

Grassroots Research®

Market Monitor

Cybersecurity Spending Outlook—US	European Utilities—Global	Bitcoin & Cryptocurrency Trends—US
Private Drilling Production—US	Digital Payments & Financial Apps—US	Corporate Travel Spending Outlook—US

Cybersecurity Channel Spending Outlook—US

Grassroots® conducted interviews with cybersecurity value-added resellers, distributors, and consultants in the US to gauge cybersecurity spending trends and preferred vendors in this space. Regarding IT budgets, 65% of sources indicated that IT budgets are trending up for the first half of 2025 compared to the second half of 2024, with an average increase of 4%. Meanwhile, 20% reported that IT budgets are flat, and 5% noted a decline. One source said, “Overall IT budgets are steady in terms of looking at budgets that are operational. People are starting to boost a little more in AI, and both in areas that have to do with insurance because of AI and boosting innovations.”

Security spending paints a more optimistic picture. A substantial 80% of sources expect their average client’s security spending to increase in the next 12 months, with an average rise of 11%. In contrast, 15% foresee security spending remaining flat, and 5% predict a decrease. The top security priority for 2025 is securing networks for the implementation or use of AI. This is followed by endpoint security, managed detection and response (MDR), compliance, cloud security, and identity

management. One source emphasized the intelligent preparation for AI and the organic incorporation of various AI models into businesses as a critical focus. The source mentioned, “A top priority would be the intelligent preparation for AI and how LLMs and various other AI models are being rolled out, as well as how they are being organically incorporated in businesses.”

Meanwhile, 63% of sources noted that security priorities have remained the same compared to a year ago, while 37% acknowledged that the evolution and acceptance of AI have shifted priorities. AI was frequently mentioned as the top innovation or trend over the past six months. One source said, “People are trying to understand the impact of AI. They are looking at Microsoft Copilot and similar tools and what they are going to do to their data, as well as looking at developers working on implementing AI into security tools, and how does their data get protected.” The influence of AI on cybersecurity interest is significant, with 75% of sources affirming that AI has heightened customers’ interest in cybersecurity, while 25% reported no such impact.



Regarding pricing among cybersecurity vendors, 40% of sources stated that pricing is stable, 35% observed price increases, and 25% described pricing as competitive across all vendors. One source said, “I have not heard of any remarkable or specific changes in pricing. It is generally stable to maybe slightly decreasing. Pricing for some of the cutting-edge, newer products or products up for renewal that are locked into an ecosystem, is more likely to go up.

On the other hand, pricing for cyber companies that are struggling are the only ones where you are likely to see aggressive pricing strategies.” The impact of high-profile cybersecurity breaches on the spending environment is varied. While 40% of sources mentioned that recent breaches had a positive impact on spending, 30% noted that these breaches were part of the conversation but did not lead to increased sales. One source said, “High profile cyber-attacks mildly impact spending on cybersecurity, but a lot of times it is after the fact. Unfortunately, I pick up more clients after there is a breach than before one”

Bitcoin & Cryptocurrency Trends—US

Grassroots® conducted a 1-year follow-up survey to explore how consumers are engaging with Bitcoin and cryptocurrencies investing.. The survey revealed that 78% of respondents either don't know much about crypto/bitcoin or know a lot about it but have never invested. Meanwhile, 14% own both cryptocurrency and the Bitcoin ETF, and 8% own only the Bitcoin ETF without any direct crypto investments.

Among those who have never invested in crypto, 38% indicated they are likely to invest in it within the next six months, an increase from 32% in the March 2024 Grassroots survey. Within this group, 88% are most likely to invest in Bitcoin, while 18% prefer Ethereum. When considering how they would invest, 69% of potential new investors plan to buy Bitcoin on Coinbase, 25% through an ETF, and

18% on another exchange. Regarding perceptions of cryptocurrencies, 46% of those who have never invested believe Bitcoin and cryptocurrencies represent new technology. Additionally, 24% view it as a way to avoid the power of big banks, and another 24% see it as a means to preserve value against monetary debasement.

