Small & Medium Business ICT & Cloud Services Tracker Overview

On-Premise & Cloud-Based IT Products & Services Opportunity Assessment

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Outline

Executive Summary

Infrastructure

IT Services

Market Sizing

Software

Internet & Telecom

Economic Outlook

Mobility

Channels/RTM

Firmographics & Background

Cloud/ Hosted Services

APPENDIX

Attitudes & Decision Making

Virtualization

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All spending figures are expressed in U.S. dollars.

Introduction

- Small and medium businesses (SMBs) make IT and telecommunications (ICT) solution buying decisions based on a variety of factors, including the size and type of firm, as well as the utility and complexity of their systems. These companies are making such decision with more planning and forethought than ever. This report explores how and why SMBs purchase and maintain the IT used to run their businesses and the implications for IT vendors, service providers and marketers.

- Vendors need SMB-focused messaging, experience and products tailored to meet small and medium business pain points. This study provides marketing and product executives the insights to effectively enhance or tweak their go-to-market approach for greater bottom line impact.

- The analysis examines SMBs' business needs, including ICT priorities, purchase channel preferences and the customer journey at a granular level. This study drills down into numerous individual ICT categories – both cloud and on-premise solutions – and provides a clear sense of the overall market opportunity/outlook for each and the forces shaping that specific category.

- Shifts in the SMB ICT landscape – including purchase channels – are highlighted and illustrate how vendors can best leverage those shifts to deliver solutions profitably.

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Definitions

Methodology

APPENDIX

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Definitions by Type of Business

Small Businesses

- Fewer than 100 employees across entire corporation
  - **Government and charity organizations are not included**
- Is located in a commercial setting
  - **Home-based businesses are not included**
- Franchises and subsidiaries are included
  - **Purchase decisions driven by business/location being surveyed**

Medium Businesses

- 100 – 999 employees across entire corporation
  - **Government and charity organizations are not included**
- Is located in a commercial setting
  - **Home-based businesses are not included**
- Franchises are included
- PC Firms – Firms owning at least one PC for business use
- LAN Firms – PC Firms networking their PCs (printers, peripherals, etc.) via a local-area network
  - **Server Firms – LAN Firms networking their PCs via a server (but not peer-to-peer)**
  - **WLAN Firms – LAN Firms networking their PCs via a wireless LAN**
  - **SAN/NAS Firms – LAN Firms facilitating storage of data via their network**
  - **VPN Firms – LAN Firms offering secure remote access to their network via a virtual private network**
- Internet Firms – PC Firms connecting to the Internet for their business
  - **High-Speed or BB Firms – Internet Firms accessing the Internet via some form of high-speed/BB connection, (i.e., ISDN, DSL, T1, etc.).**
  - **Web Site Firms – Internet Firms maintaining a web site**
  - **E-Commerce Firms – Web Site Firms allowing the purchase of their products/services via their web site.**
  - **Intranet Firms – Web Site Firms offering web browser-based access to company info on their own network/ LAN or on a hosted service provider's network**

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Vertical Industry Definitions

- Agri/Min/Utils/Trans/Cnst/Bldg (AMTUC)
  - **Agricultural services, forestry & fishing**
  - **Metal, coal & nonmetallic mineral mining**
  - **Building, plumbing, electrical work, carpentry, masonry, & roofing**
  - **Communication services**
  - **Electric, gas, & sanitary services,**
  - **Trucking & warehousing,**
  - **Transportation by land, water & air**
- FIRE/Finance/Real Estate (FIRE)
  - **Depository Institutions**
  - **Non-depository Institutions**
  - **Security & commodity brokers,**
  - **Insurance carriers, agents & brokers**
  - **Real Estate**
- Manufacturing
  - **Lumber, metal, rubber, glass, & leather products**
  - **Food & tobacco products**
  - **Textile mill & apparel products**
  - **Industrial & coal machinery equip.**
  - **Electronic & transportation equip.**
- Professional Business Services
  - **Accounting, auditing & bookkeeping**
  - **Advertising & consulting**
  - **Computer & data processing**
  - **Engineering & management**
  - **Legal & PR services**
  - **Photocopying & photography**
- All Retail
  - **Building materials & garden supplies**
  - **Food & general merchandise stores**
  - **Auto dealers & service stations**
  - **Apparel & accessory stores**
- Wholesale
  - **Motor vehicles, parts & supplies**
  - **Farm products: grain, livestock**
  - **Hardware, plumbing, & heating equip.**
  - **Beer, wine & distilled beverages**
  - **Electrical goods**
- Other Services
  - **Health & personal services**
  - **Educational & social services**
  - **Lodging & recreation**
  - **Entertainment & museums**
  - **Auto repair & parking**

