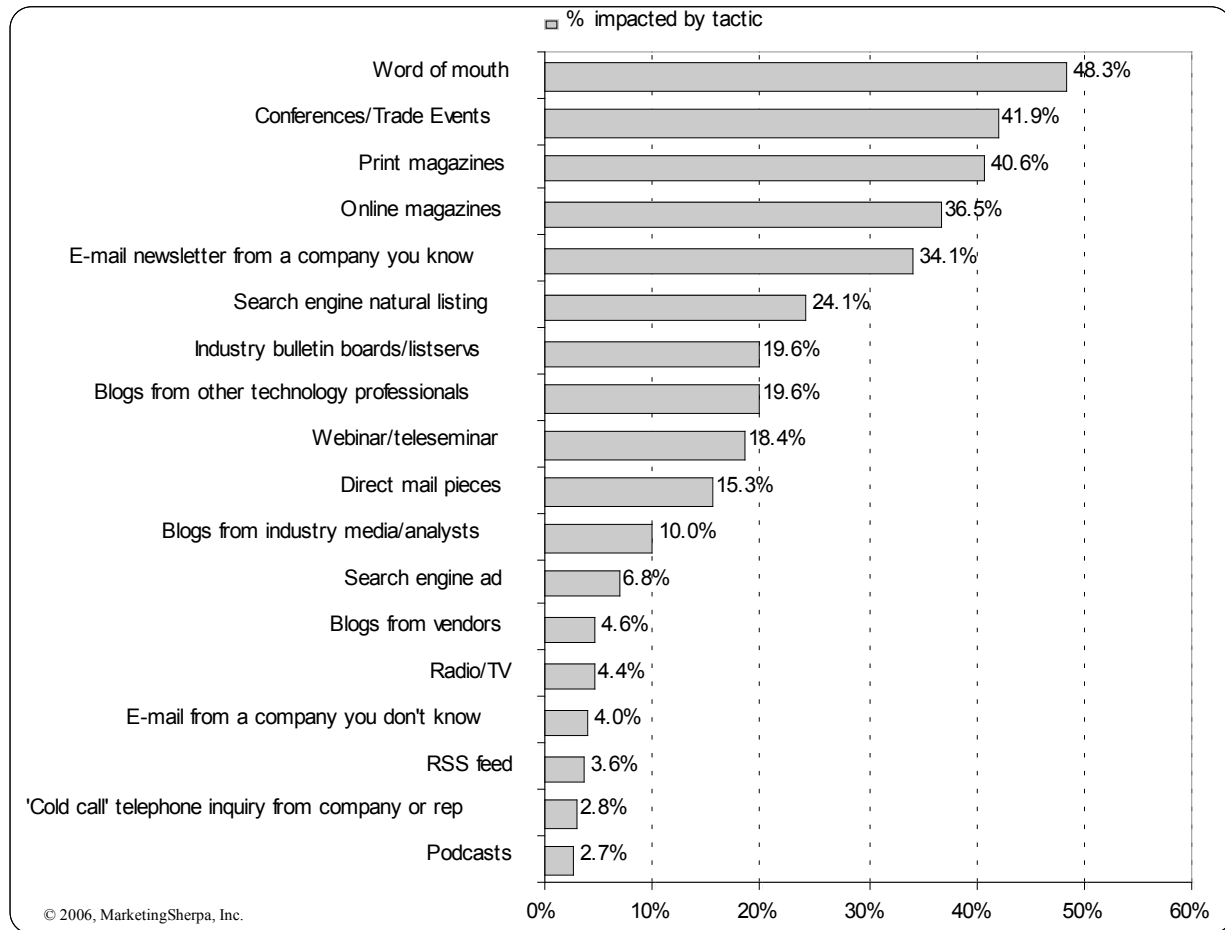


Research Report

Business Technology Buyers' Survey

MarketingSherpa and CNET B2B, May 2006

Chart: Influences on Technology Buyers



Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

We asked buyers of technology about what kinds of influences affected a specific purchase in the past 12 months. The chart above shows their overall answers. It's a chart that argues for both 'old-school' marketing (events and print mags are in the second and third spots) but also for new media — online magazines, email newsletters and search-engine listings round out the top six influences.

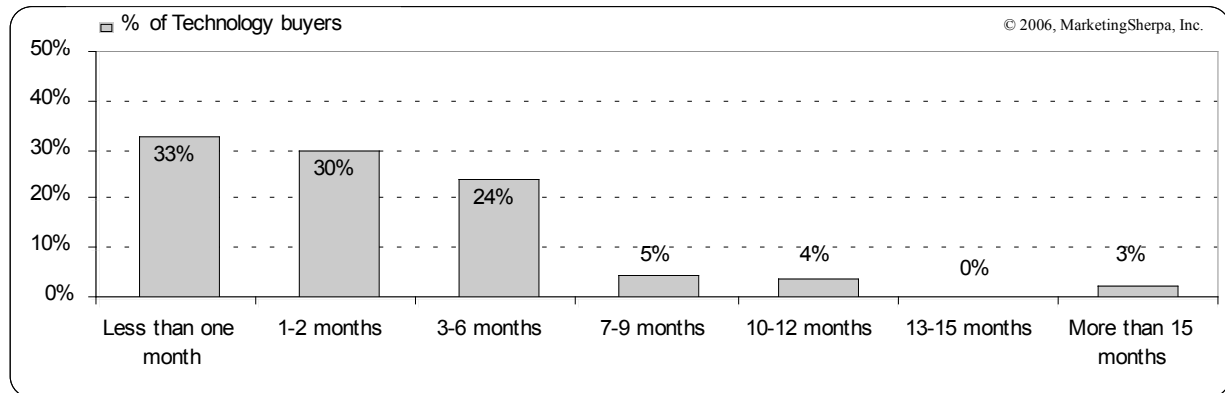
When we compared their timeframes for purchase with helpful media, we found some interesting trends:

1. Those whose timeframe was two months or less were significantly more likely to find online magazines helpful — the short term fits with the immediacy of the Internet.
2. For those whose timeframe was three-nine months, respondents were significantly more likely to endorse conferences/trade events as helpful.
3. Those whose timeframe for identifying a technology need was three-nine months were also significantly more likely to view radio/TV as helpful resources. Firms that take three-nine months simply to identify a technology need tend to be larger, enterprise-level

organizations that are comfortable with other large organizations that can afford TV/radio ads.

4. Those whose timeframe for identifying a tech need was three-nine months were significantly more likely to find cold calls helpful resources. Larger companies with longer cycles are used to being approached by vendors — sourcing vendors is in the job description. Small- to medium-sized company execs. tend to find cold calls intrusive, because unless the product being pitched is an immediate need, there's no bandwidth to spare.
5. Those whose timeframe for the final purchase decision was two months or less were significantly more likely to find word of mouth a helpful resource. For those with a short timeframe for making a final decision, word of mouth was a big seller. Usually ranked on top of the list of influences on a buying decision, word of mouth is especially powerful if there's less time for a considered purchase.

