



The Wave 2 MU-MIMO Wi-Fi Opportunity for Channel Partners

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Executive Summary

Small businesses, especially those with fewer than 50 employees, recognize the importance of Wi-Fi for their operations but can be hampered by older technology and unaware of available performance improvements. At the same time, technology channel partners anticipate a significant increase in the number of connected devices on the Wi-Fi networks of their small-business customers which could tax some wireless environments.

MU-MIMO (Multi-User, Multiple-Input, Multiple Output), the next generation Wi-Fi 802.11ac Wave 2 technology, helps improve overall performance and efficiency of a Wi-Fi network while providing dedicated bandwidth to MU-MIMO capable client devices as if they have their own access point.

MU-MIMO technology can help channel partners provide small-business customers with the latest solutions to support the growing number of connected devices, improving performance and productivity.

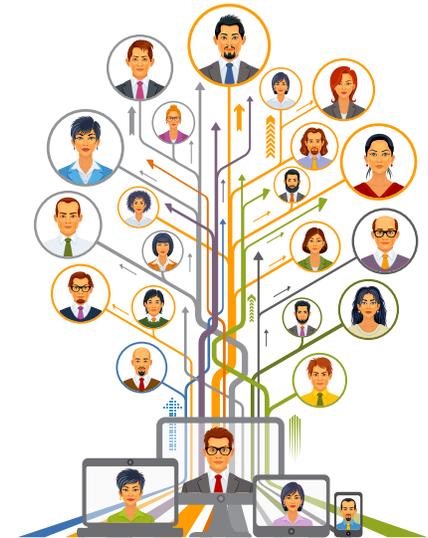
MU-MIMO Advantages for Partners

1. Attract and serve more knowledgeable, performance-oriented customers
2. Build stronger/deeper customer relationships
3. Broaden selling opportunities (services, cloud hosting)
4. Improve margins/grow revenue

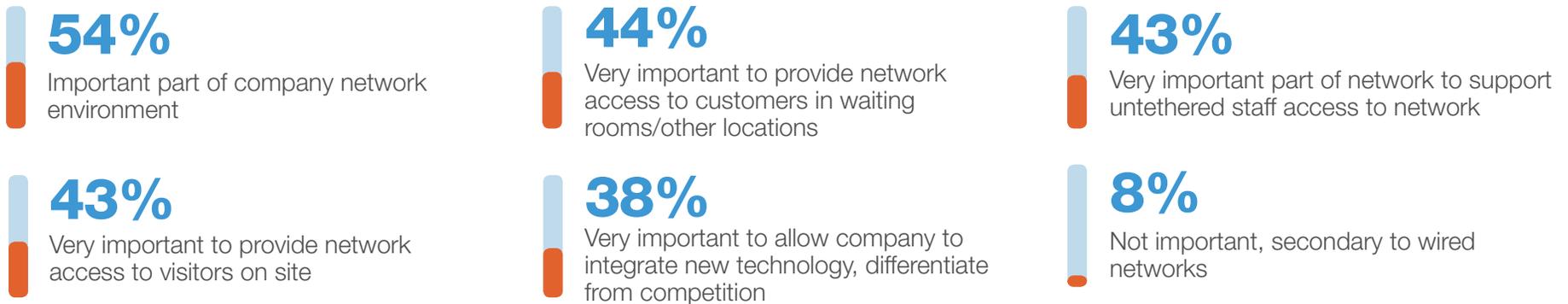


Wi-Fi Attitude and Engagement are Shifting Among Small Businesses

Channel partners surveyed by IDC have seen a shift in small-business attitudes regarding networking in general and Wi-Fi use in particular. Wireless networks are now considered an **integral part** of small-business networking environments, providing **flexibility** to staff and **communications access** to visitors and customers.



Small-Business Attitudes Regarding Wi-Fi (Multiple Response Accepted)



Source: IDC/Linksys Survey of U.S. Network Equipment Sources, February 2017, n = 203

In addition to looking at wireless technology to enhance internal productivity through improved mobile access to resources, small businesses are also interested in monetizing wireless capability directly or indirectly -- through **paid access**, or by **improving the guest experience**, especially as available Wi-Fi increasingly becomes standard in the services and hospitality sectors.

