

10 Surprising Insights On Used IT Equipment

A Panel Discussion With IDC and Industry Leaders

Today's Participants

Moderator / Presenter



Susan Middleton

*Research Director Flexible Consumption
and Financing Strategies for IT
Infrastructure*

Panelists / Participants



Tom Bates

President



John Richards

Vice President



Craig Aston

*Chief Operations
Officer*



Loke Uei Tan

*Director, Product
Management*



Study objective

Understand organizations buying intentions and motivations for acquiring used IT equipment



Quantitative survey
fielded in June 2020



525 decision-makers
from 7 countries

Methodology

Sample Qualification

n = 525



- Australia-75
- Brazil-50
- Germany-75
- Japan-75
- India-75
- U.K.-75
- US-100

Screen and qualify for:

- 500+ employees
- Acquisitions of used IT equipment and devices during the past 18 months
- Must be knowledgeable about their organization's current/future buying trends and rationale
- Key influencer of buying decisions for used IT equipment
- Mix of verticals

Survey Design

15 minute web-based survey



Questions about:

- Selection criteria for used equipment
- Purposes for used equipment
- Vendor and partner criteria
- Value differential between new vs used
- Maintenance and support expectations

Demographics N= 525

Level of knowledge and influence



Job Role



Executive Leadership
18%

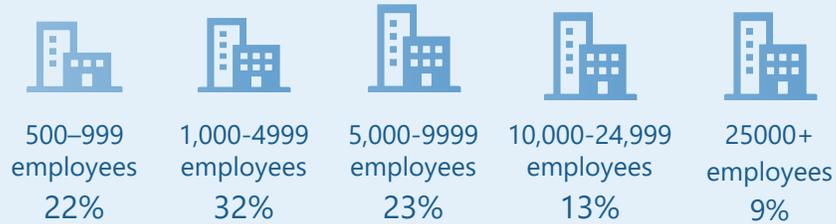


IT VP/Director
63%



Line of Business
19%

Company Size



Vertical



Insurance/Finance
20%



Manufacturing
15%



Retail/Wholesale
10%



Healthcare
13%



Telecom/Utilities
7%



Government
3%



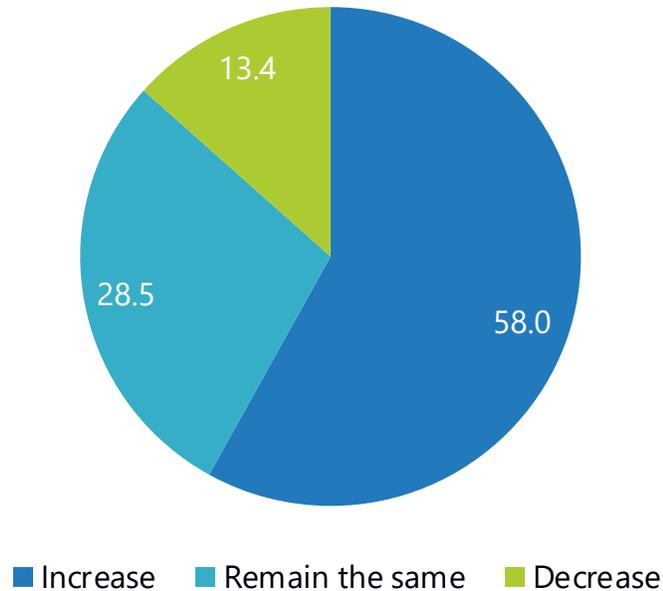
Education
6%

Regions

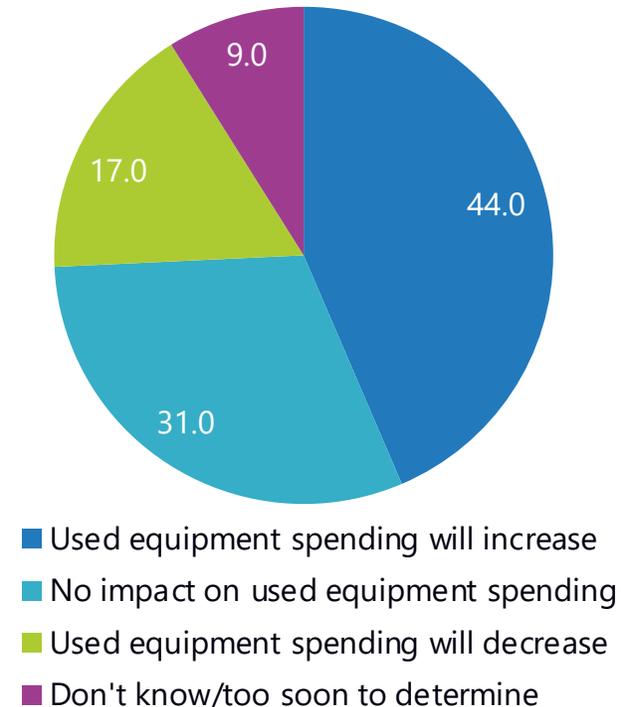


Majority of Respondents Expect Increase in Used Equipment Demand; COVID is another driver

