

# IDC Predictions 2012

## Competing for 2020

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Ricardo Villate

Vice President, Research and Consulting



and Q&A with the 2012 IDC Latin America Predictions Team



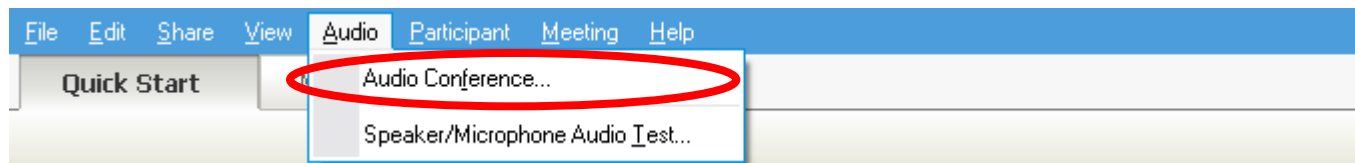
January 10, 2012

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Global brainstorm of over 1,000  
IDC analysts

How we choose our prediction themes...

- **Opportunity**-oriented
- Impact **many** market segments
- Involve **structural changes**, require **strategic choices**
- Unique opportunities to establish **market leadership**



# IDC Predictions 2011

## Latin American Team



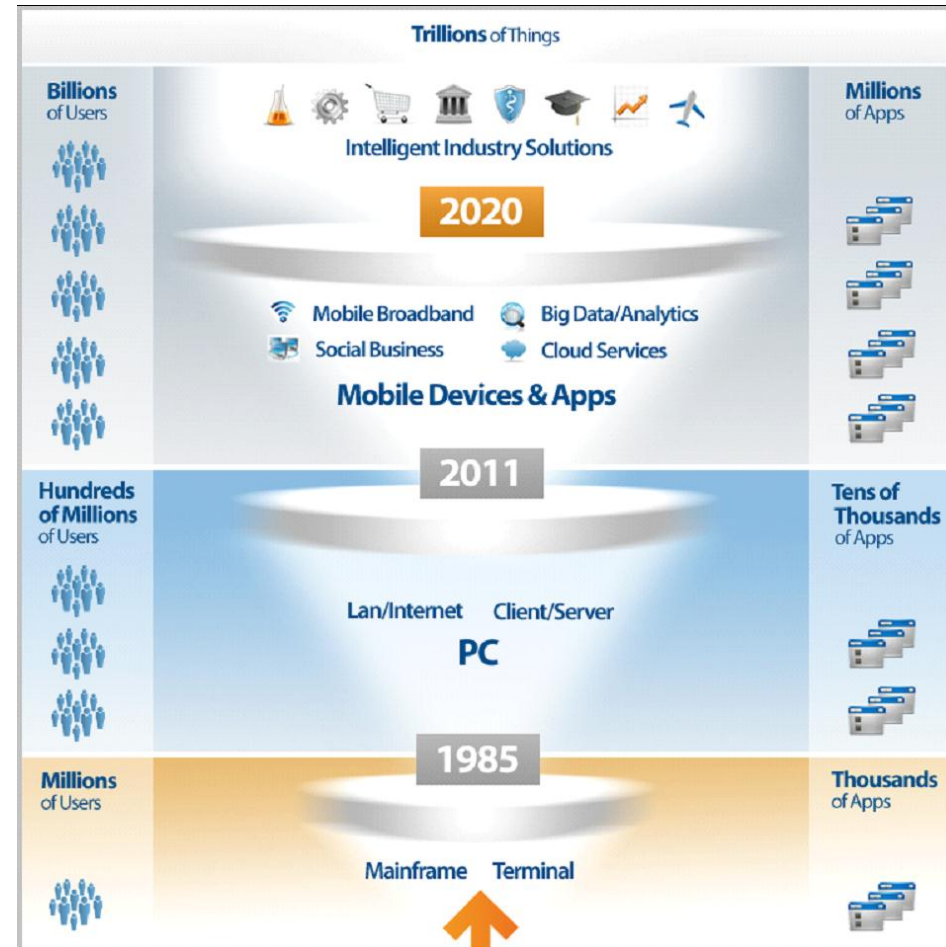
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- Ricardo Villate
- Romina Adduci
- Rosa Maria Peñalva
- Waldemar Schuster

