



# Latin America Predictions 2013

Catching Up with Innovation on the 3<sup>rd</sup> 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**

# Latin America Predictions Team

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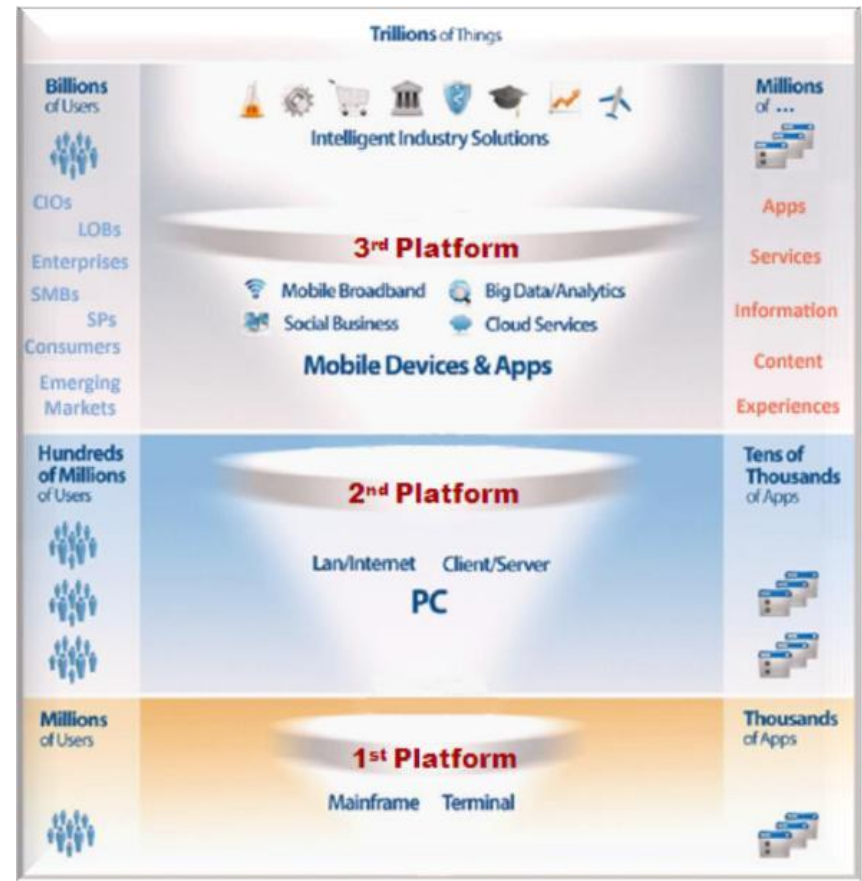
**Ricardo Villate**

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# Competing on the 3<sup>rd</sup> 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 3<sup>rd</sup> 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

1.74

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 1/4 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



**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

**1 in 3**

Big Data projects will involve data discovery and analytics solutions during 2013

# #7. Datacenter Transformation will Continue, Fueled by 3rd Platform

- 3<sup>rd</sup> 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



60%

Of the 3,500 largest enterprises building, expanding, transforming their datacenter

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

- Smarter, industry-oriented technologies will be adopted on the 3<sup>rd</sup> 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 3<sup>rd</sup> 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
  - 3<sup>rd</sup> Platform competencies increasingly sought after



**1 in 5**  
 CIOs that will implement  
 new metric standards to  
 track IT operations in  
 2013

# #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



70%

Companies that will evaluate a shift to new preferred IT partners during 2013



# Acompañándonos en la sesión de Q&A:

## Solutions

- **Ricardo Villate**, Vicepresidente de Investigación y Consultoría, IDC LA

## Telecom

- **Romina Adduci**, Directora de Investigación y Consultoría en Telecomunicaciones, IDC LA
- **Diego Anesini**, Gerente de Investigación en Telecomunicaciones para IDC Brasil
- **Evelyn Pineda**, Gerente de Investigación en Telecomunicaciones para IDC LA

## Enterprise SW, HW & Services

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- **César Longa**, Gerente de Software Empresarial, IDC LA
- **Juan Pablo Seminara**, Gerente de Hardware Empresarial, IDC LA

## Consumer and Commercial Devices

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- **Paola Soriano**, Gerente Regional de PCs/Tablets, IDC LA
- **Oliver Aguilar**, Analista Regional de Teléfonos Móviles y Monitores, IDC LA

## Insights

- **Roberto Gutierrez**, Director de Investigación y Consultoría, Industry Insights, IDC LA

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## Latin America Predictions 2013

### Competing on the 3rd Platform

Opportunities at the Intersection of Mobile, Cloud, Social and Big Data

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"The ICT industry is in the midst of a once every 20-25 years shift to a new technology platform for growth and innovation. We call it the 3rd Platform, built on mobile devices and apps, cloud services, mobile broadband networks, big data analytics and social technologies. By 2020, when the ICT industry reaches \$5 billion - \$1.7 billion larger than it is today - at least 80% of the industry's growth will be driven by these 3rd platform technologies, an explosion of new solutions built on the new platform, along with rapidly expanding consumption of all of the above in emerging markets. IDC will share predictions of 2013's critical events - ones that will radically redefine the market, and redistribute market share - as new solutions and leaders emerge on the 3rd platform".

**Webinars in Spanish:**

**Ricardo Villate**  
Research and Consulting Vice President  
Latin America IDC

**Webinars in English:**

**Jay Gumbiner**  
Consumer and Commercial Devices Director  
Latin America IDC

**Be part of this webinar!**

**IDC Latin America Predictions 2013 Webinar in Spanish January 9th**  
12:00 pm Eastern Time  
Mexico 11AM / Peru 12 PM / Chile 2 PM  
Argentina 2 PM / Brazil 3 PM

**Reserve your place!**

**IDC Latin America Predictions 2013 Webinar in English January 10th**  
12:00 pm Eastern Time  
Mexico 11AM / Peru 12 PM / Chile 2 PM  
Argentina 2 PM / Brazil 3 PM

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**IDC Latin America Predictions 2013 Web Press Conference in Spanish January 9th**  
12:00 pm Eastern Time  
Mexico 11AM / Peru 12 PM / Chile 2 PM  
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## IDC Predictions 2013

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Opportunities at the Intersection of Mobile, Cloud, Social, and Big Data

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**Frank Gens**  
Senior VP, Chief Analyst

IDC Predictions 2013  
Chief Marketing Officer Predictions: Today's CMO Becomes Master of Data

**Rich Vancil**  
Group VP - Executive Advisory Strategies

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