2020 Netwrix MSP Survey
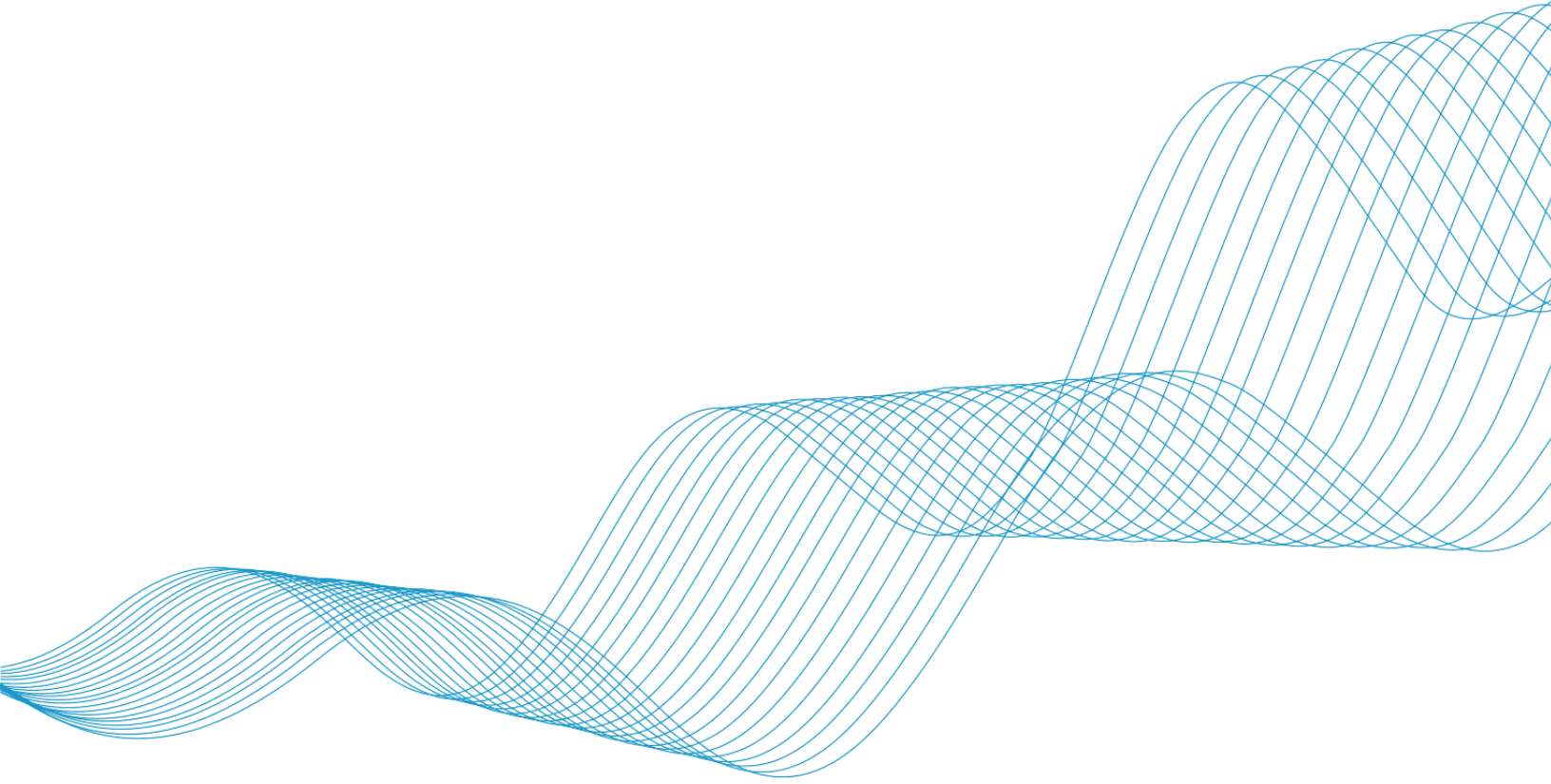
About the study

The following survey was conducted online in December 2019. It was designed to identify which techniques and activities helped Managed Service Providers (MSPs) increase customer loyalty, gain a competitive advantage and boost their business.

