

4G & 5G LTE

CONNECTING IN THE CHANNEL



The state of partner adoption and perceptions of this increasingly crucial wireless access and connectivity technology and the devices it supports



A survey of ChannelVision subscribers commissioned by MACH Networks

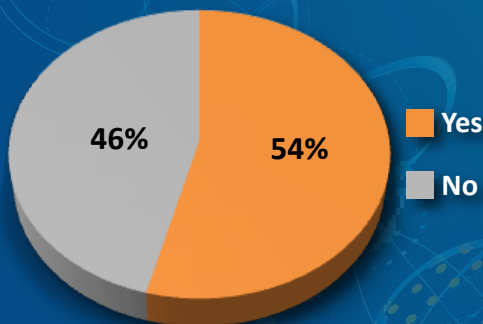
The channel is choosing 4G & 5G LTE for customer WANs

Businesses continue to demand more from their networks. Emerging technologies such as SD-WAN and the application of IoT are changing the way connectivity is utilized. A survey of more than 120 *ChannelVision* subscribers suggests channel partners increasingly view LTE as a highly affordable and flexible connectivity solution to support diverse and sprawling customer networks.

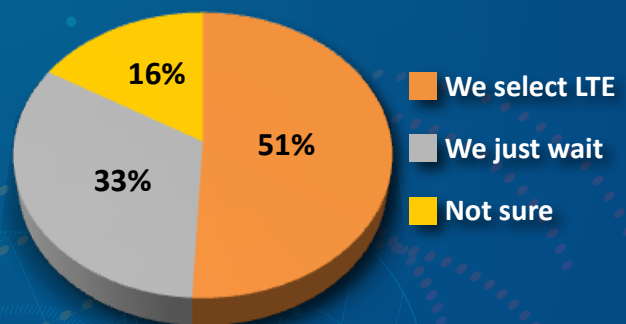
More than half of responding channel partners (54.1%), for example, currently are selling LTE wireless wide area network (WWAN) solutions, with 4G and 5G LTE supporting not only wireless failover but an array of applications and devices, including SD-WAN, video surveillance, voice, digital signage and landline replacement.

Perhaps that is not surprising, considering a full 85 percent of channel partners currently are deploying connected devices within customer office environments. Channel partners also view LTE as one of the most cost-effective connectivity solutions and a go-to when traditional broadband installations are delayed.

Are you currently selling LTE WWAN services?



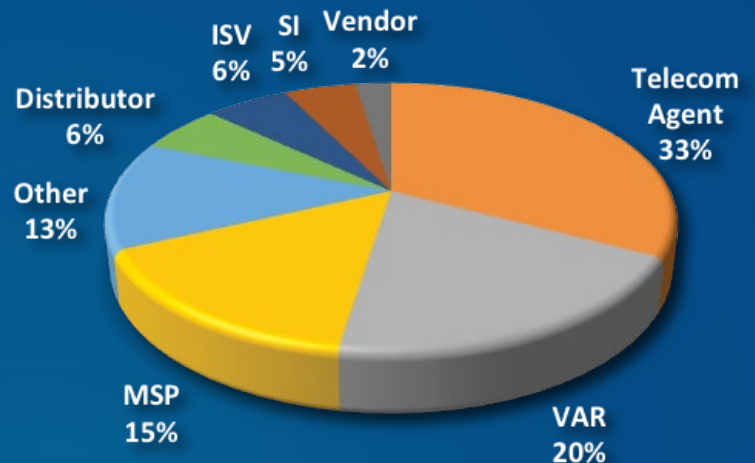
How do you provide connectivity when traditional broadband installations are delayed?



