



Market Measures 2013

The annual survey of Kiwi tech companies' sales and marketing.

How are NZ's best tech companies increasing their catch?

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1.

Introduction

The annual Market Measures study provides an overview of how New Zealand tech companies typically take their innovations to market, and identifies statistically relevant correlations between high growth and particular marketing strategies.

The Market Measures mission is to pinpoint the key elements of sales and marketing success for Kiwi tech exporters and yet again the technology community has responded with enthusiasm. This year a record 346 companies put in the time and effort to complete the survey, up 25% on 2012.

Visit www.marketmeasures.co.nz for information about seminars in your area and for access to further resources.

About Market Measures

Market Measures was founded in 2009 by Concentrate Limited as a national study that benchmarks the sales and marketing activity of New Zealand's technology companies. The aim of this survey is to give Kiwi technology companies useful information for planning their sales and marketing strategies. Since 2011 Swaytech has supported Concentrate in producing Market Measures.

In 2013 the principal sponsors of Market Measures are:



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Supporters

This year's survey has also received support from the New Zealand Hi-Tech Trust, the New Zealand Technology Industry Association, the Canterbury Software Cluster, the New Zealand Software Association, Taranaki Technology, and Priority One (Tauranga).

www.marketmeasures.co.nz

2.

Executive summary

The 2013 Market Measures study reveals that the problem for New Zealand technology companies is not *how much* they are investing in sales and marketing but *how* they are investing in it.

Kiwi companies tend to be “spear fishermen”, snaring one customer at a time instead of using “nets” to efficiently catch larger numbers.

Too many firms are failing to put in place the most efficient strategies for acquiring new customers for their innovations. They arm a sales force with collateral and expect them to sell effectively against larger, better-funded competitors.

Companies need to invest more in planned and measurable programmes focused on distinct market opportunities that raise brand awareness and generate leads for sales forces.

An inefficient spear-fishing approach to acquiring new customers means too many Kiwi tech companies:

- ✘ Experience a high cost of sales, which stays relatively constant
- ✘ Are very reliant on quality of sales staff
- ✘ Have long lead times
- ✘ Find it difficult to engage distributors
- ✘ Experience lumpy revenue
- ✘ Find their growth is restricted by the size of their direct sales resource
- ✘ Find it hard to achieve scale

The good news however is that a growing number of firms are using a smart approach – “casting a wide net” – to gather as many customers as possible into the top of their sales funnel. Our analysis of the companies in the 2013 Market Measures study who were most efficient at attracting and converting new customers resulted in five key growth insights:

1. ***THE MORE YOU KNOW THE MORE YOU GROW***
Have a good understanding of all aspects of your target markets
2. ***CONCENTRATE TO DOMINATE***
Focus your sales and marketing activity on distinct market opportunities
3. ***SPECULATION DRIVES ACCUMULATION***
Invest aggressively in your sales and marketing programmes, especially promotion

***THERE IS A
GROWING NUMBER
OF FIRMS WHO ARE
USING A SMART
APPROACH.***

4. **CONFIDENCE IN EXECUTION IS EVERYTHING**

Confidently execute your whole commercialisation programme, from product development to IP protection to promotional programmes

5. **MANAGE WHAT YOU MEASURE**

Measure your activities carefully

Firms using this more efficient approach to acquiring new customers typically experience:

- ✓ Sales activity building over time while average cost of sales drops as lead times shorten
- ✓ Broader company involvement in selling activity
- ✓ Better distributor engagement
- ✓ Find that growth increases as the sales force stops having to be involved in every stage of the buying process
- ✓ The ability to scale without building a large sales force

Year on year benchmarks

Market Measures' annual benchmarks continue to paint a picture of a buoyant, export-focused sector with a consistent commitment to the marketing and selling of products.

**ON AVERAGE FIRMS
ARE SPENDING 29%
OF TURNOVER ON
SALES AND
MARKETING.**

Key Market Measures benchmarks

Benchmark	2009	2010	2011	2012	2013
ANNUAL TURNOVER GROWTH	58%	40%	48%	53%	39%
COMPANIES EXPORTING	72%	77%	85%	69%	77%
USING CHANNEL PARTNER IN EXPORT MARKETS				38%	31%
SALES & MARKETING EXPENDITURE ¹	39%	40%	30%	28%	29%

¹ Sales and marketing spend includes sales and marketing staff expense, and non-staff marketing expense (e.g. promotion).

3.

How are New Zealand's best increasing their catch?

Market Measures benchmarks the way Kiwi technology companies take their products to global markets. The study also looks at what attributes are associated with high growth, i.e. what kind of sales and marketing approaches make customer acquisition more efficient.

These attributes were identified by taking all the variables benchmarked in the study and identifying statistically significant associations with turnover growth.

Our analysis has uncovered five key growth insights about the highest performing companies.

