TOP 10 PREDICTIONS

IDC Predictions 2013: Competing on the 3rd Platform

Frank Gens

PREDICTIONS

The most important events in 2013 will cluster — as they did in 2012 — around what IDC calls the "3rd Platform" for IT growth and innovation, built on mobile devices, cloud services, social technologies, and Big Data. We'll see much greater urgency in 2013, and much bigger moves, as the market shifts beyond the "exploration" stage to full-blown high-stakes competition. The ability (or inability) to compete on the 3rd Platform will reset leadership ranks in the IT market and every industry that uses IT.

☑ **Worldwide IT spending:** 2013 spending will exceed $2.1 trillion, up 5.7% from 2012, driven by double-digit growth in the 3rd Platform foundations of mobile, cloud, Big Data, and social technologies — and by emerging markets' growth.

☑ **Emerging markets:** IT spending will grow by 8.8% to over $730 billion — twice developed markets' growth, 34% of all IT spending, and 51% of all IT growth.

☑ **Mobile devices:** Sales of smart mobile devices (SMDs) — smartphones and tablets — will grow by 20%, generate 20% of all IT sales, and drive 57% of all IT market growth. Without SMDs, IT industry growth will be just 2.9%.

☑ **Tablet surge driven by minis:** Mini tablets (sub-8in. screens) will account for as much as 60% of unit shipments — a remarkable leap from just 33% in 2012.

☑ **Year of reckoning in mobile software:** Mobile platforms that fail to crack the 50% barrier of developers that are "very interested" in developing apps for them will be on a gradual track to demise. Microsoft now sits at 33%; RIM sits at 9%.

☑ **Accelerated SaaS shopping spree:** There will be over $25 billion in SaaS acquisitions over the next 20 months, up from $17 billion in the past 20 months.

☑ **Rise of "industry platform as a service (PaaS)":** The number of industry-focused public cloud services platforms — less than 100 in 2012 — will increase tenfold by 2016, while "horizontal" PaaS will become more commoditized.

☑ **Growing importance of line-of-business (LOB) executives:** By 2016, 80% of new IT investments will directly involve LOB executives, with LOBs the lead decision makers in half or more of those investments.

☑ **3rd Platform datacenter disruptions:** Converged systems and software-defined networks will drive growth and open the door for market share upheaval. "Bring your own ID" (BYOID) will bring consumerization into enterprise security.

☑ **Big Data — from search to discovery and prediction:** Big Data M&A will cluster in visual discovery, predictive analytics, and text and rich media analytics.

IN THIS STUDY

Welcome to IDC's predictions for 2013 in the information technology and telecommunications industries.

Over the coming days and weeks, IDC will publish dozens of Top 10 Predictions documents for 2013 (**www.idc.com/research/Predictions13/index.jsp**), 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. In each of these documents, we offer IDC's scenario for each specific segment, identifying the key market forces driving market change and predicting vendor and customer behavior in response to those forces.

In this document, we offer IDC's broadest outlook for the overall technology marketplace. To create this document, we polled the over 1,000 IDC worldwide analysts for their views on what the coming year holds in store. We narrowed down the literally hundreds of predictions we received from the IDC analyst community, focusing only on those predictions that met the following criteria:

☑ **High growth.** They illuminate key growth opportunities for 2013.

☑ **Industrywide impact.** They are relevant to many different segments and players in the IT marketplace.

☑ **Disruption.** They 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.

Our goal with these predictions is not to produce the most startling set of "OMG!" prognostications. Our goal is much more serious: to draw your attention to the most important IT market events we expect in 2013 — events that exemplify strategic shifts that are profoundly reshaping the IT marketplace for the next decade and beyond and that require the industry's participants (vendors *and* their customers) to make smart, and sometimes very difficult, decisions.

We look forward to your feedback on how we did.

2013 Predictions Team

The following IDC analysts made major contributions to IDC's predictions for 2013: Ray Boggs, Angèle Boyd, Chris Christiansen, Christopher Chute, Steve Conway, Stacy Crook, Michael DeHart, Crawford Del Prete, Lynne Dunbrack, Matt Eastwood, Mike Fauscette, Maureen Fleming, Jonathan Gaw, Al Gillen, Greg Girard, Stephen Hendrick, Monika Kumar, Jyoti Lalchandani, Danielle Levitas, Gard Little, Ramon Llamas, Loren Loverde, Robert Mahowald, Tom Mainelli, Rohit Mehra, Stephen Minton, Henry Morris, Claus Mortensen, Courtney Munroe, Tomoaki Nakamura, Bob O'Donnell, Ivano Ortis, David Reinsel, Jed Scaramella, Eileen Smith, Will Stofega,

> To create this document, we polled the over 1,000 IDC worldwide analysts for their views on what the coming year holds in store.

> Our goal is to draw your attention to the most important IT market events we expect in 2013.

Tim Tang, Scott Tiazkun, Mary Johnston Turner, Vernon Turner, Dan Vesset, Richard Villars, Mary Wardley, Karsten Weide, and Meredith Whalen.

SITUATION OVERVIEW

In IDC's 2008 top 10 predictions, we noted that the ICT industry was just at the very beginning of what we termed a "hyperdisruption": a "once every 20–25 years" shift to a *new technology platform* for growth and innovation. In IDC's 2011 top 10 predictions, we gave this post-disruption IT world — built on mobile devices and apps, cloud services, mobile broadband networks, Big Data analytics, and social technologies — a name: the "3rd Platform" (see Figure 1).

By 2020, when the ICT industry generates $5 trillion in spending, over $1.3 trillion more than it does today, 40% of the industry's revenue and — incredibly — 98% of its growth will be driven by 3rd Platform technologies that today represent just 22% of ICT spending.

By 2020, 40% of the industry's revenue and — incredibly — 98% of its growth will be driven by 3rd Platform technologies that today represent just 22% of ICT spending.

FIGURE 1

The IT Industry's 3rd Platform for Growth and Innovation

Source: IDC, 2012

So it's no surprise at all that, thematically, our predictions for 2013 have a lot in common with last year's (and the past five years'!) predictions. The most important trends and events in 2013 will cluster around — as they did most obviously in 2012 — mobility, cloud services, social technologies, and Big Data, as well as emerging high-value industry solutions built on top of them, and the vendors (e.g., service providers [SPs] and industry PaaS providers) and customers (e.g., consumers, SMBs, line-of-business executives, and emerging market customers) that will play leading roles in much of the next eight years' growth.

But while 2013's themes will be similar to 2012's, there will be one stark difference in the marketplace. In 2013, there will be much greater urgency as the market moves way past the "exploration" stage to full-blown large-stakes competition. The days for vendors to simply share "strategic road maps" for cloud, Big Data, mobility, and other 3rd Platform offerings — without having real, highly competitive offerings — will be over in 2013. Vendors' ability (or inability) to effectively and aggressively compete on the 3rd Platform right now — even at the risk of cannibalizing their own 2nd Platform franchise — will reorder leadership ranks within the IT market and ultimately beyond it within every other industry that uses technology.