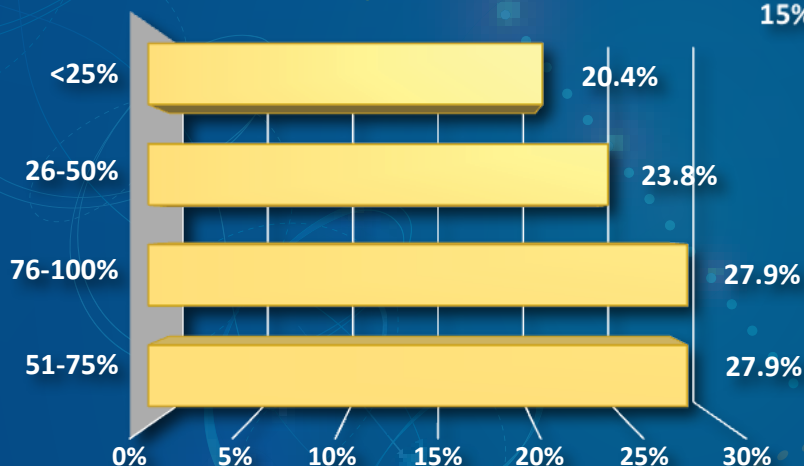
Responding Partner Demos

The *ChannelVision* subscribers responding to the survey represent the full gamut of channel distributors serving IT and telecom channels, including telecom agents (32.7%), VARs (19.6%) and MSPs (15.5%). Predominate verticals served by respondents include retail, healthcare, financial services, public sector, banking and transportation.

Which description best represents your business?

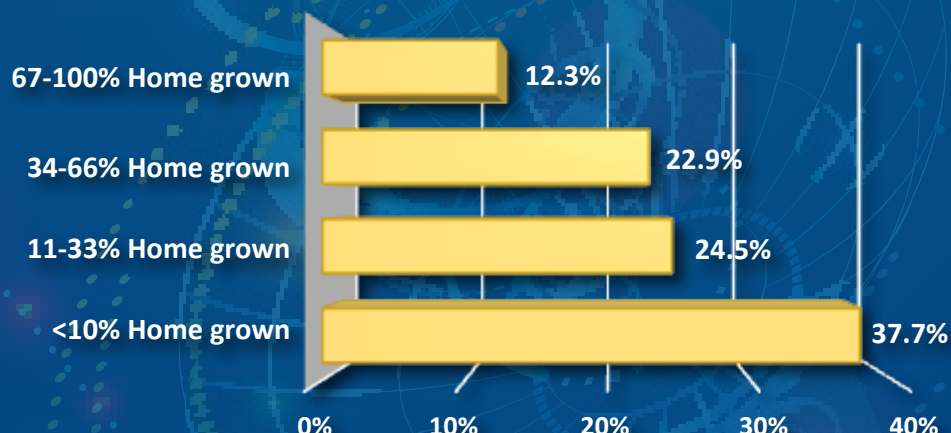


What % of your business is recurring revenue?



Among respondents, nearly two-thirds say at least half their revenues are recurring, and more than six in 10 predominantly offer vendor-provided services to their customers as opposed to home grown solutions.

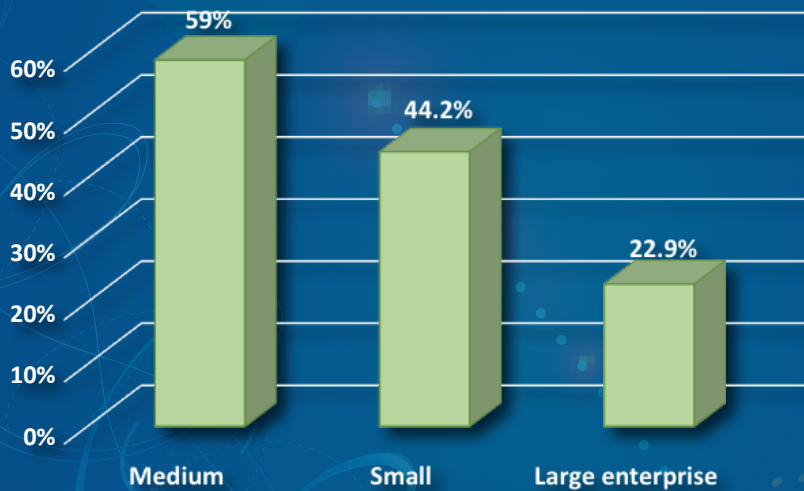
Of the services you offer, what percent are home grown vs. vendor provided?