Chart: Timing the Buying Cycle Step 1 – Identifying the Technology Need



Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

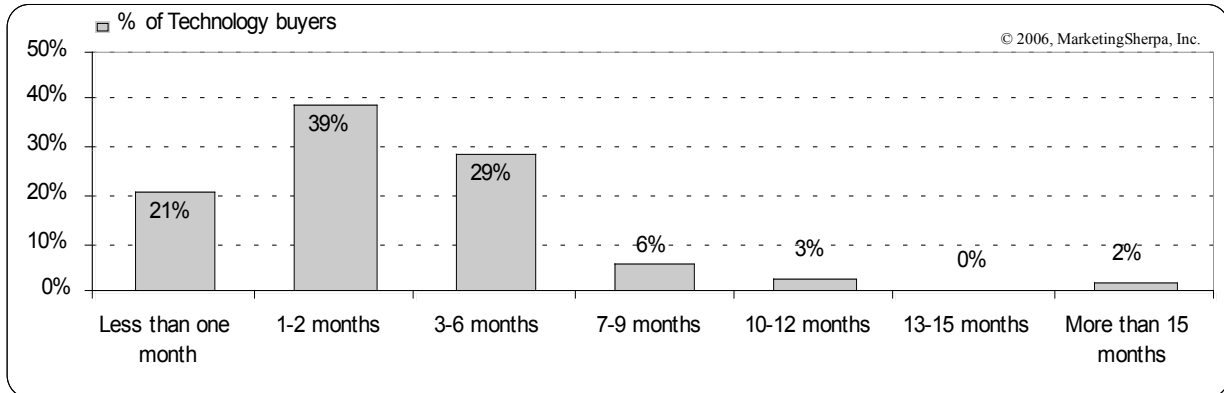
Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

We broke down the buying cycle into its component parts in an effort to discover why and where cycles are getting longer, and where to focus marketing's time and resources. In the first phase, we saw that size of the organization had a major impact.

- Smallest firms (less than 100) are significantly more likely to spend two months or less on identifying technology need.
- Larger firms (100 or more employees) are significantly more likely to take three-nine months.

In other words, the window of opportunity for small companies is narrower than the big boys. Getting in the door at this stage of the process is very powerful, because the buyer hasn't yet decided what product features/services are essential versus 'nice to have.' By being part of the conversation, sales and marketing teams can help buyers make the right decisions and be rewarded for it in the end. But be warned, steering them toward your own unique selling points will only work if there's a true fit.

Chart: Timing the Buying Cycle Step 2 — Searches & Gathering Technology Data

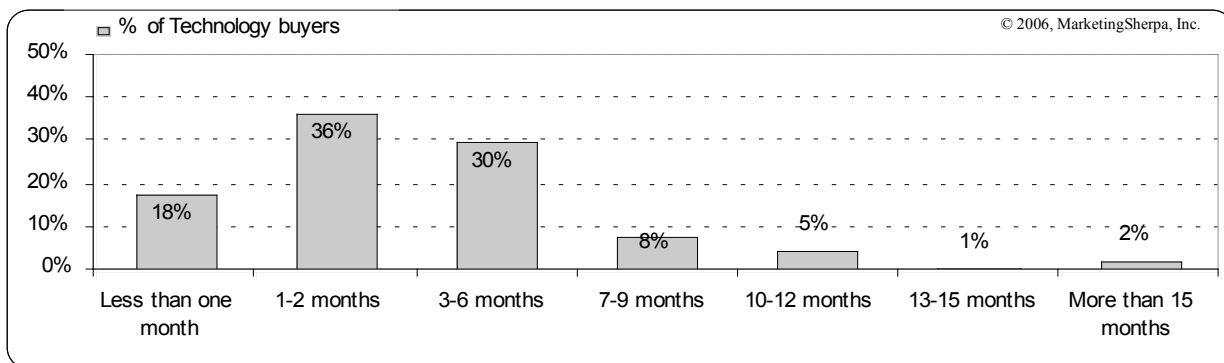


Source: MarketingSherpa and CNET B2B, Business Technology Buyers’ Survey, May 2006
Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

At each step we see most companies fall into the same categories, with more marketers identifying a month or two as the time required for each step in the process. Put them together and we get confirmation of separate research into the sales cycle that suggests that the average tech sale now takes between four and eight months, with outliers as long as 15 months or more.

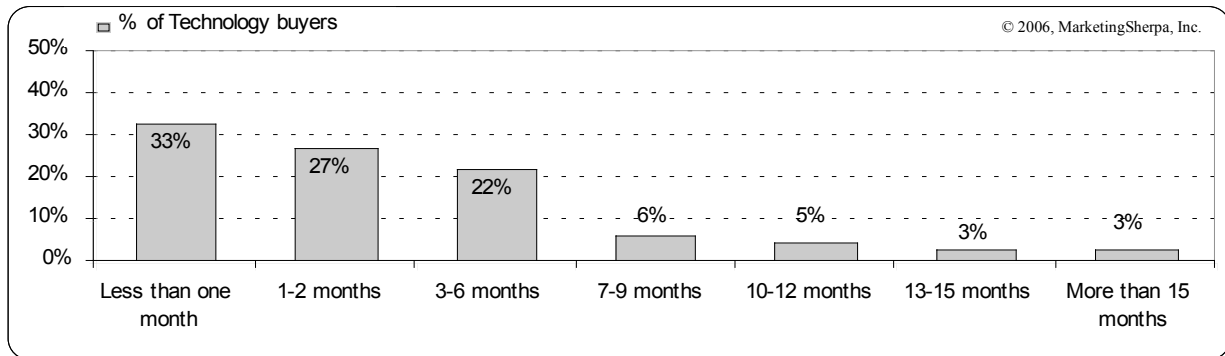
Large organizations (over 10,000) will take by far the longest time in gathering information, scoring in the three-nine month range. On the plus side, it’s usually easier to get in the door, because their due diligence requires a broad scope of vendors. On the negative side, it’s next to impossible to skip a step or modify their needs to fit your offerings, even when there’s a business case to be made.

Chart: Timing the Buying Cycle Step 3 — Evaluating Technologies of Interest



Source: MarketingSherpa and CNET B2B, Business Technology Buyers’ Survey, May 2006

