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The SMB Technology Buying Journey:

Part Two

Authored by



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Introduction

This eBook, **The SMB Technology Buying Journey: Part Two**, explores the routes that small and medium businesses (SMBs) take on their technology buying journey.

The eBook is based on SMB Group's **2024 SMB Technology Buying Journey Survey**. Fielded in June 2024, the survey polled 738 technology purchasing decision makers in U.S. small and medium businesses (SMBs) to learn about the SMB technology buying journey and key purchasing criteria and preferences.

In **The SMB Technology Buying Journey: Part Two**, we share survey highlights about how SMBs research, evaluate, select, and buy technology solutions, including:

- ✓ Information and guidance sources for learning about new solutions
- ✓ Content preferences for learning about technology solutions
- ✓ How much of the journey they complete before contacting vendors
- ✓ Purchase channels for software, PCs and laptops, and infrastructure technology
- ✓ Preferences for ongoing vendor communications and for resolving service issues
- ✓ Ways vendors can better support SMBs after implementation

Our companion eBook, **The SMB Technology Buying Journey: Part One**, provides a detailed look at the SMB revenue outlook, technology attitudes, technology budgeting cycles and spending plans, and how different factors affect SMB technology investment decisions.

Sources SMBs Turn to for Information About New Tech Solutions

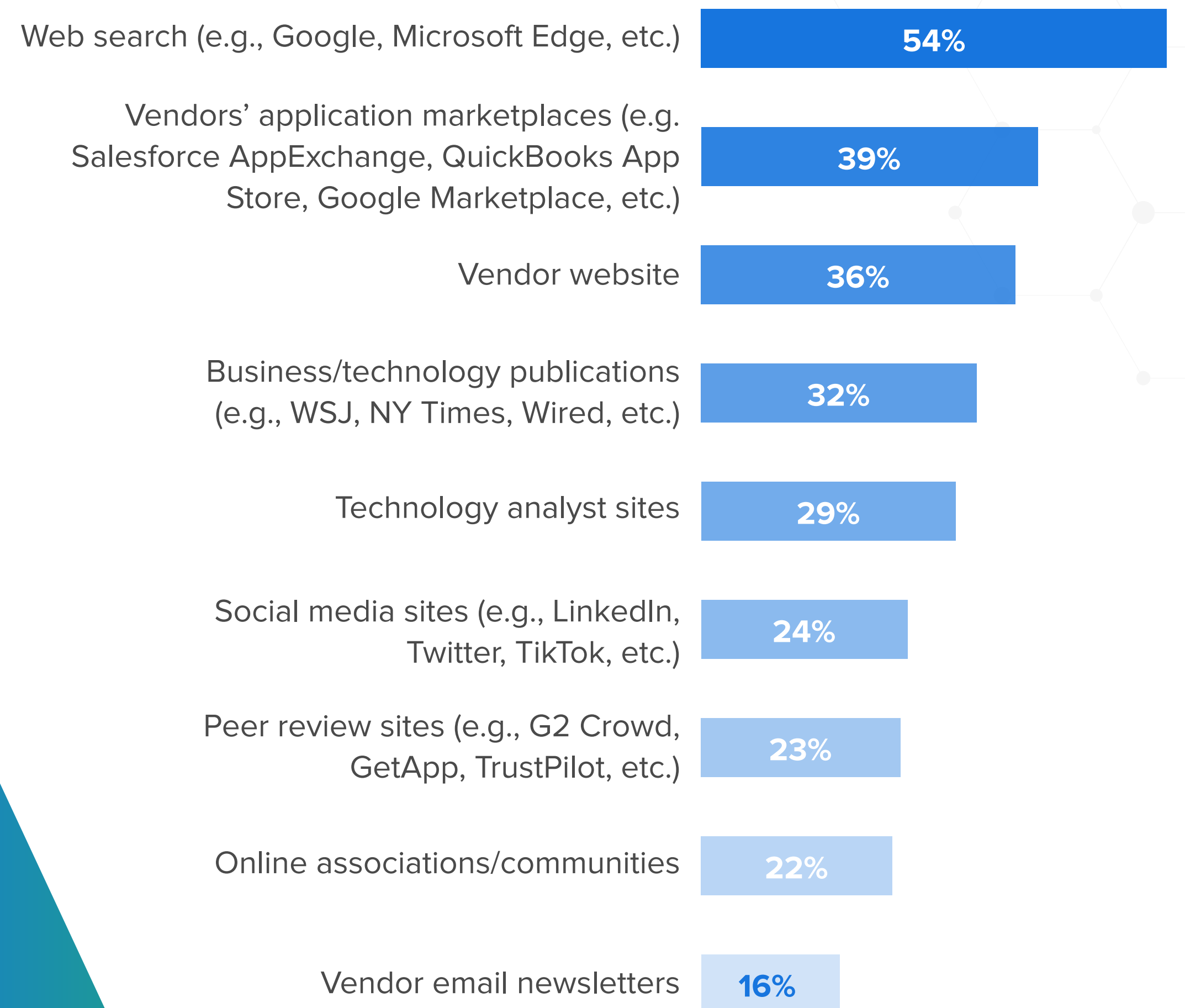
The most popular source for SMBs to learn about new technology solutions and trends is web search (54%). Vendor application marketplaces (39%) and vendor websites (36%) round out the top three.

The top three choices are fairly consistent across employee size and industry segments. However, smaller SMBs favor easily accessible, free information sources, while larger companies are more likely to engage with more specialized and/or formal sources.

Web search is overwhelmingly the primary source of information for SMBs with less than 20 employees. Smaller businesses also lean on vendor websites and social media as secondary sources, reflecting a lack of internal resources to engage with more specialized sources.

SMBs with 500-2,500 employees are more likely to use business/technology publications, application marketplaces, and vendor and technology analyst sites than those with fewer than 500 employees.

Information sources SMBs use to learn about new technology solutions and trends*



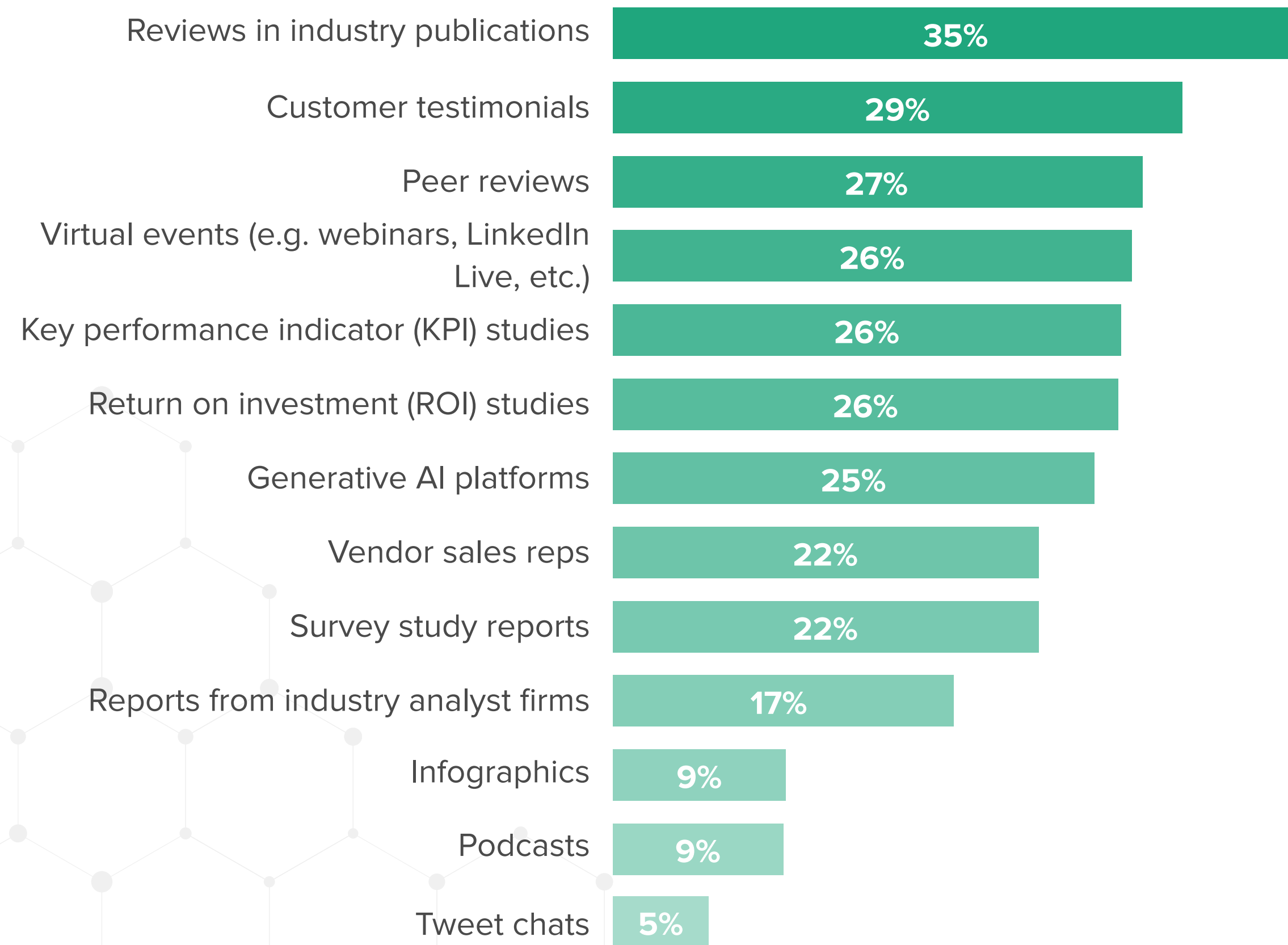
*Respondents could select up to 3 responses



Content Preferences that Inform Tech Decisions

Types of content SMBs prefer for learning about technology solutions*

SMBs' top 3 content preferences are reviews in industry publications (35%), customer testimonials (29%), and peer reviews (27%). Interestingly, one-quarter of SMBs rate generative AI platforms as a top content choice.