FUTURE OUTLOOK

In this section, we provide the details of our predictions for 2013, grouped into 10 major focus areas. Table 1 provides a summary of the key metrics drawn from our predictions, along with comments about what each metric means.

IDC's detailed predictions for 2013 follow Table 1.

TABLE 1	

IDC Predictions 2013 — By the Numbers

Key Metric in 2013	Message in the Metric
Shift of growth to the 3rd Platform: By 2020, 40% of the industry's revenue and 98% of its growth will be driven by 3rd Platform technologies that today represent just 22% of ICT spending.	The most important trends and events in 2013 will cluster around mobility, cloud services, social technologies, and Big Data, as well as the emerging high-value industry solutions built on top of them, and the rising vendors (e.g., service providers [SPs] and "industry platform as a service [PaaS]" providers) and customers (e.g., consumers, SMBs, line-of-business executives, and emerging market customers) that will play leading roles in much of the next eight years' growth.
Worldwide IT spending: 2013 worldwide IT spending will exceed $2.1 trillion, up 5.7% (in constant currency) from 2012 spending.	The IT market will continue to defy gravity, with growth more than double that of GDP. This growth, however, will not be uniform across the industry: much of the growth in the software, services, and hardware sectors will be driven by double-digit growth rates in the 3rd Platform foundations of mobile, cloud, Big Data, and social technologies and services as growth shifts away from 2nd Platform markets.

The most important trends and events in 2013 will cluster around mobility, cloud services, social technologies, and big data.

In 2013, there will be much greater urgency as the market moves way past the "exploration" stage to full-blown large-stakes competition.

TABLE 1

IDC Predictions 2013 — By the Numbers

Key Metric in 2013	Message in the Metric
Emerging markets: IT spending in emerging markets will grow by 8.8% to exceed $730 billion — 34% of all IT worldwide spending and 51% of all new growth in the IT marketplace.	Overweighting investments in and participation in emerging markets are clear imperatives for any IT competitor.
Mobile devices: Sales of smart mobile devices — smartphones, tablets, and ereaders — will grow by 20%, generating 20% of all IT industry sales in 2013 and 57% of all IT market growth. Excluding these devices, the IT industry's growth will be just 2.9%.	Mobile devices are the new primary design point for end-user access. Participating across the full spectrum of mobile devices (smartphones, mini tablets, full-size tablets, PC/tablet hybrids, etc.) and aligning with mobile platforms that win the battle for developers and apps is the essential recipe for end-user device manufacturers; seeing these as wholly distinct markets is an obsolete vision.
Rising 3rd Platform market leaders: 3rd Platform markets and technologies will drive big share shifts, such as smartphones, SaaS (versus packaged software), and cloud servers (versus physical servers).	
Smartphones: China's ZTE will leap from fourth to third position in smartphone shipments — riding an astounding 80%+ growth rate and driven in large part by its emerging market roots and focus (low-cost smartphones).	Because of their oversized share of IT industry growth, emerging markets — with their massive scale and demanding economics — will increasingly reshape worldwide design points, pricing, and market leadership.
SaaS (versus packaged software): Within the next three years, SaaS vendors will grab one or more of the top share positions — in over half of the major application software markets.	As cloud services become the center of competition in many IT market segments, it is critically important for "traditional" IT suppliers to get more "cloud DNA" into their organizations and to accelerate the growth of their cloud services platforms and customer bases.
Cloud servers (versus physical servers): Amazon — the largest cloud SP — will become a top 2 or 3 "server (virtual machines)" vendor by 2016.	It's imperative for traditional infrastructure vendors to understand that the emerging community of cloud services providers consists of both the next generation of market leadership competitors and — paradoxically — the vitally important partners and channels.
Mobile device online dominance: Over the next four years, the number of people accessing the Internet through PCs will shrink by 15 million as the number of mobile users increases by 91 million. In 2015, there will be more U.S. consumers accessing the Internet through mobile devices than through PCs.	See the previous "mobile devices" row: Mobile devices are the new primary design point for end-user access.
Tablets rising and morphing: The tablet market will grow by at least 42% to more than 170 million units in 2013. Mini tablets (sub-8in. screens) will account for as much as 60% of unit shipments — a remarkable leap from just 33% in 2012.	In 2012, tablets proved a potent competitor/alternative to PCs. In 2013, the cannibalization effect will accelerate.

TABLE 1

IDC Predictions 2013 — By the Numbers

Key Metric in 2013	Message in the Metric
Mobile application (app) platforms: Mobile platforms that, by the end of 2013, fail to crack the 50% barrier of developers that are "very interested" in developing apps for them will be on a gradual track to demise.	The real "PC versus mobile device" battle is between PC software platforms (read: Windows) and the leading mobile device platforms (iOS and Android). And the market power of these competing platforms — iOS, Android, Windows, and other mobile software platforms — will depend completely on the ability of each platform to attract large numbers of app developers.
SaaS shopping spree: There will be over $25 billion in SaaS acquisitions over the next 20 months, up from $17 billion in the past 20 months.	As cloud services become the center of competition in many IT market segments, it is critically important for "traditional" IT suppliers to get more "cloud DNA" into their organizations and to accelerate the growth of their cloud services platforms and customer bases.
The rise of "industry PaaS": The number of industry-focused public cloud services platforms — less than 100 in 2012 — will increase tenfold by 2016. This marks a strategic shift in what real value PaaS will deliver to the market (business and consumer services, not "IT"), and who the key PaaS players will be (leading companies within the served industry, not just IT vendors).	As value migrates "up the stack" to industry solution platforms and ecosystems, the world of horizontal PaaS — cloud platforms targeted more broadly across many industries and solutions, such as salesforce.com's Force.com, Microsoft's Azure, Amazon.com's Amazon Web Services, and IBM's SmartCloud Application Services — will become more commoditized.
New systems infrastructure: Converged systems — with a growth rate of 54% per year — will account for over one-third of enterprise cloud deployments in 2016.	This relatively recent approach — combining server, storage, and network systems, along with the software to manage them — opens the door for infrastructure vendors to grab major share gains (or suffer major share losses).
Network transformation: The software-defined networks (SDN) market will reach $3.7 billion by 2016 — and account for 35% share of Ethernet switching in the datacenter, up from almost negligible penetration in 2012.	Major networking vendors — including Cisco, Juniper, Brocade, and HP— are encountering both massive risk and major new opportunities to dominate what is becoming a radically new networking landscape.
3rd Platform industry solutions: Enterprises will spend $65 billion on industry-specific solutions in 2013, with a rapidly increasing number of them leveraging cloud services, mobile devices, Big Data, and the other elements of the 3rd Platform. We expect this to grow to nearly $100 billion in the next three years.	For enterprises, the greatest business value from the transition to the 3rd Platform will come from the new generation of industry solutions and services just starting to emerge on top of the platform.
Accelerating data avalanche: The "digital universe" — the total of all digital data created (and replicated) — will reach 4ZB in 2013, almost 50% more than 2012 volumes, and nearly a quadrupling of 2010 volumes.	What else is new? We're being deluged in a snowballing avalanche of data.
Big Data — from search to discovery and prediction: Spending on Big Data technologies and services will reach nearly $10 billion in 2013, on the way to over $20 billion in 2016. Expect to see M&A targets in the visual discovery, predictive analytics, and text and rich media analytics areas.	Look for a shift of VC funding and M&A toward the upper half of the Big Data stack: analytics and discovery tools and analytic applications. Growing emphasis is on tools and applications that go way beyond "search" to graph analytics associated with "discovery" and finding hidden relationships/patterns.

