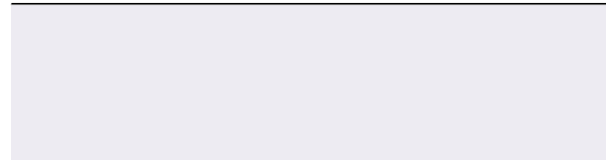

Transcript: For the ITAD Marketing Profile Video

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In a bygone era, companies relied on the print media and the physical mailing of materials to drive their marketing campaigns or perform their research. My name is David Daoud of Compliance Standards and today I will share with you some fresh data on the ITAD sector's marketing profile.

In my first job as market analyst, running a survey unit, we put a dollar bill inside an envelope to convince the recipient to take the survey, that was on paper, put it back inside a postage-paid envelope and return it to us. The work was labor intensive, expansive and we thought we were a cutting-edge survey house.

It is hard to believe that today none of that exists anymore. Everything is done digitally via the web and in social media. And in such an environment, it has gotten much easier for analysts to uncover the performance of any industry, even if it is dominated by privately-owned companies who are not used to sharing information to the outside world.

Although dealing with small privately held companies is a challenge for market analysts, in particular when it comes to assessing market size, corporate performance and the competitive landscape, the digital and internet worlds provide unparalleled insights and information that can depict a market in much more accurate ways. Just think about it for a moment: every time someone visits your website, the information is captured by all sorts of databases. Web crawlers and tracking technologies know where the visitor came from, what he visited, how long he stayed, what content he accessed, what were his intentions, is he part of the total addressable market or even better is he part of the serviceable available market, etc. In this environment, tracking an industry becomes easier.

And in this context, what does the ITAD sector look like these days?



Most market participants in the ITAD sector are small or family-run firms. Nothing wrong with that, but because of that, the level of consolidation within the ITAD market, excluding the OEMs and other large companies involved in the sector, shows a moderately low level of consolidation, based on the Herfindahl-Hirschman Index. In the ITAD case, this means the total market is distributed among many market players.

However, there is also an elite group of companies that are generally classified as medium-sized firms. Although still largely closely held, these companies' leaderships show more willingness to share information and data on their corporate performance because they realize that data sharing could be tied to business performance. Eventually, if corporations manage to adopt ESG, as it is not the case yet, ITAD companies will have to be more transparent about their business to align with the need for transparency required by their clients and that is a good thing.

The marketing initiatives coming from the ITAD sector are moderately active. Not as active as what we see taking place in the ESG world, for example. Take the keyword ITAD. It was entered almost 9,900 in Google Search Engine, of which less than 3,000 are in the US. In contrast, ESG clocked a global search queries number of almost 900K, of which 165K were in the United States. Of course we cannot compare the two sectors as they address different stakeholders and are therefore promoted by different players. ESG has a lot more advertising muscle than ITAD. For instance in February, Microsoft led the ESG digital marketing effort resulting in more than 577K ads traffic, ahead of IBM's 131K traffic. The dollar value of Microsoft's ESG keyword related traffic was nearly \$2 million, compared to IBM's less than \$600K.

In contrast, the marketing leadership in ITAD shows an unstable profile. The top promoter of ITAD keyword traffic in February was the relatively unknown GreenChip Recycling, followed by ITAD Tech and Data-Destruction.com. The first one shows ads traffic in February of just 1,100 in the US, valued at a little over \$3K. It is clear that in the case of Microsoft, IBM and others in the ESG domain it is largely about promoting the brand in an emerging practice, whereas in ITAD it is generally about buying leads.

Buying keywords, however, is not always the most effective way of attracting eyes and ears on the web. In fact, data shows that ITAD companies with the highest traffic do not spend too much money on buying keywords. Leaders of our January report, such ERI and Tes, achieved their marketing leadership through online **referrals** and **direct methods**. Are these two companies and others always leading the pack? Certainly not. Changes in the



leadership of ITAD marketing occur all the time, reflecting volatility in the space as a result of the corporate status of the companies involved. The lack of sustained marketing strategies means that one month a set of ITAD companies show strength, the next month their momentum fades and may return subsequently. This situation is partly due to unstable marketing dollars, which may be available one day, and not the next, essentially highlighting the budgetary strategies adopted by these companies. Our recommendation for ITAD firms is to have a consistent and persistent approach to marketing. Clients and prospective ones have short attention span and social media can easily and quickly sway them one way or another. Having a persistent and well-thought-out marketing strategy is critical to keeping your company front and center.

Today I am pleased to announce the launch of Compliance Standards' ITAD Marketing Leadership Tracker. The data will be released every month looking at the ITAD sector's marketing performance and how vendors operating in that sector are doing. We will also be looking at adjacent sectors like ESG, data security, etc to get a holistic view of the overall sustainability sector. The details of this service can be found on our website at ComplianceStandards.com

For those of you who need help with your marketing and go-to-market strategies, we offer custom services that would be of great value to you. Contact us at ComplianceStandards.com/consultation to book a meeting with us. Thank you.

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Contact us at 754.229.0095 or inquiries@Compliance-Standards.com

Our Offices: Boston, MA | 2361 Walnut Court, Pembroke Pines, FL 33026