Chart: Timing the Buying Cycle Step 4 – Making a Technology Decision

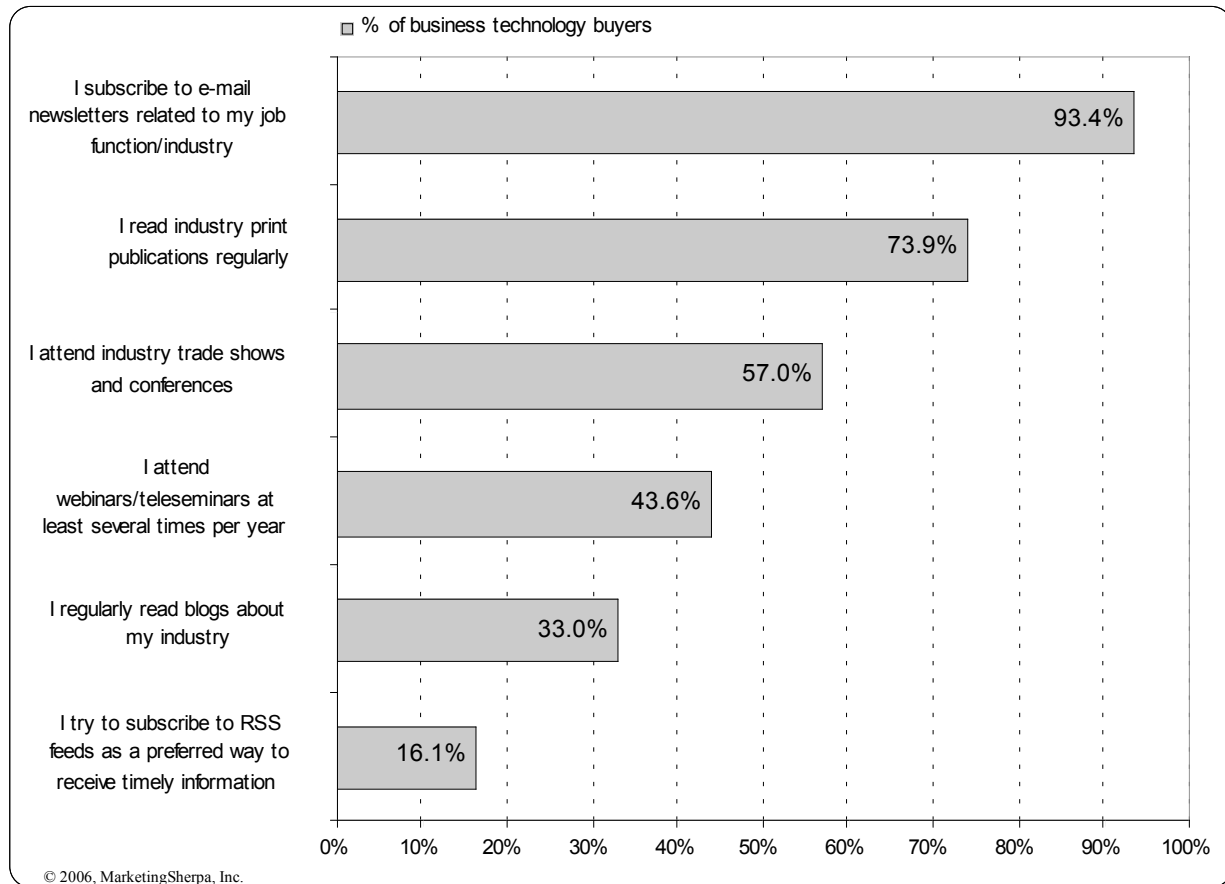


Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

Once all the data is in, making the final decision actually takes less time than any of the preceding steps, although a few organizations (especially those with 10k employees or more) can take far longer. The question for marketers is whether it's too late by this stage to change the course of the process. When we spoke with marketers, it seemed to be a function of size. Small- to medium-sized companies were flexible enough that even close to the decision, they could be swayed by product factors (we take it as a given that price can always impact the deal). Larger companies, however, have processes that make it less likely — they are responsive to price and service deal flexibility from their 'short list' vendors, but have essentially decided on the product specs.

Chart: How are Technology Buyers Getting Their Information?



Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

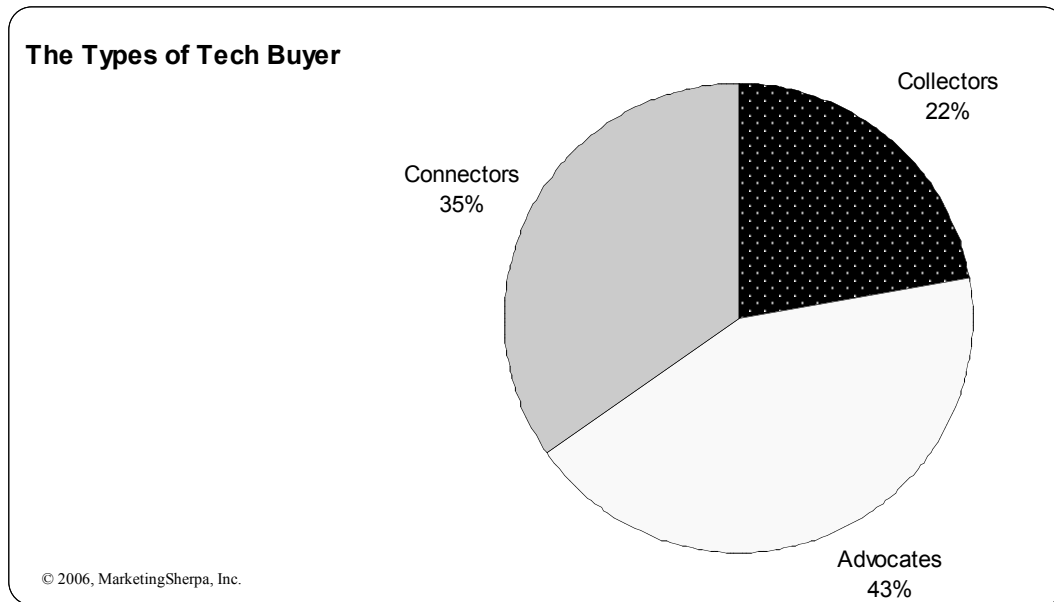
Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

We asked technology buyers about their regular interactions with typical marketing tactics. Not surprisingly, email newsletters had the greatest penetration, but we were surprised by the degree to which it dominated the list, outscoring print pubs by 20 points.

Most interesting was the growth in blog use, up from roughly 20% in our 2005 research. One in three technology buyers cited regular blog readership in their industry focus.

When sliced by organization size, we observed that medium-sized organizations (100-999 employees) were more likely than the rest to find vendor blogs useful. One reason may be that organizations of this size tend to have one or two people sourcing vendor info and that overworked person may find blogs a very helpful way of separating the fluff from the features.

Chart: The Attitudes of Innovation of Technology Buyers



Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

There have been many lenses and filters used to describe the technical buying audience. For our purposes, we were interested in how different types of buyer view marketing messages and communicate what they know to others. After all, word of mouth is among the most powerful influences on buying decisions. Respondents were asked to put themselves into three groups:

Advocates — you're well versed about certain vendors, processes and/or products and are the "go to" person about them.

Connectors — you put people together with the right information, people and/or products.

Collectors — you to gather a lot of information about technology from a variety of sources and are known as someone who is most likely to have a stockpile of reference material.

Of course, many people would prefer to put themselves in multiple groups (lots of advocates are collectors for example) but we wanted to see how these primary traits might affect the group's interactions with media and their peers.

Of the three groups, connectors are of great value to marketers, because these are people who actually enjoy solving problems for others by associating problems with solutions — often in the form of companies and products. These are the people who rush to answer queries to bulletin boards and discussion groups.

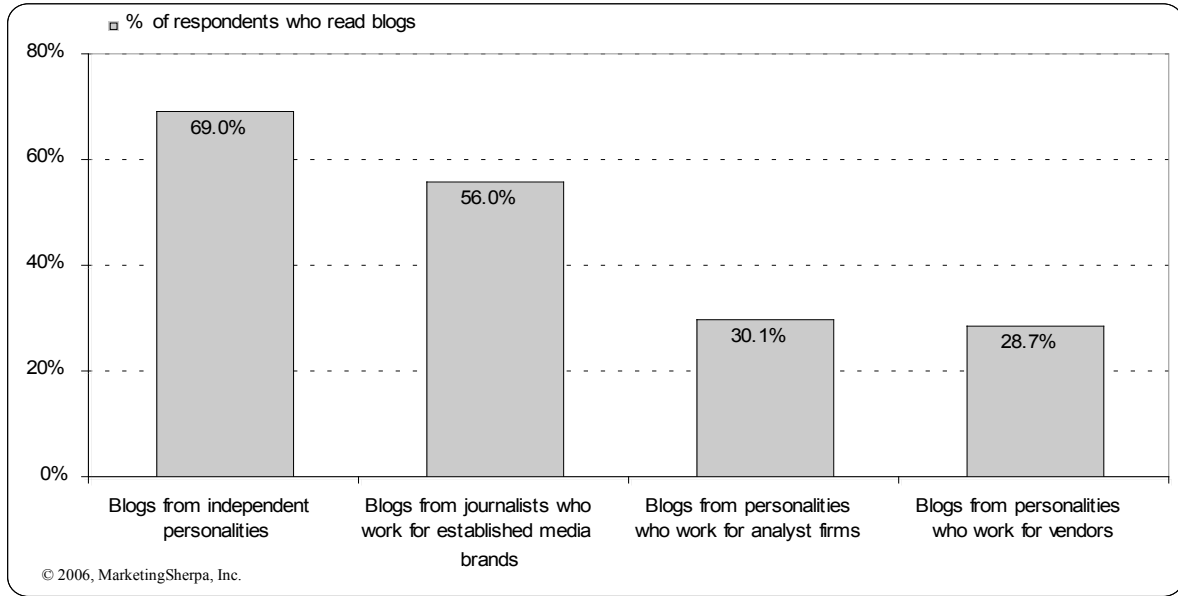
When it comes to media, the groups have preferences:

Connectors like blogs (all that new info) and trade events.