TABLE 1

IDC Predictions 2013 — By the Numbers

Key Metric in 2013	Message in the Metric
Strategic customer communities: In 2013, the accelerating shift to the 3rd Platform will continue to raise the profile of key customer communities — communities that are driving industry growth and redefining the design points of successful offerings.	
Midsize enterprises emerging: Two-thirds of United States–based midsize firms will use cloud services in 2013, compared with just half in 2012, with over 25% of midmarket firms in the United States moving toward private cloud engagements by the end of 2013.	Scale is an essential element for success in the 3rd Platform, and capturing the business of small and medium-sized businesses will be key to achieving scale. Vendors that ignore, or fail to achieve success with, small and medium-sized businesses will fight an uphill battle in the 3rd Platform era.
Rising importance of SPs as customers: By 2016, over one-quarter of high-end datacenter space in the United States will be in service provider datacenters, and over 60% of enterprise-class storage will be shipping to cloud service providers.	IT vendors that sell physical IT products (other than end-user devices) (e.g., systems, servers, storage, and network equipment) need to get ready to play in a much more concentrated marketplace — and get very good at designing offerings for, and establishing relationships with, a relatively small number of very large-scale customers (notably cloud services SPs).
Line-of-business (LOB) executives as IT decision makers: By 2016, 80% of new IT investments will directly involve LOB executives, with LOBs taking the lead decision-maker role in half or more of those investments.	The explosion of new industry solutions will dramatically shift who the IT buyer is. IT vendors need to become more adept at building offerings for LOB executives and at establishing messages for, and relationships with, these increasingly influential IT buyers.

Source: IDC, 2012

1. Worldwide IT Spending Will Grow by 5.7%, Thanks Largely to Mobile Devices

IDC predicts that 2013 worldwide IT spending will exceed $2.1 trillion, up 5.7% (in constant currency) from 2012 spending. This represents a modest drop in growth rate from 2012's 6.2% but continues to be well above consensus estimates for overall worldwide GDP of 2.5–2.9%.

Here are some other worldwide IT market growth predictions for 2013:

☐ **2013 will be — again — a tale of two (mobile/not mobile) industries.** As we discussed last year, the IT industry is turning into a two-tiered growth market: a high-growth market around mobile devices and a moderate growth market around everything else. The biggest category driving 2013 IT growth will, once again, be smart mobile devices (smartphones, tablets, and ereaders), which will grow by almost 20% and generate an incredible 57% of the industry's overall growth. Excluding these devices, the IT industry's growth will be just 2.9% — remarkably close to GDP growth.

Excluding mobile devices, the IT industry's growth will be just 2.9% — remarkably close to GDP growth.

- **Servers and PCs will return to *modest* positive growth.** IDC predicts that, among the other major IT categories, software momentum will continue (6% growth), driving more IT services spending (4%) in 2013, and the server and PC markets — under duress in 2012 — will return to very modest positive growth (1.8% and 1.7%, respectively) in 2013 (in part, thanks to favorable compares). There's no doubt now that mobile devices are having, and will continue to have, a *cannibalizing effect* on PC sales. More broadly, as we'll see in subsequent predictions, much of the growth in software, services, and hardware sectors will be driven by double-digit growth rates in the 3rd Platform foundations of mobile, cloud, Big Data, and social technologies and services as growth shifts away from 2nd Platform markets.

- **Economic pressures will loom once again.** Our caveat, as in IDC's 2012 top 10 predictions, is that there will once again be significant downside pressures and risks, including Western Europe's low-single-digit growth as government austerity continues to bite, Japan's struggles as post-earthquake reconstruction momentum begins to wane, U.S. political debates over the "fiscal cliff" in the next two months and beyond, and China's challenges from weakening exports to Europe and elsewhere. In 2012, the IT market as a whole managed to rise above these downward pressures. We expect the positive upward forces of the 3rd Platform — with accelerating investments in IT-enabled company and industry transformation — will help the industry defy gravity once again in 2013.

For more background on our outlook for overall IT market growth, check out Stephen Minton's recent Webcast: *State of the Market: IT Spending Review & 2013 Outlook* (**www.idc.com/getdoc.jsp?containerId=IDC_P26715**).

2. Emerging Markets IT Spending Will Grow at Almost 9%, Twice the Rate of Developed Economies

IDC predicts that 2013 IT spending in emerging markets — including the Central and Eastern Europe, Middle East and Africa, Latin America, and Asia/Pacific (excluding Japan) regions — will grow by 8.8% to exceed $730 billion. While this represents 34% of all IT worldwide spending, more significantly, it represents 51% of all new growth in the IT marketplace.

Here are two other emerging markets predictions for 2013:

- **BRIC — especially China — will continue to dominate.** BRIC countries, with IT spending growth of almost 12%, will continue to dominate, accounting for 48% of emerging markets IT spending. China will continue to account for over one-quarter of emerging markets IT spending, even as we predict a 4-point dip in growth rate to "only" 10% in 2013.

- **Emerging markets will drive new designs and new leadership.** Because of their oversized share of IT industry growth, these markets will increasingly reshape worldwide design points, pricing, and market leadership. As an example of this impact, we are predicting that China's ZTE will leap from fourth to third position in smartphone shipments — riding an astounding 80%+ growth rate and driven in large part by its emerging market roots and focus (low-cost smartphones).

There's no doubt now that mobile devices are having, and will continue to have, a *cannibalizing effect* on PC sales.

Much of the growth in software, services, and hardware sectors will be driven by double-digit growth rates in the 3rd Platform foundations of mobile, cloud, big data, and social technologies and services as growth shifts away from 2nd Platform markets.

While emerging markets represent 34% of all IT spending, they represent 51% of all new growth in the IT marketplace.

Emerging markets will increasingly reshape worldwide design points, pricing, and market leadership.

For more IDC predictions for emerging markets, check out our Predictions 2013 Web page (**www.idc.com/research/Predictions13/index.jsp**) for links to our forthcoming Asia/Pacific Top 10 Predictions document, our forthcoming Central and Eastern Europe and Middle East and Africa (CEMA) Top 10 Predictions document, and our *Latin America Predictions* Webcast (January 9 and 10, 2012).

