State of the Channel 2025 ANZ
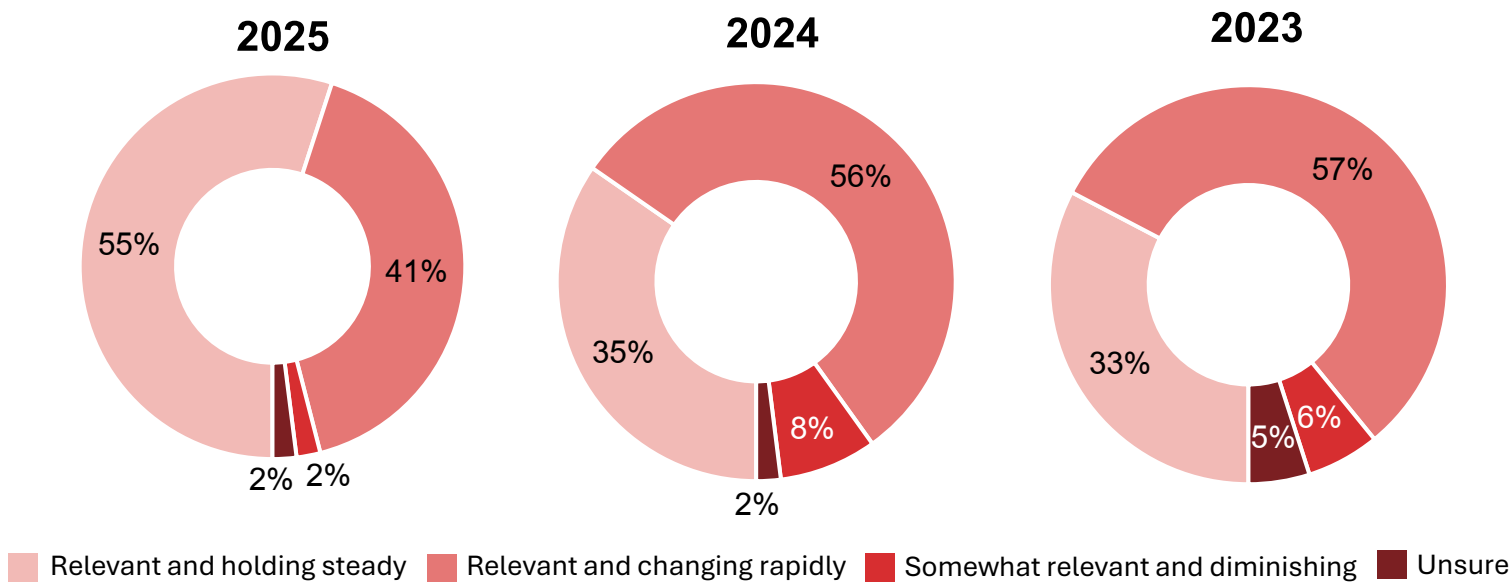
Most Channel Firms Report Optimism About the Year Ahead – But With Caveats

Assessment of State of Channel Health and Relevance

2025

55%
41%
2% 2%

2024

56%
35%
8%
2%

2023

57%
33%
5% 6%

- Relevant and holding steady
- Relevant and changing rapidly
- Somewhat relevant and diminishing
- Unsure

Notably for the channel, the largest bucket of spending for the last two years has been on IT services. Gartner says worldwide spending on IT services will reach $1.73T this year, up from $1.59T in 2024. This represents a 9% spending increase year over year. Robust IT services spend is a harbinger of opportunity for the channel, where customers turn for expertise.

