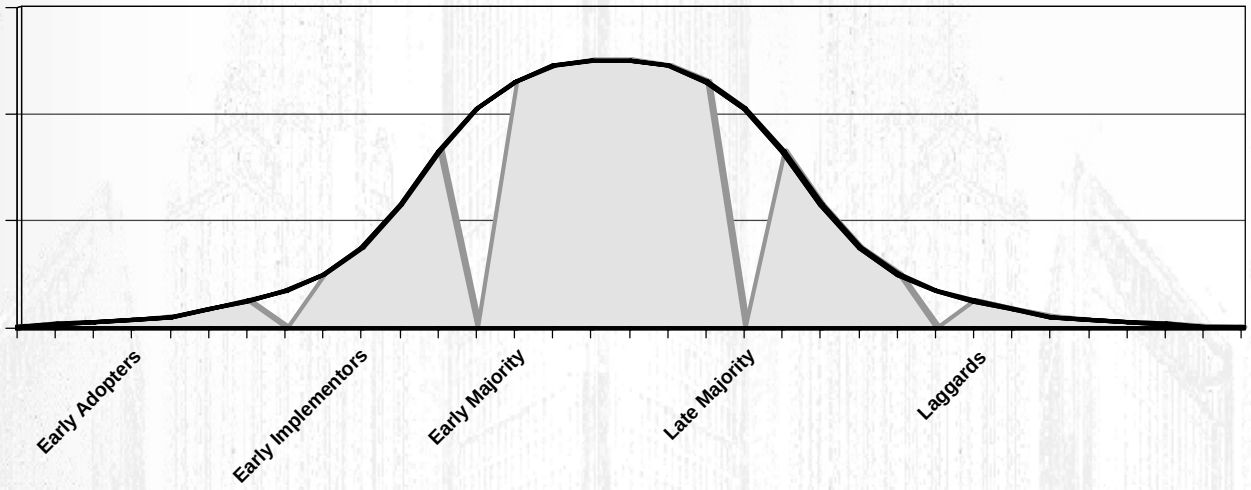
No market is as driven by new product introductions as the market for Information Technology.

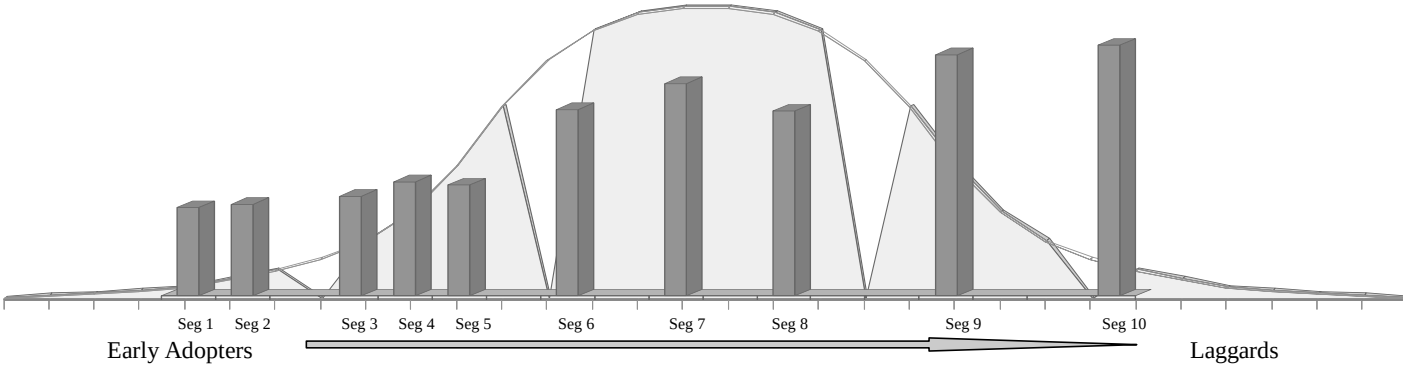
How do you find and communicate with the Early Adopters of Business Computing products and services?



The new Adams Business IT Segmentation Study puts business computing on the adoption curve.

Ten Adams Business IT Segments Separate the Early Adopters from the Laggards on the Emerging Technology adoption curve.

The Adams BITS™ (Business Information Technology Segmentation) Analysis of
Organization Environments and Corporate "Psychographics"
Reveals A Unique, New Dimension for Selling to Corporate Buyers of Information Systems, Networks, and IT Applications.

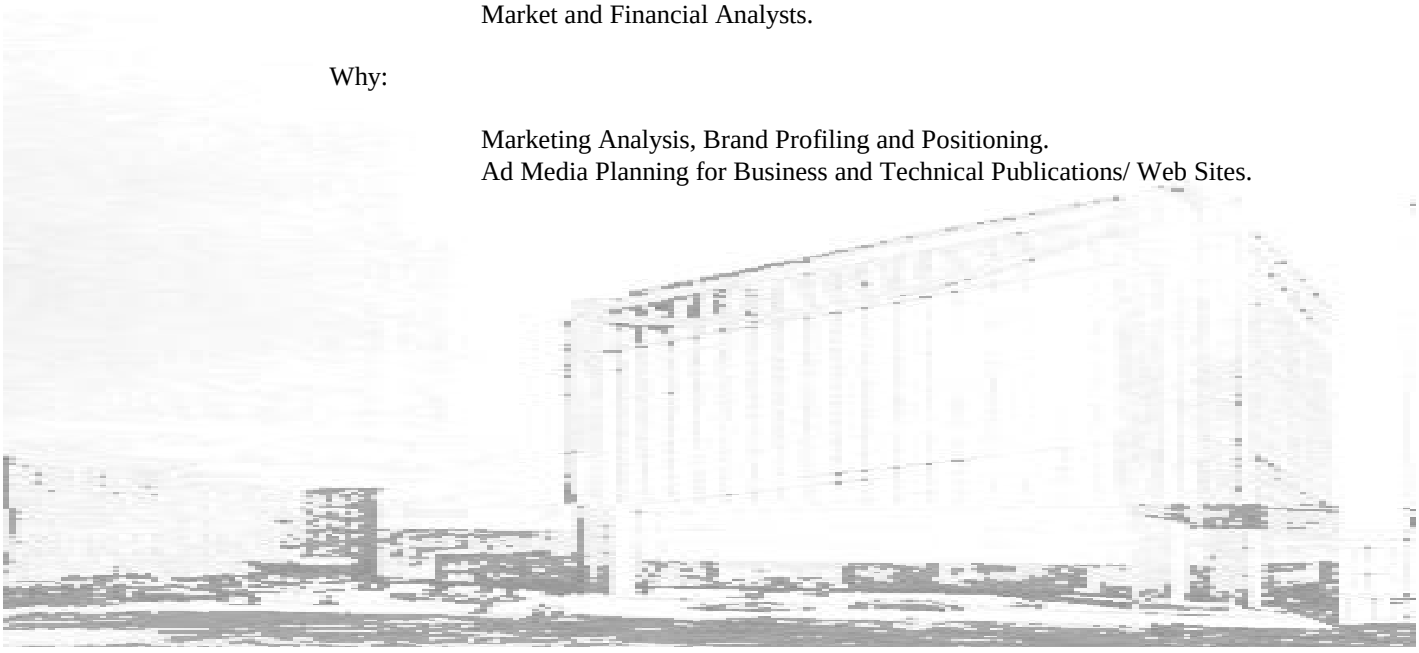


Who Subscribes to this research:

Advertising and Marketing Communications Directors.
Ad Agency Account Planners and Media Directors.
Business and Computer Publications.
Market and Financial Analysts.