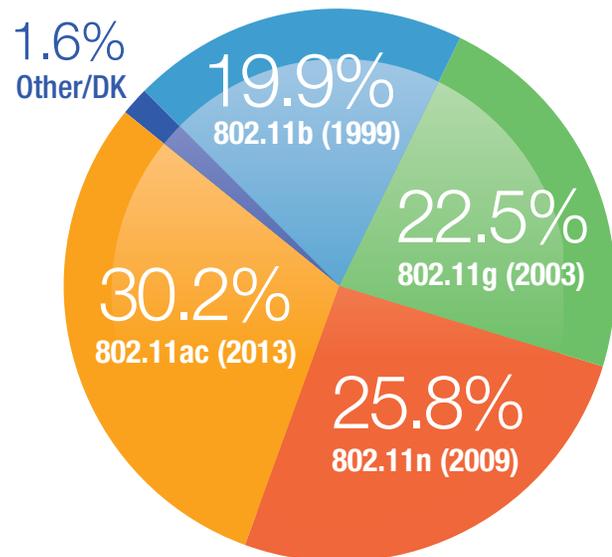
Opportunity Exists for Partners to Help SMBs Upgrade Older Technology

Despite Wi-Fi's importance and the continuous improvements in networking standards, many smaller firms have been slow to take advantage of the latest advances. Consider the Wi-Fi standards currently used: Almost half of partners who focus on small-business customers (and more than a third that serve small businesses as well as large customers) say that over 66% of their small-business customers are using wireless technology that is more than 8 years old.



Wi-Fi Standards Used by Customers (and Year Standard Formalized)

Share of Partners Citing Small-Business Use (%)



Source: IDC/Linksys Survey of U.S. Network Equipment Sources, February 2017, n = 203

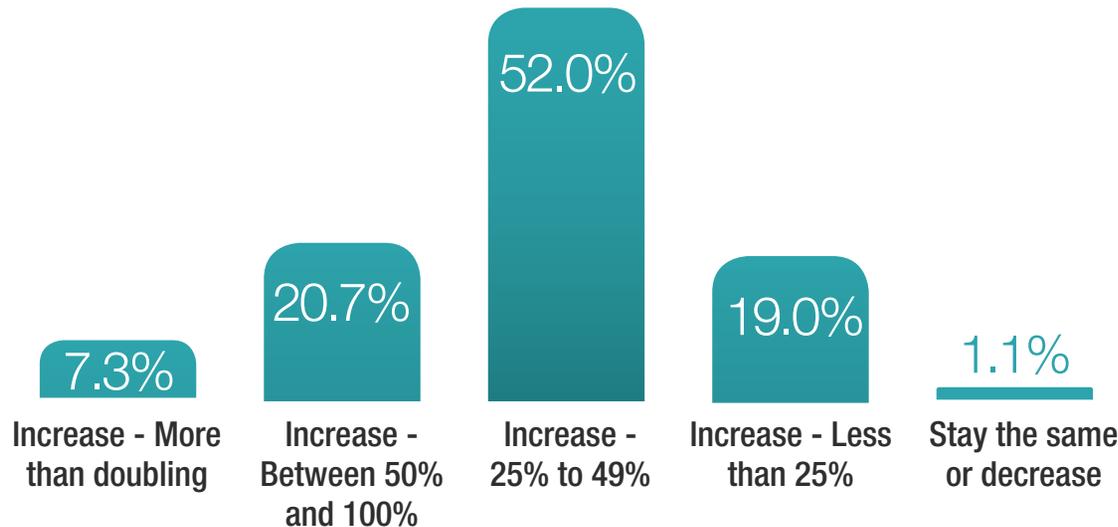
Major Increase Expected in Small-Business Wi-Fi Connected Devices

Deployment of multiple devices by small-business employees will definitely continue through 2017. Company-provided notebook PCs are being joined by business and personal tablets and smartphones, with bring-your-own-device (BYOD) approaches supported by a growing number of small companies. **Four out of five channel partners** expect a **25% increase in 2017** in the number of Wi-Fi connected devices used by their small-business customers. (And most of these devices are expected to be Wave 2, with MU-MIMO support.)



