EQUINIX

EQUINIX 2019-20 TECH TRENDS SURVEY

Exploring global IT leaders' views on the trends, challenges and opportunities shaping businesses around the world.

INTRODUCTION

2019 felt like a year of real technological innovation on multiple fronts. The pace of digital transformation across the breadth of industry sectors, already rapid, seemed to step up yet another gear. The worldwide shift toward hybrid and multicloud deployments also picked up pace, and real strides are finally being made toward implementing 5G.

2020 has already brought with it a very different kind of disruption, triggered by COVID-19, which has shifted demand and traffic from corporate offices to remote offices, from schools to homes—requiring rapid responses to scale and accommodate. Businesses are working to quickly ramp up, adding new locations to IT for more infrastructure capacity, increasing connections and developing new ways to scale in response to shifting demands. It's an unprecedented time for our sector and for businesses across all sectors. As we all work to get through this, companies today now clearly see the advantages of their digital infrastructure—enabling them to adapt.

Against this context of rapid change and continuous digital evolution, gaining insight into how IT leaders are rearchitecting infrastructure to meet new and ever-increasing demands is key for future success.

When we first conducted our tech trends survey—which gathers the views of IT decision-makers on today's pressing technology trends—it focused on the EMEA region. This edition went global. In August 2019, we surveyed nearly 2,500 tech leaders in the Americas, EMEA and Asia-Pacific, from organizations of all shapes and sizes and from all industry sectors.

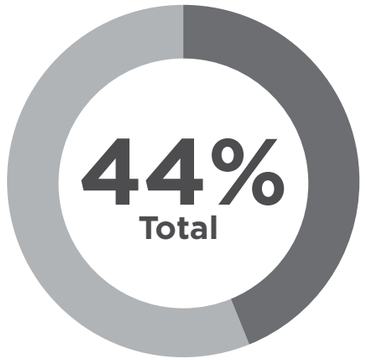
From the evolution of cloud computing and its impact on enterprise operations, to concerns around sustainability, security and costs, we have compiled insights to better help you drive your digital future forward in 2020 and beyond.

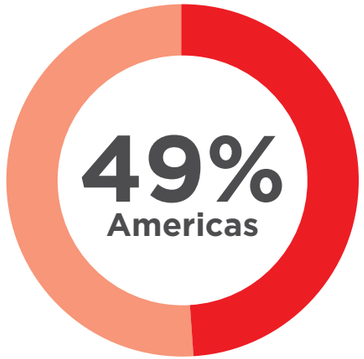
Claire Macland
Senior Vice President, Global Marketing, Equinix

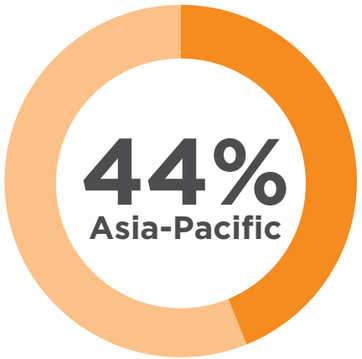
CLOUD INFRASTRUCTURE

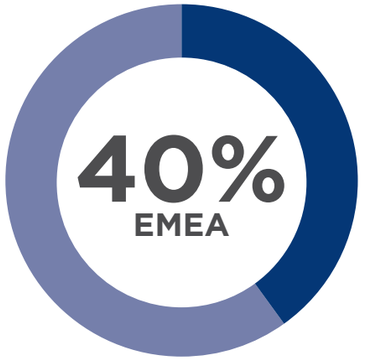
How much of your infrastructure is currently on the cloud?

IT leaders' views on cloud are clear: they want to shift more to the cloud, and they want greater diversity and choice in how they do it. However, only 44% of IT infrastructure globally is currently on the cloud. In the Americas this figure is higher at 49%, while in EMEA it is just 40%. Asia-Pacific matches the global average at 44%.







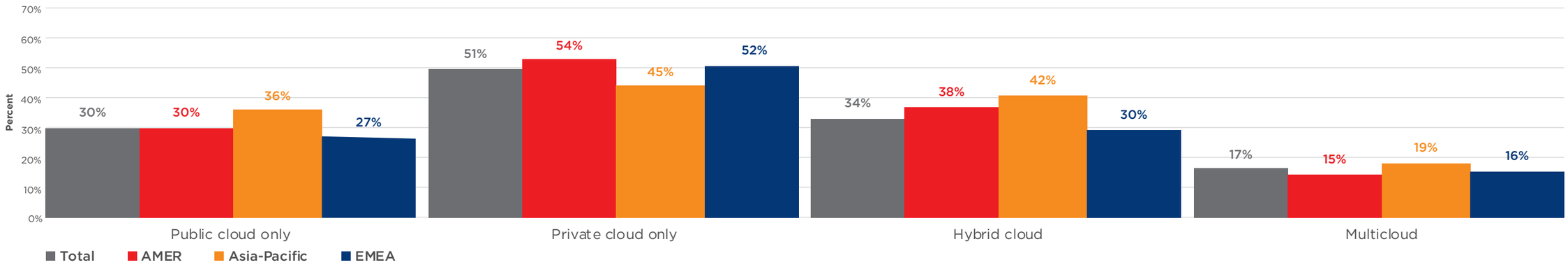


Estimated average % of infrastructure on the cloud

CURRENT CLOUD DEPLOYMENT

How are you deploying the cloud?

