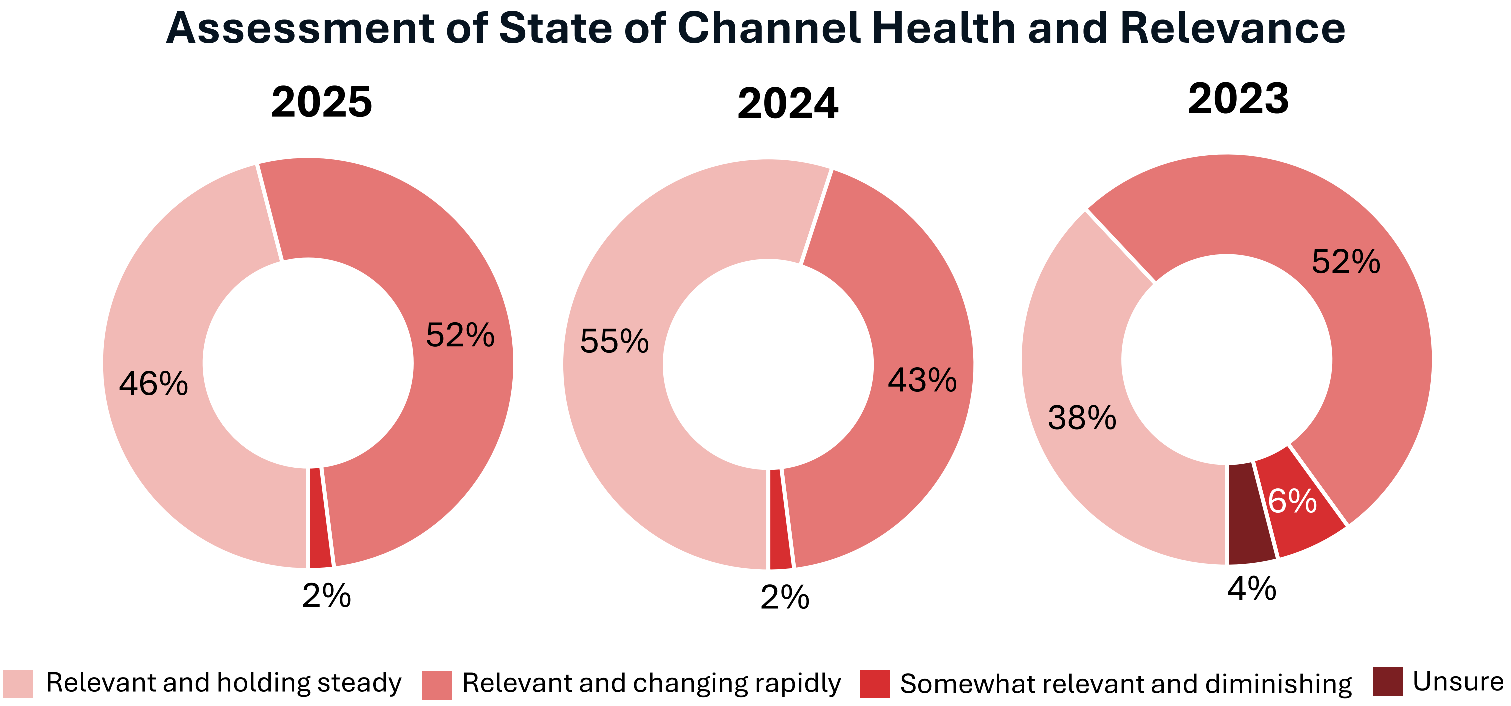
State of the Channel 2025
UK&I

Global Technology Industry Association

Most Channel Firms Report Optimism About the Year Ahead – But With Caveats



The channel's prevailing outlook for the year ahead tends to be positive. For example, 52% described the channel as "healthy and changing rapidly," a 9% increase over last year. This group is embracing growth and emerging techs like AI. Another 46% characterized the channel as "relevant and holding steady," indicating stability without explosive growth. Takeaway? UK&I's channel is more bullish about 2025 prospects and growth than last year.

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.