Collectors are partial to email newsletters, although they're less likely to forward them than collectors and advocates.

Advocates are also likely to view trade shows/events as useful for finding vendors/products.

Chart: Types of Blogs Read Regularly by Technology Buyers

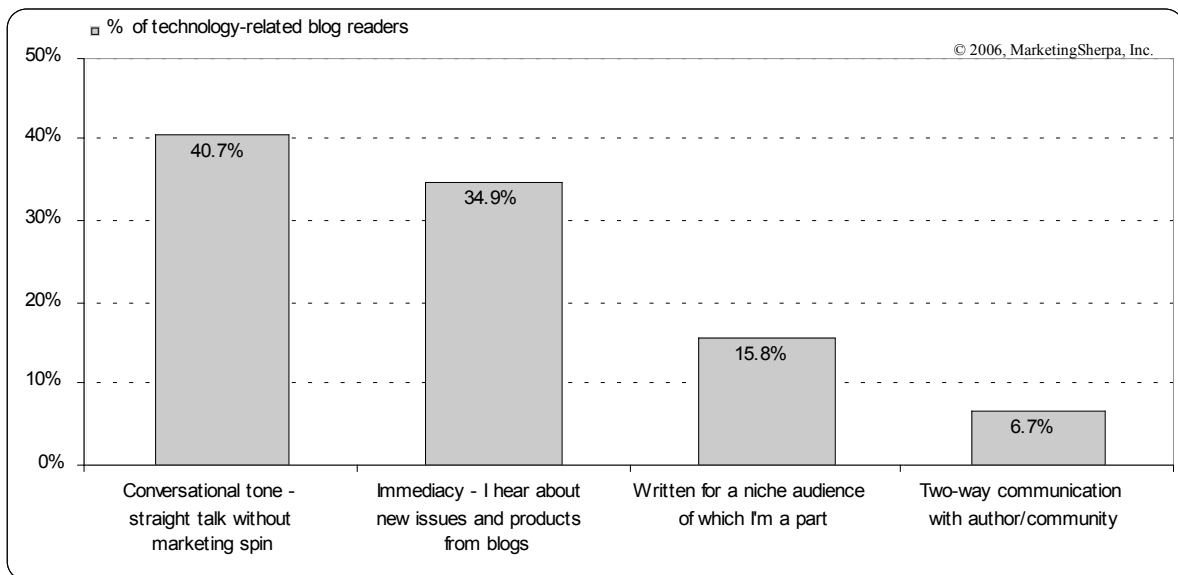


Source: MarketingSherpa and CNET B2B, Business Technology Buyers’ Survey, May 2006
Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

We asked technology buyers about the types of blogs they read, and while the majority favor independents and media brands, almost a third report regularly reading the blogs of vendor personalities.

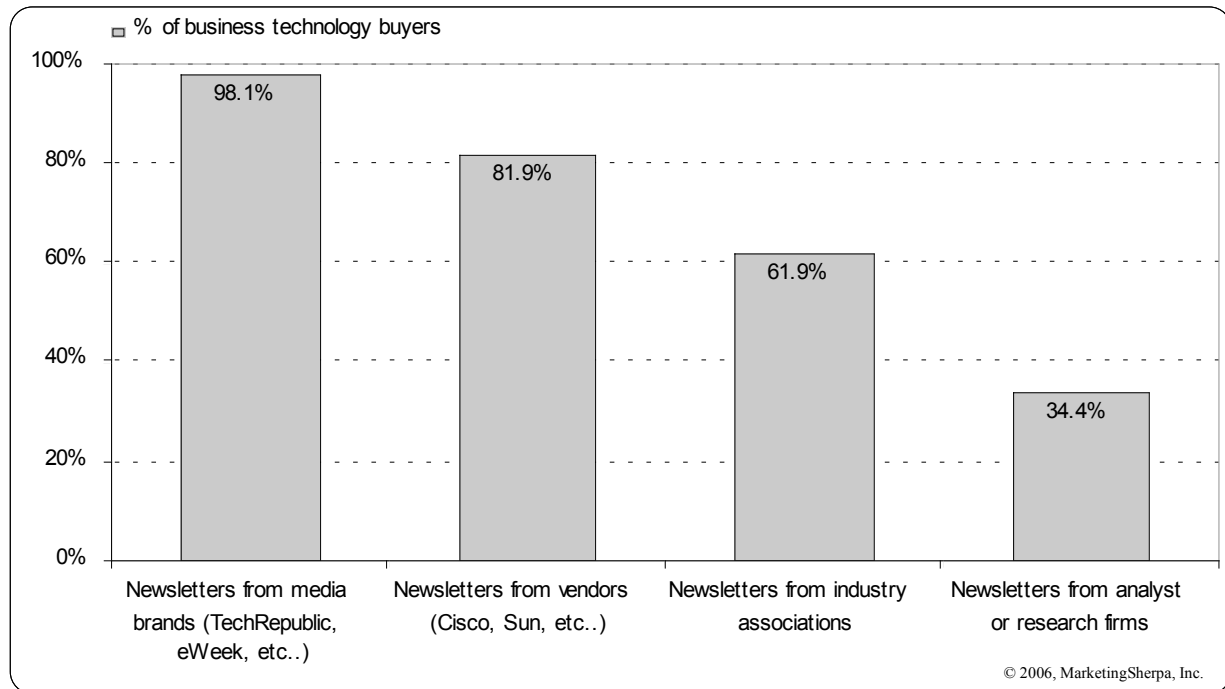
The reason they read those is that blogs have an unvarnished quality that typical content doesn’t, and the immediacy that comes of having writers who are well versed in niche content areas and obsessed with keeping their blogs current.