Small-Business Plans to Increase/Decrease Number of Wi-Fi Connected Devices in 2017

Share of Partners Citing Small-Business Plans (%)

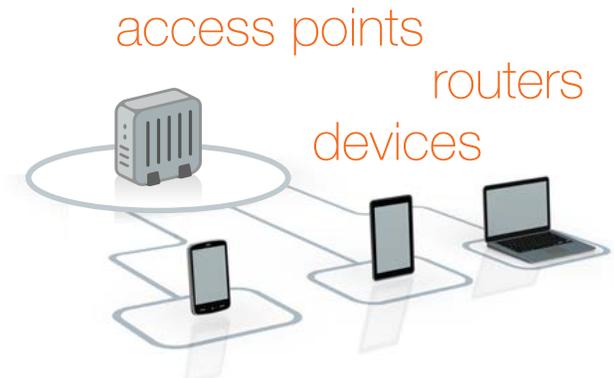


Source: IDC/Linksys Survey of U.S. Network Equipment Sources, February 2017, n = 203

Channel Partners Expect Significant Small-Business Interest in 802.11ac Upgrades

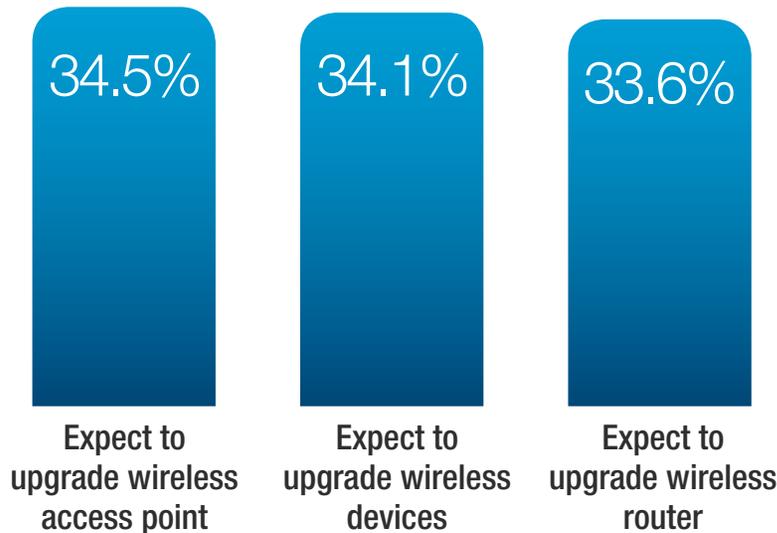
Almost half of channel partners surveyed expect most of their SMB customers will upgrade access points, devices, or routers to 802.11ac in the next 12 months. Partners focusing on small businesses are slightly more likely than those focusing on larger firms to expect upgrades for three types of wireless equipment: access points, devices, and routers. Partners with a greater **concentration of small-business customers** are more likely to cite upcoming upgrades.

Equipment upgrades include:



Expected 802.11ac Upgrades (Next 12 Months)

Share of Partners Citing Small-Business Plans (%)



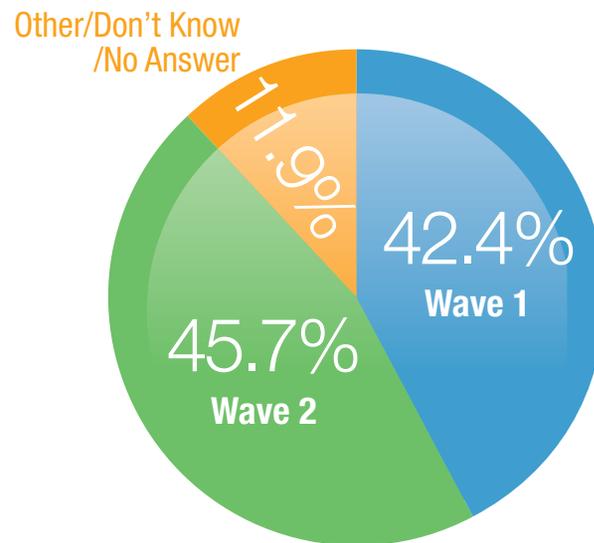
Source: IDC/Linksys Survey of U.S. Network Equipment Sources, February 2017, n = 203