Why:

Marketing Analysis, Brand Profiling and Positioning.
Ad Media Planning for Business and Technical Publications/ Web Sites.



Background Points . . .

Why This Study is Important:

The BITS™ segmentation system uniquely predicts the driving characteristics of organizations that are Early Adopters. As students of the "adoption curve" know, the early adopters and early implementers are not only the first customers to buy new products, they set the stage for sales to the "market majority". Cultivating the early adopters is critical to anyone selling a new or emerging technology, including hardware, software, platforms, systems or processes.

Until now, no syndicated research has identified where businesses will fall on the adoption spectrum or, for that matter, how organizations can be segmented based on their "attitudes" towards technology. Clearly, those ad agencies using this information in their account planning and media buying have a significant advantage in implementing effective ad campaigns for their clients. Beyond that, the Adams BITS™ system provides a new framework for understanding market patterns for business technology.

What the BITS™ Segmentation System discovers about technology adoption:

Technology adoption is fundamentally a management business strategy. There are clear, definable differences in how businesses approach risk and commitment to technology. Critical issues are management's support of technology, their allocation of resources- money, training, and time- and whether the alpha influencers see their company as technology focused. Other things affecting technology adoption: the employee work environment, product development and competitive pressures, what customers and suppliers need, and so on. The research also shows that technology adoption can't be predicted by job function, company size or product, or any of the traditional descriptions of business buyers. This is why this new kind of market analysis is extremely valuable.

Some Key Technology Usage Areas Covered in the Study:

E- Commerce. Data Mining. EDI. High-speed DSL or ATM connections. Software leasing. Remote access. Wireless. Interactive applications, both internally and for Web-based consumer commerce. Plus traditional technology categories in Computers, Servers, Networks, Operating Systems, and Applications Software. In all of these areas, the BITS™ segmentation system clearly identifies early adopters with 10 to 50 times the purchasing potential of those at the other end of the adoption curve.

Who was Studied- the Alpha Influencers™- and How:

The BITS™ study represents 2.1 million primary decision-makers for computers, software, and networks at U.S. business locations with 50 or more employees, plus business services with 10-49 employees. The first stage of the research, sample development, involved phone contacts with business unit managers to the "Alpha Influencers™," or the primary decision makers for systems and networks for the business unit. In the second stage of the research, a sample of "Alphas" was mailed an 8-page survey with a cash incentive. Results are based on 1,800+ responses, for a variability level of less than +/-2% for the full sample base.

The Adams Company- Since 1986. Custom & Syndicated Research// Domestic, Global, & Cyberspace:

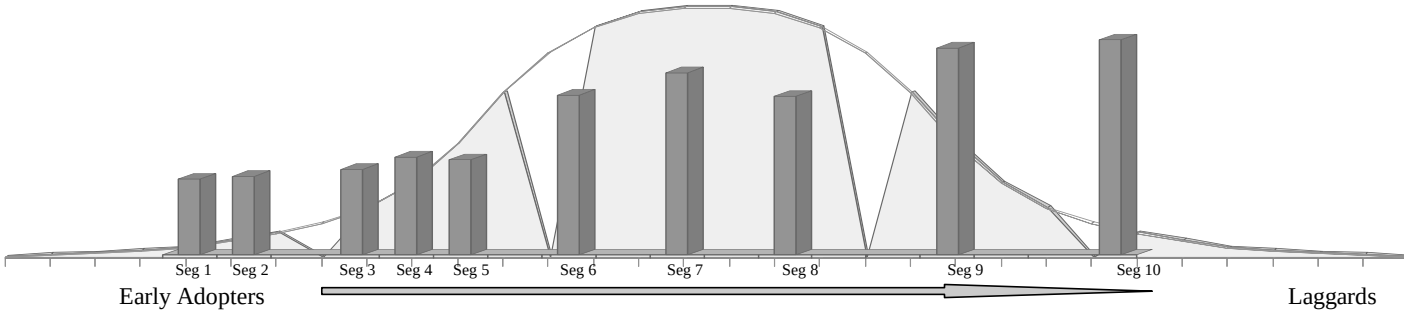
Founded in 1986 by an veteran ad agency media and research executive, the Adams Company is a nationally recognized supplier of primary research for high technology companies and media. The research firm specializes in custom technology market studies: our projects range from global telecommunications to local area networks, and from semiconductor computer-aided engineering to OEM channels. Recent custom projects addressed E-Commerce, enterprise database management, and Web usage by information technology professionals. We also now offer custom research licensing the our proprietary BITS™ segmentation system.

Our series of syndicated high-technology market and media studies address the Information Technology and Electronic OEM markets. Subscribers to our Information Technology studies have included the Wall Street Journal, Business Week, Computerworld, Network World, CIO, Information Week, Communications Week, PC Magazine, PC Week, LAN Times, and others. Our ad agency and marketing clients have included Intel, Hewlett Packard, J. Walter Thompson, Chiat Day, Anderson Lembke, DSW/ RSCG, etc.

BITS 2000- Release date Planned for Sept./ Oct. 2000.

The Adams BITS™ Adoption Segments:

The Business IT Segmentation (BITS) System shows an extraordinary correlation between market clusters based on business "attitudes and psychographics" and real world technology use and purchase plans. The segments are simply labeled "Segment 1" through "Segment 10," with the lower numbers corresponding to early adopters. The early adopter segments are ten to fifty times more likely to be buyers of technology than those who come at the end on the adoption curve. The ability to focus advertising messages to these groups- in content as well as delivery- is a key advantage achieved by subscribers to the research.



Early adopters/ web imperatives (Segs 1 & 2) _____

Only 12% of the alpha influencer population - Segments "1" and "2" - have the environmental conditions and means to be early adopters. These "early adopters/ web imperatives" are in organizations with very strong management support for information technology, and particularly a high level of commitment to the Web. For many emerging technologies and Internet-based products, this group represents one-third to half of the potential business, making it the most lucrative target audience for advertising and marketing of certain kinds of business systems, networks, and applications. Interestingly, segment "2" is primarily made up of corporate managers, not technical professionals. Key industries represented here are media and professional services, although early adopters are in all kinds of industries.