## The Third Platform for IT Industry Growth & Innovation

By 2020, when the ICT industry reaches \$5 trillion — \$1.7 trillion larger than it is today — at least 80% of the industry's growth will be driven by:

- Third platform technologies
- An explosion of new solutions built on the new platform
- Rapidly expanding consumption of all of the above in emerging markets

In 2012, we predict battles to lead the ICT marketplace of 2020 will start to be won *and* lost.



# #1. A decade of momentum in Latin America will bring stable growth in 2012

- 2000-2010 was a **decade of prosperity** for Latin America
  - 12% of population moved out of poverty; 15% of population moving into the middle classes
  - IT growth outpacing the global average by a ratio of 2.1 to 1
  - There has always been risk. 2012 is not the exception, but it is now mostly external
- ICT markets will continue to benefit by a **virtuous cycle** of growth and demand
  - ICT growth will remain high
  - Geographic diversity in growth will also remain, with Chile, Brazil, Colombia leading



| ICT Spending 2012 |        |
|-------------------|--------|
|                   | Growth |
| IT                | 12.2%  |
| HW                | 13.3%  |
| SW                | 10.2%  |
| Services          | 10.5%  |
| Telecom services  | 9.8%   |

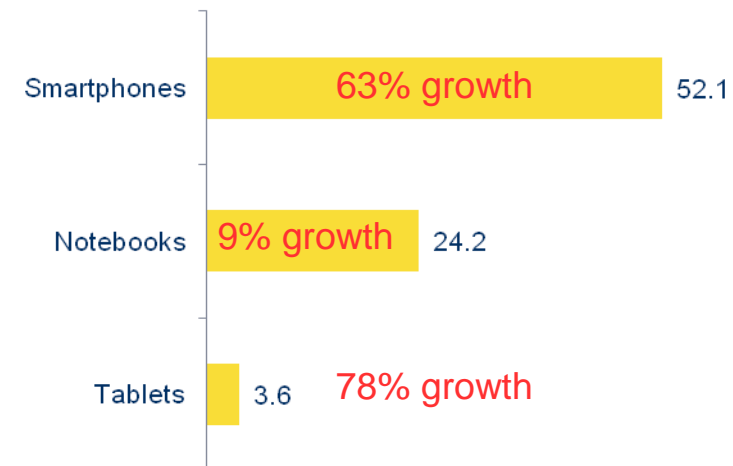
Source: IDC WW BB v.3Q12, November 2012

# #2. The 4th-screen evolves into a complementary market, fueled by emerging innovation

- Are tablets **replacing PCs?**
  - More smartphones in 3 weeks than tablets in a year
  - More notebooks in one quarter in Brazil than all Latin America tablets in a year
  - Cannibalization in mature markets remains in the single digits
- **Tablets will change the ecosystem**
  - New complementary uses will emerge in industry solutions
  - Combination of features will create new needs
  - New players emerge: Apple and non-Apple; telcos; Amazon



Latin America Device Shipments  
2012, millions



Source: IDC Quarterly Mobile Device, PC, Media Tablet Trackers, 2011 Q3

# #3. Consumerization of IT: A growing IT-savvy elite brings innovation from their lives to the enterprise

- A generation of workers brought up in a world dominated by technology **is changing IT adoption**
  - Better communication/collaboration tools
  - Innovative ways to store and share files
  - Social tools and platforms
  - Their own mobile devices
- Consumerization will **determine new corporate dynamics** and market opportunities
  - UC and Storage 'as-a-service'
  - 'Hybrid' devices for 'best of both worlds'
  - New direction of mobile device mgmt.
  - Expansion of security features/applications



