The Register Buzz Report

Readership perceptions of global IT brands

Freeform Dynamics and *The Register*, August 2009

IT buyers' views of technology vendors are shaped by a myriad of different inputs which, together, create a 'buzz' of sentiment around each player. Buzz can be measured in many ways, both positive and negative, and in this latest annual refresh of the Register Buzz Report, we look at the companies that stand out from the crowd. For those at the top, the question is what's behind their success. Meanwhile, do those languishing at the bottom really deserve to be there?

WHAT'S THE BUZZ?

The IT industry ecosystem of sellers and buyers is quite unique in the world of business, combining real technological innovation and atrociously hyped snake oil in approximately equal proportion.

Some companies will invariably stand out from the rest. IT companies want to be talked about – but for the right reasons of course. Manufacturers talk to journalists who speak with analysts, and peers and colleagues read the press, research, and discuss among themselves. Together they create a level of sentiment around specific vendors that we call the 'buzz', combining the general aspect of mindshare with the more positively focused areas of leadership, culture and ethos.

SO WHO'S HOT AND WHO'S NOT?

According to a research survey conducted with *The Register* readership in Q2/2009 (598 respondents), the top 5 ranked vendors from a list of 31 global IT brands were as follows:

MINDSHARE	LEADERSHIP	CULTURE/ETHOS
1. Microsoft	1. Google	1. Google
2. Google	2. Apple	2. Apple
3. Apple	3. VMware	3. VMware
4. Dell	4. Adobe	4. Sun
5. Adobe	5. Cisco	5. Cisco

Vendors ranking in the bottom 5 within each of these areas were:

MINDSHARE	LEADERSHIP	CULTURE/ETHOS
27. Net App	27. HDS	27. Avaya
28. Nortel	28. CA	28. CA
29. Avaya	29. Motorola	29. SAP
30. Salesforce	30. Nortel	30. Borland
31. HDS	31. Borland	31. Nortel

The complete set of findings from this research, and their significance to both buyers and sellers of IT, are discussed in the remainder of this report.

Where do vendor perceptions come from?

IT investment decision making is not just a case of selecting the product or service with the best fit to requirements. The nature and reputation of the supplier and/or manufacturer is also a major consideration. Factors such as financial stability, the credibility of its leadership and other elements of due diligence are important here, but so are less tangible attributes such as culture and ethos, especially in the case of larger 'bet your business' investments.

While due diligence is the major process undertaken to determine how potential suppliers score against such criteria, a significant role is also played by the perceptions of technology customers. A vendor with the best product may well not make the shortlist because it is unknown to the customer, or, if known, is seen as insignificant, irrelevant or undesirable for the task in hand. We frequently come across vendors, for example, trying to shake off perceptions of the past, either in terms of product set or other, more esoteric, criteria.

Such views may be based on experience, but that's not the only input. Personal recommendations (both positive and negative) from colleagues and peers have a huge impact on the views of decision makers, recommenders and influencers, either in terms of deciding to do something, or setting out the reasons why it's not such a good idea.

Feeding into the conversation is the advice and guidance that consultants and analysts are paid to provide, coupled with commercial information services such as industry analyst subscriptions. And let's not forget the mass of information available for free online in the form of news, research, analysis, insight and advice, delivered via traditional websites, blogs and wikis, through to social networking and other community sharing mechanisms.

We can see that the range of influences on buying behaviour, which also define vendor perceptions, is pretty complex (Figure 1) – but with personal, word-of-mouth recommendations featuring at the top of the list.

