

Buyers stand by trusted information sources amid signs of fraying vendor loyalty

Study documents an expanding tech buying committee, with continued leadership from IT executives

Despite a series of setbacks that frustrated recovery attempts in 2021, businesses continue to forge ahead with digital transformation initiatives and their accompanying IT investments. Foundry's 2022 Role & Influence of the Technology Decision-Maker study found that 90% of IT decision-makers (ITDMs) plan to either increase their technology budgets or hold them steady over the next 12 months, up from 76% who said the same in 2020.

Half or more of respondents plan to spend more on software and services, reflecting the increased popularity of software-as-a-service and cloud platforms. Just one in ten plan to curtail spending in those areas. Most of the tech purchases made during the next six to 12 months will be net additions to portfolios, reflecting the ongoing transformation that is sweeping across business.

The IT purchase process has been somewhat disrupted by supply chain inconsistencies and difficulties imposed by virtual workforces. This was reflected in a trend that surfaced toward a more centralized and extended purchase process. Most of those changes will likely continue through 2022.

The results of this 14th annual study continue to show the steady dispersion of buying influence throughout organizations as "bring your own device" policies and an increasingly technology-savvy cadre of business users take on more of their technology responsibilities. However, as in previous studies, it was clear this year that IT leaders remain fully in control of the most critical decisions regarding corporate standards and governance.

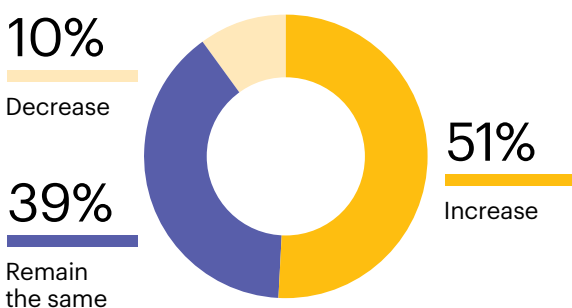
The survey of 646 ITDMs at companies averaging more than 12,500 employees in size also evidenced continued openness to considering solutions from new vendors as well as a slowing of the purchase process. The factors that cause buyers to look to alternative sources also vary sharply, in some cases, by industry.

In addition to examining factors that influence buyers' purchasing decisions, the research also looks at the information sources they rely upon. Little has changed in the aggregate over the years: technology content sites continue to be the source most relied upon to keep buyers up to date on new technologies. However, certain sources have risen and waned in popularity over time. For example, webcasts and webinars are now the third most relied upon source, up from sixth in 2019.

Spending plans

Over half of all respondents expect to increase their IT budgets over the next 12 months compared to the previous year. Spending plans are most aggressive in

Tech budgets on the rise in 2022

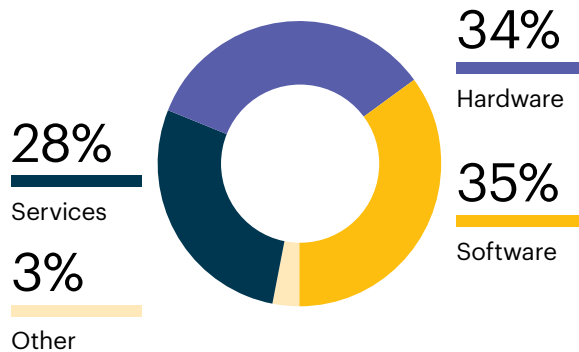


the high technology vertical — where two-thirds plan to increase spending — followed closely by telecom and retail/wholesale/distribution. In contrast, just 29% of educational institutions expect to spend more, a finding that isn't surprising given the impact of the pandemic on enrollments. The median planned budget increase across all respondents is 15%. Software is the category that will see the biggest spending growth, with 52% of respondents planning to increase investments there compared to 43% in hardware and 50% in services.

However, there are some notable differences by industry. A significantly higher percentage of financial services and manufacturing firms plan to increase investments in hardware while 43% of retailers plan to reduce expenditures in that area compared to 20% of all respondents. Educational organizations will grow their software spending to a much lesser degree than their peers in other industries while 70% of retailers plan to increase spending on services compared to 50% of all respondents. These findings may indicate a broader shift in the retail business toward cloud-based services while financial and manufacturing firms are ramping up investments in smart devices and dedicated artificial intelligence machines.

