Special Study

IT Trends and Expenditure in Ireland, 2018: Summary of Findings

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This document is being distributed to all those who responded to IDC's recent IT Trends and Expenditure 2018 online survey. IDC is very grateful to all who provided their views on the latest technologies and information on their IT expenditure plans. Without this information we could not produce our analysis. We trust that you will find this document useful.

SUMMARY OF FINDINGS

The following is a summary of the findings across the various topic areas covered in the study.

Economic Environment

The steady growth of the Irish economy continued in 2017 and this is forecast to moderate just slightly in 2018. Strongly linked to this is continued growth in employment.

Business Priorities

"Improved business processes" and "improved quality of existing products/services" are the business priorities for respondents in the coming year, ahead of cost reduction, the launch of new products/services or organisational change.

IT Investment Priorities

When it comes to planned IT investments "cloud services" is by some distance the leading area where organisations plan to invest in the next two years. Of perhaps equal significance is the fact that the next most prominent technology will be Big Data/advanced analytics with nearly half of all organisations planning to invest. The majority of respondents believe it is too early to say what impact Brexit is likely to have on their IT investment in the next 12-24 months.

IT Expenditure Dynamics, 2018

A total of 52% of organisations expect their IT expenditure to increase in 2018, while just 9% expect a decrease.

IT Function Versus Line of Business

LOB functions have responsibility for nearly half of all IT spend. Government is the sector where IT maintains the biggest hold on IT expenditure.

Current Planned Deployment of Types of Cloud Computing

Almost half of respondent organisations claim to have already adopted software as a service as a service, but this looks to be reaching a peak with just 11% of respondents having firm plans to adopt within two years. With regard to moving applications to the cloud, growth has continued with over a third of organisations already having moved popular applications. There is much more potential for further growth in CRM/sales/marketing with 32% planning to move to the cloud within two years, while for HCM/human resources the figure is 20%.

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Cloud Computing — Satisfaction Ratings
Cloud computing gets its highest ratings for being "a key enabler of digital transformation". Levels of satisfaction with cloud "supporting the business strategy better" are also up. On measures of cost effectiveness, the picture is not as positive. Just 20% of respondents gave a 4 or 5 rating (out of 5) when asked about cloud's performance on "driving down or controlling the cost of IT", down from 36% last year.

Digital Transformation Status
There has been an increase in the number of organisations that are already undergoing a digital transformation initiative, reaching 36% (up from 27%). Organisations in the business services, finance and government sectors are leading the way.

Digital Transformation — Goals
Respondents were evenly divided among those whose key priority is "improving customer interactions through digital experiences" and those for whom "optimising company operations through digital processes and automation" is the primary aim.

Digital Transformation — Barriers
The top 2 barriers to successful digital transformation are familiar as they were also the top issues cited by respondents with regard to the deployment of cloud services. "Security concerns" and the "difficulty of integration with existing infrastructure" are the key issues.

Big Data/Analytics
In 2016 Big Data/analytics was a top 3 ranked investment priority for 30% of organisations. This year the figure is 46%. Despite this the number of organisations that are currently engaged in activities around Big Data/analytics has not increased by much, so we can still say this area is in its infancy.

GDPR Readiness
Last year we found that well over half of organisations were still to address the issue of the EU's GDPR legislation on data protection, which requires organisations to be compliant by May 2018. This time the proportion is just less than a quarter. The highest proportion of organisations in this category are in the education, manufacturing and government sectors.

IT Services Suppliers Used
Dell/EMC is quite a way ahead at the top of the list but a relative newcomer appears in second position. AWS has lots of customers in the Irish market, many of which have been experimenting with AWS services in recent years. BT and HPE are next on the list, ahead of a group of indigenous suppliers with PFH ahead of the others.

Perception of Major IT Service Providers
With regard to perception of leading IT service providers, Dell/EMC and HPE top the list again but the big change sees BT moving up significantly into third place (from eighth last year) in terms of the number of positive mentions (likely or very likely to use) received. Once again there is little to divide the four indigenous firms (Version 1, PFH, Ergo and Datapac) though PFH is two places better than it was in 2016.
Methodology

This analysis is based on an online survey of 158 organisations in the Republic of Ireland of all sizes and from a whole range of industries in both public and private sectors. It was conducted during October 2017.
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