

The Real Deal: Vendor and End-User Perceptions of Industry Analyst Firms

Study Background

The industry analyst marketplace has undergone a dramatic transformation in recent years. From mergers and acquisitions to staff reductions and bankruptcies, no firm has been untouched by the shakeout. Amidst this turmoil, many industry observers have voiced their opinion, providing commentary and analysis about how they saw the shakeout unfolding and where the analyst market was headed. But as far as we could tell, no firm or individual had undertaken a primary research study to look at how vendors and end-users perceive analyst firms in today's market.

In February of 2005, Azul Partners began a research study to look at how vendors and end-users viewed the analyst community. We wanted to carry out a study that would be 100% objective, providing results straight from the mouths of vendors and end-users that depend on the industry analyst firms every day. Aberdeen Group served as the sponsor for this project, providing funding for us to carry out the research. Aberdeen Group, however, had no influence or outcome on the results of the research, other than to help us prioritize the firms which we were going to examine in our survey and to suggest areas to explore. After a thorough evaluation of over a dozen firms, together Azul Partners and Aberdeen Group decided to base the research efforts on the following firms:

- Aberdeen Group
- AMR Research
- ARC Advisory Group
- Butler Group
- Forrester Research
- Gartner
- Yankee Group

Setting the Stage

The purpose of our research was to understand how end-users and vendors view leading industry analyst firms and to develop an understanding of what offerings work – and which do not. In part, the research sought to address the following:

- What firms are best known in the market?
- Which analyst firms have the strongest brand and reputation?

- Which firms have the highest quality research?
- Who is most / least influential?
- Who is most / least differentiated?
- What do end-users and vendors expect when they enter into a commercial relationship with an industry analyst firm?

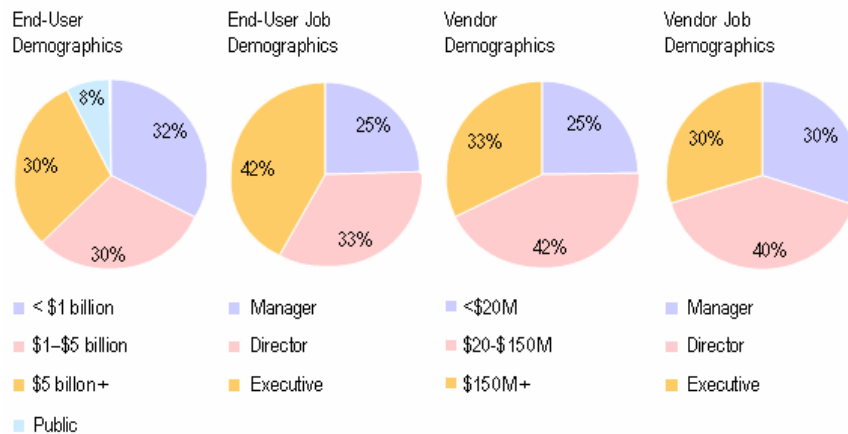
To carry out the research, Azul Partners surveyed eighty individuals (forty vendors and forty end-users) via phone interviews which lasted between twenty and thirty minutes each. The combination of sample size and a mix of qualitative and quantitative questions provided additional feedback and insight not typically available through written surveys.

We identified participants from our own research and database, as well as from information Aberdeen Group shared with us from their records. The names Aberdeen provided to us were a random sampling of contacts from their database, many of whom had little or no contact—and no commercial relationship—with Aberdeen Group in the past (we confirmed this during our interviews). In a number of cases, there was overlap between Azul Partners' list and Aberdeen Group's list.

All of the participants were either research buyers or research users (and many times both). On the vendor side, these participants represented a mix of marketing, product management, and communications executives from a range of software and services providers. On the end-user side, they were a combination of research buyers, technologists and business users. End-users came from a diverse group of sectors including manufacturing, transportation, healthcare, retail, consumer packaged goods, automotive, aerospace and defense, oil and gas, and the public sector (both state and federal).

The participant breakdown is listed below in *Figure 1*.

