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What do your SMB customers really want from technology?

A summary of research into PC and software purchasing trends of SMB customers in Thailand.

What is the Thailand SMB Tech Insights Report?

The result of an extensive, pan-Asia study conducted in September 2019 by Microsoft and Techaisle

Involved 332 respondents (IT and business decision makers) from across Thailand

Focused on small and mid-size businesses (25 to 499 PCs)

How can you use it?

- This report highlights some key trends with regards to how and why SMB customers purchase PCs and software, as well as some reasons why they don't upgrade

- Use the key insights to add value and depth to your sales conversations with SMBs

- Please feel free to use the data from this research in your marketing materials, provided you quote the source: *Thailand SMB Tech Insights Report (September 2019) by Techaisle and Microsoft*

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Key take-outs from the Thailand SMB Tech Insights Report:

34% of SMBs are using PCs that are 4+ years old

25% of SMBs are using PCs with older versions of Windows

56% of SMBs have no PC refresh policy (or aren't following it)

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Why do SMBs want to upgrade their technology?

The top reasons SMBs give for wanting to purchase new PCs and/or software differ slightly for line of business and IT teams, and include:

Top business issues

1 Increase business growth

2 Increasing profitability

3 Reducing operational costs

4 Digital marketing

5 Driving innovation

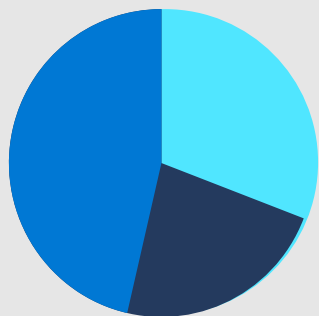## Top IT priorities

1 Analytics/business intelligence

2 Security solutions (cloud and mobility)

3 Cloud solutions

4 Mobility solutions

5 PCs (desktops and laptops)

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What's stopping them?

SMBs have ambition to digitise, are technology driven and recognise the importance of having a technology strategy, BUT their reality is different:
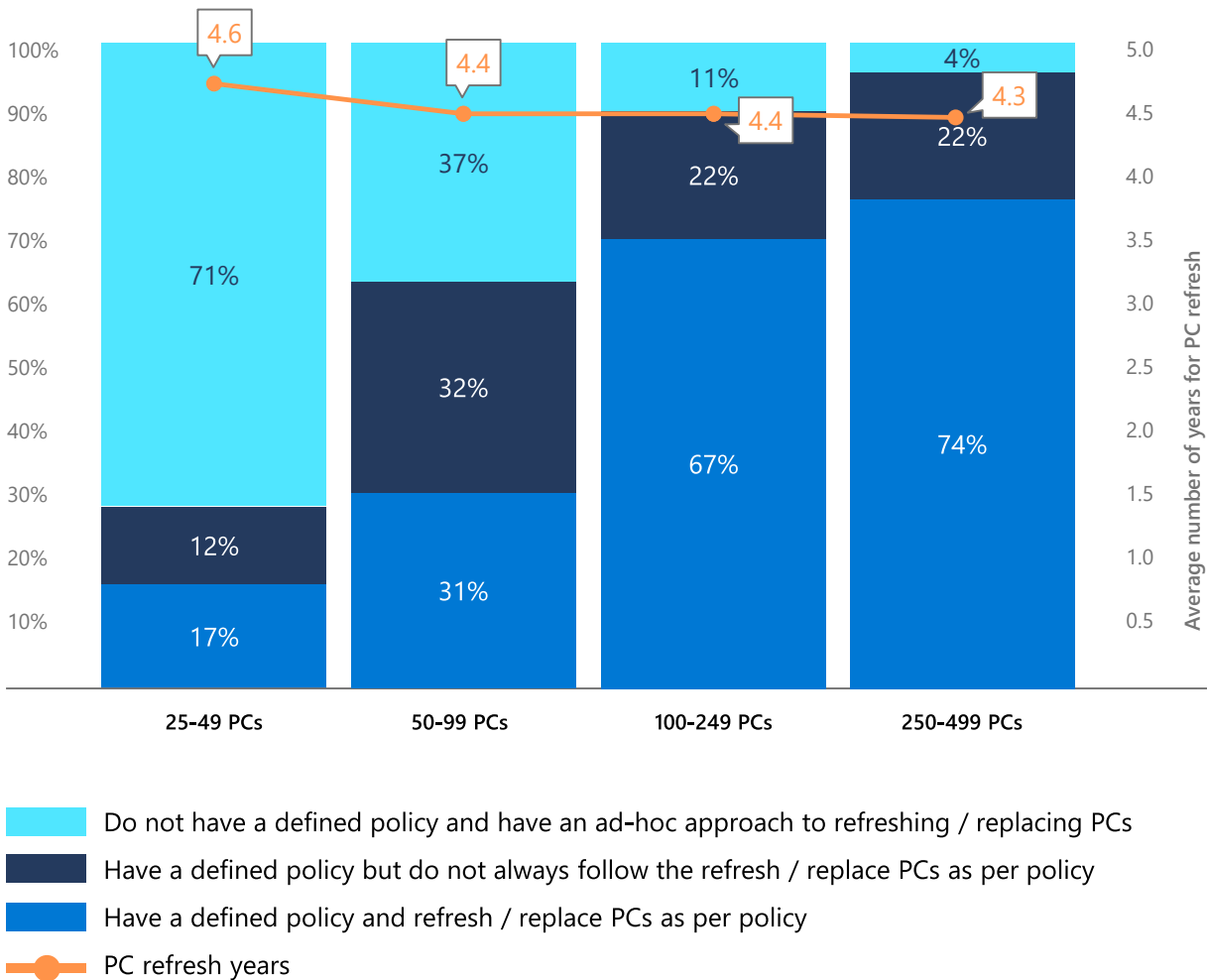
32% of SMBs have no PC refresh policy and take an ad-hoc approach to refreshing/replacing PCs