Chart: Tech Buyers’ Reasons for Reading Blogs



Source: MarketingSherpa and CNET B2B, Business Technology Buyers’ Survey, May 2006

Chart: Technology Buyers' Email Newsletter Subscription Practices



Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

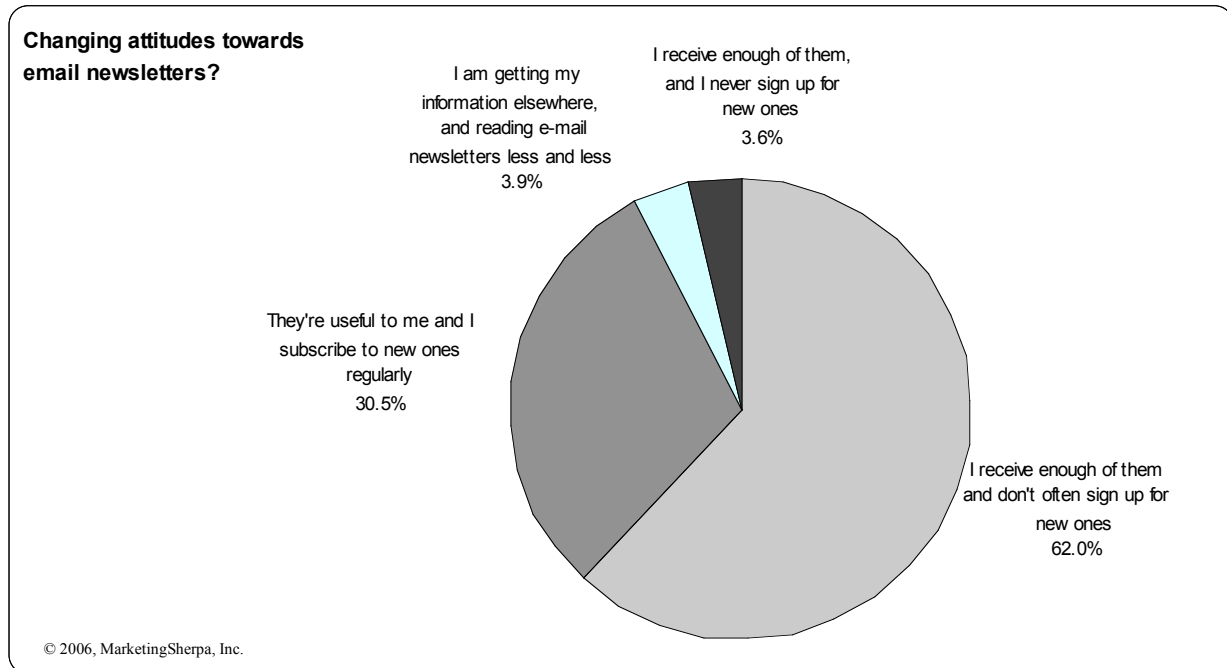
Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

Good news for vendors — your newsletters are second only to the big media brands in acceptance among tech buyers who subscribe to at least one email newsletter, and most subscribe to many more than that.

Interestingly, analyst/research firm newsletters are only getting to about one in three of our respondents. However, there may be a decision-maker correlation in that sub-set.

When we parsed out email newsletter subscriptions by role, we found that executives were significantly more likely to subscribe to newsletters from vendors than others in their organizations. They were also more likely to subscribe to newsletters from analyst or research firms. In both cases, the execs appear to be using the newsletters to keep tabs on their current vendors while assessing unknowns for the future.

Chart: Technology Buyers' Attitudes Toward Email Newsletters



Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

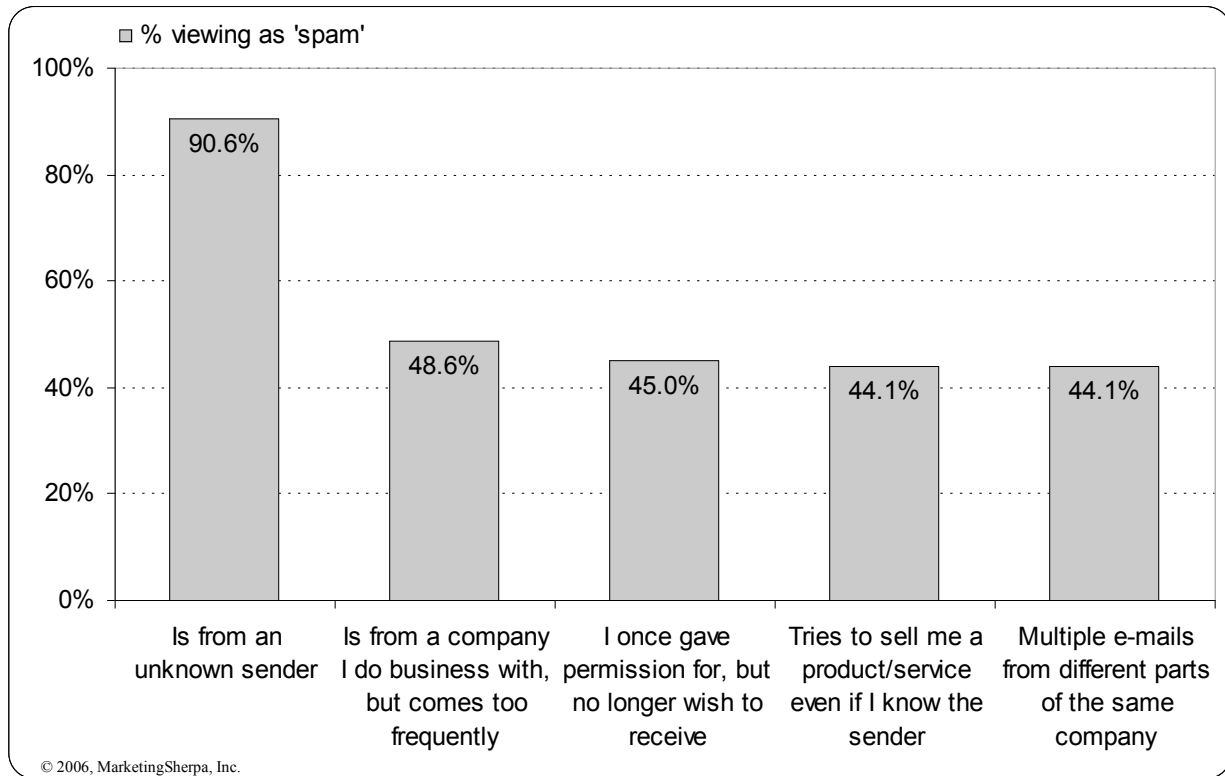
Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

The role of email newsletters in the daily lives of technology buyers can be summed up with one simple statistic: Only 3.9% say they are reading them less and roughly 8% aren't subscribing to new ones any longer. Nearly 93% of the respondents indicated that they would be willing to subscribe to new email newsletters if they made a compelling argument, with 30% saying they subscribe to new ones regularly.

These results show the dramatic gulf between consumer and business attitudes toward email newsletters. In a 2005 Forrester survey of consumers getting email newsletters, 82% said they were unlikely to subscribe to any more email programs.

This strong showing is especially important in light of concerns with email deliverability into business environment. The phenomenon of false positives, where legitimate emails are incorrectly flagged as spam is an issue in business-to-business marketing because so much of what happens behind the firewall is a mystery. With levels of interest this high, marketers can rest a bit easier that at least readers are eager for information and perhaps increasingly likely to whitelist their newsletters.

Chart: Technology Buyers' Expanding Definitions of 'Spam'



Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

Last year, a study focused on consumers examined the expanding definitions of spam, so we thought it merited an inquiry on the business technology front. While somewhat more forgiving than consumers, business email recipients are increasingly strict in how they define unwanted email.

Comes too frequently: This is where preference centers and testing can make the difference. For companies that deal with long sales cycles, it's vitally important to maintain long-term relationships with your prospects, and that means email. Email too frequently and that relationship could be cut short, but what does "too frequently mean"? It's different for every company because of the unique nature of their content and their customers. Offering recipients control over the type and frequency of communications is one way in which forward-thinking marketers are dealing with the issue.

Once gave permission, but...: The underlying reason is that so few recipients go through the unsubscribe process. Even a trusted business can fall prey to the spam label as busy executives' priorities change. The takeaway is simply to be wary of low unsubscribe figures as a measure of success.