For those who have invested in both cryptocurrency and the Bitcoin ETF, 52% rate their knowledge as very knowledgeable, 34% as having a little knowledge, and 14% as unknowledgeable. Investment platforms used by this group include Coinbase (37%), Robinhood (18%), and Crypto.com (16%). When it comes to storing their cryptocurrency, 77% keep it on the exchange, 31% use a mobile wallet, and 16% use a cold storage wallet.

Digital Payment & Financial App Usage—US

Grassroots® was commissioned to survey US consumers to better understand how people interact with digital payments and financial apps. Results showed that 69% of respondents use PayPal, 40% use Cash App, and 28% use Venmo. PayPal is the most frequently used app, with 34% of users engaging with it daily to several times a week, followed by Cash App (22%) and bank apps (15%).

The study also revealed that PayPal is the leading app for various activities, including sending money to friends/family (27%), paying merchants (29%), getting paid for goods/services (31%), and looking for discounts (21%). It is also a primary app for monitoring checking/savings accounts (13%), depositing paychecks/checks (12%), and managing debit cards (13%).

As far as other financial activities, 9% use PayPal and Cash App for filing/paying taxes, 17% use Intuit's Credit Karma for checking credit scores, and 8% use Cash App for investing in stocks/Exchange-Traded Funds, Money Market Funds, and crypto/bitcoin.

Additionally, 6% use PayPal for managing retirement accounts. The report also highlighted that 54% of respondents prefer depositing checks/payroll into their bank accounts, and 76% are set up for direct deposit. Furthermore, 22% have a banking relationship with Chase, 21% with a credit union, and 19% with Bank of America.

European Utilities—Global



To assess the impact of data centers on electricity demand in Europe, Grassroots commissioned interviews with utility companies and data center project developers in Germany, Spain, and France. The study reveals that electricity demand growth is expected to accelerate over the next five years due to the increasing energy needs of data centers and electric vehicles. In France, sources indicate that electricity consumption, which had been stagnant or falling in recent years, is now accelerating due to electrification in industry, transport, and the arrival of AI in data centers. One source in France noted, "In recent years electricity consumption has been stagnant or falling. It is now accelerating again as a result of electrification in industry, transport and more recently the arrival of AI to data centers."

New data center deployments are identified as the most important factor for demand projections by 60% of sources in Spain, 53% in Germany, and 29% in France. A source in Spain emphasized, "I am convinced that data centers will be the number one driver for demand projections. I am traveling a lot throughout Spain, and I am not seeing any other industries (i.e. auto) or plants for water treatment or any other sector growing at such an exaggerated rhythm as data centers." Regarding the sources of electricity generation for AI data centers, 50% of sources in Germany and 60% in

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Spain. In contrast, nuclear generation is preferred by 71% of sources in France and 27% in Spain. A French source explained, “The most attractive source of generation for serving AI data center electricity loads is nuclear because it is reliable, cheap and carbon free. As the competing demands on the grid increase it is clearly the source that can be relied on. It is relatively cheap and as far as ecological considerations are concerned it is carbon free and, under EU rules, considered sustainable, at least until 2045.”

Germany is considered the most attractive European country for building new data centers by all sources in Germany. One source stated, “Germany, especially Frankfurt and the Rhine/Main region is most attractive for datacenter growth because of the DE-CIX, so there is least data leniency, meaning data transfer is fastest. In Germany, the region of Berlin is also strongly growing because it has a lot of wind renewable energy availability from the Brandenburg region.” In Spain, 67% of sources favor Spain for building new data centers, while in France, 43% of sources prefer France.

