



Emerging Media Series

Research into the Role
of Blogs, Podcasts and
Other Emerging
Media Formats on
B2B Technology
Purchase Decisions

Issue One: Podcasts

July 2006

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Introduction

The explosion in global acceptance of the Internet sparked by ubiquitous access to broadband technology has helped change the way businesses deliver content. More people, especially business-to-business (B2B) technology buyers, now go online first for a variety of tasks, researching everything from simple desktop utilities to the most complex enterprise applications. While traditional forms of content, such as white papers, analyst reports, brochures and articles are still predominate, new content types and distribution methods — with roots in the emerging Web 2.0 culture — are catching on fast.

Blogs, podcasts, wikis, RSS feeds and other communication formats — emerging from niche communities, political pundits and news organizations — are evolving into key elements of the B2B marketer’s online toolkit. New research conducted by KnowledgeStorm and Universal McCann of *3,900 B2B technology buyers* shows that technology buyers are not only interested in these new delivery channels, *but they are using them to gather information and make decisions:*

Technology buyers are using new delivery channels, such as podcasts, to gather information and make decisions.

- Thirty-eight percent of technology buyers claimed to be “very familiar” with blogs, and 25% were “very familiar” with podcasts. Nearly half of the respondents stated they were “somewhat familiar” with blogs and podcasts.
- Blogs are “accessed and shared frequently” by 33% of these technology buyers, while podcasts are “accessed frequently” by 21% of respondents.
- Thirty-two percent of survey respondents stated their usage of podcasts has “increased” or “significantly increased” in the last six months. Thirty-nine percent said their usage of blogs had “significantly increased” in the last six months.
- Twenty-seven percent of respondents said “Yes” when asked if podcasts have influenced their purchase decisions.
- While usage is on the rise, podcasting, blogging and RSS still have yet to be adopted by a significant amount of the technology buying community. Podcasts are currently “never used” by 34% of respondents. RSS tops the list of “never used” at 40%.

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Implications for Technology Marketers

With the emergence of these new content and delivery forms, technology buyers have more options than ever – putting them increasingly in control of the vendor/buyer dialog. The implication for technology marketers is that they must adapt quickly to the changing preferences of the market and look for ways of delivering relevant content that meet the merging professional and personal lifestyles of these buyers.

This report is the first in a series of thought-leadership studies conducted by KnowledgeStorm and Universal McCann that will take a strategic look at the impact these emerging online tools have on B2B technology marketing. *This first installment specifically examines podcasting* and provides valuable insight into this red-hot delivery mechanism.

Study Methodology

The study was conducted by KnowledgeStorm, the Internet's top-ranked search resource for technology solutions and information, and Universal McCann, one of the world's largest media service firms, and was fielded in online format to KnowledgeStorm's global registered user audience. Administered in June 2006, the survey represents responses from more than 3,900 participants on such topics as acceptance of podcasting, user preferences and influence on purchasing decisions – as well as opportunities and challenges facing this medium.

More than 3,900 business and IT professionals responded to the survey.

The survey was answered by business and IT professionals across a variety of job titles, vertical industries and company sizes. The demographic profile shows:

- 46% of the respondents are involved with their company's technology at a strategic level.
- 54% are engaged in implementation or day-to-day management.
- 43% are relied upon by 10 or more people within their organization for IT research and expertise.
- 28% have a major influence on IT purchasing or actually authorize purchases.

Podcasts Penetrate B2B's Mainstream Marketplace

Call it a trend, a craze or a phenomenon, but podcasting is taking the world by storm. The audience for this medium has experienced exponential growth, particularly in the United States.

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Fueled by consumer enthusiasm for any medium that facilitates consumption "anywhere, anytime," podcasting achieved a nearly five-fold audience growth in the last year, according to *eMarketer*. And, projections for audience growth by the year 2010 number in the 20 to 80 million range.

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Relatively inexpensive to produce, but loaded with the promise of a global reach, podcasts give Internet users the content they want on their listening terms. Podcasting has been compared to cable's popular Video on Demand, only it's free. For example, podcasts can be delivered directly to busy technology professionals who ask for them. They can then either play the podcasts immediately from their work computers or tune in later using their portable MP3 players while running on the treadmill.

Increased percentages of use indicate podcasts are well on the way to penetrating the mainstream B2B marketplace.