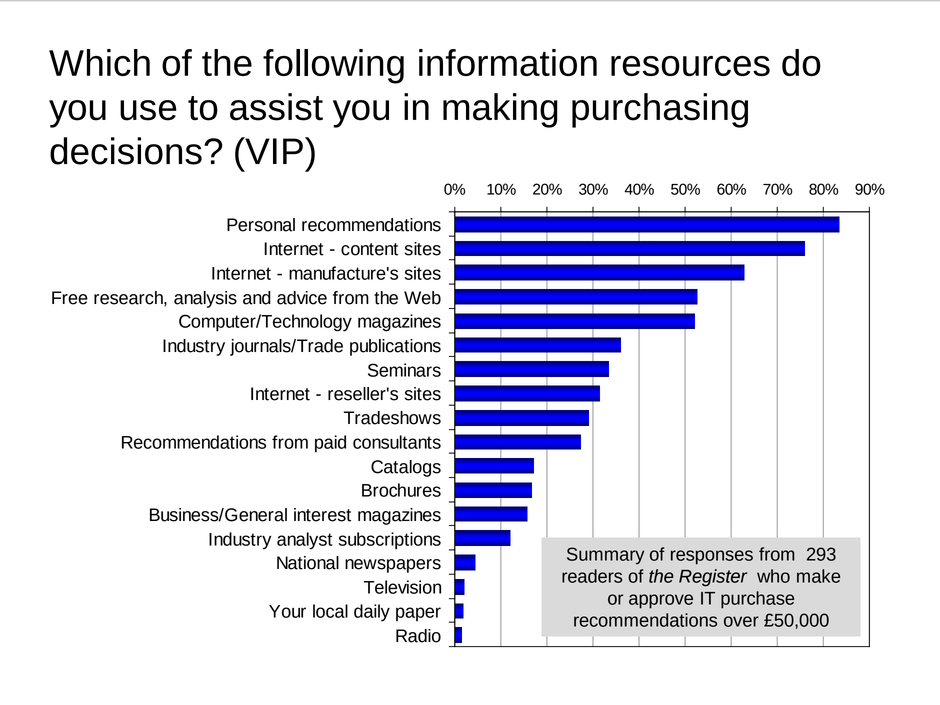


Figure 1 The complexity of the influencing environment

Highly scientific (and not so scientific) techniques for understanding, weighting and manipulating influencer sources are used by many, with varying degrees of success. Meanwhile, arguments rage over how to classify the types of independent influencer – journalists, industry analysts, management consultants and bloggers – and the value or otherwise of anything that is available for free is hotly debated, with many taking the view that the only information and advice that matters is that for which you explicitly pay. Looking at Figure 1, this latter argument would not seem to be particularly valid, but that doesn't stop those with a vested interest in selling information from making it anyway.

The purpose of this report, however, is not so much to get into this debate as to explore what really matters – the end result – which we can describe as the 'buzz' that surrounds a given vendor.

Introducing 'the Buzz'

It is important to say up front that the information presented in this report is not based on any of the highly complex or scientific techniques mentioned above. We have deliberately taken a straightforward, bottom-line approach to assessing the perceptions of a list of 31 vendors, using an online survey mechanism to garner the perspectives of a wide number and variety of IT professionals. The source of such an audience is the well respected and frequently vocal readership of *The Register* news and analysis website (www.theregister.com).

The value of using *The Register* for this kind of exercise, apart from the sheer numbers of readers (over 5,000,000 unique visitors per month at the time of writing), lies in the diversity of its audience. Rather than focusing on the views of just one constituency, such as CIOs, developers, etc, which is a common limitation of many research studies, we are able to capture the collective view of the IT professional community as a whole.

This is particularly important when assessing vendor perceptions, as the buzz does not respect traditional boundaries. Views tend to spread virally between people and groups both within and across organisations, so a good or bad experience or perception originating in the data centre, in the development team, within a line of business department, or in the board room, is likely to propagate quickly across the various other internal constituencies, as well as up and down the management chain, and even to colleagues and peers in other organisations.

In order to assess the buzz, we first wanted to determine whether or not vendors were "front of mind". In the words of Noel Coward: "There's only one thing worse than being talked about, and that's not being talked about." Being front of mind and thus talked about could of course be a positive or negative thing, but at least it gets the brand in the room!

Following on from front of mind we then consider a couple of buzz factors, specifically around perceptions of leadership, culture and ethos. The overall buzz assessment is thus based on the following:

BUZZ ASSESMENT FACTORS

Community Mindshare	*Assessed by looking at the percentage of respondents who volunteered an opinion, regardless of the nature of that opinion. The basic principle here is that respondents would primarily comment on vendors that were front of mind.*
Perception of Leadership	*Based on whether the vendor was considered a leader, follower, laggard or 'has been'.*
Culture and Ethos	*Based on categorisation of vendors as exciting, interesting, boring or 'turn-off'.*

In all, we received 598 responses based on the above factors, capturing views and opinions from IT professionals across a mix of industries, organisation sizes and job roles. Please see the appendix for more details.

In the meantime, the following sections deal with the results gathered, in relation to each of the measurements outlined.

Community Mindshare

As previously discussed, mindshare relates to whether a given vendor is considered important enough to be talked about within the IT community. As such, results indicate the magnitude of the buzz, positive or negative. Community mindshare varies considerably, from Microsoft at one end, which attracted responses from over 80% of the respondents, to players like Avaya, Salesforce and HDS at the other, with less than a 10% response rate (Figure 2, below).