_____ ***Early implementers (Segs 3, 4, & 5)*** _____

The "early implementers"- segments "3", "4", and "5"- are primarily IT professionals in organizations that have widespread use of established technologies and applications, but fall short on resources or management commitment to be early adopters of technology. All share a common level of technological competence, but with interesting differences. Segment "3" has the same positive orientation as segment "1", but lacks the management commitment to the Web and is less focused on networks. This group is, however, the primary "technophile" segment, with the highest levels of participation in IT seminars and the highest scores for "hands-on" involvement with technology. Segment "4" represents IT professionals in organizations that are not "modern": their companies don t value them, pressure is high, and price sensitivity is very high. Segment "5" represents the ultimate paradox - technology professionals who really don t care that much about technology. The "early implementers" are very potent buyers of technology: they represent about 20% of the "alpha influencers," and, in conjunction with the early adopters, are especially important for core high-end information technology categories: combined, segments "1" to "5" make up about one-third of the Alpha Influencers, but 50%- 75% of the market potential for most emerging or high-end technologies.

_____ ***Early and mid- majority (Segs 6, 7, & 8)*** _____

The "early and mid- majority"- segments "6", "7", and "8"- are a mixed group. These are much larger segments: in combination, the three groups are about the same size as segments 1-5, representing about one-third of the Alpha influencer population. Segments "6" and "7" have high levels of corporate managers, with a corresponding lower level of personal technical competence. These are particularly interesting groups for specific categories like wireless networks and "voice over IP," where they represent more potential buyers than some of the early implementer segments (although the composition/ buyers per capita is lower). Segment "7" has the interesting combination of low technical expertise and high potential for outsourced IT services. Segment "8" is the largest individual segment of IT professionals: they are the highest users of PCs, but less likely to have extended networks. Generally, these are smaller companies.

_____ ***Late majority/ Laggards (Segs 9 & 10)***

The "late majority/ laggards"- segments "9" and "10" are primarily composed of administrative and operations management. As with every respondent group in the study, they have nearly universal use of PCs. These are the largest categories, together they represent one-third of the total Alpha influencers: technology is a low priority, spending is lower, and they are price sensitive. They are low users of both technology and business publications. While these segments have virtually no potential for emerging technology categories, they are potential markets for commodity level, "mature" product categories that provide acceptable performance at a low cost.

What is BITS™ Segmentation all about?

Market segmentation is a market research technique that is used to identify different patterns in how buyers in a marketplace can be grouped based on their attitudes and belief systems, as well as traditional characteristics like age, income, sex, and so on. It is used to uncover differences in how buyers "think," which is especially important for marketing products by establishing a brand identity of "personality" that will strike a chord with a particular group of buyers.

The business market represents a unique challenge for applying market segmentation since the buying process is group centered and "institutional," rather than "personal." Consumer segmentation models are inappropriate for business buying decisions. We developed our proprietary BITS™ segmentation analysis by integrating organizational attitudes, business environments, purchasing priorities, and group dynamics to find underlying differences in what could be called "business psychographics."

To create market 'clusters' or 'segments', a computer analysis takes a group of variables and isolates the one which most effectively divides the sample into opposites. In this study, the primary dividing characteristic was "Hands-on involvement," which had to do with whether the respondent had formal technical training or was part of a users group: respondents had either really high scores (primarily the IT professionals) or really low scores (primarily corporate and operations management). The computer then goes on to find the second most effective variable to separate the sample, and so on. For the BITS™ study, the second variable was "Company is advanced and technically capable." Nine iterations of this process were used to create the ten BITS™ segment groups.

The clustering technique leaves the individual segments with a mixed set of characteristics- for example, segments 1,3,4,5, and 8 have high levels of hands-on involvement, so we couldn't label any one of them the "hands-on" group. Segments 1, 3 and 6 have high scores for considering themselves "early adopters." No single characteristic defines a segment, so creating names to identify individual segments was problematic. Our solution was to evaluate each segment for their actual and planned use of different technologies, and to number them accordingly: Segment 1 has the highest current and planned technology use, while segment 10 has the lowest. While "Seg 1" doesn't have the descriptive appeal of "the Racehorses," it does place the segments directly in line with the adoption curve. However starkly, users always know where "Seg 3" falls in relation to "Seg 8." The segments can also be grouped to match the traditional categories applied to the adoption curve (see the following page.)

Specifics components of the segmentation process were:

1. Measurement of responses to a comprehensive set of value and benefit statements, plus other criteria relating to the organization's use of information technology. The study included 79 statements about the corporate environment and personal and business attitudes towards technology, plus another 22 ratings of aspects of their organization's environment. In addition, a number of measurements of purchasing criteria were integrated into the list of segmentation variables.

2. A "technology usage index" was developed from measurements of how important different processes and applications are to the organization's business operations (ranging from common categories like finance and accounting to specialized networking and Web-based activities), current and planned importance of leading edge technologies or applications in communications, services, and databases, and current and planned levels of implementation of various networking and telecommunications technologies. This scale represented a weighted composite of technology adoption.

3. Factor and discriminant analysis procedures were done to evaluate how responses related to each other and the use/planned use of leading edge technologies or applications. Those that were not relevant were tossed out; others that were similar were grouped together.

4. A K-means cluster analysis procedure was done using a condensed list of segmentation criteria that were derived from the value and benefit statements. For example, the "hands-on" measure was derived from statements such as "was part of a user's group," "went to a technical seminar or event," "built the PC I use at home," etc.

Some of the final segmentation criteria are below:

Company Invests in IT
Management values technology
High commitment to networks/ IT systems
Respondent is tech "hands on"
Willing to Use New Vendors
Organizations is modern/ receptive to change
Belief in technology as a social benefit
High value is put on web presence
Company is advanced/ technically capable
Consider Selves Early Adopters
Price Sensitive
Company is socially responsible/ cares

Use of Brands by Leading-Edge Market Segments

The early adopters and early implementers are critical segments to companies selling networking servers and systems, web-related products, and emerging applications involving databases and communications.

For some companies, the leading edge groups (segments one through five) are especially important. For example, here are 25 brands that have critical stakes with the early adopters and early implementers.

Use of Brands by Leading-Edge Market Segments

(100 = Average.)

(An importance index of "150" means the target group is 50% more important as a part of brands market share: Higher index = higher importance.)

	Early Adopters: Segments 1 and 2			**The Leading Edge- Early Adopters and Early Implementers: Segments 1 through 5**	
Vendor	% of Brand	Import-ance Index (100= Avg;)		% of Brand	Import-ance Index (100= Avg.)
Sybase/ Powersoft	29.1%	260		65.8%	209
Ascend	23.6%	210		58.8%	187
Oracle	23.2%	208		57.6%	183
Sun	23.3%	208		52.6%	167
Nortel	23.0%	205		58.6%	186
Cisco	19.7%	176		53.6%	170
Cabletron	18.8%	168		51.7%	164
Silicon Graphics	16.9%	151		40.0%	127
3 Com	16.5%	148		47.0%	149
SAS	16.6%	148		39.0%	124
Apple	16.5%	147		45.1%	143
Netscape	16.3%	146		46.4%	147
Symantec	16.1%	144		49.2%	156
Unisys	15.9%	142		39.1%	124
Dell	15.8%	141		40.9%	130
Compaq	15.7%	140		47.2%	150
Cannon	15.1%	135		45.2%	144
Fore	15.0%	134		41.3%	131
Sprint	14.7%	131		43.2%	137
Motorola	14.6%	131		38.0%	121
NEC	14.5%	130		43.9%	139
Computer Associates	14.3%	128		44.5%	141
IBM	14.2%	127		38.1%	121
Intel	14.1%	126		39.4%	125
MCI	14.1%	126		38.9%	124

"Where Should We Direct Our Marketing Resources?"