The State of LTE WWAN Deployment in the Channel

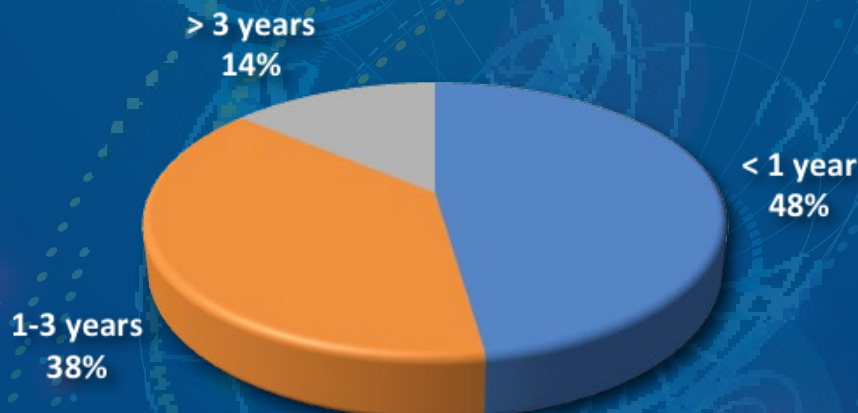
More than half of channel partners surveyed are actively selling LTE WWAN solutions, and they are selling the solutions to businesses of all sizes. That includes the 22.9 percent of partners selling LTE WWAN to enterprise accounts. Medium-sized firms account for most of the activity, cited by 59 percent of respondents, followed by the 44.2 percent that report LTE wide area network sales to smaller organizations.

What is the targeted customers size of your LTE WWAN solution? Check all that apply



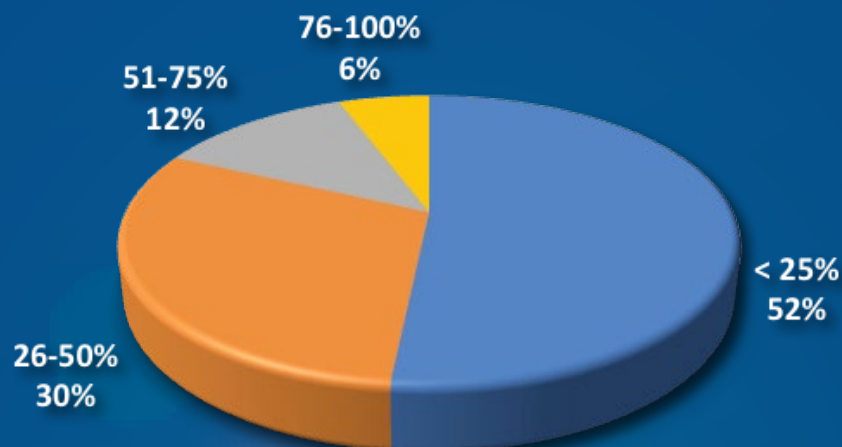
LTE WWAN programs still are relatively nascent among channel partners, with nearly half of those selling the solution doing so for one year or less. A full 86 percent have been in the LTE WWAN business for three or fewer years.

How long has your organization been selling LTE WWAN services?