Figure 1: Survey Participant Demographics



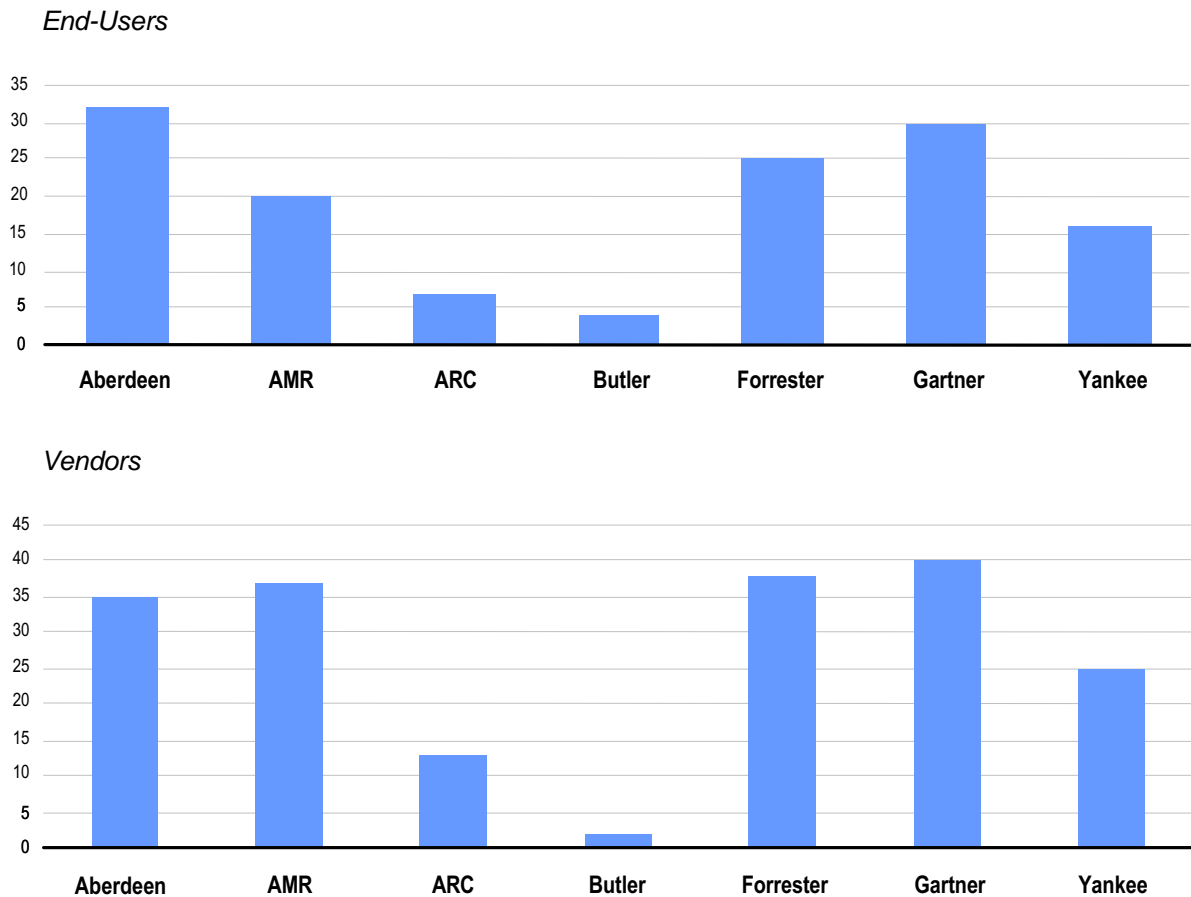
To entice participants to take the time to answer the survey questions, we offered a choice of a \$25 gift certificate to Amazon.com or a free one month trial to Aberdeen Access. 60% of participants choose an Amazon gift certificate, while 30% choose a free trial to Aberdeen Access.

The remaining 10% declined gifts per company / government (in the case of public sector organizations) policy.

Survey Methodology and Response

Each interview consisted of nearly seventy questions with some scored quantitatively, others qualitatively. The number of participants that could comment on any one particular firm varied. *Figure 1*, below, depicts the number of firms that provided a *complete* response for any given analyst firm. If a participant could not answer every question about a specific firm, they were considered an incomplete response, and did not count toward the “complete response numbers,” as shown below. These partial responses did, however, count toward the scoring and rankings.

*Figure 1: Number of Participants Commenting on Each Firm
(Based on Complete Responses to all Questions)*



General Survey Findings

What End-Users and Vendors Value in Working with Industry Analyst Firms

Our research showed that end-users and vendors alike value similar traits and attributes from analyst firms. Service, real world experience, quality of research, accuracy, trust, objectivity, and access topped the list of what both groups consider highest priority in evaluating and measuring firms. Fair-pricing and solution bundling also mattered to both vendors and end-users. Vendors also valued the ability of analysts to help influence and shape the market, and to promote their own messages and solutions. Many also cited “coverage” as a primary factor they considered when evaluating firms. End-users valued the ability of analysts to talk about broader trends between products, categories, and industries.

What’s Missing in the Market?