This new form of media has emerged from the sidelines to find itself well on the way to penetrating the mainstream B2B marketplace, as demonstrated in the increased percentages of use stated in this report. So, it is logical to use podcasts more for detailed, insightful information such as analysis, opinions and feature-length subject matter that may be harder to find in the vast world of the one-size-fits-all, static content of the Internet.

Summary of Key Findings about B2B Technology Podcasts

Podcast Usage Gains Momentum

Fifty-three percent of the survey respondents have downloaded or listened to a podcast at least once, with 41% claiming to have listened to podcasts on more than one occasion. An additional 13% stated they "frequently" download or listen to podcasts.

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Computers (not MP3 players) Preferred for Listening

The survey shows that most respondents are listening directly to podcasts from their computers (68%), as opposed to portable devices such as iPods (32%).

Podcast Usage is a Mix of Personal and Professional Content

In most cases, the content respondents are choosing is a combination of personal and business topics: 65% responded they listen for both personal and business interests.

Furthermore, of these *a majority are listening to technology-specific topics*. Seventy-two percent say they have downloaded or listened to podcasts on technology topics more than once while another *23% acknowledge their participation on a "frequent" basis*.

White Papers and Analysts Reports are Potentially More Consumable as Podcasts

Nearly 60% of respondents said information on business or technology topics currently delivered as traditional white papers or analyst reports would be more interesting as podcasts. And, not surprisingly, *55% of them would be more likely to consume white papers and analyst reports if they were delivered in this manner*.

Podcasts Influence Buying Decisions

Twenty-seven percent of respondents said “yes” when asked if podcast content already influences work-related purchase decisions. This number is projected to grow as more content, such as analyst reports and white papers, becomes consumable as podcasts, as noted above.

No Time Limits Needed, But Better Make It Interesting

Nearly one-third of the survey respondents who have listened to podcasts on more than one occasion stated they do not see a limit to the length of a podcast – if the topic is interesting. *Another 31% felt the optimal length for a podcast should be between five and 10 minutes.*

Challenges to Using Podcasts: More Awareness and More Variety Needed

The main challenges facing the use of podcasts vary from not knowing enough about them, to there not being enough interesting podcasts available. Those who “never use” podcasts overwhelmingly said they don’t know enough about them. Among “frequent listeners,” 57% reported that there aren’t enough podcasts of interest at this time.

Conclusion

Savvy B2B technology buyers will continue to turn to the Internet as they conduct their due diligence for company purchases. However, it is important to note that they are using the Internet for far more than traditional searches. The ability to quickly and easily collect pertinent information from a variety of sources allows corporate professionals to make better, more informed purchasing decisions about vendor products, services and solutions.

The objective of the Emerging Media Series is to explore the impact innovative online media, such as podcasting, is having on the consumption of Internet content within the B2B marketplace. More specifically, this particular study is designed to more closely examine the behavior of podcast users as well as non-users to determine marketing opportunities using this channel.

The research proves that new online media types are gaining momentum this year. And, podcasts are quickly becoming an integral part of this wave. With a *70% familiarity with podcasts*, the respondents’ growing comfort levels with this technology have produced a substantial increase in usage in just the last six months.

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Seventy percent of respondents were familiar with podcasts.

This spike in usage can also be attributed to the addictive nature of this on-demand medium. Apparently, *first-time podcast experimenters are getting hooked* as the study shows 41% of the respondents were adopting this technology and listening more than once.

And, listening they are. The majority of these listeners do not even feel compelled to place time constraints on the length of podcasts if the content is interesting. The fact that *most respondents are listening to podcasts directly from their computers* may indicate how entrenched the use of this medium has become in day-to-day activities. As many of these respondents experiment with and realize the full portability benefit of podcasts, the use of a personal MP3 player as a listening conduit will more than likely increase to keep pace with today's mobile business community.

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Technology Vendors Should Take Note

Business- and technology-related subject material is a perfect match for podcasting content. This medium has already started to evolve past its pure entertainment value into an indispensable, business-critical evaluation tool for IT decision makers. The key, however, is offering the content

these users desire. Knowing *72% of respondents have downloaded or listened to podcasts on technology topics more than once* further validates the use of tools, such as white papers and analyst reports, to provide more detailed analysis, assessment and evaluation. *Twenty-seven percent of respondents are already using podcast content in their decision-making process.* However, this group as a whole all but begs for more of this type of content to be delivered

via podcasts, so the opportunity to address a real marketing niche within the B2B space firmly exists.