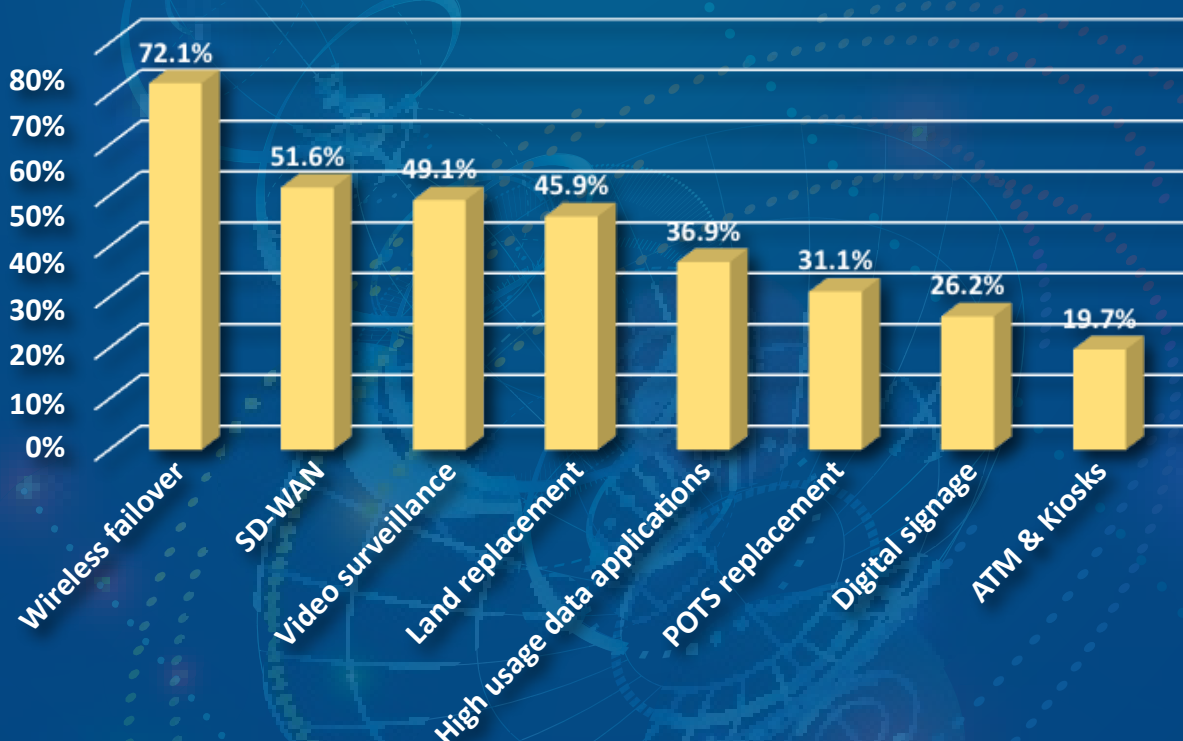
Demand for the services is healthy, however, even in this early stage of availability through channel distributors. According to the *ChannelVision* subscriber survey, about half of respondents have received inquiries about LTE connectivity from a quarter or more of their client bases.

What % of your existing customers have inquired about LTE?



Wireless failover is clearly the most common application supported by 4G and 5G LTE, channel partners reported, but the technology is being used by a plurality of solution providers to support a variety of applications and devices. Among the top uses cases for LTE connectivity are both landline and POTS replacement services, show the findings.

What type applications do you expect to support with 4G or 5G LTE connectivity? Check all that apply