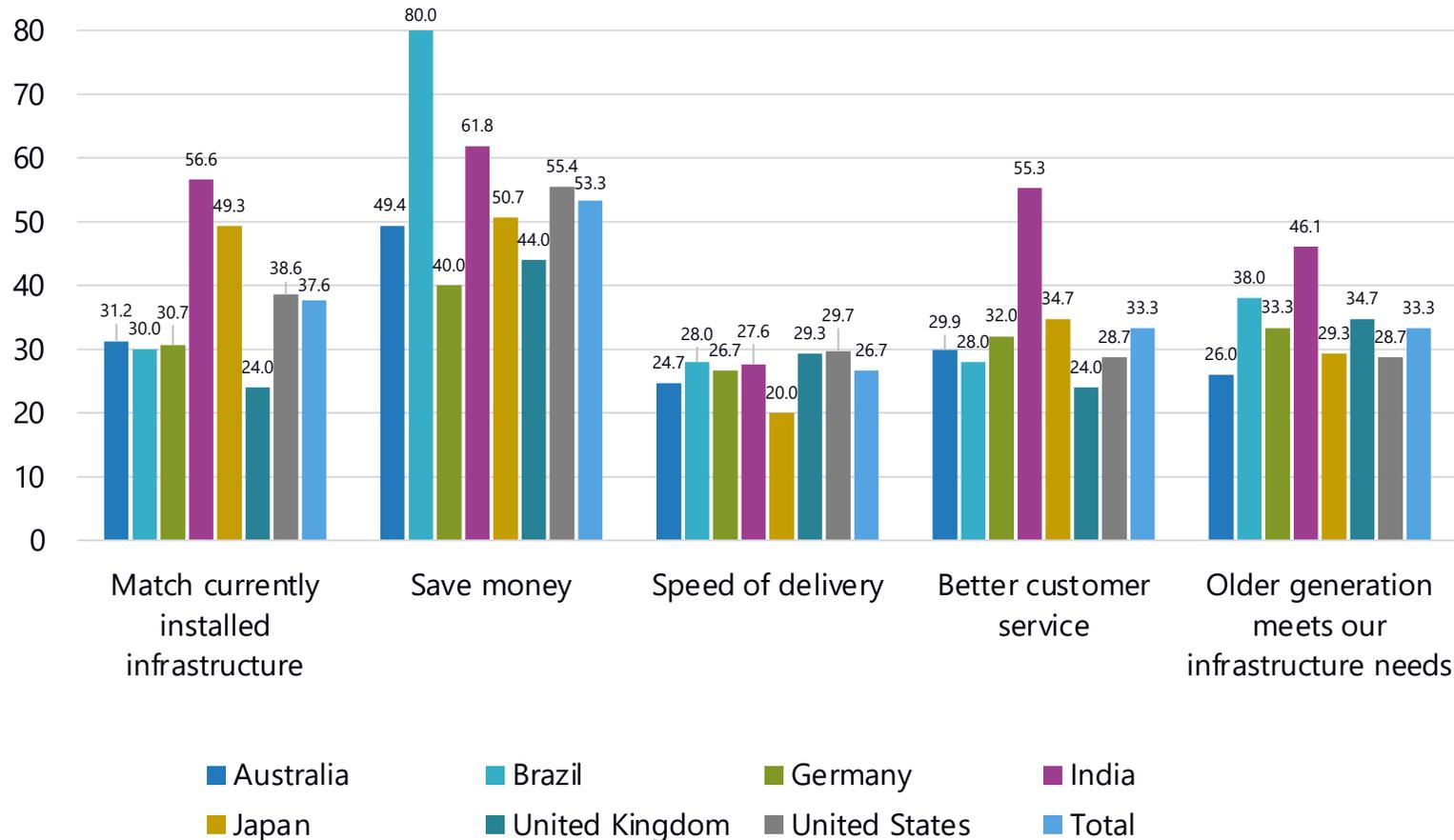
How will your organization's demand for USED IT equipment change during the next 12-18 months?



