ChannelWatch
Italy vs West Europe
Key Findings

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Country Manager, Italy

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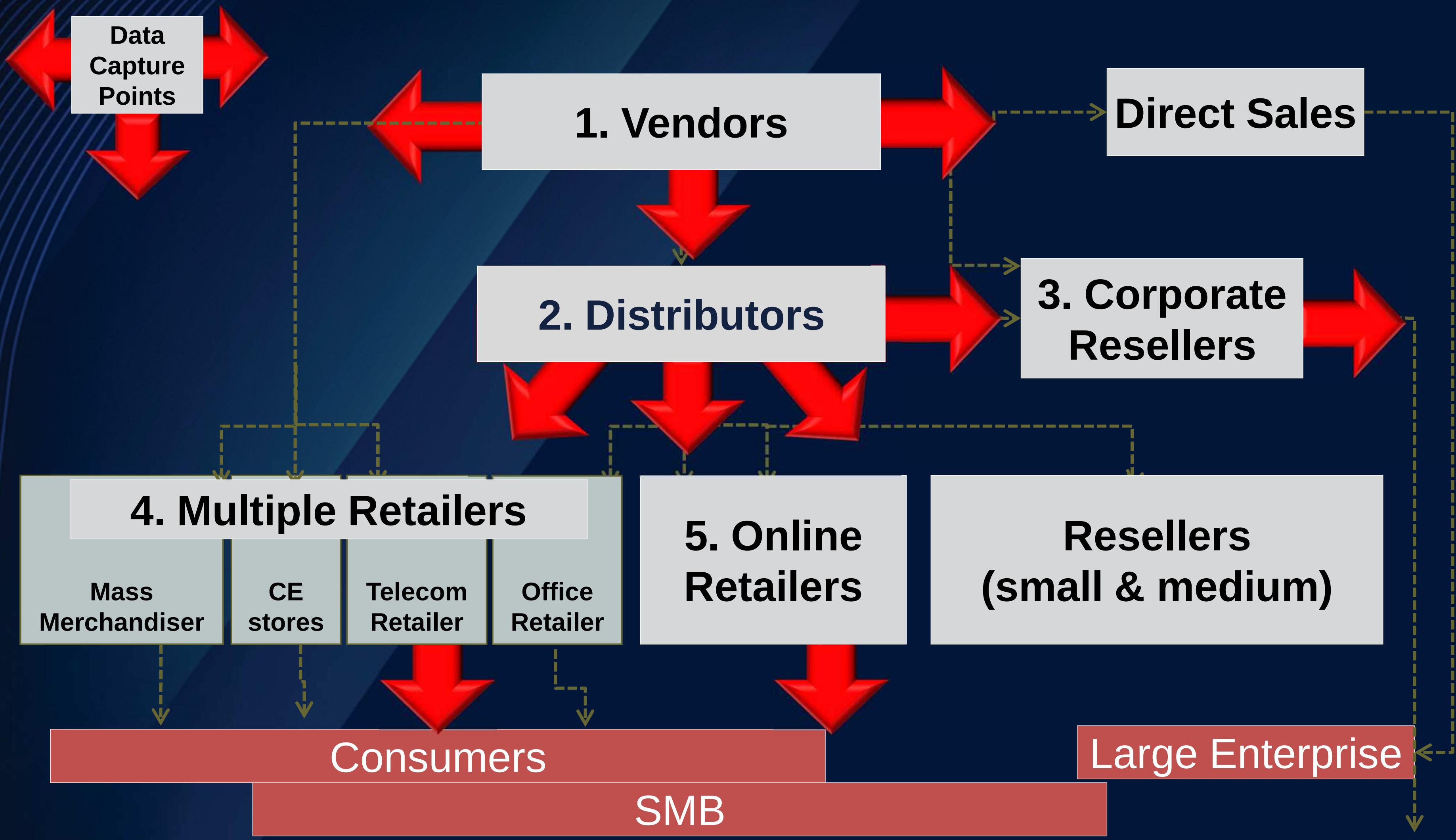
CONTEXT key facts

- 30 years experience in tracking the international ICT Distribution markets
- We work with the world's leading IT vendors and channel partners
- CONTEXT collect and process well over $2bn of sales per week
- Tracking competitive sales data in 18 EMEA countries, 68 globally for BPO, and pricing in 35
- Adding 7,000 resellers every month to our database of 5,000,000+ raw resellers and cleaning them to 320,000+ resellers purchasing from:
  - 150+ unique distributors including GTDC members exclusively (CONTEXT Market Research panel)
  - 300+ unique distributors (CONTEXT Channel Management panel)
  - → total of 450+ data feeds across 68 countries, 90% of which is collected either weekly or daily, and the rest monthly
- 130 staff with 75 based at UK and representation in USA, France, Italy, Spain, Poland, Dubai, India, Japan, Sri Lanka…. with recent additions in Brazil and (soon) Turkey.
  - Multilingual staff from 31 countries
  - Ensure local language support
  - Distribution Sales Database for Western Europe and Russia is well established
  - Middle East, Brazil, Turkey launches in 2013
  - Offshore teams carry out specialist data processing and programming

CONTEXT

Data | Insight | Action

CONTEXT does this by collecting data from key points



CONTEXT

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CONTEXT Runs Six IT Market Tracking Panels

Vendor Shipments
"Sell-in"