**In 2012, TWO OUT OF EVERY THREE companies will allow [some] employees to bring their own devices**



# #4. Mobile network expansion reaches critical dimension

- Mobile data continues to grow at exponential rates
  - Smartphone installed base will grow 71% to more than 80 million users by the end of 2012
  - Mobile payments and machine-to-machine services taking off
  - In 2012 mobile data spending will account for over 30% of the total mobile spending
- Latin America moving simultaneously to **3G** and **4G**
  - Most operators will first deploy HSPA+ and then LTE
  - Initial 4G deployments will complement existing networks



**Average monthly usage in post paid mobile devices\* will surpass 1Gb**

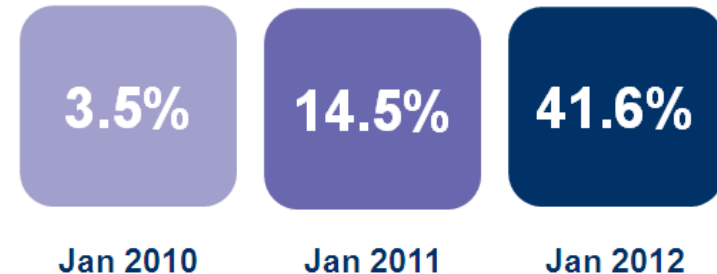
**Mobile data spending will surpass \$35 Bn in 2012**

The figure does not include traditional feature-phone usage

# #5. Cloud services' coming of age: The beginning of a full blown transition and the end of the hype



Are you currently using or considering using any cloud services or cloud computing in your organization?



Source: IDC Cloud Services Report Card 2012 (Preliminary)

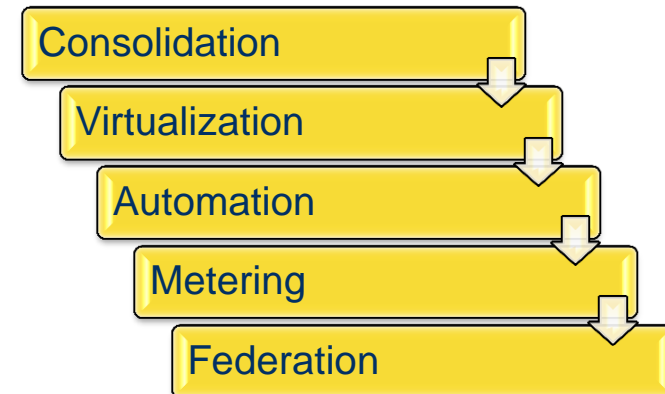
- **Most companies understand Cloud**
  - Only 20% of medium and large companies remain 'alien to the concept'
  - Cloud services adoption will exceed \$1.5 Bn in 2015, growing 5.3 times the industry, but still representing a minor share of total IT spending
- As Cloud becomes a household term, the reality of adoption will **present many faces**
  - Diverse levels of offerings still confusing
  - Migration trials will open innovation opportunities
  - 'Cloud for SMB' emerges

# #6. IT for Cloud at a crossroads: First steps will pave the way for 'Third Platform' infrastructure

- As virtualization starts to commoditize, the infrastructure **foundation for private Cloud is laid**
  - Two out of five medium and large companies in Latin America runs a virtualized environment
  - 80% of them have or are deploying high (redundant) availability AND disaster recovery features in virtualized environments
  - The competition in the blade server and virtualization software markets will be fiercer than ever
- But the road to **Cloud architecture is still beginning**
  - Less than 10% organizations have widespread use of IT service and operation or metering/chargeback software



## Roadmap to Cloud Architecture



# #7. Big Data: A 'big' market is defined not by its size but by its use

- Latin America continues to see the effects of rapid accumulation of information
  - New capacity installed of disk storage systems in 2012 will surpass 200 terabytes
  - Investment in traditional tools to manage information will reach \$2.2 billion in 2012
- The traditional approach to data management is only the beginning. A new 'Big Data' market emerges
  - Big data infrastructure
  - Big data organization and management
  - Big data analytics and discovery
  - Big data decision support and automation interface