Compared to your organization's originally budgeted spending plans for used equipment, which of the following best reflects your opinion of how COVID-19 will impact your organization's spending?



Why does your organization buy used IT equipment?



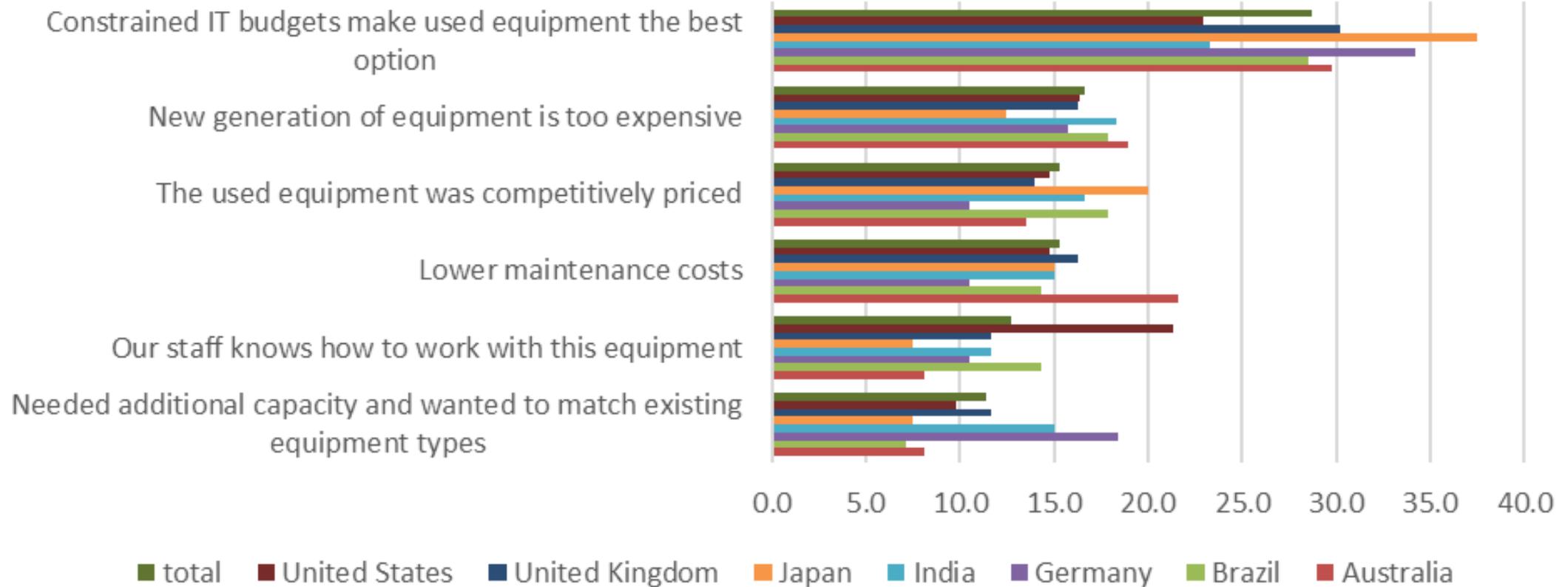
To save money leading reason for used purchases; historically always a key driver

Matching currently installed infrastructure is important for IT teams; reduces time for training, implementation and use