Status of Channel's Business Goals

31% Ahead of expectations

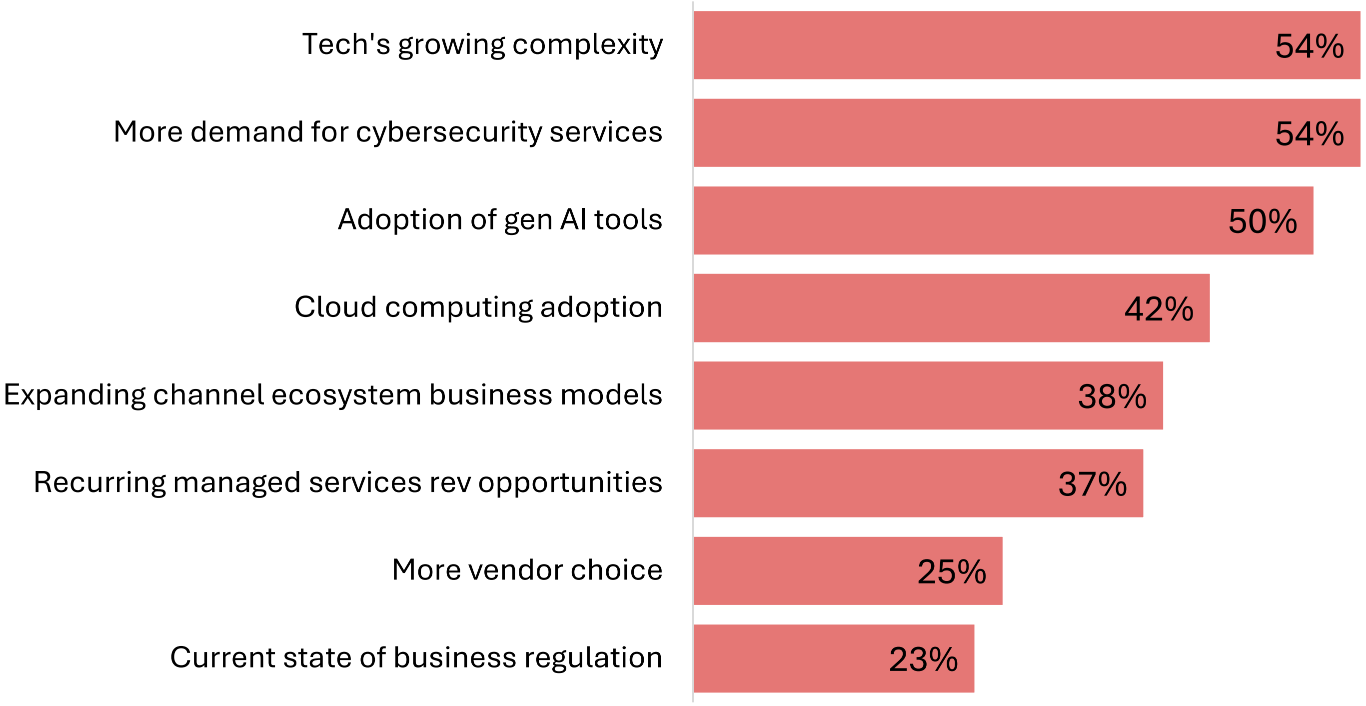
54% On target

13% Lagging slightly

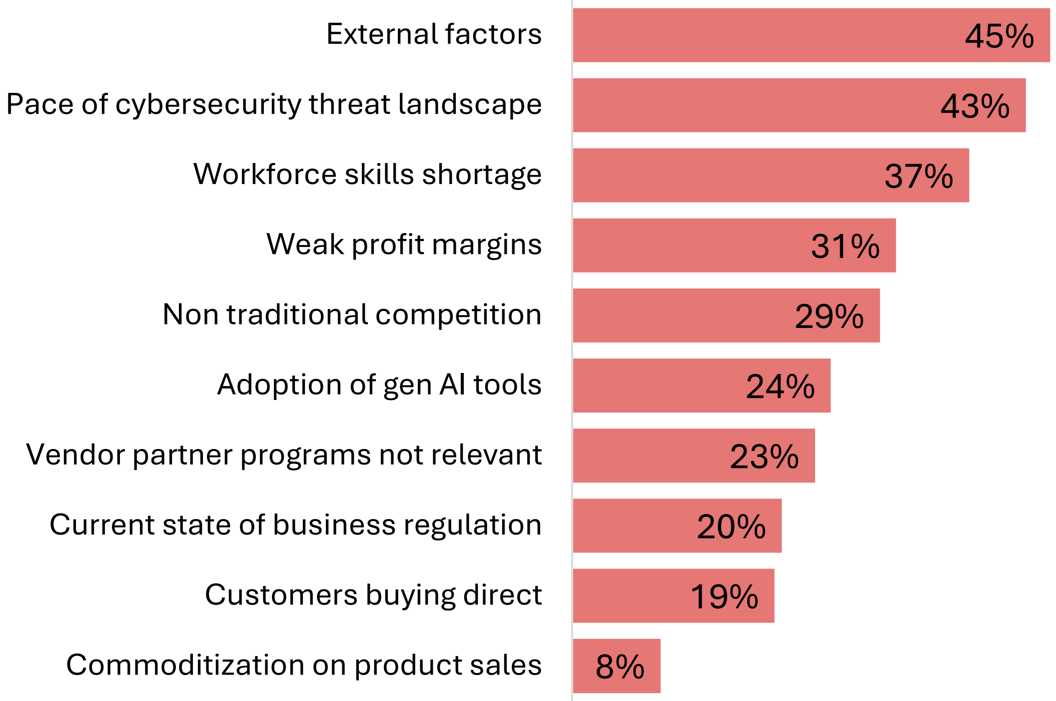
Source: GTIA State of the Channel 2025 UK&I survey | n=131
GTIA State of the Channel 2024 UK&I survey | n=129
GTIA State of the Channel 2023 UK&I survey | n=124

What Channel Firms Say Will Drive or Hinder Business This Year

Factors Contributing to Healthy IT Channel



Factors Inhibiting a Healthy IT Channel



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 cybersecurity safety to applying technology to broader business goals.