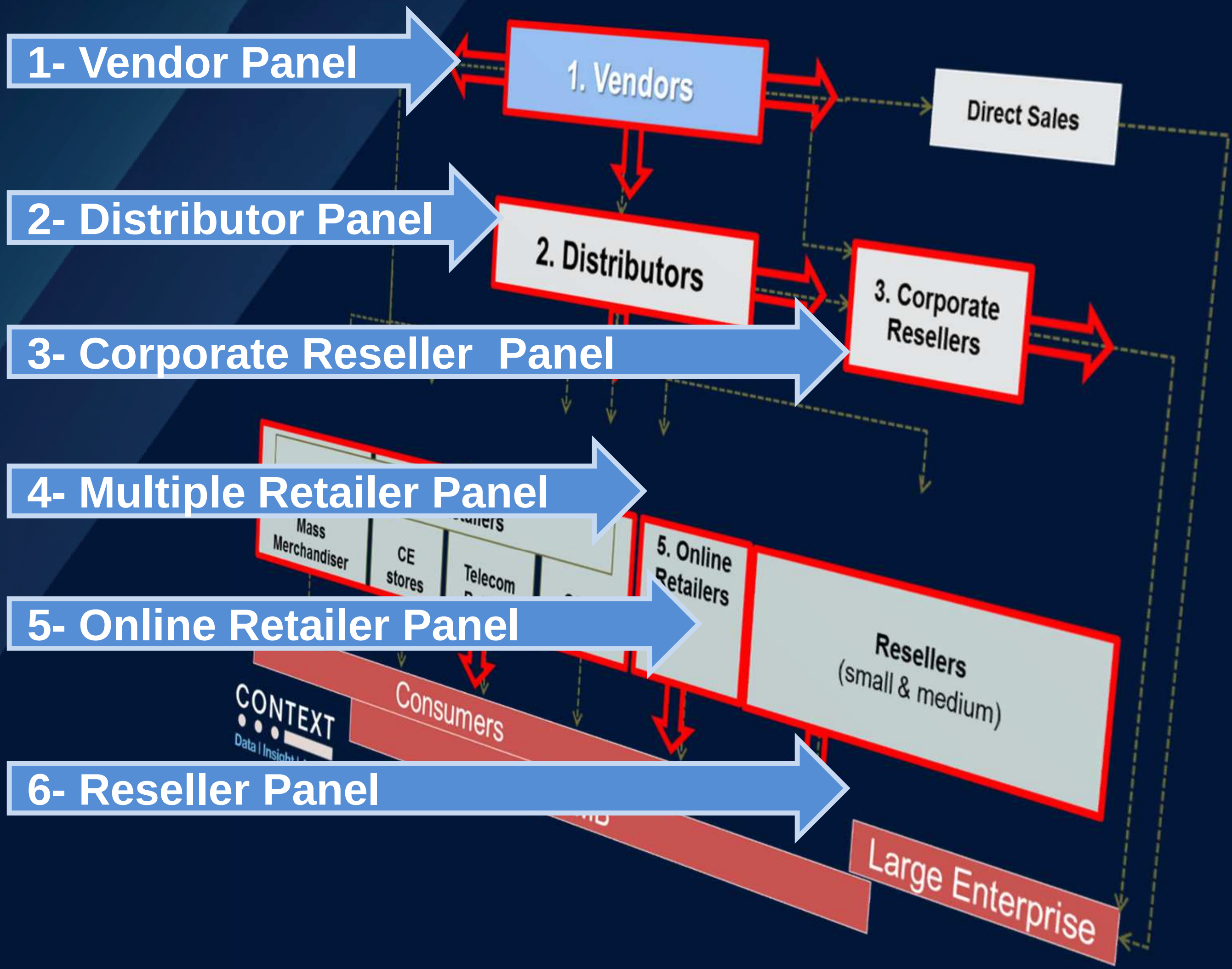
Distribution sales
"Sell-through"

VAR "Sell-out"

Retail "Sell-out"

Online "Sell-out"

Reseller Metrics
&
ChannelWatch



CONTEXT
Data | Insight | Action

Today I will use channel sales data from our Reseller Panel

Vendor Shipments
“Sell-in”

Distribution sales
“Sell-through”

VAR “Sell-out”

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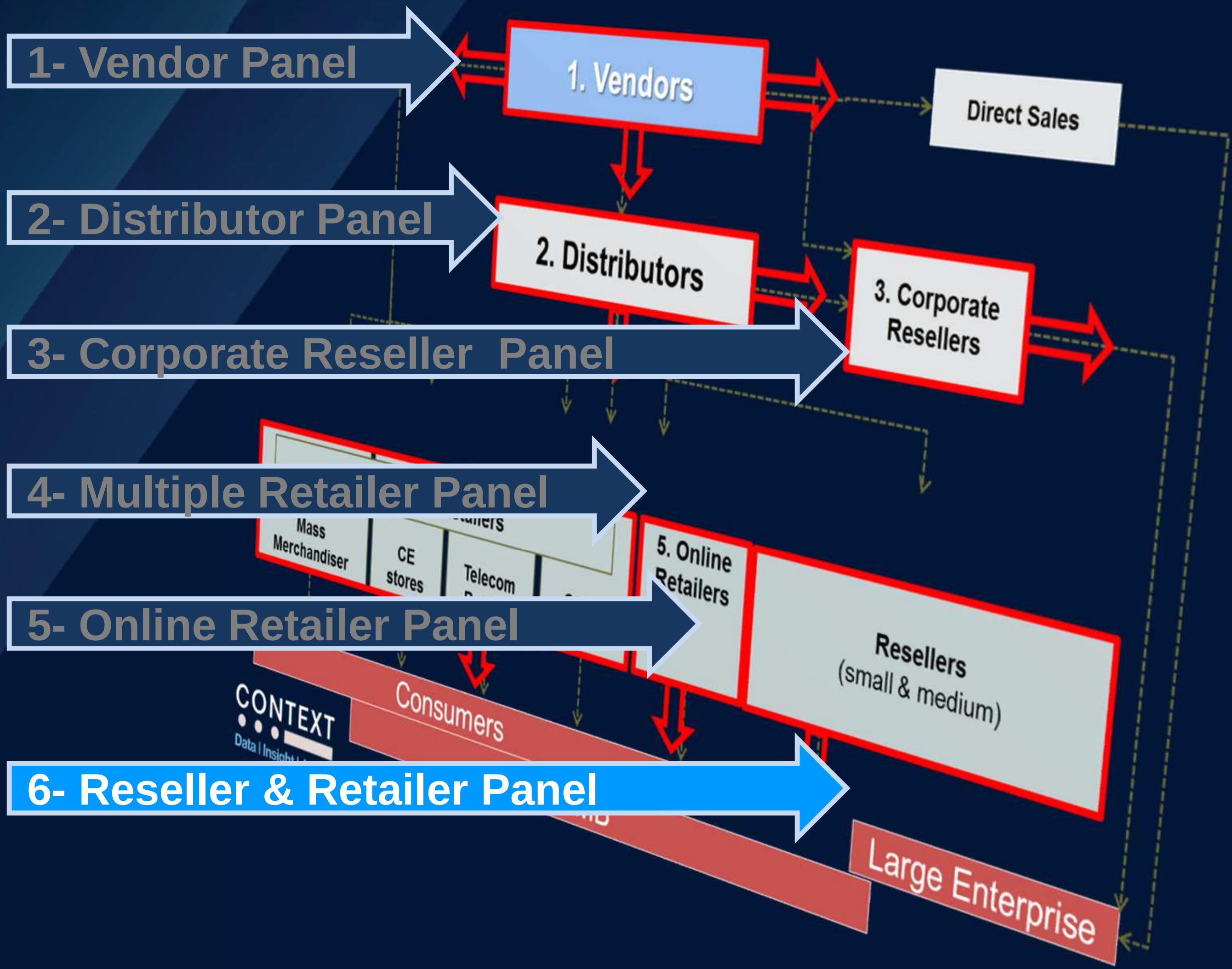
Online “Sell-out”