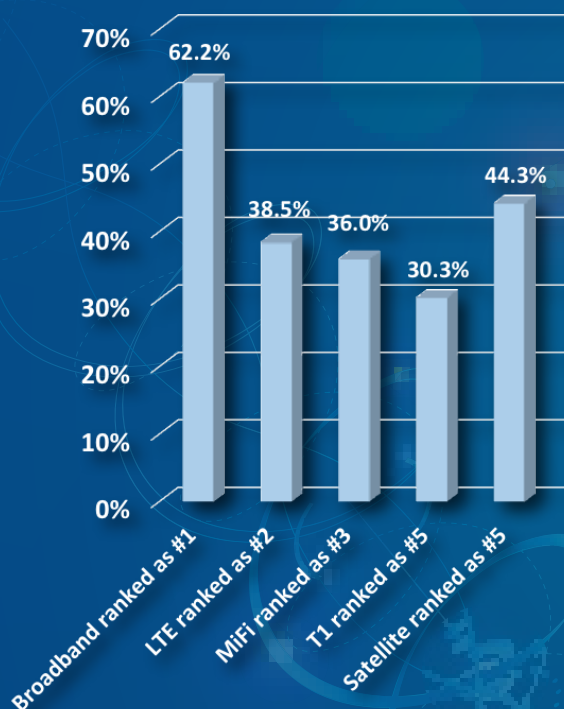


LTE's Cost Advantage

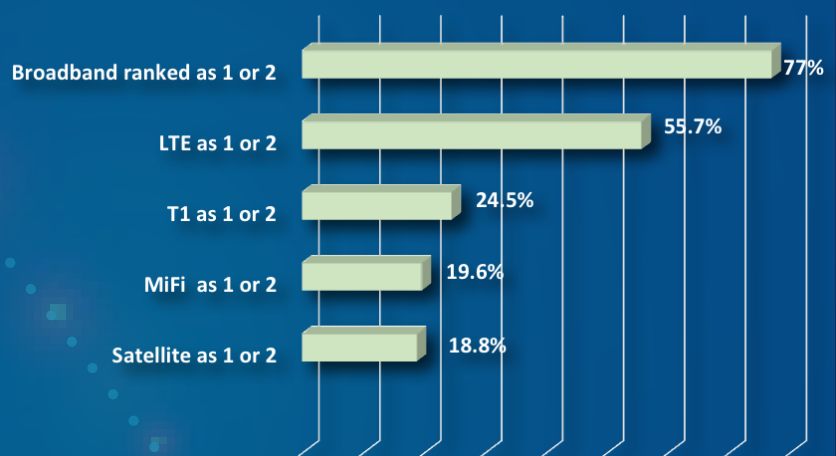
Channel-based solution providers also have found LTE to be among the most cost-effective choices for satisfying customers' diverse connectivity needs. When asked to rank the overall cost-effectiveness among five connectivity choices, only near-ubiquitous traditional broadband was ranked more often as the most efficient.

Please order, using numbers 1 to 5, with 1 being “most cost-effective,” what you believe is the most cost-effective connectivity solution.

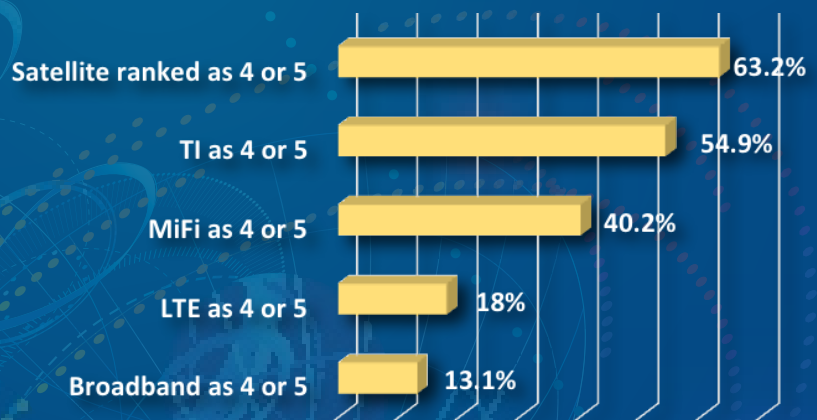
Most Prevalent Ranking for Each Solution
(Percent ranking solution at stated position)