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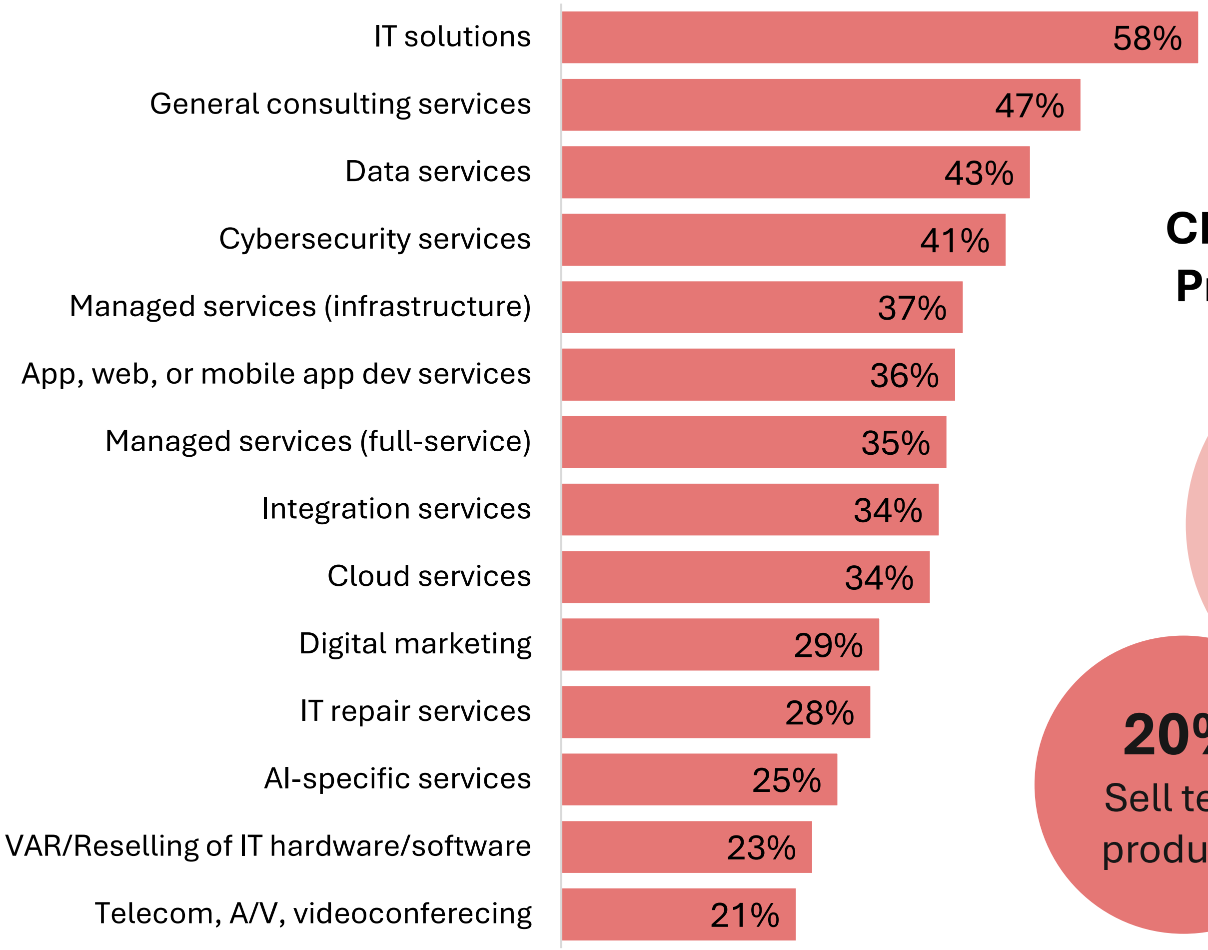
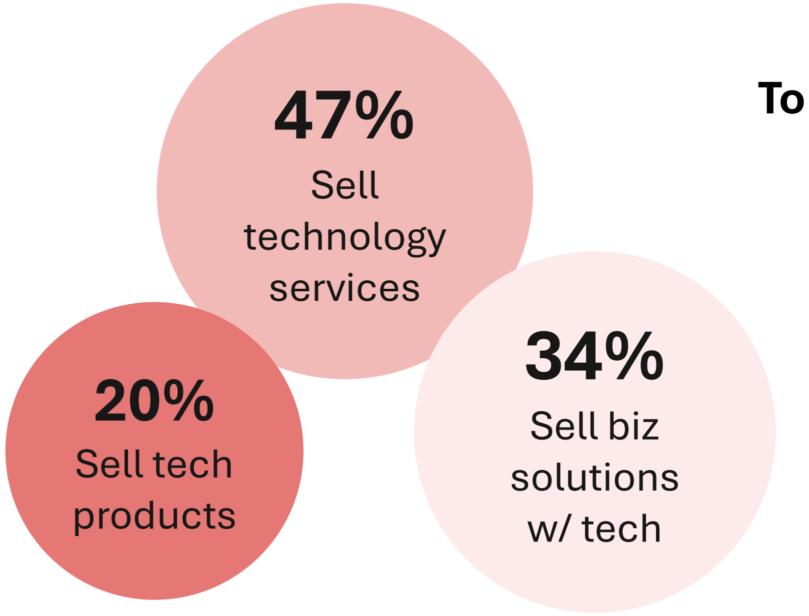
Revenue and Profitability: Where the Channel Sees Growth/Opportunity