*Respondents could select up to 3 responses



Content Preferences Vary by Company Size

In general, larger businesses prefer structured, performance-based content. Smaller businesses favor more personal, relatable sources. For instance,

- ✔ SMBs with 1,000-2,500 employees rate KPI studies as their #1 choice, followed by ROI studies.
- ✔ Those with 500-999 employees put virtual events and KPI studies at the top of the list.
- ✔ SMBs with 100-499 employees rank generative AI (GenAI) platforms as one of their top two choices.
- ✔ SMBs with fewer than 100 employees start favoring customer testimonials and peer reviews.

| Employee Size | Top 2 Content Preferences |
|---------------|--|
| 1,000-2,500 | KPI Studies (32%) ROI Studies (30%) |
| 500-999 | Virtual Events (38%) KPI Studies (30%) |
| 250-499 | Industry Reviews (42%) GenAI Platforms (42%) |
| 100-249 | GenAI Platforms (38%) KPI Studies (33%) |
| 50-99 | Customer Testimonials (35%) Vendor Sales Reps (32%) |
| 20-49 | Peer Reviews (39%) ROI Studies (32%) |
| 10-19 | Customer Testimonials (47%) Industry Reviews (45%) |
| 5-9 | Industry Reviews (46%) Vendor Sales Reps (40%) |
| 3-4 | Industry Reviews (44%) Customer Testimonials (41%) |
| 2 | Peer Reviews (48%) Customer Testimonials (46%) |
| 1 | Customer Testimonials (44%) Peer Reviews (36%) |



Experts and Influencers Shaping SMB Technology Choices

The top three guidance sources for SMBs are technology consultants (44%), business advisors (40%), and software vendor advisors (38%).

However, guidance sources differ depending on company size. As SMBs grow, they increasingly turn to specialized external guidance, while smaller companies rely more on internal and informal networks.

Larger SMBs tend to prefer more formal and external sources like technology consultants, business advisors, and vendor advisors.

Smaller SMBs, especially those with fewer than 20 employees, are more prone to rely on employees, customers, and friends/family.

Guidance sources for evaluating new technology solutions*



*Respondents could select up to 3 responses

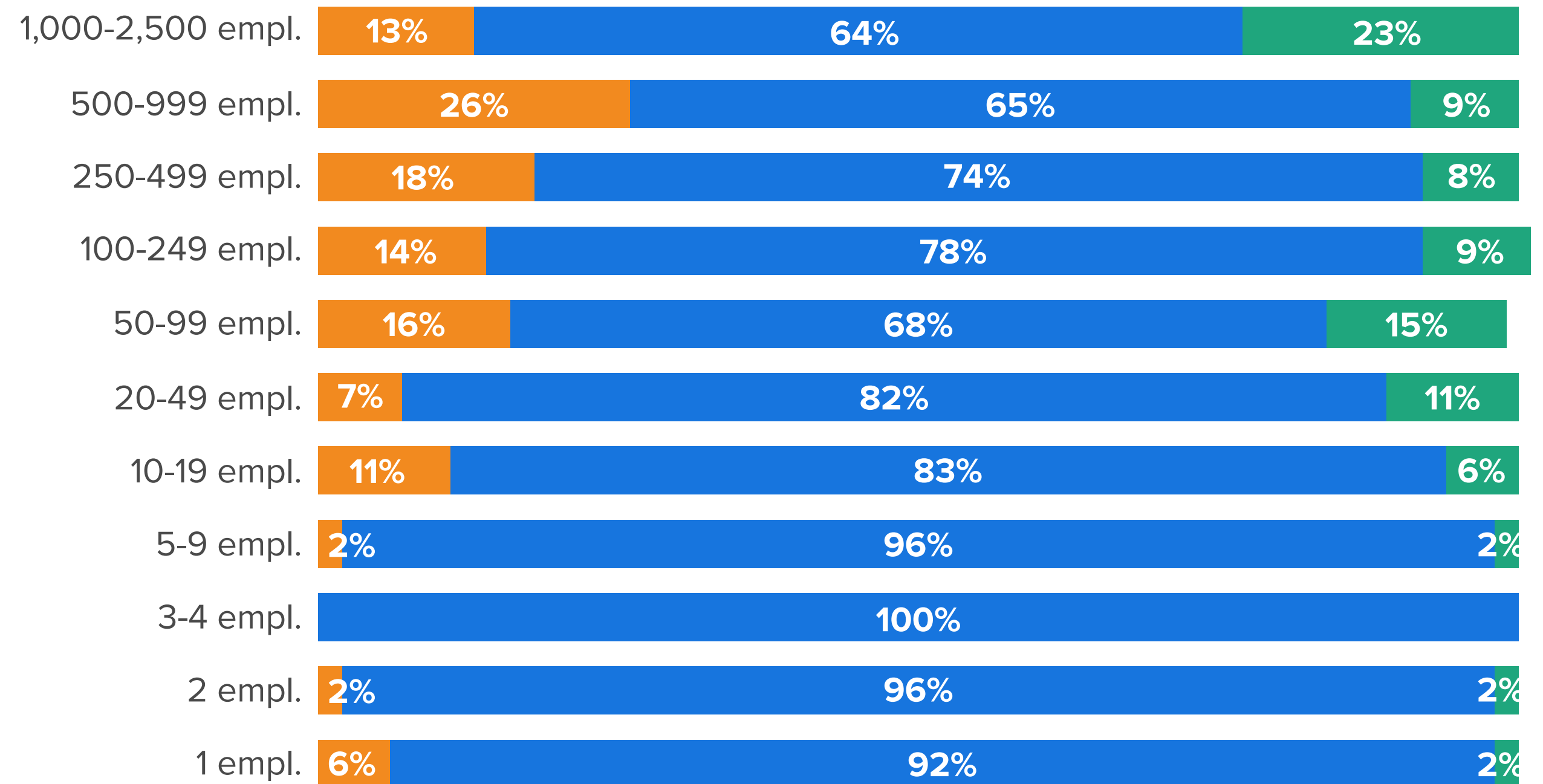
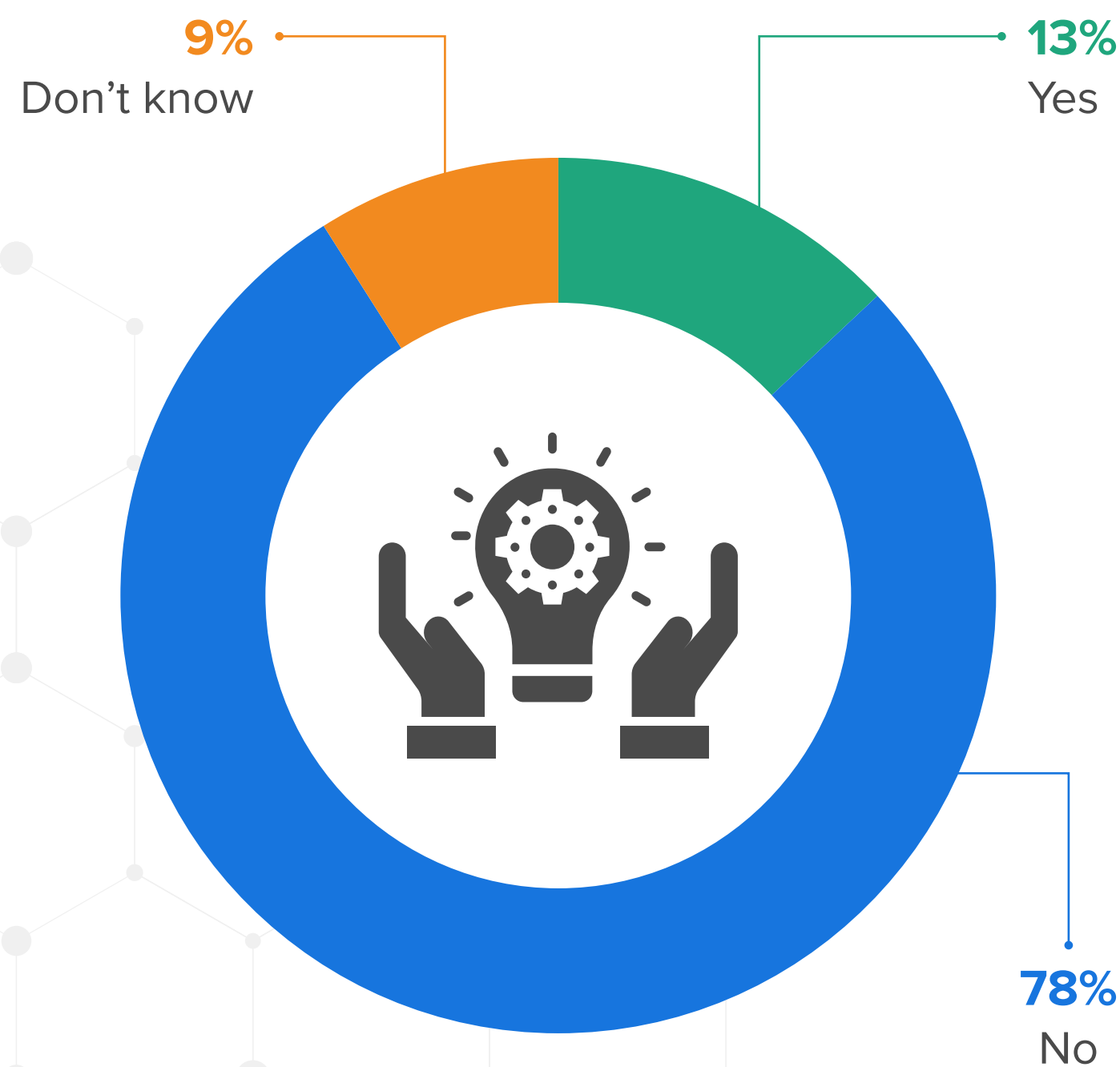
| Employee Size | Top 2 Content Preferences |
|---------------|--|
| 1,000-2,500 | Technology Consultants (55%) Business Advisors (47%) |
| 500-999 | Software Vendor Advisors (46%) Technology Consultants (46%) |
| 250-499 | Technology Consultants (49%) Software Vendor Advisors (42%) |
| 100-249 | Business Advisors (45%) Technology Consultants (42%) |
| 50-99 | Technology Consultants (52%) Software Vendor Advisors (38%) |
| 20-49 | Software Vendor Advisors (54%) Technology Consultants (46%) |
| 10-19 | Employees (45%) Industry Organizations and Software Vendor Advisors (tied at 38%) |
| 5-9 | Hardware Vendor Advisors (40%) Friends and Family (38%) |
| 3-4 | Business Advisors (44%) Technology Consultants (44%) |
| 2 | Customers (42%) Industry Organizations (38%) |
| 1 | Business Advisors (46%) Technology Consultants (46%) |

The Vast Majority of SMBs Don't Buy Analyst Services

Only 13% of SMBs invest in paid technology industry analyst subscription services; almost all these businesses have more than 50 employees. Among 80 SMBs that indicated they do pay for these services, only 13 identified actual IT analyst firms when asked what firm(s) their companies subscribe to. The remaining 67 named a variety of other resources, including technology vendors, business advisors, consultants, and other non-analyst entities as their sources of “technology analyst” insights.