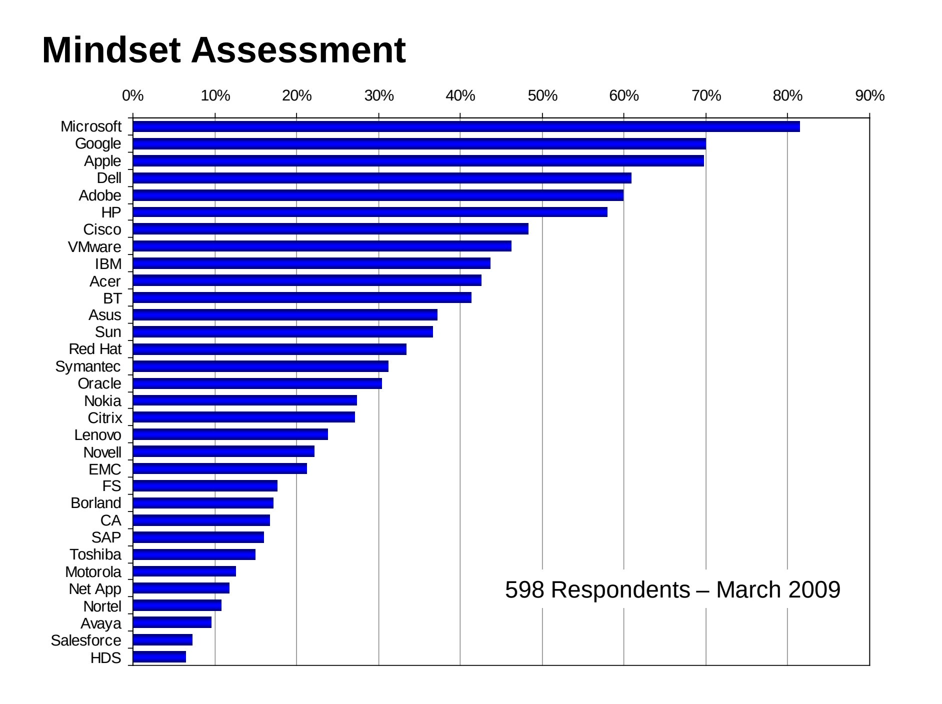


Figure 2 Mindshare of vendors, indicating the magnitude of their buzz

It must be stressed when looking at this chart that the sample upon which it is based represents a complete cross section of IT professionals. We should therefore not be surprised to see vendors that largely operate in a specific domain having a lower mindshare at an overall community level. This is not necessarily a bad thing, it just means they have historically focused their efforts on a specific subset of the community.

We must also be clear that mindshare is not the same as recognition and awareness. While most IT professionals would be aware of players such as Oracle, SAP, Toshiba, and so on, they may not know or indeed care enough about them on a day to day basis to pepper their conversations with references to them. It is buzz within the community rather than traditional measures such as brand awareness that we are concerned with here, i.e. who is being talked about and how.

When we conducted the same study in Q4/2007, almost identical results were obtained to the chart above, although Google was a new addition for this year and went straight to the top, an indication perhaps, of the amount of press coverage Google consistently receives.

But it is not just being thought of and talked about that matters; the nature of the buzz is important as well.

Leadership

One of the most striking contrasts we see when looking at perceptions of leadership is how markedly different the picture is to the mindshare view. The highest ranked vendor by mindshare, Microsoft, is much lower down the leadership table (Figure 3, below). So it may be top of people's minds, but not for all the right reasons.

