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 does this by collecting data from key points.

1. Vendors
2. Distributors
3. Corporate Resellers
4. Multiple Retailers
   - Mass Merchandiser
   - CE stores
   - Telecom Retailer
   - Office Retailer
5. Online Retailers
   - Resellers (small & medium)

Data Capture Points

Direct Sales

Consumers

SMB

Large Enterprise
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

1- Vendor Panel

2- Distributor Panel

3- Corporate Reseller Panel

4- Multiple Retailer Panel

5- Online Retailer Panel

6- Reseller Panel

Direct Sales

Large Enterprise

Resellers (small & medium)

Mass Merchandiser

CE Merch

Telecom

Large Enterprise

Consumers

Retailers

Resellers
Today I will use channel sales data from our Reseller Panel

Vendor Shipments “Sell-in”

Distribution sales “Sell-through”

VAR “Sell-out”

Retail “Sell-out”

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
## ChannelWatch EMEA 2013

### EMEA

<table>
<thead>
<tr>
<th>EMEA</th>
<th>Job Title</th>
<th>Sample</th>
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<tbody>
<tr>
<td>Senior Management</td>
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<td>2,147</td>
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<tr>
<td>Sales</td>
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<td>623</td>
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<td>Purchasing</td>
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<td>365</td>
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<tr>
<td>Technical</td>
<td></td>
<td>361</td>
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<tr>
<td>Other</td>
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<td>403</td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>Grand Total</strong></td>
<td><strong>3,899</strong></td>
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### EMEA

<table>
<thead>
<tr>
<th>EMEA</th>
<th>Channel</th>
<th>Sample</th>
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<tbody>
<tr>
<td>Small and Medium Business</td>
<td>Reseller</td>
<td>914</td>
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<td>Value-Added Reseller</td>
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<td>815</td>
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<td>Independent Retailer</td>
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<td>587</td>
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<tr>
<td>Corporate Reseller</td>
<td></td>
<td>444</td>
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<tr>
<td>Etailer</td>
<td></td>
<td>307</td>
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<tr>
<td>Retail Chain</td>
<td></td>
<td>142</td>
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<tr>
<td>Phone Shop</td>
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<td>17</td>
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<tr>
<td>Other</td>
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<td>288</td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>Grand Total</strong></td>
<td><strong>3,514</strong></td>
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</table>

Source: CONTEXT ChannelWatch EMEA 2013
## ChannelWatch EMEA 2013

<table>
<thead>
<tr>
<th>West Europe Main Countries</th>
<th>Emerging Markets Main Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>Czech Republic</td>
</tr>
<tr>
<td>Germany</td>
<td>Hungary</td>
</tr>
<tr>
<td>Italy</td>
<td>Poland</td>
</tr>
<tr>
<td>Portugal</td>
<td>Russia</td>
</tr>
<tr>
<td>Spain</td>
<td>Slovakia</td>
</tr>
<tr>
<td>UK</td>
<td>Turkey</td>
</tr>
</tbody>
</table>

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.

Source: CONTEXT ChannelWatch EMEA 2013
The Channel in Italy is not as Optimistic as in Europe for 2013

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.

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

Italy

West Europe

% based on number of respondents n = 460

Source: CONTEXT ChannelWatch EMEA 2013
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

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.
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.

% based on number of respondents

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:

Average score: 1=Low to 5=High

<table>
<thead>
<tr>
<th>Service</th>
<th>Italy</th>
<th>West Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>3.58</td>
<td>3.34</td>
</tr>
<tr>
<td>Lead Generation</td>
<td>3.52</td>
<td>3.33</td>
</tr>
<tr>
<td>Training</td>
<td>3.56</td>
<td>3.35</td>
</tr>
</tbody>
</table>

Source: CONTEXT ChannelWatch EMEA 2013
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

**Italy**

- Pricing: 3.66
- Credit terms: 3.54
- Product Availability: 3.49
- Technical support: 3.43
- Ease of doing business: 3.39
- Training: 3.13
- Speed of delivery: 3.12
- Transparency: 3.11
- Prompt communications: 3.11

**West Europe**

- Pricing: 3.43
- Product Availability: 3.37
- Speed of delivery: 3.36
- Credit terms: 3.27
- Ease of doing business: 3.26
- Prompt communications: 3.23
- Transparency: 3.19
- Technical support: 3.19
- Training: 2.99

Average score: 1=Low to 5=High

Source: CONTEXT ChannelWatch EMEA 2013
Different Direct-Selling Vendor patterns: Italy vs West Europe

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

% based on number of respondents

Italy

West Europe

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

- Services
- Mobility
- Networking
- Virtualisation
- Disaster Recovery
- Cloud Computing
- Telecommunications
- BYOD (Bring Your Own Device)
- Big Data

For Italy:
- Services: 4.1
- Mobility: 3.6
- Networking: 3.7
- Virtualisation: 3.6
- Disaster Recovery: 3.2
- Cloud Computing: 3.4
- Telecommunications: 3.0
- BYOD (Bring Your Own Device): 2.6
- Big Data: 2.5

For West Europe:
- Services: 4.0
- Mobility: 3.6
- Networking: 3.6
- Virtualisation: 3.6
- Disaster Recovery: 3.4
- Cloud Computing: 3.3
- Telecommunications: 3.2
- BYOD (Bring Your Own Device): 2.7
- Big Data: 2.7

n = 387

Average score: 1=Low to 5=High

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.