This doesn't imply SMBs disregard analyst research; rather, they are likely accessing this content indirectly. Often, they utilize free resources provided by analyst firms or content sponsored by vendors that are available at no cost, including KPI and ROI studies, industry reviews, virtual events, and blogs.

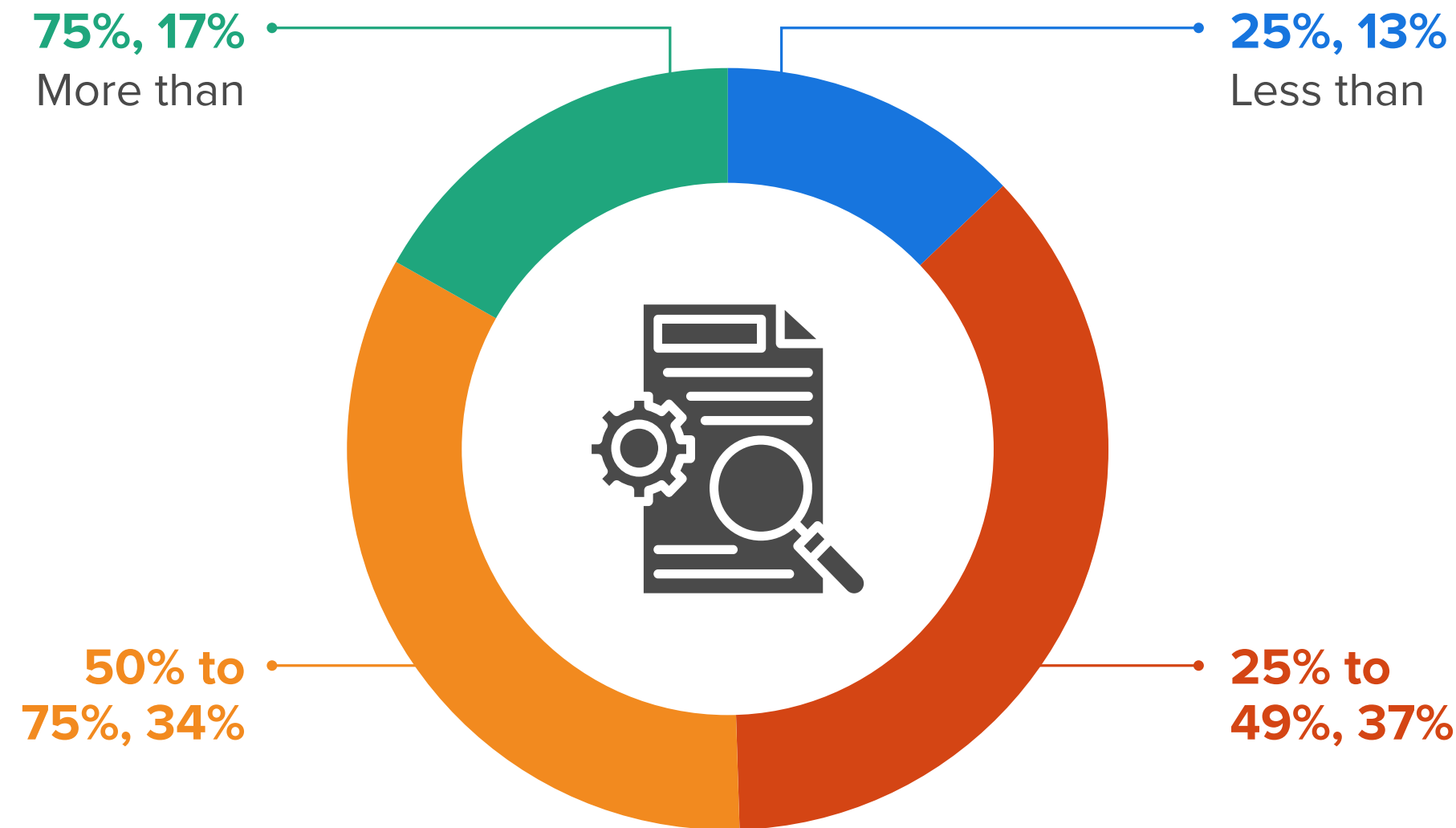
Whether SMBs pay for subscriptions to industry analyst services



Yes No Don't know

SMB Research and Evaluation Before Contacting Vendors

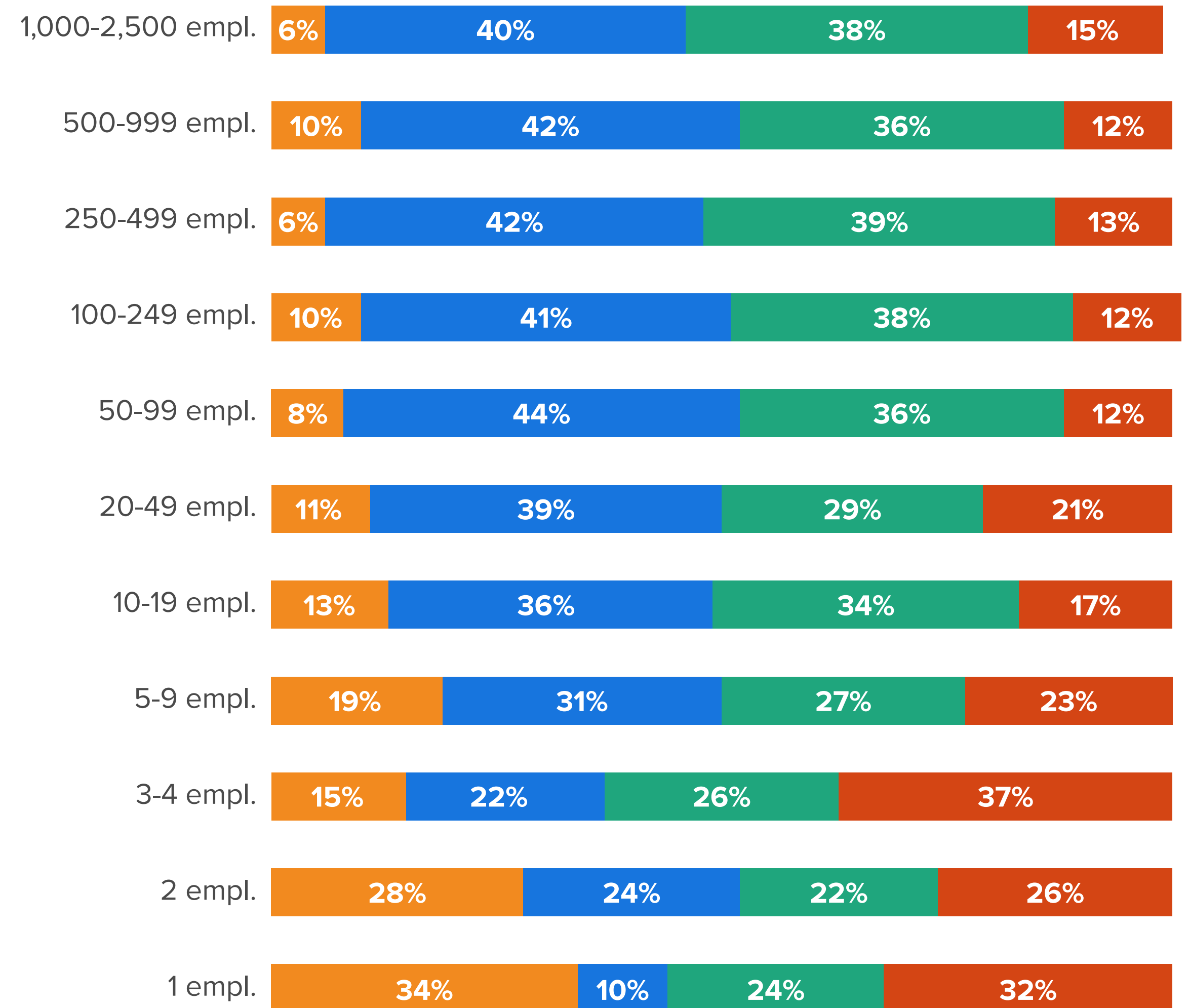
Proportion of the research, evaluation, and selection process SMBs complete internally before contacting a technology vendor or provider



Across all SMBs, 37% complete 25% to 49% of their research before contacting a vendor; 34% complete 50% to 75%; 17% complete more than 75% of their research, and 13% complete less than 25% before reaching out.

Larger SMBs (with over 100 employees) generally complete between 25% and 50% of the research process internally.

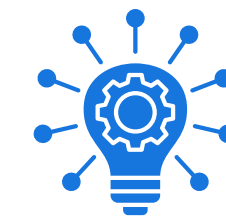
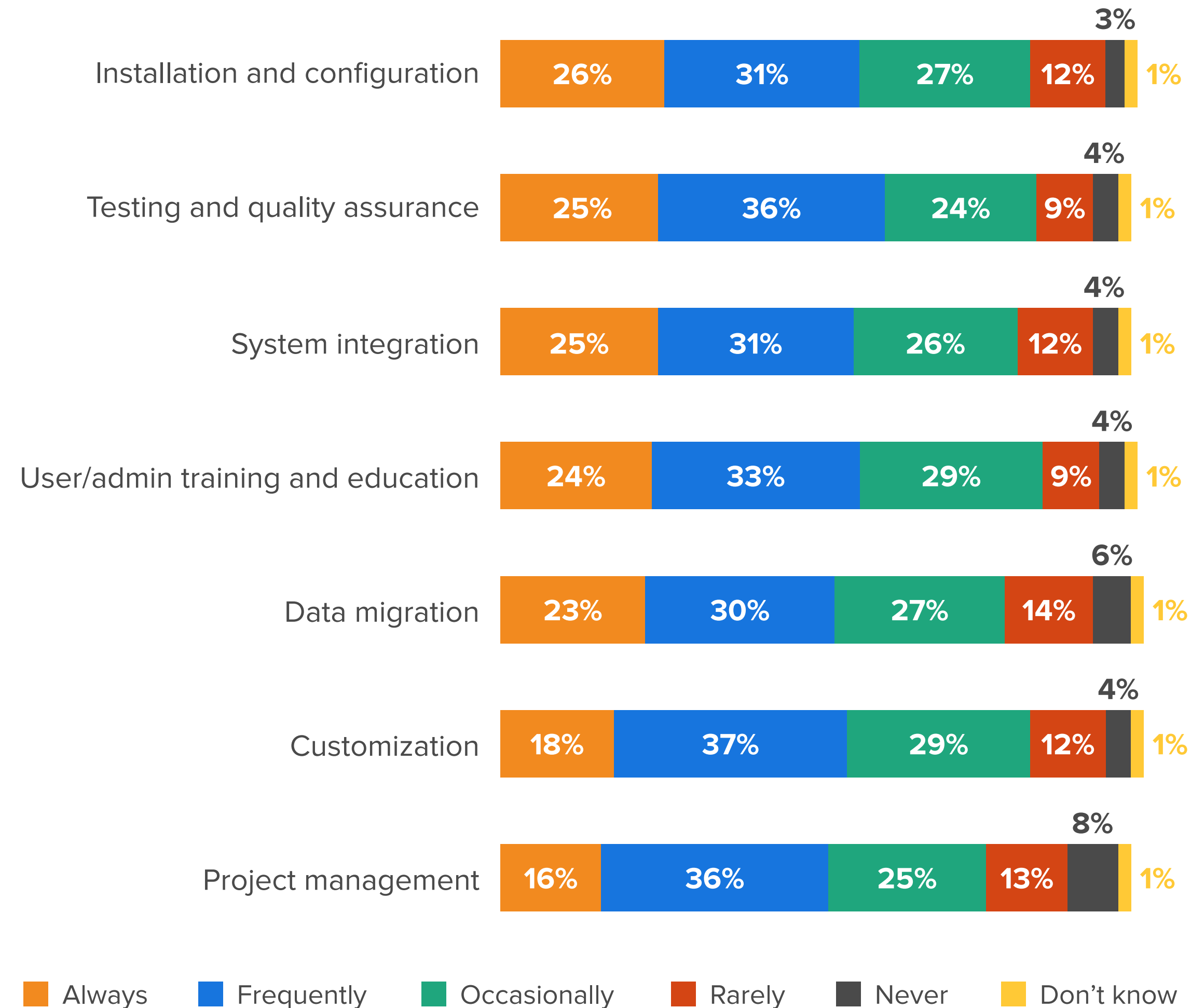
In contrast, smaller SMBs, especially those with fewer than 50 employees, tend to perform a higher proportion of the research (50% to more than 75%) before engaging with vendors.