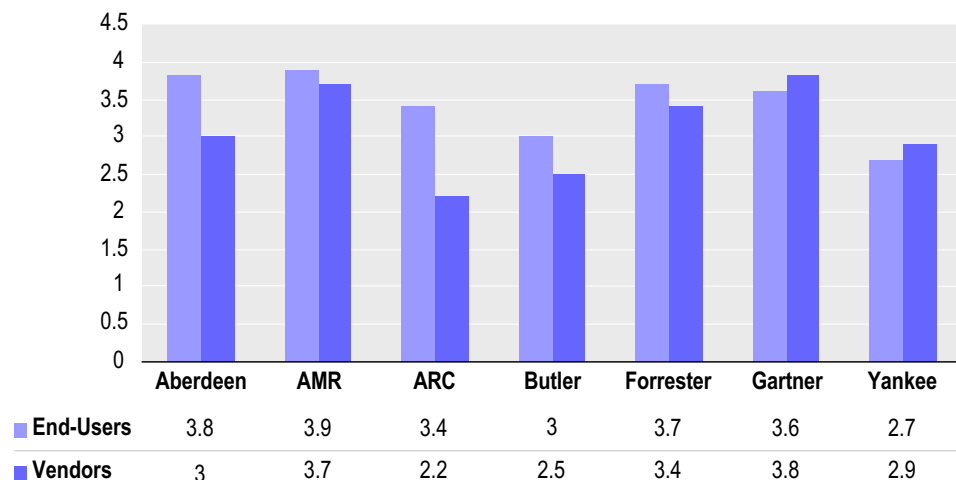
Quality and independence of research topped the list, as did the ability of analyst firms to bridge the gap between research and making the research actionable. Furthermore, both end-users and vendors want more practical information that focuses on the needs of a business audience, rather than the needs of a technology one. End-users also wanted greater industry coverage, as opposed to broad technology coverage. Vendors, in general, voiced concerns over current customer service levels that most firms delivered and cited analyst access, objectivity and fairness as top areas for improvement. Some respondents also wanted greater flexibility in pricing and new business models for engaging with the analysts.

Firm Comparisons

The core element of our quantitative research was a list of questions that asked participants to score firms on a range of factors. The questions, ratings scale, responses, and our analysis follow below:

1) *On a scale of 1 to 5, in what regard do you hold each firm’s research relative to other firms?*

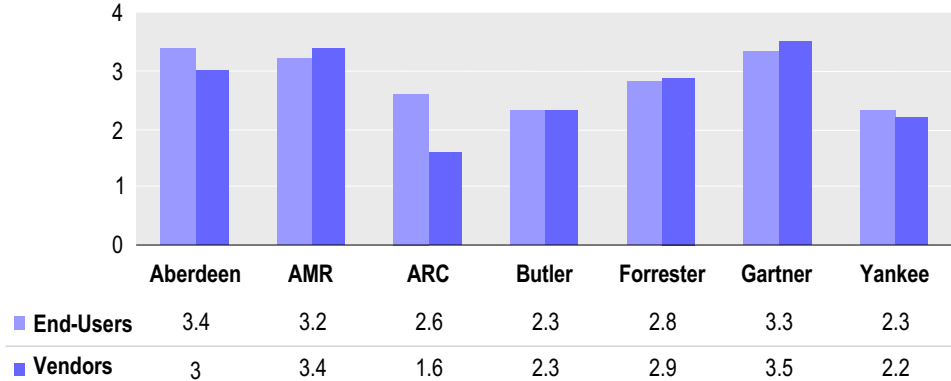
1 = among the worst in the industry, 2 = below average, 3 = average, 4 = above average,
5 = among the best in the industry



Analysis: AMR Research and Gartner scored at similar high levels from both end-users and vendors. Aberdeen Group scores very well (second overall) with end-users, but much further down the list with vendors. ARC Advisory Group, while ranking lower than Aberdeen, also shows a similar decline in scores between end-users and vendors.

2) On a scale of 1 to 5, how valuable is each firm to you today?

