

Surge in European IT sales as distributors respond to growing demand for services

[London, England and St. Petersburg, Florida – 15 June 2017] The European IT market has surged in the first quarter, says the Global Technology Distribution Council (GTDC), looking at the sales through distribution in the first three months of 2017. On a 13-week trend basis, the European market is now growing faster than that of the US, says Tim Curran, CEO GTDC. Virtually every country is showing growth. January was up 3%, by March 2017 this 13-week average had risen to 6%, and this sort of growth is holding, he told the annual GTDC European Summit held in Vienna.

A year ago some countries were still in decline, but in March 2017, Spain was up 13%, Portugal 19% France 4%, Belgium 12% Germany 7%, Norway 16%, UK 12%. This shows that there is a real opportunity for growth in the industry, he added.

Looking at net new growth, he highlighted the opportunities in UK, Germany France, Italy and Czech Republic which all showed strong levels of new business. But other work by the GTDC on buying intentions among consumers showed some hesitation, especially in the UK where concerns over Brexit overshadowed the findings, in France and in Greece with lower spending expectations due to the economy. The others are very positive however, with income expectations and propensity to buy on the rise. In Slovenia, for example, propensity to buy was at a ten-year high while the Czech Republic was at an all-time buyer high. The distributors in these markets offer a clear way to reach these rising sales, he said.

There is a bold new world in distribution, providing more than pick, pack and ship, and as a resource for vendors in their go-to-market strategies. “We come from an industry based on inventory, cost and fixed assets, but the amazing integration between distribution and the vendors has produce an industry with lower inventory, but much higher fulfilment rates. That makes it more efficient and profitable,” he told the assembled audience of vendors and distributors in Vienna.

This is a very effective model, and distribution has now widened as a model to touch every part of the supply chain. In recent years, they have also deployed services which can be added to vendors’ offerings to give better satisfaction for the user. Leveraging distribution services means vendors can grow their profitability. A new report on distribution service in EMEA out soon will highlight the various offerings from members.

The top three services are demand generation, education and training and solutions development. “Vendors and solution providers are not yet full utilising the range of services on offer from distribution however, hence the campaign, in conjunction with IT Europa to raise awareness. Distribution can also help solution providers with skills shortages, particularly in the technology solutions around cloud. Vendors often say they need help to enable their partners to take advantage for the new ways of working,” he said. Distributors are doing this now, he concludes, but there is still more that they do that vendors are not yet making use of.

About the GTDC

The Global Technology Distribution Council is the industry consortium representing the world's leading tech distributors. GTDC members drive more than \$130 billion in annual worldwide sales of products, services and solutions through diverse business channels. GTDC conferences support the development and expansion of strategic supply-chain partnerships that continually address the fast-changing marketplace needs of vendors, end customers and distributors. GTDC members include AB S.A (WSE: ABPL), ABC Data, Almo Corporation, Arrow Electronics (NYSE: ARW), Computer Gross Italia (SES:MI), D&H Distributing, ELKO Group, Exclusive Networks, Ingram Micro (NYSE: IM), Intcomex, Logicom (CSE:LOG), Pinnacle, SiS Technologies (HKSE: 0529), ScanSource (NASDAQ:SCSC), SYNEX (NYSE: SNX), Tarsus, Tech Data (NASDAQ: TECD), TIM AG and Westcon-Comstor.

About IT Europa

With more than 20 years' experience in channel development and marketing, IT Europa is the leading provider of strategic business intelligence, news and analysis on the European IT marketplace and the primary channels that serve it. In addition to its news services, the company markets a range of database reports and organises European conferences and events for the IT and Telecoms sectors. Other services include: market segmentation, development of channel value propositions, channel and partner strategy development, transitioning business models, new partner/vendor identification, marketing and communications.

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