Main Portfolio Composition for Today's Channel



Channel Firms Describe Primary Business



Top Revenue Projections

1. AI services
2. App, web, mobile services
3. Data services
4. Integration services

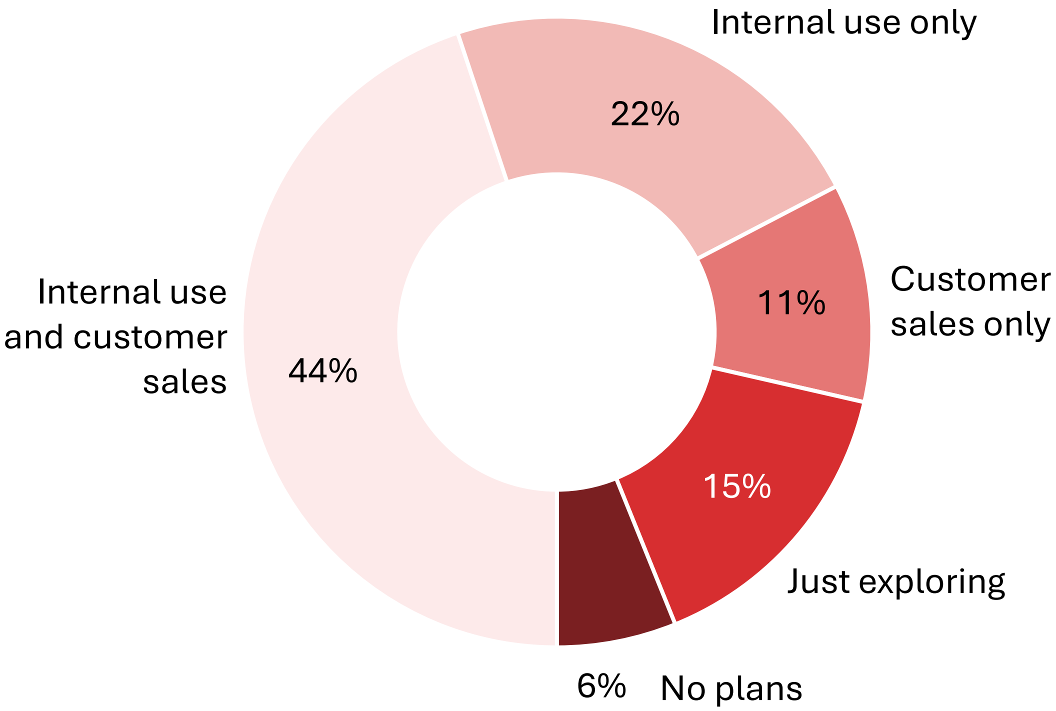
Top Profit Projections

1. Data services
2. AI services
3. Managed services (full service)
4. App, web, mobile services

Source: GTIA State of the Channel 2025 UK&I survey | n=131

Artificial Intelligence Gains Ground as an Efficiency Driver for Channel

Company Plans Over Next 12 Months



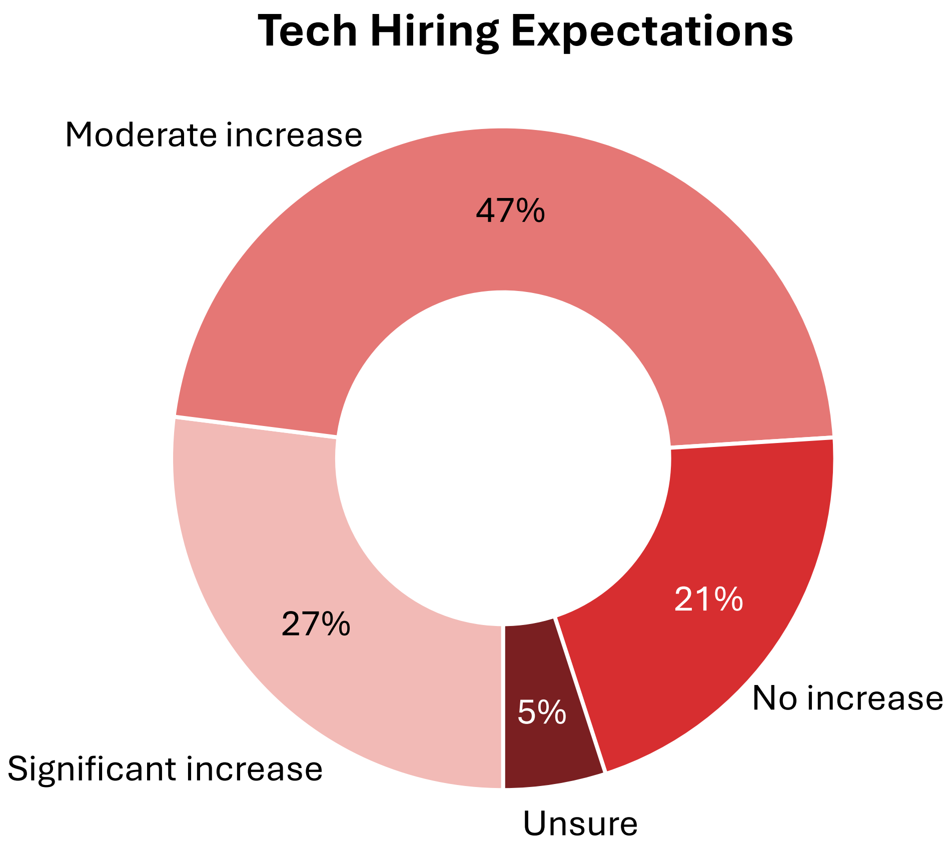
Motivations for AI Adoption Lean Toward Internal Needs