We asked 50 managed service providers in North America about the specific offerings that they included in their portfolio and the impact of these offerings on their business. We also asked MSPs how they work with vendors to bring more value to clients and what marketing techniques they consider the most effective. Finally, we asked them to share their plans for 2020, specifically, the activities that they will include in their marketing strategies for the next 12 months.

Chapter 1.

What organizations are targeted by MSPs?

The survey shows that most MSPs are targeting organizations from regulated industries. The majority (66%) of MSPs' customers are from a professional services sector, which includes legal organizations and real estate organizations among others. Equally 64% of companies that MSPs are working with are from healthcare and financial sectors.
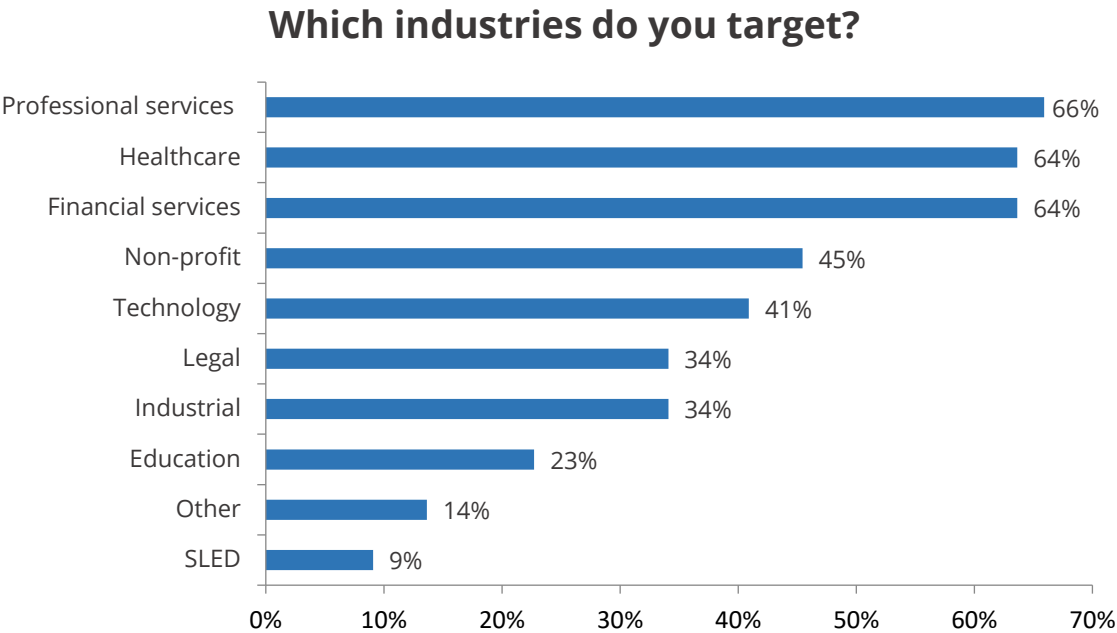
Which industries do you target?

Industry	Percentage
Professional services	66%
Healthcare	64%
Financial services	64%
Non-profit	45%
Technology	41%
Legal	34%
Industrial	34%
Education	23%
Other	14%
SLED	9%

Diagram 1: Industries targeted by MSPs.

All these organizations have one thing in common: they have to comply not only with specific industry standards (for example, 77% are subjects to HIPAA and 41% are subjects to PCI DSS), but also with privacy legislations like GDPR (16%) and CCPA (7%).