Use of Leading-Edge Technologies or Applications by Adoption Segments

Nothing illustrates the value of the BITS™ segmentation system more than an analysis of composition, or the percentage of a segment that are using or planning to use a product or service.

The predictive relationship between the ten BITS™ segments and adoption levels are dramatic. **The top segments are ten to fifty times more likely to be using leading edge technologies or applications than the bottom ones.** The table below illustrates this phenomenon- for example, 52.3% of those in Seg*ment* 1 rated that Web/ Intranet-based videoconferencing would be an important application for their organization in 2 years, versus 0.7% for Seg*ment* 10. The same kinds of results occur in all emerging technology categories.

Obviously, marketing resources need to be targeted at the highest potential segments. Only the Adams BITS™ study provides this capability.

Importance of Technologies/ Applications to How Organization Conducts Business Operations
(Rated "4" or "5" for (Importance to Organization's Business/ Scale of 0= "Not in Use" to 5= "Very Important"/ Rated 4 or 5)

Early Adopters - - Early Implementers - - - Majority - - - - Laggards

Type of Site	Seg 1	Seg 2	Seg 3	Seg 4	Seg 5	Seg 6	Seg 7	Seg 8	Seg 9	Seg 10
Web/Intranet-Based Vidconf- Now	24.2%	22.4%	10.5%	5.0%	3.5%	6.7%	5.3%	2.5%	0.0%	0.0%
Web/Intranet-Based Vidconf- 2Yr	52.3%	40.5%	27.3%	24.3%	21.2%	14.9%	15.1%	8.8%	2.7%	0.7%
Web-based Empl Recruitment- Now	30.8%	20.8%	10.7%	2.9%	5.0%	5.6%	5.6%	1.1%	0.6%	1.6%
Web-based Empl Recruitment- 2Yr	58.0%	39.0%	27.4%	19.8%	23.4%	13.4%	12.9%	6.0%	4.6%	3.2%
Electronic Order Entry - Now	61.5%	56.6%	17.2%	31.9%	32.3%	37.3%	23.5%	22.1%	16.5%	11.8%
Electronic Order Entry - 2Yr	66.2%	78.4%	41.2%	55.3%	58.8%	55.5%	45.8%	32.2%	22.6%	21.2%
EDI - Now	51.2%	53.4%	15.2%	21.8%	32.5%	28.7%	20.4%	11.4%	11.2%	6.7%
EDI - 2Yr	58.4%	69.5%	38.4%	45.1%	57.3%	42.6%	40.4%	25.1%	18.3%	14.8%
E-Commerce - Now	47.2%	41.1%	16.7%	14.3%	11.7%	13.4%	8.0%	3.3%	2.8%	1.7%
E-Commerce - 2Yr	74.7%	74.0%	48.8%	44.3%	48.0%	35.0%	27.2%	19.8%	13.3%	4.6%
Web Product Catalogues - Now	38.7%	30.7%	14.6%	4.5%	7.1%	16.7%	5.9%	7.6%	1.5%	0.9%
Web Product Catalogues - 2Yr	59.3%	64.2%	36.4%	36.1%	36.0%	36.8%	27.5%	21.8%	11.1%	7.6%
Interact Cust Quotes/ Quer- Now	37.8%	42.7%	19.0%	11.9%	10.8%	17.4%	7.8%	5.8%	2.7%	2.3%
Interact Cust Quotes/ Quer- 2Yr	66.4%	72.7%	49.3%	49.7%	44.0%	50.6%	30.7%	23.0%	15.1%	10.9%
Web Cust Support Data/ FAQ- Now	42.2%	37.0%	19.4%	9.8%	9.6%	21.4%	12.3%	5.6%	1.9%	1.4%
Web Cust Support Data/ FAQ- 2Yr	68.1%	65.7%	44.6%	48.7%	39.0%	42.8%	30.5%	22.6%	8.2%	4.5%
Interactive Web Cust Train/Spt- Now	31.2%	28.3%	8.9%	4.1%	4.8%	10.6%	5.3%	2.8%	0.5%	0.4%
Interactive Web Cust Train/Spt- 2Yr	54.1%	51.5%	32.3%	30.2%	25.1%	29.5%	19.7%	12.6%	6.5%	2.1%

Importance of Technologies/ Applications to How Organization Conducts Business Operations
(Rated "4" or "5" for Importance to Organization's Business/ Scale of 0= "Not in Use" to 5= "Very Important"/ Rated 4 or 5)

Early Adopters - - Early Implementers - - - Majority - - - - Laggards

Type of Site	Seg 1	Seg 2	Seg 3	Seg 4	Seg 5	Seg 6	Seg 7	Seg 8	Seg 9	Seg 10
Workgrp computing(Grpware)- Now	63.2%	65.3%	44.2%	41.3%	35.8%	36.9%	28.3%	28.4%	17.6%	12.6%
Workgrp computing(Grpware)- 2Yr	75.7%	78.2%	57.0%	60.9%	59.8%	49.3%	40.5%	43.4%	26.2%	18.9%
Distr database access - Now	73.3%	53.3%	54.3%	34.0%	45.6%	47.5%	44.1%	31.1%	22.4%	16.3%
Distr database access - 2Yr	94.5%	68.4%	73.4%	65.7%	75.9%	71.4%	61.7%	51.1%	40.9%	23.7%
Remote Acc/Telecommuting - Now	69.1%	53.4%	52.9%	42.4%	35.5%	37.5%	28.9%	20.7%	16.2%	6.5%
Remote Acc/Telecommuting - 2Yr	89.4%	76.6%	74.2%	75.4%	78.3%	58.3%	50.2%	46.8%	35.6%	11.7%
Business Purch/Order v Web- Now	45.3%	30.7%	15.0%	13.3%	9.3%	15.6%	13.9%	4.7%	2.3%	2.9%
Business Purch/Order v Web- 2Yr	73.5%	61.4%	38.1%	46.7%	41.5%	39.6%	34.3%	22.0%	15.9%	11.5%
Sales Force Automa Systems- Now	41.7%	41.9%	19.1%	21.2%	22.8%	24.0%	14.0%	10.8%	6.5%	4.6%
Sales Force Automa Systems- 2Yr	62.4%	55.9%	39.9%	51.4%	54.9%	40.2%	33.1%	20.4%	15.6%	10.2%

Use of Networks/ High-Speed Telecommunications Links
(Implemented at 25% Level or Higher)