Reseller & Retailer Metrics & ChannelWatch

ChannelWatch

- An “Omnibus” survey of reseller & retailer opinion
- Resellers opt-in to participate through emails invitations
- CONTEXT follows up with personal telephone calls
- Distributors and Vendors can pay to add their own “custom” questions
- ChannelWatch is continuous and is being rolled out across EMEA

ChannelWatch EMEA Research Findings

CONTEXT

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ChannelWatch EMEA 2013

EMEA Job Title	Sample
Senior Management	2,147
Sales	623
Purchasing	365
Technical	361
Other	403
Grand Total	**3,899**

EMEA Channel	Sample
Small and Medium Business Reseller	914
Value-Added Reseller	815
Independent Retailer	587
Corporate Reseller	444
Etailer	307
Retail Chain	142
Phone Shop	17
Other	288
Grand Total	**3,514**

CONTEXT
Data | Insight | Action

Source: CONTEXT ChannelWatch EMEA 2013

ChannelWatch EMEA 2013

West Europe Main Countries
France
Germany
Italy
Portugal
Spain
UK

Emerging Markets Main Countries
Czech Republic
Hungary
Poland
Russia
Slovakia
Turkey

CONTEXT
Data | Insight | Action

Source: CONTEXT ChannelWatch EMEA 2013

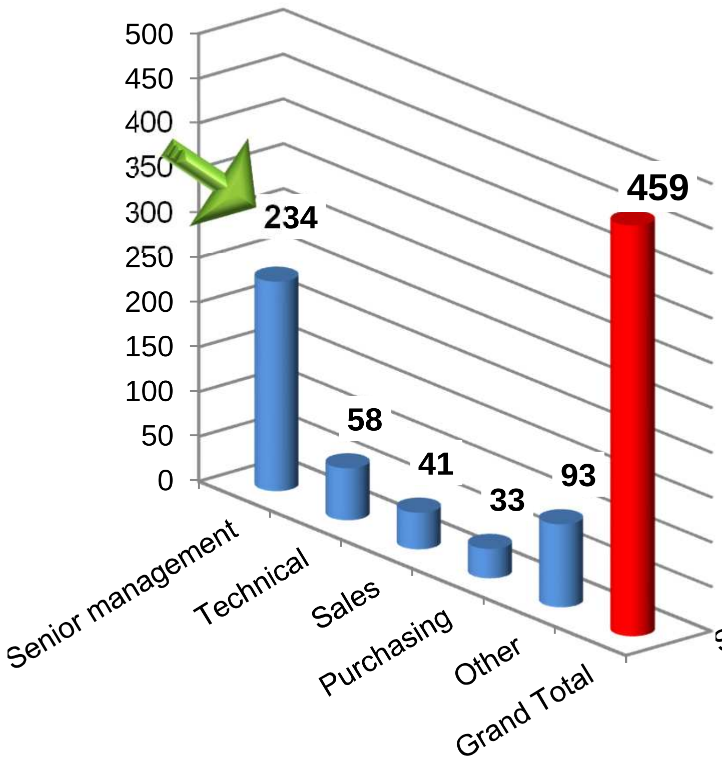
The CONTEXT ChannelWatch Survey
over 450 resellers and retailers taking part in Italy

We contacted almost 300,000 resellers in West and Emerging Europe and most of them were contacted more than once.

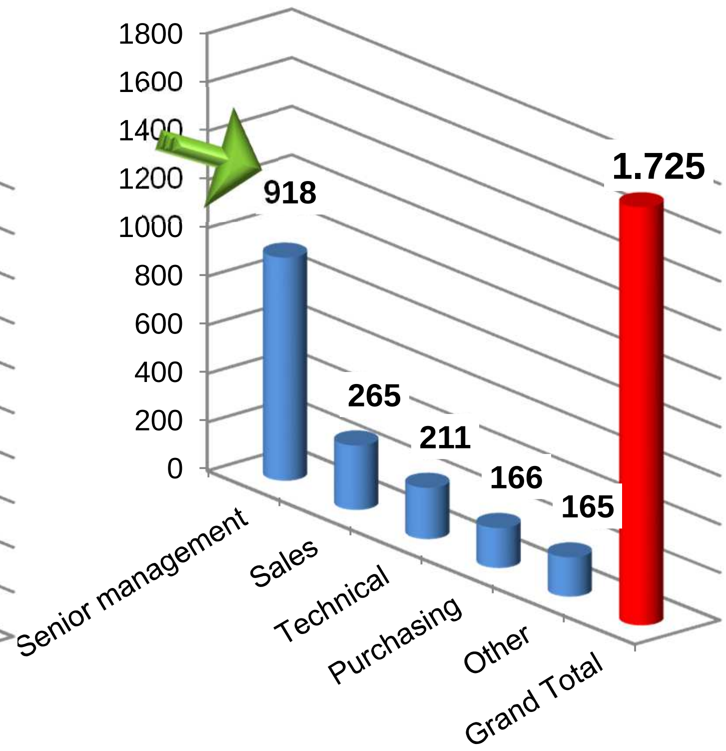
We achieved almost 60,000 responses from nearly 4,000 respondents.

Most of the people responding were Senior Management – ie decision-makers.

Please confirm your role



Italy



West Europe

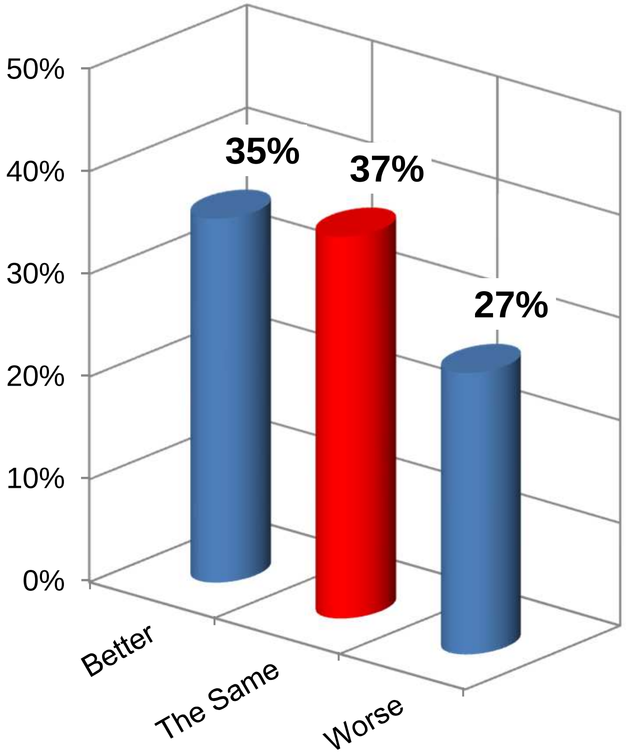
The Channel in Italy is not as Optimistic as in Europe for 2013

How well do you expect your business to perform in 2013 compared to 2012?