The channel's prevailing outlook for the year ahead tends to be positive but less enthusiastic than last year. For example, 55% characterized the channel as "relevant and holding steady," indicating stability without explosive growth. That's a 20% increase in that sentiment from last year. Meantime, 41% described the channel as "healthy and changing rapidly," compared with 56% that did so last year. Takeaway? ANZ's channel is more cautious about 2025 prospects.
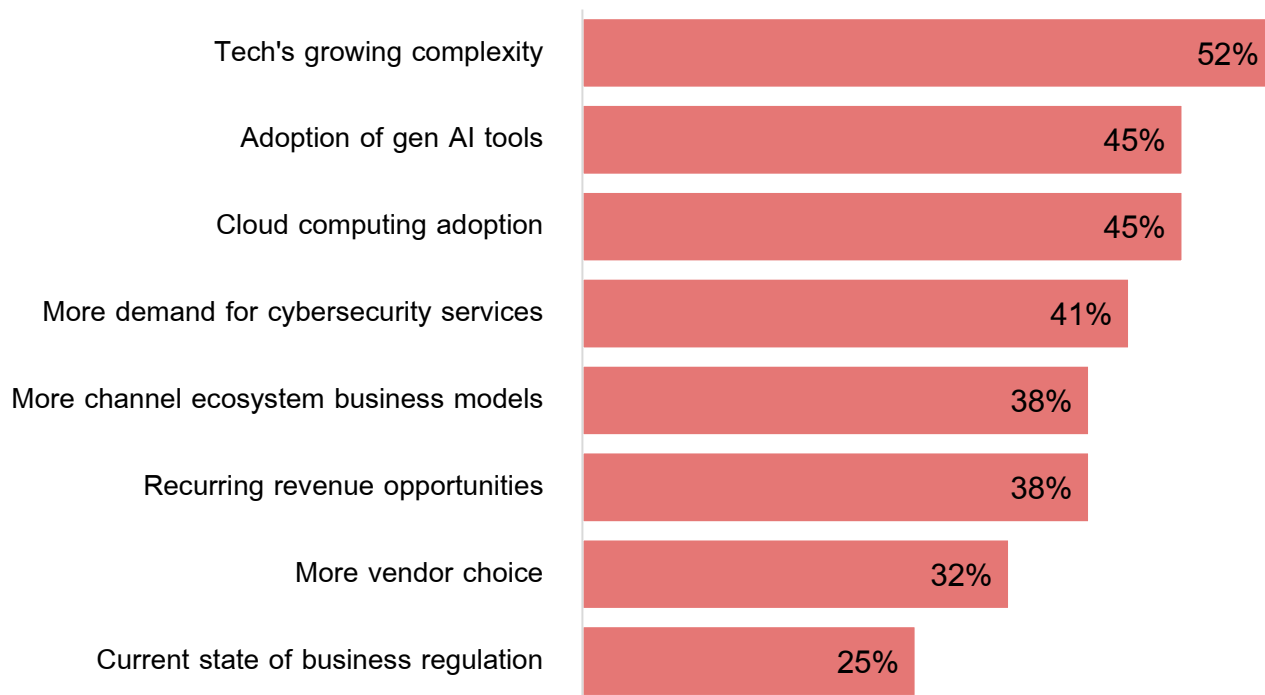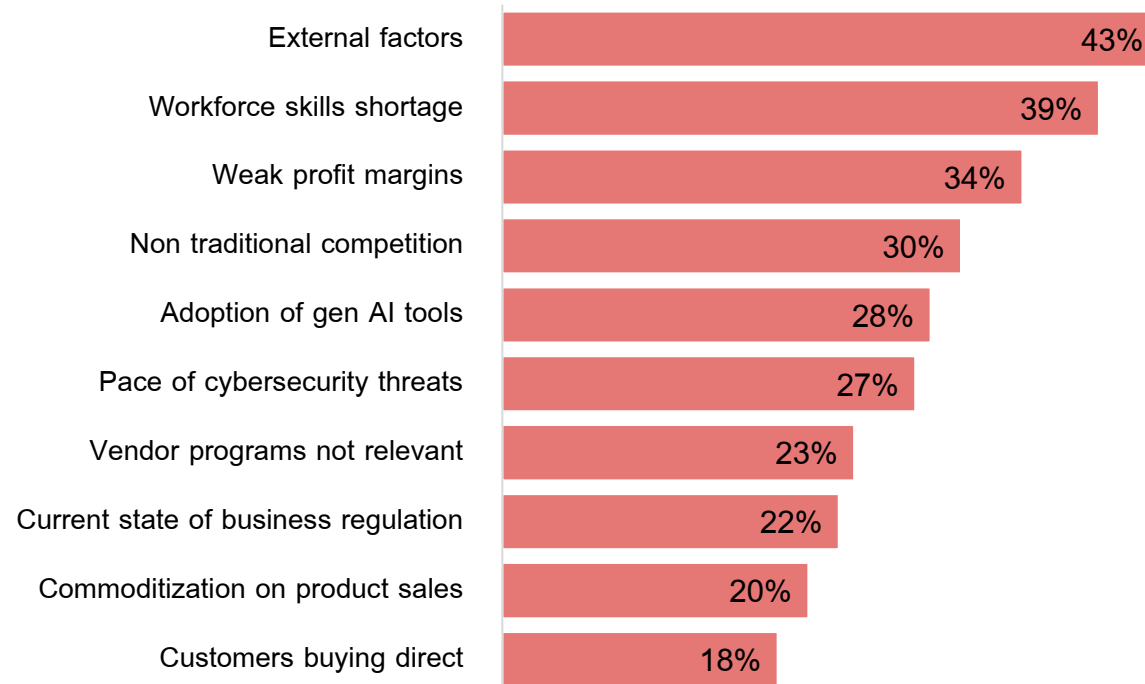
Status of Channel's Business Goals
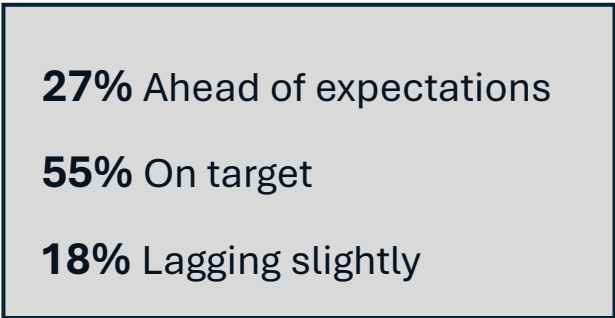
27% Ahead of expectations