Early Adopters - - Early Implementers - - - Majority - - - - Laggards

	Seg 1	Seg 2	Seg 3	Seg 4	Seg 5	Seg 6	Seg 7	Seg 8	Seg 9	Seg 10
% w/ Gigabit Ethernet -Now	6.1%	7.8%	7.0%	5.7%	6.2%	1.4%	1.5%	1.3%	2.5%	1.0%
% w/ Gigabit Ethernet -2Yr	35.4%	18.9%	26.5%	26.1%	25.4%	11.3%	5.9%	10.2%	5.8%	2.3%
% w/ DSL lines -Now	15.4%	11.1%	6.1%	8.2%	4.6%	2.9%	5.6%	3.1%	1.3%	1.9%
% w/ DSL lines -2Yr	25.8%	17.7%	16.1%	15.8%	14.2%	9.3%	13.3%	8.3%	5.2%	3.8%
% w/ T1/T3 Service -Now	72.4%	41.5%	42.1%	46.4%	38.1%	22.1%	17.9%	25.5%	12.0%	3.3%
% w/ T1/T3 Service -2Yr	75.6%	50.6%	55.8%	51.8%	47.0%	29.1%	24.2%	34.7%	14.3%	3.9%
% w/ ATM -Now	11.4%	13.4%	8.3%	6.4%	5.5%	2.6%	5.5%	1.6%	3.8%	1.3%
% w/ ATM -2Yr	21.7%	19.1%	12.8%	9.2%	10.7%	3.3%	7.3%	3.2%	4.6%	1.8%
% w/ Cable/ Fiberoptics -Now	38.0%	28.6%	19.8%	29.3%	27.2%	12.7%	15.5%	11.9%	9.0%	5.1%
% w/ Cable/ Fiberoptics -2Yr	46.4%	32.2%	24.0%	34.9%	29.0%	17.4%	19.3%	15.8%	11.9%	7.2%
% w/ Wireless Networks -Now	17.1%	8.8%	4.8%	4.3%	3.0%	3.3%	5.3%	3.6%	0.9%	1.0%
% w/ Wireless Networks -2Yr	31.7%	20.9%	16.4%	13.8%	16.2%	10.2%	9.9%	9.6%	2.9%	2.3%

Edge Technologies or Applications
(Rated "4" or "5" for Importance to Organization's Business/ Scale of 0= "Not in Use" to 5= "Very Important"/ Rated 4 or 5)

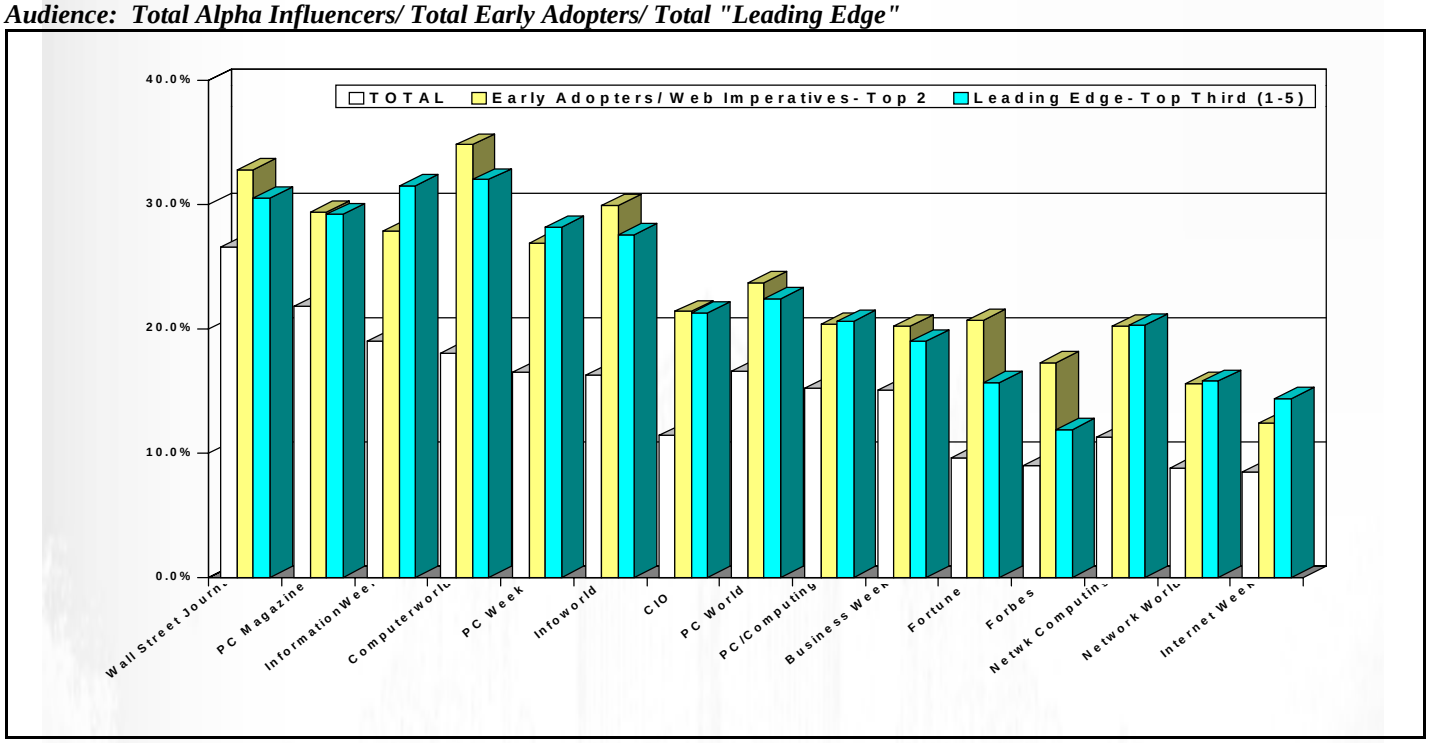
Early Adopters - - Early Implementers - - - Majority - - - - Laggards