The more you know the more you grow

“Know your market and understand everything in it that will impact your ability to position, sell and maintain your market share.”

Market Measures 2013 participant

GROWTH INSIGHT 1: The stronger your market understanding, the higher your growth

FIRMS HAVE AN AVERAGE UNDERSTANDING OF THE PROMOTIONAL CHANNELS AVAILABLE TO THEM.

What is it?

Market understanding is the level of knowledge you have about your target market and existing customer base. Respondents rated themselves strongest at understanding levels of customer satisfaction and weakest at understanding exit options in their market.

Why is it relevant?

Clarity around your market drives decision-making. Firms that have clear insights make better calls about their product development, know how to price profitably, can identify which channel is the best approach, and pinpoint which promotional strategies are most likely to drive demand.

How can it be applied?

Simply knowing something is better than knowing nothing, so any data from outside your firm's door has some value. To be really effective, however, you need to start with the end in mind. Market understanding involves an objective gathering of data to inform real decisions, not research for research's sake.

Background data from Market Measures 2013

Level of market understanding

“Understand your markets, customers and competitors. Focus on your core strengths. Balance growth with profitability.”

SURVEY PARTICIPANT

Market attribute	Rank order
Customer satisfaction	Good understanding
Customers (e.g. understanding location, buying process, issues)	
Competitors (e.g. identification and research)	
Market characteristics (e.g. size, structure)	
Market pricing (i.e. competitor pricing points and strategies)	
Awareness of your brand in your target markets	
Utilising the internet (e.g. gaining leads, closing sales)	
Promotional channels (e.g. magazines, tradeshow, blogs)	
Channel opportunities (e.g. potential distributors, distributor activity)	
Exit options (e.g. identifying potential acquirers, competitors, capital sources)	Fair understanding

Concentrate to dominate

“Become very focused on a couple of areas and learn to differentiate within the couple of segments. Over time you will learn what area is best for you and develop your platform to deliver better than anyone else. Have the budget then double it.”

Market Measures participant 2013

GROWTH INSIGHT 2: The more you export to a specific country, the higher your overall growth

**43% OF FIRMS ARE
SELLING INTO THE
MANUFACTURING
SECTOR.**

What is it?

Focus means consciously selecting a market, i.e. a set of connected businesses with a similar level of buying interest (whether that's by geography, industry, or some other factor), and concentrating your sales and marketing activity on it. Focus also means saying no to potential business.

Why is it relevant?

It may seem counter-intuitive that growth comes from focusing on specific markets rather than spreading far and wide, but focus gives you intensity in sales and marketing and increases referenceability amongst your customers. When firms concentrate their people and scarce resources on a specific target market they build deeper market understanding and more easily increase brand awareness.

How can it be applied?

Gathering objective market data will help you form a view of what markets are most attractive and where your ability to execute is strongest. Focusing on a specific target market rather than pursuing the perfect market is the key.



Background data from Market Measures 2013

“Become very focused on a couple of areas and learn to differentiate within the couple of segments. Over time you will learn what area is best for you and develop your platform to deliver better than anyone else.”

SURVEY PARTICIPANT

We lack focus

On average, Kiwi tech companies are selling into over five different industry sectors and 50% are in more than three. Even start-ups were found to average 3.6 industries.

To what industries:

Industry	% of companies
Manufacturing	43%
Government administration and defence	42%
Health and community services	41%
Finance and insurance	39%
Communication services	37%
Transport and storage	36%
Retail trade	35%
Agriculture, forestry, fishing and hunting	34%
Construction	31%
Wholesale trade	29%

We export early

Our small domestic market forces most companies offshore early. Over half of the start-ups in the study are exporting. Focusing on small niches is the best way to penetrate a large export market cost-effectively.