22% have a defined policy but do not always refresh their PCs as per this policy

46% have a defined policy and refresh/replace PCs as per policy

Refresh cycle

Average length of refresh cycle in 2019 was 4.4 years, down 9.1% from 2018

Average number of years for PC refresh

25-49 PCs: 71%, 12%, 17% — 4.6
50-99 PCs: 37%, 32%, 31% — 4.4
100-249 PCs: 11%, 22%, 67% — 4.4
250-499 PCs: 4%, 22%, 74% — 4.3

- Do not have a defined policy and have an ad-hoc approach to refreshing / replacing PCs
- Have a defined policy but do not always follow the refresh / replace PCs as per policy
- Have a defined policy and refresh / replace PCs as per policy
- PC refresh years

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5

Specific reasons why SMBs aren't upgrading to a Modern PC with Windows 10:

Myth

Reality

53% say: our existing software applications will be incompatible with a new operating system

Windows 10 is most app-compatible version of Windows ever**

Windows 10 offers many benefits: robust security, seamless integration, lower TCO and a positive user experience

47% say: our older PCs are not critical to the operation of the company

Microsoft's support for Windows 7 will soon end, which means customers must upgrade or risk security issues

35% say: newer PCs are expensive

89% say: new PCs reduce IT maintenance costs

80% say: newer PCs make employees more productive

34% say: we don't have the budget to replace old PCs

Moving to a Windows-as-a-Service (WaaS) and/or PC-as-a-Service (PaaS) model can save considerable time and money

Cutting IT workload and improving employee productivity also results in cost savings

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Key selling points for keeping PCs and software up to date

Sales conversations with SMBs around upgrading should focus on three key benefits:

Cost efficiency
Reduction in overall maintenance fees, and greater overall manageability and efficiency

Security
Improved protection against ever-evolving cyber-attacks, data theft and employee malfeasance

Productivity
Modern, easy-to-manage technology means employees can be more productive from anywhere

Specific selling points for cost efficiency:

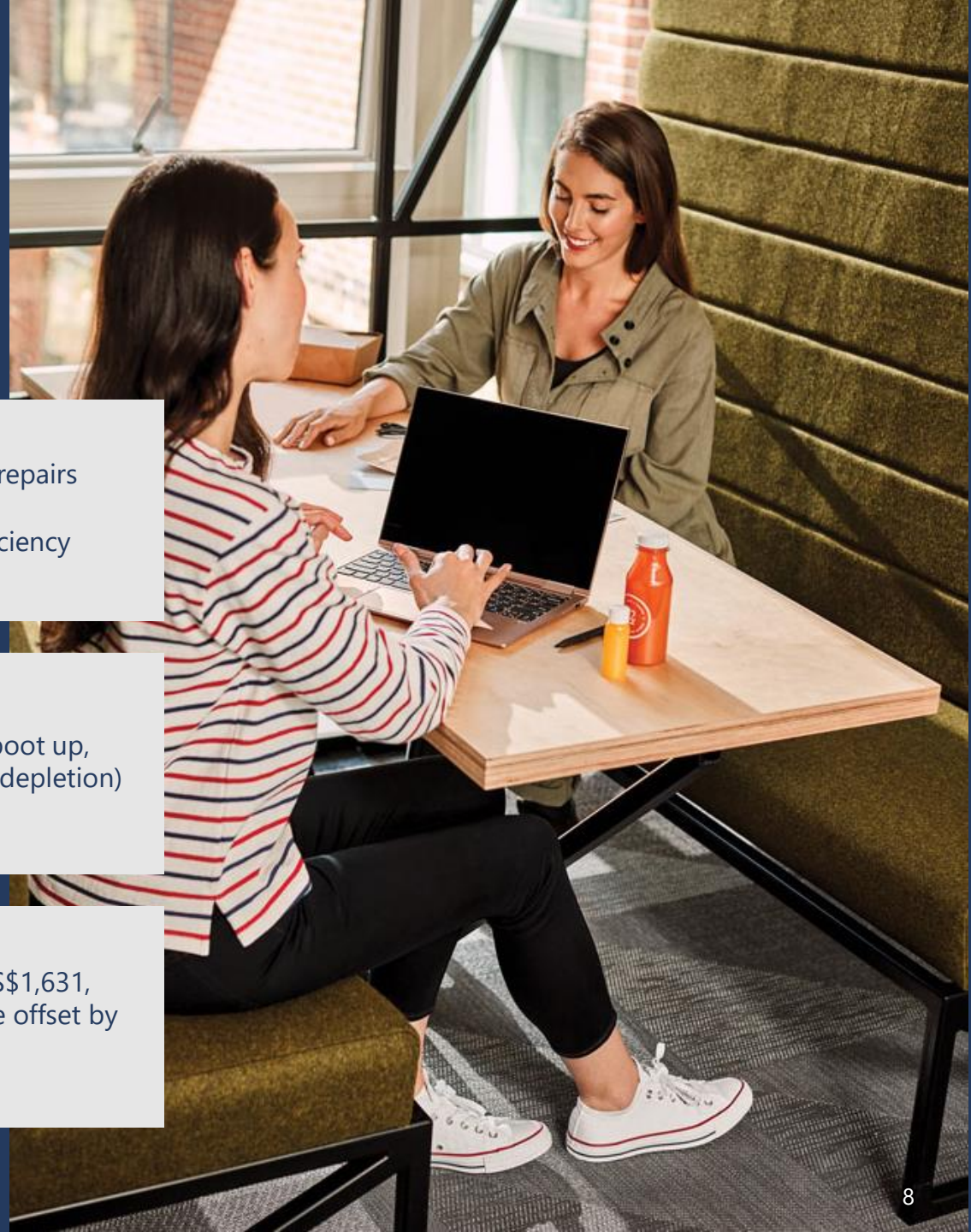| Selling point	The facts
 Upgrading PCs will cut maintenance costs	• PCs 4+ years old are **4.5x more likely** to need repairs • **90% say:** managing is easier, improving IT efficiency
 Upgrading PCs will reduce problems and downtime	• Older PCs have **2.5x more problems** (slow to boot up, application and disk drive crashes and battery depletion)
 Not upgrading your PCs can affect business growth and productivity	• The total cost of owning a 4+ year old PC is US$1,631, which is **3.3x of newer PCs** and the cost can be offset by replacing with three or more PCs

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Specific selling points for security:

Selling point	The facts
SMBs are vulnerable to cyber-attack	• More than 63% of surveyed SMBs in Thailand experienced at least one security breach in the past year
SMBs with dated technology are *particularly* vulnerable	• Over 25% have PCs with older versions of Windows which makes them more susceptible to threats • Windows 10, however, delivers comprehensive, built-in and ongoing security protections that you can trust – including Windows Defender anti-virus, firewall and more
Security and data protection are top priorities and challenges for SMBs	• 79% of SMBs say Windows 10 improves security • 30% of SMBs consider PC security when buying machine

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Specific selling points for productivity:

Selling point	The facts
Old technology is costly	• An older PC can = = 208 hours lost which is 3.8 x that of a new PC
Employees are more productive and deliver better customer service when able to work remotely and flexibly	• 28% of the SMB workforce is mobile • 33% of SMBs have specific mobility initiatives in place, but no overall strategy
Cloud adoption is ticket to achieving peak productivity	• Cloud adoption is now 22% for small businesses and 29% for medium businesses

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Pathways to sale

When considering a technology purchase, SMBs are influenced by several factors, the top ones being:

⬦	Social media (e.g. Facebook, Line, Kakao, Twitter)
🛒	Online marketplace
▭	Online advertising
💬	Online community website
▭	Vendor websites (e.g. HP, Dell, Lenovo)

To ensure maximum sales success, ensure your products and services are promoted and available via these channels.

# New trends: PC-as-a-Service and Front Line Workers

PC-as-a-Service (PCaaS)

SMBs are increasingly interested in PCaaS driven by:

1. Option to acquire latest technology faster
2. Reduced IT support and procurement workload
3. Allows PCs to be refreshed faster
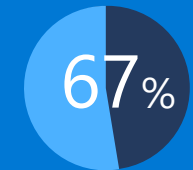4. Reduce cost of PC deployment
5. Predictable costs

BUT want cloud solutions and managed services to be included.

Meeting needs of Front Line Workers

Mobility initiatives are increasing:

33%
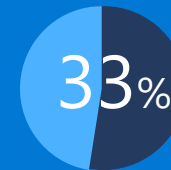
33% have invested in mobile tech

67%

For 67% of SMBs it is strategic

Acceptable price of a PC for mobile employees is US$843

US$843

Thailand

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Here's how to convert the opportunity:

Understand where your audience is today (current age of PCs, software)

Probe for main barriers (often perceptions of difficulty or relevance)

Align our solutions to their concerns (productivity, cost, security)

Reassure that we are easy to implement and purchase (Cloud, SaaS, PaaS)

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Find out more

Access sales enablement and marketing assets here: Device Partner Centre

*please note you need to be registered to the Device Partner Centre to access this link

Get in touch with your contact person at Microsoft