Wave 2 Upgrades on the Rise

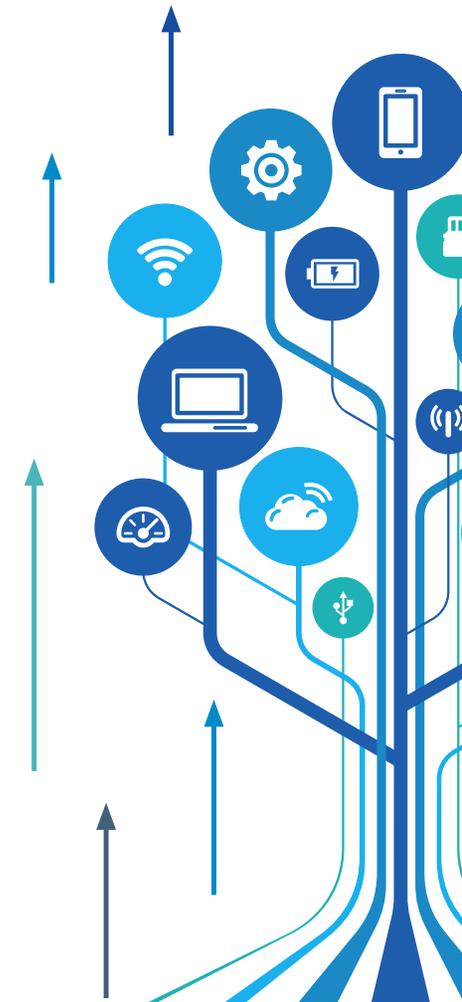
Those partners expecting 802.11ac upgrades from customers expect stronger interest in Wave 2, **with MU-MIMO support**, compared with Wave 1, although the differences are close. SMBs may not be upgrading as comprehensively as might be expected, indicating **an opportunity to encourage them to get the latest in wireless performance**.

Share of 802.11ac Upgrades Expected to be Wave 1 vs. Wave 2

Share of Partners Citing Small-Business Plans (%)



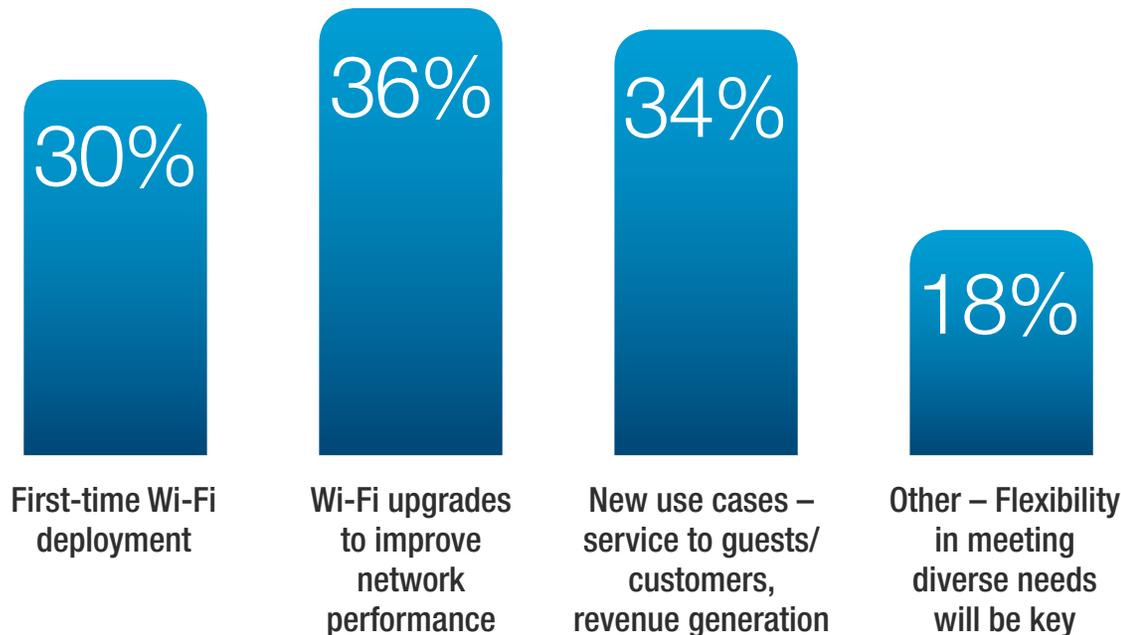
Source: IDC/Linksys Survey of U.S. Network Equipment Sources, February 2017, n = 203