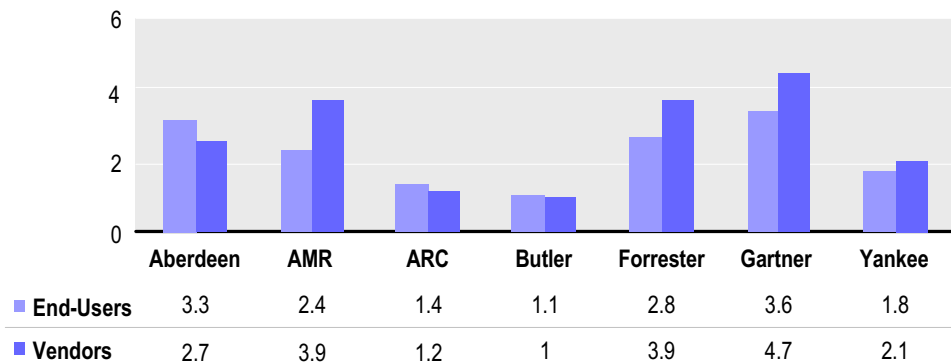
1 = not at all valuable, 2 = somewhat valuable, 3 = valuable, 4 = very valuable, 5 = indispensable



Analysis: What’s most interesting to note is that no firms score near the “very valuable” or “indispensable” levels. Aberdeen Group is the most valuable overall to end-users while Gartner is the most valuable to vendors (with AMR Research a close second). Forrester Research is further down in the rankings with both end-users and vendors.

3) On a scale of 1 to 5, please rank your overall name / brand recognition of each firm.

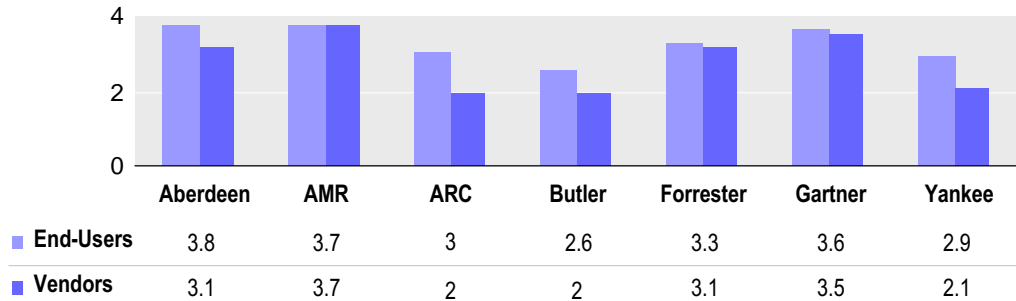
1 = poor, 2 = somewhat below average, 3 = average, 4 = somewhat above average, 5 = excellent



Analysis: Gartner, not surprisingly given its size and reach, is the best known firm with both end-users and vendors. But what’s as interesting to note is how AMR Research / Forrester Research and Aberdeen Group flip-flop in the rankings between end-users and vendors. AMR Research / Forrester Research score high with vendors, but drop in the rankings with end-users. Aberdeen Group, in contrast, scores higher with end-users, but drops with vendors.

4) On a scale of 1 to 5, how insightful is each firm?

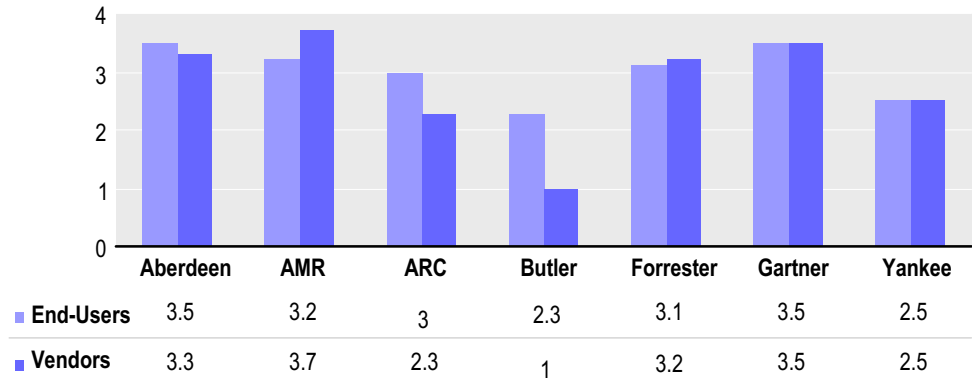
1 = not insightful, 2 = somewhat below average, 3 = average, 4 = somewhat above average, 5 = very insightful



Analysis: AMR Research scores highly with both end-users and vendors, as does Gartner. Aberdeen Group, once again, presents a bit of a mixed case. End-users consider Aberdeen Group the most insightful firm, but vendors consider the firm middle of the road when it comes to insight (ARC Advisory Group, while lower in the rankings, shows a similar drop-off between end-users and vendors).

5) On a scale of 1 to 5, how differentiated is each firm?

1 = not differentiated, 2 = somewhat below average, 3 = average, 4 = somewhat above average, 5 = very differentiated



Analysis: Gartner and Aberdeen Group tie as the most differentiated firms with end-users, but AMR Research takes first place with vendors. Once again, vendors and end-users see AMR Research in a different light. The score groupings between Aberdeen Group, AMR Research, Forrester Research, and Gartner on both the end-user and vendors side are all close, suggesting that no firm stands above the others.