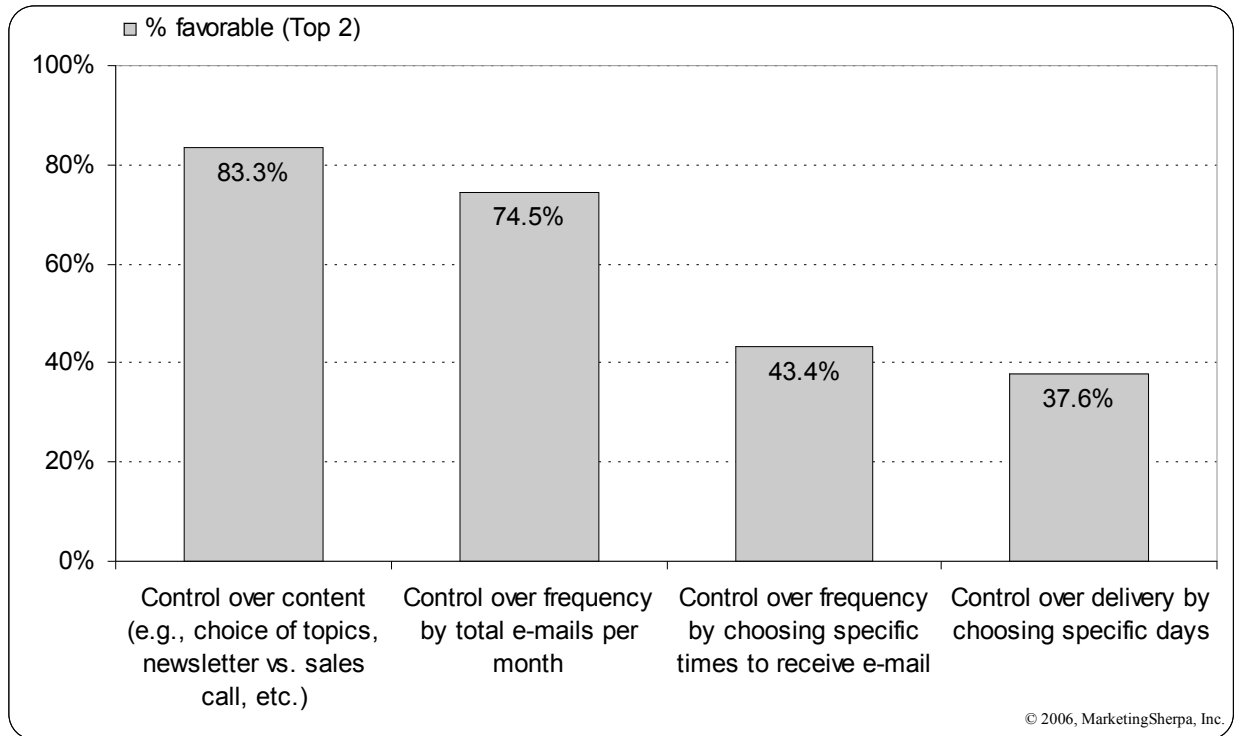
Tries to sell me a product, even if I know the sender: Business technology buyers are sensitive to the nature of their marketing relationships. If they've signed up for what they understand to be an educational relationship, they may respond negatively to being pitched. During the sign-up process, it may be advisable to make it clear that there will be sales messages as part of the

package.

Multiple emails from different parts of the same company: A particular challenge for large organizations, especially those with multi-national reach, is that a number of internal entities may have access to potential customers. To add to the confusion, sales and marketing may well have different policies and procedures around email handling. In the worst-case scenario, and one that is not so rare, there can even be contradictory information about product features, availability and even pricing.

For the marketer, reining in these competing entities can be very challenging. One enterprise-level CMO we spoke with used the occasion of outsourcing email management as the reason to circle the wagons — making email standardization the ostensible reason for outsourcing, and getting management-team buy-in. Once in place, this same marketer used the vendor to play bad cop, noting and correcting any infractions in the new email policy.

Chart: Technology Buyers' Preference for Control over Email



Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

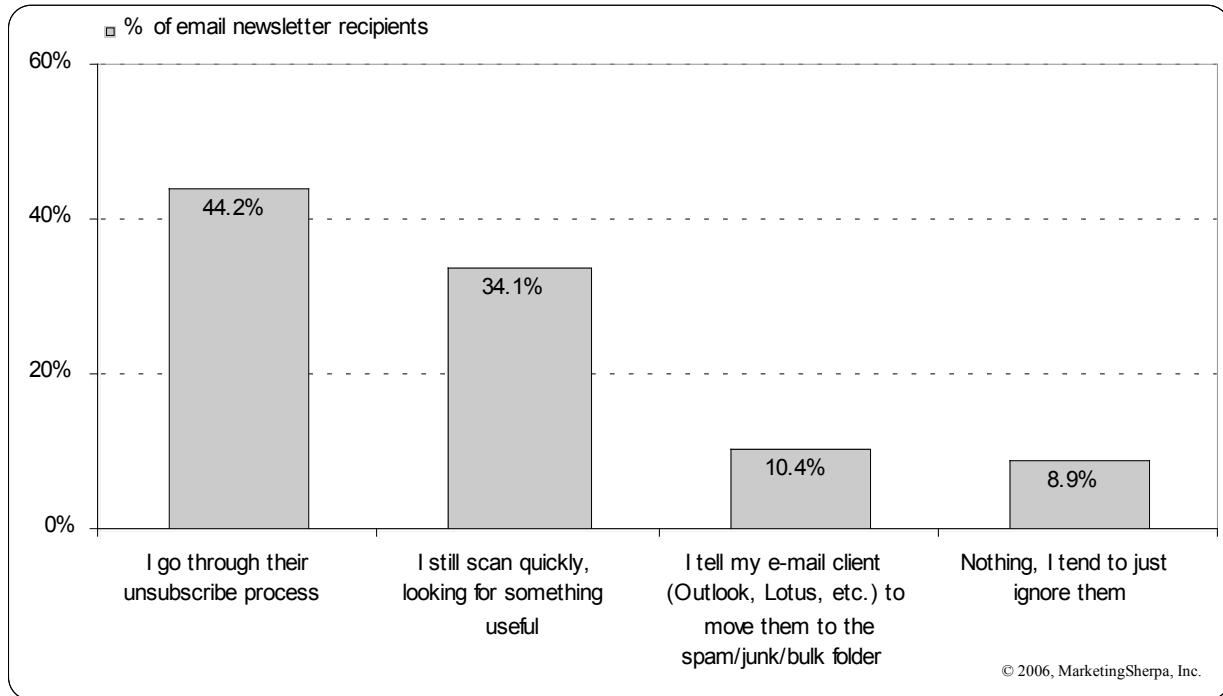
We asked technology buyers about the effect of having various measures of control over their email relationships with vendors. Virtually all expressed a high degree of interest and a positive response to the concept of having control over email.

Control over content is both the most widespread and the most interesting to potential recipients. With so many companies dealing with unique verticals and sectors, their email content should be just as varied. Once it is, the email subscription process should allow prospects to pick and choose their appropriate data.

Control over frequency is also a prime interest, with almost three in four buyers expressing a strong interest and suggesting that having this level of control would make subscribing more likely. Overall frequency seems to be of significantly more interest than more specific controls over day of week or time of day.

A note for marketers considering offering a degree of control over frequency: It can be a risky business since it is a macro-level control over your readers' emails. There's a danger of an unimportant email overlapping with one that is vital. Fortunately, this is more an issue for consumer marketers who tend to email more than once per month, as opposed to the business technology community, which averages less than one email per month.