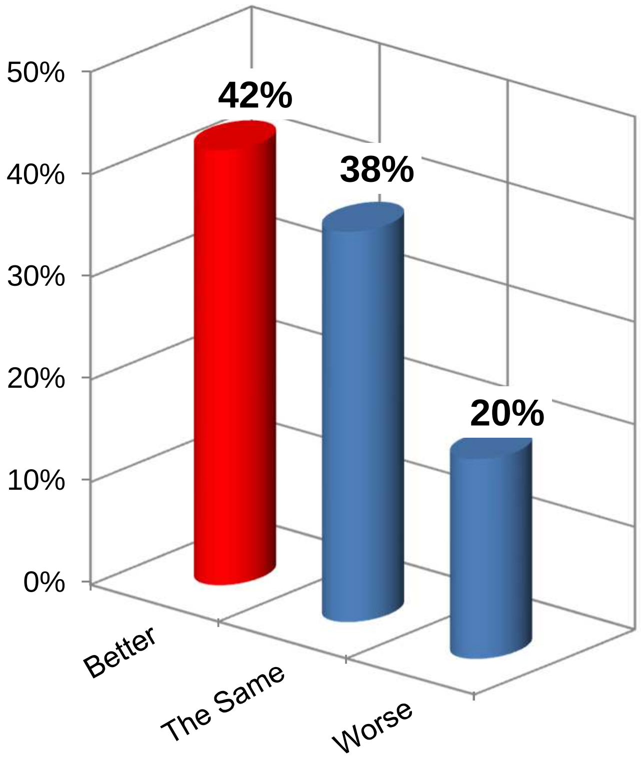
In West Europe as a whole 42% expected a better 2013 vs 35% in Italy.

37% of the Channel in Italy believes that 2013 will be the same as 2012.

While 27% of Italian Resellers expect a worse 2013.



Italy



West Europe

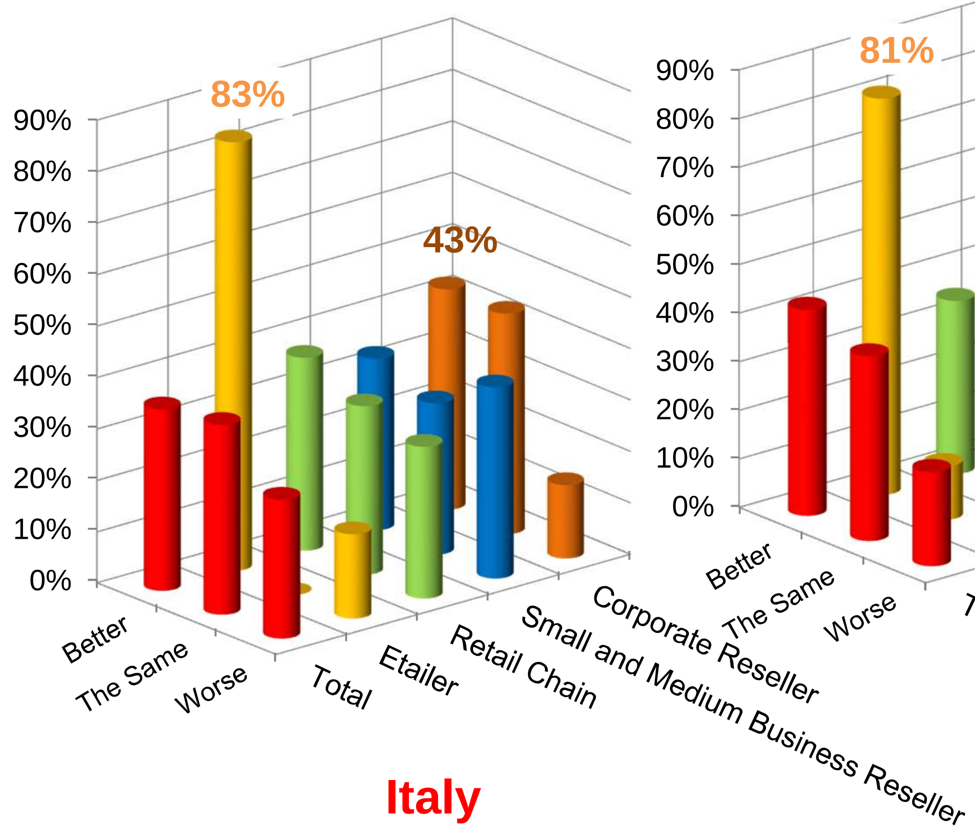
% based on number of respondents **n = 460**

But who is the most optimistic?   Etailers…

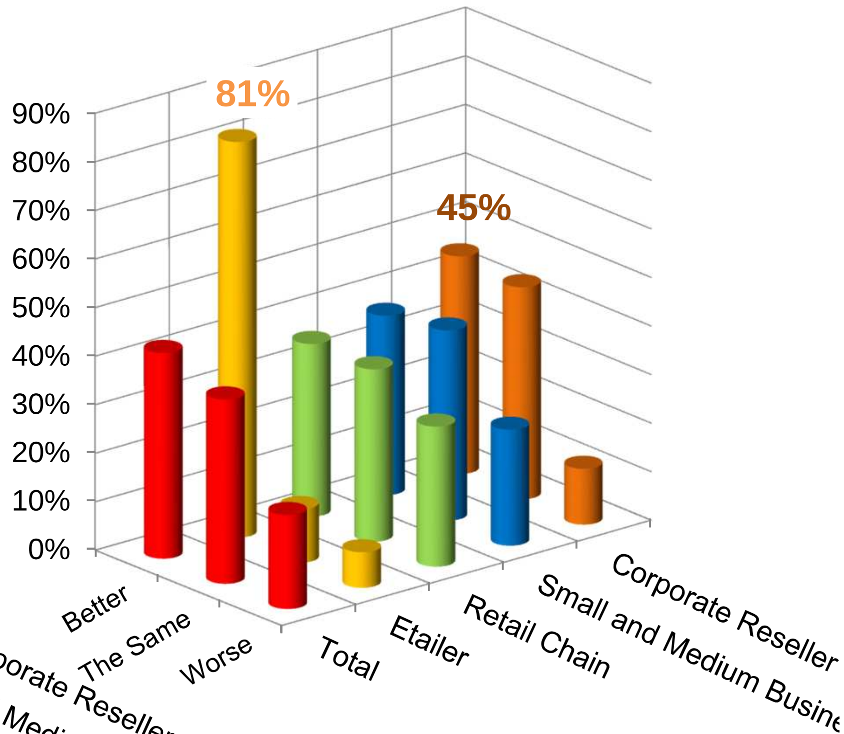
The optimism is especially strong among Etailers in all regions.