55% On target

18% Lagging slightly

What Channel Firms Say Will Drive or Hinder Business This Year

Factors Contributing to Healthy IT Channel

Factor	%
Tech's growing complexity	52%
Adoption of gen AI tools	45%
Cloud computing adoption	45%
More demand for cybersecurity services	41%
More channel ecosystem business models	38%
Recurring revenue opportunities	38%
More vendor choice	32%
Current state of business regulation	25%

Factors Inhibiting a Healthy IT Channel

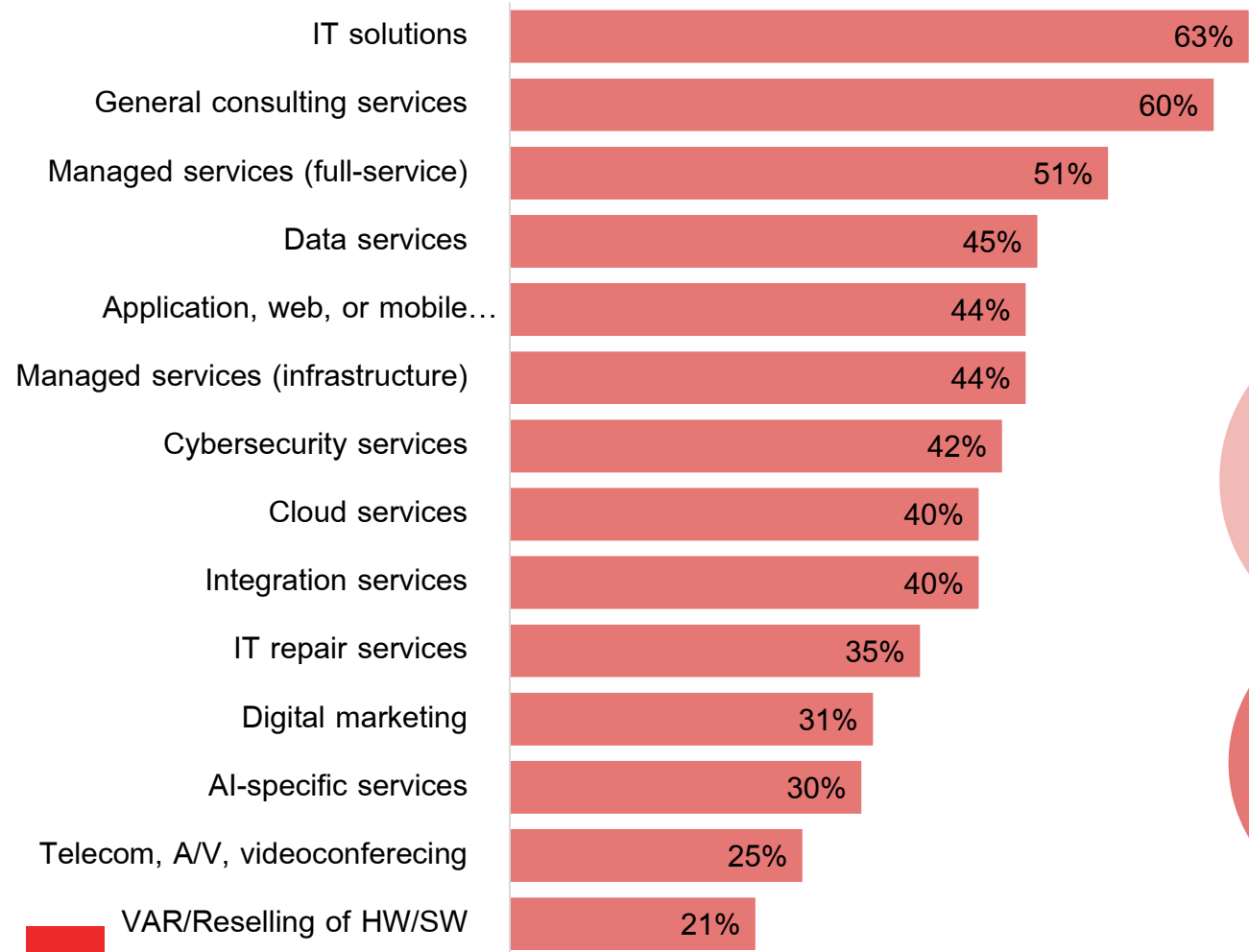| Factor	%
External factors	43%
Workforce skills shortage	39%
Weak profit margins	34%
Non traditional competition	30%
Adoption of gen AI tools	28%
Pace of cybersecurity threats	27%
Vendor programs not relevant	23%
Current state of business regulation	22%
Commoditization on product sales	20%
Customers buying direct	18%

Many in the channel view tech complexity as their friend and cite it as the No. 1 factor driving future positive demand for their expertise. Indeed, customers today are looking for help with everything from developing an AI strategy to ensuring their data is safe to applying technology to broader business goals.
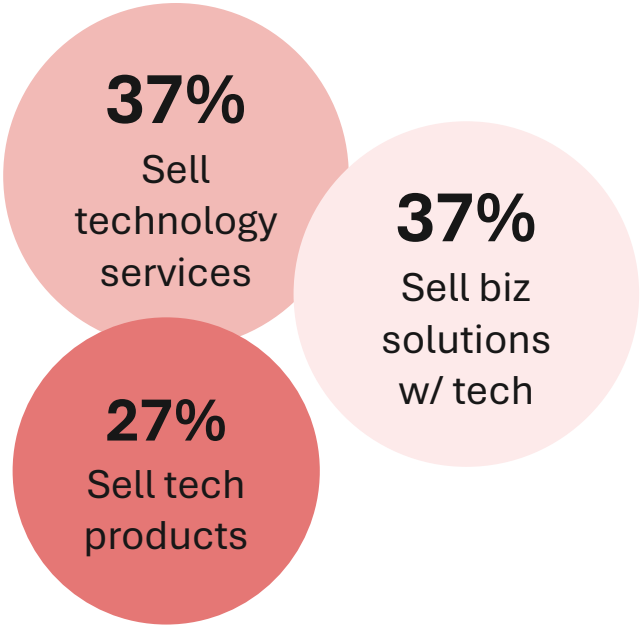
Revenue and Profitability: Where the Channel Sees Growth/Opportunity