As with any new technology, opportunities as well as challenges exist. However, marketers should realize a fair amount of education on the benefits and value of podcasting is still needed because *a moderate portion (38%) still feel uninformed* about how to best use this technology. The real value proposition comes in the ability to *target and customize messages through an on-demand delivery channel* coupled with the opportunity to build and bond with a regular subscriber base of loyal customers and sales leads.

Seventy-two percent of respondents have downloaded or listened to podcasts on technology topics more than once.

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The overarching objective in this series of studies is not only to highlight the continued growth in all forms of online content, but also to showcase new types of emerging online media that are already making an impact within the technology marketing mix. The results indicate a rapid growth in the usage of innovative new media by B2B technology buyers, with plenty of upside as delivery methods, such as podcasting, still have yet to be fully adopted.

Podcasts allow B2B marketers to move closer to the holy grail of collaboration and interaction within the Web 2.0 model. The Internet has obviously forced technology buyers to alter their approaches to purchasing. In response, marketers need to adapt. It is as important as ever to take advantage of the benefits innovative online media afford. Marketers should leverage content that resonates with its audience and use multiple delivery methods to engage them.

Podcasts allow B2B marketers to move closer to the holy grail of collaboration and interaction within the Web 2.0 model.

Detailed Findings

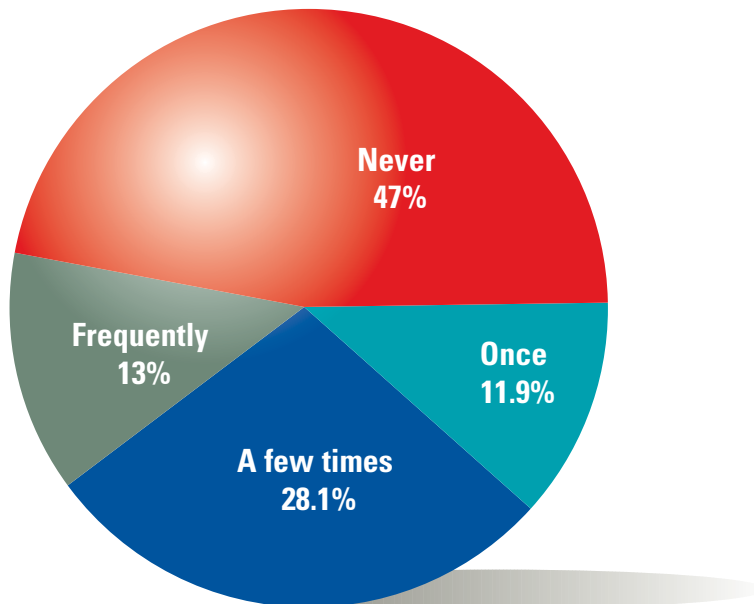
Incidence of Podcast Usage

The majority of technology buyers are jumping on the bandwagon when it comes to podcast usage as 53% of respondents have at least experimented with this new form of online media. With 41% claiming to have listened to podcasts on more than one occasion, usage among this group is significant and obviously growing. In fact, 32% of these respondents have seen their usage “increase” or “significantly increase” over the last six months.

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For the 47% who have “never” listened to a podcast, there are a number of different factors that restrict usage, including lack of knowledge, time and a suitable MP3 player.