Small-Business Wi-Fi Selling Opportunities 2017

Most channel partners believe the greatest selling opportunities will be in upgrading current customers and finding new use cases and first-time deployments. **This means expanding engagement with current customers as well as prospects.** For both groups, new use cases will help generate interest in new benefits associated with improved wireless performance.

Greatest Wi-Fi Selling Opportunities in 2017



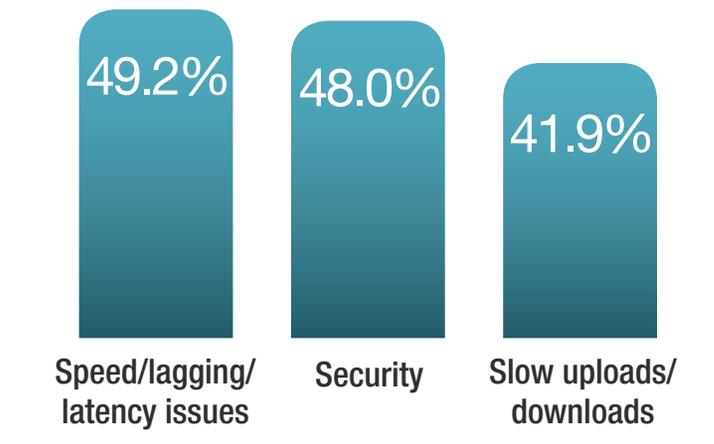
Source: IDC/Linksys Survey of U.S. Network Equipment Sources, February 2017, n = 203

Customer Pain Points: Slow Uploads/Downloads, Network Speed, and Security

Partners, especially those serving larger small businesses, note that in addition to performance concerns, **small businesses identify security as a major pain point**. While security is not an area where users typically voice complaints, it is particularly important to both **IT and Lines of Business (LOB) management**, which worry about vulnerability.

Educating customers about the advanced security capabilities of the latest Wi-Fi products can ease concerns and encourage upgrades that might otherwise be postponed (especially for those smaller firms that indicate they are currently satisfied with their Wi-Fi performance).

What Are Small-Business Wi-Fi Pain Points?



Source: IDC/Linksys Survey of U.S. Network Equipment Sources, February 2017, n = 203