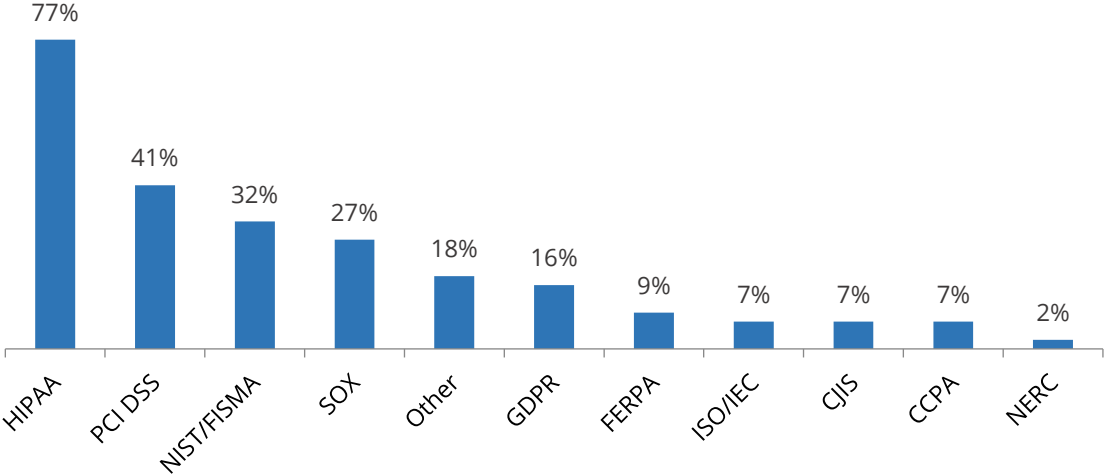## Which compliance regulations have the biggest impact on your customers?

77%
41%
32%
27%
18%
16%
9%
7%
7%
7%
2%

HIPAA PCI DSS NIST/FISMA SOX Other GDPR FERPA ISO/IEC CJIS CCPA NERC

Diagram 2: Compliance regulations that customers of MSPs are subjects to.

Chapter 2.

How did security and compliance offerings help MSPs achieve their business goals?

To help organizations meet the compliance requirements and prove that sensitive data stored by them is under protection, MSPs are expanding their portfolios with auditing solutions. The Diagram 3 shows that 70% offer auditing solutions to help their customers pass audits, 51% do it to enhance security and mitigate cyber threats for their clients, and 33% do it to simplify manual processes like User Access Control reporting.

Why did you decide to add auditing solutions to your portfolio?

Category	Percentage
To help our customers pass compliance audits	70%
To broaden our security stack	51%
To simplify User Access Control reporting for our customers	33%
To help our customers ensure operational efficiency	30%
Other	2%

Diagram 3: Reasons why MSPs add auditing solutions to their portfolio.

MSPs that offered their customers auditing solutions or bundled these solutions with industry specific services helped their customers resolve burning issues associated with security and compliance. 88% of MSPs enabled their customers to meet compliance requirements easily, 55% assisted their customers with security-related tasks and 28% helped them simplify least-privilege management.

