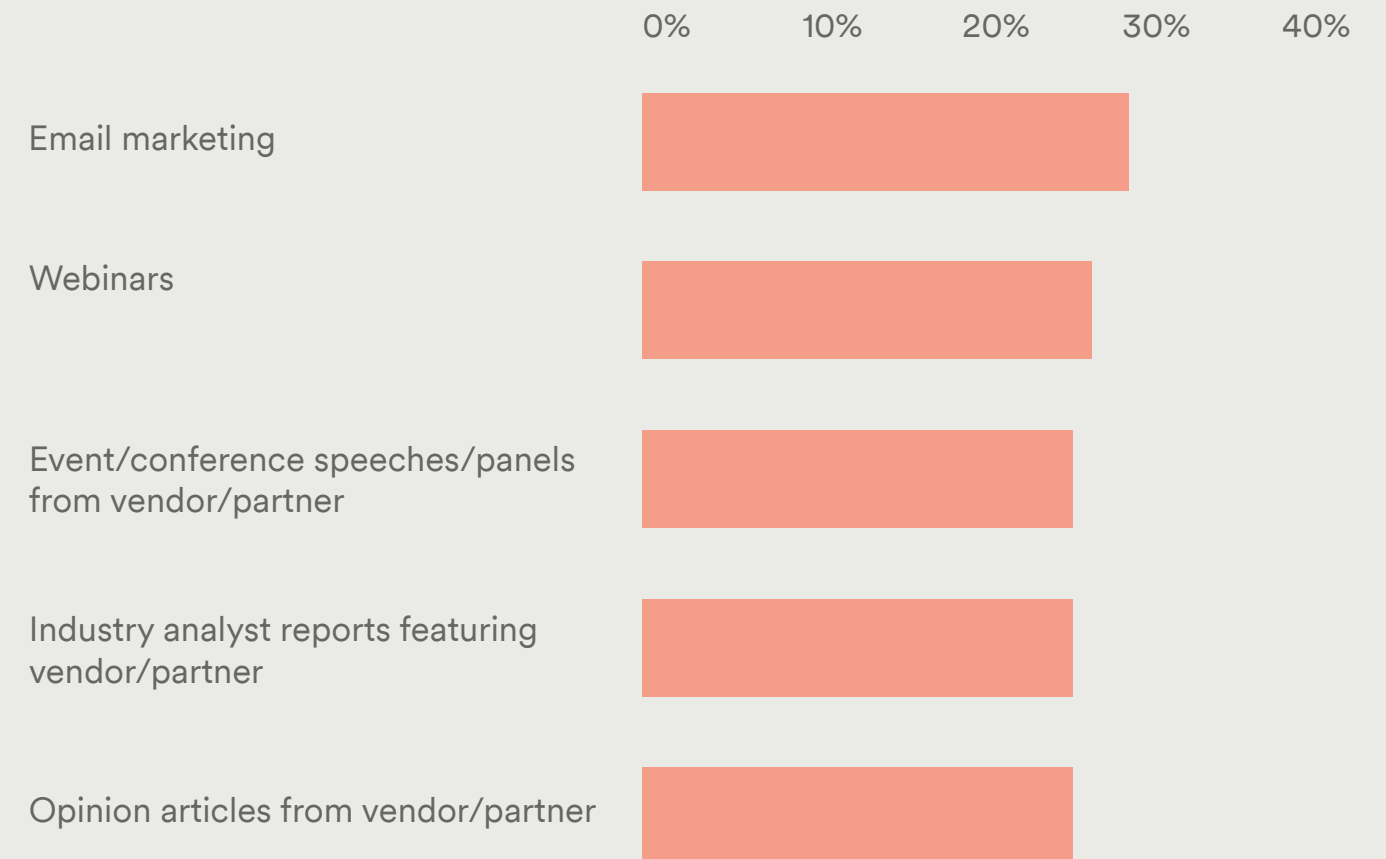


5c. Content

While analysts had a lot of influence across the buying process as a ‘channel’, there was some difference in what content had the most impact.

At the beginning of the process, industry analyst reports were cited by 26% in the top five driving that awareness, edged out by email marketing and webinars but doing more than press releases, news articles and social media. For financial services, this was higher, with 32% citing them as one of their top three influences—again reflecting the need to only consider solutions that meet their exact needs.