Also Corporate Resellers are expecting an improvement in their business both in West Europe and in Italy for 2013.

How well do you expect your business to perform in 2013 compared to 2012?



Italy



West Europe

n = 460

% based on number of respondents

CONTEXT

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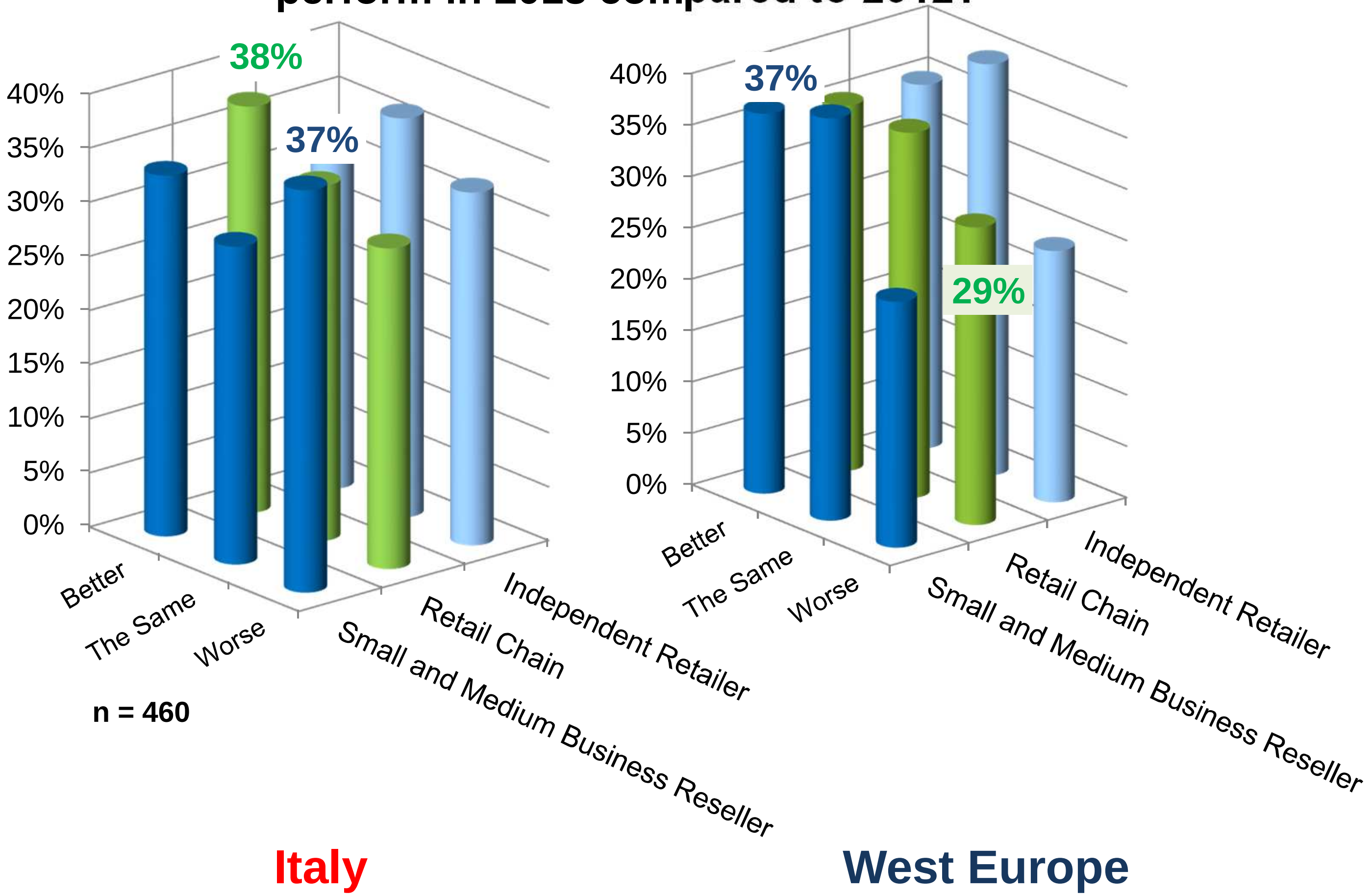
Source: CONTEXT ChannelWatch EMEA 2013

And who is the least optimistic? Small Resellers serving SMB

While SMBs are not that optimist for this year, Retail Chains expect a better 2013 compared to 2012 in Italy.

In Europe the least optimistic is Retail chains with a 29% expecting a worse year.

How well do you expect your business to perform in 2013 compared to 2012?



