

Analyzing the Analysts – Part I

One major difference between US technology markets and those of other countries is the important role technology analysts (often called “industry analysts”) play in purchasing cycles. Most US organizations contemplating a major technology purchase don’t make a move without consulting a technology analyst.

To be clear, technology analysts are different from financial analysts. This is a distinction that even many US executives have difficulty making. Financial analysts – from institutions such as Bank of America, JP Morgan Chase and Goldman Sachs – evaluate companies from a financial perspective. Communicating with this audience is called “investor relations” in the US. Technology analysts – from companies such as Forrester, Gartner and IDC – evaluate technology vendors from a technological perspective. Communicating with this audience is called “analyst relations” in the US.

Technology analysts serve as major influencers in the US high-tech industry. They track markets and needs, offering their opinions through research reports, consulting engagements, speaking at conferences, and trade press articles. Most importantly, industry analysts directly influence IT purchasing decisions by advising end-user clients with vendor selection.

A well-rounded public relations program should include a robust industry analyst relations segment that involves identifying target analysts and maintaining regular communications with them to discuss market positioning, strategy, goals and execution.

[Michelle Goodall Faulkner](#) is Vice President, Marketing and Co-Founder of the Launch in US Alliance. She is also President of [Big Swing Communications](#), an agency that drives aggressive PR and marketing communications programs for technology companies. Michelle has 17 years’ experience, on both the client and agency sides, helping companies create and execute marketing strategies in the US.

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Getting in front of these highly influential and busy people is challenging, and staying in front of them to ensure they have a good understanding of your company’s value proposition can be downright vexing.

Yet, it’s crucial that technology companies expanding into the US engage with analysts early on. Most US companies who are starting this process choose to bring on a PR or marketing firm to help; companies expanding into the US should consider this course of action as well.

At a macro level, there are two types of analyst firms: those who have direct influence over technology buying decisions, and those that spend the majority of their time consulting other vendors. Both are willing to take briefings with vendors – it’s their job to learn about new market entrants and new technologies. Both offer clients the opportunity to participate in paid-for lead generation programs that help produce lists of real contacts who may be interested in buying your products. But end-users – your potential customers – rely only on the first type of analyst when they are creating their short lists, so most technology companies focus their efforts there.

Part II of this article will discuss how to get in front of these important influencers. Part III will provide important rules for conducting analyst briefings and for establishing an ongoing analyst relations program.