Main Portfolio Composition for Today's Channel

Category	%
IT solutions	63%
General consulting services	60%
Managed services (full-service)	51%
Data services	45%
Application, web, or mobile…	44%
Managed services (infrastructure)	44%
Cybersecurity services	42%
Cloud services	40%
Integration services	40%
IT repair services	35%
Digital marketing	31%
AI-specific services	30%
Telecom, A/V, videoconferecing	25%
VAR/Reselling of HW/SW	21%

Channel Firms Describe Primary Business

37% Sell technology services

37% Sell biz solutions w/ tech

27% Sell tech products

Top Revenue Projections

1. Cybersecurity
2. AI services
3. Cloud services
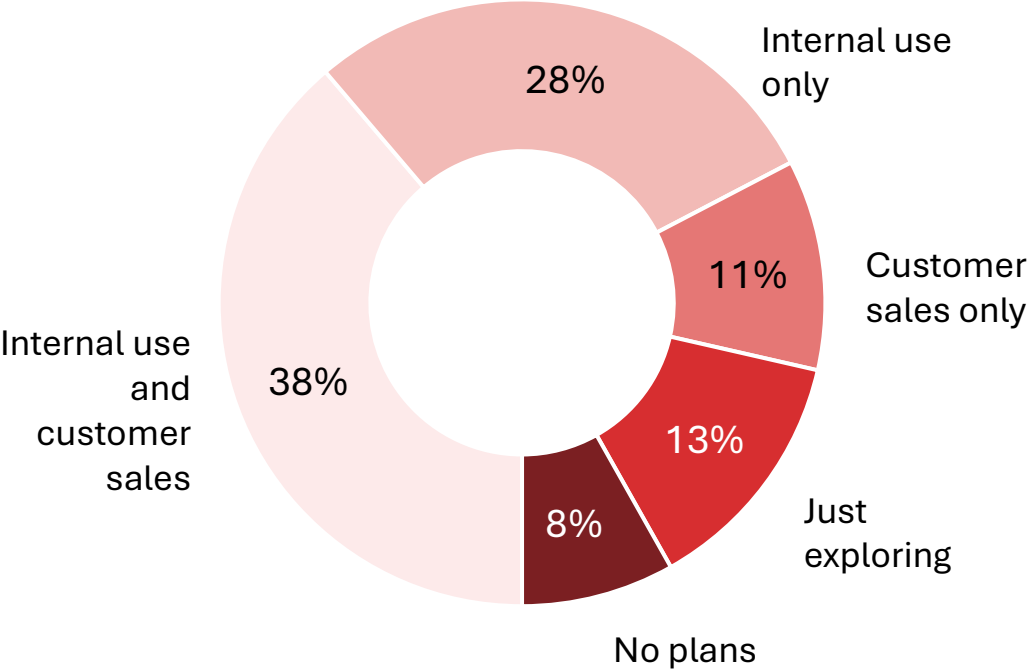4. MSP (full service)
5. App dev/Web dev

Top Profit Projections

1. AI services
2. Cybersecurity
3. Digital marketing
4. IT solutions
5. App dev/Web dev

Artificial Intelligence Gains Ground as an Efficiency Driver for Channel

Company Plans Over Next 12 Months

- Internal use only — 28%
- Customer sales only — 11%
- Just exploring — 13%
- No plans — 8%
- Internal use and customer sales — 38%