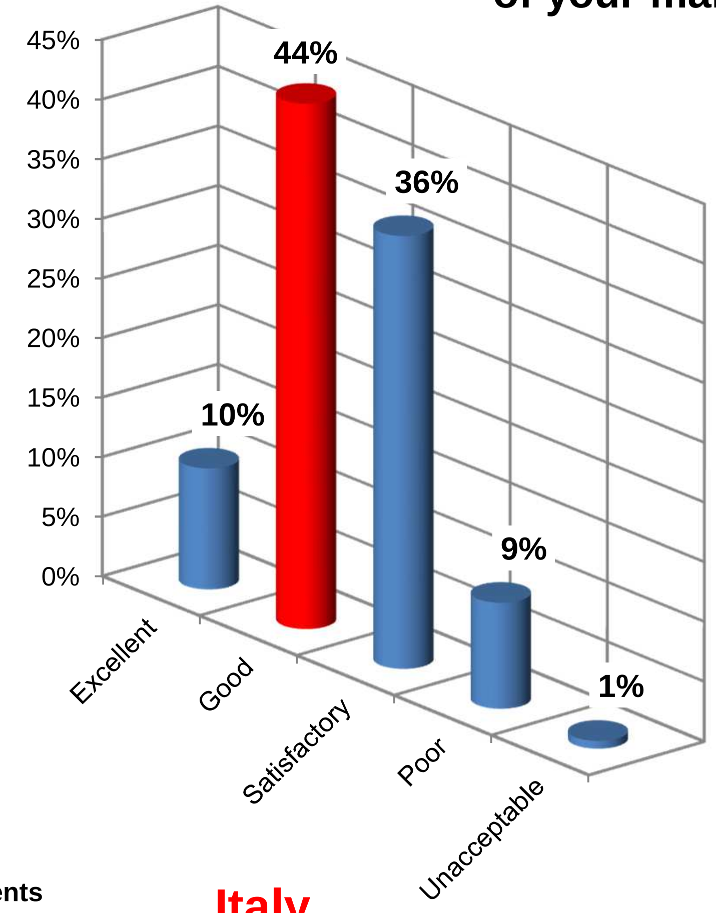
% based on number of respondents

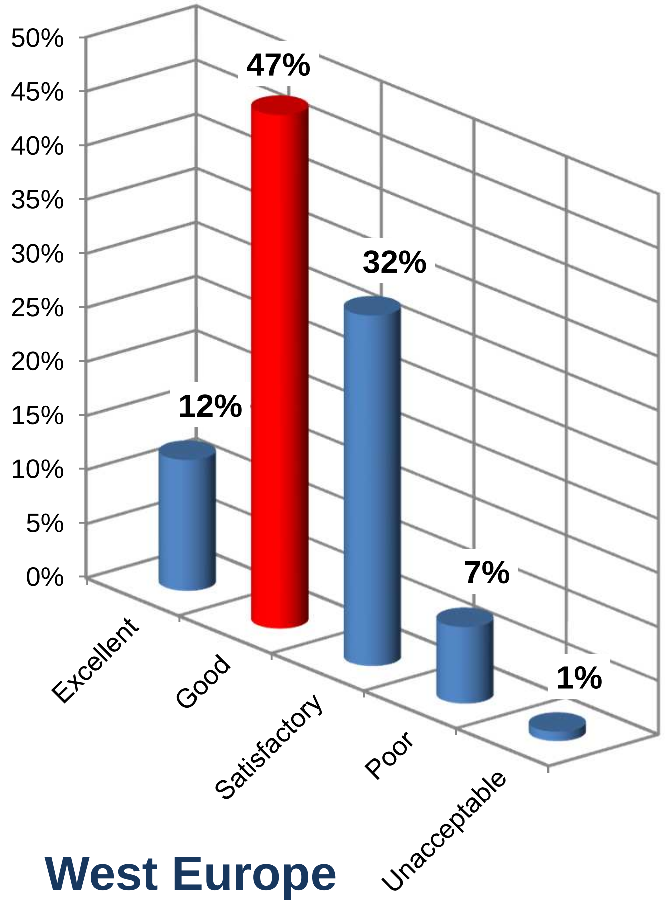
Source: CONTEXT ChannelWatch EMEA 2013

The majority of the Channel feels that the performance of their main Distributor has been "Good" or "Excellent"

Although almost half the Channel in Italy could think of switching distributor: 36% was only "Satisfied" and 9% even rated as "Poor" the performance of their main distributor.

How would you rate the overall performance of your main distributor?





% based on number of respondents

CONTEXT
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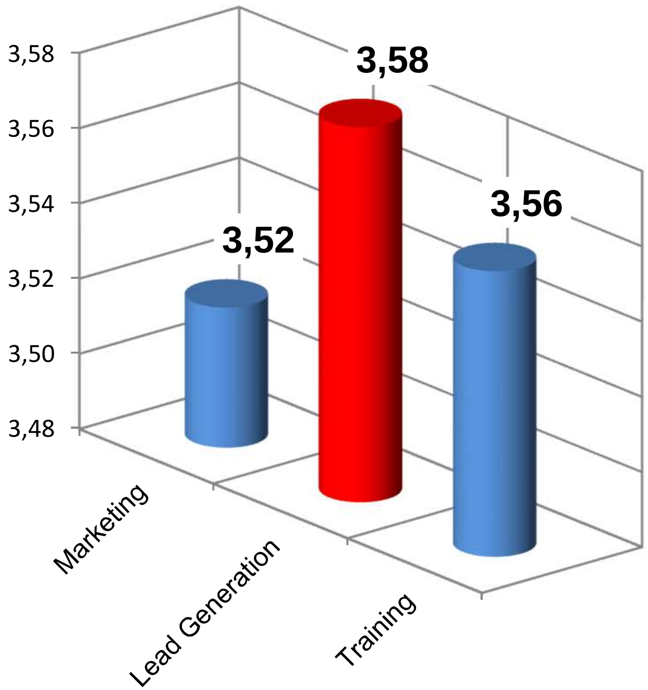
Source: CONTEXT ChannelWatch EMEA 2013

Resellers value Training Services from their Distributors, followed by Marketing in the newer markets in West Europe

Resellers in Italy demand Lead Generation Activities from distributors.

Training to learn how to deliver value-added services is preferred in other countries in West Europe.

Please rate the importance of the following value added services from Distributors



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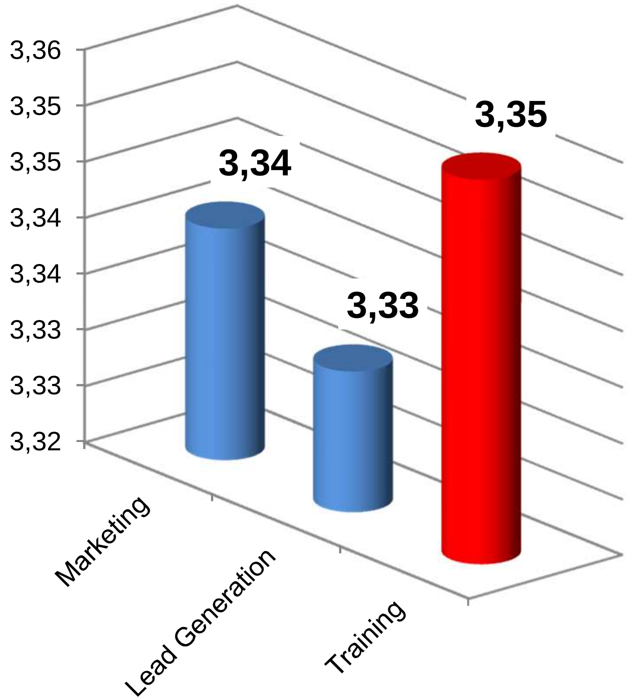


West Europe

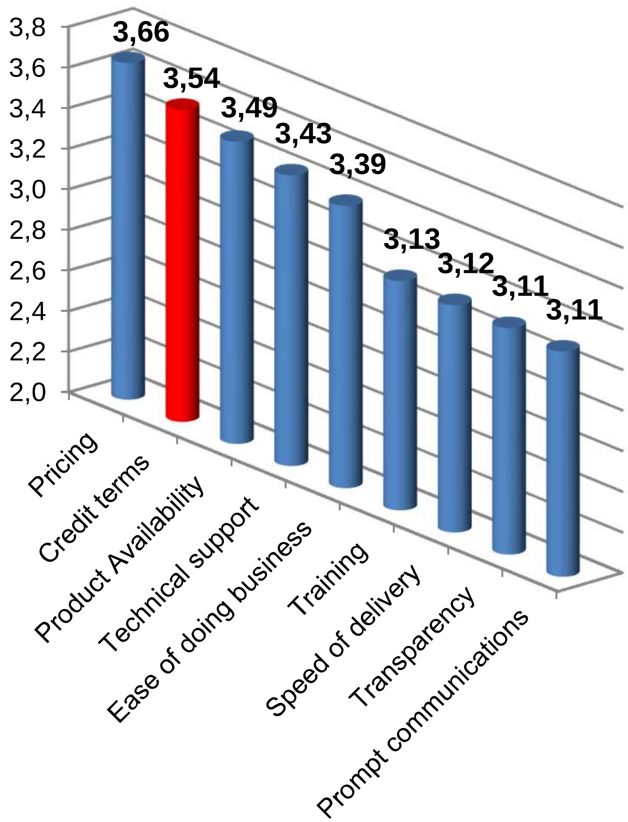
Average score: 1=Low to 5=High

How can Distributors improve?