**Big data market ecosystem will become a \$370 million dollar opportunity in 2012 and a billion dollar market by 2015**

# #8. Intelligent industries: Market-changing industry solutions will shape the way we interact

- In 2012, we will see the emergence of intelligent solutions in Latin America's most significant industries: **Finance, Manufacturing, and Government**
  - Mobile payments transformation, led by alliances between telcos, banks and device manufacturers
  - Product and inventory tracking from the supply chain to retail will integrate devices, applications, and geo-location solutions in brand-oriented industries
  - City infrastructure gets smarter as transport, security and energy innovation come into play



**Intelligent industry solutions represent the ultimate value of 'third platform' forces put together**

# #9. A new visualization and storage paradigm will shift content management dynamics

- Along with the explosion of content, management and viewing of data revolution will present enormous **challenges**
  - Businesses must deliver and control content cost-effectively
  - Consumers want to access content in multiple ways and on a multitude of devices
  - Networks must provide capacity
- **Technology dynamics will shift** in the content management ecosystem
  - New content standards are adopted
  - Content management software use increases
  - Use of 'paperless processes' takes hold



**Content management software market will grow at 14% between 2011 and 2012**

**Potential impact on part of the \$6-7 billion spent every year on printing hardware, toner, ink and paper.**

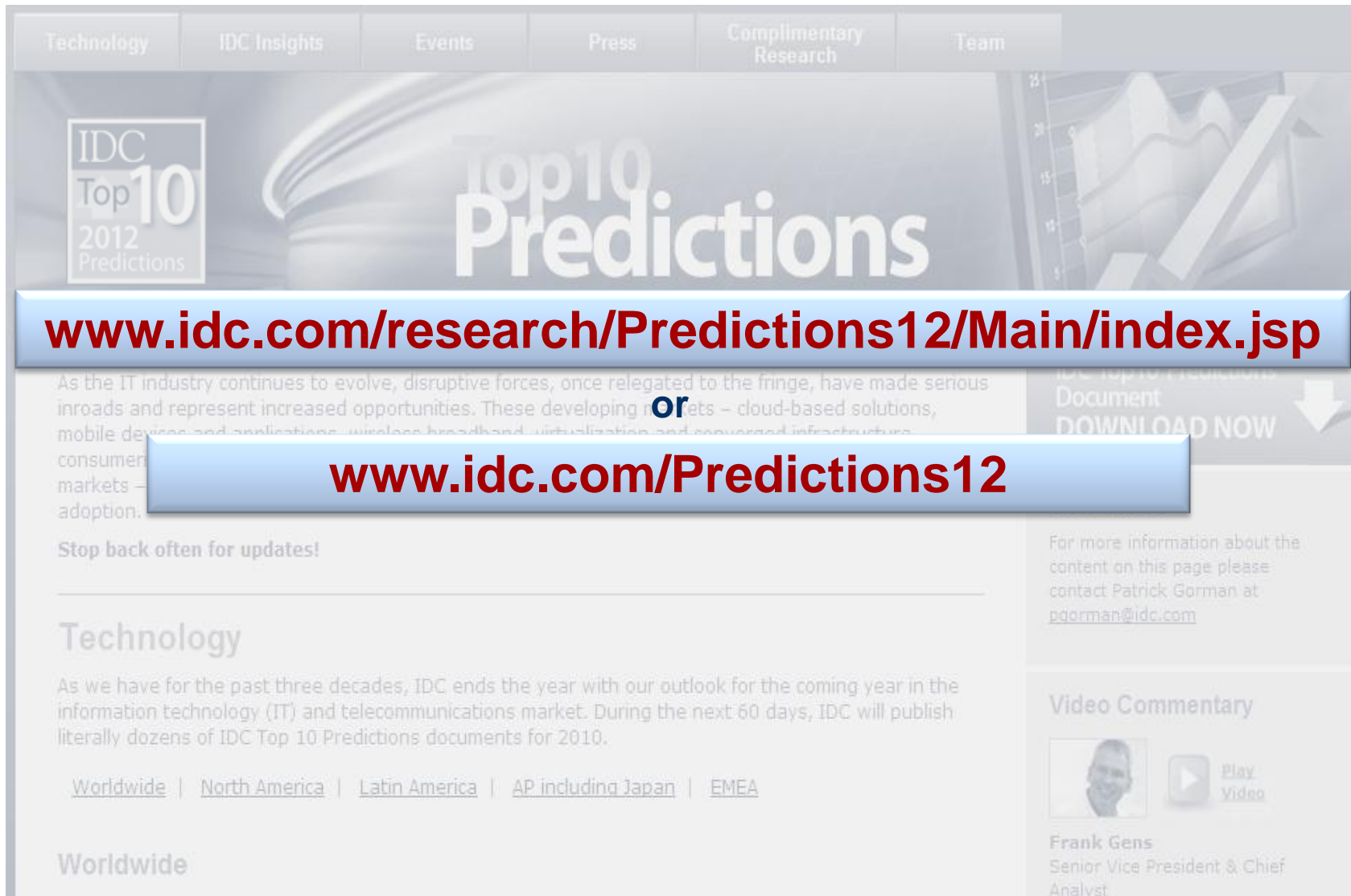
# #10. Low-cost Asian vendors thrive in Latin America