The accelerated spending on new products and services that was evident at the end of 2020 has slowed somewhat, with 39% of new technology purchases expected to be additive to existing technology portfolios, down from 52% in 2020. Financial, technology, and retail/wholesale/distribution firms are the most aggressive in adding to their portfolios while education, government,

How will tech budgets be allocated?



52%

**expect their budget allocation
towards software will increase
over the next 12 months**

healthcare, and manufacturing firms are the most likely to replace existing products. The research also shows that enterprise organizations (1,000+ employees) are more likely to make an upgrade (35% vs. 32% for SMBs), while SMBs are more likely to add technologies (41% vs. 36% for enterprises.)

Mobile and web applications are the largest category of net new purchases, with 45% of those acquisitions being additive. Internet of things (IoT) devices,

Internal events influencing tech purchase decisions:

1. Process changes
2. Re-organizations
3. Internal skills shortage

External events influencing tech purchase decisions:

1. Customer requests
2. Market changes
3. Competitive threats

data analytics, and enterprise SaaS and non-SaaS software are close behind. The technologies most likely to be replaced are in mature categories like telecom and networking.

Respondents were nearly evenly split over the factors that drive IT strategy, with one-third saying they seek to maintain the status quo, another one-third citing response to internal events, and 29% pointing to external influences. Those factors were nearly unchanged from 2020. The internal event that drives technology purchases the most is overwhelmingly process change followed by reorganizations and the need to compensate for internal skill shortages. Top external factors are customer requests (cited by 49% of ITDMs), market changes (47%), and competitive threats (38%).

New blood

One striking trend the research has documented over the years is decision-makers' growing acceptance of solutions from new vendors. In contrast to the stereotypical image of IT executives as risk-averse, their willingness to consider new suppliers has grown over the past three studies.

Overall, 45% of respondents said they have sought or will seek a new vendor for IT purchases; among retail organizations the figure was 55%. Three years ago, just over 30% of the people who said they

45% of tech buyers have sought or will seek a new vendor for IT purchases

Top reasons

1. Current product or service no longer met business needs
2. Increased cost or level of investment required by current vendor
3. Poor customer service

54% of data and analytics purchases were or will be made from a new vendor, same with enterprise software (non SaaS) (52%), and IoT devices (51%)

were considering a new vendor said it was because the current product or service no longer met their business needs. That figure has jumped to 44% in this study. Other factors that cause buyers to seek alternatives include increasing costs of a current solution (cited by 36%), poor customer service (35%), and the belief that current products do not meet security requirements (31%). All were up substantially from 2019.

Responses varied considerably in some vertical segments. For example, government/nonprofit and healthcare organizations showed a much greater proclivity to switch because products no longer meet their business needs while retail companies cited poor customer service as a factor to a much greater degree than did their peers. Close to fifty percent more healthcare leaders cited vendors' lack of alignment with their digital transformation efforts as a driver compared to the average, a finding that perhaps illustrates the level of impact that technologies like telemedicine have had in that field.

There were also interesting variances by company size. Enterprises were much more likely to point to cost as a reason for switching by a four-to-three ratio over smaller companies, which were more likely to cite poor customer service. Enterprises were also more likely than smaller firms to make a switch because of a new business initiative or because products and services did not align with their digital transformation.

The clear message is that incumbents need to protect their customer base, particularly in high-growth industries or where switching costs are relatively low. ITDMs are most likely to seek a new vendor for purchases in the areas of data/analytics

The average length of the tech purchase process is 6.2 months

(noted by 54%), non-SaaS enterprise software (52%), IoT devices (51%), and mobile apps (49%). They indicate the most loyalty to existing suppliers in mature categories like servers/storage, desktops/laptops, and networking. This trend indicates that volatile markets engender the least loyalty while buyers are most likely to stick with tried-and-true choices for core infrastructure.