**OVER 50% OF
START-UPS
EXPORT.**

Proportion of firms exporting

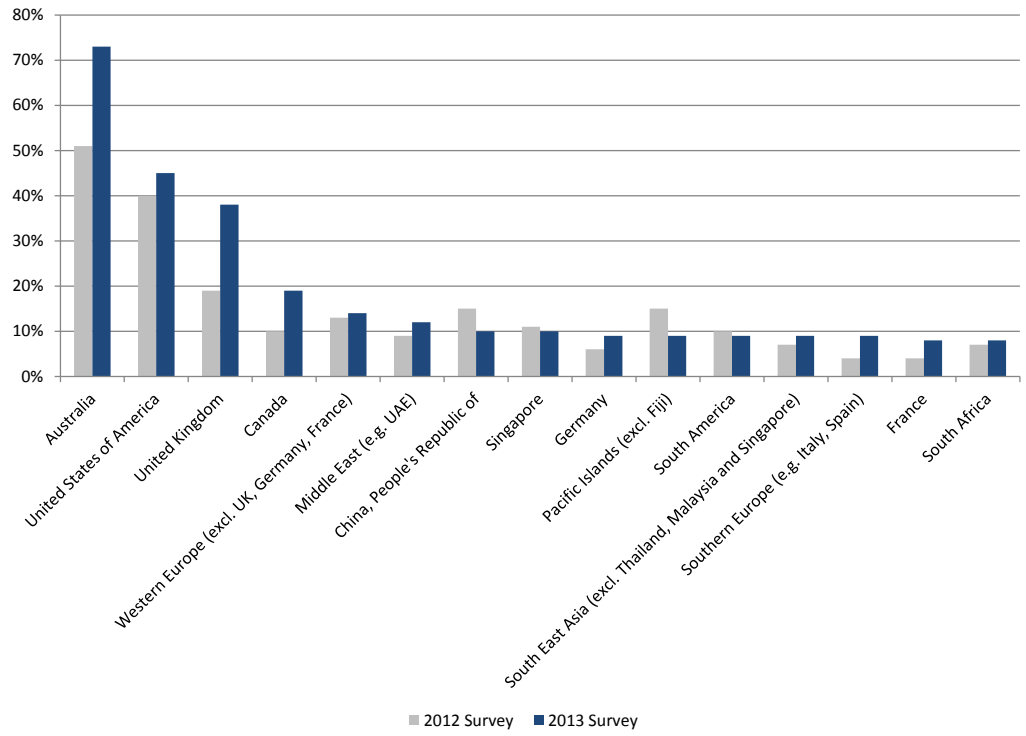
Maturity stage	% of companies
Start-up companies	54%
Early growth companies	84%
Established companies	79%
All companies	77%

Where are we exporting?

On average companies export to three or four countries. Exports to the USA have doubled since our 2010 survey, while non-traditional tech markets in Singapore, China and South East Asia are also getting stronger.

**WE ARE
EXPORTING TWICE
AS MUCH TO THE
USA AS WE WERE
IN 2010.**

Countries exported to (% of companies)



Speculation drives accumulation

“Just get on with it, test the market by talking to a few clients first before investing too much. Then go hard and don't wait for others to help you.”

Market Measures 2013 participant

YOU NEED TO HAVE A CLEAR MARKET FOCUS, A STRONG MESSAGE RELEVANT TO THAT AUDIENCE, AND THEN A PLANNED SET OF ACTIVITIES THAT YOU MEASURE REGULARLY.

GROWTH INSIGHT 3: The more you invest in sales and marketing, the higher your growth

What is it?

While high growth companies invest aggressively in sales and marketing (especially promotional activity), they also invest in the right things.

Why is it relevant?

The challenge for Kiwi tech companies is not to increase investment but to focus it on the most productive areas. Classically we invest in arming a sales force and helping them secure transactions. High growth firms do this too, but they also invest in broader programmes of indirect activity (particularly online) that raise brand awareness and generate leads. This improves their efficiency of customer acquisition.

How can it be applied?

You need to have a clear market focus, a strong message relevant to your target audience and a planned set of activities that you measure regularly. Increasingly this means an “inbound marketing” approach, using your website as a platform to push out content and generate leads.

“Work on inbound marketing strategies.”

SURVEY PARTICIPANT

**30% OF TURNOVER
SHOULD BE SEEN AS A
STANDARD
INVESTMENT IN SALES
AND MARKETING BY
A TECHNOLOGY
COMPANY LOOKING
TO GROW.**

Background data from Market Measures 2013

The level of investment in sales and marketing has been remarkably consistent for the five years of Market Measures surveys. A figure of around 30% of turnover should be seen as a standard investment in sales and marketing by a technology company looking to grow.

Start-ups tend to spend up to 40% of their turnover on sales and marketing, while more mature firms sit at around 20%. On average 17% of this is marketing staff expense with the rest split evenly between sales staff and non-staff marketing expense (i.e. promotion).

What should you be investing in sales and marketing?²

Based on Market Measures 2013 data, below we present a typical investment scenario:

An early-growth company with annual turnover of \$1 million

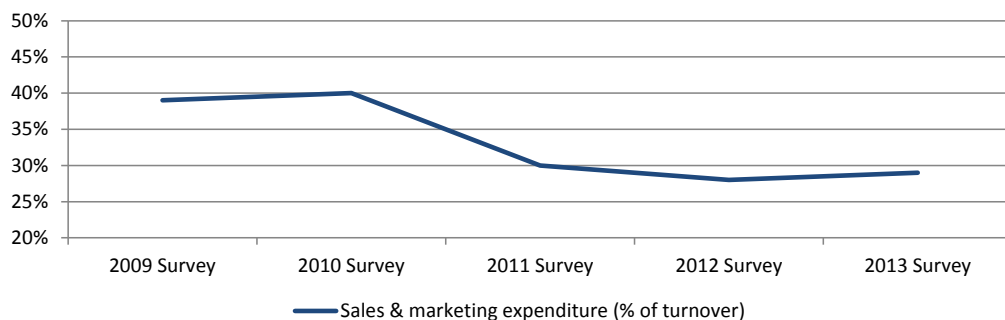
Sales and marketing expenditure	Expense
Expenditure on employed or contracted sales staff	\$195,000
Expenditure on employed or contracted marketing staff	\$63,000
<u>Expenditure on non-staff related sales & marketing activity</u>	<u>\$149,000</u>
Total expenditure on sales and marketing	\$407,000
<i>Total as a percentage of turnover</i>	<i>40.70%</i>