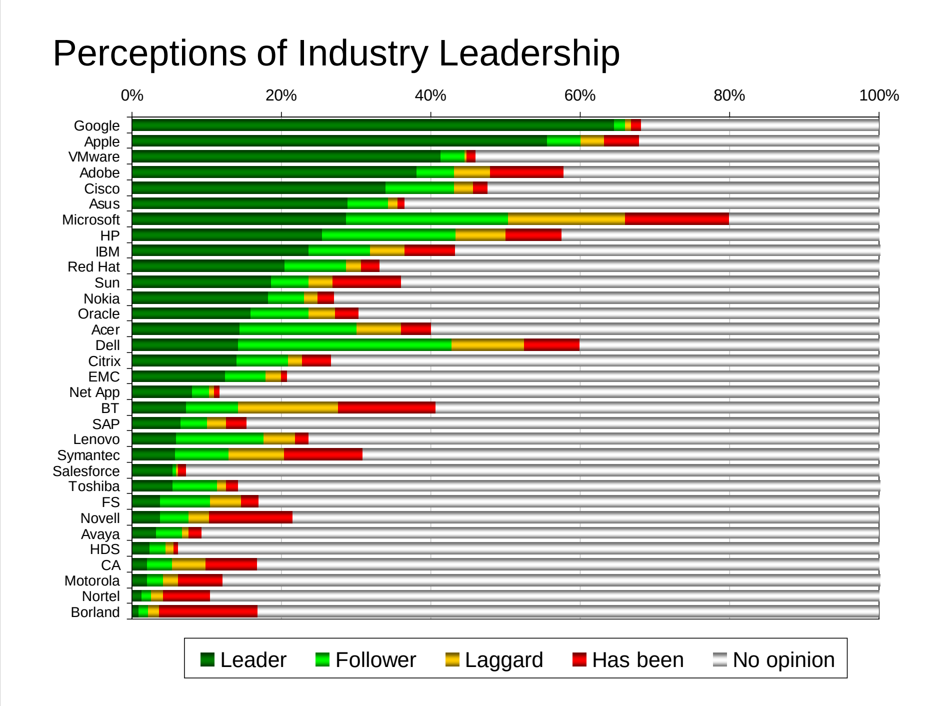


Figure 3 Leader, follower, laggard or 'has been'?

As mentioned above, Google is a new addition, but as we can see it has pushed VMWare, top in 2007 down to third, with Apple moving up to second place.

Despite the fact that Google is not making a huge impact on the business sector in terms of fulfilling actual computing needs (its applications business is still pretty niche), there is obviously a perception that it's shaking up the industry, which is probably not a bad thing to keep the traditional incumbents on their toes. Turning to another interesting player, while the sentiment is still overwhelmingly positive for VMWare on leadership, it's interesting to note that it has slipped a bit from 2007, which is possibly a function of virtualisation becoming mainstream, but probably also because it has to a degree lost its 'special' status now Microsoft and Citrix are challenging it hard.

Having said this, Citrix is also lower down the rankings this time around (from the number 5 slot in 2007), which may be because the broader 'Xen' branding has detracted from the previously strong positioning of the 'Metaframe'/'Presentation Server' solution, which is almost part of the furniture in many organisations, but is now a little overshadowed by the range of other offerings in the portfolio. The fact is that it used to be very clear what Citrix stood for. Now it is less so unless you take the trouble to work through its offerings.

Moving on, believing someone is a leader is not necessarily the same as respecting them or being able to relate to them from a cultural perspective, so let's take a look at this dimension.

Culture and Ethos

Again, as with mindshare, we see a shift in the rankings (Figure 4, below) with players like Sun (now part of Oracle, though clearly still a strong brand in its own right) and Red Hat rising further up the list. Perhaps Red Hat's gain, with its impressive recent business performance is Novell's loss, as the latter's reputation is very much tied up with the Linux and Open Source market nowadays.

Looking towards the bottom of the list we see some of the companies we love to hate, such as BT, CA and SAP, and while many of these have recently been doing some pretty good and interesting things, they are clearly still suffering from the legacy of poor perception, which takes time to shift.

In terms of contrasts, it's interesting to compare Cisco with Avaya, with the latter clearly having its work cut out to compete effectively with the former. Avaya's recent acquisition of Nortel's enterprise business probably isn't going to help much perception-wise, given the view of the Nortel brand.

The other interesting contrast is between the two most frequently mentioned cloud service providers. While Google has clearly caught the worlds' imagination, it is still largely just a big ad machine from a commercial perspective, whereas Salesforce.com, which has made a significant impact and driven an impressive amount of services business (it is now a billion dollar company), is ironically very far down the list.