Percent Respondents Ranking Each Solution as Most Cost Effective



Percent Ranking Each Solution as Least Cost Effective



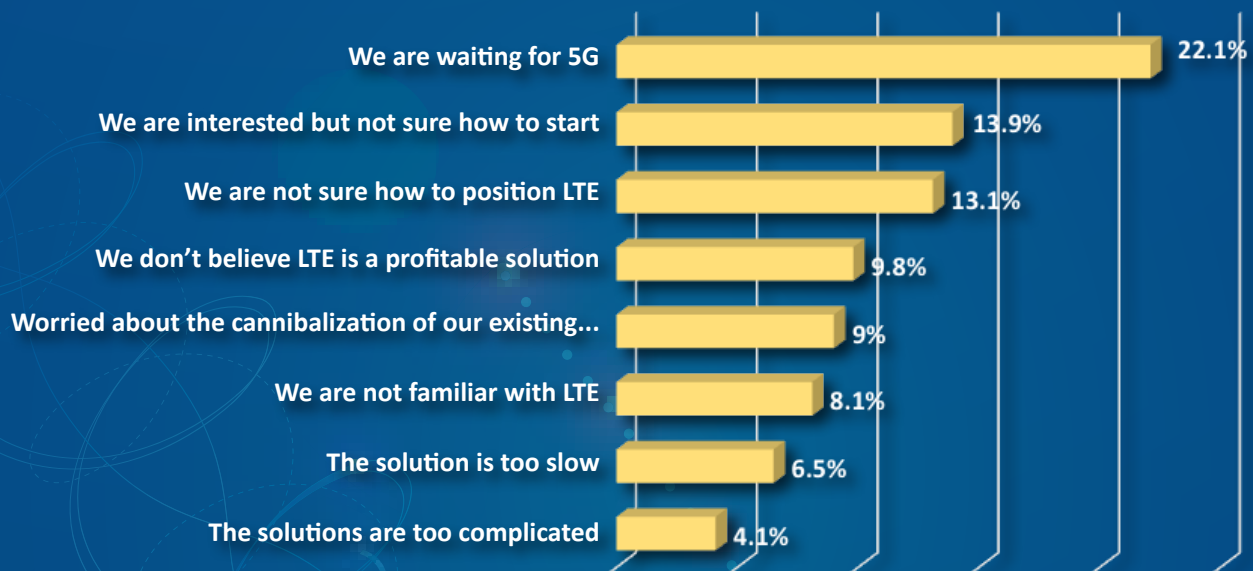
More than half of respondents ranked LTE as either first or second in terms of cost effectiveness, with 17 percent calling it the most cost effective. Only 1.6 percent of channel partners found LTE to be the least cost effective among the five connectivity options.

“Top of mind” vendors for LTE WWAN services include AT&T, Verizon, T-Mobile and Ericsson. Interestingly enough, a total of 37 distinct vendors were named by channel partners as “top of mind” for this open-ended question.

Anticipating 5G

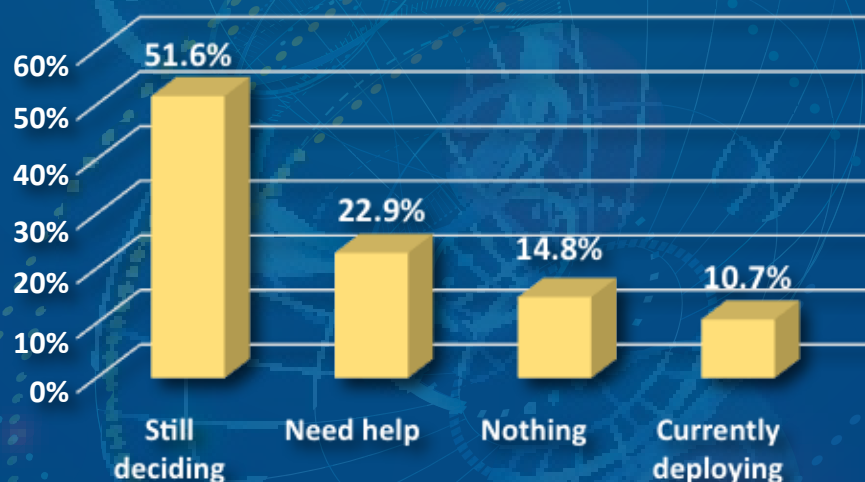
Among those channel partners that are not currently offering LTE WWAN services, the number one reason why not is “We are waiting for 5G,” named by 22.1 percent of partner distributors. Reluctant channel partners also cite a lack of familiarity or full understanding of the technology and its market opportunity. Other top barriers to providing LTE WWAN services include, “We are interested but not sure how to start,” named by about 14 percent of respondents, and “We are not sure how to position LTE,” cited by 13 percent.

