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IT decision maker views on the CrowdStrike-Microsoft outage highlight **why B2B brand research in a dynamic tech sector is more important than ever**

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In B2B, trust and reliability are the bedrock on which brand reputations are built.

We spoke to 100 IT decision makers from our expert network of business professionals to get their on-the-ground perspective on the CrowdStrike-Microsoft outage.

Here’s what we found out.

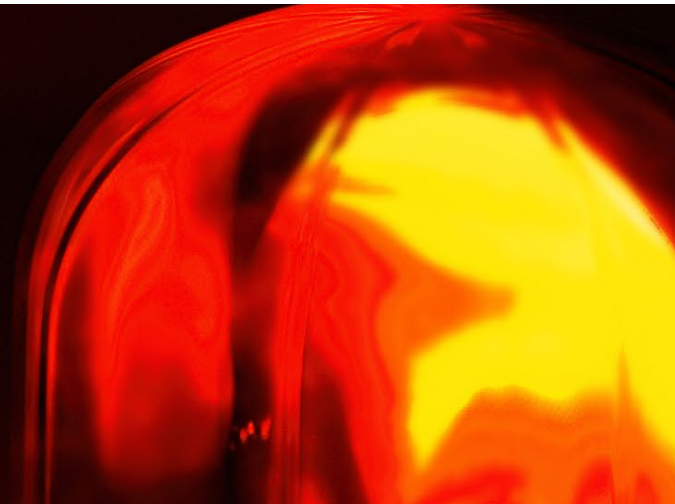
On 19th July 2024 a faulty update to CrowdStrike's Falcon Sensor security software caused approximately 8.5 million Microsoft Windows systems to crash in what has been called the largest outage in the history of information technology.

CrowdStrike has taken steps to minimize the damage to its brand by owning responsibility for the July outage. George Kurtz issued an unrestrained apology, Michael Sentonas accepted the "Most Epic Fail" award at the Pwnies and CrowdStrike has so far allocated $60million to a "Customer Commitment package".

The $10 UberEats vouchers were somewhat less well received.

CrowdStrike is, of course, eager to consign this issue to history. CrowdStrike's leadership and some industry commentators are suggesting that it is being somewhat successful in this endeavour and that the damage to the brand has been contained (CrowdStrike shares increased in value by 20% through August, currently trading slightly higher than they were at the start of the year).

Here at Vanson Bourne we measure the health of B2B Technology brands for a living, helping our clients to optimize their proposition in the most dynamic and volatile of industry sectors. And so we ran some polls with our expert network of UK IT decision makers (ITDMs) and what we have found should be a cause for concern.



Vanson Bourne interviewed 100 IT decision makers in small, medium and large UK-based organizations, both public and private sectors, in late August and early September 2024.

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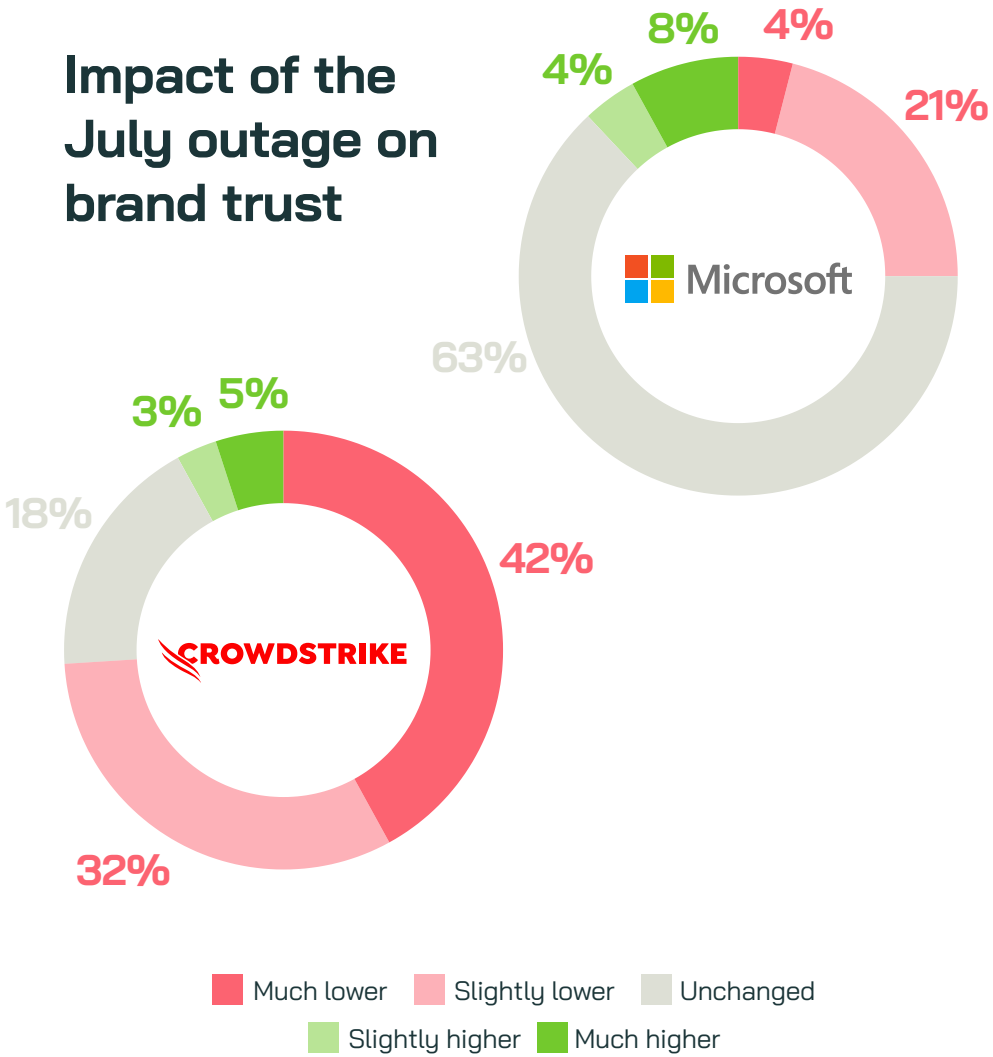
Trust in CrowdStrike has taken a big hit