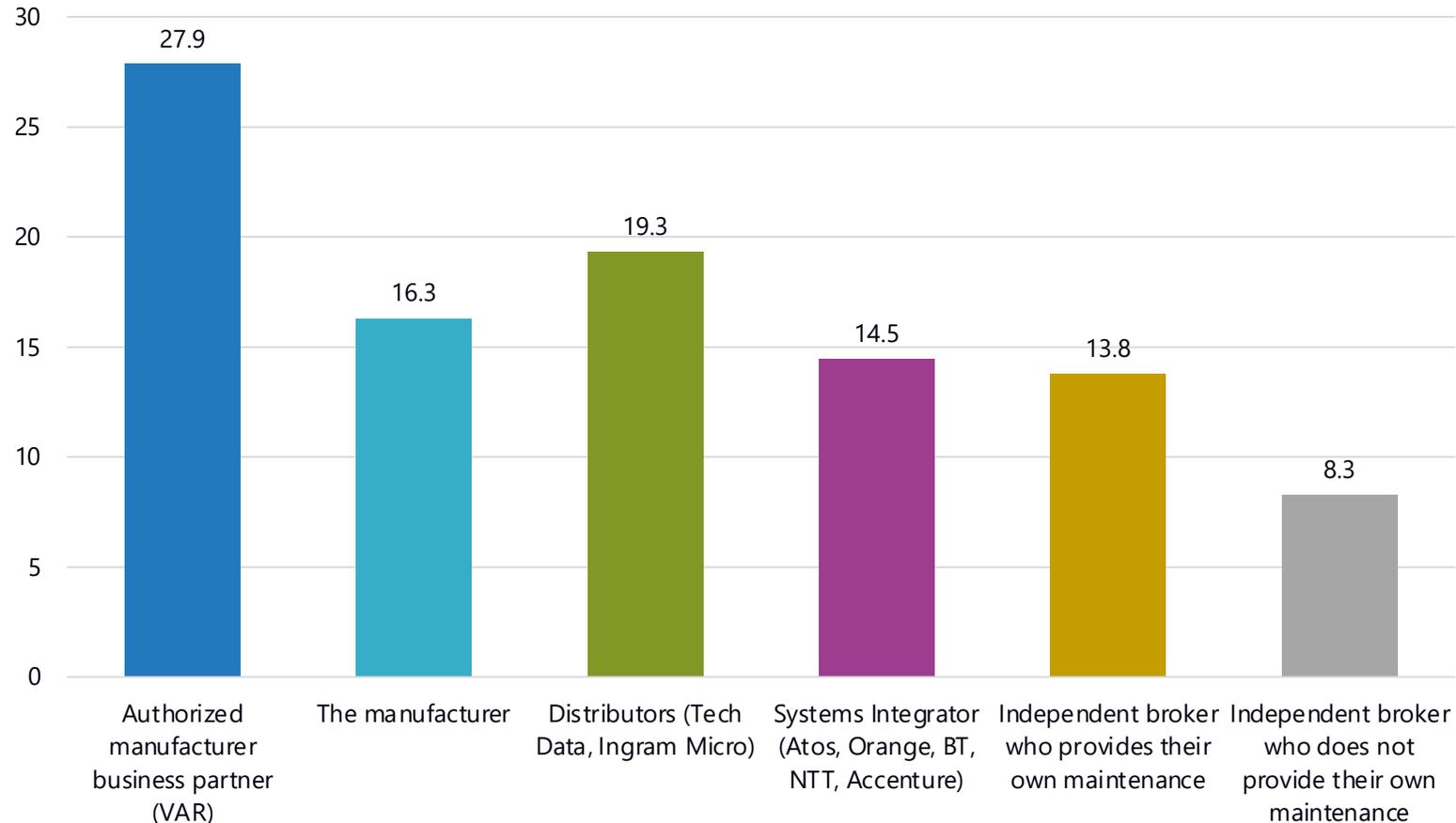
India's decisions for used equipment are driven by saving money, better customer service and matching current infrastructure; an outlier to other countries

Budget Pressure Drives Used equipment demand

Reasons for Demand Increase



Diversified Sources for Used Equipment



The preference for VARs and Distributors is widespread regardless of country, company size or industry vertical