Credit terms are the major factor to be improved in Italy.

While shorter delivery times are a relevant point in Europe.

Please score the following areas where your main Distributor could improve their performance



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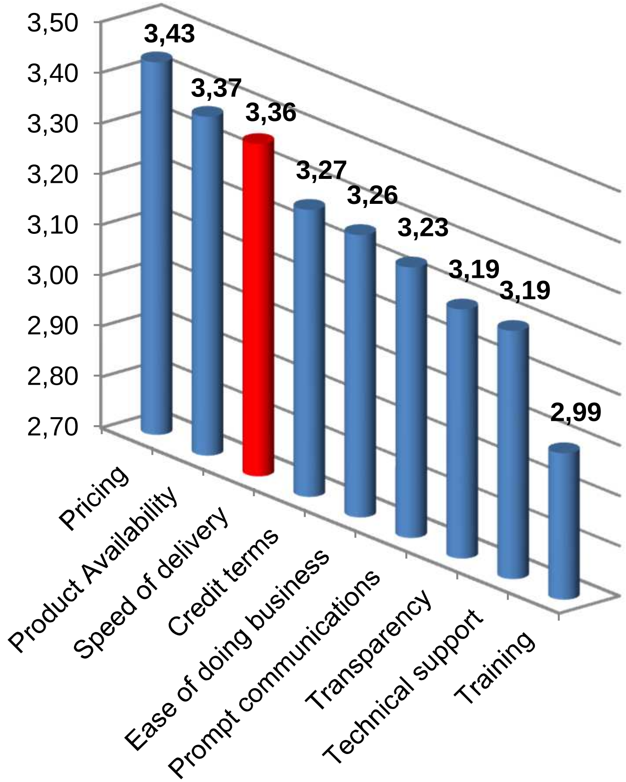
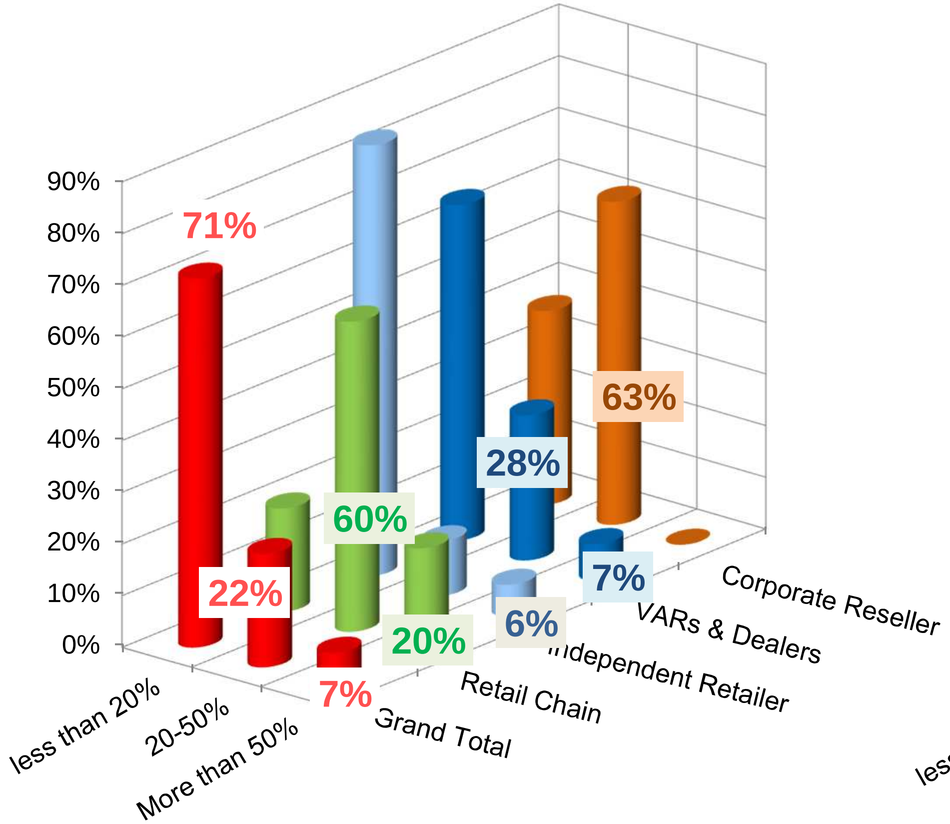


West Europe

Average score: 1=Low to 5=High

Different Direct-Selling Vendor patterns: Italy vs West Europe

What % of products you sell do you buy directly from the vendor?



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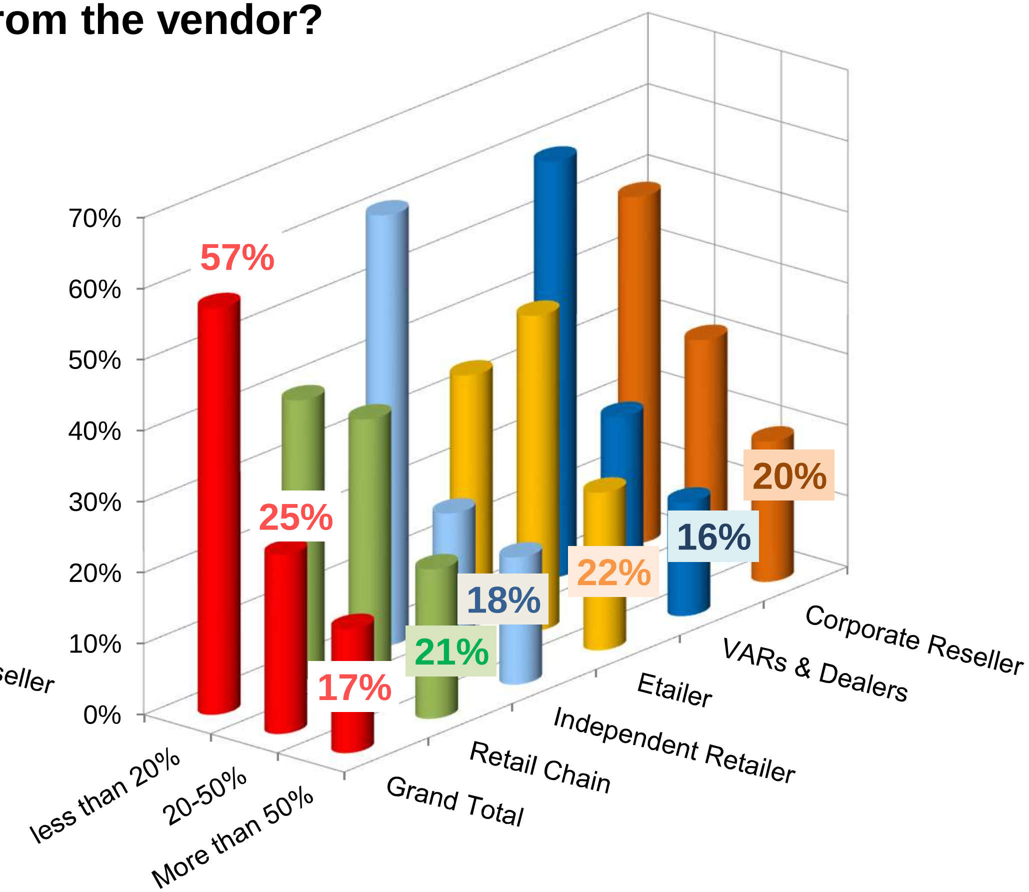

