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SaaS In Hot Demand In Post-recession A/NZ IT Market

Software-as-a-Service providers are in keen demand post-GFC as organisations look to control costs. iStart's fifth annual Investment Intentions Survey shows that almost two-out-of-three companies are now using SaaS applications - up from a half a year ago...

ICT investment in A/NZ is predicted to improve slightly (+6.7%) in 2010, bouncing back from a 32 percent drop in 2009 according to the survey. This equates to an estimated A\$23 million recovery in revenue for the region's ICT vendors.

The 400 organisations responding to the survey represent a A\$373 million share of Australasia's estimated A\$5.0 billion ICT investment market.

SaaS or "on demand" applications showed a significant gain in market share, and are now in mainstream acceptance. In an overall lower ICT investment market, SaaS solutions grabbed market share from the more traditional application providers.

The leading SaaS applications are CRM, eMail and Web hosting/content management, but increased uptake has occurred across ERP, CRM, BI and eMarketing, in fact all categories except eMail hosting - which saw a decline from 13 percent to 11 percent of organisations - probably reflective of the generally larger organisations in this year's results.

General Manager of iStart, Hayden McCall, commented that while the increase looked encouraging, it is off a low base.

In releasing the results, McCall said "the question is whether spend will ever recover to pre-GFC levels, or whether tough competition, 'right-sizing' of solutions and the lower overall costs of SaaS solutions mean lower investment levels are here to stay."

For those readers who are making investment decisions, research on the iStart 'technology in business' portals (ref www.iStart.co.nz or www.istart.com.au) where there are hundreds of case studies on business software such as financial packages, manufacturing solutions, ERP, CRM and BI across A/NZ along with buyers guides for the leading vendors.

[Click here to read the full version](#) of the Survey.

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