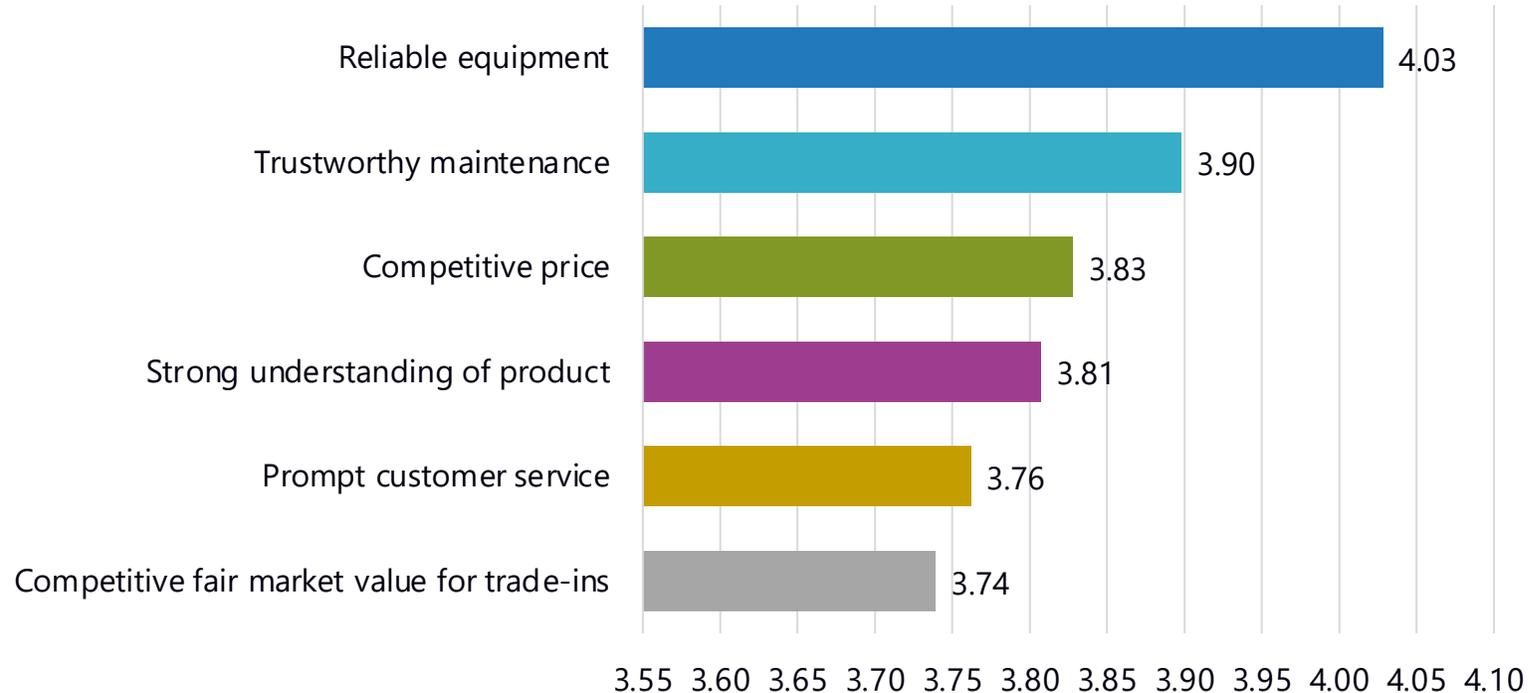
Brokers without maintenance are last choice

VAR was top partner selection for Japan

Equipment reliability is top selection criteria

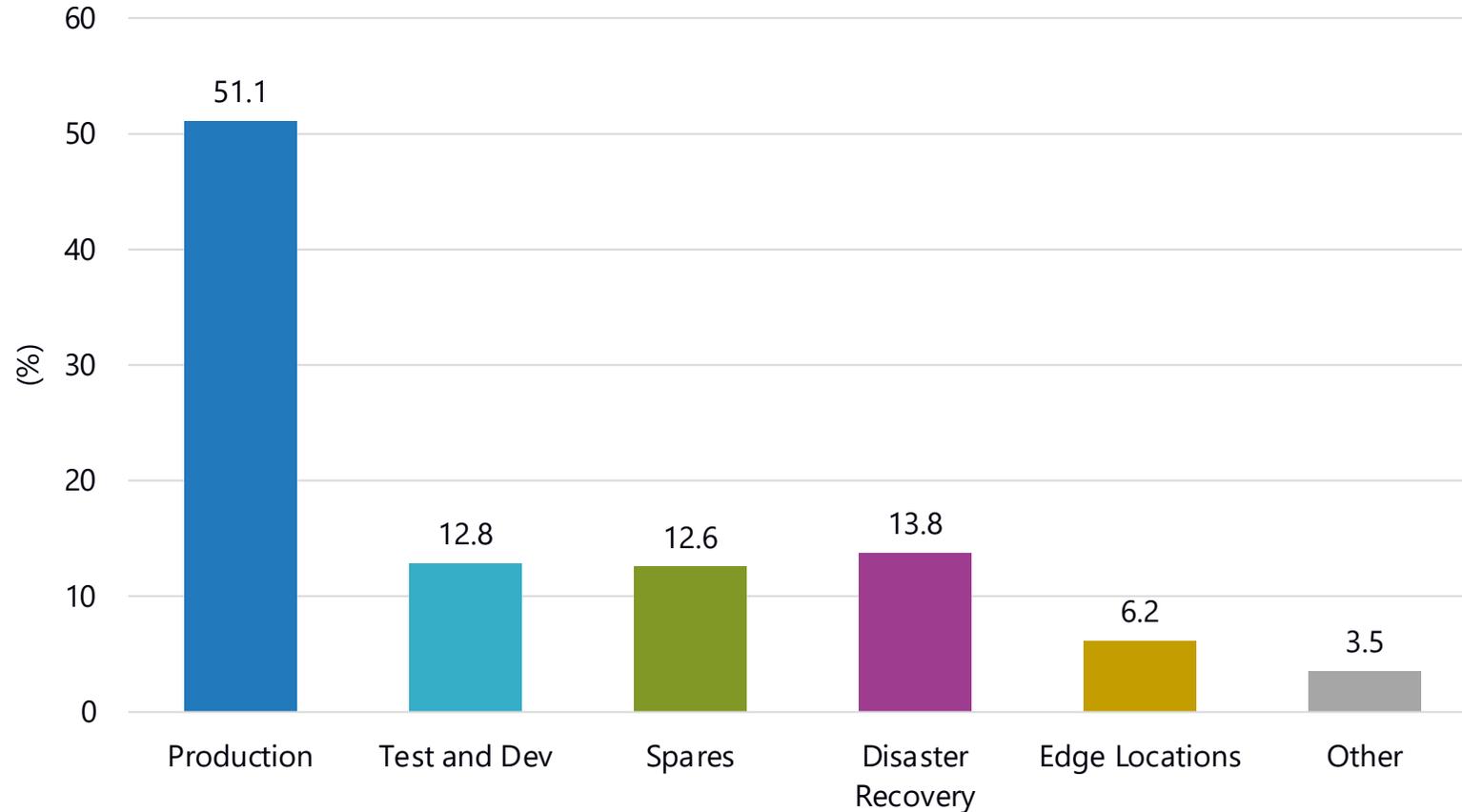
How important are the following criteria in selecting a USED IT equipment provider?