The top use of AI today (41% of respondents) is to automate functions internally, but the next three uses on the list reflect external plays for AI: content generation, product sales, consulting services, data services

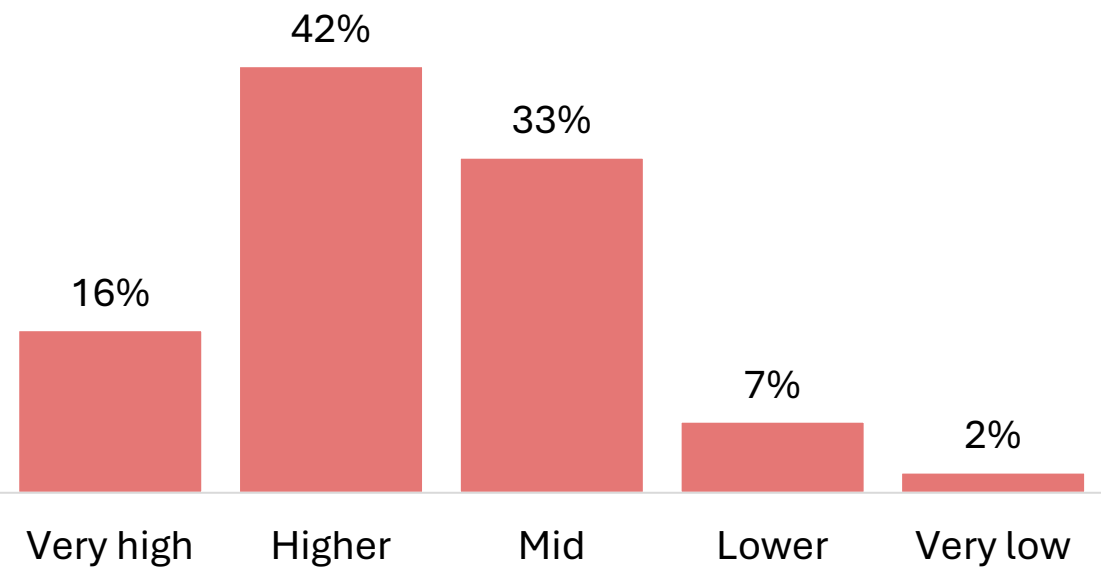## Motivations for AI Adoption Lean Toward Internal Needs

%	Motivation
53%	Operational efficiency/automation efforts
40%	Support workforce
39%	Customers demand has grown
36%	Enter new market
36%	Revenue opportunity
29%	Current offerings are AI-enabled