An established company with annual turnover of \$5 million

Sales and marketing expenditure	Expense
Expenditure on employed or contracted sales staff	\$470,000
Expenditure on employed or contracted marketing staff	\$195,000
<u>Expenditure on non-staff related sales & marketing activity</u>	<u>\$370,000</u>
Total expenditure on sales and marketing	\$1,035,000
<i>Total as a percentage of turnover</i>	<i>20.70%</i>

² Sales and marketing spend includes sales and marketing staff expense, and non-staff marketing expense (e.g. promotion).

Total sales and marketing expenditure (as % of turnover)



Detailed sales and marketing expenditure (as % of turnover)

Expense	% Turnover
Expenditure on employed or contracted sales staff	13.0%
Expenditure on employed or contracted marketing staff	4.9%
Expenditure on non-staff related sales & marketing activity	10.9%
Total expenditure on sales and marketing	28.7%

TYPICALLY 10% OF A FIRM'S TURNOVER IS SPENT ON WEBSITES, SALES COLLATERAL, TRADESHOWS AND OTHER NON-STAFF MARKETING EXPENSE.

Detailed sales and marketing expenditure (as % of turnover) by company growth stage³

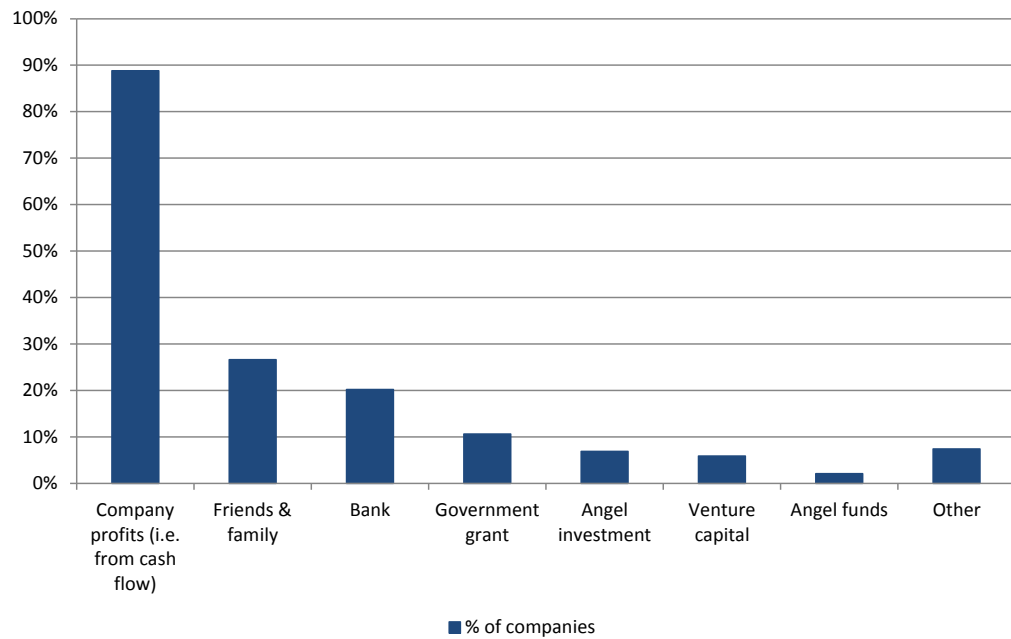
Expense	Start-up companies	Early growth companies	Established companies	All companies
Expenditure on employed or contracted sales staff	8.4%	19.5%	9.4%	13.0%
Expenditure on employed or contracted marketing staff	4.5%	6.3%	3.9%	4.9%
Expenditure on non-staff related sales & marketing activity	12.2%	14.9%	7.4%	10.9%
Total expenditure on sales and marketing	25.1%	40.7%	20.7%	28.7%

³ Companies were asked to self-classify their growth stage.

How are we funding this investment?

The responses to this question – a new addition to this year’s survey – showed most firms are still relying on cash and family funding, followed by their bank. We expect this to shift over time, particularly as new capital options become increasingly viable in the wake of the successful capital raising by firms like Xero, SLI Systems and the Wynyard Group.