Mean Summary: 1-not important; 5-very important



Reliable equipment is top ranked factor; closely aligned to working with a trusted partner
Maintenance outranks pricing;
Organizations will not select based only for lowest costs – must have dependable equipment *and* maintenance

Majority of Respondents Deploy Used Equipment in Production

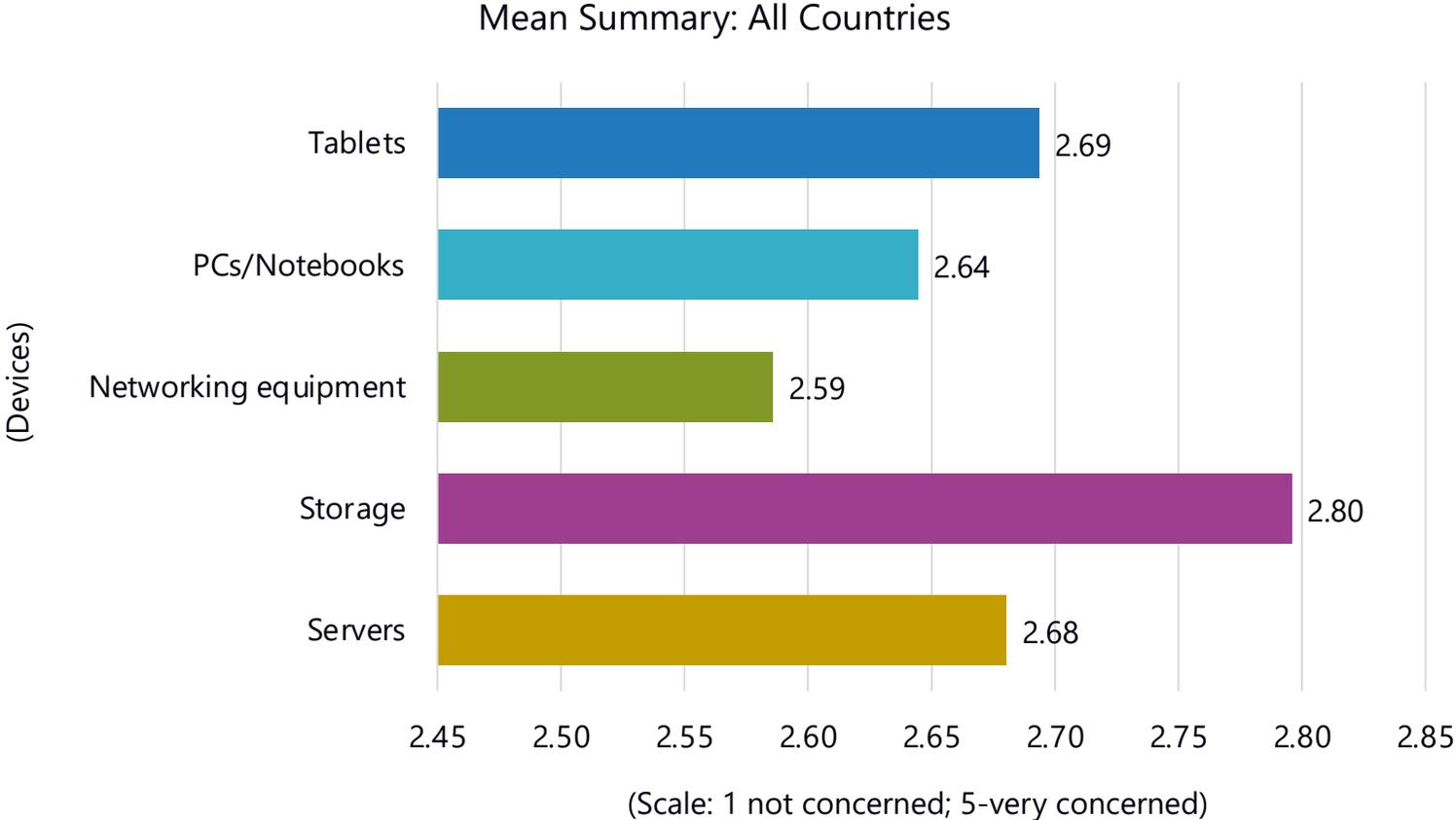


Equipment reliability is critical for organizations because most used IT equipment is deployed in production environments.

Disaster Recovery is 2nd most common use case

During COVID focus on business resiliency will intensify focus on equipment reliability and DR resources

Please rate how concerned you are about risk to your operations from using USED IT equipment?



Storage: ranked top concern across all countries; followed by tablets and servers

Focus on data protection and security compliance topics to reassure customers