A source in France commented, “We have heavily promoted data center investment in France and been successful because of the ample supplies of relatively cheap electricity and the excellent hub connections. France is one of the four FLAP countries – Frankfurt, London, Amsterdam and Paris. It is a secure place to operate in, which is important, and they have not imposed a moratorium on new data centers as has happened in Ireland and Holland. The only weak point is the slow decision making by local administrations and the time it takes to get proposals on electrical supply questions - sometimes up to a year.”

Private Drilling Production–US

Grassroots® conducted interviews with private drilling operators in the US to check on drilling activity trends and capital spending intentions. In the past three months, 88% of sources reported that drilling activity has been in line with expectations, noting increased optimism. Conversely, 8% said it has been worse. One source commented, “Our drilling activity for the last 90 days and for all of 2024 has been in line with our plan, and we don’t see any hiccups for 2025 with a White House that supports deregulation to fuel oil and gas drilling.”

Among sources who commented, 58% said there has been no change in their willingness to outspend available cash flows in recent quarters, with 46% noting aggressive cash flow opportunities. One source stated, “We are a very large privately held oil and gas exploration and production company operating in

multiple basins including the Permian and Alaska. We are not shy about good opportunities and willing to be aggressive.”

Regarding the outlook for long-term natural gas demand, 75% of sources are more bullish now compared to 3-6 months ago, citing less regulation policies from a pro-energy administration that drive the construction of pipelines and LNG export facilities. 39% of sources have an oil and natural gas production hedge in place to protect against price volatility, while 61% do not have hedges, with 43% noting insufficient production. One source said, ““We don’t borrow money from banks or private equity firms, so we are not required by lenders to hedge a percent of our production against price volatility.”

Corporate Travel Spending Outlook–US

Grassroots® commissioned interviews with travel professionals in the US to assess year-to-year shifts in corporate travel spending. The study reveals that in 2025 compared to 2024, 96% of respondents expect corporate travel spending to increase due to rising airfare prices, while 4% anticipate it will remain flat. Additionally, among the sources who commented, 52% expect the number of employees traveling to attend meetings and conventions to remain flat in 2025 compared to 2024.

This is attributed to a stabilization in corporate travel following the post-COVID growth years of 2022-2024. Conversely, 48% expect a slight increase in travel due to new hires and a growing desire for more face-to-face meetings. One source explained, “Anytime you have a customer-facing situation, you should be there. What companies may do is ask, is this necessary? Maybe a certain segment within the company travels.

If it’s a publicly traded company or a company in the sciences and employees have to go to a conference, they may travel vs. someone who may not need to travel. Given that mix, I think the number of employees traveling will probably stay the same in 2025”. Meanwhile, 92% of sources have not changed corporate travel policies, while 4% have adjusted policies to be less restrictive to upgrade airline seating, and another 4% have made policies more restrictive to manage travel costs.

Regarding heightened global security concerns, none have made any specific policy changes, as current policies are deemed sufficient. When it comes to hotel preferences, Marriott and Hilton were the most frequently cited by sources as the top two preferred hotel chains, unchanged from last year. None of the respondents have shifted hotel types or classes.

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About Grassroots Research®

The Grassroots Research® division combines a variety of resources and methodologies, including in-house employees; a global network of independent, experienced journalists and consumer researchers; more than 50,000 industry contacts; and online panel surveys. We use this network to apply innovative market research and investigative journalism techniques to identify stock and sector trends before our competitors do.

Advantages:

- Continuous exchange of information between Grassroots® analysts and our investment professionals
- Expertise of independent journalists and consumer surveys to reach sources on the ground
- Technological tools to target consumer and business panels online
- Timely business insights via quick turnaround times
- 30+ years of experience conducting customized investigative market research around the world

Resources:

- Access to thousands of consumers in more than 60 countries via targeted online consumer and business panels
- On-the-ground investigators who conduct quantitative market research among consumers
- 55+ reporters who conduct interviews with industry experts
- In-house team based in the US
- 50,000+ industry contacts worldwide from a wide range of industries, including consumer, technology, healthcare, materials, industrials, energy and financials companies

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