



Gartner: Key Predictions for IT in 2010 and Beyond

This Year's Predictions Span 56 Markets, Topics and Industry Areas

Gartner, Inc. has highlighted the key predictions that herald long-term changes in approach for IT departments and the people they serve for 2010 and beyond. Gartner's top predictions for 2010 showcase the trends and events that will change the nature of business today and beyond.

These predictions were selected from across Gartner's research areas as the most compelling and critical predictions. The trends and topics they address this year speak to the changing balance of power and focus in IT. Gartner analysts said last year's themes of shifting ownership and revenue flows continue, becoming more pronounced and more sharply focused. As the macro-economic environment adjusts to a new balance between supply, consumer demand and regulation, the focus of this year's top predictions has expanded to encompass shifts in the way that users interact with IT.

"As organisations make plans to navigate the economic recovery and prepare for the return to growth, our predictions for 2010 focus on the impact of critical changes in the balance of control and power in IT," said Brian Gammage, vice president and research fellow at Gartner. "With greater financial and regulatory oversight for all IT investment decisions, few organisations will be unaffected."

"For many organisations, the economic and budgetary challenges of 2009 drove important changes in the general governance of IT investment decisions, accelerating the trend toward greater accountability and transparency," said Daryl Plummer, managing vice president and chief Gartner fellow. "With a strong emphasis on business-case justifications, chief financial officers (CFOs) assumed a more active role. Although most organisations enter 2010 preparing for a return to growth, this financial oversight is unlikely to be lifted anytime soon. For IT leaders, greater fluency in the language of business has become a requirement."

Gartner's top predictions are intended to compel readers to action and to position themselves to take advantage of coming changes, not to be damaged by them. Gartner's top predictions for 2010 and beyond include:

By 2012, 20 percent of businesses will own no IT assets. Several interrelated trends are driving the movement toward decreased IT hardware assets, such as virtualisation, cloud-enabled services, and employees running personal desktops and notebook systems on corporate networks.

The need for computing hardware, either in a data center or on an employee's desk, will not go away. However, if the ownership of hardware shifts to third parties, then there will be major shifts throughout every facet of the IT hardware industry. For example, enterprise IT budgets will either be shrunk or reallocated to more-strategic projects; enterprise IT staff will either be reduced or reskilled to meet new requirements, and/or hardware distribution will have to change radically to meet the requirements of the new IT hardware buying points.

By 2012, India-centric IT services companies will represent 20 percent of the leading cloud aggregators in the market (through cloud service offerings). Gartner is seeing India-centric IT services companies leveraging established market positions and levels of trust to explore nonlinear revenue growth models (which are not directly correlated to labor-based growth) and working on interesting research and development (R&D) efforts, especially in the area of cloud computing. The collective work from India-centric vendors represents an important segment of the market's cloud aggregators, which will offer cloud-enabled outsourcing options (also known as cloud services).

By 2012, Facebook will become the hub for social network integration and Web socialization. Through Facebook Connect and other similar mechanisms, Facebook will support and take a leading role in developing the distributed, interoperable social Web. As Facebook continues to grow and outnumber other social networks, this interoperability will become critical to the success and survival of other social networks, communication channels and media sites.

Other social networks (including Twitter) will continue to develop, seeking further adoption and specialisations with communication or content areas, but Facebook will represent a common denominator for all of them.

By 2014, most IT business

cases will include carbon remediation costs. Today, server vitalization and desktop power management demonstrate substantial savings in energy costs, and those savings can help justify projects. Incorporating carbon costs into business cases provides a further measure of savings, and prepares the organization for increased scrutiny of its carbon impact.

Economic and political pressure to demonstrate responsibility for carbon dioxide emissions will force more businesses to quantify carbon costs in business cases. Vendors will have to provide carbon life cycle statistics for their products or face market share erosion. Incorporating carbon costs in business cases will only slightly accelerate replacement cycles. A reasonable estimate for the cost of carbon in typical IT operations is an incremental one or two percentage points of overall costs. Therefore, carbon accounting will more likely shift market share than market size.

In 2012, 60 percent of a

new PC's total life greenhouse gas emissions will have occurred before the user first turns the machine on. Progress toward reducing the power needed to build a PC has been slow. Over the course of its entire lifetime, a typical PC consumes 10 times its own weight in fossil fuels, but around 80 percent of a PC's total energy usage still happens during production and transportation.