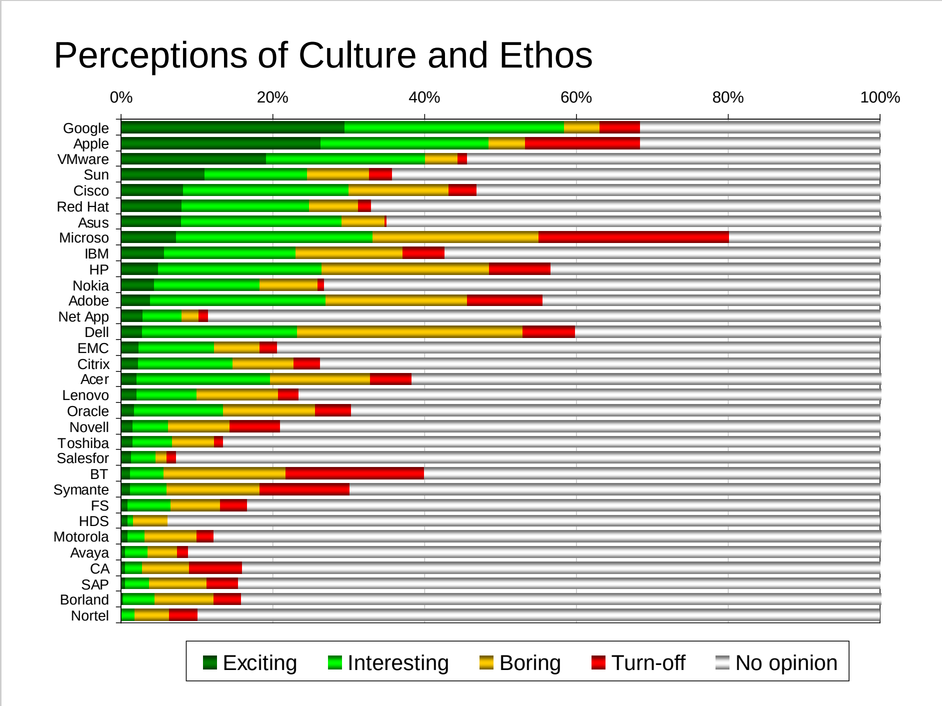


Figure 4 Exciting, interesting, boring or turn-off?

Picking out another couple of players in the news recently, it's interesting given the recent acquisition of Sun by Oracle that whereas the two seem to be matched on perception of leadership (as we saw previously in Figure 3) Oracle, just like Microsoft, attracts binary opinions in terms of culture and ethos, and clearly inspires a net negative perception. Respondents feel much more positive about Sun's culture and ethos, however, which begs the question of whether this will be maintained, and even rub off on Oracle, as it is absorbed into the 'mother ship'. Perhaps this is too much to hope for, though. It will probably take a lot more to shift the sentiment among many organisations of doing business with Oracle because they have to rather than want to.

What's fascinating about this chart is where these perceptions come from. For many respondents, their only real direct contact with the organisation would be through customer facing functions such as sales and customer services. Indeed, many may never deal with the vendor directly at all if solutions are acquired through the partner or reseller channel. Apart from highlighting the obvious need for vendors to encourage the right kind of behaviour in customer facing staff, the importance of third-party influences is also underlined here. The reality is that views on culture and ethos are shaped heavily by the various other inputs identified earlier – news stories, analyst commentary, opinions of colleagues and peers, community exchanges, and so on.

Have you been impressed?

We also asked respondents to nominate three IT or communications suppliers that they have been particularly impressed or unimpressed with over the last 12 months (Figures 5 & 6). This was an open, unprompted question, so note that people who have had a particularly good or bad experience with a supplier are more likely to respond, e.g. Microsoft looks negative here compared to culture and ethos, but only about 30% of respondents chose to provide feedback on it here and therefore for the majority, Microsoft is a supplier that neither impresses or unimpresses.

Those who are impressed by Microsoft cite its software and ease of use as the top reasons, and many of those who are not impressed either highlight Windows Vista, and/or see Microsoft as “greedy money grabbers”.

With regard to other vendors, HP fans love its hardware, but others say they are let down with the firm’s after sales support. Dell also attracts diverse opinions and according to the feedback is a bit like Marmite - you either love it or hate it.

Some vendors are almost exclusively mentioned in a positive light. Apple, for example, fares well due to its “solid and innovative products”, and other similar phrases, although its service left a lot to be desired for the respondents who had a bad impression. This is consistent with Apple’s positioning as primarily a consumer product company, meaning it sometimes falls short of expectations when its products are used in a business context, which is a different game altogether. Sun is seen as impressive for its “great pricing and products”, and VMWare, along with Red Hat, for its quality of offerings.

