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Our world-class, objective insight is drawn from thousands of daily client interactions.
"We are not going back. I believe the economic crisis has brought a fundamental shift in consumer attitudes and behavior. There is a 'new normal,' in which people want to save money and are getting smarter about saving money."

Mike Duke, CEO of Walmart  
Corporate speech, press release quote, June 2009

"Consumers want products that are networked, multi-functional and service-enhanced, .... and user experiences that are rich, shared and, increasingly, green."

Howard Stringer, Chairman, CEO & President, Sony

"Business must make fundamental changes if it is to regain the license to operate"

Richard Edelman, President & CEO Edelman
Gartner’s Top Predictions, 2010

• By 2012, 20% of businesses will own no IT assets
• By 2012, India-centric IT services companies will represent 20% of the leading cloud aggregators in the market (through cloud service offerings).
• By 2012, Facebook will become the hub for social networks integration and web socialization
• By 2014, most IT business cases will include carbon remediation costs.
• In 2012 60% of a new PC’s total life greenhouse gas emissions will have occurred before the user first turns the machine on.
• Internet marketing will be regulated by 2015, controlling more than $250 billion in Internet marketing spending worldwide.
• By 2014, over 3 billion of the world's adult population will be able to transact electronically via mobile or Internet technology.
• By 2015, context will be as influential to mobile consumer services and relationships as search engines are to the Web.
• By 2013, mobile phones will overtake PCs as the most common web access device worldwide.
Underlying Trends, Beyond Our Control
2010 World GDP Growth Rate = +2.6%

Source: IHS Global Insight, October 2009
“Business must make fundamental changes if it is to regain the license to operate.”

Richard Edelman
President & CEO, Edelman

The Trust Divide

- Trust in business <50% among 25-to-64-year-olds
- Trust in business >50% among 25-to-64-year-olds

Figure 4: In U.S., trust in business at lowest level, including post-Enron; Now on par with U.K./France/Germany

How much do you trust business to do what is right?

- Transparency
- Honesty
- Responsibility
- Engagement

Source: www.edelman.com
**By 2012, 20% of businesses will own no IT assets**

**Why?**
- Virtualization is making hardware non-strategic
- Cloud-enabled services becoming viable
- Employees demanding greater autonomy

**What it means?**
- IT budgets will shrink, or be re-allocated
- IT staff reduced/re-trained
- Hardware sales strategies and channels change radically

**What to do?**
- Examine security and compliance needs to evaluate what MUST be owned
- Create due diligence check lists for working with non-owned IT assets
Cloud Computing

By 2012, India-centric IT services companies will represent 20% of the leading cloud aggregators in the market

Why?

• Many established vendors targeting industrialized cloud services
• Strong pedigree in service aggregation and software engineering

What it means?

• Greater transparency when delineating vendors
• Accelerated development of cloud-based services
• Pressure to identify more commoditized processes

What to do?

➢ Review and reset expectations of vendor capabilities
➢ Update sourcing strategies, vendor evaluation criteria and selection processes
Social Computing

By 2012, Facebook will become the hub for social networks integration and web socialization

Why?
• Facebook is the largest social network community
• Growth in mobile usage and content sharing
• Social network business models promote sharing

What it means?
• More interoperability with websites and applications
• Facebook will assume a predominant role for social network integration
• More privacy issues

What to do?
➢ Exploit this emerging role for Facebook in business to consumer strategies
➢ Ensure future applications and websites are designed for integration
Sustainability (Green IT)

By 2014, most IT business cases will include carbon remediation costs

Why?
- Energy cost reductions help justify projects
- Carbon costs offer a measure of savings
- Carbon offsets currently $20/ton, but could rise

What it means?
- Pressure to quantify carbon costs will increase
- Product carbon life cycle statistics will be expected
- Carbon accounting will impact market share

What to do?
- Incorporate carbon remediation costs into business plans (electricity cost)
- Incorporate product life cycle carbon costs into business plans (capital cost)
In 2012, 60 percent of a new PC’s total life greenhouse gas emissions will occur before the user first turns it on.