Main funding sources (% of companies)



Confidence in execution is everything

“Get in market and pitch big. Kiwis undersell everything.”

Market Measures 2013 participant

GROWTH INSIGHT 4: The more confident you are at executing, the higher your growth will be

- ✓ *The better the execution of commercialisation (all activities), the greater the turnover growth.*
- ✓ *The better the sales and marketing execution, the better the growth (especially researching and understanding markets).*
- ✓ *The greater the effectiveness of promotional activities, the higher the growth (especially online).*

“Investigate and then promote like hell.”

SURVEY PARTICIPANT

What is it?

Confidence is key to growth. High growth companies are more confident in all aspects of commercialising their technology products, from product development to IP protection through to sales and marketing. They are particularly assured about their sales and marketing performance, and the effectiveness of their promotional activities.

Why is it relevant?

Gaining confidence comes from focusing your effort and investment on specific market opportunities, with a clear value proposition and close measurement of all activities.

How can it be applied?

There is no simple route to growing confidence – it is the product of doing a whole range of things well. Confidence is built on a strong foundation of knowing your market and the unique value you can deliver.



Background data from Market Measures 2013

OVERALL WE LACK CONFIDENCE AT SELLING, MARKETING AND PROTECTING IP.

How good are we across all aspects of commercialising?

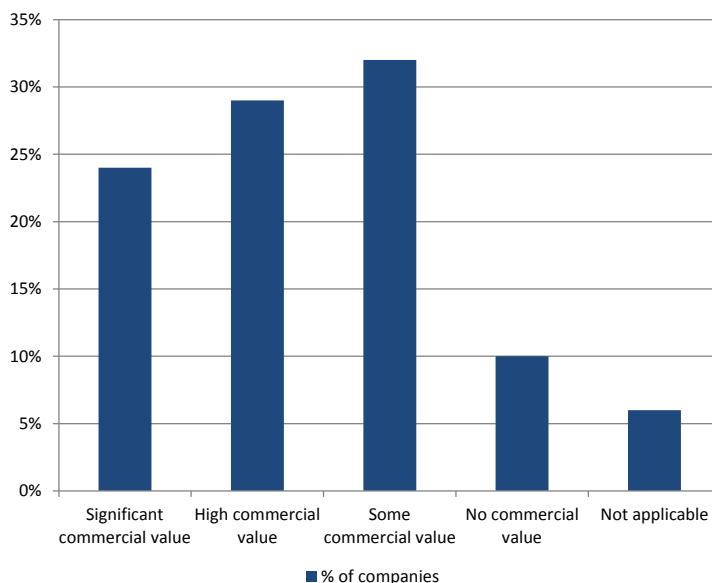
Similar to previous studies, Kiwi tech firms rate themselves strongly on design, production, managing money and staff. Overall they lack confidence at selling, marketing and protecting IP.

Self-rating of confidence in commercialisation activities

Commercialisation activity	Rank order
Product design	Good execution
Managing finances	
Product development and manufacturing	
Recruitment and retention of staff	
Legal contracts	
Business strategy and goals	
Selling	
Protection of intellectual property	
Marketing and promotion	Fair execution

Tech companies see commercial value in protecting their intellectual property, but are not confident that they do it well.

Commercial value in protecting IP



“IP is like any other business tool. The key to extracting value from it is to plan and implement a robust IP strategy.”

COMMENT FROM AJ PARK



Execution of sales and marketing activities

On average, Kiwi tech firms are still very focused on their direct sales approach, but lack sufficient support from an indirect programme of building brand awareness and understanding. This is evident in the weak self-ratings for researching and understanding markets, developing entry strategy, building channel/partner relationships, and promotional activity.

Self-rating of confidence in executing sales and marketing activities

Activity	Rank order
Developing value propositions	Good execution
Closing sales	
Pricing strategy	
Selecting priority markets	
Gaining leads	
Analysing competitors	
Researching and understanding markets	
Developing market entry strategy	
Channel/partner relationships	
Promotional activity (e.g. PR, advertising, events)	Fair execution

**96% OF FIRMS SAID
ONLINE IS CRUCIAL, AND
FOR 50% THIS HAS
BECOME EVEN MORE SO
IN THE LAST YEAR.**

In addition, 96% of firms said it is important for potential customers to be able to find information about their products and evaluate them online, and 50% indicated this has become more important over the last 12 months.



“Having a strong online presence is generally inexpensive so you don't need to sink as much money into it to have a good sales volume in a foreign market.”