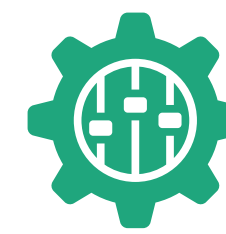
■ Less than 25%
 ■ 25% to 49%
 ■ 50% to 75%
 ■ More than 75%

SMB Service Requirements When Adopting New Technology Solutions

How frequently SMBs require services from technology vendors when purchasing a new solution



Over half of SMBs say they always or frequently require most of these services when they purchase a new technology solution. In most cases, about one-quarter of SMBs say they always require each individual service, while roughly one-third say they frequently need it.



In general, the larger the business, the more likely they are to require a broader range of services, with a high emphasis on installation and configuration, system integration, and customization. This is likely due to the fact that larger businesses typically have more complex and unique requirements than smaller ones.



Smaller SMBs—particularly those with fewer than 50 employees—are much less likely to say they always or frequently require any of these services. In many cases, smaller companies are buying more “self-service” solutions and are less apt to have the budget for additional services than larger companies.

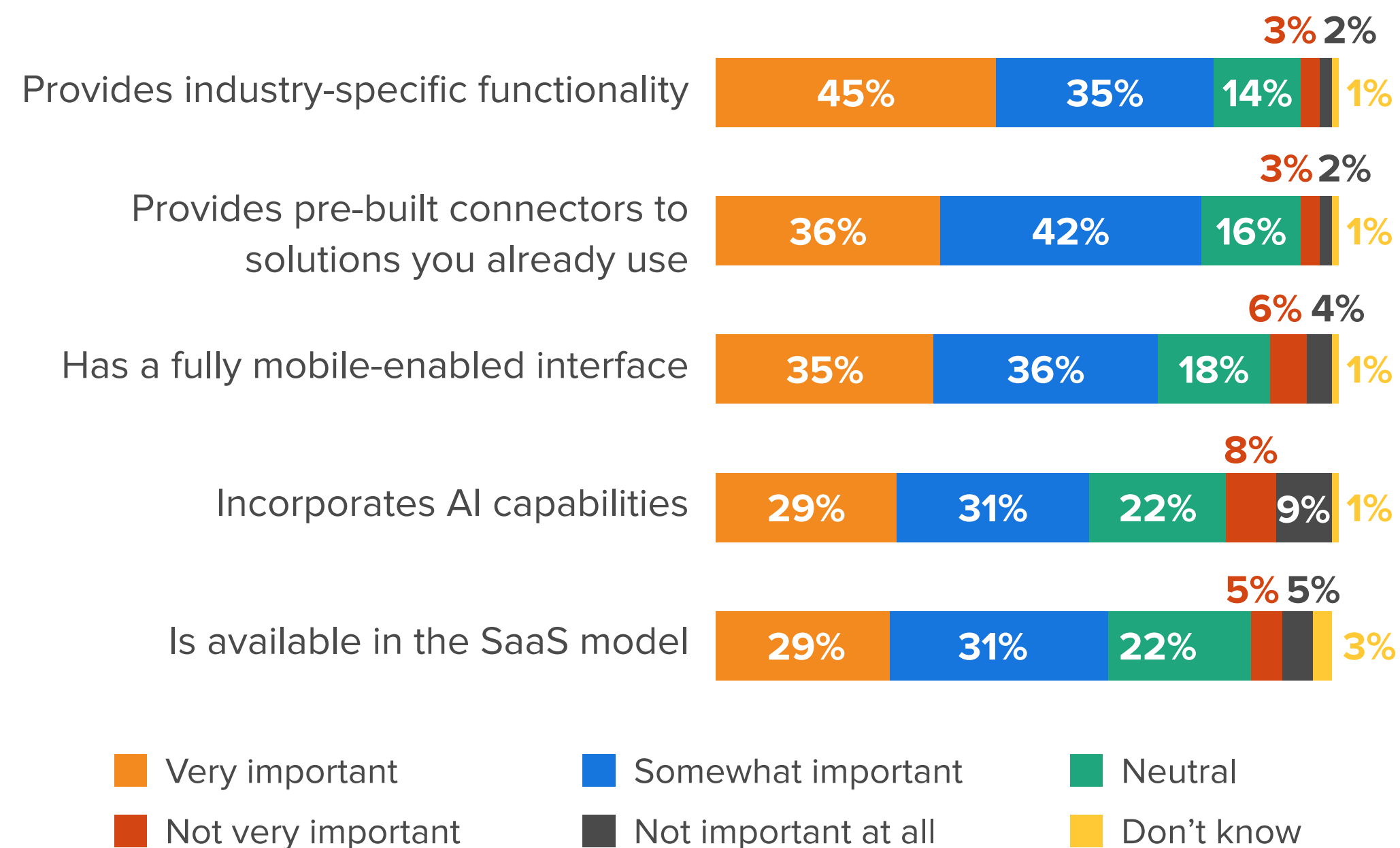


Most Important Factors and Preferred Purchase Channels for Business and Collaboration Software

SMBs cite industry-specific functionality (45%), pre-built integrations (36%), and a fully enabled mobile interface (35%) as the top three factors they consider when buying software. This is followed by embedded AI capabilities and availability in the SaaS/cloud model.

These rankings are consistent across SMB size and industry, though larger SMBs tend to consider more factors as “very important.”

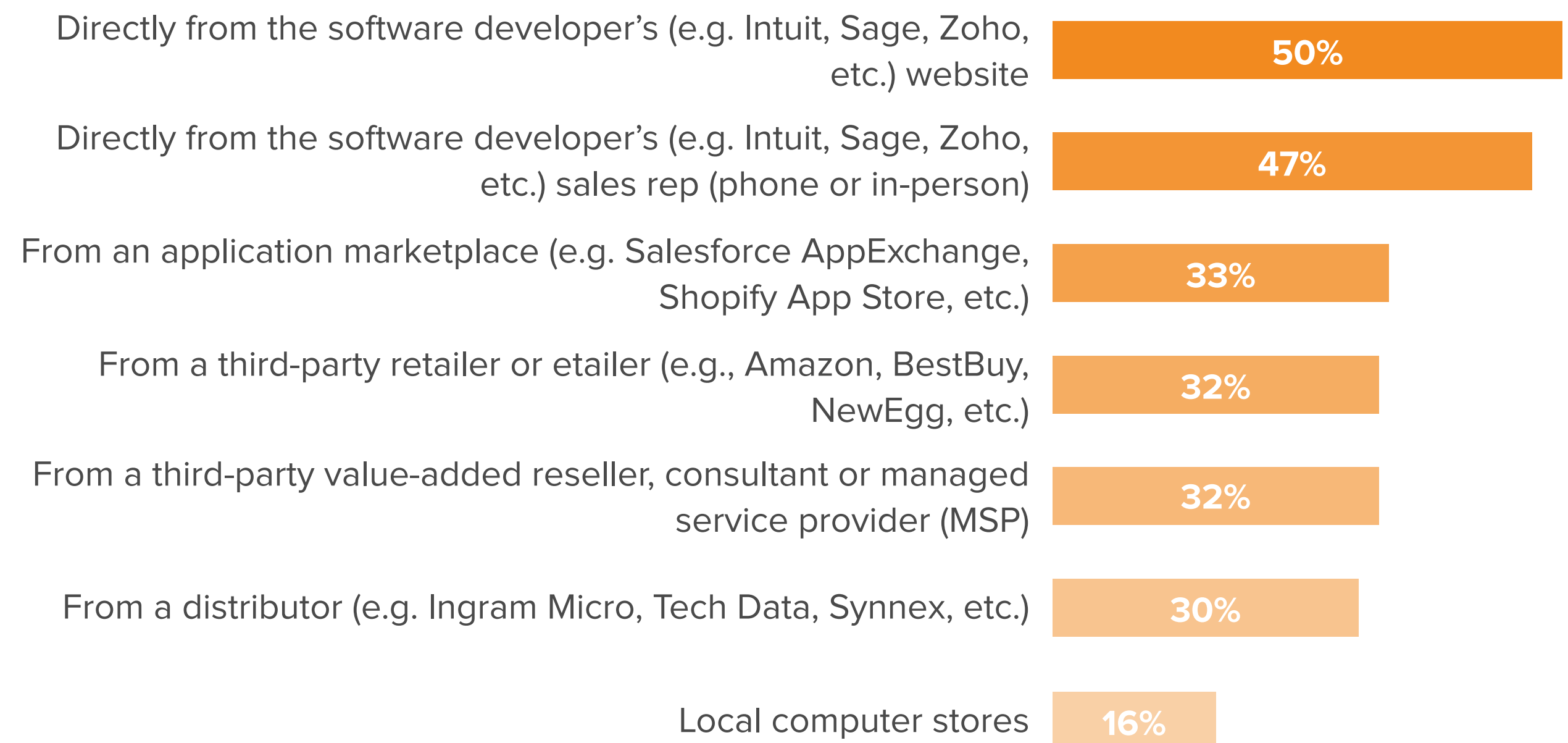
Importance of different factors in selecting business and collaboration software



SMBs are most likely to purchase business and collaboration software directly from software vendors’ websites (50%) or directly from software vendors’ sales reps (47%). Vendors’ application marketplaces, third-party eTailers/retailers, VARs/MSPs and distributors are in a virtual dead heat for third place.