Top Reasons Why Providers are NOT Offering LTE WWAN Services



Currently, about one in 10 channel partners have deployed 5G within customer networks, but the vast majority remain in a holding pattern when it comes to 5G. When asked how they are preparing for upcoming 5G deployments, two-thirds of survey respondents said they are either “still deciding” or “doing nothing” as they wait.

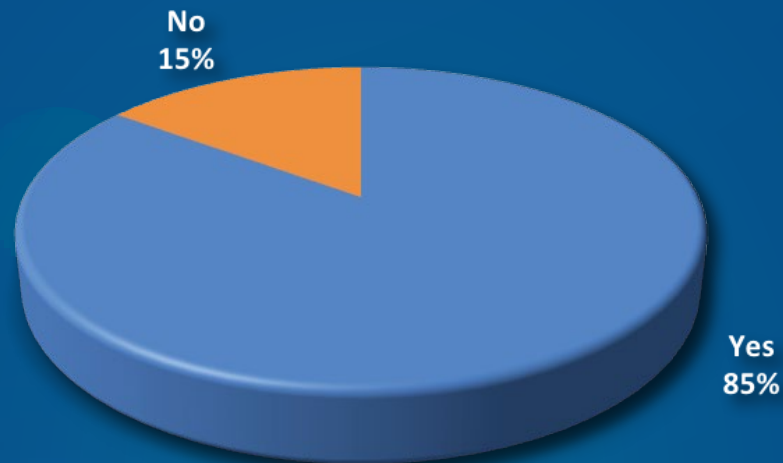
What are you doing to prepare for upcoming 5G deployments?



The Devices Don't Lie

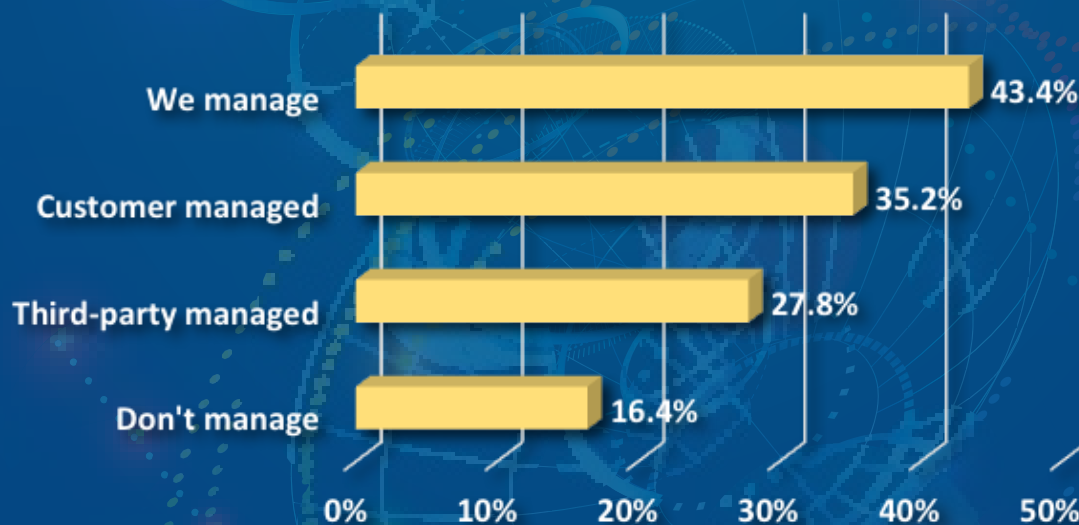
While partner providers may be “waiting for 5G,” their customers are not. Smart devices are increasingly permeating home and office environments, creating the need for reliable and flexible wireless connectivity. Already, a full 85 percent of partner providers are deploying connected devices within customer networks, such as video cameras, thermostats, alarms and access control panels.

Are you currently deploying connected devices?