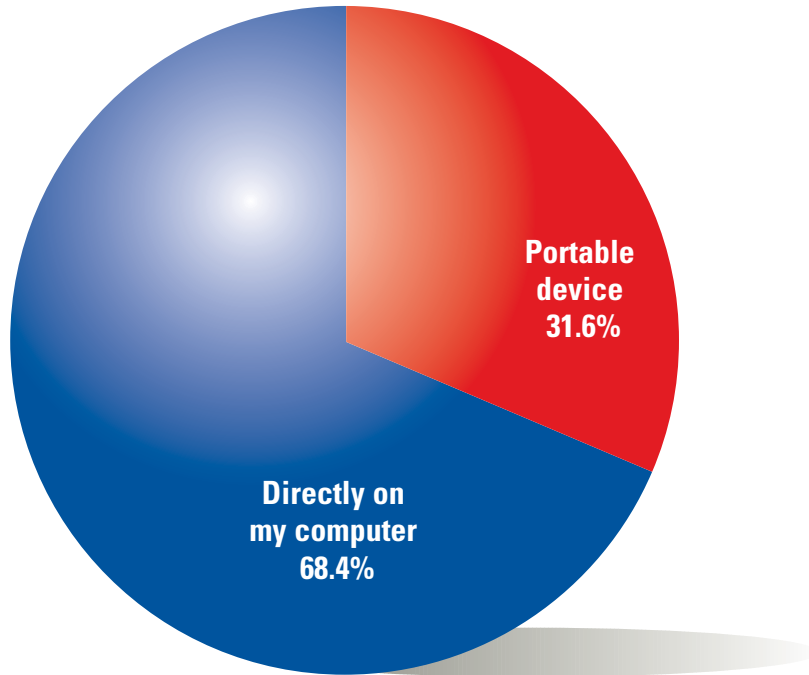
Have you ever downloaded or listened to a podcast?



Podcast Listening Habits

The survey shows most respondents do not stray far from their computers when listening to podcasts. Sixty-eight percent prefer to listen directly from their desktops as opposed to the one-third who prefer using portable devices, such as MP3 players. Surprisingly, more than 40% of respondents do not own a personal MP3 player, which may partially account for the preponderance of computer listeners.

Do you typically listen to podcasts on a portable device (ex. iPod) or directly on your computer?



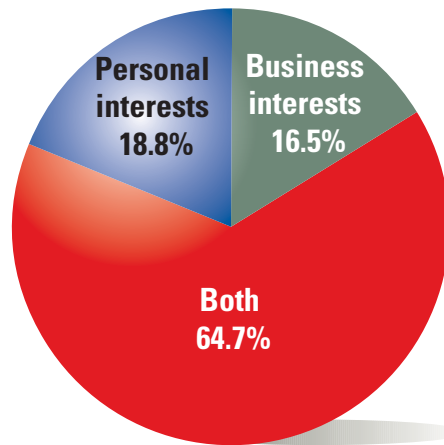
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What Interests Podcast Listeners?

Podcasts have turned the distribution of Internet content into a smorgasbord of topics aimed at meeting a variety of personal needs and interests. Technology buyers are no different. However, a growing number of them are tuning into podcasts for business interests in addition to choosing content considered more personal in nature. Sixty-five percent responded that they listen for both personal and business interests.

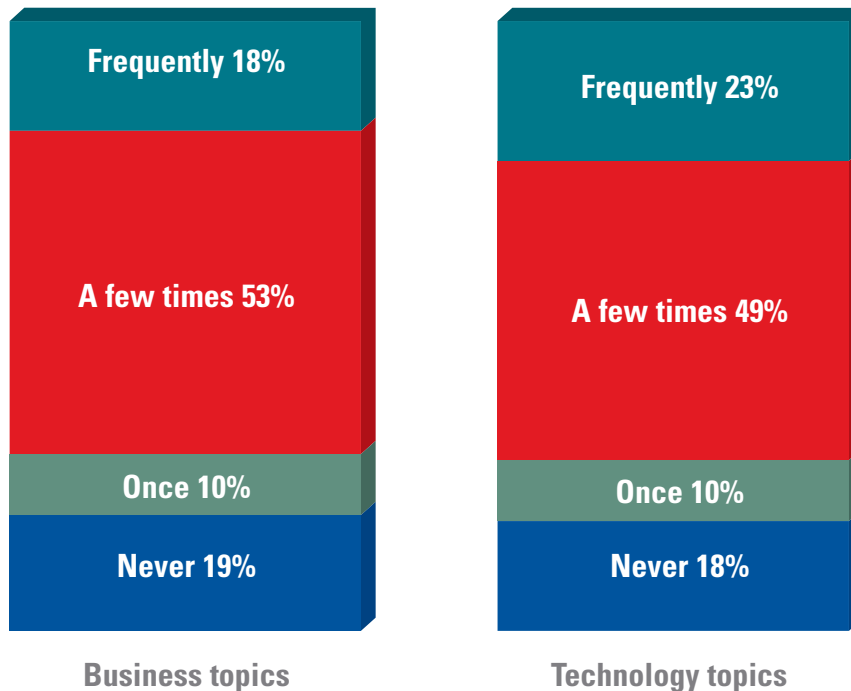
Additionally, a very large number of respondents have listened to or downloaded technology-specific topics more than once. In fact, a quarter of them do so on a frequent basis.