Impact of the July outage on brand trust



Nearly three quarters of IT decision makers have had their trust in CrowdStrike damaged as a consequence of July's outage.

The Microsoft brand has taken a bit of a knock too, but to a far lesser extent as might be expected.

Our brand research consistently shows that "trust" and "reliability" are the bedrock on which brand reputations are built in the B2B technology sector.

Cheaper prices and "Customer Commitment Packages" are far less important when considering business critical infrastructure.

We would expect the sentiments reported here to have to have an impact on brand perceptions and on purchasing considerations. Read on...

74%

of CrowdStrike customers report some loss of trust in the brand

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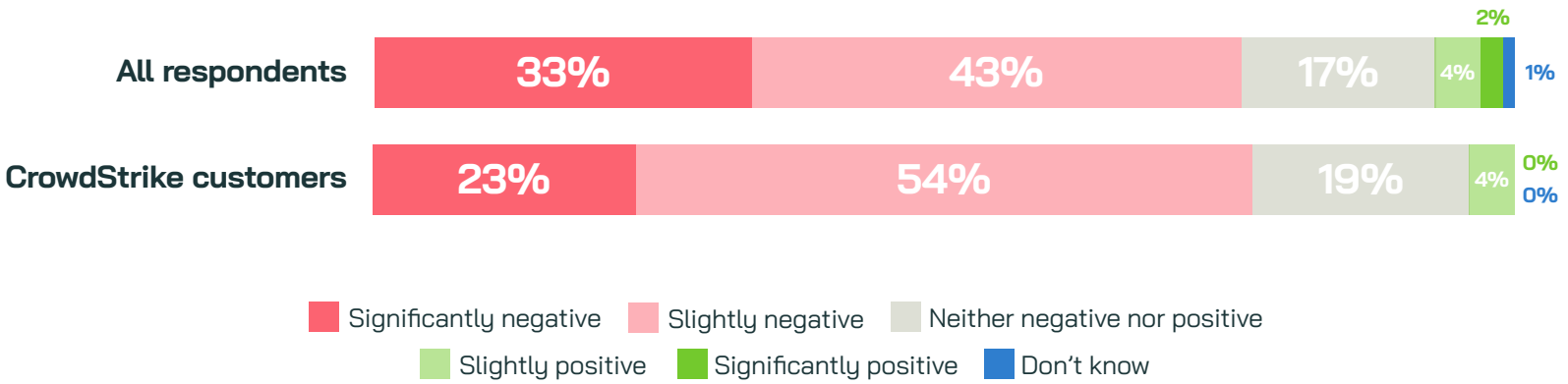
Damaged trust, damaged brand

Trust is a fundamental brand characteristic. Damage to trust equates to significant damage to brand perceptions. These survey results indicate that damage to the brand is present not only in the wider market (potentially impacting on new business) but also, and to an almost equal extent, amongst CrowdStrike customers (potentially impacting retention and renewals).

Impact of the outage on CrowdStrike's brand perception



A Black Swan event such as the July outage is an extreme example of how brands are impacted by in-market events. In dynamic markets like B2B technology there are numerous factors working every day to nudge a vendor's brand off course. From competitor product launches and marketing campaigns to new regulations, changes in customer needs/expectations and macro-economic factors, it is a constant endeavour for vendors to stay abreast of their brand equity. But this is vital intelligence that underpins any vendor's work towards product and marketing optimization.