Chart: Actions Taken by Technology Buyers to End the Email Relationship

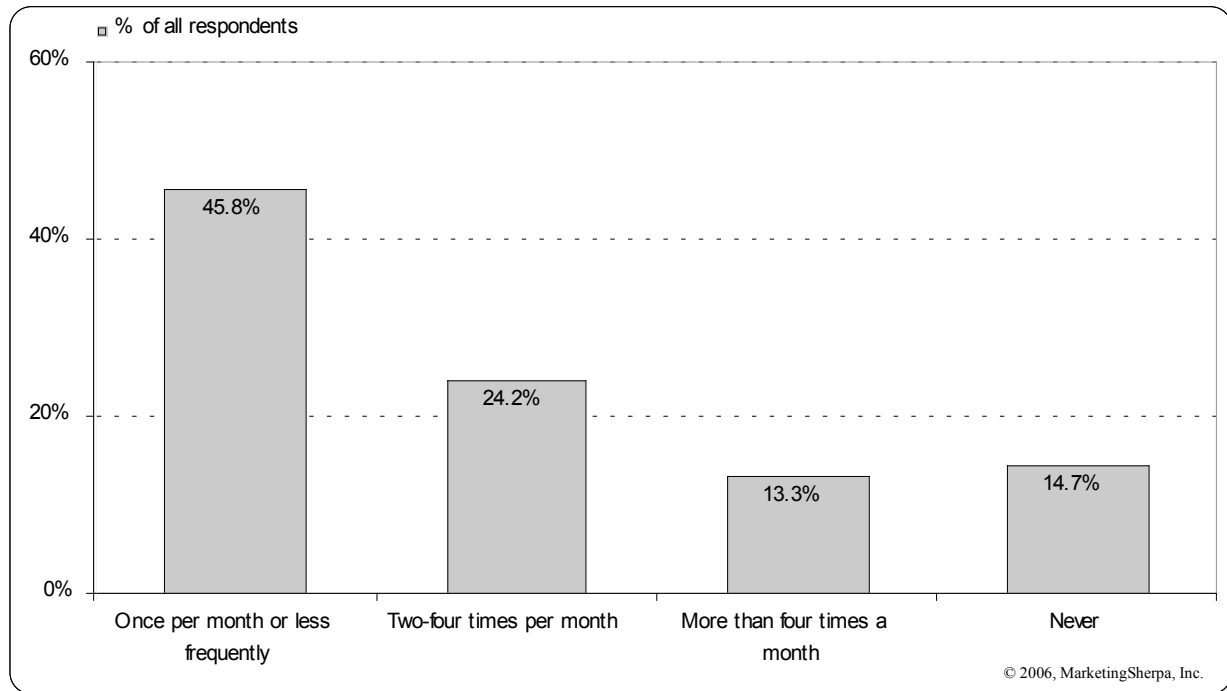


Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

The bad news is that a majority of email recipients don't bother to unsubscribe when they're done with an email newsletter, but most marketers already knew that. The good news is that for more than 40% of recipients, there's nothing final about it. They acknowledge that even though they consider a relationship to be over, the reality is that they don't always opt-out. In fact, they maintain at least some degree of attention for these emails. More than one in three report that they scan emails looking for something useful, which is about all that marketers can ask of their most engaged recipients.

Chart: Technology Buyers' Frequency of Forwarding Emails



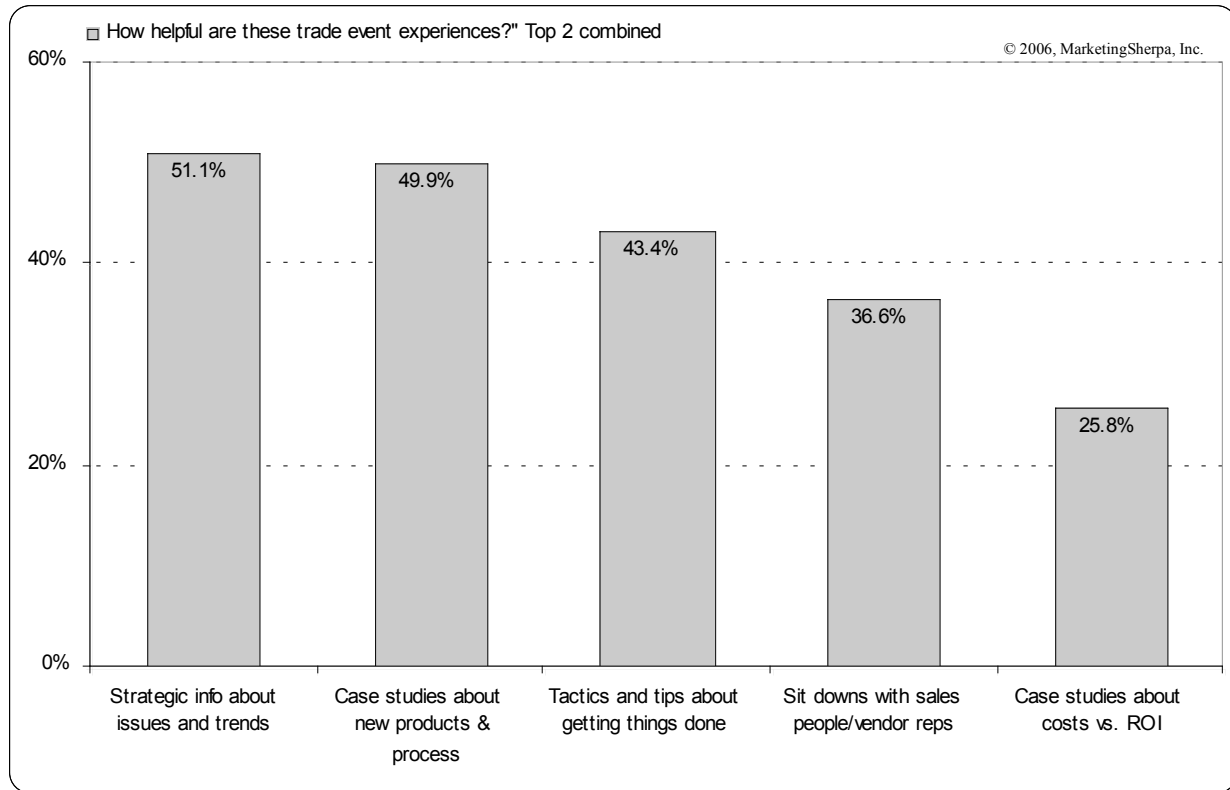
Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

About one-third of business technology buyers forward emails more than once per month. That group has a high overlap with professionals who have identified themselves as connectors as opposed to collectors or advocates. That makes sense since that's what connectors do — put people together with information, organizations and other professionals.

These connectors are a vital resource even if you don't know who they are. Marketers should do everything they can to make it easy for them, such as using unique links for individual stories in the newsletter so they don't get lost in the crowd. One marketer we spoke with has salespeople let marketing know whenever they hear about a forwarded article, recommendation or endorsement from a customer, and then follows up with a significant thank-you gift.