- Seeking strong growth markets **low-cost Asian vendors will up the ante** in 2012
  - In consumer devices, by expanding from entry-level featurephones to high-end phones and smartphones
  - In tablets, by moving preemptively and capturing Apple's uncovered spaces
  - In networking, by capitalizing on their landmark wins with service providers and moving aggressively into the enterprise
  - In services, by capturing local demand based on their solid reputation in the export markets



**While 5 years ago Chinese players represented 5% of all phones sold in Latin America, by 2012 one out of every four phones sold in the region will be a Chinese company**

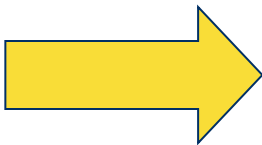
# “IDC Predictions Central” at idc.com



The screenshot shows the IDC Predictions Central website. At the top, there is a navigation bar with links for Technology, IDC Insights, Events, Press, Complimentary Research, and Team. The main header features the text "Top 10 Predictions" and a "Top 10 2012 Predictions" badge. A large blue banner contains the URL [www.idc.com/research/Predictions12/Main/index.jsp](http://www.idc.com/research/Predictions12/Main/index.jsp). Below this, there is a "Document DOWNLOAD NOW" button with a downward arrow. A second blue banner contains the URL [www.idc.com/Predictions12](http://www.idc.com/Predictions12). The page content includes a paragraph about disruptive forces in the IT industry, a "Stop back often for updates!" message, a "Technology" section with an introductory paragraph, and a list of regional links: [Worldwide](#), [North America](#), [Latin America](#), [AP including Japan](#), and [EMEA](#). On the right side, there is a "Video Commentary" section featuring a video player with a "Play Video" button and a photo of Frank Gens, Senior Vice President & Chief Analyst.



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- What actions vendors and users will take in response to those forces.

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### Session Speaker



**Jay Gumbiner, Director Consumer and Commercial Devices, Latin America**, has been recognized as the leading expert on market trends, competitive positioning and channel dynamics for the consumer and commercial devices business in Latin America. His specific areas of expertise include PCs, Printers, Printer Supplies, Digital Cameras, and Mobile Phones, among other products. [More](#)



**Ricardo Villate, Vice President, Research and Consulting, Latin America** has more than 15 years of experience in the IT and financial industries in Latin America. During his tenure at IDC, he has held various positions within the organization. Prior to becoming Research and Consulting Vice President for Latin America, he was General Manager, Southern Cone (Argentina, Chile, Peru). [More](#)

Predictions 2012 www.idclatin.com

<http://www.idclatin.com/campaign/predictions/>

# Questions & Discussion

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# Joining Us For Q&A...



## Solutions

- Ricardo Villate

## Telecom

- Romina Adduci
- Diego Anesini

## Enterprise SW, HW & Services

- Alejandro Florean
- Cesar Longa

## Consumer

- Jay Gumbiner