Greater awareness among buyers and those that influence buying, greater pressure from eco-labels, increasing cost pressures and social pressure have awoken the IT industry to the problem of greenhouse gas emissions. Requests for proposal (RFPs) now frequently look for environment-related criteria of both product and vendor. Environmental awareness and legislative tightening will increase recognition of production as well as usage-related carbon dioxide emissions. Technology providers should expect that they will be required to provide carbon dioxide emission data to a growing number of customers.

Internet

marketing will be regulated by 2015, controlling more than \$250 billion in Internet marketing spending worldwide. Despite international efforts to eliminate "spam," marketing "clutter" is abundant in every marketing channel. Pressure for greater accountability means the backlash from annoyed consumers will eventually drive legislation to regulate Internet marketing. Companies that focus primarily on the Internet for marketing purposes could find themselves unable to market effectively to customers, putting themselves at a competitive disadvantage when new regulations take effect. Although experiencing high growth, vendors who focus solely on, and sell predominately to, Internet marketing solutions could find themselves faced with a declining market, as companies shift marketing funds to other channels to compensate.

By 2014, over 3 billion of the world's adult population will be able to transact electronically via mobile or Internet technology. Emerging economies will see rapidly rising mobile and Internet adoption through 2014. At the same time, advances in mobile payment, commerce and banking are making it easier to electronically transact via mobile or PC Internet. Combining these two trends creates a situation in which a significant majority of the world's adult population will be able to electronically transact by 2014.

Gartner research predicts that by 2014, there will be a 90% mobile penetration rate and 6.5 billion mobile connections. Penetration will not be uniform, as continents like Asia (excluding Japan) will see a 68% penetration and Africa will see a 56% mobile penetration. Although not every individual with a mobile phone or Internet access will transact electronically, each will have the ability to do so. Cash transactions will remain dominant in emerging markets by 2014, but the foundation for electronic transactions will be well under way for much of the adult world.

By 2015, context will be as influential to mobile consumer services and relationships as search engines are to the Web. Whereas search provides the "key" to organizing information and services for the Web, context will provide the "key" to delivering hyperpersonalised experiences across smartphones and any session or experience an end user has with information technology. Search centered on creating content that drew attention and could be analysed. Context will center on observing patterns, particularly location, presence and social interactions. Furthermore, whereas search was based on a "pull" of information from the Web, context-enriched services will, in many cases, prepopulate or push information to users.

The most powerful position in the context business model will be a context provider. Web, device, social platforms, telecom service providers, enterprise software vendors and communication infrastructure vendors will compete to become significant context providers during the next three years. Any Web vendor that does not become a context provider risks handing over effective customer ownership to a context provider, which would impact the vendor's mobile and classic Web businesses.

By 2013, mobile phones will overtake PCs as the most common Web access device worldwide. According to Gartner's PC installed base forecast, the total number of PCs in use will reach 1.78 billion units in 2013. By 2013, the combined installed base of smartphones and browser-equipped enhanced phones will exceed 1.82 billion units and will be greater than the installed base for PCs thereafter.

Mobile Web users are typically prepared to make fewer clicks on a website than users accessing sites from a PC. Although a growing number of websites and Web-based applications offer support for small-form-factor mobile devices, many still do not. Websites not optimised for the smaller-screen formats will become a market barrier for their owners much content and many sites will need to be reformatted/rebuilt.

Additional information is in the Gartner report "Gartner's Top Predictions for IT Organizations and Users, 2010 and Beyond: A New Balance." The report examines the impact these long-term changes will have in combination with the ongoing trend toward the democratization of IT capabilities. The report is available on Gartner's website at <http://www.gartner.com/resId=1268513>.

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Gammage and Mr. Plummer will be hosting upcoming webinars "Gartner Top Predictions for 2010: Coping with the New Balance of Power" on January 14 and January 27. They will discuss how these predictions are changing the balance of power and focus in IT. To register for one of these webinars, please go to www.gartner.com/predicts.

Gartner's 2010

predictions span 56 market, topic and industry areas, with around 250 predictions in total. These predictions highlight the changing outlook for business, industries and IT providers, as analysts looked toward the aftermath of the economic downturn and recession. Whether preparing for a return to growth in 2010 or still dealing with the impact of the downturn, these predictions will guide the decisions IT and business leaders need to make about IT investments and broader aspects of business strategy during the year ahead. The 2010 Predicts reports can be found on the Gartner Predicts website at www.gartner.com/predicts. These reports are broken out by topic, industries, and markets.

About

Gartner

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