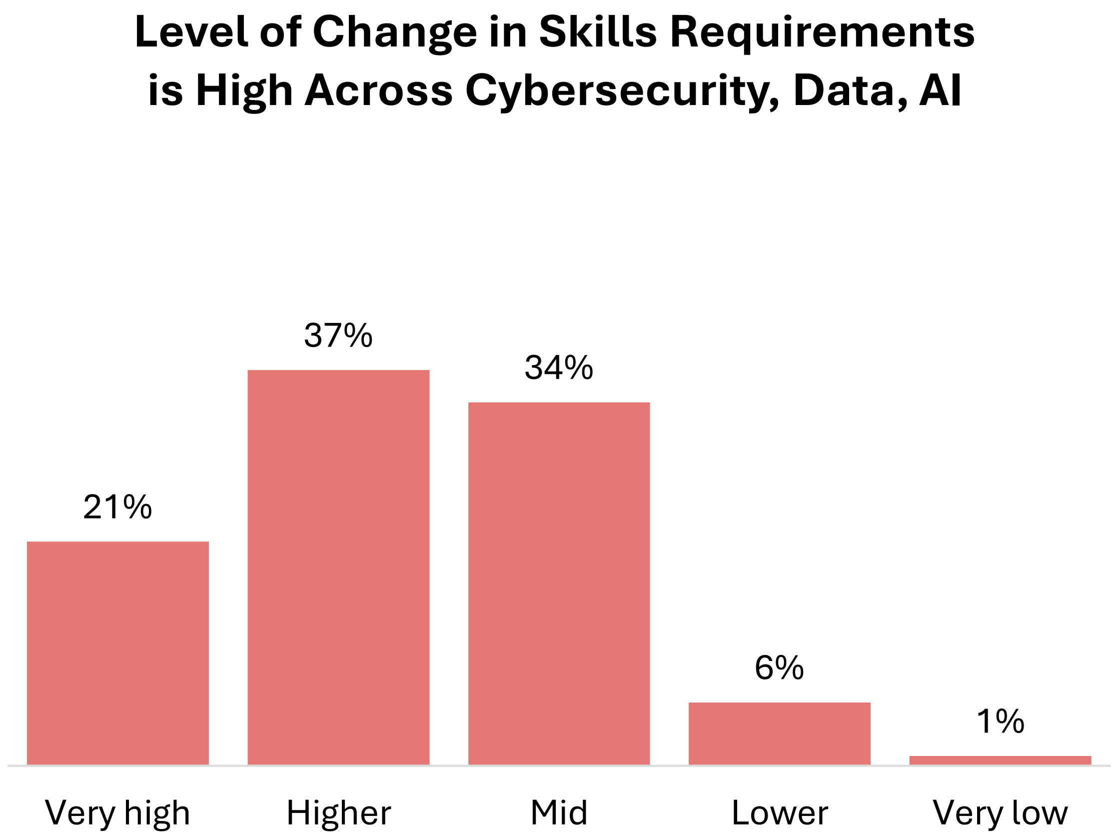
- **47%** Revenue opportunity
- **44%** Support workforce
- **42%** Operational efficiency/automation efforts
- **39%** Enter new market/vertical
- **37%** Customer demand has grown
- **28%** Products AI-enabled

The top use of AI today (37% of respondents) is as a sales and marketing tool, followed by automation of internal activities. The next three uses on the list reflect external plays for AI: product sales, consulting services, and cybersecurity services.

Source: GTIA State of the Channel 2025 UK&I survey | n=131
GTIA State of the Channel 2025 UK&I survey | n=121