Do you listen to podcasts for personal interests, business interests or both?



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Have you ever downloaded or listened to podcasts on business or technology topics?



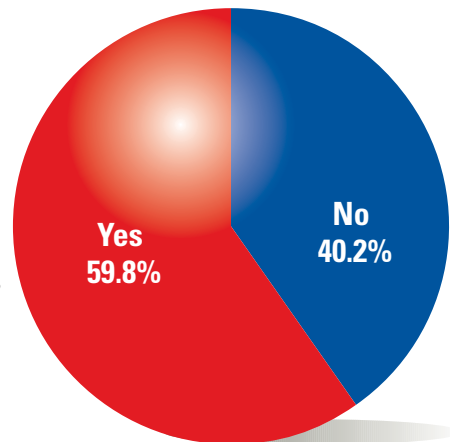
White Papers and Analyst Reports Would be More Interesting as Podcasts

Often more in-depth and technical in nature, white papers and analyst reports do not score the same in readability as the Sunday paper. However, respondents want this type of detailed content delivered through a medium that allows them to consume it at their leisure.

As more technology buyers continue to adopt the use of podcasts to access business- and technology-related material, they will soon drive the types of content available. Nearly 60% of respondents who have previously used podcasts said information on business or technology topics currently delivered as white papers or analyst reports would be more interesting using this medium. And, not surprisingly, more than half of them said they would be more apt to access white papers and analyst reports conveyed in this manner.

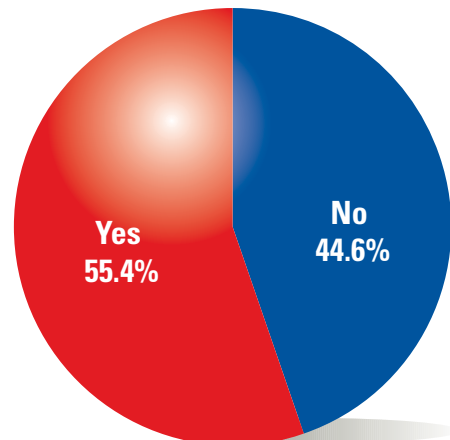
To reinforce the importance of this type of content to this particular audience, it is essential to note more than half (55%) of those who don't listen to podcasts agree that white papers and analyst reports would be more interesting if delivered as podcasts.

Do you feel that information on business or technology topics currently delivered as white papers or analyst reports would be more interesting if delivered as podcasts?



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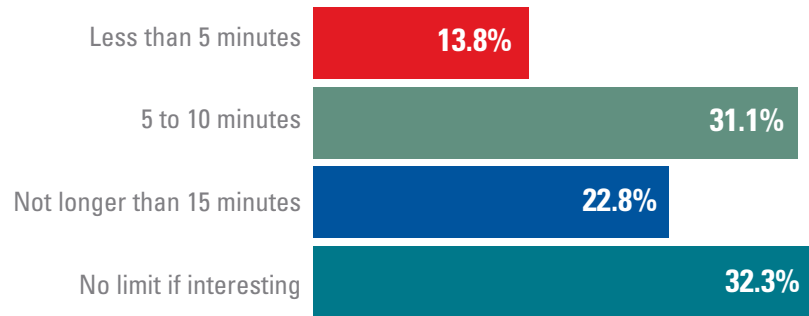
Would you be more likely to consume this type of information if it was delivered as a podcast?



Recommended Length for Podcasts

Continued adoption of this medium will not only drive the types of available business and technology content, but will also help dictate the optimal lengths of podcasts. Thirty-two percent of the respondents who listened to podcasts more than once stated they would not place a limit on length if the content was interesting. Another one-third felt the length of podcasts should be between five and 10 minutes. Only 13% thought five minutes or less was an adequate length of time, which could possibly be skewed toward more consumer-oriented, entertainment-value content and topics.

In your opinion, what is the optimum length for a podcast?