Educate Customers

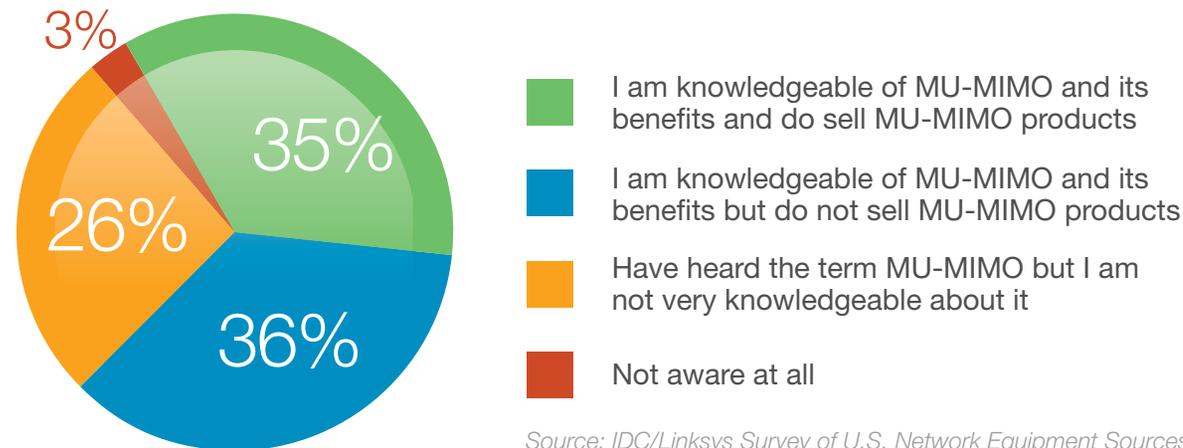
Ease Concerns

Encourage Upgrades

Channel Partners Recognize MU-MIMO's Ability to Drive New Revenue

Roughly 70% of channel partners consider themselves knowledgeable about MU-MIMO, with percentages slightly higher among those that focus on firms with 50+ employees. And the more knowledgeable partners become regarding MU-MIMO, the more likely they are to recognize its importance in driving revenue in the SMB market.

Level of Knowledge Regarding MU-MIMO Technology

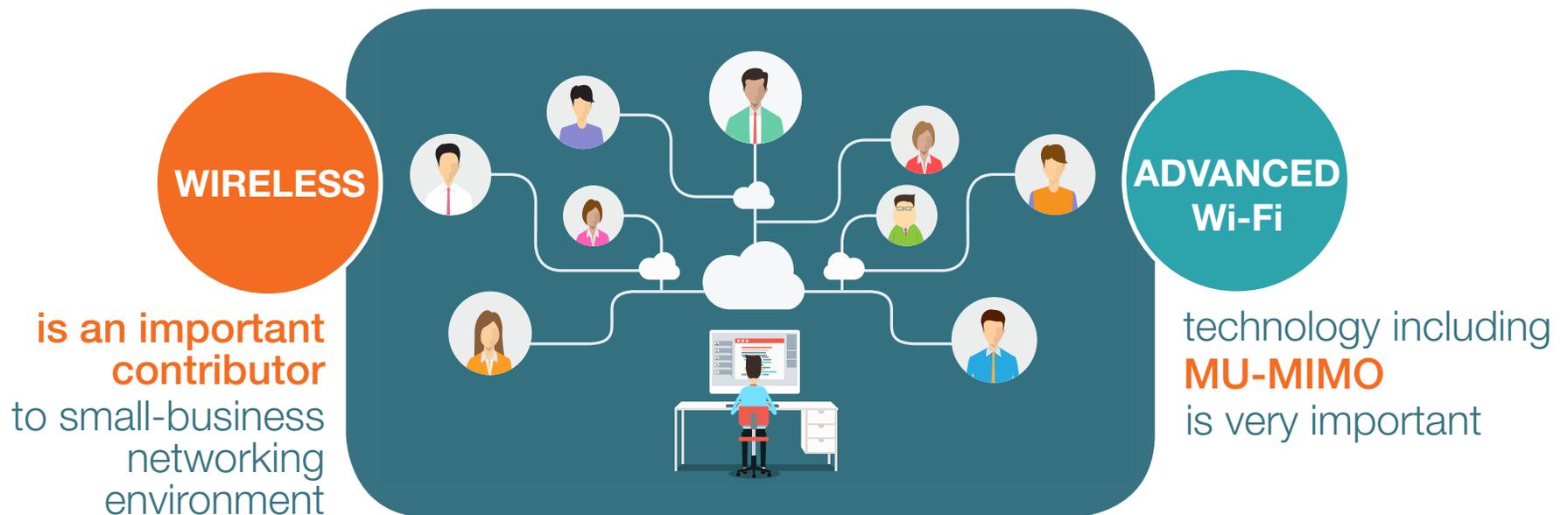


Source: IDC/Linksys Survey of U.S. Network Equipment Sources, February 2017, n = 203

However, not all partners surveyed actively sell MU-MIMO solutions, even though all are selling wireless access points and related Wi-Fi equipment. **Given potential customer interest in MU-MIMO wireless performance improvement, it would seem a useful technology to add to a partner's portfolio.**

MU-MIMO Positions Partners for Growth

Channel partners know that their small-business customers view wireless as an important contributor to the networking environment. And nearly 9 in 10 survey respondents note that their ability to deliver advanced Wi-Fi technology including MU-MIMO is important or very important in positioning them as providers of advanced technology to small-business customers.

