



Consumer-generated online media now ties with traditional media for influence on business technology purchases, study finds

NEW YORK, January 27, 2008 – Consumer-generated online media now ties with traditional media for influence when it comes to generating vendor short lists for technology purchases, according to a new study by Hill & Knowlton. The study also finds word of mouth and industry analyst coverage second only to prior personal experiences when it comes to influencing short lists.

Based on interviews with a representative sample of around 400 technology purchase decision-makers in the US, UK and Canada, the study further reveals what criteria and communications channels most influence technology purchases, in an economic downturn. The study indicates how technology will help both C-suite executives and IT managers at companies large and small reduce the cost of travel and energy in the difficult economic times ahead.

"We're seeing a real shift in how decisions are being made and the dynamics between various channels of influence," said Joshua Reynolds, global technology practice director for Hill & Knowlton. "Now you have to truly reverse-engineer your communications strategy to focus on the specific decision you're looking to change. That calls for a more integrated approach to influencer marketing, where analog, digital and third-party channels are all working in concert. These findings help us understand how to do just that."

The study, now in its fourth year, explored which sources of information are most important to driving short lists, the relative importance of analysts on the entire sales cycle, and the reach and credibility of blogs and other forms of customer-generated materials online. The study also explored which media outlets, analyst firms, and digital channels had the most credibility and popularity within each region.

Prior personal experience, word of mouth and industry analysts are the most important sources of information when it comes to short-listing tech vendors.

- Personal experiences and prior relationships still trump all other communication factors, cited by 58% of respondents, with word of mouth and industry analyst coverage tying for a close second at 51%
- Consumer-generated media online essentially tied with traditional media outlets for influence, each cited by 28% and 27% of respondents, respectively
- Advertising (17%) and direct marketing (21%) were cited as the least important sources of information when it comes to generating short lists

What's more, the survey revealed exactly where in the sales process industry analysts are having an impact. While 51% of respondents said industry analysts most influence the creation of vendor short lists, 27% said analysts are most influential in justifying the spending of budget in the first place—a vital role, particularly in a down economy.

In addition, this is the first year this study has delved specifically into where and how blogs and digital channels wield influence with B2B tech decision makers.

- H&K's study shows that blogs are an influential source of information for tech decision makers when creating a short list, comparable with financial analysts and media coverage (28% vs. 32% and 27%, respectively).
- More than one-third of those surveyed always (8%) or frequently (27%) turn to blogs when making business purchase decisions.
- In addition, online commentary that is verifiably from real customers or industry peers is more likely to be trusted than not (38% trusting vs. 22% not trusting).

In addition, 54% of tech decision makers- including 63% from the US, 43% from the UK and 42% from Canada- stated their companies are likely to curtail travel activities in the coming year. Industry trade shows and internal company meetings are expected to see the biggest cuts (40% and 38%, respectively.) The most likely replacement to business travel is expected to be web conference services such as WebEx, cited by 29% of respondents.

Looking forward, when asked to consider factors related to the environment that are likely to influence the economy over the next five years, a combined 70% of technology decision makers responded that either access to renewable energy or access to oil will have the greatest impact (34% and 36% respectively).

Survey details: Penn, Schoen & Berland Associates conducted 384 phone and online interviews among C-Suite executives and IT managers who influenced purchasing decisions. The margin of error overall is +/- 5.0 percent, more for sub-groups.

An executive summary of the full survey results is available online at: <http://www.hillandknowlton.com/techdecisions2009>.

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About Penn, Schoen & Berland

Penn, Schoen & Berland Associates, a unit of the WPP group (NASDAQ = WPPGY) is a global research-based consultancy that specializes in messaging and communications strategy for blue-chip political, corporate and entertainment clients. We have over 30 years of experience in leveraging unique insights about consumer opinion to provide clients with a competitive advantage - what we call Winning Knowledge™. PSB executes polling and message testing services for Fortune 100 corporations and has helped elect more than 30 presidents and prime ministers around the world. More information is available at www.psbresearch.com.

About Hill & Knowlton

Hill & Knowlton is a leading international communications consultancy, providing services to local, multinational and global clients. The firm is headquartered in New York with 73 offices in 41 countries, as well as an extensive associate network. The agency is part of WPP, one of the world's largest communications services groups.