3. Tablets and Smartphones Will Drive Almost 60% of All IT Market Growth in 2013

IDC predicts that sales of smart mobile devices — smartphones, tablets and ereaders — will grow by an astounding 20% to reach $431 billion in 2013. As noted in prediction #1, these products will generate 20% of all IT industry sales in 2013 and drive 57% of all IT market growth. Even though this is already a huge market, it is one that is still undergoing major transformation.

Here are some other mobile device predictions for 2013:

☒ **Consumers will begin to abandon PCs and embrace mobile devices for Internet use.** In 2013, a growing number of consumers will begin to abandon PC-based Internet usage in favor of mobile devices as their default gateway to the Internet. The United States leads that trend, with Western Europe and Japan only about two years behind. In the United States, the number of people accessing the Internet through PCs will shrink from 240 million consumers in 2012 to 225 million in 2016. At the same time, the number of mobile users will increase from 174 million to 265 million. In 2015, for the first time ever, there will be more U.S. consumers accessing the Internet through mobile devices than through PCs.

In 2015, for the first time ever, there will be more U.S. consumers accessing the Internet through mobile devices than through PCs.

☒ **Mini tablets will turbocharge the mobile market.** IDC predicts that the tablet market will grow by at least 42% to more than 170 million units in 2013. And a big chunk of that growth will come from sub-8in. tablets — a product segment that barely existed a year ago. IDC predicts that these mini tablets will account for as much as 60% of unit shipments — a remarkable leap from just 33% in 2012. Of course, the launch of Apple's iPad mini will drive much of this demand, but expect intensifying competition from Amazon's refreshed Kindle lineup, the surging Google Nexus 7, and Barnes & Noble's refreshed NOOK offerings.

Mini tablets will account for as much as 60% of unit shipments — a remarkable leap from just 33% in 2012.

☒ **Mini tablets will spur a shift from textbooks to tablets.** We predict that the sub-8in. tablet market's low price points and mini tablets' explosive growth in 2013 will lead to a tipping point in the shift of school systems from textbooks to tablets. Look for a viral expansion of tablet pilots in school systems in 2013, accelerated by the explosion in online learning resources (such as massive open online courses) and the decline of the paper-based textbook publishing industry.

Look for a viral expansion of tablet pilots in school systems in 2013.

4. 2013 = A Year of Reckoning for Microsoft and RIM in the Mobile Platform War

The biggest power position in the mobile device market — and ultimately in the next-generation PC (and converged PC/mobile device) market — is the operating system and related application platform software. The "PC versus mobile device" hardware battle will become almost moot: PC and mobile device hardware will increasingly come together in a wide variety of "best of" mashups. The *real* "PC versus mobile device" battle is between PC software platforms (read: Windows) and the leading mobile device platforms (iOS and Android). And the market power of these competing platforms — iOS, Android, Windows, and other mobile software platforms — will depend completely on the ability of each platform to attract large numbers of application (app) developers. In this critical area, IDC predicts the following developments in 2013:

☑ **2013 will be a year of reckoning for Microsoft and RIM mobile platforms.** IDC conducts a quarterly survey of over 4,800 mobile app developers with Appcelerator, and a key question in that quarterly survey is "How interested are you in developing for the following mobile app platforms?" The latest survey results, shown in Figure 2, make it clear that these two players need to make a *lot* of progress in attracting developers (and their apps) during 2013. IDC predicts that either of these two that fail to crack the 50% barrier by the end of 2013 will be on a gradual track to demise for their platform. Expect some potentially radical changes in Microsoft Windows and Windows app pricing and licensing to help juice up Windows' attractiveness to mobile app developers and mobile device users — and to help break down the potentially lethal barrier between the PC and mobile device worlds.

☑ **Samsung will support Linux/Tizen to hedge its Android bet**. Samsung is a dominant player in the mobile device (hardware) world, driving nearly half of all Android mobile device shipments today — and you could argue that its early embrace of Android has been key to its success. Yet IDC predicts that in 2013 Samsung — understanding that much of the market power in mobile devices lies with the software platform (and apps ecosystem) — will launch devices based on the Linux variant Tizen as a hedge against Android's growing market power. We certainly wouldn't suggest that Samsung will abandon its Android commitment — that would be suicide. But we are suggesting that Samsung will accelerate its exploration of ways to maximize its own market power and minimize its dependence on others' (including Google's).

For more IDC predictions for mobile devices and platforms, check out our Predictions 2013 Web page (**www.idc.com/research/Predictions13/index.jsp**) for links to the *Predictions 2013: Consumer Markets* Webcast (January 17, 2013).

The *real* "PC versus mobile device" battle is between PC software platforms and the leading mobile device platforms — a battle for developers.

Either of these two that fail to crack the 50% developer interest barrier by the end of 2013 will be on a gradual track to demise for their platform.

Samsung will accelerate its exploration of ways to maximize its own market power and minimize its dependence on others' (including Google's).

Mobile App Developer Interest in Major Platforms

Q. How interested are you in developing apps for the following platforms?
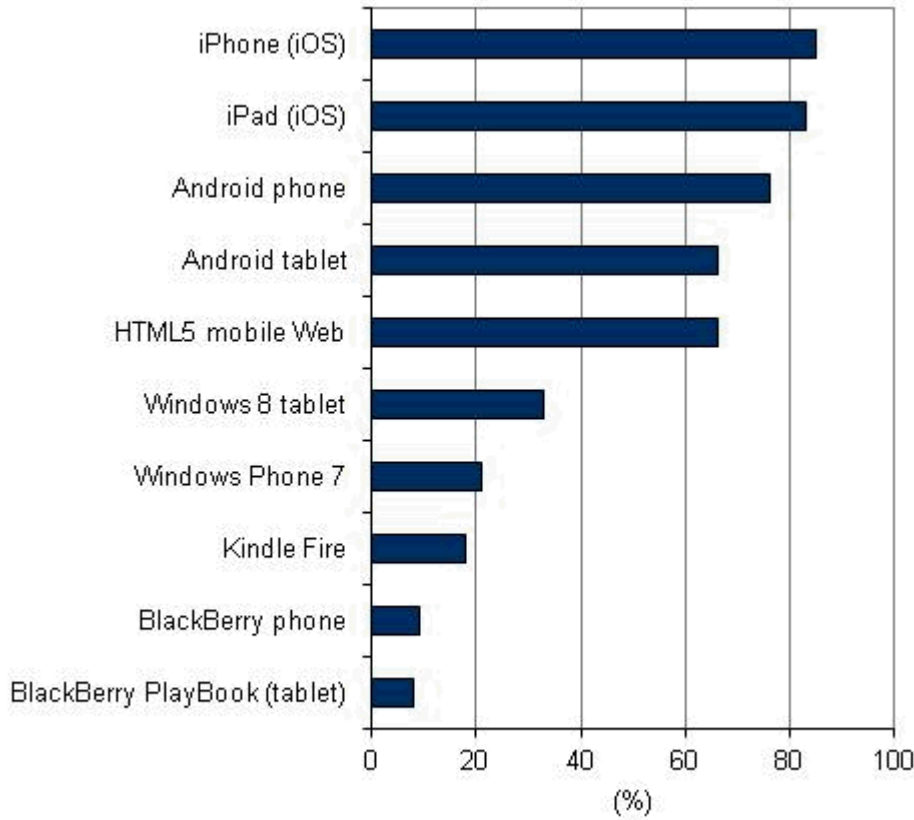
n = 4,804

