10 Tech Trends for 2020 and Beyond

Market forecasts for Western Europe

Extract

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Introduction
Introduction

This report presents market forecasts of essential tech trends in Western Europe. The selection of tech trends is based on IDC’s paradigm of major computing platforms. This report features 3rd platform technologies as comprised of the four main ‘pillars’: cloud, mobile, big data and social. In addition to the four pillars, the 3rd platform is associated with a collection of new technologies which represent new opportunities for market growth and which IDC refers to as the ‘innovation accelerators’. These include: 3D printing, augmented and virtual reality, cognitive and artificial intelligence, internet of things, robotics and security. Definitions of each of the 10 tech trends are included in this document.

The particular added value of this publication is its compilation of comparable market data for five major European economies, thus giving the reader a clear idea of the size and growth of market opportunities across tech trends and countries.

»Cutting-edge innovations like artificial intelligence (AI), robotics, and 3D printing are changing how organisations manage their day-to-day operations and develop and provide products and services for customers. «
2 Cloud
2.1 Definition

Cloud services are fundamentally about an alternative solution composition, delivery, and consumption model – one that can be applied to IT industry offerings but also, much more broadly, to offerings from many other industries, including entertainment, energy, financial services, health, manufacturing, retail, and transportation, as well as from government and education sectors.

To qualify as a »cloud service«, an offering must support all of these 6 attributes:

- **Shared, standard service**: built for multitenancy, among or within enterprises
- **Solution packaged**: a turnkey offering, pre-integrates required resources
- **Self-service**: provisioning & management, typically via a Web portal & APIs
- **Elastic resource scaling**: dynamic, rapid and fine grained
- **Elastic, use-based pricing**: supported by service metering
- **Published service interface/API**: web services, other common internet APIs

**Public Cloud Services** includes the following:

- **IaaS**: basic storage, networks and servers as a service
- **PaaS**: application development software, application platforms, data access, analysis and delivery software, integration and orchestration middleware, quality and life-cycle tools, and structured data management software as a service
- **SaaS**: applications including collaborative, content, CRM, engineering, ERM, operations and manufacturing, SCM, and system infrastructure software including security, storage, system management and system software

Note that **Private Cloud** is not yet segmented separately. Where private cloud implementations are related to 3rd Platform technologies (e.g. Big Data and Analytics), this spending is captured in 3rd Platform. Where a private cloud implementation is related to 2nd Platform technologies (e.g. back-office accounting), this spending is captured in 2nd Platform. There will be significant overlap between private cloud and other 3rd Platform categories, which will be accounted for in a future update.
2.2 Market Outlook

Cloud has fundamentally transformed the IT industry in Europe in the past decade. Global powers like Amazon Web Services, Google, Salesforce, and ServiceNow have become cloud players. The technology is a strategic priority for Microsoft, IBM, SAP, and Oracle. Cloud has changed how IT is designed and operated. It has driven organisational change, line-of-business purchasing processes, and software test and development teams. Cloud touches all aspects of an organisation and is the foundation for DX. Innovative products and services like internet of Things (IoT) solutions, customer experience solutions, machine learning, and AI solutions are built primarily on cloud.

Figure 3 – Evolution of Cloud Strategy in Europe (2018 v. 2017)

Source: IDC, Western Europe Enterprise Cloud Survey, 2018 and 2017 (n = 651)
Countries covered: UK, France, Germany, Italy, Sweden, Denmark, Belgium, Finland, Netherlands
Question: What is your organisation’s strategy related to cloud computing technologies and services?

»Cloud has fundamentally transformed the IT industry in Europe in the past decade. Global powers like Amazon Web Services, Google, Salesforce, and ServiceNow have become cloud players.«
In terms of cloud adoption, a common assumption is that Europe trails the United States by 18–24 months. The basis of this assumption, however, is not so clear-cut. Due to cultural, technical, and geopolitical reasons, cloud adoption in Europe follows a different model than in the U.S.

The percentage of European organisations executing a cloud-first strategy is declining. A cloud-first strategy is not always a cost-effective approach and does not always satisfy regulatory compliance requirements. Many organisations consider cloud to be just one possible option for deploying IT services. Cloud-also or best-fit strategies are gaining traction in both Europe and the U.S.

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Figure 4 – Market Value Cloud, Western Europe, 2017–2022
Data and forecasts are based on information available as of April 2019, © EITO in collaboration with IDC
Appendix

Methodology and definitions
The methodology used to collect the data and further definitions are published on our website:

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