Individual Firm Rankings and Commentary

Aberdeen Group

Rankings

Questions	Ranking (1 = first / 7 = last)	
In what regard do you hold Aberdeen Group's research relative to other firms?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
How valuable is Aberdeen Group to you today?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
Please rank your overall recognition of the Aberdeen Group name/brand?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
How insightful is Aberdeen Group?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors (Tie)
How differentiated is Aberdeen Group?	1 2 3 4 5 6 7	End-Users (Tie)
	1 2 3 4 5 6 7	Vendors

In Their Own Words

End-User Summary Comments Aberdeen Group's "tenacious supply chain" coverage helps end-users "walk into the boardroom with information." Their "easy to understand" and "pragmatic, focused" research is "thorough, comprehensive and current." While a few end-users believe that "Aberdeen is still in build-up mode" and "they refuse to fully let go of their whitepaper past" the great majority of end-users sing the firm's praises, citing "analytical, fact-based, and in-depth" research that is "widely distributed".

Vendor Summary Comments Vendors are all "all over the map" when it comes to Aberdeen Group. While many point to the firm's "rising brand name" others believe they are "more like journalists" who publish "too many whitepapers." There's no consensus whether Aberdeen Group is "solid and trusted" or "out of touch, but with lots of potential". Many "do not know what they currently do" and reference their "pay to play" model of old which was "not influential" and of "questionable objectivity." Vendors who currently work with the firm cite Aberdeen's "new business model" and "insightful, fact-based" research that is "ahead of the curve".

Aberdeen Group Strengths End-users and vendors alike believe Aberdeen Group "continues to excel in purchasing and supply chain coverage". They "listen to the community" and move "quickly on new information and trends," providing "deep, valid conclusions that connect the dots". A handful of vendors cite Aberdeen's past "strength at authoring commissioned content" while others point out that they have "overcome their whitepaper past" and that their "current research is entirely survey and data based" and "good for technical details." Many believe the firm is "in the

trenches” and “understands technology better than others” and “knows how to best relate to end-user’s needs”. A number of vendors “like their new lead generation programs”.

Aberdeen Group Areas for Improvement Many respondents believe Aberdeen should “pump up the marketing budget” to clarify “what they stand for” and better “articulate their new business model”. “Overcoming their whitepaper past should be job one”. Vendors, especially, think “Aberdeen needs to improve its brand” and become “more relevant with end-users”. Given the “firm’s history”, some caution that Aberdeen should “avoid taking sponsorship dollars” from vendors. Many agree that Aberdeen should “talk more about how their coverage fits into the big picture” and “get out in the media more to drive recognition of what they are about today”.

AMR Research

Rankings

Questions	Ranking (1 = first / 7 = last)	
In what regard do you hold AMR Research’s research relative to other firms?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
How valuable is AMR Research to you today?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
Please rank your overall recognition of the AMR Research name/brand?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors (Tie)
How insightful is AMR Research?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
How differentiated is AMR Research?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors

In Their Own Words

End-User Summary Comments End-users who know AMR Research insist that the firm has “got guys who have been in the real world”. But while they excel at “manufacturing, supply chain management, and business process,” some consider them a “generic, niche player” with “surface and fluff” and cite “Bruce Richardson and Arizona” as the most memorable aspects of the firm. Despite this “arrogance and spin” the majority of end-user point to AMR’s “deep, thorough, consistent, and well-resourced” coverage as reasons to work with them.

Vendor Summary Comments Many vendors sing the praises of AMR’s “industry focused research” and “software and manufacturing” expertise. They like the “working man’s analyst firm” because AMR offers a “manufacturing centric-approach” that “middle managers” can use. Some believe the firm is “biased” and “just plain wrong sometimes” but most vendors believe AMR Research practices the “Avis, we try harder model” which makes them “the easiest to do business

with” if “you know them and they know you.” But “getting in the door” and “building the right relationships” with “high analyst turnover” can be challenging.

AMR Research Group Strengths AMR Research “reports on innovation” and offers “the best supply chain coverage”. They do “a good job at getting the news out” and “take a broad view on issues” that impact “all levels of the business”. End-users, especially, believe that AMR is “very timely with alerts and news,” while both vendors and end-users agree that the firm’s “new website” is easy to use “with great search features” which “makes their accurate assumptions and projections” all the easier to find.

