

Welcome to the latest edition of the IDC UK newsletter. This issue centers on our predictions for the year ahead. IDC has published dozens of IDC Top 10 Predictions documents for 2010, each focused on a specific portion of the market: a technology product or service category, a country or region, the consumer market, the small and medium-sized business (SMB) sector, an industry, or channel and partner networks. These documents summarize our researched points of view about the forces shaping each specific segment, along with predictions about what actions vendors and users will take in response to those forces. This newsletter will also keep you informed of the latest research and UK conferences from IDC. As ever, your thoughts and feedback are always welcome. — *Andrew*

## IDC Predictions 2010 — Recovery and Transformation

By Frank Gens, Senior VP and Chief Analyst, and the IDC Predictions Team

As always, we start our “predictions season” with this, our broadest outlook for the overall technology marketplace. We polled the nearly 1,000 IDC worldwide analysts for their take on what the coming year holds in store for the IT industry. Their views were synthesized and validated as well as filtered down to a core set of predictions that:

- Illuminate key growth opportunities for 2010
- Are relevant to many different segments and players in the IT marketplace
- Require major structural change within companies and across the industry — and therefore present a unique opportunity for competitive advantage for those companies that recognize and navigate through the market’s changes faster and better than others.

*“Recovery is an important theme but actually the less interesting of the two. The more interesting theme for 2010 is transformation.”*

Since our “top 10” format allows us only limited space to predict the coming year for the entire market, we know our predictions list is by no means comprehensive. Some themes and events that may be very important to you and your part of the market may be missing. (We urge you to check in regularly at IDC’s Predictions Web page [[www.idc.com/research/predictions10/predictions10.jsp](http://www.idc.com/research/predictions10/predictions10.jsp)], where you’re certain to find more detailed discussion of your market segment’s future.)

2010 will be a year of modest recovery for the IT and telecommunications industries. But the recovery will not mean a return to the pre-recession status quo. Rather, we’ll see a radically transforming marketplace — driven by surging demand in emerging markets, growing impact from the cloud services model, an explosion of mobile devices and applications, and the continuing rollout of higher-speed networks. These transformational forces will drive key players to redefine themselves and their offerings and will spark lots of M&A activity.

In 2010, two themes will dominate events in the IT and telecommunications markets: recovery and transformation.

The impact of the first theme — recovery — is pretty obvious. The rising tide of the anticipated global economic recovery will drive a modest recovery in IT and telecommunications spending. Recovery is an important theme but actually the less interesting of the two.

The more interesting theme for 2010 is transformation. As you look through our 10 predictions for 2010, you’ll see that almost every corner of the industry is entering this recovery year with ambitious plans for transformation:

- In telecommunications, it’s about the aggressive evolution the industry’s been on for the past several years: the shift to fiber landlines, higher-speed wireless broadband, converged IP delivery platforms, expansion of new distribution models (e.g., wholesaling deals with consumer electronics vendors and cloud services providers), and expansion into more value-added services.
- In IT, the biggest transformations are around the disruptive emergence of the cloud services model — a model that

is both market expanding and challenging. The cloud-driven transformation of the IT market is necessitating the restructuring of vendors’ offerings, market footprints, and business models.

- For telecommunications and IT, it’s also about the ascendance of mobile devices, not only as access devices but as software and solution platforms, challenging — for the first time in over two decades — the primacy of the PC.
- It’s about the changing face of the customer, especially in the enterprise markets — with the “design point” for the market continuing to shift from large enterprises in developed markets to small and medium-sized enterprises in high-growth emerging markets. And it’s about the growing impact of consumers on the entire market.