Source: CONTEXT ChannelWatch EMEA 2013
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.

<table>
<thead>
<tr>
<th>Brand</th>
<th>Add</th>
<th>Drop</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lenovo</td>
<td>15</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Fujitsu</td>
<td>9</td>
<td>1</td>
<td>8</td>
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<tr>
<td>Apple</td>
<td>15</td>
<td>8</td>
<td>7</td>
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<tr>
<td>Samsung</td>
<td>13</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>LG</td>
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</tr>
<tr>
<td>Dell</td>
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<td>4</td>
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<td>Cisco</td>
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<td>2</td>
<td>3</td>
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<td>Sony</td>
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<td>3</td>
</tr>
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<td>Brother</td>
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<td>0</td>
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</tr>
<tr>
<td>TP-Link</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>

**Italy**

**West Europe**

<table>
<thead>
<tr>
<th>Brand</th>
<th>Add</th>
<th>Drop</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lenovo</td>
<td>58</td>
<td>16</td>
<td>42</td>
</tr>
<tr>
<td>Samsung</td>
<td>43</td>
<td>22</td>
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<td>13</td>
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<tr>
<td>Asus</td>
<td>37</td>
<td>26</td>
<td>11</td>
</tr>
<tr>
<td>Apple</td>
<td>31</td>
<td>22</td>
<td>9</td>
</tr>
<tr>
<td>Brother</td>
<td>9</td>
<td>1</td>
<td>8</td>
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<tr>
<td>Microsoft</td>
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<td>4</td>
<td>6</td>
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<tr>
<td>VMWare</td>
<td>8</td>
<td>2</td>
<td>6</td>
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<tr>
<td>Toshiba</td>
<td>23</td>
<td>18</td>
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<tr>
<td>Ricoh</td>
<td>6</td>
<td>1</td>
<td>5</td>
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</tbody>
</table>

Number of respondents

n = 1,297

Source: CONTEXT ChannelWatch EMEA 2013
# THANK YOU!

Your contacts in the CONTEXT Channel Management Team

<table>
<thead>
<tr>
<th>Region</th>
<th>Contact Name</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Managing Director Retail</td>
<td>Adam Simon</td>
<td><a href="mailto:asimon@contextworld.com">asimon@contextworld.com</a></td>
</tr>
<tr>
<td>European Channel Manager</td>
<td>Mette Tripp</td>
<td><a href="mailto:mtripp@contextworld.com">mtripp@contextworld.com</a></td>
</tr>
<tr>
<td>GTDC Project Manager</td>
<td>Danielle Dufaux</td>
<td><a href="mailto:ddufaux@contextworld.com">ddufaux@contextworld.com</a></td>
</tr>
<tr>
<td>Germany, Austria, Switzerland</td>
<td>Victor Ivanov</td>
<td><a href="mailto:vivanov@contextworld.com">vivanov@contextworld.com</a></td>
</tr>
<tr>
<td>France, Belgium</td>
<td>Stéphanie Algré</td>
<td><a href="mailto:salgre@contextworld.com">salgre@contextworld.com</a></td>
</tr>
<tr>
<td>Italy</td>
<td>Isabel Aranda</td>
<td><a href="mailto:laranda@contextworld.com">laranda@contextworld.com</a></td>
</tr>
<tr>
<td>Spain, Portugal</td>
<td>Elena Montaños</td>
<td><a href="mailto:emontanes@contextworld.com">emontanes@contextworld.com</a></td>
</tr>
<tr>
<td>Poland</td>
<td>Marek Mastela</td>
<td><a href="mailto:mmastela@contextworld.com">mmastela@contextworld.com</a></td>
</tr>
<tr>
<td>UK, Ireland</td>
<td>Chris Gallagher</td>
<td><a href="mailto:cgallagher@contextworld.com">cgallagher@contextworld.com</a></td>
</tr>
<tr>
<td>Netherlands</td>
<td>Danielle Dufaux</td>
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</tr>
<tr>
<td>Nordics</td>
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</tr>
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<tr>
<td>Brazil</td>
<td>Lucas Porto Marques</td>
<td><a href="mailto:lucasporto@contextworld.com">lucasporto@contextworld.com</a></td>
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