Strategic and tactical use of social media

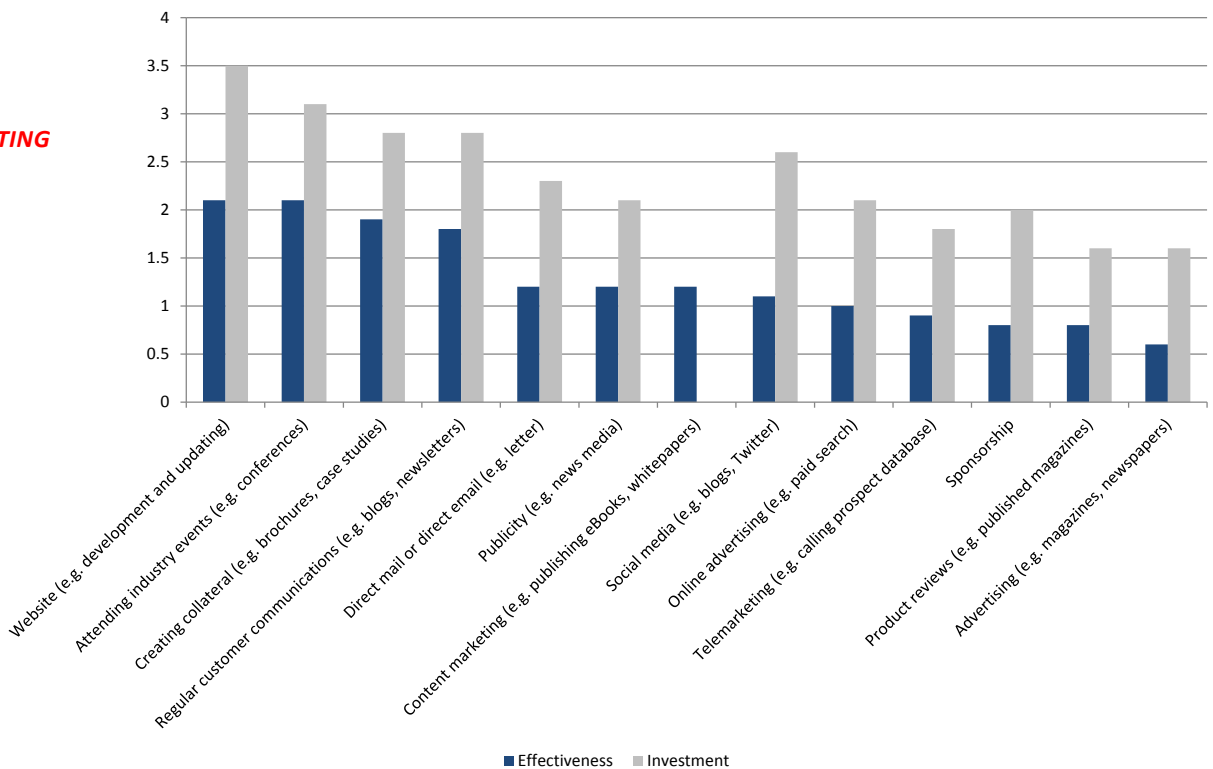
One of the biggest issues highlighted by this year's study is that Kiwi tech firms are investing in tactics like social media, websites, sponsorship, and online advertising but not getting the results they want. This is a symptom of not using these tools in a strategic and measured way to deliver brand awareness and quality lead generation.

Interest in content marketing (using useful content instead of brochures and other sales collateral to attract and convert prospects) as an effective tactic is increasing.

SURVEY PARTICIPANT

Level of investment in promotional activities compared to effectiveness (rating out of 4⁴)

CONTENT MARKETING STRATEGIES ARE BECOMING INCREASINGLY IMPORTANT.



⁴ A score of 4 means a significant investment in a promotional activity or the promotional activity is always effective.



What content are we producing?

A key insight from the 2012 report – that high growth companies are shifting to using useful content (rather than sales collateral) to support promotional programmes – isn't reflected widely across the 2013 sample. On average, no content is being produced weekly or bi-weekly.

Frequency of producing promotional content

Content production frequency	Rank order
Presentations	Quarterly
Newsletters	
Company or product flyers and brochures	
Case studies	
Blog posts	
Videos (e.g. promotional, case studies)	
FAQs	Rarely
Whitepapers	
Tip sheets	
Opinion articles	
Product reviews	
Online events, webinars	
Infographics	
Checklists	
eBook	
Podcasts	Never

ON AVERAGE, NO CONTENT IS BEING PRODUCED WEEKLY OR BI-WEEKLY.



Uncommitted social media users

Kiwi tech firms are investing in social media but not really committing effort to it as a real marketing tool. On average, LinkedIn is being used monthly and Twitter once per quarter.

Frequency of using social media for business

**ON AVERAGE
LINKEDIN IS USED
MONTHLY, TWITTER
QUARTERLY.**

Social media use	Rank order
LinkedIn	Monthly
Twitter	
Facebook	
YouTube	
Google+	Rarely
Wikipedia	
Pinterest	
Instagram	
Tumblr	
Foursquare	Never

LinkedIn a missed opportunity

The typical survey respondent is a B2B exporter making complex sales with long lead times for whom LinkedIn would be useful for finding, connecting and influencing key people in the decision-making process. However, 50% of respondents indicated they were on LinkedIn “monthly to never”.