### IDC’s Top 10 Predictions

1. Growth will return to the IT industry in 2010. We predict 3.2% growth for the year, returning the industry to 2008 spending levels of about \$1.5 trillion.
2. 2010 will also see improved growth and stability in the worldwide telecommunications market, with worldwide spending predicted to increase 3%.
3. Emerging markets will lead the IT recovery, with BRIC countries growing 8–13%.
4. Cloud computing will expand and mature as we see a strategic battle for cloud platform leadership, new public cloud hot spots, private cloud offerings, cloud appliances, and offerings that bridge public and private clouds.
5. It will be a watershed year in the ascension of mobile devices as strategic platforms for commercial and enterprise developers as over 1 billion access the Internet, iPhone apps triple, Android apps quintuple, and Apple’s “iPad” arrives.

... continued over ...

## Factfile



Battered by a storm of economic uncertainty for more than 18 months, the IT industry is finally beginning to see some rays of light.

Industry recovery is driven by the transformation toward a more “intelligent economy” — from health IT and smart energy grids to intelligent transportation and the proliferation of mobile devices and cloud computing — and provides opportunities for both IT suppliers and buyers.

IDC has published literally dozens of IDC Top 10 Predictions documents for 2010. You can view these [here](#).



## IDC Predictions 2010 (cont.)

6. Public networks — more important than ever — will continue their aggressive evolution to fiber and 3G and 4G wireless. 4G will be overhyped, more wireless networks will become “invisible,” and the FCC will regulate over-the-top VoIP.
7. Business applications will undergo a fundamental transformation — fusing business applications with social/collaboration software and analytics into a new generation of “socialytic” apps, challenging current market leaders.
8. Rising energy costs and pressure from the Copenhagen Climate Change Conference will make sustainability a source of renewed opportunity for the IT industry in 2010.
9. Other industries will come out of the recession with a transformation agenda and look to IT as an increasingly important lever for these initiatives. Smart meters and electronic medical records will hit important adoption levels.
10. The IT industry’s transformations will drive a frenetic pace of M&A activity.

## IDC UK Upcoming Conferences



Feb. 23, 2010 — London



March 24, 2010 — London



May 13, 2010 — London



June 10, 2010 — London

For further details on how you can participate at any of the forthcoming IDC UK conferences, please contact Nick Corrigan on +353 1 2947796, or by email at [ncorrigan@idc.com](mailto:ncorrigan@idc.com).

## Recent IDC UK Research

### Available Research:

- ◆ **U.K. Implements EU Remedies Directive — IT Suppliers Must be Vigilant**
- ◆ **Business Strategy: Digital Services Are Key for Insurers and Agents**
- ◆ **Spiceworks Adds Support for Larger Networks — But Focus Remains on SMBs**
- ◆ **European WAN Manager Survey 2009: European Attitudes Toward Green IT**

For a comprehensive list of IDC’s current research, please visit <http://www.idc.com/research/reshome.jsp>

## Hot off the press:

- ◆ **Training Vendors Strong at Training, Weaker at Selling, A New IDC MarketScape for IT Education and Training Finds**
- ◆ **Global PC Market Leaps Back To Double-Digit Growth in the Fourth Quarter, Led by a Record Quarter in the U.S., According to IDC**
- ◆ **Organizations Place Renewed Emphasis on Protection of Enterprise PC Data, IDC Says**
- ◆ **Business Analytics SaaS Market to Grow Three Times Faster Than the Overall Business Analytics Market, IDC Finds**

Should you have any enquiries about IDC research or if you have an opinion on the ICT market in the UK that you would like to share with IDC as an input into forthcoming research, please contact Andrew Shepherd on +44 (0)20 8987 7232 or by email on [ashepherd@idc.com](mailto:ashepherd@idc.com).



### About IDC

IDC is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. Over 1,000 IDC analysts in 110 countries provide global, regional, and local expertise on technology and industry opportunities and trends. For more than 44 years, IDC has provided strategic insights to help our clients achieve their key business objectives.

IDC is a subsidiary of IDG, the world’s leading technology media, research, and events company.  
You can learn more about IDC by visiting [www.idc.com](http://www.idc.com).