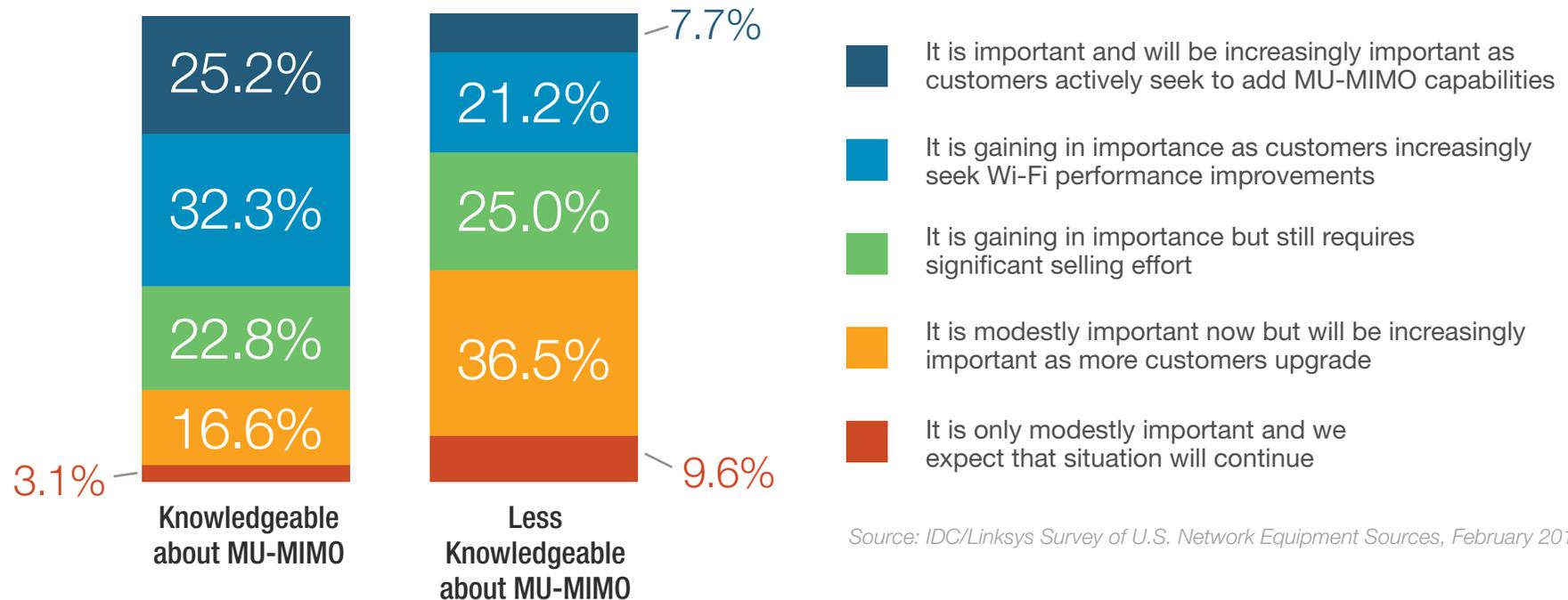


Knowledgeable Partners Appreciate MU-MIMO's Value (And Impact on Their Business)

Improving partner understanding and experience with MU-MIMO technology enhances the ability to attract and serve more knowledgeable customers (who would also be prepared to pay more for improved wireless performance). **Forward-looking partners are better able to serve customers and provide education necessary for success.**

Channel Partner View of MU-MIMO Technology and its Importance

Which statement is closest to your company's view of MU-MIMO?