% respondents who cited content type in top 3 influences on vendor selection

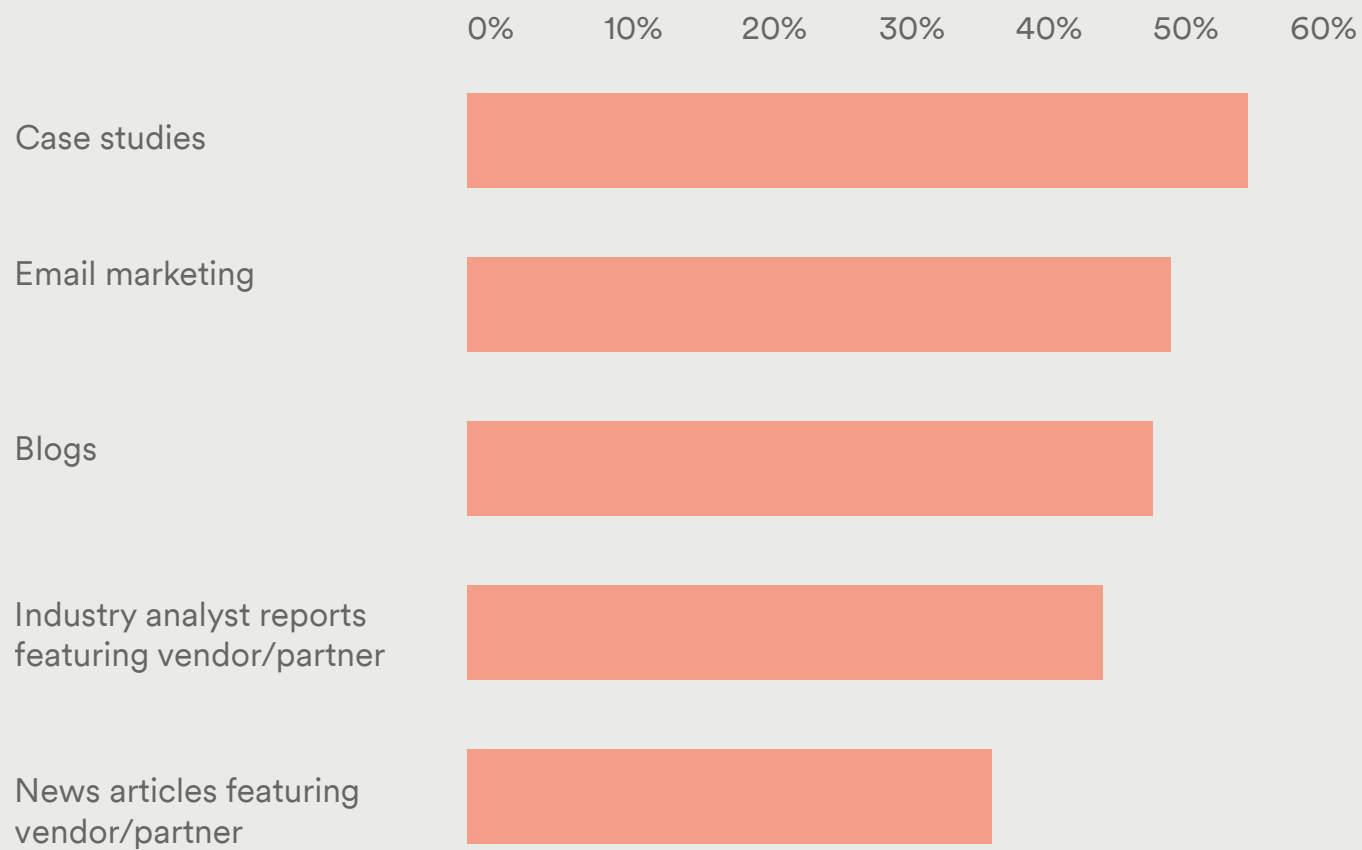


5c. Content

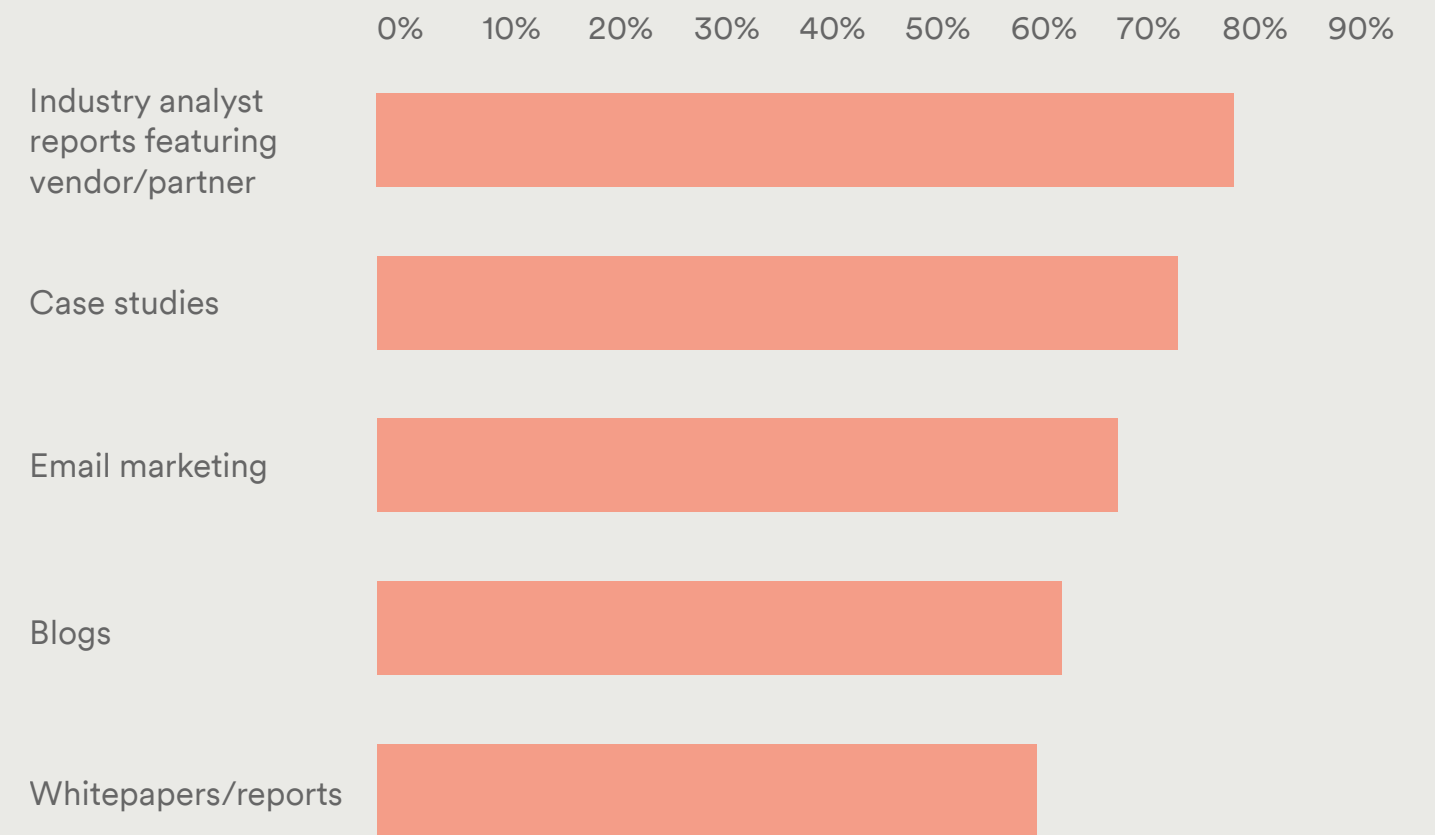
At the later selection stage, the number of respondents citing analyst reports as a top three influence leapt to 46%, reflecting the idea that analyst content is more influential when closer to making a final choice. Unlike before, this was lower for financial services, presumably because analyst reports had already been considered at the awareness stage, and other criteria were being used for the final decision. For retail, this was higher, with 50% citing analyst reports as a top three influence on selection.

When we presented respondents with 14 different types of content, 81% of respondents placed the influence of analyst reports in the top five when it comes to selection, rising to 82% for retail, showing just how highly regarded they are.

% respondents citing content type as a top 3 influence on vendor selection



% respondents citing content type as a top 5 influence on vendor selection



06

Conclusion

Industry analysts are specialists in their field, producing in-depth reports on sectors and the technology that underpins them. It would be easy to assume that their influence would be mostly felt at the end of a selection process: when a final decision has to be made, it's time to call in the experts.

However, our research shows that this assumption is wrong. Analysts have a great deal of influence throughout the whole selection process.

Whether through their content or advisory, buyers rely on analysts for longlisting of vendors almost as much as they do for that final decision. Sometimes this expertise will be gained through reports, but sometimes it will be more direct, through analyst inquiries or analysts being brought in to consult on RFPs and selection processes.

Perhaps this isn't surprising. There is so much pressure on decision-makers to make the right decision, they need as much expert guidance as possible. They need to spend money wisely, in ways that cut costs, drive revenue, and make sure that their businesses still have a technological edge.