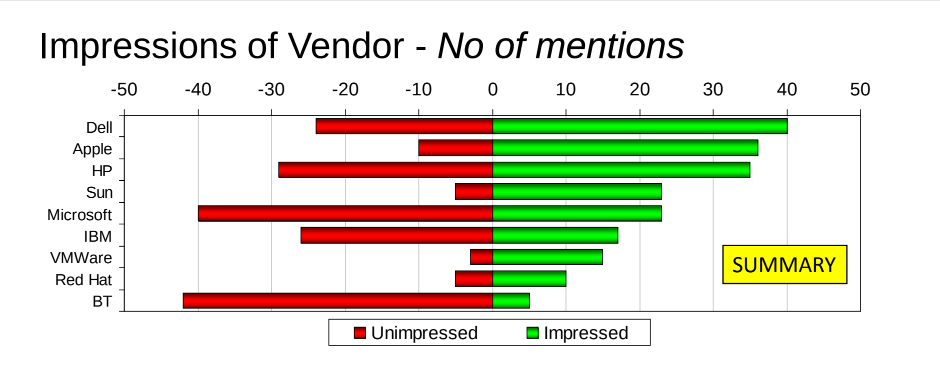


Figure 5 Impressed or unimpressed?

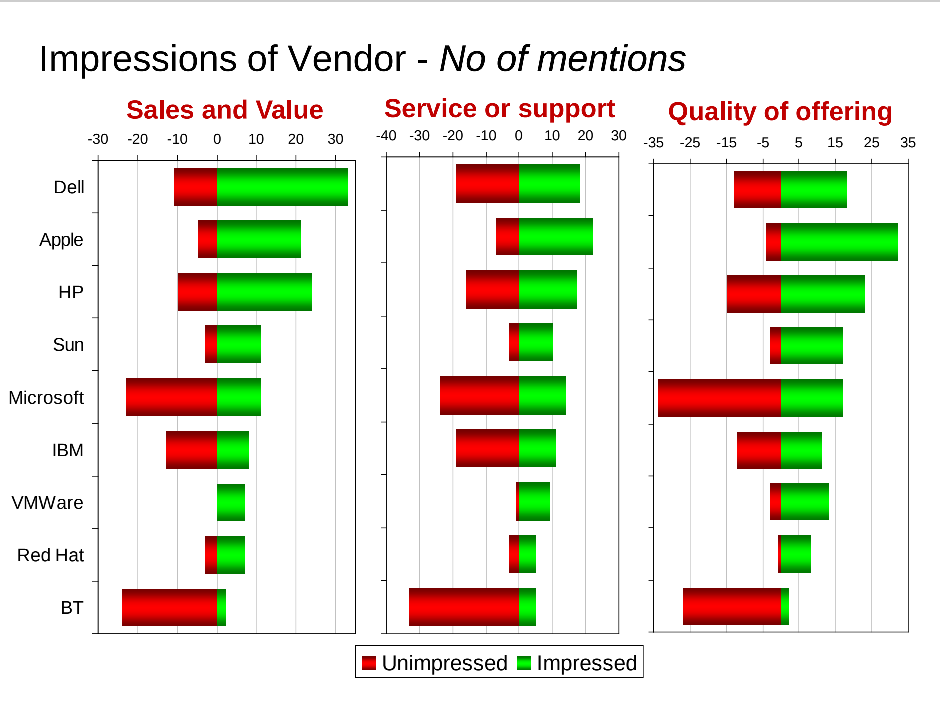


Figure 6 Impressions of sales, service and quality

Most significant positive trends

Finally we can take a look at the views on the latest buzz words and trends that have come out of the vendor community, and again this question had no prompting whatsoever. The chart speaks for itself, the most positive sentiment around virtualisation is mainly due to power and cost savings.