76%

of UK ITDMs have a more negative perception of CrowdStrike

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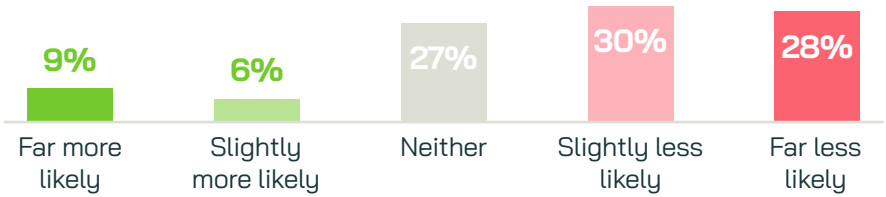
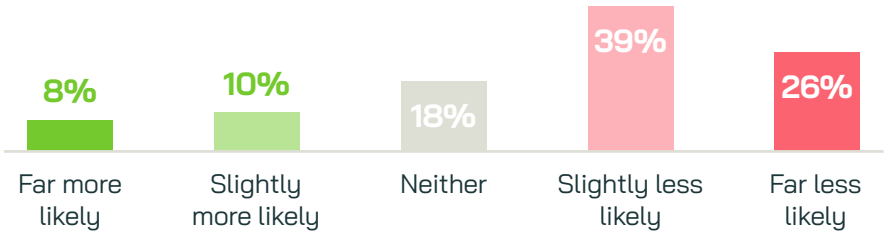
If trust impacts on brand perceptions, then brand perceptions impact on sales performance

65% **report reputational damage has caused resistance to CrowdStrike in their organization**

Impact on ITDM likelihood to recommend CrowdStrike as a cybersecurity provider



Impact on ITDM expectations that their organization would agree to a recommendation of CrowdStrike as a cybersecurity provider



Since the July outage CrowdStrike has reported its sales performance as being slightly below expectations. However, the company has also reported that deals are being delayed rather than lost, and so they expect a recovery in their position.

We asked our expert network of ITDMs if the outage would impact on their likelihood to recommend CrowdStrike for their organization. The results suggest that CrowdStrike has a lot of work to do...

...and that in many cases, ITDMs would expect push back from their organization if they were to recommend CrowdStrike.

Back when IBM sold mainframes the line was that "nobody ever gets fired for buying IBM". We're not arguing that anybody would be fired for having bought CrowdStrike in the event of further outages, but focused effort is going to be required to rebuild brand equity and reassure customers.

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Impact on advocacy and adoption

In a competitive market, we would expect that advocacy levels might be skewed towards uncertainty. We've seen some oddly shaped brand funnels in our time.

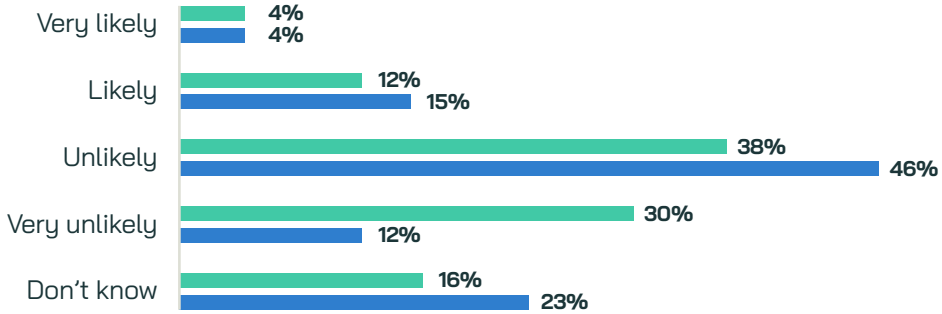
But these levels of vendor recommendation for CrowdStrike are far lower than we typically see and are undoubtedly impacted by the findings presented elsewhere in this report.

Of most concern, the difference in advocacy levels amongst customers when compared to the wider market is almost never this narrow.

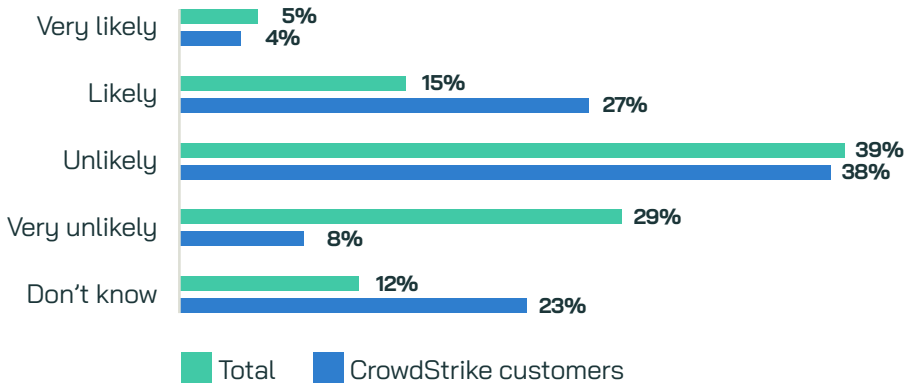
Reputations are hard won and easily lost, and companies have longer memories and are less forgiving than consumers. Further, the technology procurement process is complicated and involves many stakeholders – and this is pertinent in the context of a very public and very impactful failure.

These charts are a high level read of customer sentiment a few weeks after the July outage. But the strength of this sentiment is strong and it shows that CrowdStrike urgently needs to engage with its customer base to re-establish its reputation and brand health. Meanwhile, CrowdStrike's competitors will be mindful of the opportunity that has been afforded to them.

Likelihood that ITDMs will recommend CrowdStrike to their organizations



Likelihood that organizations would accept a recommendation to deploy CrowdStrike



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