Rated 4 or 5	Seg 1	Seg 2	Seg 3	Seg 4	Seg 5	Seg 6	Seg 7	Seg 8	Seg 9	Seg 10
Web-based Telephone (V/IP) Now	17.0%	8.3%	3.1%	0.9%	0.4%	4.1%	2.5%	1.6%	0.0%	0.5%
Web-based Telephone (V/IP) 2Yr	48.2%	35.3%	25.0%	14.6%	8.8%	18.8%	14.3%	4.7%	1.0%	1.4%
Cell/Wireless Data Connect Now	32.2%	29.5%	13.9%	10.2%	14.4%	24.6%	17.3%	10.6%	7.4%	10.5%
Cell/Wireless Data Connect 2Yr	60.5%	52.8%	34.7%	29.0%	36.8%	40.1%	33.9%	17.8%	13.3%	14.4%
VPN (Virtl Priv Networks) Now	29.4%	12.6%	12.0%	8.9%	12.3%	2.4%	1.9%	1.4%	0.0%	0.0%
VPN (Virtl Priv Networks) 2Yr	55.3%	40.9%	37.4%	25.6%	33.8%	13.4%	10.8%	12.2%	3.8%	0.0%
Web Multimedia Now	26.6%	23.5%	14.8%	6.3%	6.3%	4.6%	2.0%	3.6%	1.8%	0.0%
Web Multimedia 2Yr	59.5%	58.4%	50.9%	38.1%	32.2%	22.3%	12.6%	11.7%	2.9%	1.5%
Encryption/ Secure Transact Now	53.3%	34.1%	31.5%	18.7%	21.7%	13.7%	9.5%	6.2%	3.7%	2.1%
Encryption/ Secure Transact 2Yr	83.2%	68.2%	60.2%	52.4%	55.0%	35.1%	23.3%	23.6%	9.1%	5.0%
JAVA Based Applets Now	27.9%	13.3%	8.6%	2.3%	7.0%	3.6%	0.6%	0.6%	0.0%	0.0%
JAVA Based Applets 2Yr	59.0%	43.2%	36.8%	31.5%	25.0%	13.8%	12.6%	4.7%	0.5%	0.2%
Outsourced Info Serv Mgmt Now	23.2%	13.7%	10.0%	10.7%	8.4%	4.0%	13.4%	6.8%	3.3%	2.0%
Outsourced Info Serv Mgmt 2Yr	35.1%	35.0%	14.7%	20.4%	14.2%	8.8%	20.1%	10.5%	3.3%	2.6%
Voice Recogn/ Synthesis Now	9.4%	5.3%	7.7%	2.1%	2.5%	3.5%	1.4%	0.0%	0.0%	0.0%
Voice Recogn/ Synthesis 2Yr	29.4%	21.3%	19.0%	16.9%	11.9%	12.3%	7.9%	3.3%	0.1%	0.8%
Outsourced Web Site Mgmt Now	28.6%	23.1%	16.3%	15.3%	21.8%	9.4%	16.3%	8.7%	3.5%	2.5%
Outsourced Web Site Mgmt 2Yr	39.6%	42.7%	20.7%	28.0%	28.7%	17.0%	21.9%	14.2%	4.9%	4.6%
Software Leasing Now	31.9%	17.3%	6.7%	10.2%	8.8%	3.8%	7.7%	3.9%	4.3%	3.0%
Software Leasing 2Yr	38.3%	35.8%	14.4%	16.7%	13.5%	9.4%	11.0%	5.9%	8.1%	3.5%
AI/ Expert Systems Now	1.1%	10.5%	3.3%	0.0%	3.7%	1.1%	1.6%	1.8%	0.0%	0.0%
AI/ Expert Systems 2Yr	13.7%	24.4%	7.0%	3.9%	5.3%	4.1%	5.0%	1.9%	0.0%	0.0%
Data Warehousing Now	40.2%	26.4%	10.7%	12.1%	11.4%	11.3%	6.7%	4.1%	2.6%	0.9%
Data Warehousing 2Yr	69.6%	58.5%	37.3%	38.2%	35.7%	24.9%	21.0%	12.0%	7.9%	3.0%
OLAP (On Line Analyt Proc) Now	24.0%	23.8%	7.8%	3.0%	5.9%	0.3%	1.7%	0.6%	0.0%	0.5%
OLAP (On Line Analyt Proc) 2Yr	40.5%	36.0%	27.3%	17.1%	17.2%	5.9%	5.4%	2.4%	0.2%	0.9%
Data Mining Now	23.6%	18.1%	8.6%	6.1%	3.9%	2.1%	2.3%	0.0%	0.8%	0.0%
Data Mining 2Yr	53.7%	41.8%	31.2%	29.1%	24.2%	12.5%	11.9%	2.1%	2.6%	0.4%
Imaging (Docs,Film,Archiv) Now	36.1%	32.3%	27.1%	16.9%	20.5%	10.8%	11.2%	9.1%	2.9%	1.8%
Imaging (Docs,Film,Archiv) 2Yr	69.6%	64.1%	58.2%	51.9%	51.8%	29.7%	30.7%	28.0%	12.5%	6.6%

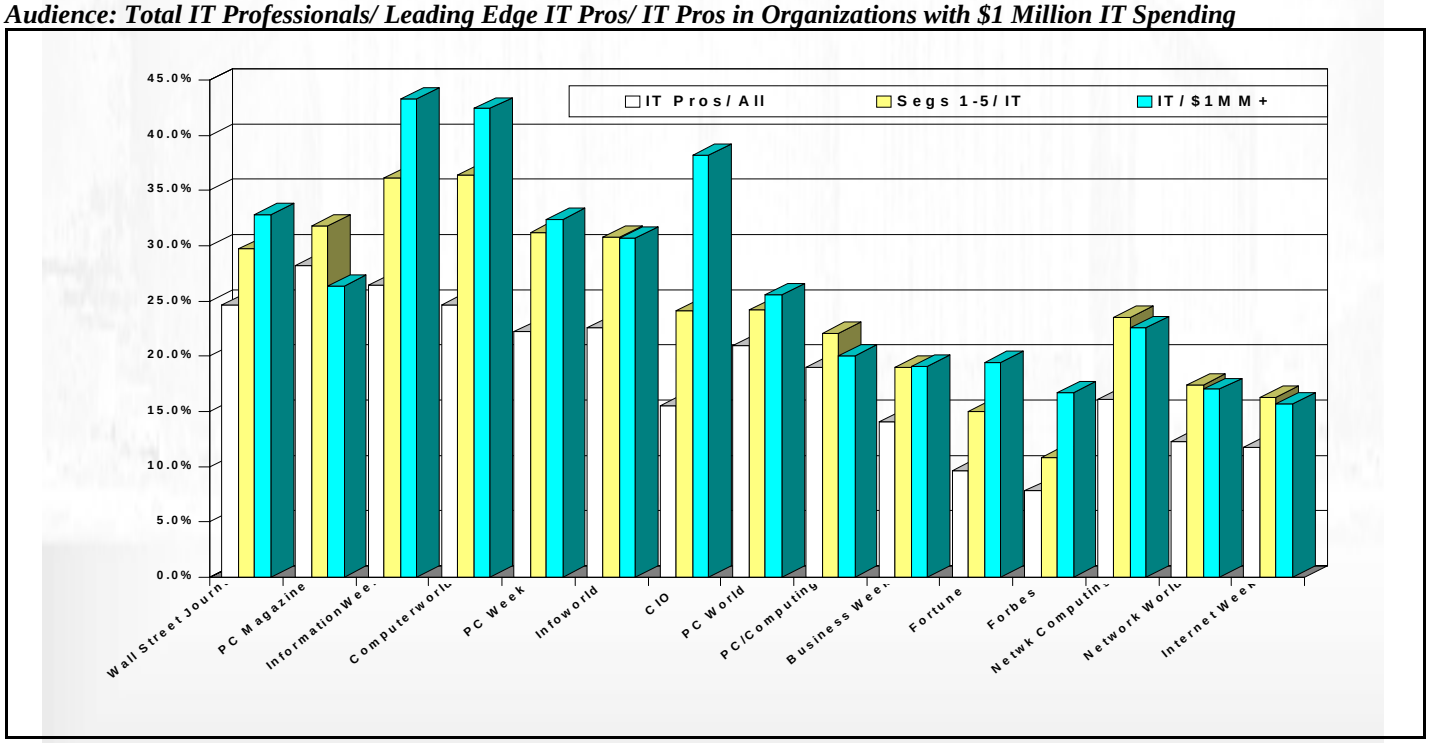
Adams Business IT Segmentation Study: Ad Media and Schedule Analysis

The Adams Business IT Segmentation study is the essential tool for the effective placement of ads to reach adoption segments. Ad agency media planners can specify target markets using the segmentation system, and also overlay any combination of other factors such as job function, company type, product use or purchase involvement. Subscribers use duplication and audience delivery data to create computer-based media schedules that maximize coverage afforded by the ad budget. Some of the 32 measured publications are below, showing clear differences in audience coverage as target audience parameters change. Some media-related Internet sites are also covered by the report.

