

INDIA'S IT SPEND TO HIT \$79.8 BN IN 2012

BS REPORTER

Mumbai, 21 November

INFORMATION technology (IT) spending in India is projected to touch \$79.8 billion in 2012, a 9.1 per cent rise over the spending of \$73.1 billion in 2011, according to Gartner.

Gartner's forecast shows IT spending worldwide would amount to nearly \$3.7 trillion in 2011, and emerging economies would account for \$1.013 trillion.

India is the ninth-largest economy in the world, and the pace of economic growth in India has brought the role of IT into the forefront for many enterprises.

The telecommunications market is the largest IT segment in India, with IT spending forecast to reach \$54.7 billion in 2012, followed by the IT services market, with spending of \$11.1 billion. The computing hardware market in India is projected to touch \$10.7 billion in 2012, and software spending would touch \$3.2 billion.

"With India growing faster than other developed markets, vendors have shifted focus to this market. Five to ten years ago, very few focused on building capacity in India. But when I speak to service vendors these days, there is a considerable shift from the sourcing environment perspective," said a Gartner analyst.

"The days when IT was the passive observer of the world are over. Global politics and the global economy are being shaped by IT. IT is a primary driver of business growth. For example, this year 350 companies would each invest more than \$1 billion in IT. They are

CHANGING LANDSCAPE

- By 2014, CIOs would have lost control of 25% of their IT budgets
- By 2017, CMOs would have larger share of IT budgets
- Cloud, social, mobility, and an explosion in information is driving IT use
- By 2016, 900 mn media tablets would be purchased
- By 2014, private application stores would be deployed by 60% of IT organisations

doing this because IT impacts their business performance," said Peter Sondergaard, senior vice-president and head (research), Gartner.

Sondergaard added two-thirds of chief executives in India believed IT would make a greater contribution to their industry in the next 10 years than in the decades gone by.

But a fast growing market has its challenges as well. "For the IT leader to thrive in this environment, he must lead from the front and re-imagine IT," said Partha Iyengar, vice-president, analyst and head (research) in India, Gartner. "IT leaders must embrace the post-modern business, a business driven by customer relationships, fuelled by the explosion in information, collaboration, and mobility."

The new, compelling forces include the cloud, mobility, and an explosion in information. These changes are also deciding who gets the larger chunk of the IT budget within the organisation. "We have seen in many cases, IT bud-

gets are increasingly being shifted to the chief marketing officer's office. We believe by 2014, chief information officers (CIOs) would have lost control of 25 per cent of their IT spends. And, by 2017, chief marketing officers may have larger budgets than CIOs," added Iyengar. While these are global predictions, Iyengar added these were ground realities facing Indian IT firms and CIOs.

To give an instance of change in the role of CIO's office is the way mobile usage has increased. Mobile is not a coming trend. "It has already happened," said Sondergaard. In 2010, the installed base of mobile PCs and smartphones exceeded that of desktops.

Less than 20 million media tablets were sold in 2010. By 2016, 900 million media tablets would be purchased - one for every eight people on earth. By 2014, the installed base of devices based on lightweight mobile operating systems, such as Apple's iOS, Google's Android, and Microsoft's Windows 8 would exceed the total installed base of all PC-based systems.

"That's an incredible change, not only for individuals. It requires IT to re-imagine the way it provides applications. By 2014, private app stores would be deployed by 60 per cent of IT organisations. The applications would be redesigned - they would become context-enabled, understanding the user's intent automatically. Mobile computing is not just the desktop on a handheld device. The future of mobile computing is context-aware computing," Sondergaard said.