And, in many cases, when providers deploy connected devices, they are managing those devices for their customers. In about a third of deployments, customers manage the devices themselves.

If you are currently deploying connected devices, how do you manage those devices? Check all that apply.



With this expanding realm of smart devices, and workers racing even faster toward remote and mobile workspaces, 4G and 5G LTE-based connectivity is primed to play a key role in providing organizations with the diverse and flexible networks they need to enable their digital transformations.

And according to the more than 120 channel partners surveyed for this report, interest in LTE WWAN only grows stronger as 5G-based networks, devices, and services saturate the marketplace.

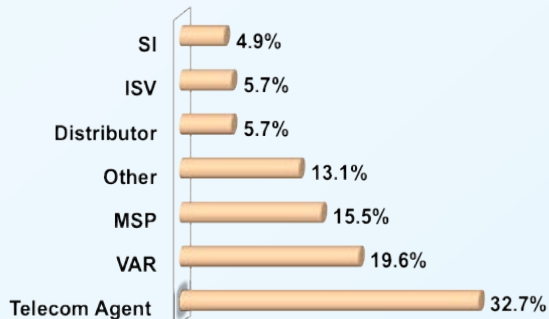
Methodology

On behalf of MACH Networks, *ChannelVision Magazine* surveyed its digital subscriber base of telecom agents, MSPs, VARs, system integrators, and other partner distributors regarding their experiences with 4G and 5G LTE connectivity services. The online surveys were fielded in October and November of 2020, with 122 respondents qualifying and counted as channel partner distributors. A breakdown of responding channel distributors by type can be seen on page 10. Questions regarding the survey can be directed to channelvision@bekabusinessmedia.com.

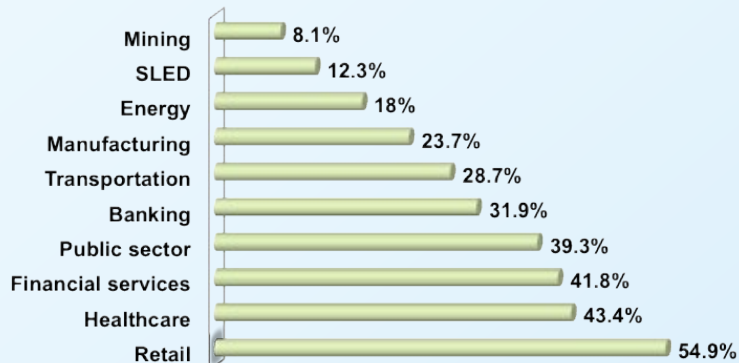


Appendix

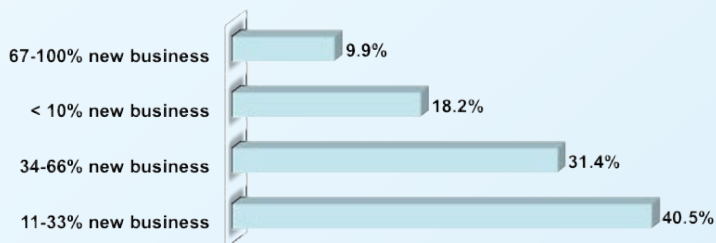
Which description best represents your business?



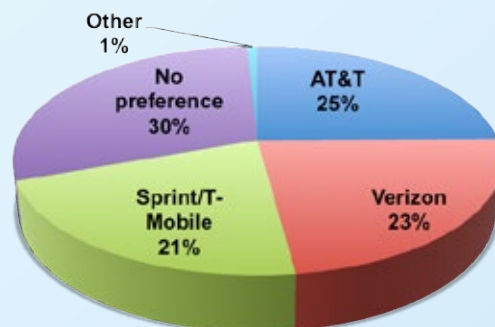
What are the predominant verticals you sell into? Check all that apply



What % of your prospecting is focused on net new business vs. nurturing your existing base?



Who is your preferred wireless carrier?



Please order, using numbers 1 to 5, what you believe is the most cost-effective connectivity solution? (1 being 'most' effective)