Base: respondents "very interested" in developing apps for each platform

Source: Appcelerator and IDC's *Mobile Enterprise Developer Survey,* 3Q12

5. Cloud M&A Will Accelerate by 50%, with $25 Billion in SaaS Deals in the Next 20 Months

The past 20 months have seen a $17 billion SaaS buying spree, including Oracle, SAP, and IBM. IDC predicts that the spree is not nearly complete, as we anticipate over $25 billion in acquisitions over the next 20 months. As cloud services become the center of competition in many IT market segments, it is critically important for "traditional" IT suppliers to get more "cloud DNA" into their organizations and to accelerate the growth of their cloud services platforms and customer bases. Likely acquisition targets include virtually all private and publicly held SaaS vendors with over $25 million in revenue in 2012, including Concur Technologies, Cegedim, IntraLinks, athenahealth, Cerner, NetSuite, ServiceNow, and Ultimate Software — to name just a few. Additional cloud-

It is critically important for "traditional" IT suppliers to get more "cloud DNA" into their organizations and scale up their cloud customer bases.

centric companies that are seen by some as too large/expensive or "off the table" but are very attractive cloud assets include Intuit, GXS, Citrix, and Workday. As the industry confronts the reality that growth outside of 3rd Platform technology and solutions will be depressing low, the definition of 3rd Platform–related acquisitions that are "too expensive" will shift to higher and higher values.

Here are some other cloud/SaaS-related predictions for 2013:

☑ **SaaS vendors will grab software market leadership.** IDC predicts that within the next three years, SaaS vendors will vie for market share leadership — grabbing one or more of the top share positions — in over half of the major application software markets, including CRM, HRM, collaboration/social applications, and supply chain/procurement apps. Of course, this prediction now is not only about the growth of SaaS pure-play vendors like salesforce.com and Workday but also about packaged software vendors like IBM, Microsoft, Oracle, and SAP that have become SaaS vendors themselves, organically and through aggressive acquisition.

> Within the next three years, SaaS vendors will vie for market share leadership — grabbing one or more of the top share positions in key application markets.

⌂ **2013 will be a year of big jumps in small and medium-sized business cloud use.** IDC predicts that two-thirds of United States–based midsize firms will use cloud services in 2013, compared with just half in 2012. In the next rung down, over half of small businesses with 10–99 employees will be using cloud services by the end of 2013. IDC expects major efforts from service providers to woo those smaller firms with specifically targeted offerings. "Affordable and incremental" will be the key messages that resonate (not "revolutionary and paradigm shifting"). The other SMB cloud breakthrough we predict is more private cloud traction, with over 25% of midmarket firms in the United States moving toward private cloud engagements by the end of 2013.

> Two-thirds of United States–based midsize firms will use cloud services in 2013, compared with just half in 2012.

6. "Industry PaaS" Will Start Tenfold Growth as Horizontal PaaS Starts to Commoditize

IDC predicts that 2013 will see an explosion in "industry platform as a service" offerings — cloud platforms (and developer communities around them) focused on supporting solutions for specific industries. The number of these industry-focused public platforms — less than 100 in 2012 — will increase tenfold by 2016.

> The number of these industry-focused public platforms — less than 100 in 2012 — will increase tenfold by 2016.

For the past four years, IDC has talked about public platform as a service — and the ecosystems of solutions that cluster around PaaS — as "the most valuable real estate in the cloud." That continues to be the case because history shows that the market always follows the solutions, and these PaaS marketplaces will increasingly be where the most sought-after solutions "live" over the next three to five years and beyond.

But in 2013, we will see the beginning of a strategic shift in what real value PaaS platforms deliver (business and consumer services, not IT) and who the key players will be (leading companies within the served industry, not just IT vendors).

> In 2013, we will see the beginning of a strategic shift in what value PaaS platforms deliver and who the key players will be.

An industry PaaS involves an IT service provider or, increasingly, a player from within the industry itself, creating a cloud-based shared services environment tailored to the needs of the specific industry, and on which a community of additional industry-

focused solution developers develop and deploy a wide range of industry-targeted value-add solutions and services.

Examples of these platforms are already emerging in financial services (NYSE Capital Markets Community Platform), healthcare (numerous health information exchange offerings, including AT&T's joint offering with Covisint), life sciences (Illumina's BaseSpace genomics cloud platform), smart energy (Johnson Controls' Panoptix App Marketplace), and many other industries.

Here is one other strategically important PaaS-related prediction for 2013:

☑ **Horizontal PaaS will become more commoditized.** As value migrates "up the stack" to high-value industry solution platforms and ecosystems, the world of horizontal PaaS — that is, cloud platforms that are targeted more broadly across many industries and solutions, such as salesforce.com's Force.com, Microsoft's Azure, Amazon.com's Amazon Web Services, and IBM's SmartCloud Application Services — will become more commoditized. In part, this is because in 2013, we predict the growth in adoption of horizontal PaaS platforms built on open source–based infrastructure stacks (like OpenStack and CloudStack), packaged with open source developer frameworks, tools, and services. The rise of these more "open" horizontal PaaS offerings will challenge platforms with a more traditional vendor-proprietary middleware heritage. The broader use of more open PaaS technologies does not mean that PaaS vendors are trapped in a world of diminishing differentiation. What it does mean is that horizontal PaaS vendors — to increase their value (and "stickiness") — need to follow the value up into the industry PaaS world by creating their own industry-specialized PaaS capabilities and ecosystems, and by building partnerships with industry PaaS partners like the ones mentioned previously. "Stickiness" and market power in the PaaS world will come less from proprietary lock-ins to tightly controlled technologies and APIs and more from adding value on top of more open technologies (creating the "best" implementation of largely open platforms) and cultivating a large-scale high-value community of solution developers (often industry focused) on top of your platform. As noted in last year's IDC Directions keynote (*Directions 2102: Competing for 2020,* IDC #DR2012_GS2_FG, March 2012), market power will come from delivering superior scale, community, and context/relevance.

As value migrates to industry PaaS and their ecosystems, the world of horizontal PaaS will become more commoditized.

Horizontal PaaS vendors need to follow the value up into the industry PaaS world by creating their own industry-specialized PaaS capabilities and ecosystems.

For more IDC predictions for SaaS and PaaS, as well as the impact of both on the IT services market, check out our Predictions 2013 Web page (**www.idc.com/research/Predictions13/index.jsp**) for links to the *IDC Predictions 2013: The Next Frontier for Applications, AD&D, and Software Business Strategies* Webcast (January 31, 2013) and the *Predictions 2013: Worldwide Services* Webcast (February 5, 2013).