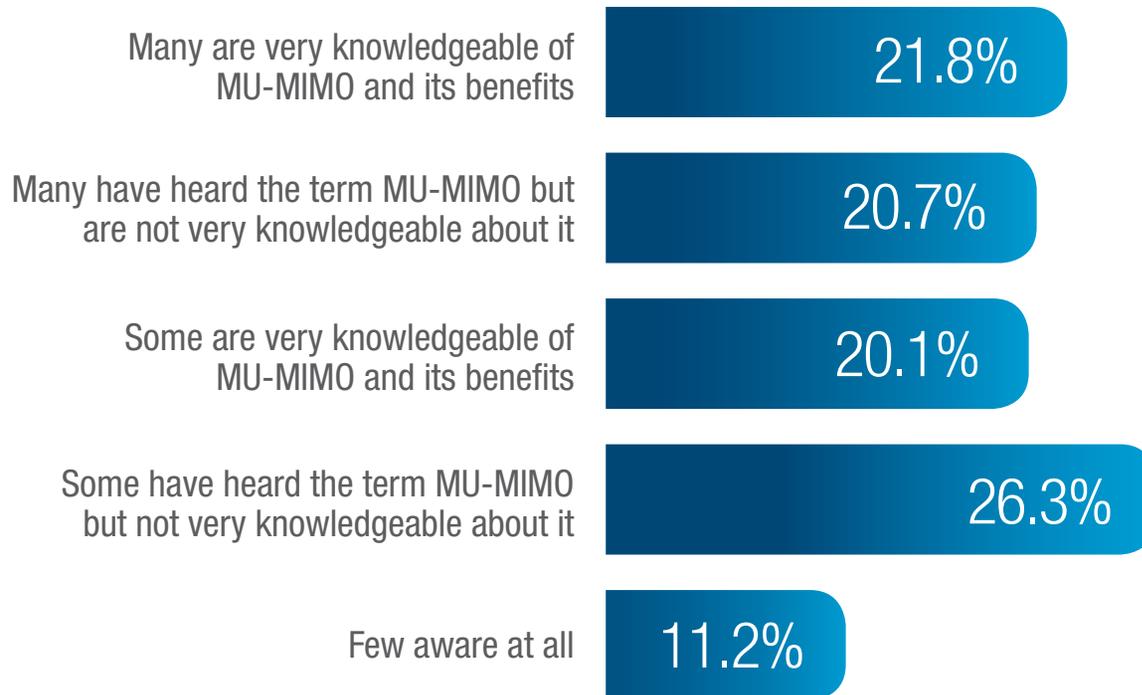


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Educate Customers About Advanced Wi-Fi Solutions

Knowledge of MU-MIMO and its benefits is not widespread among small-business decision-makers. Forward-looking partners will be better able to provide the education and guidance necessary for small-business customers to apply the latest wireless technology.

How aware of MU-MIMO do you estimate your customers are?



Source: IDC/Linksys Survey of U.S. Network Equipment Sources, February 2017, n = 203

Recommendations

- » **For channel partners**, the first step in enhancing sales of Wi-Fi equipment to small-business customers is to make the case for upgrading now. Waiting for the next generation of technology, especially given the extent of older technology in place, will place smaller firms at a productivity disadvantage. Plus moving directly to Wave 2, bypassing Wave 1, will help future-proof a technology investment.
- » **A large share of channel partners** surveyed are not offering different types of networking products that small businesses will be using along with wireless networks. Having hubs, routers, switches, and cloud services available is a natural cross-selling strategy that can benefit equipment providers. If you aren't able to offer an appealing portfolio of resources yourself, develop partnerships with others so that you can serve your customers in a comprehensive way.
- » Many small-business customers "waiting for the next generation of technology" are missing out on what is already available. **Educating prospects on the latest Wave 2 and MU-MIMO capabilities** can counter the natural small-business tendency to wait for technology improvement.

Methodology

Results are based on a Web-based survey undertaken by IDC of 179 channel partners that provide Wi-Fi solutions to small-business customers (under 50 employees). Of these respondents, 100 indicated most of their business (an average of 88%) comes from small businesses. The remaining 79 respondents indicated that just 25% of their annual revenue on average derives from small businesses.