Audience: Total Alpha Influencers/ Total Early Adopters/ Total "Leading Edge"



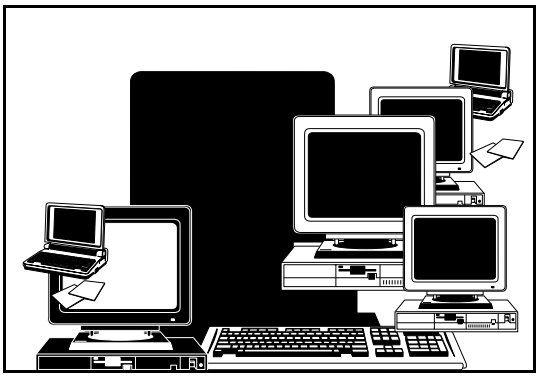
Audience: Total IT Professionals/ Leading Edge IT Pros/ IT Pros in Organizations with $1 Million IT Spending



Audience Measured- The "Alpha" Influencer

Question:

What is the best way to identify business computer buying influences at the departmental or business unit level?



Answer:

Go directly to the department head. Ask senior executives and department managers to name the **PRIMARY** decision makers for computer hardware, software, and networks purchased for that department. They know who's been delegated that responsibility.

For the 1999 Business IT Segmentation Study, we defined our sample frame as those people who are identified as the primary decision makers for computer products by the manager of a department or business unit.

These people are the "Alpha" decision makers, an analogy we take from the definition of the "Alpha," or lead, dog in a pack. They are the people who drive purchase decisions at all levels in the organization.

The Business IT Segmentation Study is unique in its objectives and its design compared to other studies of the computer market. Several attributes are worth highlighting:

* The study offers the only DIRECT sampling technique to find out who makes business computer purchase decisions, particularly at the departmental level. The methodology was to directly call department managers and senior executives to get the names of primary computer decision makers for their department or area of responsibility, which could be a division or the entire organization. This sample frame reflects the reality that computer decisions are made at many levels in an organization, not just the MIS department.

* Because there is no pre-determined definition of who the "Computer Alphas" are, the study gives a unique perspective of who really makes purchase decisions, particularly since non-"computer professionals" are clearly a significant force in departmental purchases. At the same time, the study clearly demonstrates that the influence of IT professionals are especially significant for certain product groups and at higher spending levels.

* The Business IT Segmentation Study has the "HARDEST" definition of purchase involvement of the major syndicated studies. At the sampling level, these people are identified specifically as the people who have the most influence on computer-related decisions.

Comparison of Major Syndicated Media & Market Studies

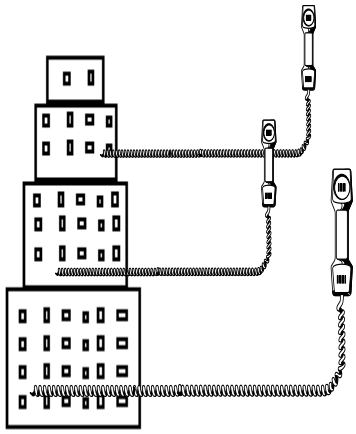
A comparison of the Adams methodology versus the Simmons CompPro™ and IntelliQuest CIMS™ studies is summarized on the following page. In brief, the Adams methodology is focused only on business, while IntelliQuest covers all parts of the market, including home use. The Adams Business IT Study focuses on decision makers throughout the organization, while the approach used by Simmons is fundamentally limited to computer professionals.

Our recommendation: use the Adams BITS™ study to chose media based on their coverage of the early adopters and early implementers of business computing and networking systems. IntelliQuest CIMS™ can be used as a complement to evaluate media coverage beyond the core group of Alpha Influencers.

Screening Summaries: The Adams Business IT Sample vs. Simmons and IntelliQuest

A Study has an "elegant" design when there is a clear and direct relationship between its objectives and its sample design. Our objective was to find the people responsible for computer decisions at the departmental or "business unit" level. Our sampling and audience projection procedure provides the most effective and intuitively appropriate way of identifying primary purchase influences for computers at the departmental/ business unit level. Top managers and senior executives KNOW the people who are most responsible for decisions about computer systems in their area of responsibility. We do not ask them to speculate about the responsibilities of people in other departments, or to estimate how many people - throughout their location, and outside of their department - have specific job responsibilities. General comparisons of the Adams sampling procedure and 1994/5 methodologies used by used two other syndicated studies are below. Some changes have been made in the other methodologies since this comparison was prepared, but we believe they are substantially the same as before.

Adams: Call top Managers/ Execs.

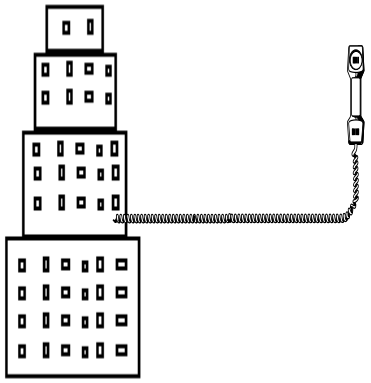


Adams Business IT Segmentation (BITS™ Study: Multiple management contacts are made throughout the site. Execs are asked to identify the primary purchase influencers in their department or area of responsibility (could be company wide, division wide, etc.)

To Switchboard: May I speak to (Mr/Ms) Manager's Name?

To Manager/Executive: Who would you say are the people most responsible or influential in deciding what kinds of computer systems you use in your department, or for computer related products which might be purchased? (The identified primary influences - not the manager or executive - were included in the sample to receive the questionnaire.)

Simmons: Call the Computer Dept.



Simmons CompPro™: One call is typically routed to the computer department by the receptionist, missing autonomous departments/ business units and management purchase influencers.

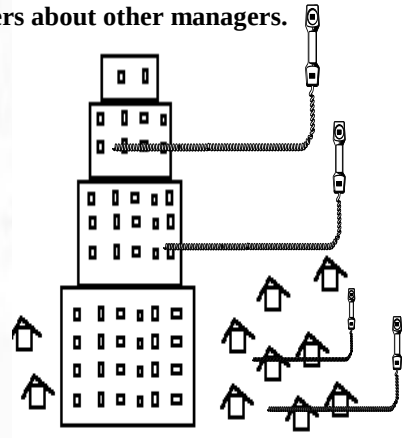
To Switchboard: May I please speak with the person who is most knowledgeable about your establishment's computers?

How many computer professionals are there.... by this, we mean those employees that manage, operate, or maintain ... computers on a full time basis. These may include computer professionals who work in your establishment's computer department as well as those who don't.