AMR Research Areas for Improvement Perhaps the reason AMR’s brand is not as well known with end-users as others “despite their size” is because “they’re great at driving their own agenda” and they drink “their own kool-aid” when they should be spending time “making their analysts more accessible” and figuring out ways to make “their pricing more affordable”. Vendors offer little criticism of AMR, other than to say that “they should merge with Forrester to lower our costs” and “be less rigid on manufacturing and supply chain, broadening their coverage and depth.” Others vendors bemoan the challenge “of getting a meeting with Bruce”.

ARC Advisory Group

Rankings

Questions	Ranking (1 = first / 7 = last)		
In what regard do you hold ARC Advisory Group’s research relative to other firms?	1 2 3 4 5 6 7	End-Users	
	1 2 3 4 5 6 7	Vendors	
How valuable is ARC Advisory Group to you today?	1 2 3 4 5 6 7	End-Users	
	1 2 3 4 5 6 7	Vendors	
Please rank your overall recognition of the ARC Advisory Group name/brand?	1 2 3 4 5 6 7	End-Users	
	1 2 3 4 5 6 7	Vendors	
How insightful is ARC Advisory Group?	1 2 3 4 5 6 7	End-Users	
	1 2 3 4 5 6 7	Vendors (Tie)	
How differentiated is ARC Advisory Group?	1 2 3 4 5 6 7	End-Users	
	1 2 3 4 5 6 7	Vendors	

In Their Own Words

End-User Summary Comments A handful of end-users view ARC Advisory Group as a “software and manufacturing supply chain” advisory firm. ARC Advisory Group takes a “nuts and bolts” approach that is “old school” and “authoritative” and “not flashy”. But detractors cite the firm’s “tainted image” and “not overly savvy” approach. Few know the firm well past its newsletter and cite its research which “is not as good as [the] others”.

Vendor Summary Comments According to vendors, ARC Advisory group is best known for its “spam” and “email newsletters”. “IT and manufacturing” come to mind and some consider the firm “down in the weeds” and “very detailed” in their coverage of “supply chain”. Others believe the firm is a “generalist” with “weak insight” that provides “niche” coverage based on their “publishing” model.

ARC Advisory Group Strengths ARC Advisory Group’s “newsletter” and “factory automation” coverage are the firms’ best assets. They have “great manufacturing and supply chain coverage” and they provide readers with “content to noodle on” and “technology information”. Other respondents note that they’re “good at mentioning vendors” and that they “plug i2” frequently. Their “case driven” approach is “more business oriented” than other firms.

ARC Advisory Group Areas for Improvement ARC Advisory Group’s “lack of depth” and “lack of breadth” make them a “problematic firm” that “needs plain improvement”. Whether this is because “they’re not good marketers” or because of their “uneconomical subscription model” and “focus on consulting” limits their abilities on the analyst side is unclear. But everyone agrees that “they need better end-user interaction” and to get “end-users involved in their research”.

Butler Group

Rankings

Questions	Ranking (1 = first / 7 = last)	
In what regard do you hold Butler Group’s research relative to other firms?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
How valuable is Butler Group to you today?	1 2 3 4 5 6 7	End-Users (Tie)
	1 2 3 4 5 6 7	Vendors
Please rank your overall recognition of the Butler Group name/brand?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
How insightful is Butler Group?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors (Tie)
How differentiated is Butler Group?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors

In Their Own Words:

End-User and Vendor Summary Comments (combined because of limited sample size)

According to some participants in our research, Butler publishes “important research” that serves as “background material” in the “European” market. Others argue that Butler’s work is “run of the mill” and “overvalued” and that they hold “no industry clout” with end-users and vendors. But the

majority of the end-users and vendors are “unfamiliar” with Butler Group’s research and believe that the firm “is not well known”.

Butler Group Strengths Butler Group is a “small player” that provides decent “European coverage”. While they’re “often confused with Burton Group”, they’re “not a bad resource to have” in your analyst arsenal.

Butler Group Weaknesses Butler Group “are small potatoes” in the analyst marketplace. They “could be more aggressive” and “get out in front with new ideas”, but “geographic reach and a “follow the crowd” mentality limit their growth and cause end-users and vendors “not to trust their information”.

Forrester Research

Rankings

Questions	Ranking (1 = first / 7 = last)	
In what regard do you hold Forrester Research’s research relative to other firms?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
How valuable is Forrester Research to you today?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
Please rank your overall recognition of the Forrester Research name/brand?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors (Tie)
How insightful is Forrester Research?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors (Tie)
How differentiated is Forrester Research?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors

In Their Own Words

End-User Summary Comments Whether they’re viewed as “dotcom-ish” or “intelligent and polished”, Forrester Research is known for its “wide footprint” and “professional looking research” with end-users. While some lament that their “analysts move around a lot” and the “firm lacks consistency in coverage” nearly all end-user agrees that they’re “insightful when they cover the topic”. Some believe that “Forrester is an over-hype big-brand”. But the majority of end-users insist that their research provides useful “executive level insight” even if it sometimes “lacks depth” and is “not actionable”.