For more IDC predictions on industry-specific platforms, check out our Predictions 2013 Web page (**www.idc.com/research/Predictions13/index.jsp**) for links to predictions Webcasts for the energy (December 5, 2012), financial services (December 11, 2012), government (December 4, 2012), healthcare (December 4, 2012), manufacturing (December 6, 2012), and retail (December 6, 2012) industries.

For more IDC predictions about the increasing adoption of cloud services by small and medium-sized businesses, check out our Predictions 2013 Web page

(**www.idc.com/research/Predictions13/index.jsp**) for links to the *Predictions 2013: SMB — Impact of Changing Priorities, Preferences, Challenges* Webcast (January 24, 2013).

7. The 3rd Platform Will Profoundly Transform Datacenter Technologies, and *Who* Is Buying Them

The major changes mentioned previously — the growth of mobile devices and platforms, the expanding adoption of SaaS and other cloud services (including more deeply into SMBs), and the growing adoption of PaaS as a center for innovation (often with partners) — as well as the social and Big Data technologies discussed in subsequent predictions, will continue to drive profound changes in the datacenters and enterprise IT organizations supporting these 3rd Platform solutions.

Here are just a few of the major trends and events we predict in the datacenter world in 2013:

◁ **Converged systems will account for over one-third of enterprise cloud deployments by 2016.** Converged systems is a relatively recent approach, combining server, storage, and network systems together, along with the software to manage them. Although converged systems is still a nascent market in 2013, IDC predicts that converged systems — with a growth rate of 54% per year — will account for over one-third of enterprise cloud deployments in 2016.

> Converged systems will account for over one-third of enterprise cloud deployments in 2016.

◁ **Software-defined networks (SDNs) will account for 35% penetration of Ethernet switching in the datacenter by 2016.** SDNs will transition from market hype into reality in 2013, with enterprise datacenter and cloud provider use cases coming to market and getting deployed and with this being the first full year of network virtualization, OpenFlow, and SDN applications. The SDN ecosystem, including the associated network infrastructure, will grow at an exponential pace, reaching a market size of $3.7 billion by 2016, and account for a remarkable 35% share of the Ethernet switching market in the datacenter, up from almost negligible penetration in 2012. Major IT and networking vendors — including Cisco, Juniper, Brocade, Citrix, HP, Dell, and IBM — will continue their shopping sprees for SDN technologies. Among the list of target companies IDC predicts will be on their acquisition lists are Big Switch Networks, Embrane, Plexxi, Vello Systems, and Midokura.

> By 2016, SDN will account for a remarkable 35% share of the Ethernet switching market in the datacenter, up from almost negligible penetration in 2012.

◁ **"Bring your own ID" will bring consumerization into enterprise security.** IDC predicts that many more enterprises, and the security software and services vendors that serve them, will use the identity management systems of Facebook, Google, Yahoo!, Microsoft, and other consumer social networks and cloud services as a new foundation for enterprise authentication.

> BYOID will bring consumerization into enterprise security.

◁ **Dropbox will be acquired by a major enterprise infrastructure player.** In another sign that "consumerization" doesn't mean *mimicking* consumer technologies in the enterprise but actually acquiring and/or integrating with widely adopted consumer offerings in the enterprise, IDC predicts that Dropbox will be acquired by a major enterprise infrastructure player in 2013. This will certainly be

> "Consumerization" doesn't mean *mimicking* consumer technologies in the enterprise but actually acquiring and/or integrating with widely adopted consumer offerings.

an expensive acquisition, but it will be one that brings an enormous number of consumers (many of whom are also employees), and a growing number of ecosystem partners, along with Dropbox's technology.

☑ **Service providers will continue to account for a growing share of datacenter spending — buying 60% of all enterprise-class storage by 2016 — and Amazon, the largest cloud SP, will become a top 2 or 3 "server (virtual machines)" vendor by 2016.** Vendors that sell physical IT products (other than end-user devices) (e.g., systems, servers, storage, and network equipment) need to get ready to play in a much more concentrated marketplace — and get very good at designing offerings for, and establishing relationships with, a relatively small number of very large-scale customers (notably cloud services SPs). IDC predicts that by 2016, over one-quarter of high-end datacenter space in the United States will be in service provider datacenters and over 60% of enterprise-class storage will be shipping to cloud service providers. In an obvious example of this growing SP importance — and one that hits home for IT infrastructure vendors — IDC predicts that Amazon, the largest cloud SP, will become a top 2 or 3 "server (virtual machines)" vendor by 2016, while other "cloud server" players, including Microsoft, will rise quickly up the infrastructure ranks. This means that IT vendors must get very good, very quickly, at designing offerings for, and developing strong relationships with, service providers. Right now, the biggest IT infrastructure vendors need to do a much better job; original design manufacturers (ODMs) like Quanta, Supermicro, and Wistron are capturing a large portion of the increasingly important business of Google, Amazon, Facebook, and other consumer social networks.

> By 2016, over one-quarter of high-end datacenter space in the United States will be in service provider datacenters and over 60% of enterprise-class storage will be shipping to cloud service providers.

> Amazon, the largest cloud SP, will become a top 2 or 3 "server (virtual machines)" vendor by 2016.

For more IDC predictions on datacenter transformation, check out our Predictions 2013 Web page (**www.idc.com/research/Predictions13/index.jsp**) for links to the *IDC Predictions 2013: The New Datacenter Dynamic* Webcast (December 18, 2012), the *IDC Predictions 2013: Systems Infrastructure Software* Webcast (December 13, 2012), the *Predictions 2013: The Evolving Security Ecosystem* Webcast (December 20, 2012), the *Predictions 2013: Storage* Webcast (January 10, 2013), the *Predictions 2013: Enterprise Communications and Datacenter Networking* Webcast (January 29, 2013), and the *Predictions 2013: Enterprise Servers* Webcast (February 12, 2013).

8. Spending on New Industry-Focused Solutions Will Near $100 Billion by 2016, Making LOB Executives Very Big "IT" Buyers

For enterprises, the greatest business value from the transition to the 3rd Platform will come from the new generation of industry solutions and services just starting to emerge on top of the platform.

Here are three of our predictions about the rising impact of "intelligent industry solutions" in 2013:

☑ **Investments in a new generation of 3rd Platform "intelligent industry solutions" will near $100 billion by 2016.** IDC predicts that, worldwide, enterprises will spend $65 billion on industry-specific solutions in 2013, with a rapidly increasing number of them leveraging cloud services, mobile devices, Big

> The greatest opportunities are in public safety, smart buildings, merchandising analytics, omnichannel retail, connected health, smart cities, personalized medicine, and smart government services.

