OVER HALF OF CANADIAN BUSINESSES REGRET RECENT SOFTWARE PURCHASE; MOST STILL PLAN TO INCREASE SPEND IN 2025

Capterra's 2025 Tech Trends Report reveals that technological advancements are the most important external factor shaping their business goals, ahead of the labor market and competition.

CANADA, November 2024—Canadian businesses are betting on technology to boost growth and efficiency and support their employees. Capterra's latest research reveals that 69% of Canadian companies will spend more on software in the upcoming year and how decision-makers can ensure a positive ROI on their tech purchases.

Technology has the largest influence on business goals

Competition and the labor shortage are key influences on business decisions in Canada, cited as significant external factors by 53% and 40% of Canadian professionals, respectively.

However, the rapid expansion and advancement of new technologies, like generative AI, have been most influential in driving business strategy. In fact, 59% of Canadian businesses cite technological advancements as the key external factor shaping their business goals.

Businesses are preparing for growth by prioritizing tech investments that enable scalability

Canadian businesses are expecting high rates of growth in the upcoming 18 months. 82% of decision-makers expect an increase in revenue. The alignment between business growth and increasing software investments demonstrates that Canadian organizations are prioritizing tech that supports efficient expansion and operational performance. Over the past 12 months, Canadian businesses have invested heavily in software that supports employee development, collaboration, and learning—all essential capabilities for a growing company. The most widely adopted software type was learning management (55%), followed by business intelligence (BI) software (54%), and help desk and IT support (53%).

Despite interest, many software investments lead to buyer's regret

56% of decision-makers surveyed say they regret at least one technology purchase made in the past 18 months. Many of these issues can be avoided by being mindful of key challenges associated with purchasing software. Canadian businesses say the top three challenges they face in buying software include security concerns (48%), data management (35%), and compatibility with existing systems (35%).

Among software buyers who expressed dissatisfaction with a purchase, 36% report that this stems from the software being more expensive than expected. Beyond the subscription cost, businesses should consider the total cost of ownership, which may include fees for implementation, customization, data migration, user training, or customer support. Another 34% of regretful buyers cited difficulties with training and onboarding, and 31% cited poor technical support. This demonstrates the need for businesses to set clear expectations for customer support requirements with potential vendors early on in the evaluation process.

When asked what they'd do differently, 41% of Canadian respondents who regretted a software purchase say they would further clarify goals before making future purchases. While they may face pressure to adopt new technology, businesses that thoughtfully consider desired outcomes for their software investments tend to have more success than those that get wrapped up in the hype of the latest technologies with no concrete plan to generate ROI.

Buyers are choosing software vendors based on reputation

One of the key methods for avoiding buyer's regret is to build a smarter vendor list. Businesses have access to a wide range of information sources when building their initial vendor list, and this may become overwhelming. Capterra's report indicates that Canadian businesses should prioritize experience and objective reviews when first evaluating vendors. The most important factor is vendor reputation (cited by 55% of buyers), followed by previous experience with the vendor or product (47%) and peer recommendations (36%). When conducting further research to formally develop a shortlist, 43% of buyers rely heavily on customer reviews, 40% on Google searches, and 39% on professional recommendations.

After building a shortlist, and finalizing a purchase, survey respondents reveal that the most influential factors are customer support (cited by 62%) and product trials (61%). In these final stages, businesses should prioritize vendors that provide comprehensive and responsive customer support. These are strong indicators of continued quality customer care after the sale is complete.

Visit Capterra.com for more insights on how to improve the software buying process and review top-rated products on the Capterra Shortlist.