Closing time

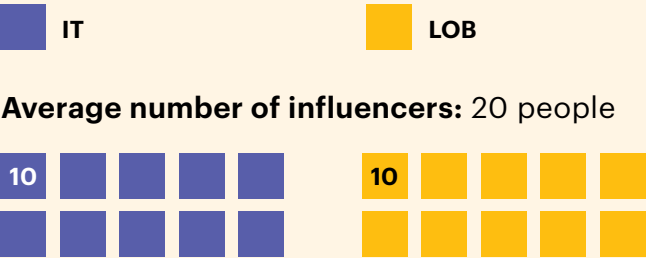
It's taking buyers longer than ever to make decisions. One practical reason is that assembling all relevant influencers in a single room is no longer an option, but a profusion of choices in the cloud and the continuing growth of buying committees are also factors. The average length of the tech purchase process is 6.2 months from this most recent study, up from 5.4 months in 2019 and 4.8 months in 2017. Just 11% of respondents said their average buying cycle is less than one month, down from 18% two years ago. Conversely, 22% said it takes a year or more to make a decision compared to 15% in 2019.

One factor in the longer decision cycles is probably growth in buying committees, which have swelled in size from an average of 16 people in 2017 to 20 people this year (10 IT and 10 LOB). The largest committees are devoted to decisions around IoT (25 people), cloud (24), enterprise non-SaaS (23) and the smallest consider desktops (16), servers (17), and networking (18). Among the majority of these groups we see a larger IT influence —or example, 13 IT individuals vs. 11 LOB for cloud decisions, and 12 IT vs. 10 LOB individuals for SaaS decisions.

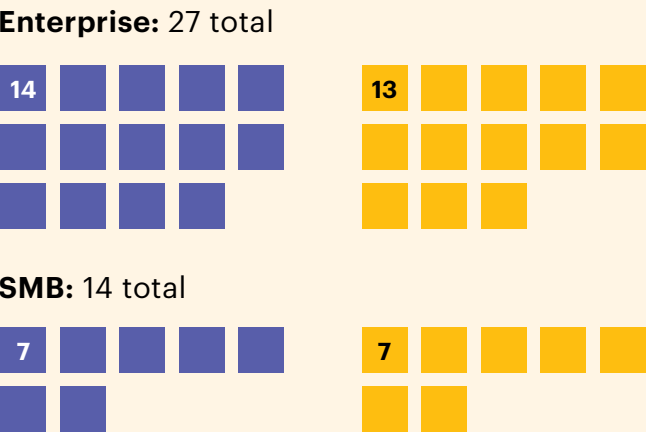
With business end-users more involved in the buying process, the concept of “citizen IT” was also explored in this year’s survey. This concept has been promoted by Gartner, which reported in 2020 that 41% of enterprises had active citizen development initiatives with an additional 20% in the evaluation or planning stage. Gartner expects that more than 65% of application development activity will be performed by non-professional programmers by 2024.

Foundry’s Role & Influence research largely corroborates those expectations, with 48% of respondents saying they currently have plans to support citizen IT development. Within this 48%, 23% are actively researching the prospect, 10% are piloting, 10% have plans underway in a specific business unit, and only 5% are in full deployment, though.

Know the buying committee



By company size



While intentions are strong, IT leaders are still proceeding with caution. Nearly 8 in 10 said they have concerns about citizen IT initiatives, led by worries about security/governance, the time required to educate business users, and integration with the existing IT application portfolio. Nevertheless, the trend is clearly toward expanding the realm of IT influence beyond the technology organization.

While involvement may be expanding, CIO influence isn't stepping aside. The survey showed that, across the board, top IT executives still take the lead in determining business needs, recommending and selecting vendors, selling internally, authorizing/approving, and spearheading post-sales engagement. CIOs are the number one or number two influence in every stage of the buying process except for product evaluation, where IT staff leads in determining technical requirements and assessing products and services. CEOs lead in authorizing and approving expenditures.

These findings are unsurprising; technical staff would be the natural choice to do the detailed work while executives focus on strategic enterprise-level decisions. This finding was consistent across every industry except for telecom and utilities, where CEOs were more involved than CIOs in determining need and staff members were more active in recommending products and vendors for purchase. Healthcare organizations tended to place the greatest overall responsibility on the CIO.