Chart: Impact of Trade Show/Event Interactions on Technology Buyers

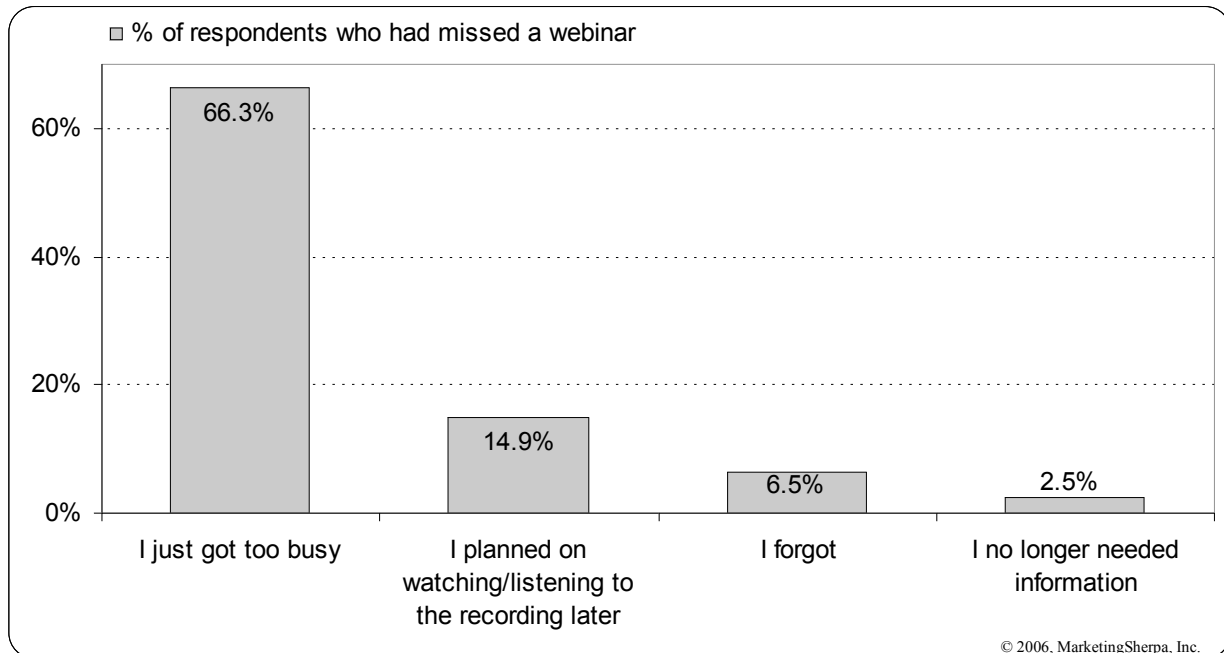


Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

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There's an interesting irony about marketing technology products — even though ROI information is typically ranked as a high priority, case studies focused on ROI rank lowest among the useful activities at trade events. This isn't entirely surprising, because even though buyers scream for ROI information, when push comes to shove companies tend to doubt that ROI calculations and figures from one company apply to them. The only answer is to compile as broad a range of case studies focused on ROI as possible in hopes that there will be overlap with potential customers.

Chart: Reasons for Missing Technology Webinars



Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

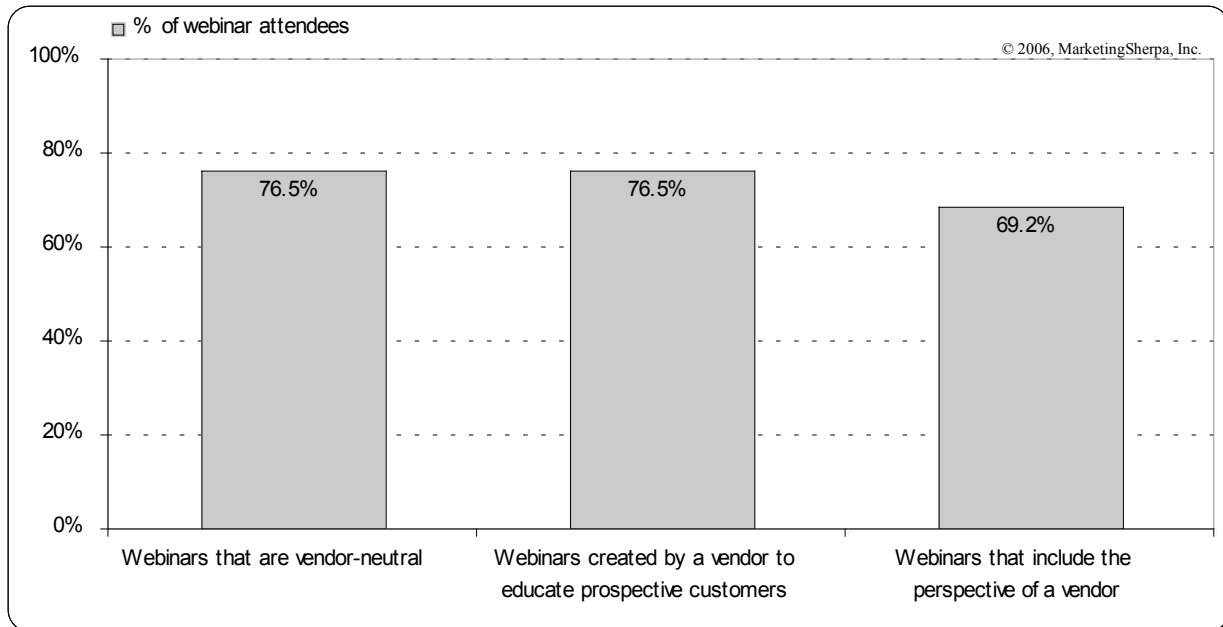
An average of one in three people who sign up for free webinars end up attending. We were curious why. Only 2.5% said they no longer needed the information, leaving some opportunity to take advantage of the webinar even after the event has passed.

1. Make the webinar available for viewing and send an email reminder to those who missed the event. Recorded webinars are common; webinar vendors report that over 90% of their webinars are now recorded for future replay. However, many companies will choose to only make their webinars available for a specific period of time. For these companies, it may be worth keeping some evergreen content available long term.

It's all about search marketing since Google and Yahoo are the first stop for prospects looking for answers. Webinars or the original Powerpoints with transcripts that are properly archived make for highly relevant and therefore visible search results.

2. Create buzz by holding a specific rebroadcast of the webinar for those who missed it the first time. Encourage attendees through testimonials gathered the first time around or with an additional opportunity to ask questions of the hosts.
3. Use syndication services to make the webinar available to a wide audience.

Chart: Types of Webinars Attended by Technology Buyers



Source: MarketingSherpa and CNET B2B, Business Technology Buyers' Survey, May 2006

Methodology: The survey was floated to certain CNET readers on May 18, 2006, and remained open until May 23. A total of 633 respondents participated, ranging in roles from front-line technology professionals to the C-level and across the gamut of industries.

Like blogs, webinars can transcend the normal skepticism that technology buyers feel toward marketing media. There is no difference in their attendance at webinars that are vendor-neutral versus those created by a vendor. Of course, that doesn't mean that all webinars are created equal. When speaking to execs we found that they had good memories for webinars that were truly informative versus thinly veiled marketing-speak.

When we corrected for role we found that executives were significantly more likely than others to attend webinars/teleseminars several times per year. A strong webinar can move smaller, less branded organizations up the list of potential vendors, even for large organizations that prefer to buy from other large organizations.

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MarketingSherpa Inc. is a research firm publishing Case Studies, benchmark data, and how-to information read by more than 237,000 advertising, marketing and PR professionals every week.

Praised by The Economist, Harvard Business School's Working Knowledge Site, and Entrepreneur.com, MarketingSherpa is distinguished by offering practical, results-based marketing information researched and written by a staff of in-house reporters.

MarketingSherpa's publications, available at www.MarketingSherpa.com, include:

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- Annual Benchmark Guides featuring primary research and collected "best of" secondary research on statistics related to search marketing, email marketing, ecommerce and business technology marketing.

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