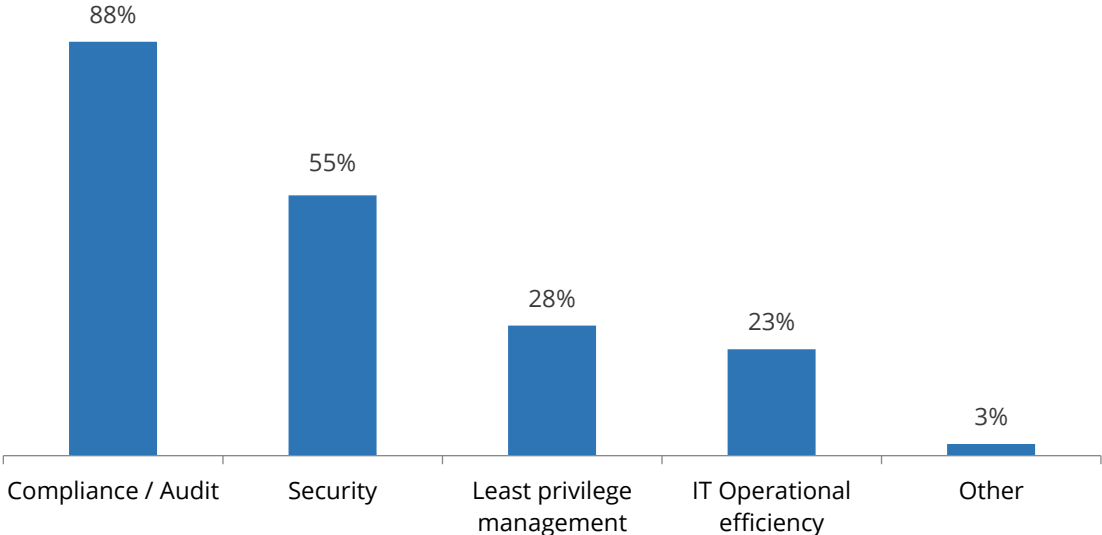## What burning issues of your clients did you resolve with auditing solutions?

Diagram 4: Customer issues that MSPs resolved by adding auditing solutions to their portfolio.

According to Diagram 5, solutions that help organizations resolve their security and compliance issues can be a great way for MSPs to bring more value to customers and boost their business. Providers that included auditing solutions in their portfolio say that these offerings helped them increase customer satisfaction (51%), improve their reputation among organizations from target industries (44%) and ensure uninterrupted service for clients (37%).

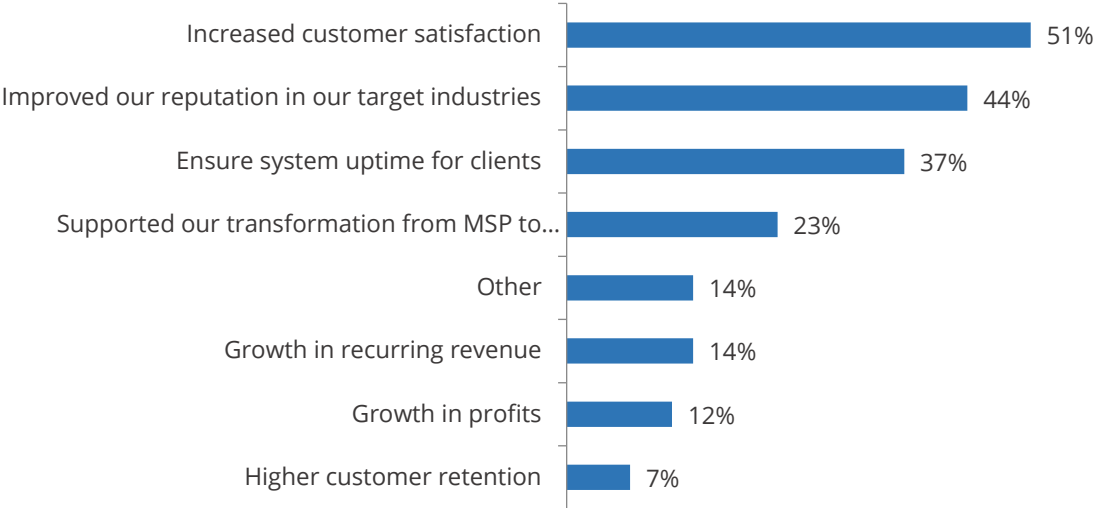## How did auditing solutions in your portfolio impact your business in 2019?

Category	Percentage
Increased customer satisfaction	51%
Improved our reputation in our target industries	44%
Ensure system uptime for clients	37%
Supported our transformation from MSP to...	23%
Other	14%
Growth in recurring revenue	14%
Growth in profits	12%
Higher customer retention	7%

Diagram 5: The positive impact of auditing solutions on MSPs' business.

Chapter 3.

What marketing techniques do MSPs use to boost their business?