Changing Skills Requirements Keep Workforce Issues Front & Center



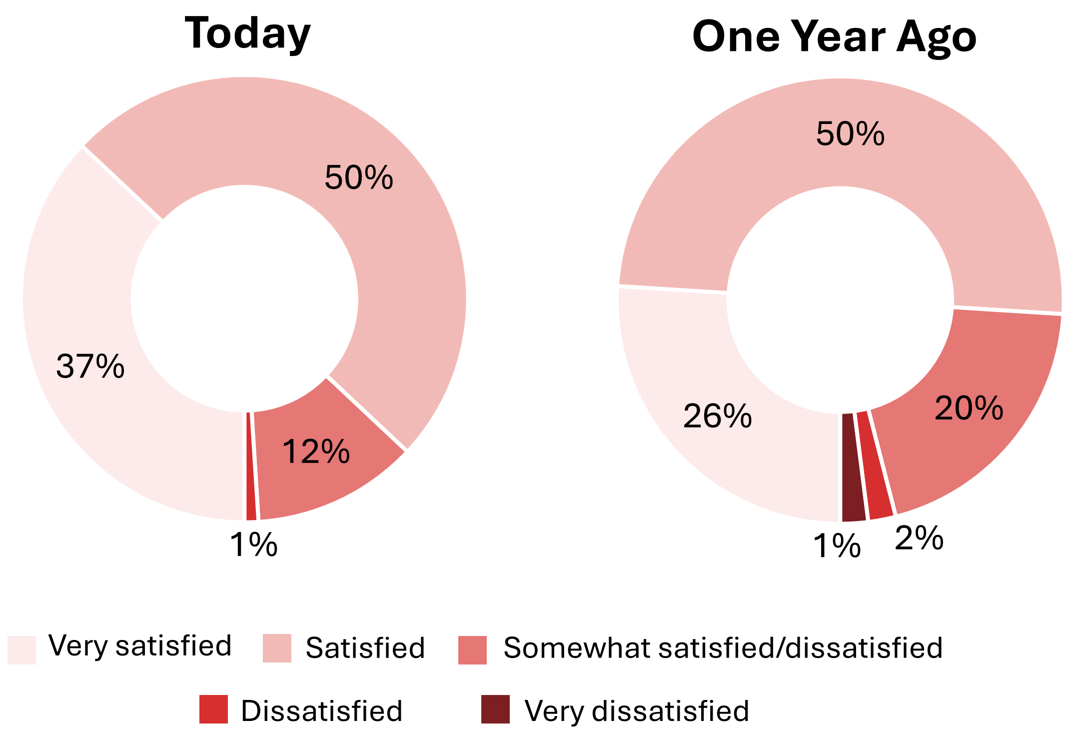


37% of UK&I channel firms said workforce skills gap issues are a potential inhibitor to a successful year ahead. Companies are addressing the gap via equal parts new hiring and upskilling of existing workers.

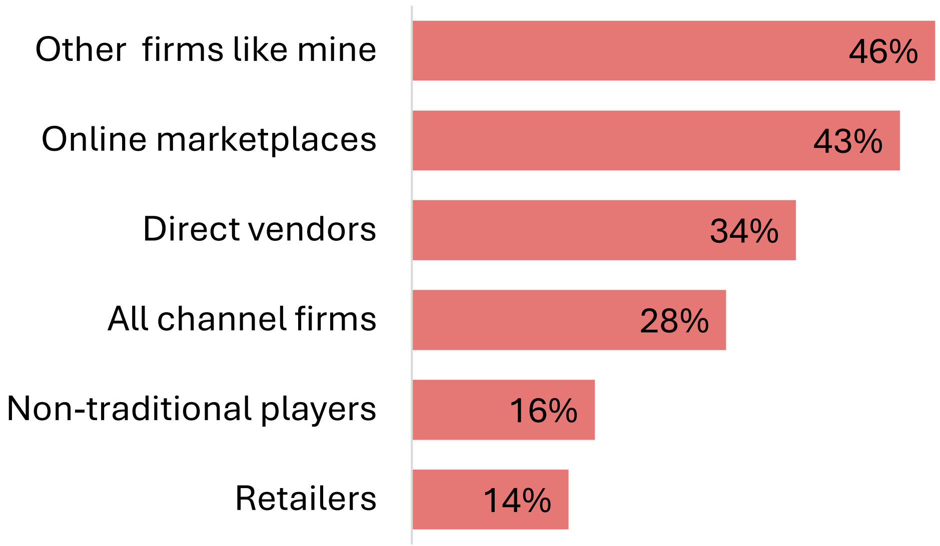
Source: GTIA State of the Channel 2025 UK&I survey | n=131

Vendor Sat Remains Steady Despite Continued Issues with Sales Conflict

Channel Assessment of Vendor Relationships



Main Competitors Cited Today



Top Reasons for Changing Vendors

45% Looking for better profitability

32% Prefer fewer, more strategic vendors

29% Looking to enter new markets

Source: GTIA State of the Channel 2025 UK&I survey | n=131

Methodology

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

The quantitative study within the UK&I region consisted of an online survey fielded to channel professionals during December 2024. A total of 131 respondents participated in the survey, yielding an overall margin of sampling error at 95% confidence of +/- 8.3 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.