This year's survey introduced questions about working with IT consultants, who are an increasingly popular option among companies considering complex cloud migrations and application modernization projects. A significant 45% of respondents said they are likely to work with a consultant on IT services projects, followed by 41% who would engage outside help for cloud computing decisions. Security and enterprise software are also popular avenues for outside advice.

Information sources

The bedrock of the Role & Influence research has long been its deep exploration of the information sources IT leaders use at different stages of the buying process. The trusted sources buyers turn to

Executive IT leads the purchase process

Step 1

Determine the business need

1. CIO
2. CEO
3. LOB mgmt.

Step 2

Determine technical requirements

1. IT staff
2. CIO
3. Engineer

Step 3

Evaluate products and services

1. IT staff
2. IT mgmt.
3. Engineer

Step 4

Recommend and select vendors

1. CIO
2. IT mgmt.
3. IT staff

Step 5

Sell internally

1. CIO
2. IT mgmt.
3. CTO

Step 6

Approve and authorize

1. CEO
2. CIO
3. CFO

Step 7

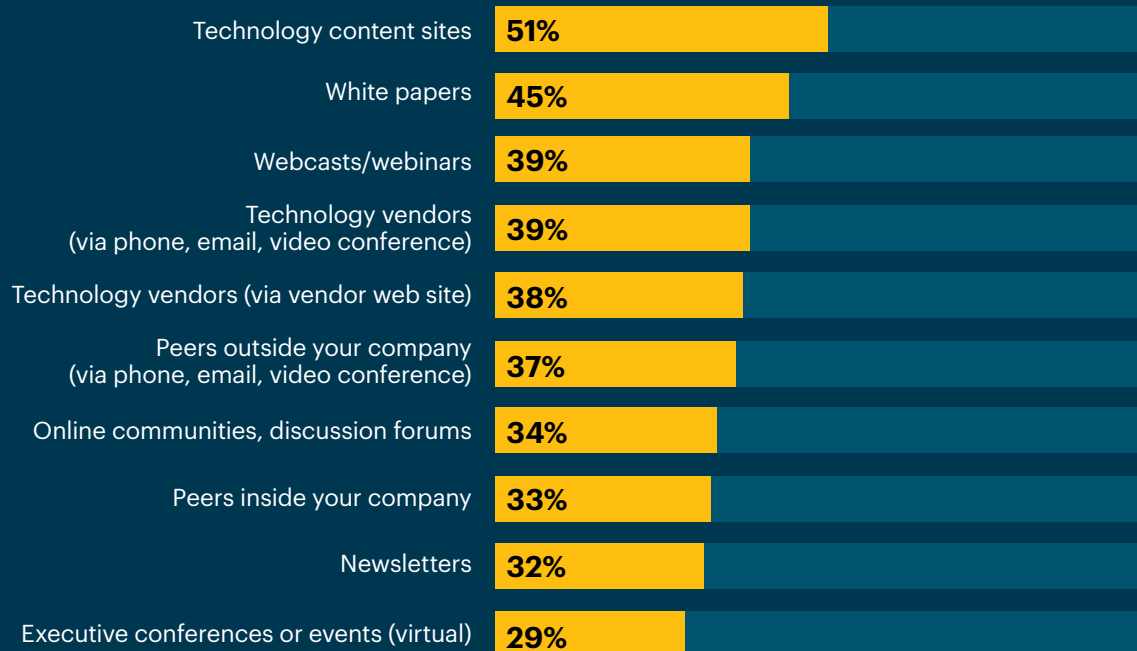
Post sales engagement

1. CIO
2. IT staff
3. IT mgmt.

have remained largely consistent over the years, although the relative importance of those sources as the buying process proceeds fluctuates somewhat from year to year.