Key distinctions by employee size include that smaller SMBs are much more likely to buy from local computer stores than larger businesses, and larger SMBs are more likely to purchase from distributors than smaller ones.

Channels SMBs most often purchase business and collaboration software from*



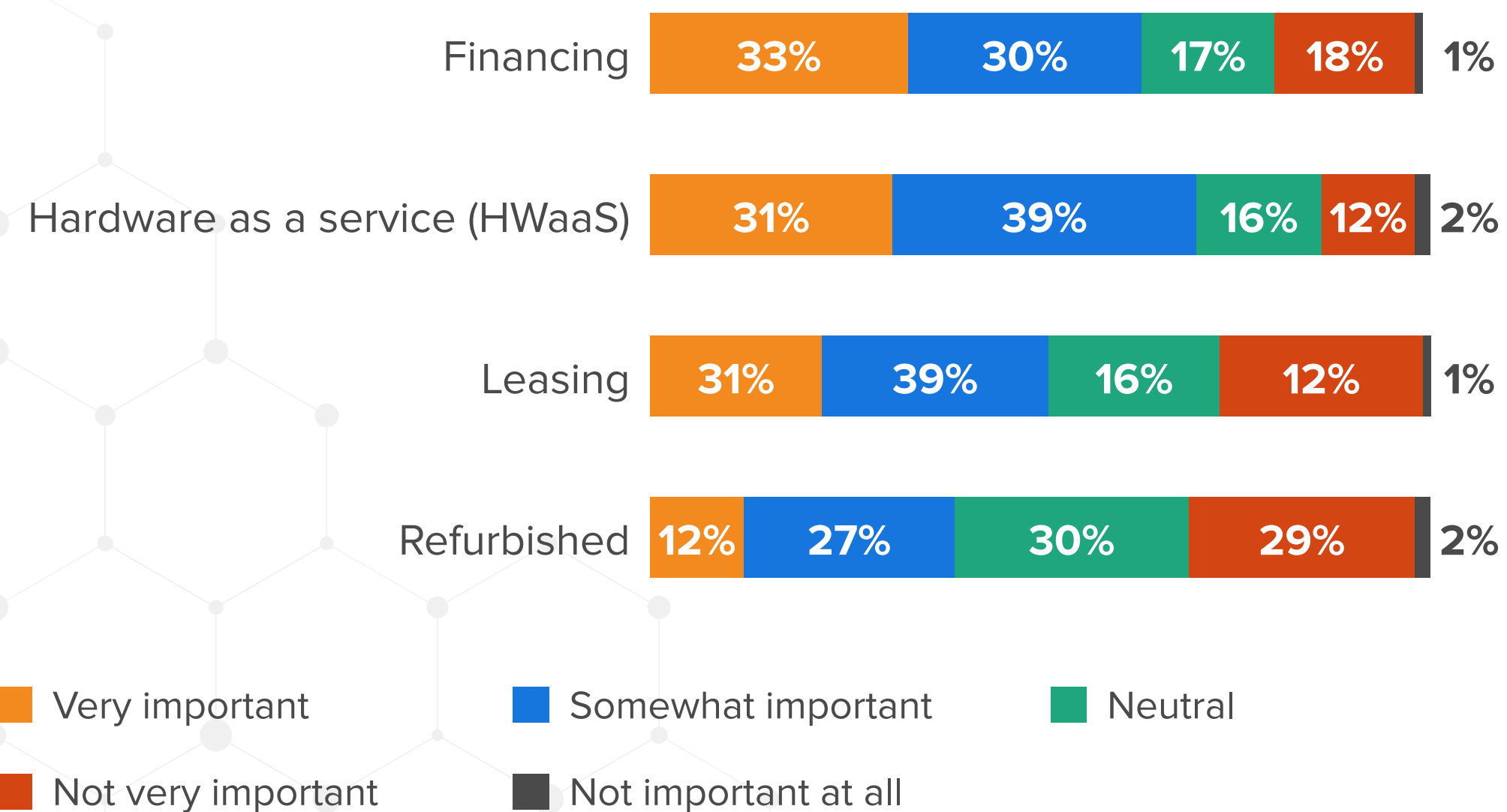
*Respondents could select up to 3 responses

Key Purchase Options and Channels for PCs, Laptops, and Tablets

About two-thirds of SMBs indicated that financing (63%) and hardware as a service (HWSaaS) (70%) are very or somewhat important factors when buying PCs, laptops, and tablets. Roughly half of SMBs say the availability of leasing options is very or somewhat important, and 39% say that refurbished equipment is a consideration.

Considerations vary by company size. For example, financing, HWaaS, and leasing become more important as SMB employee size increases. Businesses with 1 to 9 employees, who are likely buying just a couple of units at a time, give less weight to these factors.

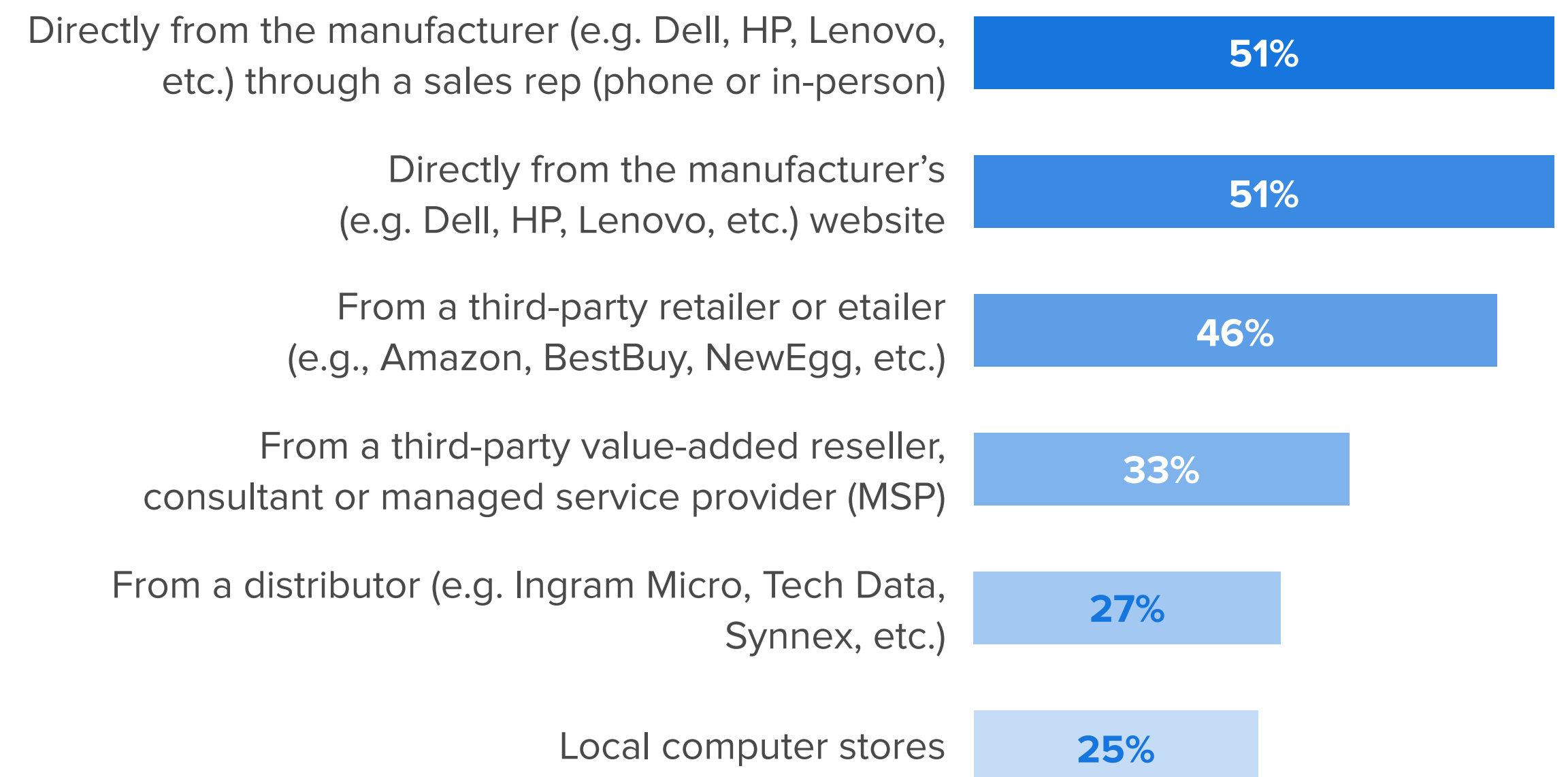
Importance of different purchasing options in buying PCs, laptops and tablets



The most popular purchase channels for SMBs are direct from manufacturers' sales reps or their websites, which are tied at 51%. Third-party retailers/etailers (46%) follow closely behind (46%), trailed by third-party VARs/MSPs, distributors, and local computer stores.

The top 3 channels are fairly consistent across size and industry. However, SMBs with fewer than 50 employees are more likely to buy from local computer stores than larger businesses. Conversely, SMBs with more than 50 employees are more likely to buy from distributors than smaller ones.

Channels SMBs most often purchase PCs, laptops and tablets from*

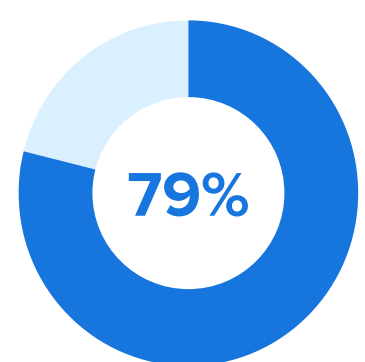


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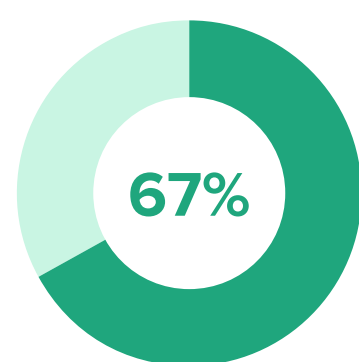
Technology Infrastructure Purchase Criteria

Flexible deployment and financing are key considerations for SMBs buying infrastructure, such as servers, storage, networking, and security solutions.