LinkedIn use	% of companies
Constantly	32%
Weekly	18%
Monthly	13%
Quarterly	9%
Rarely	21%
Never	7%

Manage what you measure

“Plan, test, validate. Repeat over and over. And then invest. Your initial assumptions will be wrong. And it will cost both in time and money.”

Market Measures 2013 participant

GROWTH INSIGHT 5: The higher your level of measurement (social media, online activity, sales funnel activity), the higher your growth

What is it?

The best-performing companies are more likely to have measures in place to judge the effectiveness of their investment.

Why is it relevant?

We are virtually drowning in data but the average tech company is not measuring its sales and marketing activity effectively, from tracking an agreed sales process through to measuring the effectiveness of specific promotional tactics. This lack of measurement undermines confidence in sales and marketing.

How can it be applied?

Measurement needs to be done in the context of a target market and an agreed sales process. Once these are established there are many online and offline tools for tracking a prospect's journey from stranger to loyal customer.

**MEASUREMENT IS
THE KEY TO
CONFIDENCE IN
YOUR SALES AND
MARKETING.**



Background data from Market Measures 2013

Metrics and measures in place

While tech firms are measuring some overall data such as website traffic and sales proposals, they are generally weak at tracking more granular marketing activity.

Self-rating of measurement data

VERY FEW FIRMS ARE MEASURING THE EFFECTIVENESS OF THEIR SALES AND MARKETING INVESTMENT.

Activity	Rank order
Website activity (e.g. visits, page views)	Some
Sales funnel activity (e.g. contacts, leads, prospects)	
Offline promotional activity (e.g. tradeshow leads, direct mail responses)	
Online promotional activity (e.g. Google AdWords clicks)	
Customer satisfaction index	
Social media activity (e.g. LinkedIn updates, Tweets)	
Brand awareness	Minimal

4.

What marketing software tools are being used?

Applying marketing software can transform the efficiency of acquiring customers. What tools are Kiwi tech firms using?

Customer relationship management (CRM)

A reliance on in-house systems suggests firms are missing out on the benefits of proven packages that have a rich range of functionality and an ability to integrate with other tools, such as marketing automation and web content management.

CRM solution

Software used	% of companies
In-house system	42%
Microsoft Dynamics	12%
Salesforce	12%
Capsule CRM	5%
SugarCRM	5%
37 signals Highrise	3%
Zoho	3%
Infusionsoft	2%
Sage	2%
ConnectWise	1%
Greentree	1%
NetSuite	1%
Pipedrive	1%
Act	1%
AffinityLive	1%
Autotask	1%
SAP	1%
Other	7%

42% OF FIRMS HAVE DEVELOPED THEIR OWN CRM SYSTEM.



Website content management systems (CMS)

Again there is a reliance on in-house systems, when industry standard platforms offer a vast range of plugins and simple integration with other online tools.

CMS solution

Software used	% of companies
In-house developed system	28%
Wordpress	18%
We don't have a CMS	17%
Other open source platform	13%
Joomla	8%
Drupal	6%
SilverStripe	5%
Umbraco	3%
SharePoint	2%

45% OF FIRMS HAVE NO CMS OR HAVE DEVELOPED THEIR OWN SYSTEM.

Marketing automation software

A very small percentage of firms are using marketing automation tools that help drive more efficient customer acquisition, particularly online. Overall only 13 companies (3.8%) use marketing automation software. Of these, the most common platforms were:

Automation solutions

Software used	% of companies
HubSpot	46%
Marketo	15%
Pardot	8%
Sales Engine International (formerly Manticore Technology)	15%
SalesFUSION	15%

ONLY 3.8% OF FIRMS USE MARKETING AUTOMATION SOFTWARE.



Frequency of use of software as a service (SaaS) marketing technologies

SaaS solutions

Software used	Rank order
CRM (e.g. sugarCRM)	Quarterly
Web analytics (e.g. Google)	
Core website (e.g. Drupal)	
Blogs (e.g. WordPress)	
Sales automation (e.g. Salesforce.com)	Rarely
Virtual events (e.g. WebEx)	
SEO tools (e.g. SEQmoz)	
Landing pages and microsites (e.g. Unbounce)	
Social media marketing management (e.g. Hootsuite)	
Web testing and optimisation (e.g. Sitespect)	
Social media analytics (e.g. Buzzient)	
E-commerce (e.g. Shopify)	
Search ad management (e.g. Marin Software)	
Social media ad management (e.g. BLiNQ Media)	
Video content (e.g. Kaltura)	
Communities (e.g. Jive)	
Integrated suites and enterprise marketing management (e.g. Hubspot)	
Call tracking (e.g. Calltracking)	Never

APPLYING MARKETING SOFTWARE CAN TRANSFORM THE EFFICIENCY OF ACQUIRING CUSTOMERS.