Collaboration with vendors is probably one of the most effective success strategies for MSPs. Many providers collaborated with vendors in 2019 to better understand customer needs and bring more value to clients. The majority of MSPs (64%) said that training sessions with vendors were the most valuable source of information about common use cases and successful product implementation. Also, many MSPs took advantage of other joined marketing activities: for example, 42% used co-branded collateral during their communication with prospects, and 39% said that vendors provided them with contacts of potential customers.
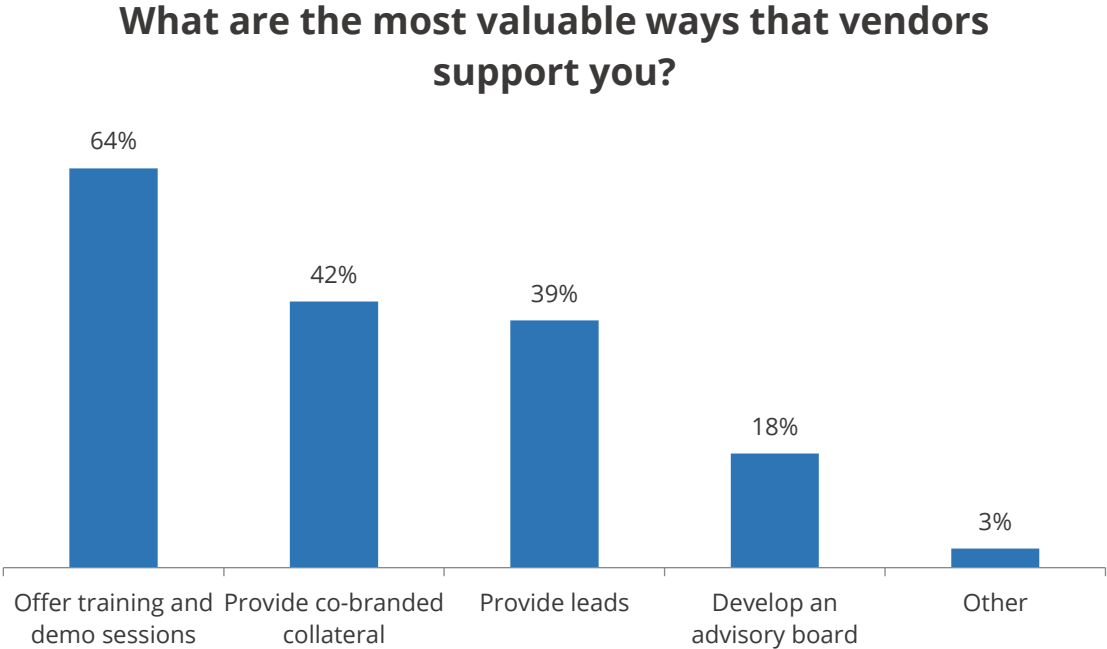
What are the most valuable ways that vendors support you?

Diagram 6: Most valuable ways that vendors support MSPs.

In 2020, MSPs plan to collaborate with vendors even more. The majority of MSPs (69%) plan to participate in "Lunch & Learn" sessions and other joint customer-facing events to generate more leads and build closer relationships with customers. Also, 44% of MSPs see webinars with vendors as a part of their 2020 marketing strategy, and 39% will target customers by launching joined email campaigns.