Vendor Summary Comments The verdict is out on “these young punks with big egos.” Some believe that they “provide no value add except the Harvard arrogance” while others insist that they’re “visionary and conceptual” and the undisputed “business to consumer” research leader.

But others maintain that their “antagonism towards vendors” makes them “the hardest to do business with”. Still, some vendors consider their research to be “at the intersection of strategy and technology,” “careful and dissecting,” and “focused on what is around the next corner.” Vendors have “only positive things to say” about the Giga acquisition.

Forrester Research Strengths With the “Giga acquisition” a majority of vendors and end-users believe that Forrester offers “comprehensive information, useful research, and a wide array of material and coverage”. Subscribers feel that their “research scans well” and is “easy to understand and snappy”. Their “Vendor Waves” are a “welcome addition” that are “more useful than Magic Quadrants”. But they succeed most at “translating a message to a mass audience” and are “the most quoted by press and vendors alike”. Their “great website” makes accessing information a breeze.

Forrester Research Areas for Improvement “Tone down the arrogance” echo vendors and end-users alike. Forrester need to add “industry specificity” and present “independent reports with less opinion”. Their lack of “consistency in analyst staffing” and their “attempt to be all things to all people” makes them “difficult to work with”. Vendors, specifically believe they’re “unfairly treated” and want Forrester to be “more social, informative, and less rigid.” “Scripted interactions,” a “complex licensing model,” and a lack of “business to business” leadership make them a “number two player”.

Gartner

Rankings

Questions	Ranking (1 = first / 7 = last)	
In what regard do you hold Gartner’s research relative to other firms?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
How valuable is Gartner to you today?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
Please rank your overall recognition of the Gartner name/brand?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
How insightful is Gartner?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors (Tie)
How differentiated is Gartner?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors

In Their Own Words

End-User Summary Comments Whether they view Gartner as a “technology generalist” or “the leading blue chip firm”, all end-users agree that Gartner is a “huge company” and the “industry

leader” in the analyst market. “IT, IT, and IT” comes to mind for many end-users. Gartner brings “insight” and “lots of resources” to the table in both “research and consulting engagements”. While a token number of respondents consider them “a waste of time and highly overrated” they clearly “have the ear of my CIO” and their “magic quadrants are ubiquitous”.

Vendor Summary Comments This “highly regarded and very influential” firm is also “rigid, bureaucratic and a necessary evil” for the majority of technology vendors. Gartner is a “slave to its own system” and is viewed as “the SAP of the analyst world”. Whether you translate that last statement as “large, clumsy, and powerful” or “expensive and trusted” is a matter opinion. “Lots of analyst turnover” and “a variance of quality and standards” do not keep Gartner from its “800 pound gorilla” status. Gartner may represent the “good, the bad, and the ugly” but you “can’t afford to ignore them”.

Gartner Strengths Gartner’s “name holds clout” because of their “technology expertise and descriptive analysis”. They “give good feedback on where the industry is going” and have “solid methodologies” which lend “additional credibility” to this “giant”. Gartner’s “breadth of coverage is wide” but the firm also “gets the big picture” and is “best at helping organizations to understand the technology underpinnings of issues from a CIO / CTO perspective”. While some moan that their core competence is “extracting revenue from customers” the majority agree that they have “the best marketing and PR” and can “make or break vendors” thanks to their “grip on the CIO’s office”.

Gartner Areas for Improvement Despite its size, Gartner is often “out of date” and “slow to cover areas”. “Hire more analysts” beam clients who think the firm “needs to become more specific” in their coverage. Vendors hate the “nickel and dime” mentality that makes “access” challenging and “events costly”. Many dispute the “objectivity of the magic quadrants” and believe the firm should focus more on “business trends and drivers” rather than vendors. While “treating clients as people” might be a good start to improving customer service, nearly everyone on the inside believes that Gartner needs to “standardize its research methodologies” to placate the technology masses.