How many of the (read #) are involved... in any capacity, in determining need, recommending, evaluating, specifying, or authorizing the acquisition. Please include all those who assist you and others.

Are you included in the computer professionals involved in the computer acquisition process?

IntelliQuest: Phone Homes. MIS. Ask managers about other managers.



IntelliQuest CIMS™: Multiple sampling techniques, projections based on home sample.
Involvement= Make recommendations, Help determine, Help evaluate, Authorize or approve.

1) Homes (Random digit dialing): Do you use a computer at home, at work, or manage a computer user?

2) Small Business: Can I speak to someone who is knowledgeable about personal computers? Person is qualified for involvement (see definition above).

3) Top execs named in D&B list are asked if they are involved (see definition above) and are asked how many other senior/ corporate management influencers are involved.

4) Receptionist is asked to refer call to MIS or computer department. Person is asked if they are involved in selection, installation, support or maintenance, and to estimate how many have those functions at worksite. Person is qualified for involvement. Multiple MIS dept. contacts are possible.

5) Receptionist is asked for a manager of a department (from a list of depts). Person is asked if they are involved and how many other dept. members are involved. If 30+ dept. members are involved, another person is contacted.

Methodology: Executive Summary

Stage One- Sample Development

1. Draw a stratified list of 5,460 companies from D&B.
   Represents 460,000 locations:
   All locations with over 50 employees*, plus Business services with 10 to 49 employees.

2. Create a population of senior managers and executives for each target site using two sources.
   American List Counsel Executive Masterfile
   Dun's Senior Executives

3. Merge/ purge.
   Individual sites have 1 to 60 manager/ executive contacts. Each represents the head of a business unit.

4. List contact names randomly for each site.
   Organize into sets of up to 4 managers, with a minimum of 1 contact per site. Large sites have multiple contacts

5. Contact managers (or associates) in each set by phone.
   Screening Question: Who are the people most responsible or influential in deciding what kinds of computer systems are used in your department? For Networks or the Internet? *(This question defines the "alpha influencers™".)*

6. The sample of "Alpha Influencers" is taken from those people who are named by the business unit managers.

Stage Two- Mail Survey Fieldwork

Three Personalized mailings to 6,200 "Alpha Influencers- Mailed May 1999, closed out July. Mail Survey Response Rate: 34.4%

1. An "alert" letter announcing that the survey will be sent in a few days
2. The 8-page survey with a $2 cash incentive, and a business reply envelope.
3. A follow-up mailing was made to non-respondents after 10 days, offering an additional $10 to respond.

Audience Projections

The Business IT Segmentation Study represents 2.1 million primary computer purchase influencers. The model for calculating the study universe is below. It reflects the stratified sampling groups that were used in the study, and multiplies the "manager/department" universe times the unduplicated "Alphas per manager" factor. Reliability is under +/- 2% for full sample base.

Type of Site	Employees at Location	Sales	Number of D&B Sites	Avg. Business Units (Mgrs/ Dept Heads) at Location	Projected Dept Heads/ Areas of Responsibility	Alphas per Manager (based on Phase One Calls)	Projected Alphas Population***
HQ/Single Sites	500+	$100 Million+	4385	13.8	60586	2.2	132328
HQ/Single Sites	500+	Up to $99.9 Million or N.A.	4134	8.2	33857	1.9	63990
Div./ Branch	500+		8990	4.1	36789	1.7	60922
HQ/Single Sites	50- 449	$100 Million+	8324	10.1	84239	1.9	163772
HQ/Single Sites	50- 499	$10 MM- $99.9 Million	57942	5.5	316363	1.4	430240
HQ/Single Sites	50- 499	Up to $10 Million or N.A.	89800	3.5	311319	1.3	414041
Div./Branch- Ex. SICs**	50- 499		118795	1.9	228562	1.2	273583
HQ/Single Sites- Service SICs*	10- 49		171638	2.3	397170	1.5	593359
Total			464008		1468885		2132235

*SICs included: SIC 60-67 (Finance, Ins, Real Est.) SIC 80-81 (Health, Legal Services.) SIC 73 (Business Services) SIC 87 (Eng., Acct., Research Services.)
**Excluded SICs 8211 (Elementary Schools.) 8661 (Religious Groups) 82-- (Educational Services) 91-- to 97-- (County, State, Fed. Offices)
***Total for the Individual parts reflect rounding adjustments made in the tabulation of the results..

Advertiser or Agency Subscription Information/ Database Access

Advertiser or agency subscribers receive the full Business IT Segmentation Study, which includes comprehensive profiles of the market segments, purchase influencers by end-product, job function, and so on, plus tables of publication readership. The subscription gives direct access to the media database using analysis software offered by companies such as Telmar, IMS, or New Age Media. An agency subscription allows access to the study data by all offices for relevant clients. If an advertiser subscribes, all of its agencies may have data access to the research, but each agency must sign an individual agreement limiting their use of the study to the subscribing client's account.

Media subscriptions are offered on a separate basis and under a different pricing structure. Agencies may not subscribe on behalf of publications included in the study. Specific attitudinal questions used for the segmentation are proprietary and are not released as part of the results, except for compiled categories.

Report Contents

The 1,000+ page report consists of three volumes of tables plus an executive summary. In the readership sections of Volumes II and III, publication readership results are listed along the left, while primary crosstab categories are repeated for each data point measured in the study. Bases (respondent counts) are provided for each table.

Volume I: Report Summary and Segmentation Analysis
Volume II: Market Profiles and Publication Audiences by Product Purchase Involvement/ Installed Systems
Volume III: Publication Audience Tables by Job Function, Organization Type, Spending Levels

Database Access:

Subscribers have customized direct access to the database using software from Telmar, IMS, or New Age Media. (This software is not owned by the Adams Company, and is not provided with the subscription.) Most larger ad agencies already use the software to maximize the effectiveness of consumer magazine schedules. With computer access to the study database, customized target audiences can be selected to a very precise degree. BITS™ Segments and data on individual characteristics (price sensitivity, etc.) are among the selectable variables.

Some of the following analyses are available:

- **Crosstabs:** These runs allow the user to do market and target audience profile runs for specific buying groups: for example, purchasers of your product who are early adopters. Any data point on the questionnaire can be selected for use in the analysis.

- **Optimizations:** The user enters the target audience, the objective (maximum cost efficiency or maximum coverage), budget, the ad unit, the publications under consideration, and the minimum ads per publication. The computer builds an "optimum" schedule, based on the highest reach or cost efficiency, by adding an incremental insertion of each measured publication in turn and selecting the addition that best achieves the objectives. This is a powerful tool for "what if?" analyses.

- **Reach/Frequency Analysis:** The computer calculates the unduplicated coverage (people reached at least once) and average frequency (the average number of ad exposures)

- **Effective Frequency:** The number of people reached at a minimum effective level.

- **Rankers:** A "ranker" is used to compare publications based on coverage, composition (or selectivity in reaching the target audience), and cost efficiency for reaching specific target audiences selected by the user.

Agency or Advertiser Subscription Cost

The base subscription cost for advertisers or agencies is $11,895.