West Europe

% based on number of respondents

CONTEXT
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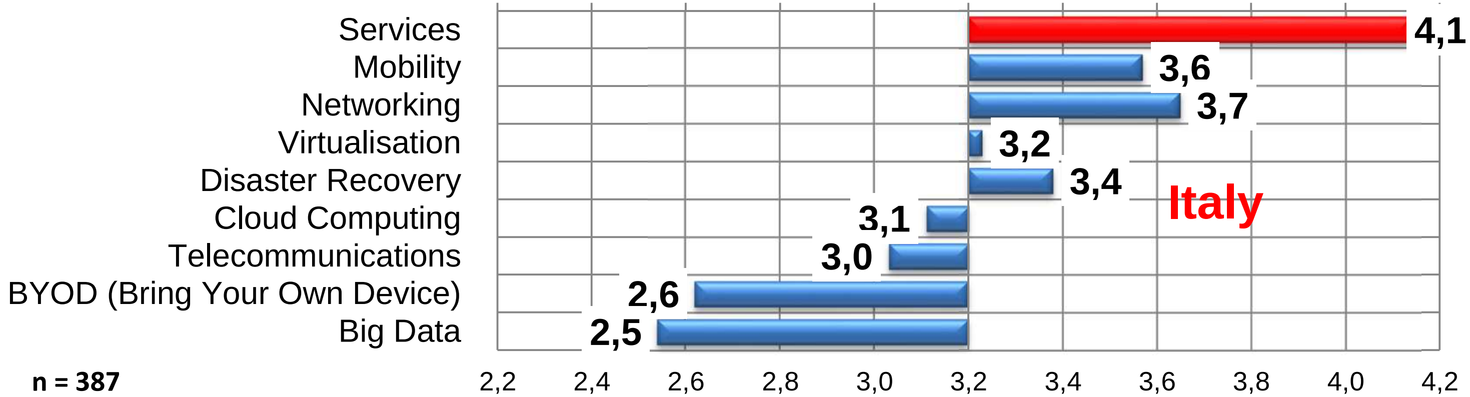
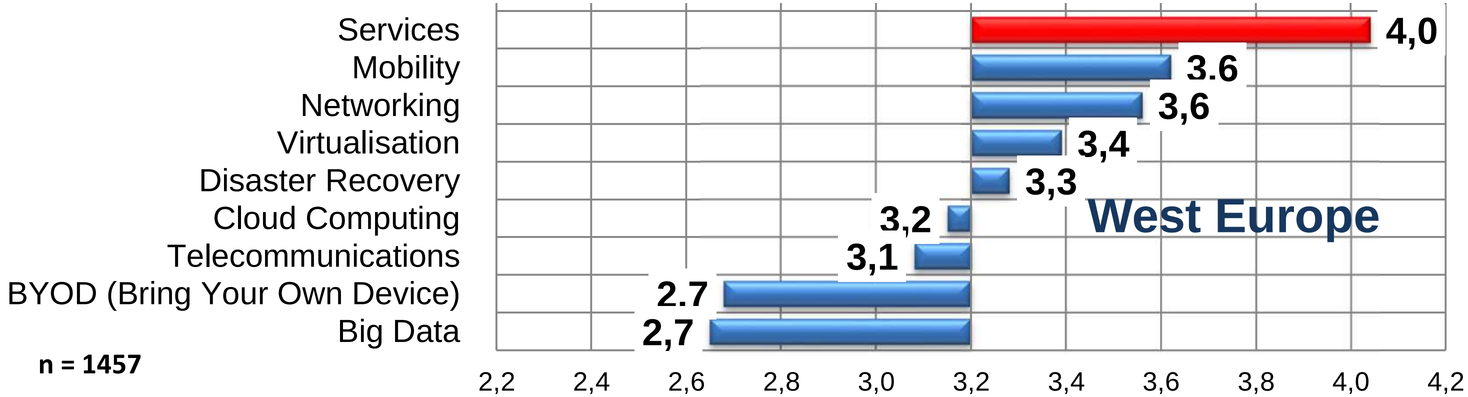
Source: CONTEXT ChannelWatch EMEA 2013

Everyone knows that Services are the key to success..

Please rate the following product categories which represent the best opportunity for the Channel

New areas such as Cloud, BYOD, and Big Data are not seen as real sources of income in Italy or in the rest of West Europe yet.





Average score: 1=Low to 5=High

A Brand revolution for Resellers and Retailers expected

Which Brands are you planning to Add or Drop in the next 3 months?

The companies highlighted in red are in the Top 10 in just one region.

Lenovo, Samsung and Fujitsu show good business prospective in Italy and West Europe.

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Italy

Brand	Add	Drop	Delta
1. Lenovo	15	4	11
2. Fujitsu	9	1	8
3. Apple	15	8	7
4. Samsung	13	9	4
5. LG	4	0	4
6. Dell	7	3	4
7. Cisco	5	2	3
8. Sony	5	2	3
9. Brother	3	0	3
10. TP-Link	3	0	3

West Europe

Brand	Add	Drop	Delta
1. Lenovo	58	16	42
2. Samsung	43	22	21
3. Fujitsu	34	13	21
4. Asus	37	26	11
5. Apple	31	22	9
6. Brother	9	1	8
7. Microsoft	10	4	6
8. VMWare	8	2	6
9. Toshiba	23	18	5
10. Ricoh	6	1	5

Number of respondents
n = 1,297

THANK YOU !

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