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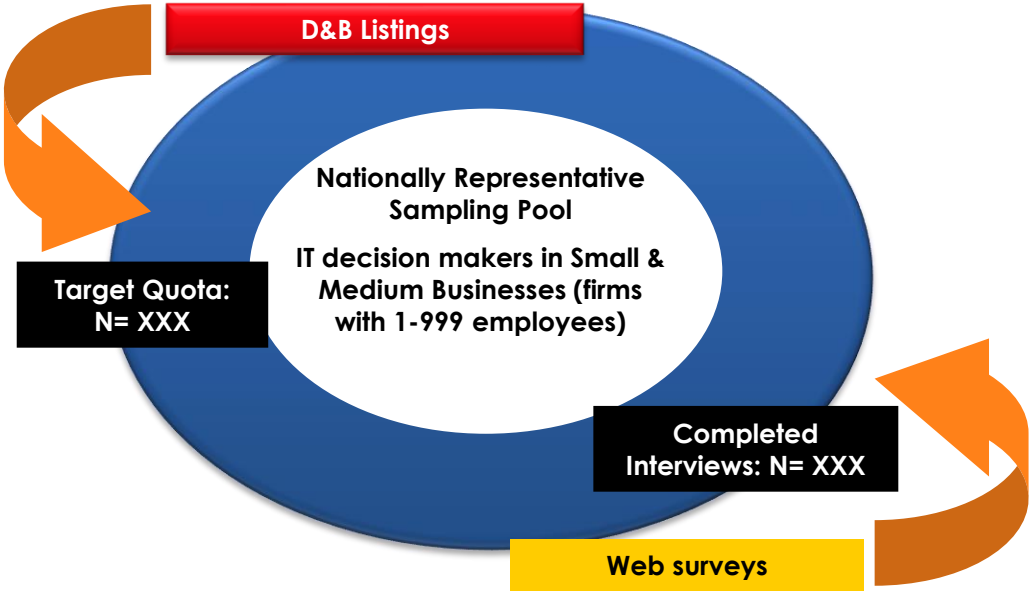
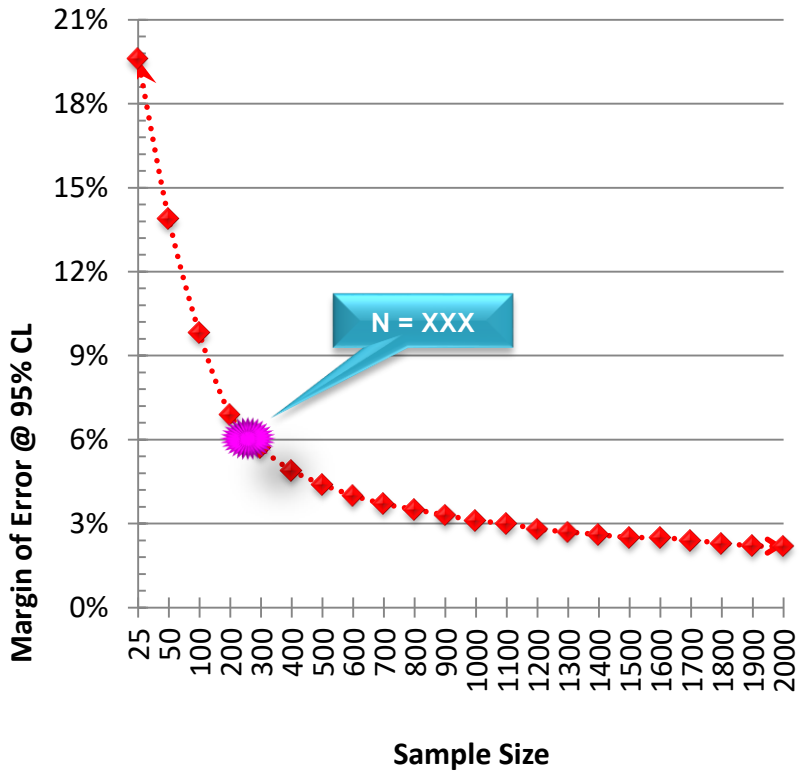
Survey Process



- All employee sizes represented
- Representative of all vertical industries
- Weighted by Industry & employee
- Sampling across geographies
- No home-based, non-profit
- No government or educational

Field Work: Error Margin of Sampling



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