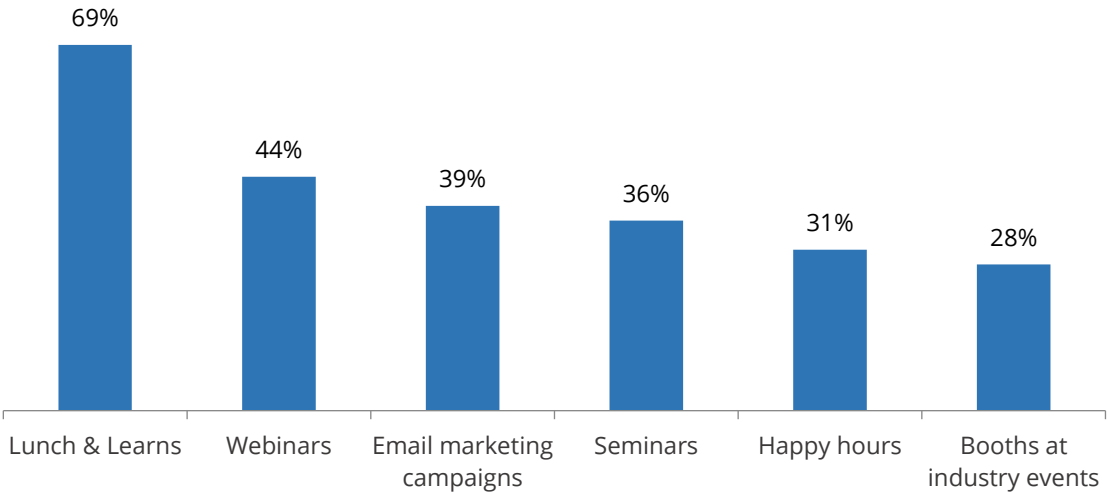## In 2020, what joint marketing activities would you like to participate in?

Diagram 7: MSPs' plans for joined marketing activities in 2020.

Speaking of other marketing activities that MSPs use to achieve their business goals, we were curious to know what marketing channels MSPs consider the most effective. 69% see business networking as a great way to meet new vendors and expand their customer base, 67% use testimonials and customer success stories shared by vendors to bring more value to customers, and 53% target their clients via email campaigns.

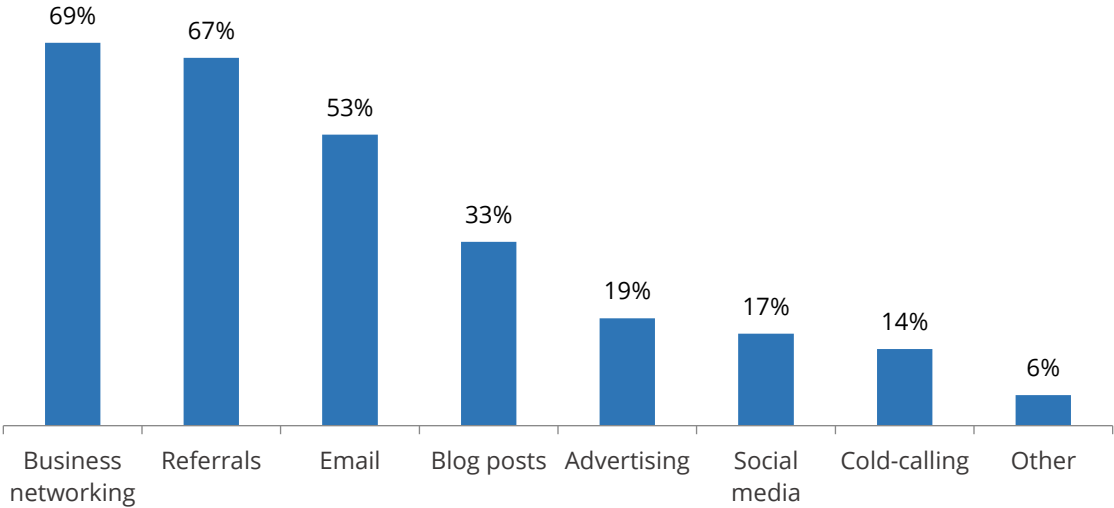## What marketing channels do you find to be the most effective?

Diagram 8: Marketing channels that MSPs consider to be the most effective.

About the report

The report is brought to you by Netwrix Research Lab, which conducts industry surveys among IT pros worldwide to discover up-to-date interests and granular trends' analysis of the industry. For more reports, please visit: www.netwrix.com/go/research

About Netwrix

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