Data, and the other elements of the 3rd Platform. We expect this to grow to nearly $100 billion in the next three years as businesses use these technologies and solutions to create new products and services and redefine existing customer relationships. IDC sees the greatest activity, and opportunities, in the areas of public safety, smart buildings, merchandising analytics, omnichannel retail, connected health, smart cities, personalized medicine, and smart government services.

⊠ **Retailers' 3rd Platform solutions supporting "showrooming" will drive nearly $2 billion in 2012 holiday sales.** IDC predicts that almost 50 million U.S. shoppers will engage in "showrooming" (using their smartphones in retail stores to comparison shop) this holiday season, up from just 20 million last year. Their aggregate spending will expose more than $20 billion in holiday sales to the possibility of showrooming. In response — this shopping season and into 2013 — major retailers will use in-store and Web technologies to more aggressively capture these shoppers' business, with mobile-optimized Web sites, smartphone apps, and price comparisons via QR scans. And these investments will show dividends: a new IDC Retail Insights study (*Business Strategy: At Hand Versus In Hand — Will Consumers Have the Upper Hand in the 2012 Holiday Showroom Showdown?* IDC Retail Insights #GRI237839, November 2012) (**www.idc-ri.com/getdoc.jsp?containerId=prUS23789012**) shows that 70% of showrooming shoppers say they are more likely to buy in-store from a retailer with these mobile-friendly solutions and will drive nearly $2 billion of 2012 holiday sales to these mobile-friendly retail stores.

"Showrooming" shoppers will drive nearly $2 billion of 2012 holiday sales to mobile-friendly retail stores.

⊠ **The explosion of new industry solutions will dramatically shift *who* the IT buyer is.** We predict that a direct result of this business innovation on the 3rd Platform — creating a wider variety of new solutions targeted at new business opportunities and challenges — will drive a profound shift in *who* the buyer of IT is. IDC research indicates that 58% of new IT investments in 2013 will involve direct participation by line-of-business executives, most notably by those in charge of customer-facing front-office functions. IDC predicts that by 2016, that number will rise to 80% of new IT investments, with LOBs taking the lead decision-maker role in half or more of those investments.

By 2016, 80% of new IT investments will directly involve LOB executives, with LOBs taking the lead decision-maker role in half or more of those investments.

For more IDC predictions on industry-specific 3rd Platform solutions, check out our Predictions 2013 Web page (**www.idc.com/research/Predictions13/index.jsp**) for links to predictions Webcasts for the energy (December 5, 2012), financial services (December 11, 2012), government (December 4, 2012), healthcare (December 4, 2012), manufacturing (December 6, 2012), and retail (December 6, 2012) industries.

9. Social Will Continue to Be Injected into Almost Everything, Driving More M&A and Creating "Social Network Sprawl"

Enterprise application vendors will step up their application transformations with social technology infusions. As noted in prediction #5, enterprise software vendors are furiously acquiring more "cloud DNA" with SaaS deals. In 2013, IDC predicts they will also continue to morph their offerings into "social apps" by acquiring social software providers — stepping up a buying spree they began a year ago.

Enterprise app vendors will continue to morph their offerings into "social apps" by acquiring social software providers — stepping up a buying spree they began a year ago.

Here are a couple of M&A predictions, and an "implications for enterprise IT" prediction, from our social business team:

☑ **Microsoft, Oracle, and salesforce.com will do** *more* **social hunting.** Microsoft will beef up its CRM/customer experience (CX) offerings by acquiring a community management platform like Get Satisfaction or Lithium. Look for Oracle and salesforce.com to join this social and market technologies hunting party.

☑ **Oracle will do a social "reset."** Oracle will likely abandon its first-generation attempt at an enterprise social network (ESN) and acquire a more robust tool with an existing customer base.

☑ **"Social everything" will create a huge integration challenge for enterprise IT.** In 2013, businesses will struggle with enterprise social network sprawl as more businesses move from experimentation to integration — dealing with more enterprise products having embedded ESNs — while employees are increasingly reluctant to give up their favorite consumer and departmental social network tools for the corporate IT sponsored ESN.

For more IDC predictions on social business, check out our Predictions 2013 Web page (**www.idc.com/research/Predictions13/index.jsp**) for a link to the *IDC Predictions 2013: The Next Frontier for Applications, AD&D and Software Business Strategies* Webcast (January 31, 2013).

10. Big Data Investment, M&A Focus Will Shift Heavily to Discovery and Prediction

Big Data will once again generate "big numbers" in 2013 as data volumes continue to mushroom and Big Data analytics investments boom:

☑ **The "digital universe" will expand by almost 50%, reaching 4ZB.** In 2013, IDC predicts that the "digital universe" — the total of all digital data created (and replicated) — will reach 4ZB, almost 50% more than 2012 volumes and nearly a quadrupling of 2010 volumes. And — by the way — given the rapid emergence of new data capture and generation technologies and solutions, it's almost certain that we're underestimating the volume and growth.

☑ **The Big Data investment/M&A focus will shift, with "discovery" and predictive analytics hot spots**. Spending on Big Data technologies and services will reach nearly $10 billion in 2013, on the way to over $20 billion in 2016. In the past several years, we've seen about 65–70% of VC funding on the infrastructure and information management layers of the Big Data stack. In 2013, IDC predicts a shift of VC funding and M&A toward the upper half of the Big Data stack: analytics and discovery tools and analytic applications. There's already been some activity from IBM, SAP, and Oracle, but we predict acceleration in this investment focus, with emphasis on tools and applications that go way beyond "search" to graph analytics associated with "discovery" and finding hidden relationships/patterns. The growing focus is on technologies that incorporate advanced analytics functionality, including predictive analytics. Recent VC funding recipients include Ayasdi, Medio Technologies, and AgilOne

In 2013, IDC predicts a shift of VC funding and M&A toward the upper half of the Big Data stack: analytics and discovery tools and analytic applications.

— all founded on the basis of applying advanced analytics such as machine learning and topology analysis to Big Data. In the M&A area, we expect visual discovery, predictive analytics, and text and rich media analytics market segments to be scanned for new acquisition targets by larger vendors such as Microsoft, IBM, Oracle, SAP, EMC, Dell, and Hitachi.

For more IDC predictions on Big Data, check out our Predictions 2013 Web page (**www.idc.com/research/Predictions13/index.jsp**) for links to the *IDC Predictions 2013: The Next Frontier for Applications, AD&D, and Software Business Strategies* Webcast (January 31, 2013) and the *Predictions 2013: High-Performance Computing* Webcast (February 26, 2013).

ESSENTIAL GUIDANCE

We've been watching (and predicting) the market's shift to the 3rd Platform for the past five years as the platform's key elements have moved steadily in from the industry's periphery. As we enter 2013, the 3rd Platform — including its core technologies, its new strategic customer segments, and its radically new rules for success — is right in the center of the market, sitting in our metaphorical laps.

As we enter 2013, the 3rd Platform is right in the center of the market, sitting in our metaphorical laps.