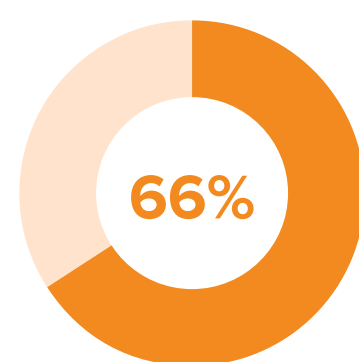
A majority of SMBs rate these deployment options as very or somewhat important:



Private cloud



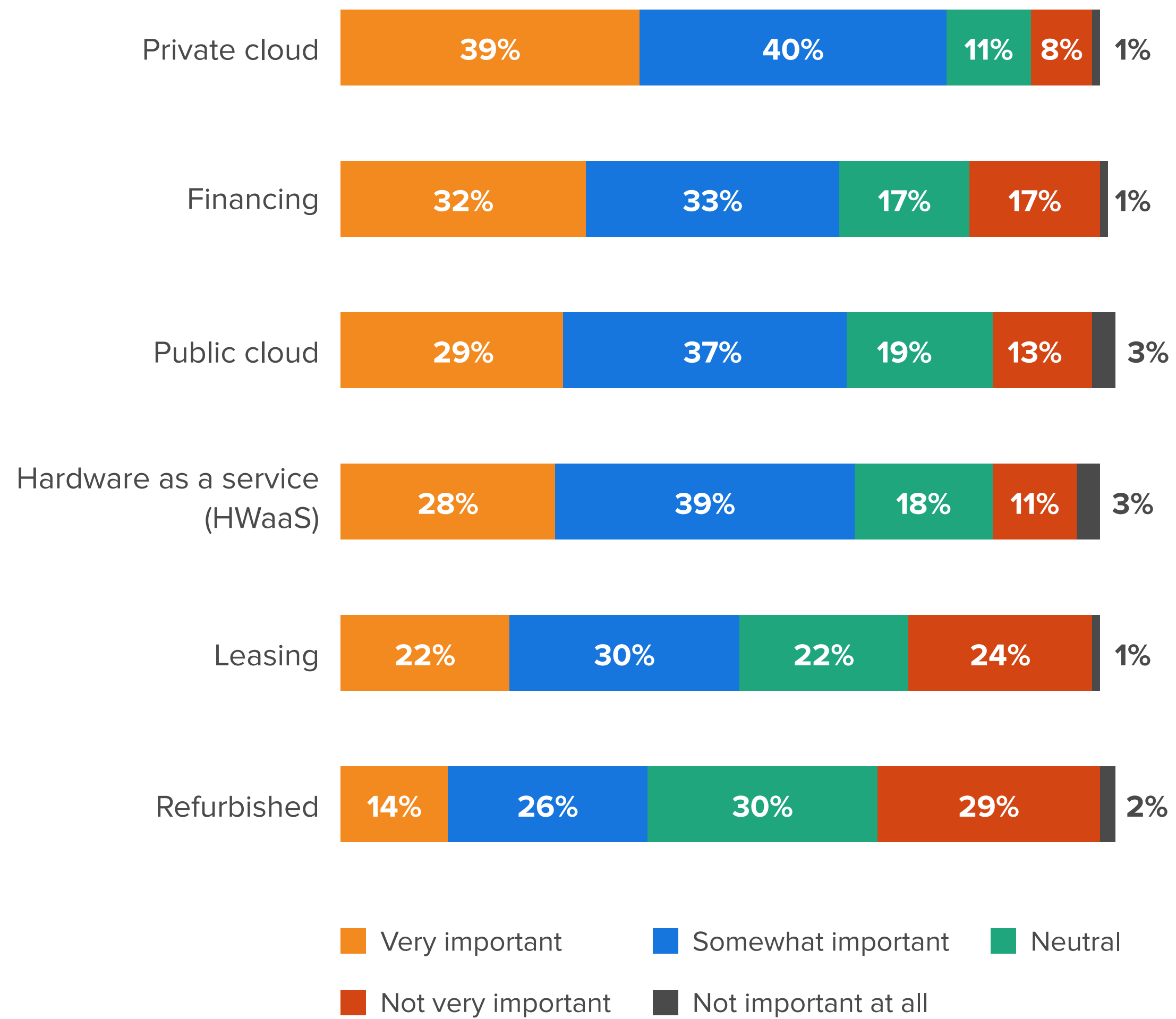
HWaaS



Public cloud

Likewise, a majority also indicate that financing (65%) and leasing (52%) are somewhat or very important criteria. As employee size grows, SMBs rate substantially more criteria as very or somewhat important to their purchasing decisions.

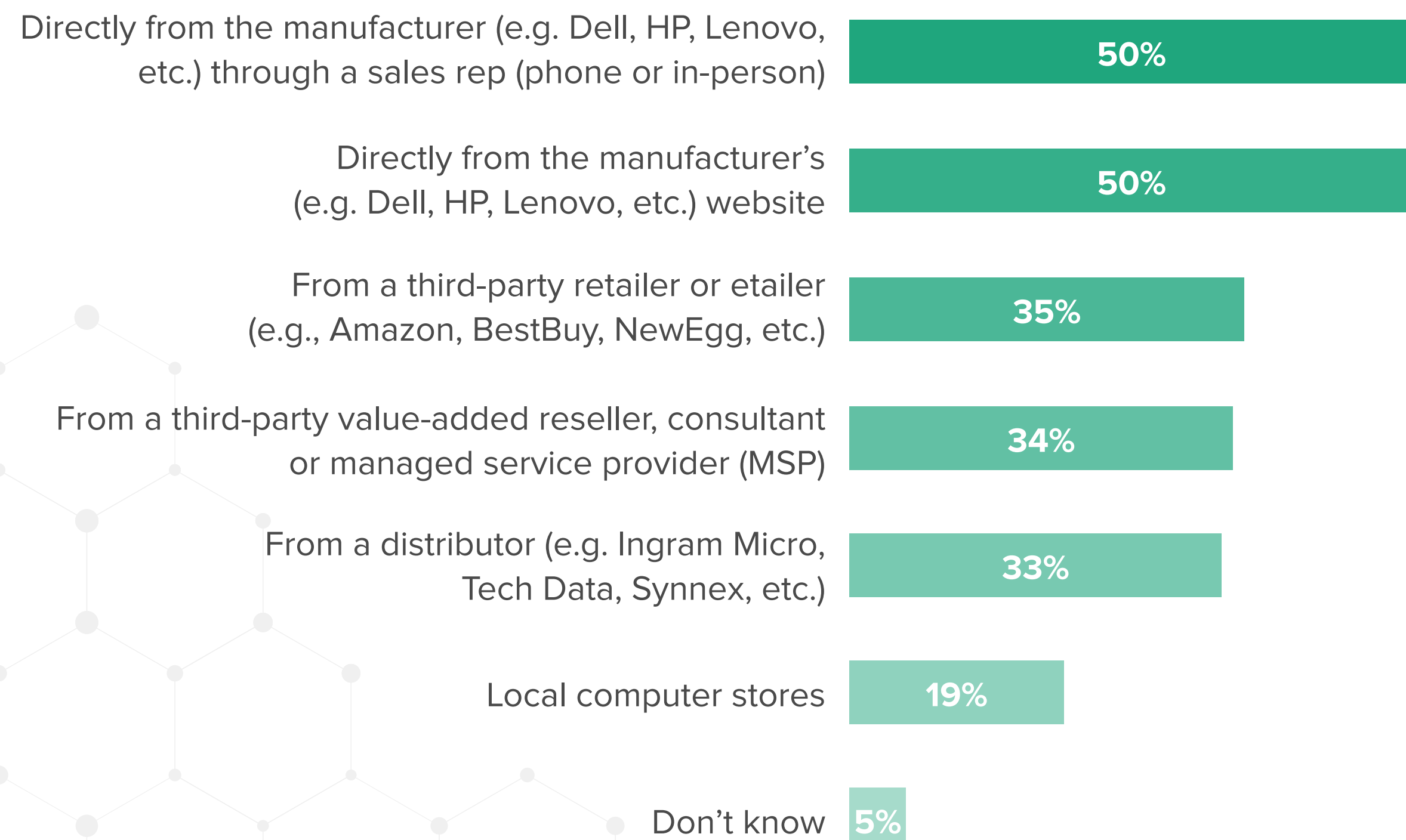
Technology Infrastructure Purchase Criteria



Technology Infrastructure Purchase Channels

SMBs are most likely to purchase infrastructure technology directly from manufacturers' sales reps or from their websites, which are tied at 50%. About one-third rank third-party retailers/etailers, third-party VARs/MSPs and distributors as one of their top channels. The top 3 channels are fairly consistent across size and industry.

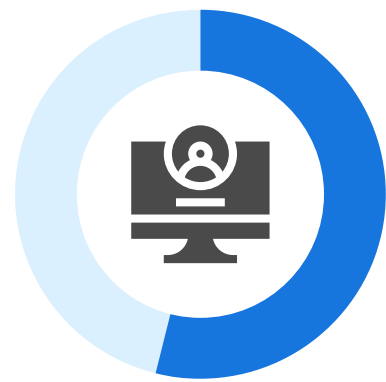
Channels SMBs most often purchase infrastructure solutions from*



**Respondents could select up to 3 responses*

SMB Preferences for Ongoing Communications from Vendors

SMBs' top 3 preferences for ongoing vendor communications are:



Customer portals
54%



Email newsletters
48%



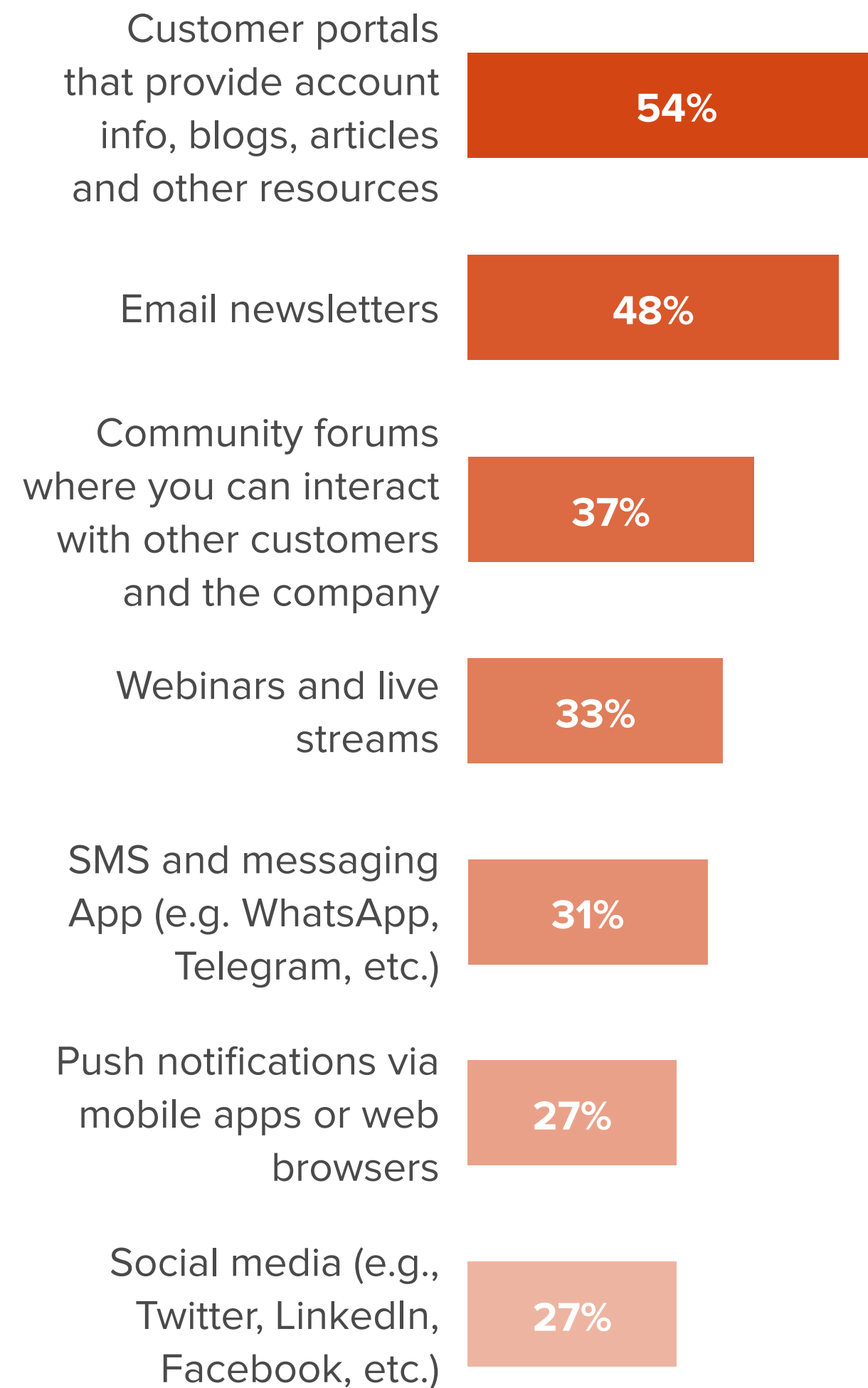
Community forums
37%

Customer portals and community forums tend to be the top choice for larger SMBs. SMBs with less than 100 employees are much more likely to rank email newsletters as one of their top two preferences than larger SMBs.

But one size doesn't fit all for every type of customer or communication need. For instance, SMS updates and push notifications are essential for important or time-sensitive updates.

Given that SMBs of all sizes rate customer portals as a top preference, vendors need to ensure that their portals are user-friendly and updated with relevant content, offer robust self-service options, and are integrated with personalized resources.

Communications

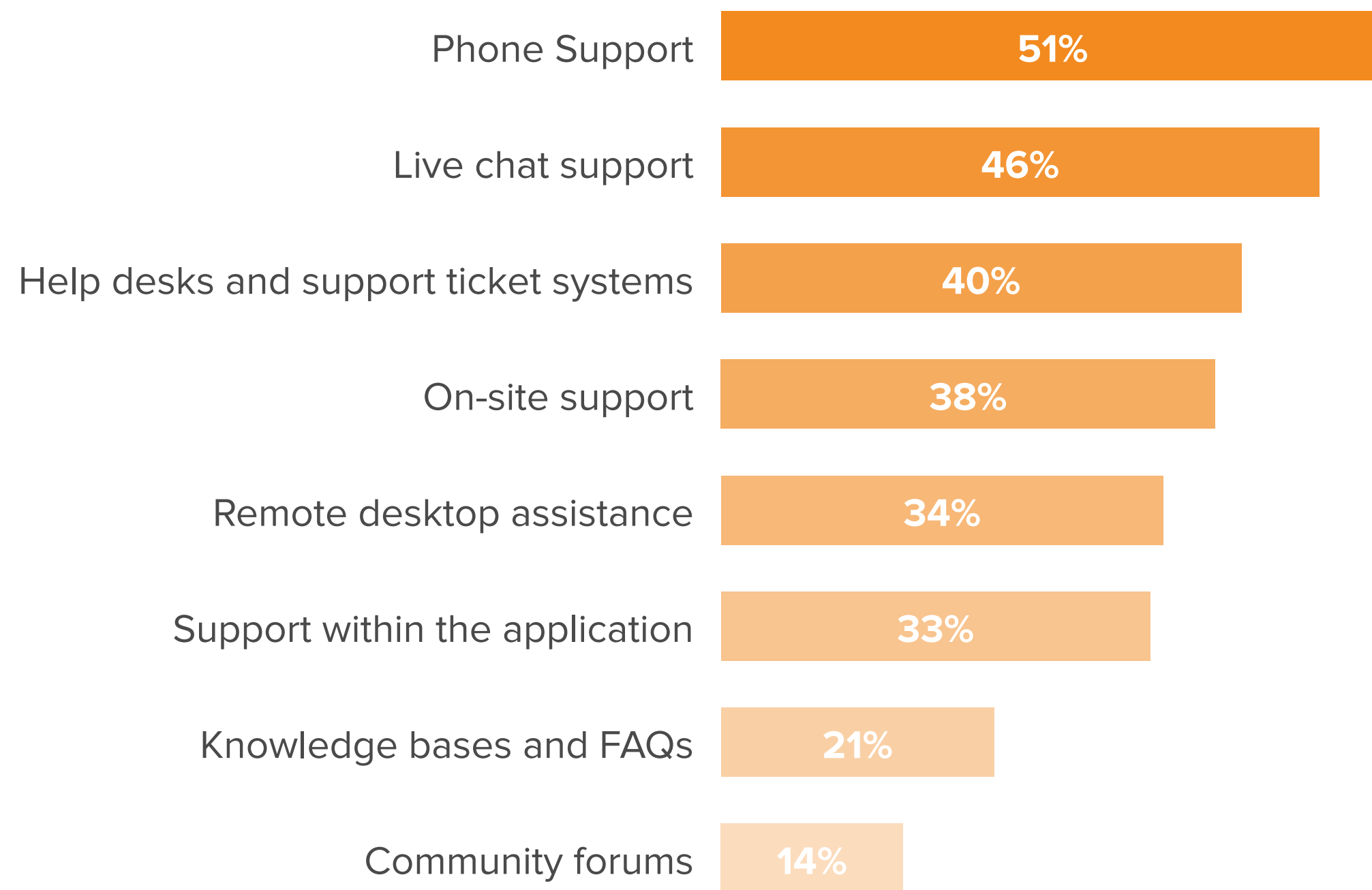


| Employee Size | Top 2 Content Preferences |
|---------------|---|
| 1,000-2,500 | Customer portals (66%) Community forums (47%) |
| 500-999 | Customer portals (56%) Community forums (42%) |
| 250-499 | Customer portals (60%) Community forums (43%) |
| 100-249 | Customer portals (54%) Community forums (48%) |
| 50-99 | Email newsletters (51%) Customer portals (47%) |
| 20-49 | Email newsletters (50%) Social media, customer portals (46%) (tie) |
| 10-19 | Email newsletters (68%) Customer portals (60%) |
| 5-9 | Email newsletters (69%) Customer portals (50%) |
| 3-4 | Email newsletters (67%) Customer portals (44%) |
| 2 | Email newsletters (68%) Customer portals (48%) |
| 1 | Email newsletters (70%) Customer portals (46%) |

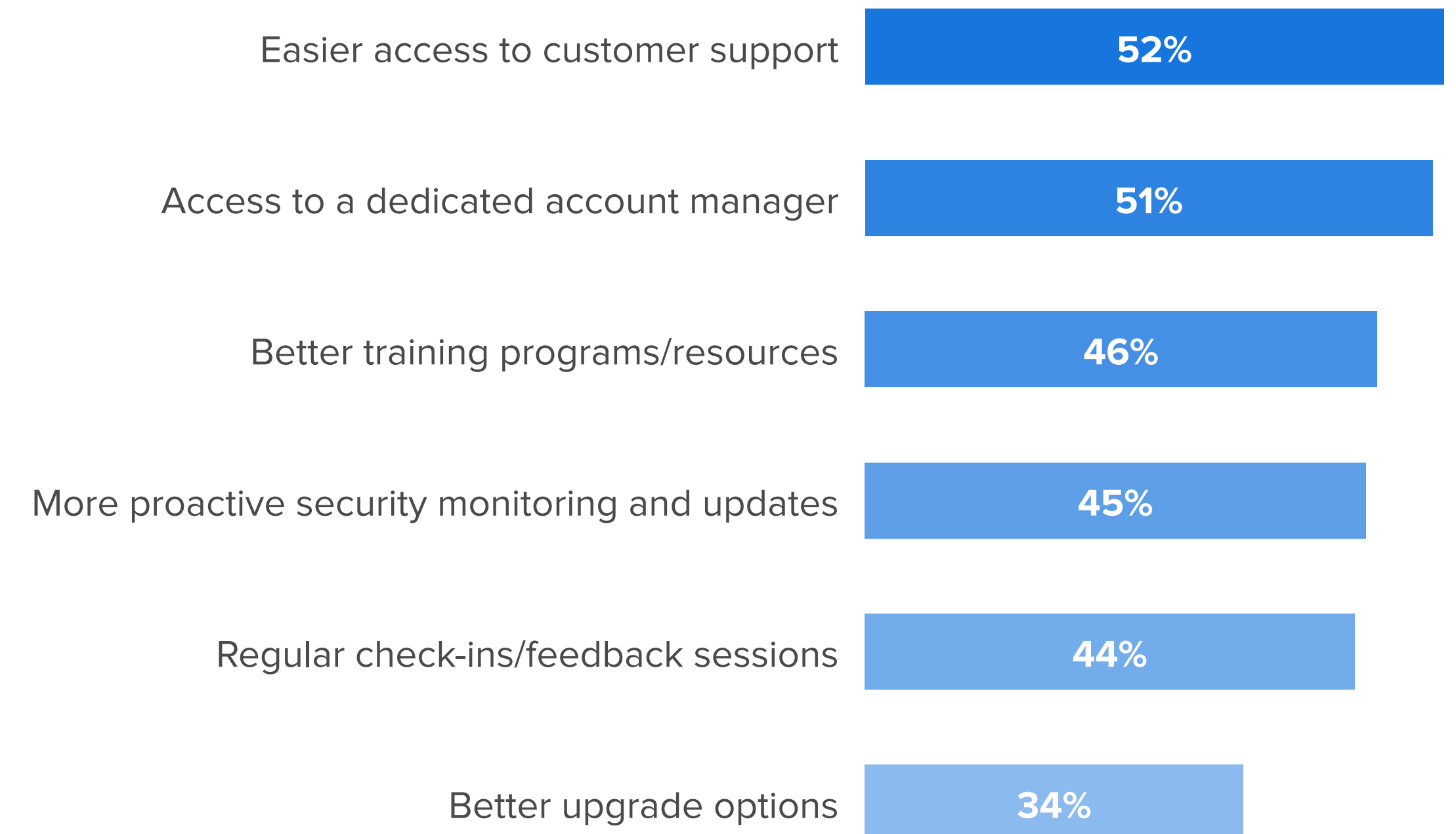
*Respondents could select up to 3 responses