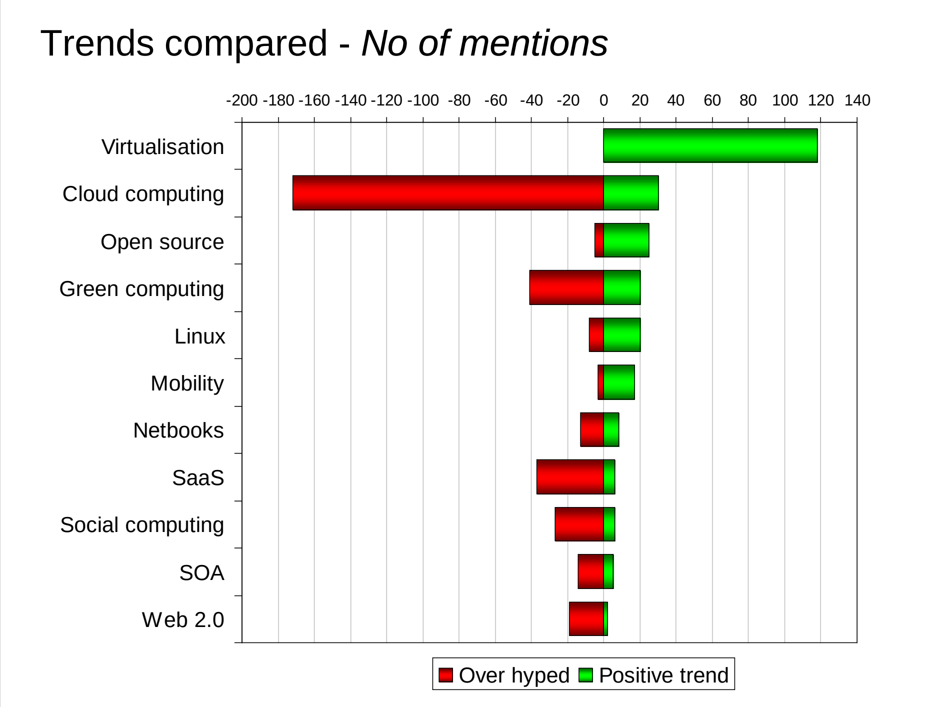


Figure 7 Trends

Virtualisation is seen by respondents as going hand-in-hand with green computing, but there are others who think IT can never be truly green and that "the least wasteful tech is called green", and are really "just not as bad as the others".

Cloud computing still represents unknown territory for a lot of respondents who are unclear as to what it is and where it fits. Vendors are not helping here with all of the hype and ambiguity about what it actually translates to in terms of offerings and benefits and, indeed the practicalities which need to be addressed in order to engage with it. Against this imprecise and often ill-informed and idealistic noise, the positioning of cloud as the answer to all ills by many is probably at the root of the cynicism and general negative sentiment in the feedback. Cloud is one of the worst examples of over-selling we have seen in the IT industry for a long time.

Discussion

When looking at data such as the findings presented in this report, it is important to understand how it has been derived. In this case, the source was a relatively informal survey offered through one of the mainstream news sites, *The Register*, which, while capturing the views of a broad cross section of the IT Pro community, will have been influenced to a certain extent by the style and reach of the publication.

Nevertheless, the methodology is very 'levelling' and some of the differences we have observed are so great that even taking into account any sampling skew or limitations, we can form a high level view of the relative emphasis being placed on different information sources and the macro level perceptions of individual vendors that are created as a result.

From an interpretation perspective, however, we have to bear in mind a couple of important caveats. It would be inappropriate, for example, to interpret a low community mindshare score as negative in all cases. As mentioned already, some of the vendors included in our list have historically been very focussed on specific audiences, whether in terms of organisation types or constituencies within organisations. Buyers should therefore not read too much into this, though those vendors with a relatively low mindshare would do well to consider how much it matters in the context of their own business. Hitherto big names in the industry that have apparently dropped off the mainstream radar might regard a low mindshare as an indicator of more work needing to be done to recapture attention. There might also be a wakeup call for vendors looking to expand their horizons, such as niche communications providers crossing the line into the big bad world of IT, and which need to get better at reaching out to IT management, architects, operations professionals, and so on.

The other big caveat is to do with the lingering nature of the buzz. The reality is that creating and changing perceptions is generally a very time consuming exercise. As an industry analyst firm, Freeform Dynamics is in the privileged position of being able to maintain up-to-date and in-depth insights into vendor strategies, plans and activities, and through this we have been able to spot instances in which the buzz is not a good indicator of current behaviour and/or capability.

So, from a buyer perspective, we would urge those planning to invest, or reviewing their incumbent suppliers to look beyond any negative buzz they encounter before writing off a particular vendor. By the same token, it is also important to realise that positive buzz is no guarantee of leadership or solution fitness for purpose in a specific context, and can sometimes be a distraction or red-herring.