As we noted previously, the 3rd Platform will drive about 90% of the over $1.5 trillion in IT market growth in the next eight years. The 78% of today's IT market that's built on 2nd Platform technologies will see steadily declining growth — below even worldwide GDP growth rates over just the next several years. This math makes it clear: the battle for the IT industry as a whole, as of now, is almost completely about this battle for the 3rd Platform.

And so neither vendors nor IT users can really afford any longer to be just watching, studying, exploring, or experimenting with cloud services, mobile devices, social technologies, or the other core elements of the 3rd platform. In 2013, they must develop deep competence in all of these technologies, and align with the emerging — and radically different — "rules" of the 3rd Platform marketplace, as highlighted in this year's predictions:

☒ **Urgency is required — the 3rd Platform is already here.** In many of our predictions, we point out that 3rd Platform technologies have either already eclipsed 2nd Platform technologies (mobile devices) or are approaching that point (SaaS) — and so they must be the priority now, even at the risk of the cannibalization of 2nd Platform franchises.

☒ **A platform (and community) vision and strategy are essential.** Platforms — and the communities around them — are essential components of a successful 3rd Platform strategy. As discussed in both the mobile platforms predictions (#4) and the industry PaaS predictions (#6), the ability to compete in the new marketplace depends on collaborating with others to augment and amplify each other's value and dramatically broaden distribution. Lack of a solid platform strategy means isolation and marginalization in the new marketplace.

☒ **Quickly reaching massive scale is mandatory.** As discussed in the SaaS predictions (#5), the race to achieve scale is driving billions of dollars of M&A

activity and will drive more in 2013. One driver, of course, is economics. But scale is also a critical ingredient of any platform strategy; scale helps attract a critical mass of developers, solutions, and customers to your platform. And as we noted previously — if you don't have (or align with) a winning platform, you're toast.

- ⊠ **Consumerization is penetrating *all* aspects of 3rd Platform IT.** As discussed in the BYOID predictions (#7), this is happening not just at the end-user edge of the market (i.e., mobile devices) but increasingly at the core of IT operations. And, given the importance of scale and community, consumerization strategies for enterprise IT vendors and IT organizations are not just about having consumer-like technologies (e.g., enterprise imitations of Facebook or Dropbox); they're about supporting and adopting the specific technologies and offerings that consumers are actually using.

- ⊠ **Embracing — and *prioritizing* — newly strategic customer segments is essential.** Success in the 2nd Platform era was about designing offerings for, and establishing relationships with, IT executives in large enterprises, primarily in developed economies. Our predictions show that, in the 3rd Platform era, success will be about developing offerings for, and relationships with, a whole new set of strategic customer segments:

  - ❑ **SPs** — A fast-growing route to market for large portions of the IT market and the essential proving ground for market-leading scale, performance, and costs

  - ❑ **SMBs and consumers** — Segments that are increasingly defining the standards for scale, simplicity, and superior customer experience

  - ❑ **LOB executives** — Executives who are generally not interested in buying IT but in the course of buying 3rd Platform industry/business solutions and services will in fact be huge buyers of "under the covers" IT

  - ❑ **The SP, SMB and consumer, and LOB executive segments in emerging markets** — Segments that already represent more than half of all growth opportunity in the IT market — and are setting new benchmarks for cost, scalability, and simplicity

- ⊠ **The IT market is both expanding and contracting, requiring different approaches for different players.** There's an increasing — and disruptive — divergence in the structure of physical and virtual IT markets taking place:

  - ❑ **The number of customers for virtual/cloud offerings is exploding.** Vendors that sell virtual offerings (e.g., cloud services) — which includes *most* suppliers in the IT market — must get ready for a massive expansion in the number of customers, channels, relationships, and transactions they can support. To compete, as noted previously, unprecedented scale will be required — and that means serving many more customers. It will be essential to go much further down the customer "pyramid" than many IT suppliers are accustomed to.

- ❑ **The number of customers for physical IT (except end devices) is contracting.** Because cloud services will drive a large portion of end-user IT consumption through service providers, vendors of physical IT products (other than end-user devices) — that is, systems, servers, storage, and network equipment — need to get ready to play in a much more concentrated marketplace. As noted previously, this means getting very good at designing offerings for, and establishing relationships with, a relatively small number of very large-scale customers (notably cloud services SPs).

None of these "new rules" should be a surprise — we've seen them coming for a long time. But in 2013, with the 3rd Platform market changes finally right on top of us, we will finally see who among the IT industry's traditional players is ready to demonstrate mastery of the new marketplace, and which of the "born on the 3rd Platform" new IT leaders will show the sustained focus needed to wrest that leadership away.

By the end of 2013 — a year of great opportunity and peril in IT — we'll see a dramatic separation open up: between those contending to lead the IT industry in the 3rd Platform era (aligned with the predictions and "new rules" we've shared in this document) and those who are doomed to ride the ebbing growth of the 2nd Platform to obscurity. Let the real competition for the new IT marketplace begin!

LEARN MORE

To see the rest of our predictions — as well as the dozens of IDC Top 10 Predictions documents that we will publish (and Webcasts we will host) in December and January, each focused on a different segment of the IT industry — visit IDC's predictions page at **www.idc.com/research/Predictions13/index.jsp**.

Related Research

- ☑ *Worldwide Black Book Query Tool, Version 3, 2012* (IDC #237799, November 2012)

- ☑ *Directions 2102: Competing for 2020* (IDC #DR2012_GS2_FG, March 2012)

- ☑ *IDC Predictions 2012: Competing for 2020* (IDC #231720, December 2011)

- ☑ *IDC Predictions 2011: Welcome to the New Mainstream* (IDC #225878, December 2010)

- ☑ *IDC Predictions 2010: Recovery and Transformation* (IDC #220987, December 2009)

- ☑ "IDC Predictions 2009: An Economic Pressure Cooker Will Accelerate the IT Industry Transformation" (**http://blogs.idc.com/ie/?page_id=276**)

- ☑ "IDC Predictions 2008" (**http://blogs.idc.com/ie/wp-content/uploads/2009/04/idc-predictions-2008.pdf**)

Synopsis

This IDC study starts IDC's annual "predictions season" with a wide-angle look at the most strategic trends and events for 2013. The most important trends and events in 2013 will cluster around what IDC calls the "3rd Platform" for IT industry growth and innovation — built on mobile devices, cloud services, social technologies, and Big Data, as well as the emerging high-value industry solutions built on top of them, and the rising vendors (e.g., service providers and industry PaaS providers) and customers (e.g., consumers, SMBs, line-of-business executives, and emerging market customers) that will play leading roles in much of the next eight years' growth.

According to IDC Chief Analyst Frank Gens, "There will be much greater urgency in 2013 as the market moves way past the 'exploration' stage to full-blown high-stakes competition. Vendors' ability (or inability) to compete on the 3rd Platform right now — even at the risk of cannibalizing their own 2nd Platform franchises — will reorder leadership ranks within the IT market and, ultimately, every industry that uses IT."

Copyright Notice