SMB Preferences for Resolving Issues and Improving Post-Implementation Service

Ways SMBs prefer to engage with technology vendors to resolve service issues*



Ways vendors can better SMBs support post-implementation*



*Respondents could select up to 3 responses

When SMBs have issues, they want to talk with people who can help resolve the issues right away: 51% prefer live phone support, and 46% rank live chat as #1. These are followed by help desks/ticket systems, onsite support, and remote desktop in-app support. SMBs with less than 20 employees rate phone support as their top choice, while larger SMBs rate live chat, onsite support, and help desks/ticketing systems as top preferences.

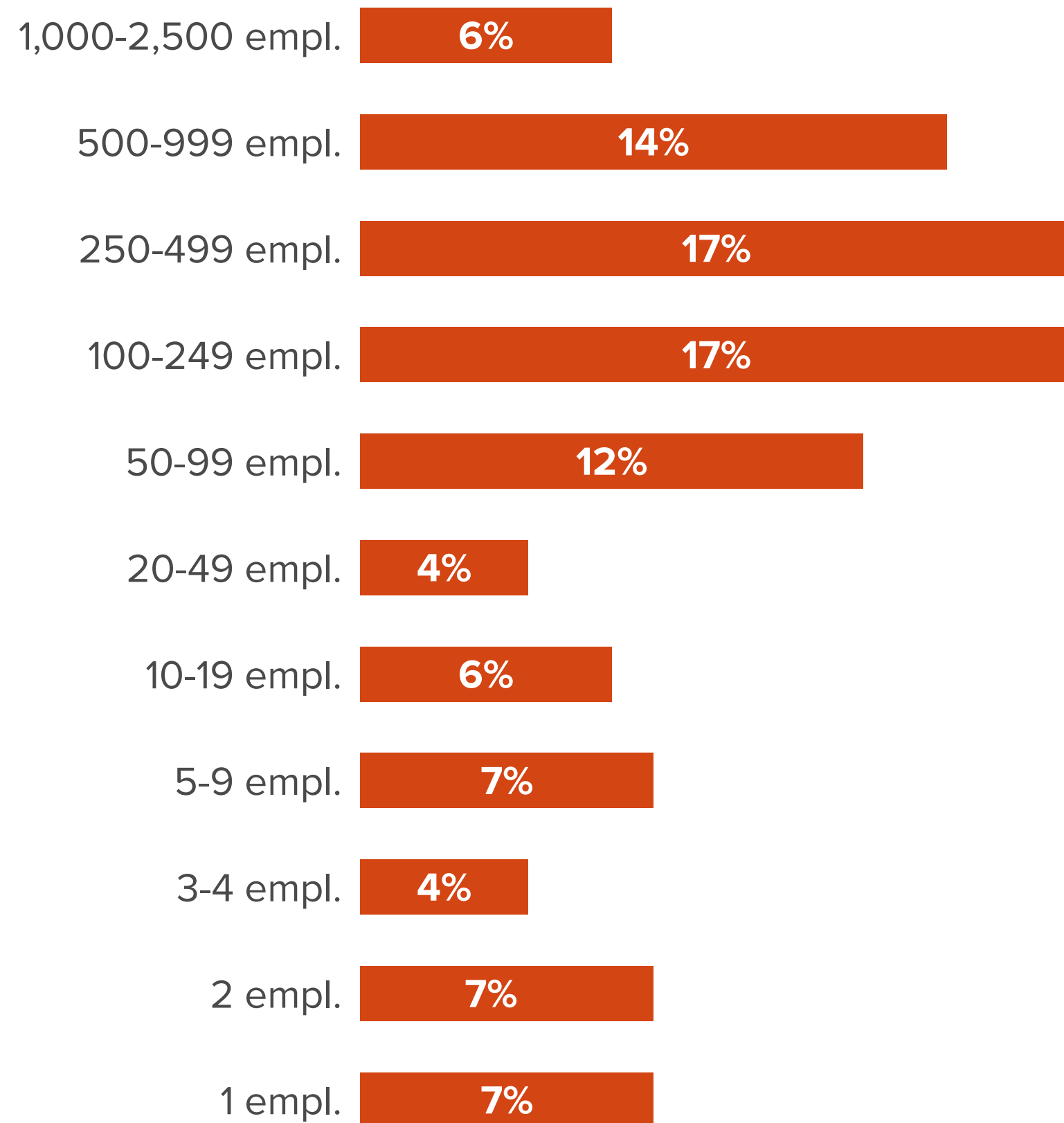
Overall, SMBs want vendors to improve service with easier access to customer support (52%); dedicated account managers (51%); and better training/resources (46%), followed by more proactive security monitoring, regular check-ins/feedback sessions, and better upgrade options (34%)

SMBs with less than 20 employees rate easier access to support as their top pick, while larger SMBs rate dedicated support managers as their first priority.

About the Study

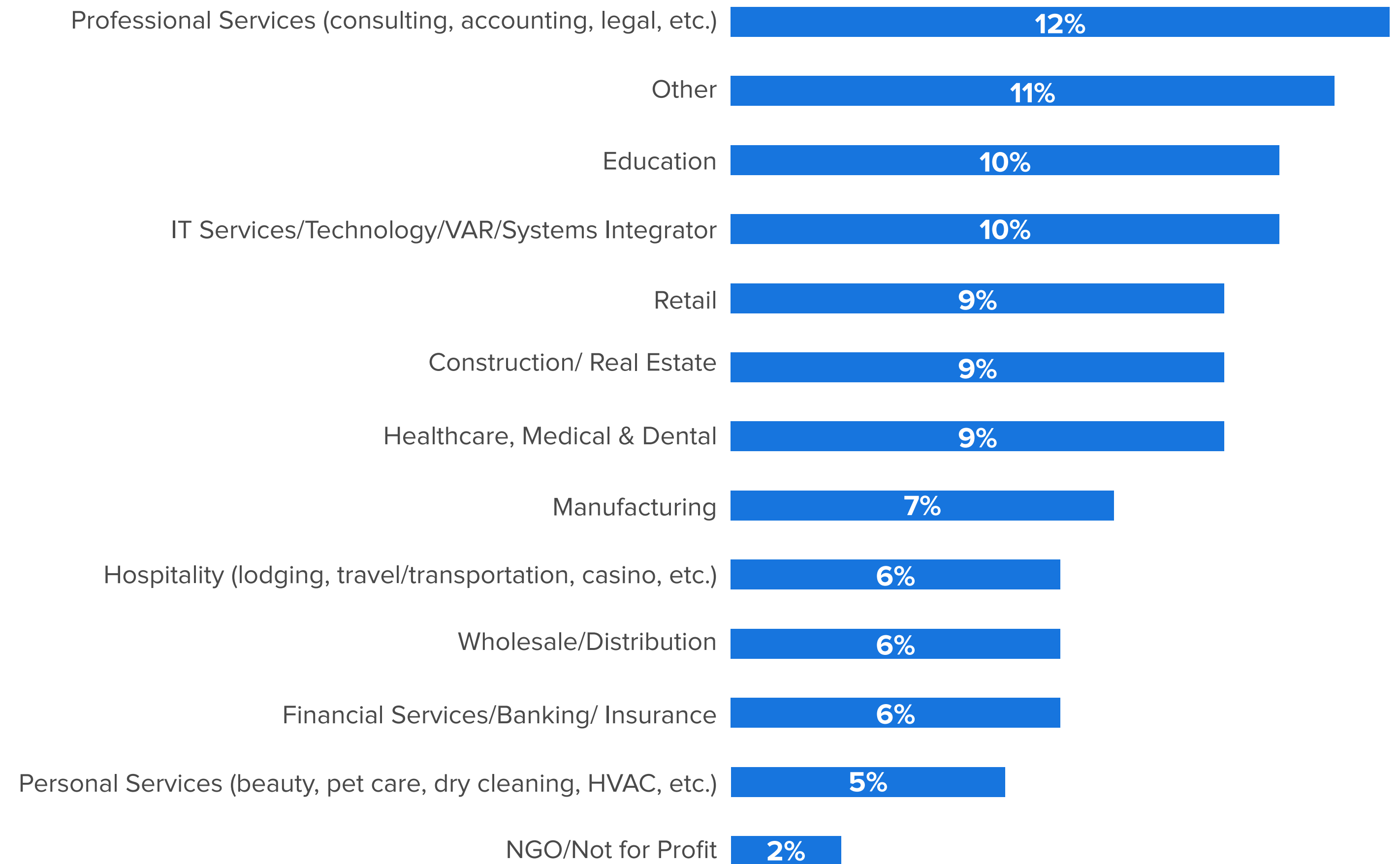
Unless otherwise noted, all data in this eBook is sourced from SMB Group’s survey. Data was collected in July 2024 via a web-based survey from a random sample of 738 survey respondents.

Employee Size Distribution



**For brevity, we will refer to the entire 1 to 2,500 group as SMB throughout this report.*

Industry Distribution





SMB Group is a research, analysis, and consulting firm focused on technology adoption and trends among small and medium (1-999 employee size) and mid-market (1,000-2,500 employee size) businesses. Founded in 2009, SMB Group helps clients to understand and segment the SMB market, identify and act on trends and opportunities, develop more compelling messaging, and more effectively serve SMB customers.

Thank you to our survey sponsors!



If you are interested in the full survey results and detailed segmentation by employee size and industry, please contact Lisa Lincoln (lisa.lincoln70@smb-gr.com) for a table of contents and pricing information.