Conclusions

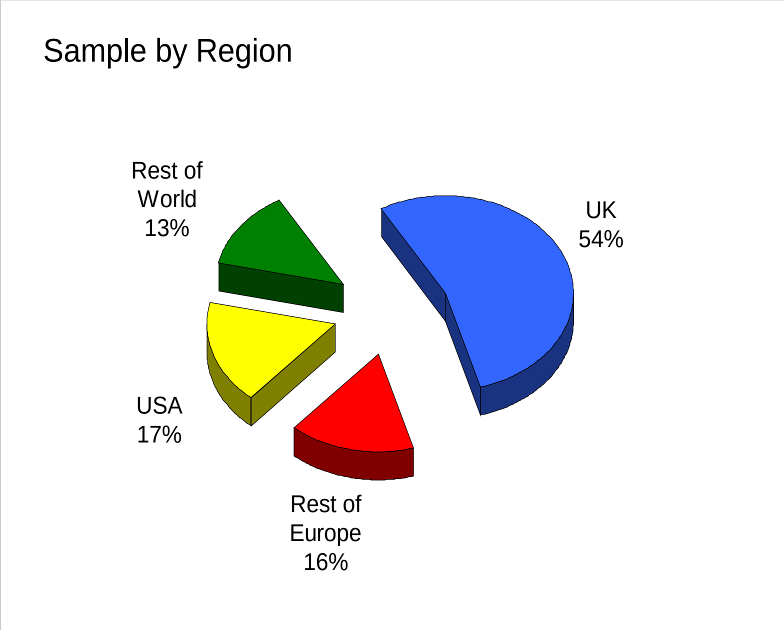
We can learn three overriding lessons from this research. The first is aimed at the vendor community. While the buzz isn't everything, any IT sales person knows how hard it is walking into an organisation when the general mindset is against you, and conversely, what a pleasure it is when you encounter a strong positive vibe, which makes doing business so much easier. Even if your organisation is not front of mind at an overall community level, you should at least take steps to ensure that it is as high up the list as possible within your peer group or in your core area of sales and operation.

The second lesson will be particularly obvious to those who have looked at the charts presented in this document and been either surprised at what they have seen or have disagreed with the overall perception of a vendor they know well. The fact is that the buzz is just one indicator of the strength, position and nature of a vendor, and while clearly influential, it is important to drill behind it and consider options in the context of your own specific requirements. The buzz may be a good indicator of what the overall market thinks about a vendor, but it is not a sufficient basis upon which to define, or indeed reject, a procurement decision.

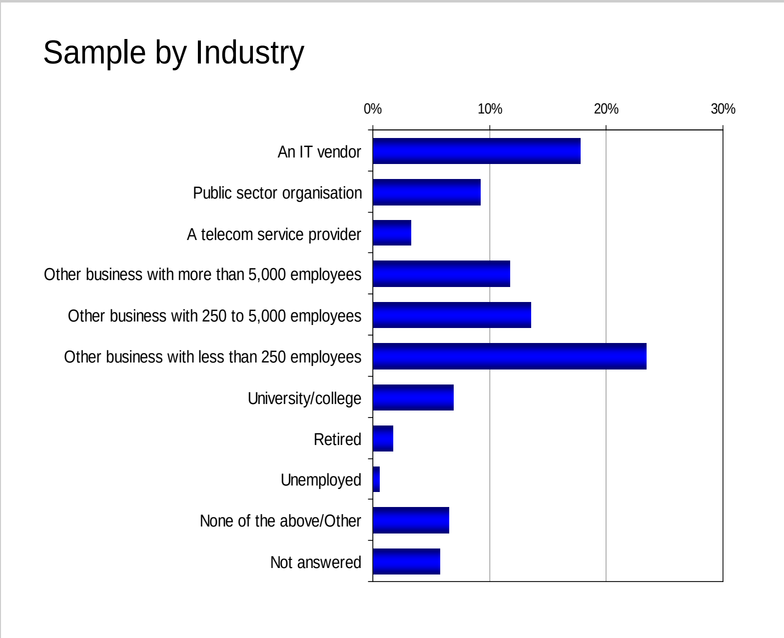
From this, the final lesson is the importance of paying attention to all sources of information and influence available today. Distinguishing signal from noise can be difficult, but the days of procurement decisions being made off the back of a single analyst report or consultant's recommendation are long behind us, and if you are not taking advantage of the broader range of inputs that others clearly are, then from a purchasing decision perspective, you are probably missing a trick.

Source of Data

The research presented in this report is based on an online surveys conducted via *The Register* news and analysis website (www.theregister.com) in the second quarter of 2009, with 598 IT professionals.



Approximately half of the respondents came from the UK, the remainder quite evenly split between the rest of Europe, USA, and the rest of the world.



A mix of industries and organisation sizes.

About Freeform Dynamics

Freeform Dynamics is a research and analysis firm. We track and report on the business impact of developments in the IT and communications sectors.

As part of this, we use an innovative research methodology to gather feedback directly from those involved in IT strategy, planning, procurement and implementation. Our output is therefore grounded in real-world practicality for use by mainstream IT and business professionals.

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