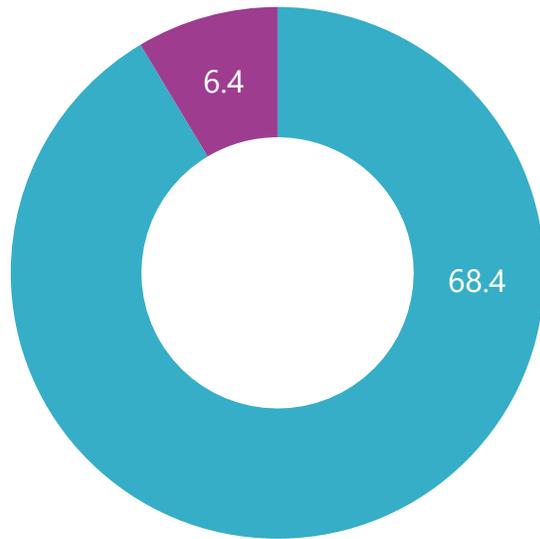
Age of Used Gear by Equipment Type

What percent of the USED IT equipment your organization purchased in the past 18 months is...?
 (N-1 is defined as the 1st replacement from current models; N-2= 2 cycles from current generation, etc.) *Mean Summary*

	N-1 or current models are the 1 st and 2 nd choice			Notebooks and Tablets close demand for Current and N-1			
	X/86	Non-X/86 Servers	Storage	Networking	PCs	Notebooks	Tablets
Current	39.0%	34.0%	37.3%	29.6%	28.0%	37.0%	37.5%
N-1	42.2%	46.6%	40.0%	45.0%	44.3%	36.4%	38.1%
N-2	15.3%	14.0%	16.3%	15.6%	18.4%	15.6%	16.7%
N-3	3.5%	5.4%	7.0%	10.0%	9.3%	11.0%	7.7%

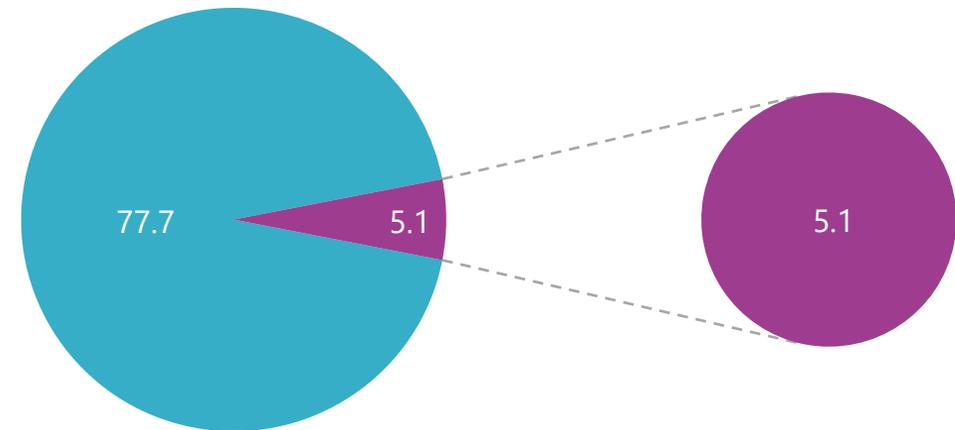
Majority of respondents agree maintenance is important & most are satisfied with providers

How important is it to your IT department for all IT equipment to be on a maintenance plan?



