

Distributors boost two-way market data flow

[London – 29 November 2017] Distribution, while well placed to provide vendor information to channels, is increasingly offering market insights back to vendors. And it is very much needed, according to some experts.

The Global Technology Distribution Council (GTDC) has just released its latest research <https://gtdc.org/research-reports/rootsquared/> on what vendors think about distribution's new emerging roles, which includes expanded services going forward. Vendors also mentioned they would like to see a program for increasing trust and partnership between the various tiers. Collaboration is seen as essential to enable the transitions that are required, the research says.

As the industry moves to higher adoption of a cloud model, vendors will increasingly rely on distribution for feedback on the market. As Martin Saunders, Head of Product at vendor Highlight stated at the recent Managed Services and Hosting Summit: "Good distributors can help vendors to understand service providers. I think it is fair to say that most vendors' understanding of service providers is shocking. Either they assume you are huge and put you in with the enterprises such as banks because you buy a lot of stuff, or they think you are a simple reseller and you are nothing like that. Good distributors are very active with vendors and helping vendors understand what a service provider is – that it is multitenanted, has to have flexible terms and financing, all these things make service providers happy."

Peter van den Berg, General Manager of the GTDC in EMEA: "The distributor knows the vendors and works on the solution and knows how to glue it together. [We are] in the middle with knowledge and can pull down the education and training."

The research shows that many vendors, more than 60%, see both the value and the share of business going through two-tier distribution over the next 3 -5 years as increasing. While other forms of distribution will be considered, for example, fulfilment services and one-tier online resellers, vendors will see, by far, the bulk of their business being transacted through value-added distribution. Indeed, value-added distribution will grow compared to the 'volume' end of the business, says the research. Much of this growth will be in the mid-range or SMB market.

This issue is set to become more dominant as more than 75% of vendors expect to see an increase in the value of their business being transacted through distribution. The majority of vendors (over 70% of those surveyed) indicated that they expect to see an increase in the share of business going through two-tier distribution. The range of products and services being offered is also increasing with recent research from IT Europa showing that many larger distributors are now offering cloud, analytics, IoT and other services, and investing heavily in staff and training to

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support New Distribution. Further information on how the role of distribution is changing can be found in the IT Europa report: ***European Distribution: Making the difference*** - <http://www.iteuropa.com/?q=european-distribution-making-difference>

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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