Why?
• PC power consumption has (on average) reduced
• 80% of PC energy usage in production/transport
• Programs likely to extend to include manufacture

What it means?
• Recognition of production carbon emissions to grow
• Providers will be required to provide emission data
• PC buyers will expect reductions (at zero cost)

What to do?
➢ Make carbon dioxide emission disclosure an RFP requirement
➢ Assess TCO implications against environmental impact when cascading PCs
Internet Marketing

Internet marketing will be regulated by 2015, controlling more than $250 billion in Internet marketing spending worldwide

Why?
• Marketing spam and clutter annoys customers
• Bad marketing appears even worse on the web
• High potential backlash from consumers

What it means?
• Regulation in N. America and Europe likely
• Heavy internet marketers face potential disruption
• Fewer sales for internet marketing solutions

What to do?
➤ Use analytics to deliver highly targeted and relevant internet campaigns
➤ Balance investment across all marketing channels (including digital media)
Mobile Commerce

By 2014, over 3 billion adults will be able to transact electronically via mobile or Internet technology

**Why?**
- 6.5 billion mobile connections by 2014
- Global adult population to be 5.5 billion by 2014
- Everyone with internet access or a mobile phone can transact electronically

**What it means?**
- Multiple parties bidding to provide transactional and funds transfer capabilities
- Electronic transactions critical for emerging market growth strategies

**What to do?**
- Pay close attention to national/cultural expectations for electronic commerce
- Combine electronic transactional capabilities with a local face to build trust
Context Aware Computing

By 2015, context will be as influential to mobile consumer services and relationships as search engines are to the Web.

**Why?**
- Uptake of smartphones and cloud services drive demand for context data
- Context data improves quality of user interaction
- A development focus now

**What it means?**
- New opportunities for consumer interactions
- Alliances will be key to context provision
- Long-term impact on collaboration tools

**What to do?**
- Use mobile consumer/web capabilities to baseline vendor offerings
- Assess how your information model will integrate with multiple vendors
By 2013, mobile phones will overtake PCs as the most common web access device worldwide

Why?
- In 2013 PC install base will be 1.78 billion
- Smartphone install base to be 1.32 billion in 2013
- By 2013, 505 million enhanced phones with advanced browsers in use

What it means?
- Mobile phones will drive more web accesses than PCs from 2013
- Websites and applications will need updating
- Mobile browser becomes focus for investment

What to do?
- Re-evaluate websites, portals and web-based applications for mobile access
- Design web-based content and applications for device independence
Related Gartner Research

- **Gartner's Top Predictions for IT Organizations and Users, 2010 and Beyond: A New Balance**
  29 December 2009, ID Number: G00173482

- **Top Industry Predictions 2010: The Recession's Aftermath Proves Challenging**
  29 December 2009, ID: G00173467

- **Predicts 2010: Revised Expectations for IT Demand, Supply and Oversight**
  31 December 2009, ID: G00173560

- **Predicts 2010: CIOs and IT Executives Brace for a Tough Year, Even as Economic Indicators Improve**
  15 December 2009, ID: G00173506
Thanks for participating!
Do you have any questions?

- If you haven’t done so already, please type your questions into the Questions pane.
- We will answer as many of your questions as time permits.
Key Findings

- The economic crisis has irrevocably changed the business oversight of IT investments. The tighter linkage established during 2009 between IT spending and business performance metrics is here to stay.

- Organizations that previously committed to carbon footprint reductions will need to factor these into revised business plans for 2010 and beyond.

- The balance of power in IT continues to shift, toward external providers and users.

Recommendations

- Re-evaluate your high-level relationship with IT assets. Determine what you must own and consider ownership of anything else as “optional.”

- Lengthen the horizon of your IT planning to make sustainability a key consideration.

- Plan for the PC to be overtaken as the primary computing device used by customers and employees. Redesign websites and portals for access from mobile devices.
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