■ Top 2 Box: very important ■ Bottom 2 Box: not at all important

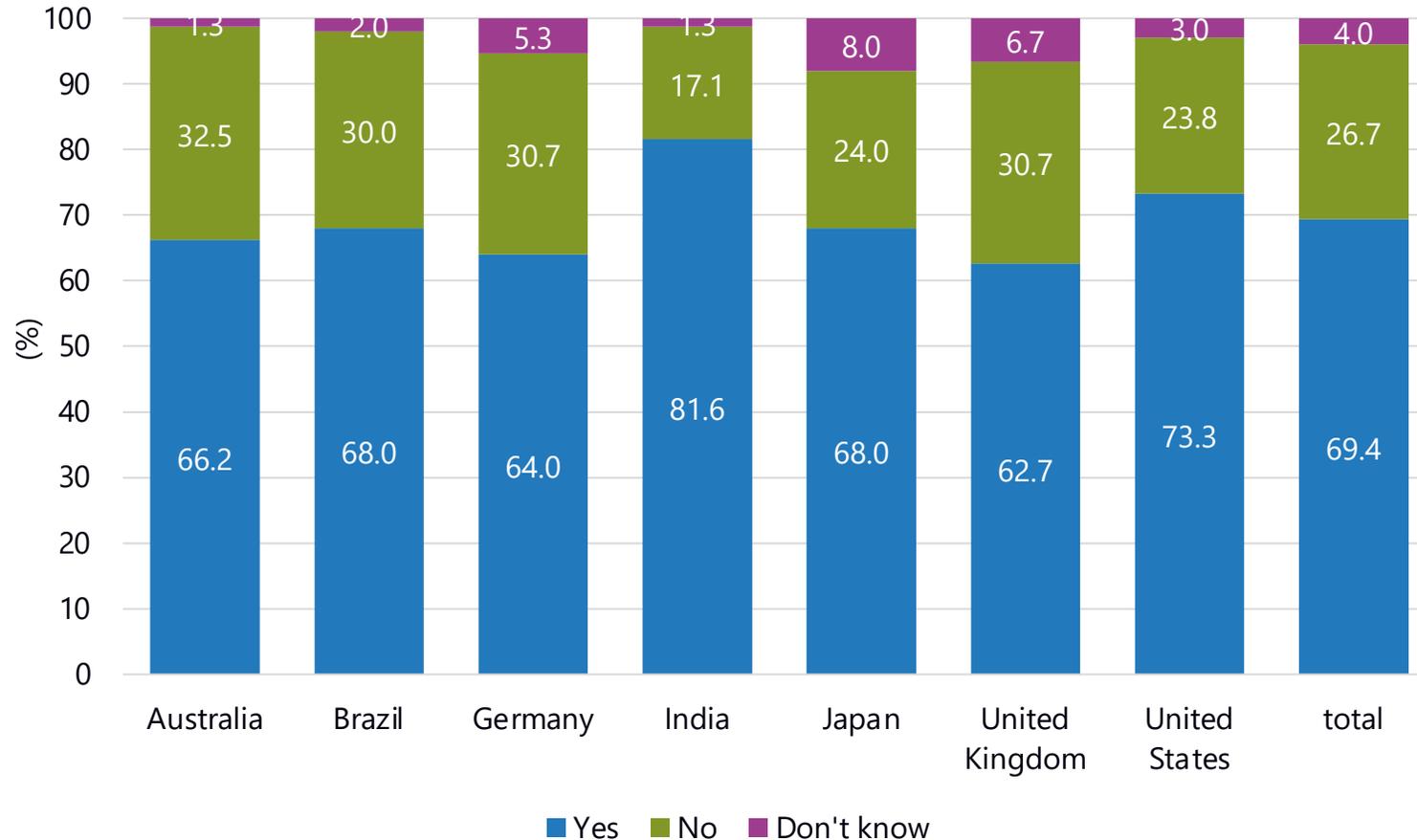
How satisfied are you with your current IT equipment maintenance provider for USED IT equipment?



■ Top 2 Box: very satisfied ■ Bottom 2 Box: unsatisfied

Sustainability and IT Recycling

Does your organization include IT recycling and asset disposition within its sustainability policy and initiatives?



Banking/finance and insurance firms led this effort; Utilities and Education ranked lowest

Increased sustainability pledges and ties to circular economy will accelerate importance of IT recycling and asset disposition

For More Information



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Q&A

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