

Research reveals underlying change in distribution role

[London, England and St. Petersburg, Florida - 18 May 2017] Distribution is changing rapidly and, especially in Europe, is finding a new role as a provider of cloud services, e-commerce, specialist logistics and support for the channel during its transition to new revenue models. This has been researched and identified in a new special report for the Global Technology Distribution Council (GTDC) by IT Europa, the IT channel news and research organisation.

As well as providing coverage, onboarding and recruitment of new channels in all the markets in Europe, which usually means some element of localisation and cultural fit in IT supply, the report identifies some of the ways that distribution is now able to work to develop new business lines, especially in services, where the move to cloud adoption makes it a lot easier for developers and solution providers to create solutions, but where they still need ways to reach their markets.

Vendors cited in the report say they are using distribution for access to markets that would otherwise involve them in setting-up local offices and providing local more resources.

As Scale Computing CEO Jeff Ready says, “In the past we have used a single-tier model, but now we can use distribution to run and promote the channel relationships.” Distribution is key for his business: “Having a true value-adding distributor is important and it plays a big part in making the channel part of an effective community,” he says in the report.

Channels are often faced with a wave of new potential product lines, each requiring careful evaluation. Few channel players have the resources to research the market continuously.

“Work closely with distributors and they will be able to guide you as to which products are going to be the winners,” GTDC Europe’s General Manager Peter van den Berg told the Managed Services and Hosting Summit in Amsterdam in April. Distribution is no longer just about pick, pack and ship, he said. The services on offer are many and varied, and are used to complement what the channel is doing.

“65% of the business of one of the GTDC largest members is now in services,” he told the conference, and in the last two years, the GTDC members “have added over 600 new vendors, so they are a good source and indicator for channel partners looking to see which products and services are likely to be successful”.

The report draws on GTDC’s own research which points to a heightened sense of confidence in the European IT industry this year and identifies key growth areas for distribution and partner channels, including IoT, mobile, managed services and cloud.

The report is being circulated throughout the industry, to legislators and other significant players. It is available as a download from IT Europa at www.iteuropa.com/?q=whitepaperssupplements and the GTDC <http://gtdc.org/research-reports/>

Many of the issues raised in the research will be discussed and developed further at next month’s GTDC EMEA Summit in Vienna. For further information or to register visit: <https://gtdc.org/2017-summit-emea-register-now/>

About the GTDC

The Global Technology Distribution Council comprises the computer industry's top wholesale distributors dedicated to serving "the channel," a network of skilled VARs, Internet resellers and retailers focused on providing hardware, software, and services to businesses and consumers around the globe. GTDC members drive more than \$130 billion in annual worldwide sales of products, services and solutions through dynamic business channels.

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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