To do this, they are looking for reliable information, and turning to independent experts more quickly than one might expect. Why spend a long time longlisting potential vendors when you can find out from an expert which ones will best fit their requirements?

What does this mean for vendors? If there was a dividing line where PR and marketing was mostly about brand awareness, and analyst relations as a way to help make that final sale, it is gone. Analyst relations is brand awareness. It is just as important in the initial stages of a shortlisting process, as it is in the final stages of selection. Analyst relations is no longer about the bottom of the funnel—for some decisions, it **is** the funnel.

CCGroup is a PR-led marketing agency helping brands to ‘break through’ and distinguish themselves in ultra-competitive B2B technology markets. We support our clients to grow their influence and market share, overcome capacity, knowledge and expertise limitations and demonstrate marketing impact. Our integrated, channel-agnostic, audience-centric approach is tailored to address our clients’ most pressing challenges.

We offer fully integrated marketing communication services to technology businesses we work with. From strategy definition to media relations to multichannel demand generation, for more than 30 years we have been helping our clients drive market entry campaigns, get funding, grow their customer base and successfully execute exit programmes. The result is that our clients award us with a world-class Net Promoter Score.

CCGroup has reserved additional details and unique insight from this study for the exclusive use of existing clients. For more information about the study and for advice specific to your company and its goals please get in touch.

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Chris Sedgwick
Analyst Relations Director

chris.sedgwick@ccgrouppr.com

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