

Attention IP VPN Buyers

**PeerPreference.Com**

Online Interactive IP VPN Buyers Guide



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Do you want a demo? E-mail

[james.baglow@telemarkservices.net](mailto:james.baglow@telemarkservices.net)



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## Strategic Positioning Score

### Sustaining Competitive Advantage

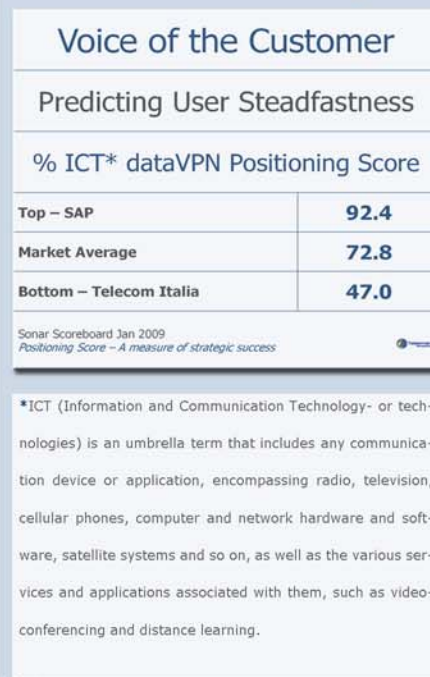
Telemark announces the publication of its Scoreboard that compares twenty four ICT Service Providers by calculating a single number, per provider, to reflect their relative perceived success in ICT strategic positioning. This percentage, published alongside the name of each of the ICT Service Providers within the Scoreboard, is known as the Strategic Positioning Score. The Scoreboard showed SAP ranked top with a Strategic Positioning Score of 92.4% and Telecom Italia ranked bottom with a score of 47.0%. The baseline score for sustainable competitive advantage is 75.0%. Of the 24 ICT Service Providers measured, 17 fall below this minimum threshold.

The data was collected from telephone interviews with 1023 end-users of ICT products and services during 2008. In total, 17,899 points of data were analysed to calculate the strategic positioning scores.

“It is hoped that the Scoreboard will emerge as the defacto comparative table used to predict sustainable competitive advantage”, said Janet Watkin, Director of Telemark.

“Even in these credit crunch times, it is reassuring to know that suppliers committed to customers gives rise to customers committed to suppliers. During difficult times, when buyers choose more carefully, their past experiences, attitude to risk, feelings of entrapment and declared future purchase intent provide insights into which ICT suppliers are likely to thrive and which ones are likely to dive in such uncertain times”.

Figure 1



## The Power of the Peer Recommendation

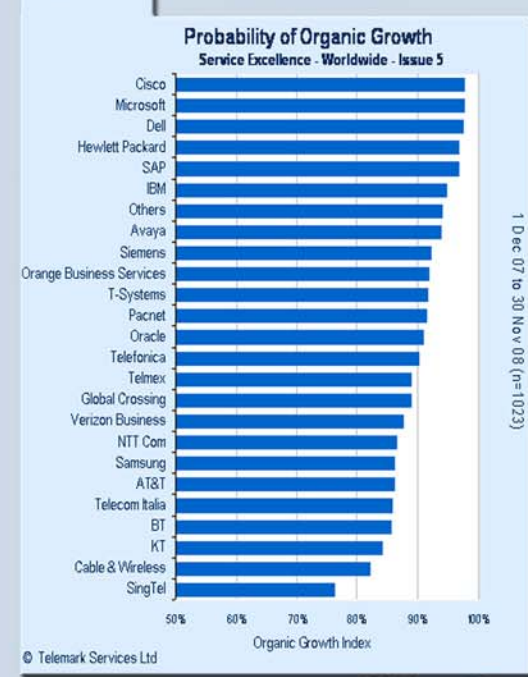
### Growth Indicator

Peer Recommendation is often viewed as an indicator of customer loyalty but it is also very influential at the time of new purchase of a product or service. As such it influences organic growth.

Telemark uses ‘willingness to recommend to peers’ as a component to help predict likely future demand of ICT offerings as documented in its report, the ICT Crystal Ball, published Jan 2009.

The graph in figure 2 shows the Organic Growth Index for 24 ICT suppliers. This indicates how likely revenues are to increase this year compared to next year. Peer recommendation is believed to be the single most powerful endorsement for the new purchase of a brand or product. The link between peer recommendation and organic growth is logical but not many businesses pick up on the idea. This is usually due to the fact that research on recommendation is often viewed in isolation, rather than in connection with loyalty, commitment or as a key component that strongly influences peers to evaluate alternative providers.

Figure 2



Too often, a high percentage of businesses concentrate on aggressive, short-term marketing techniques and thus spend more money than is necessary on methods which will not bring them long term, sustainable growth. It is tempting to show temporary high sales results, rather than sustainable profitable growth, and this is usually due to the pressure placed on managers to meet quarterly revenue targets. Peer recommendation, usually based on long term user experience, is a reliable indicator to current buyers that they are unlikely to be disappointed with their choice of provider.