5.

The Market Measures sample

Methodology

The Market Measures study was conducted as an online survey during August 2013. Invitations to participate in the survey were sent to all of the major hi-tech sectors industry bodies, most of which forwarded to their members.

From this process 346 different companies participated in the 2013 survey, resulting in a representative sample of New Zealand's hi-tech sector.

Company location

Region	% of companies
Auckland	39%
Canterbury/West Coast	34%
Wairarapa/Wellington	14%
Bay of Plenty	6%
Waikato/King Country/Thames Valley	3%
Otago/Southland	2%
Other	2%

**346 DIFFERENT
COMPANIES
PARTICIPATED IN THE
2013 SURVEY.**

Company core business output

Business output	% of companies
Software as a service	25%
Software product development	20%
IT design, consulting and development services	19%
Electronic devices and equipment	11%
IT technical support services	5%
Other ICT services other than software	5%
Electronic components	4%
Specialised mechanical devices	3%
Hosting and IT infrastructure provisioning services	2%
Medical devices and equipment	2%
Other	6%

Primary market type

Market type	% of companies
Consumers (B2C)	8%
Government (B2G)	8%
Other businesses (B2B)	84%

Company turnover at the end of financial year (percentage of companies)

Annual turnover ⁵	Start-up companies	Early-growth companies	Established companies	All companies
Less than \$1m	96.6%	41.7%	22.8%	40.9%
\$1m - \$4.9m	0.0%	41.7%	33.7%	31.6%
\$5m - \$9.9m	0.0%	9.7%	12.0%	9.3%
\$10 - \$19.9m	0.0%	2.8%	10.9%	6.2%
\$20m - \$49.9m	0.0%	1.4%	8.7%	4.7%
\$50m - \$99.9m	0.0%	1.4%	4.3%	2.6%
\$100m - \$249.9m	0.0%	0.0%	4.3%	2.1%
\$250m+	0.0%	0.0%	2.2%	1.0%
Don't know	3.4%	1.4%	1.1%	1.6%

Company age

Company age (years)	% of companies
0-2 years	12%
3-4 years	14%
5-9 years	20%
10-19 years	31%
20-49 years	21%
50+ years	1%

⁵ Gross annual income figure, excluding GST.

Stage in the growth cycle

Growth stage	% of companies
Start-up (i.e. products and services are in the market and you have some early customers)	15%
Early growth (i.e. revenues and customers are increasing with many new opportunities and issues)	36%
Established business (i.e. business has matured into a thriving company with a place in the market and loyal customers)	49%

Company size

Number of employees ⁶	% of companies
0	1%
0.5	1%
1	8%
2	5%
3	5%
4	4%
5	4%
6 - 10	19%
11 - 15	7%
16 - 20	10%
21 - 50	15%
51 - 100	7%
101 - 250	6%
250+	8%

⁶ Full-time or equivalent employees and/or contractors.

Companies with employees and/or contractors resident in export markets (% of exporting companies)

Staff role	Start-up companies	Early growth companies	Established companies	All companies
Sales	61.5%	73.2%	67.1%	69.1%
Sales support	46.2%	58.9%	55.7%	56.1%
Marketing and promotion	46.2%	44.6%	50.0%	47.5%
Customer support	46.2%	50.0%	61.4%	55.4%
Installation and training	46.2%	44.6%	55.7%	50.4%
Product development	53.8%	42.9%	54.3%	49.6%
Management	53.8%	57.1%	52.9%	54.7%

Average number of employees and/or contractors resident in export markets

Staff role	Start-up companies	Early growth companies	Established companies	All companies
Sales	0.25	1.83	13.79	7.55
Sales support	0.00	0.85	3.69	2.21
Marketing and promotion	0.00	0.52	1.09	0.77
Customer support	0.17	1.04	14.53	8.51
Installation and training	0.17	1.04	10.28	6.11
Product development	0.29	1.50	28.50	16.25
Management	0.29	0.94	10.59	5.58

About Concentrate



Concentrate is a marketing consultancy that helps Kiwi technology companies develop strategies for finding and penetrating profitable market opportunities.

Using our industry experience and a set of proven tools we deliver market clarity for technology companies – practical, actionable insights into their marketing challenges.

www.concentrate.co.nz

About Swaytech



Swaytech is a marketing and communications practice dedicated to unlocking the innovation and growth potential of B2B focused companies.

It offers a full range of services from public relations and communications, marketing strategy and execution, to print design and full web design and development.

www.swaytech.co.nz

Disclaimer

This report is intended as a guide only. Readers are advised that before acting on any matter arising from this document, they should consult a Concentrate or Swaytech Advisor.

