Latin America Predictions 2013
Catching Up with Innovation on the 3rd Platform
IDC Predictions: How the Process Works

- 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
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IDC Top 10 Predictions 2013
Competing on the 3rd Platform

From 2013 through 2020, 90% of IT industry growth will be driven by 3rd Platform technologies that today, represent just 22% of ICT spending.

80% of competitive energy should be focused on strengthening 3rd Platform offerings and capabilities.
#1. Latin America will Pursue Growth Behind 3rd Platform and Innovation Needs

- A region in search for new growth frontiers
  - A shock-resistant economy, domestic demand and middle-class riches will fuel short-term economic growth in 2013
  - Structural challenges, however, hinder long-term growth
  - **Technological innovation will become a mantra for long-term productivity increases**

- The 3rd Platform journey will define the industry
  - It will accelerate industry growth to 10.3%
  - It will re-define the CIO perspective
  - It will once more re-shape the partner ecosystem
  - It will expand consumption patterns

Factor of growth of IT in Latin America against the global average (and 1.97 in telecom services)
#2. Mobile Explosion Will Define ICT, Transforming Pricing Models

- Mobility drives a profound **change in IT market spending**
  - During 2013, smartphones and tablets will grow by 34% and generate 23% of all IT sales and 57% of all IT growth.

- A fundamental **change in pricing** will emerge in 2013
  - Content as a subsidy to the device will emerge
  - Tablet price points will significantly reduce
  - Ease of use will contrast with piracy concerns

- Combined data services and content pricing models will result in added revenues for service providers
  - “Tablet-attached” will contribute to ¼ of mobile data services market growth in 2013 which is 25%, 3.2 times the industry average

4.5%

Growth of the IT industry without smartphones and tablets (compared to 10.3%)
#3. Multi-Device and BYOD Will Catch the Market Unprepared

- The rate of mobility explosion accelerates **multi-screen/multi-device and BYOD usage**
  - More than 50% of all workers will use a mobile device for business in 2013
  - 1 in 2 organizations will enable personal liable devices for business use
- Although a minority until today, in 2013, **3 in 4 companies will need to reevaluate their mobility management strategy**, impacting industry supply and demand
  - Suppliers will see effects in device OS, management SW, app development, data-center architecture, and security
  - Consumers will ponder their personal network
  - Companies will take a step back to design integral strategies

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9+ million

Smartphones and tablets added to installed base under BYOD modality
#4. Device Cannibalization Will Expand Well Beyond PCs

- The impact of tablet and smartphone explosion will be devastating to other categories:
  - Desktops will continue to shrink, while notebooks will only show moderate growth of 8%
  - Digital still cameras market will shrink by 2 million units in 2013
  - Average number of printers in homes will decline
  - PC monitors with no TV tuner will show double digit declines

- Device cannibalization will also impact the expanded services ecosystem, with revenues moving from break and fix to replacement
  - The IT support and maintenance services market will grow 3.8 points slower than the average of the IT industry

6 out of 10

Of 130 million computing devices (PCs, tablets, smartphones) sold in 2013 will be smartphones
#5. Cloud Markets Will Emerge from Workloads

- In 2010-2012, Cloud moved from awareness to consideration. Public cloud will reach $647 M in 2013.
- In 2013 several ‘Cloud markets’ will emerge:
  - Email and Web portal are already first. Data warehousing closely follows.
  - In 2013 other workloads will become Cloud markets: analytics, talent management, application development, social enterprise.
- CIOs will prioritize based on perceived business value vs. cost/risk
  - This will impact budgets and time frames
  - A workload-segmented vendor approach will become necessary.

16%
Proportion of companies that will have their e-mail on the Cloud by the end of 2013.
#6. Awareness of Big Data will Surge

- With the digital universe growing 50% in 2013, one in three companies will invest in big data to address Value, Volume, Variety, or Velocity issues.
- Companies will realize the need to understand the technology shift and the business implications:
  - Companies will start with **infrastructure optimization**
  - The second priority will be **data organization and management**
  - Companies will increasingly explore data **discovery and analytics applications**
- Big Data investments will reach 480 million dollars in 2013.
#7. Datacenter Transformation will Continue, Fueled by 3rd Platform

- 3rd Platform adoption will impact how datacenter technologies are deployed and consumed
  - Increased use of **converged infrastructure** as a rapid inroad to private Cloud
  - High availability on virtualized environments as **virtualization** reaches 60% penetration
  - Homogeneous **security** across public and private domains fuels $445 M investment
  - Investment in change and configuration management/workload scheduling
  - **High-speed ethernet** deployed by 1 in 3 companies in 2013
  - **Datacenter services** growth continues, reaching 3 billion dollars in 2013

- The Cloud datacenter will grow from the outside-in, seeking homogenization of all IT asset management across all datacenter workloads

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#8. Intelligent Industries will Add Layers, Metrics, Integration of 3rd Platform Mashups

- Smarter, industry-oriented technologies will be adopted on the 3rd Platform
  - Integrated risk management and smart customer experience in finance
  - Smart quality control and supply chain monitoring in manufacturing
  - Omni-channel and value-chain management in retail
  - Smart citizen services, transport management, and cross-agency integration in government

- 2013 will see the emergence of 3rd Platform mashups
  - **Layers** of intelligence using PaaS will become the next-generation platform
  - New **metrics** of intelligence will be discovered using analytics mashups
  - **Integration** will take a new turn

65% Banks, manufacturers or retailers evaluating smart solutions in 2013 (20% of them on the Cloud)
#9. CIO Professional Focus will Transform

- **Innovation** is at the center of the CIO agenda
  - CIOs strategy moving from aligning IT to business to ‘becoming’ the business
  - 25% of CIOs prioritize fostering innovation with IT and making IT more strategic

- The move to Chief Innovation Officer will be felt in many aspects of the IT operation
  - IT investment link to strategy
  - LOB involvement in spending decisions
  - IT department structure and metrics
  - Governance as the top worry
  - 3rd Platform competencies increasingly sought after

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#10. Colliding Ecosystems Will Continue Disrupting Supplier Landscape

- IDC’s prediction of supplier disruption in the last two years has become true and will continue in 2013
  - **Cloud** will impact revenue streams, cycles, and economies of scale. With Cloud, Telcos will gain importance in SMB
  - Telco and retail will converge in mobility, with more services, content, and apps
  - **Intelligent industry** solutions will require a consolidation of cross-industry and vertical-industry solution vendors
- With increasing consolidation of the channel, shrinking opportunities will favor competency, collaboration, and value-add

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