



Diamonds in the Rough

Research from ZS reveals three considerations for technology vendors who are defining their cloud service channel strategy for small and medium-sized businesses (SMBs).

SMBs have their heads in the cloud

It's no secret that SMBs are flocking to the cloud, and for good reason. Cloud services, including software and infrastructure services, provide flexibility, scalability and a means to treat IT as an operating expense. Over half of SMBs purchasing cloud services are doing so through indirect channels.



What cloud services do they use?



Already cloud users

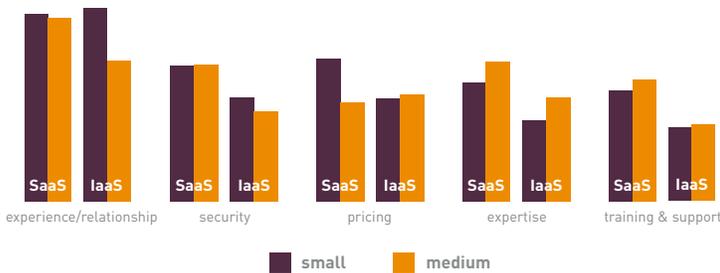


From whom do they purchase cloud services?

Key Findings

Different sizes, different needs

In purchasing both SaaS and IaaS, smaller businesses have different priorities than medium-sized ones.



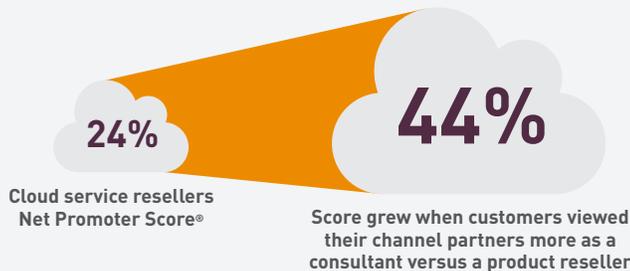
Advisors equal value

Most pre-purchase assessments are done in-house or with tech vendors, leaving resellers largely out of the process.



Not much love for cloud service resellers

Cloud service resellers' Net Promoter Score® lags many of the tech vendors they sell for. Customers report lukewarm satisfaction and loyalty for their cloud service resellers.



Vendors should

- 1 Recognize different needs according to business size**
 - 2 Reward customer value**
 - 3 Enable resellers to invest in advisory services**
- Provide additional visibility to the product roadmap, more technical training and market intelligence to help partners build domain expertise. Honing your SMB channel strategy starts with a sophisticated approach to partner segmentation. Vendors should segment their partners not only based on past performance but also on their capabilities.

Research background

3,487
U.S. SMB companies surveyed

250
selected SMBs who had recently purchased SaaS or IaaS in last 12 months

Sources

- 2014 ZS Associates SMB Cloud Services Channel Utilization Study. Based on 3,487 responders.
- Net Promoter Score for tech vendors and service providers from the Temkin Group Insight Report - Tech Vendor NPS Benchmark, 2014.
- Net Promoter Score for cloud service resellers from the 2014 ZS Associates SMB Cloud Services Channel Utilization Study.

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