More than three-quarters of ITDMs say they typically spend more time-consuming content from known and trusted brands because they are confident their time will be well spent. Technology content sites that cover news and how-to information are the most relied-upon sources as they have been for the past several surveys. They are followed closely by white papers and, to a somewhat lesser degree, information from technology vendors via phone/email/video conference, webcasts, and peers outside

Top sources of information relied upon



the company. It is worth noting, however, that a wide variety of content types influence decisions; 15 different information sources were rated as influential by at least one-quarter of survey respondents including online communities, newsletters, and peers inside the company. The lowest-rated information sources are mobile newsfeeds, infographics, and business print publications.

Different sources assume different levels of importance depending upon the decision-maker's stage in the buying process. In the early-stage processes of determining business needs, technical requirements, evaluating products and services, and recommending selected vendors, technology content sites top the list of the most useful sources. When ITDMs need to sell their decisions internally, they turn to technology vendor websites first. Peers inside the company also figure prominently at that stage.

Technology vendors are highly influential in the authorization and purchase approval stage, followed by content sites and peers inside the company. Vendors also figure prominently in post-sales engagement.

The results show some significant variances by company size. For example, peer recommendations from both inside and outside the organization are less influential at companies of less than 1,000 employees than they are at larger firms.

It is also worth noting some changes in the rankings that have occurred over time. In the requirements definition stage, the importance of internal peers fell from first place in the 2017 study to fifth in this survey. This may be a function of the increased levels of isolation enforced by the pandemic, which has frustrated collaboration to some degree. During the evaluation stage, technology content sites rose from third place in 2017 to first in 2022.

Content sites were also the most influential information source in the recommendation stage this year after not even making the top-five source list five years ago.

Technology vendors have also clearly gained influence. They were the top-rated sources of information in the final three stages of the sales cycle this year, up from middle-of-the-pack status in 2017.

Media preferences

On average, tech buyers download six pieces of content, such as white papers, research reports, case studies) throughout the tech purchase process, up from five in 2017. New to this year’s study, the research looked at to what extent awareness of a technology vendor influences a tech buyers’ decision to engage with their content. The results proved to be high, especially for product reviews (71%) and case studies (56%), followed by third-party market research (44%) and technology related videos (44%).

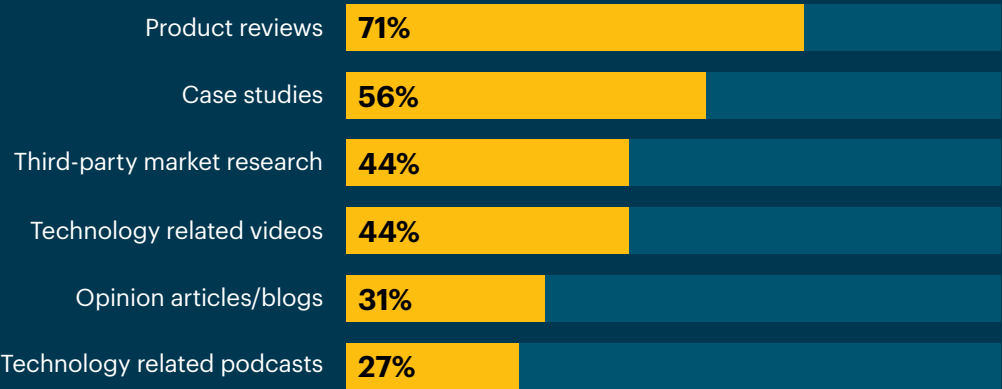
Events are another influential source of information that has, not surprisingly, been less accessible during the past two years. Thinking about the next 12 months, 57% plan to attend an in-person work-related technology event, while 23% are still unsure and 21% say no. Fully 30% of ITDMs said company

57% of ITDMs plan to attend an in-person work-related technology event over the next 12 months

policy specifically currently does not allow them to attend in-person work-related events for the foreseeable future. Senior leaders appear to be less constrained by such rules than their staff as 60% plan to attend an in-person work-related event compared to 49% for IT professionals.

Visual and audio media are also growing in importance. Webcasts have taken on some of the functions once served by live events as evidenced by the 71% of decision-makers who have registered for one in the last 12 months. Although nearly all webcasts are available on-demand, nearly two-thirds of executives said they attend and watch them live. Podcasts have also clearly gone mainstream; just over half of respondents had listened to at least one in the three months for business purposes. Online

Vendor awareness impacts content engagement



video is also now a primary information source, watched by an overwhelming 96% of buyers, up from 90% in 2017.

