

As competition ramps up, do

As we navigate one of the most competitive periods in the history of our industry, business leaders must find ways to differentiate their offering and create brand loyalty.

This high level of competition is reflective of a healthy sector, with growth set to return to 16 per cent post-pandemic. However, increased competition has become the number one issue keeping MSPs up at night.

According to Datto's 2021 'Global State of the MSP' Report, 34 per cent of business leaders listed competition as their organisation's top challenge, with revenue growth in second place (27 per cent) and profitability in third (24 per cent). This is the first time that competition has topped the list.

The report stated, 'It makes sense that the MSP space is competitive and getting more so. Even in a global pandemic, many MSPs saw revenue growth, while lots of other industries did not fare nearly as well'.

We therefore asked this month's contributors, how can channel organisations most effectively differentiate and create loyalty in an increasingly competitive market?



TIM MERCER
VAPOUR

"The channel is an extremely 'busy' space right now. But customers are more discerning than ever. So, it's not just a case of vendors providing new tech that solves tomorrow's problems. It's about offering patient, consultative knowledge and support too – especially because tech adoption rates have rocketed, and many companies now find themselves overwhelmed with 'sticking plaster' solutions that aren't truly right for them. We're not interested in price wars. We're here to deliver really powerful technology that changes our customers' working lives – makes them more secure, more resilient, more productive, more growth-ready. That's the power of digital transformation, and customers now realise they don't have to embark on lengthy, scarily expensive projects to achieve results. It's the era of experience, after all, and I don't think the channel has always got this right. Every stage of delivery is being scrutinised now, and suppliers who get it right will thrive."



ANTHONY KARIBIAN
BONLINE

"Channel organisations will increasingly need to stay focused on their market segment or vertical and innovate relentlessly to be able to differentiate and compete successfully. There are too many top-quality competitors today in most segments and with the pace of innovation, it is very challenging to try to keep up with these "category killers" while trying to satisfy a broader audience. Even if you can innovate, what is very useful in one segment can be seen as a detractor or weakness in another segment. For example, the micro-business segment requires zero-touch automation at all levels to make the economics work while such automation would be of little use for the enterprise segment. The winners will be the focused innovators. They know the customers they want to focus on, and they innovate relentlessly around them while steering clear of "time bandits" - ie. non-core customers that distract and derail innovation."



DAVE REYNOLDS
XELION

"A basic rule of salesmanship is to identify customer needs and offer solutions that add value. Consequently, the critical factor for the channel is to sell value-added solutions which differentiate you from competitors, so you are not just in a price war. The key to winning long term loyal contracts over the next ten years will be comms providers' ability to deliver smart cloud services that integrate with third-party communications platforms and complex third-party software packages and CRMs, to deliver true, integrated UC solutions. We have seen that many channel vendors have very little control over their own platform they supply to the channel as they are also reselling the service themselves in their own brand. I would advise all channel partners to understand who the underlying developer behind a service is, how flexible are they when it comes to partner feedback and who makes the final decisions on both the roadmap and final product."



ANDREW DICKINSON
JOLA

"Mobile data is a high growth, high ARPU, high margin product that only around 1,000 resellers in the UK have properly productised. With so few channel competitors, these resellers are usually up against the networks direct. Consequently, they must sell products their customers need, that the MNOs can't offer. Channel-only mobile data aggregators have product development lifecycles of around six months vs the networks' 36 months. They offer products designed to be sold by resellers, that cannot be undermined by a retail MNO salesforce slashing prices at the last minute, just to retain the business. Furthermore, most MNOs do not have portals designed to be used by customers, let-alone resellers. Suppliers that have invested in fully automated parent-child portals give resellers a unique advantage over their competitors because they can selectively pass control (and administration cost) to their customers and package it as a value-added service."



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SOHINI RAITHATHA
REDSQUID

"Throughout recent years, customer expectations have changed massively, and basic support is no longer sufficient. Customers want wonderful support; it must be personalised and via multiple channels. We as businesses must provide this enhanced support, by utilising technology. At Redsquid we are migrating to a full omnichannel contact centre to meet these new customer expectations. This allows our customers to reach us via their favourite channel and creates a closer relationship. By utilising social media to create interactions with our customers, we are ultimately creating loyalty. We want our customers to love our company. Your brand is the best way to differentiate your organisation from others, and we use our brand to show that we are more than a technology partner. We differentiate with a strong CSR profile and a purpose to make a difference, as we take on the role of their advisers through the digital transformation."