Changing Skills Requirements Keep Workforce Issues Front & Center

Tech Hiring Expectations

Moderate increase **54%**

Significant increase **19%**

Unsure **6%**

No increase **21%**
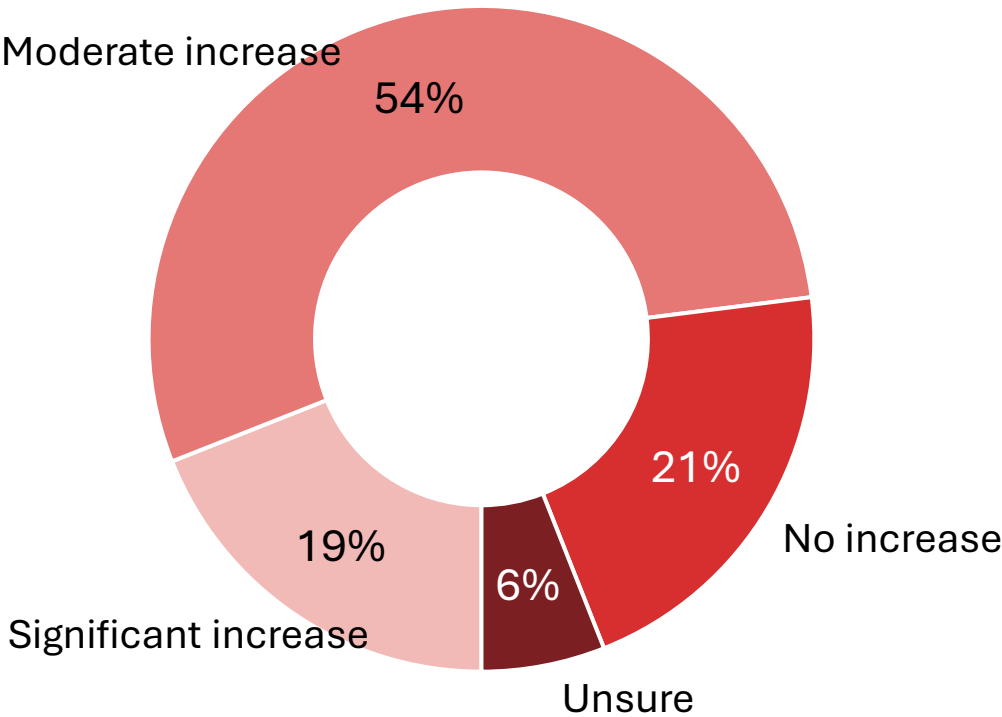
Level of Change in Skills Requirements Is High Across Cybersecurity, Data, AI

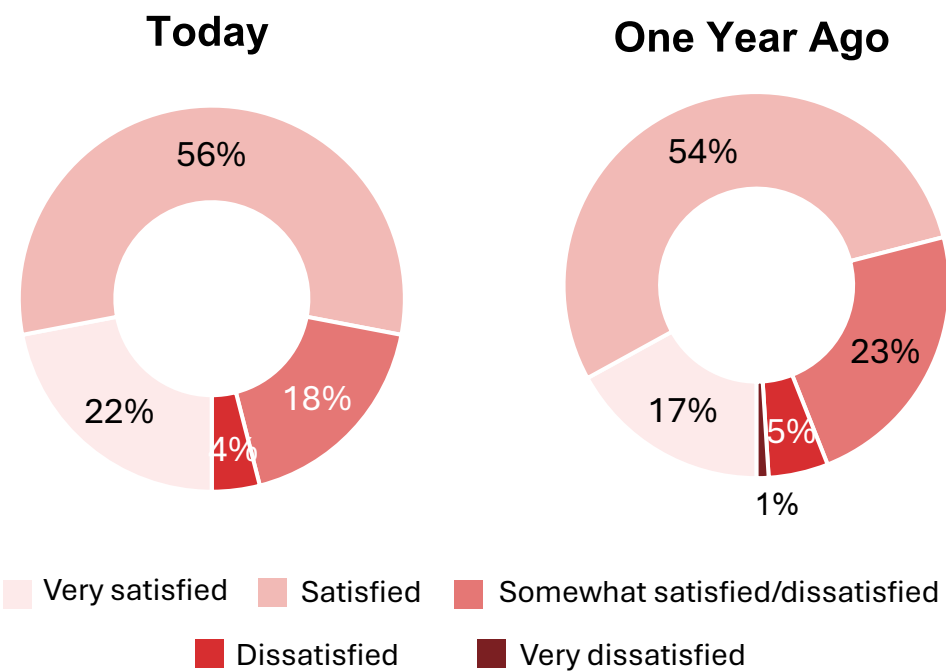|				
16%	42%	33%	7%	2%
Very high	Higher	Mid	Lower	Very low

