

## New AppDirect Survey Data Shows SMBs Seeking Help to Get the Cloud Services They Need

February 23, 2017

*Nearly half of U.S. small businesses look to trusted providers for cloud services but need more curation and support*

San Francisco, CA – February 23, 2017 - New survey results released today from AppDirect, the leader in cloud service commerce, revealed that while a majority (61%) of U.S.-based small businesses want to use more cloud services, nearly three-quarters are overwhelmed by their choices and need help. When it comes to buying software, a whopping 85% want to talk to a real person who can help them and answer their questions.

With end-user spending on public cloud services expected to grow to more than \$216 billion in the U.S. alone by 2020, service providers and resellers have a remarkable opportunity to become the trusted advisors to businesses looking for guidance on transforming their businesses in the cloud. In fact, according to AppDirect's data, while roughly half (49%) of small businesses buy their software from individual software vendors, the other half (48%) buy their software from either their internet and/or telecom service providers (27%) or a local IT reseller (21%).

For companies looking to sell cloud services to their business customers, AppDirect's survey also reveals:

- Spending on the rise: 62% of small businesses say they expect their spending on cloud services to increase in the next year.
- Demand for consolidated billing and services: 70% of small businesses say they would be more likely to buy their software from their telecom company if they could pay for all their services on just one bill. Similarly, 68% say they would be more likely to buy software from their local IT reseller if they could pay for all the services on just one bill.
- Choice matters: Over four in five small business IT decision makers (ITDM) (84%) say it is important for their company that they have an array of options when it comes to what cloud services they purchase.
  - In fact, seven in ten (69%) small business ITDM say that when it comes to their cloud services, they are looking variety, including applications that are specific to their industry.

- Easy management trumps price: Half of ITDM in small business (50%) say they value simple management most when buying cloud services, while one-quarter (25%) value low price.
- Bundles are best: One-third (32%) also wish they had an easy way to buy bundled apps together to save on price, and three in ten (29%) wish they had an easy way to buy apps that are bundled with internet access to save on price.

“While the cloud promises to even the playing field for small businesses, it’s clear that we still have work to do to ensure those businesses are getting access to the right cloud services, as well as getting the technical support and ability to manage it all from one place,” said Daniel Saks, President and Co-CEO of AppDirect. “The increase in the sheer number and types of cloud services has created a multi-billion-dollar opportunity for service providers and other resellers to become one-stop shops for small businesses around the world. By working together in one ecosystem, cloud service developers and resellers can help businesses find, buy and manage the cloud services they need.”

A full report on AppDirect’s SMB Cloud Service Adoption Survey can be found [here](#).

### **Survey Methodology**

AppDirect commissioned Regina Corso Consulting to conduct a survey of IT decision makers in small companies in the United States. IT decision makers were defined as those who make all the decisions regarding IT for their companies, or make almost all the decisions and have a large say in the ones they need approval for. Small businesses were defined as business with 250 employees or less. A total of 500 IT decision makers were surveyed –200 in companies with between one and 10 employees, 200 in companies with between 11 and 100 employees, and 100 in companies with between 101 and 250 employees.

This online survey was conducted between November 29 and December 7, 2016.

### **About AppDirect**

AppDirect is the cloud service commerce leader, making software and products accessible to businesses globally. The AppDirect cloud service commerce platform unites providers, developers, and business consumers into a single ecosystem for buying, selling and managing cloud services, ultimately helping businesses gain access to the services they need to thrive. AppDirect-powered marketplaces, billing and distribution, and reselling services help providers – including Comcast, ADP, Zendesk, Deutsche Telekom and others – connect more than 30 million businesses to solutions from Microsoft, Google, GoDaddy, and more. AppDirect is headquartered in San Francisco with 13 global offices.