Also notable are the different types of information buyers expect to consume in different media platforms. The most popular video content is in-depth product reviews followed by industry research/tech analyst reports and how-to content. In contrast, executives listen to podcasts primarily to find out about new technology, catch up on news and hear thought-leading content. Marketers should

96% of ITDMs watch technology related video for business purposes

Top types of video

1. In-depth product reviews
2. Industry research/tech analyst reports
3. How-to videos

consider these contrasts in choosing the right delivery media for their content.

Conclusions

Technology changes at an ever-faster pace but how humans go about choosing the technology they use has varied little over years of Role & Influence research. The trust factor is critical. Whether it is publications, colleagues, vendors, or advisory firms, IT decision-makers repeatedly return to the same trusted sources and content types.

They also prefer to do business with the same trusted vendors, although recent surveys have shown some erosion of brand loyalty. Products that no longer meet business needs or that carry hefty surcharges are at risk of being jettisoned, particularly in rapidly changing markets. Attentive customer service and a receptive year to changing needs are essential to keeping vendors in buyers' good graces.

Technology buying decisions are knowledge-intensive and are heavily influenced by the availability of quality content. Over the years, the Role & Influence research has established that buyers are concerned far less with the source of information than the quality of the content. Marketers who stay close to their customers, keep their needs foremost in mind, and deliver informative content in the right medium and at the right stage of the buying cycle will enjoy outsized rewards.

About the survey

Foundry's 2022 Role & Influence of the Technology Decision-Maker Research was previously released under the IDG Communications, Inc. brand. The study was conducted online among the audiences of Foundry's B2B brands (CIO, Computerworld, CSO, InfoWorld, and Network World) representing IT and security decision-makers involved in the IT purchase process for their organization. Results in this release are based on 646 respondents to the 35 question survey across multiple industries and countries.

Examining the marketplace

Research is an invaluable way for marketers to better understand customers and prospects, with the goal of building quality connections. At Foundry this is one way we are focused on building bridges between tech buyers and sellers. Our first-party relationships with the most important tech buyers and influencers around the world, allows us to apply value across our customers marketing stack. Our research portfolio explores our audiences' perspectives and challenges around specific technologies — from analytics and cloud, to IoT and security — and examines the changing roles within the IT purchase process, arming tech marketers with the information they need to identify opportunities.

To see what research is available, visit [FoundryCo.com/tools-for-marketers](https://foundryco.com/tools-for-marketers). For a presentation of full results from any of these studies, contact your Foundry sales executive or go to [FoundryCo.com/contact-us](https://foundryco.com/contact-us).

Buying process

Each year we take a deep dive into the enterprise IT purchase process to learn more about who is involved and who influences decision-making, what sources purchasers rely on to keep up to date with technology — and throughout the purchase process — and how they want to engage with the vendors they are working with. Visit [FoundryCo.com/customerjourney](https://foundryco.com/customerjourney) for more information.

Role and Influence of the Technology Decision-Maker

This survey is conducted to gain insight into the evolving role and influence of IT decision-makers in today's corporations. The research identifies key decision-makers and examines their involvement during each stage of the tech purchase process and the primary influences and information sources they rely on.

Customer Engagement

This survey examines the role content consumption plays in the purchase process for major technology products and services, and provides insights for tech marketers to map their engagement touch-points to customers' information needs. The survey looks at how a wide variety of content types are consumed, discussed and shared throughout the stages of the tech purchase process and how that maps to marketing and sales alignment.

Technology insights

Each year we explore the technologies that are top of mind among our audiences to understand the business challenges, drivers, and adoption within the enterprise. These research studies are designed to help IT marketers understand what their customers are focused on and where the market is moving.

Role and priority studies

- CIO Tech Poll: Tech Priorities
- State of the CIO

Technology-specific studies

- Data & Analytics
- Cloud Computing
- Digital Business
- Security Priorities

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