Yankee Group

Rankings

Questions	Ranking (1 = first / 7 = last)	
In what regard do you hold Yankee Group’s research relative to other firms?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
How valuable is Yankee Group to you today?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors
Please rank your overall recognition of the Yankee Group name/brand?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors

How insightful is Yankee Group?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors (Tie)
How differentiated is Yankee Group?	1 2 3 4 5 6 7	End-Users
	1 2 3 4 5 6 7	Vendors

In Their Own Words

End-User Summary Comments The majority of end-users are confused by Yankee and “do not know what they cover or stand for.” Are they “wounded, nebulous, and young” or “honest and far reaching with a holistic view of world technology”. Many respondents agree that Yankee is often looked at as a “second tier” firm with a strong bias towards “telecom” research. Other end-users believe that they present “average research” and that they need to become “better differentiated” from the crowd to succeed.

Vendor Summary Comments To nearly all vendors, Yankee Group conjures up images of “telecom, telecom, and more telecom research” with a bit of “wireless” tossed in for good measure. While they’re “decent in their niche,” they’re “not influential” overall and “will write for cash”. Others believe that they have “a good name, but don’t cover many spaces” despite having “plugged in analysts” who are “accessible”. Detractors cite Yankee’s “churn” and “irrelevant and esoteric” approach as reasons for spending their dollars and euros elsewhere.

Yankee Group Strengths Vendors and end-users alike almost universally agree that “Yankee is the one to beat in “telecom and wireless” research. Patriotic adherents cheer that the firm “brings specific resources to bear, and are highly knowledgeable and independent” with “strong customer service”. Others cite the “ivy league” factor and that Yankee’s analysts are “smart, always well read and well versed, yet down to earth”. Vendors, specifically, like “Yankee’s paid research model” and “whitepaper” and “survey capability”.

Yankee Group Areas for Improvement Vendors and end-users agree that Yankee needs to “pick one or two areas” and develop a deeper research capability “outside of just telecom” and focus “more on fact based research”. Some observers believe that in the “post-Reuters era” that Yankee Group “is lost, with no hope left.” Others are not so negative and believe that the firm can survive by “delving into global issues more” and “improving their marketing”. Application vendors and end-users alike believe Yankee “needs to become more relevant in supply chain and business applications” and nearly all observers who work with Yankee believe that “their web site and search capabilities are horrible.”

Summary Analysis

Perhaps the most insightful finding in the analysis was how vendors and end-users share divergent perspectives on many of the same firms. Aberdeen Group, for example, ranks in the middle of the pack with vendors on most questions, but comes up as the first or second ranked firm with end-users in every category. AMR Research, in contrast, comes across as the opposite

to Aberdeen. AMR Research leads the rankings with vendors, but typically scores lower with end-users (though both vendors and end-users agree that AMR Research produces a high quality research product).

Other key findings were that firm size / revenue have little to do with how a firm is perceived by end-users and vendors. Forrester Research, the second largest firm in the study (from a revenues and analyst staffing perspective), is only middle of the road when it comes to rankings from both end-users and vendors.

Summary Recommendations: Vendors

Vendors should look at this study as an opportunity to see how end-users actually view and use analyst firms in their own research and selection decisions. Based on the findings in this study and their own analysis, vendors should reexamine how they allocate their analyst relations efforts and budget based upon the relative influence of each firm within their own set of target customers. For example, firms that they thought had significant influence with end-users, but in fact do not, might receive less business in the future, unless they're helping vendors in other useful ways (e.g., consulting, product positioning, win/loss, competitive strategy, etc.). In contrast, firms that are influential with end-users, but received little attention from vendors in the past, should be given more attention and focus, especially if they cover the areas in which a vendor operates (*NB*: more attention and focus might mean more dollars, but most important, it implies additional time and attention).

In addition to these findings, it is critical for vendors to do their own analysis based upon the segment(s) in which they compete, the industries in which they target, and their overall analyst relations budget and plan. And as part of this effort, they should also consider any specialized firms which were not included in this study which may be of particular influence in their specific sector.

Summary Recommendations: End-Users

The findings of this study presents end-users with an opportunity to evaluate their overall industry analyst relationships and initiatives based upon how their peers perceive firms and use and deploy analyst research. The study should serve as a jumping off point for end-users to examine new possibilities and analyst relationships, based on the expertise and relevance that individual firms bring. But end-users should not look at the list of firms surveyed as exhaustive, however. Both boutique technology research houses (e.g., Delphi Group) and industry experts (e.g., Health Computing (KLAS), Tower, etc.) can also be highly valuable to organizations and should be considered accordingly, depending on technology needs and vertical market segments.

Conclusion

The industry analyst marketplace has evolved faster than many thought. With this evolution, end-user and vendor perspectives of industry analyst firms have continued to evolve as well. To maximize the utility of their relationships with analyst firms, both end-users and vendors should

examine their current relationships in the context of each firm's reach, effectiveness and knowledge.

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