VICKI MACKAY
9 GROUP

"Customer loyalty is your customer's commitment to your brand. As well as being able to offer the right products at the right price, a key driver for loyalty is plain and simple customer service. Understanding the power of providing positive and memorable experiences is key to building trust and gaining loyalty. High street brands, for example, focus on delivering exceptional levels of service. Staff are trained to understand that every customer interaction matters, and that the quality of service they provide can make or break loyalty. Successful businesses strive to give the customer the best possible experience at every touchpoint. This approach applies as much in the channel, as it does on the high street. A positive, enduring relationship can be achieved through honest conversations, trust and mutual respect. We employ a strategy around permission-based, relationship marketing and believe that regular and consistent communications play a role in building strong relationships with our partners."



MIKE KORKIDAKIS
WAVENET

"End customers have so much choice, with access to a plethora of product portfolios, immediate solution expertise and technical support. The market is hugely competitive, with every vendor offering some form of promotion or benefit for salespeople, aiming to keep their brand at the forefront of salespeople's minds. However, vendors must offer more, including valuable resources, education and collaborative campaigns, leading to an increased pipeline, broader opportunities, and a more loyal channel relationship. A real focus on true partnerships, taking joint risks, aligning strategies and analytics, and educating customers together can strengthen partnerships with value and credibility. End customers have more resources at their fingertips and more access to knowledge than ever before. Therefore, vendors and resellers must be at the forefront of delivering this knowledge and helpful insight. This approach will lead to the most successful results, creating loyalty and credibility every time."



CHRIS GOODMAN
FOCUS GROUP

"The essential nature of the services that the comms industry delivers has never been clearer. The pandemic highlighted the importance of adequate cyber security and hybrid working saw the demand for robust, agile ICT solutions grow at an unprecedented rate. Channel organisations need to step up and stand out – to deliver the right solutions for customers, to guide them through the ever-changing landscape of our sector and open their eyes to the ways in which technology can enhance their business. Focus Group endeavours to build long-lasting relationships with its customers through consistent communication; product-based training webinars and regular account reviews to ensure each business has the optimum technological set-up. Customer experience and satisfaction is the key to building loyal relationships. Communicate with your customers, pave the way to the best possible solution for their business and be an integral part of their journey. Connect and grow together."



STEPHEN WARBURTON
ZEN

"Businesses are increasingly facing pressure from their customers to deliver a better customer experience. Customers expect a better, faster and an increasingly digital experience. Channel partners can stand out by helping businesses understand how they can use technology to meet these changing needs. Over 250k businesses can now benefit from FTTP which is faster, more reliable and more scalable as business demands change. However, these faster speeds also rely on optimised WiFi and modern devices. Channel partners have a crucial role to play here in helping businesses make the most of these tools. Loyalty is derived from getting the basics right on service, keeping in regular contact with your customers in-life, as most focus all their energy on winning new customers. If you can demonstrate your solutions are driving demand, improving CX and improving efficiency you will build a loyal base."



GAVIN JONES
BT WHOLESALE

"The communications market is undergoing an exciting transformation. With the pandemic a catalyst, there are more offerings than ever. Businesses are thinking about how to use new technologies to optimise processes, however, this means channel organisations operate in an extremely competitive environment. Research by analyst Omdia found that 70% of enterprises are reconsidering their technology partners, with the top reasons to leave being poor service performance and support. Creating loyalty is crucial. Clear, consistent and jargon-free communication is a must-have. Channel organisations should speak candidly and listen to their partners' needs to create solutions that have market fit. That's why we created Partner Plus, to help our Channel Partners stand out through collaboration with our experts. Flexibility, too, will be a major part of defining the future workforce and partners' roles. Meeting constantly evolving needs will be achieved through innovating, expanding portfolios and even small amendments to contract terms. Flexibility and adaptation are becoming mainstays."

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