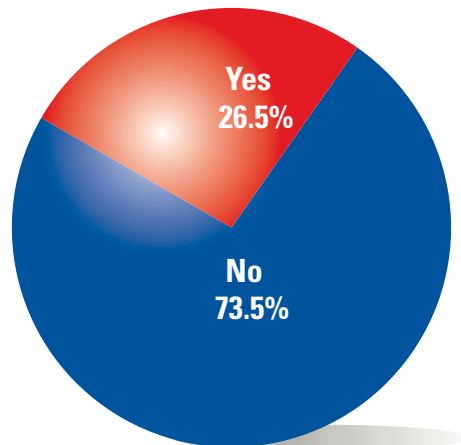


Influence of Podcast Content on Purchasing Decisions

Podcasts are already influencing IT purchase decision-makers. And, podcasting is sure to exert a full-force influence on technology-buying decisions as podcast content continues to become more relevant to this group in terms of business-related topics, types of content available and time devoted to listening. Almost one-third of respondents (27%) feel that podcast content already influences their work-related purchase decisions. Of even greater importance, 48% of frequent users feel podcast content already influences IT purchases. These numbers are sure to grow as more content such as analyst reports and white papers become accessible and consumable via podcasts.

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Does podcast content influence your work-related IT purchase decisions?

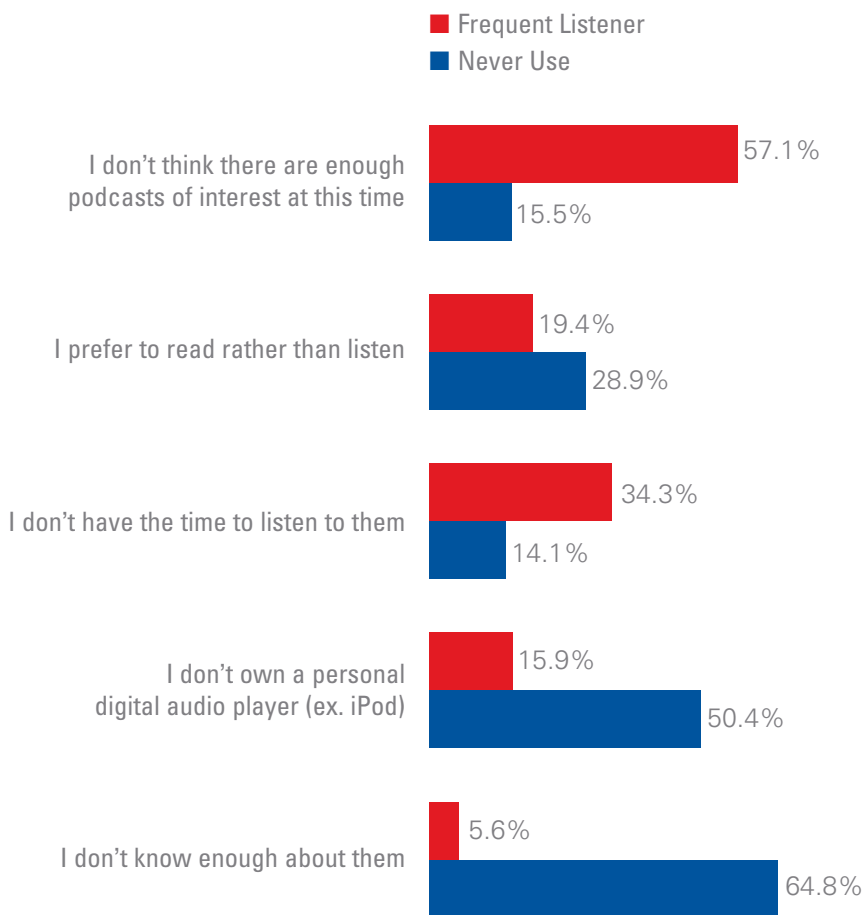


Major Barriers Affecting Podcast Use

The main challenges facing the use of podcasts vary depending on whether the responder is a frequent listener or has never used a podcast. Among frequent listeners, 57.1% said there are not enough podcasts of interest at this time, which is consistent with their growing appetite for more relevant business- and technology-related information. Another 34.3% said they don't have the time to listen to them. Among those who have never used podcasts, 64.8% said they don't know enough about them. Another 50.4% said they don't own a personal digital audio player which seems relatively high when considering the nature of their business and backgrounds.

Lack of time to listen (22%) was cited as the smallest challenge affecting podcast use.

What are the major challenges to using podcasts?



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