40% of ANZ channel firms said workforce skills gap issues is the No. 2 potential inhibitor to a successful year ahead. Companies are addressing the gap through via equal parts new hiring and upskilling of existing workers.
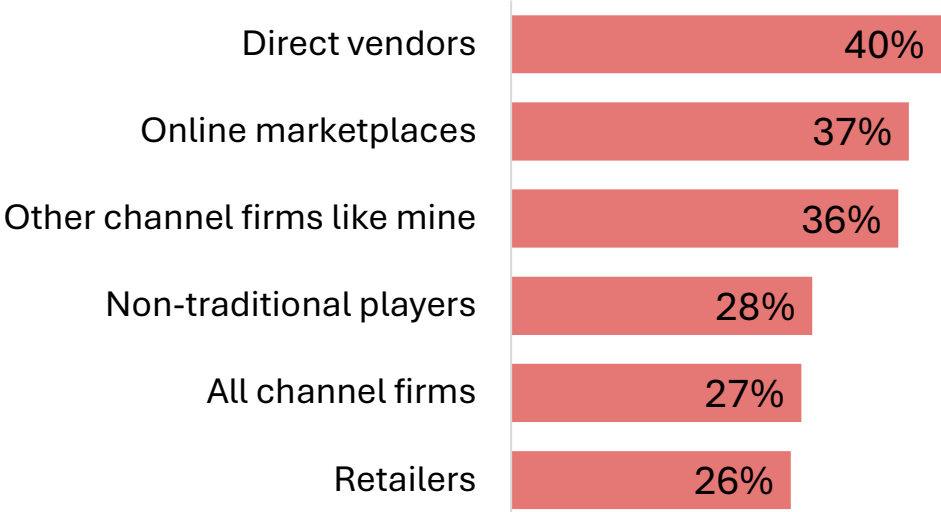
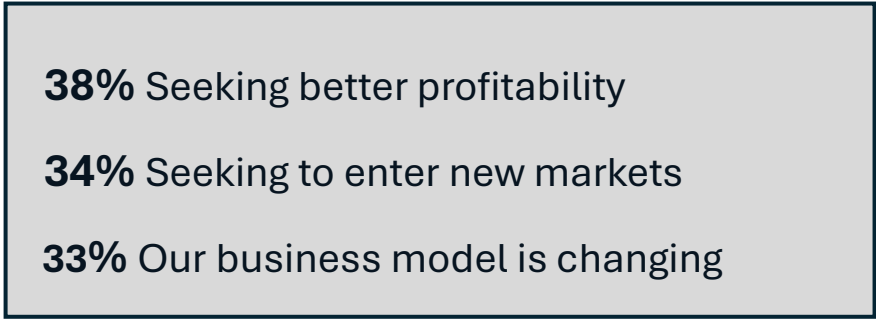# Vendor Sat Remains Steady Despite Continued Issues with Sales Conflict

Channel Assessment of Vendor Relationships

Today

- 56%
- 22%
- 18%
- 4%

One Year Ago

- 54%
- 23%
- 17%
- 5%
- 1%

Legend:
- Very satisfied
- Satisfied
- Somewhat satisfied/dissatisfied
- Dissatisfied
- Very dissatisfied

Main Competitors Cited Today

Competitor	Percentage
Direct vendors	40%
Online marketplaces	37%
Other channel firms like mine	36%
Non-traditional players	28%
All channel firms	27%
Retailers	26%

Top Reasons for Changing Vendors

38% Seeking better profitability

34% Seeking to enter new markets

33% Our business model is changing

Methodology

GTIA's *State of the Channel 2025* study provides insights around key channel trends in business environments.

The quantitative study within the ANZ region consisted of an online survey fielded to channel professionals during December 2024. A total of 128 respondents participated in the survey, yielding an overall margin of sampling error at 95% confidence of +/- 8.4 percentage points. Sampling error is larger for subgroups of the data.

As with any survey, sampling error is only one source of possible error. While non-sampling error cannot be accurately calculated, precautionary steps were taken in all phases of the survey design, collection and processing of the data to minimize its influence.

GTIA is responsible for all content and analysis. Any questions regarding the study should be directed to GTIA Research and Market Intelligence staff at research@gtia.org.

GTIA adheres to internationally respected and accepted code of standards and ethics for market research.