



NZ'S \$1.46B SPEND ON BUSINESS TELCO IS SET FOR FLUX.

CONNECTIVITY SERVICES REPORT.

INSIGHTS FROM DECISION MAKERS ACROSS MEDIUM AND LARGE NEW ZEALAND ORGANISATIONS.

As New Zealand's IT and technology decision makers embrace digital transformation and seek to optimise their significant connectivity services investment, they're reviewing their connectivity partner too.

There is no question that connectivity services are a fundamental component of modern business - they enable businesses and government agencies to connect with customers, suppliers, staff, and citizens, regardless of where in the country or world these people are, and in ways that are increasingly efficient.

While the connectivity service mix is changing, the overall market spend continues to increase.



SIGNIFICANT INVESTMENT.

\$22.5K PER MONTH average spend on connectivity services.

With over five and a half thousand organisations of a similar size (Stats NZ, 2018 Business Demography Statistics), this extrapolates to a whopping connectivity service spend of \$124million every month or...

\$1.46 BILLION ANNUALLY.

This spend is most often contained to just 1 or 2 main providers - only 13% spread their connectivity services over more than 2 telcos. It's clear that not all organisations are building redundancy into their model with...

1.6 PROVIDERS ON AVERAGE

i.e. many organisations rely on a single provider.



LOOKING FOR A NEW TELCO.

The majority of decision makers are ready for a change...

54% INVESTIGATING NEW TELCO PARTNERS.

Staying with the same provider limits new thinking and innovation - it's no surprise only 46% would prefer to stay with their existing telco partner.

This group may be satisfied enough with the current provider, and prioritising organisational certainty, but are overlooking the ability of change to deliver positive business outcomes.

32% DEMANDING CHANGE.

That is, they wouldn't even include their existing provider in a telco review - a sign of their frustration with the lack of value being delivered.



THIS WILLINGNESS TO CHANGE IS SUPPORTING ORGANISATIONS IN THEIR DIGITAL TRANSFORMATION JOURNEY.

The majority of technology decision makers are wanting a connectivity provider change, demonstrating their knowledge and depth of thinking on what is required for true digital transformation (DX).

IDC reports that by 2020, 55% of NZ organisations will be digitally determined, but only 34% are at present. IDC revealed the keys to unlocking this transition are integration, a willingness to deal with the substantial hurdles of execution and change management, and a view to playing the long game i.e. invest for now *and* the future.

When it comes to connectivity, change in this space can be a crucial enabler for an organisations' digital transformation. According to Salesforce, the typical transaction crosses 35 technology systems - decision makers should be making time now, to review their infrastructure requirements in light of the desired DX outcomes.

WHAT WE DID.

Independent market research company, Perceptive Research, went to market in December 2018 talking to...

- tech/IT decision makers,
- organisations with 50 full time employees or more,
- spread of geography, demographics, and industry groups across NZ,
- N=102 responses attained.

WHY WE DID IT.

Technology trends and spending are a hot topic in the news with a wealth of information in the public arena. In January 2019 Gartner predicted...

“In New Zealand, the IT spending market is forecast to reach NZ\$13.5 billion this year, an increase of 2.6% from 2018.”

These published statistics are swayed towards residential use and opinions, furthermore, the data includes device and software spending; clouding our view of telecommunications services - the very infrastructure upon which these devices and the applications layer of modern industry rely.

It is often the investment made by business and government that enables technological advances - and these hugely influential sectors are not well reported on.



**GAIN COMPETITIVE ADVANTAGE
BY ALIGNING CONNECTIVITY
CHANGES TO THE DX JOURNEY.**