The results indicate a gulf between ambition and expectation when it comes to cloud migration. Although 45% of IT leaders say they plan to move to a multicloud strategy, fewer than 1 in 5 (17%) say their businesses are deploying across multiple clouds now.

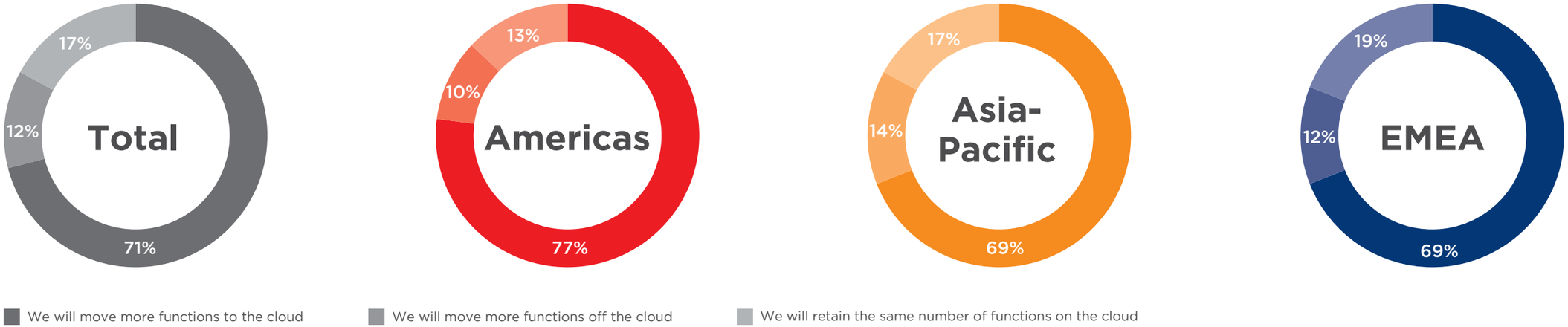


FUTURE CLOUD DEPLOYMENT

Thinking about the future, do you think your organization is likely to move more functions to the cloud, more functions off the cloud, or retain the same number of functions on the cloud?

Nearly three quarters (71%) of IT decision-makers want to move more IT functions to the cloud in the future; two-thirds of these want to do it within the next 12 months.

Meanwhile, nearly half (45%) say they are planning to move to a multicloud technology strategy in the future, with a view to diversifying their portfolio across multiple cloud service providers (CSPs).

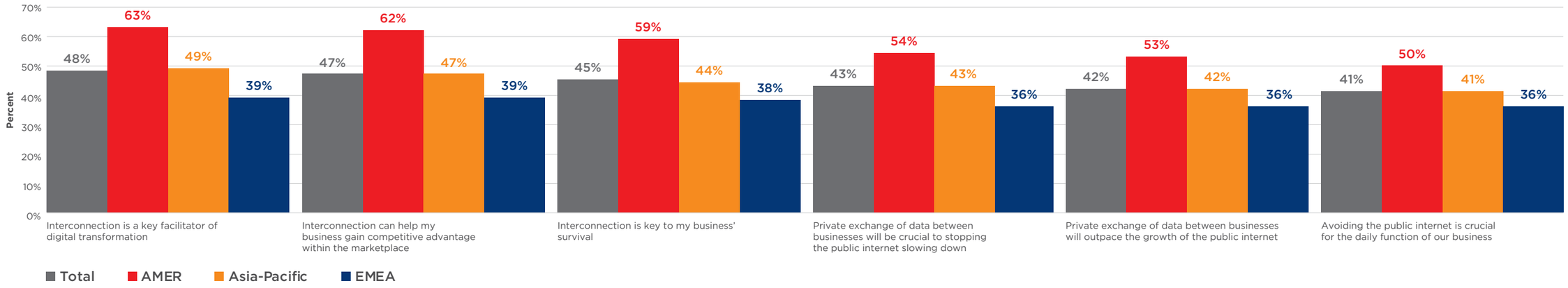


INTERCONNECTION BENEFITS

Please indicate to what extent you agree or disagree with each of the below statements:

We asked IT leaders why interconnection is important to their business. Answers ranged from wanting to avoid the public internet, gain a competitive advantage, connect with partners, customers and supply chains, or to ensure their businesses' survival.

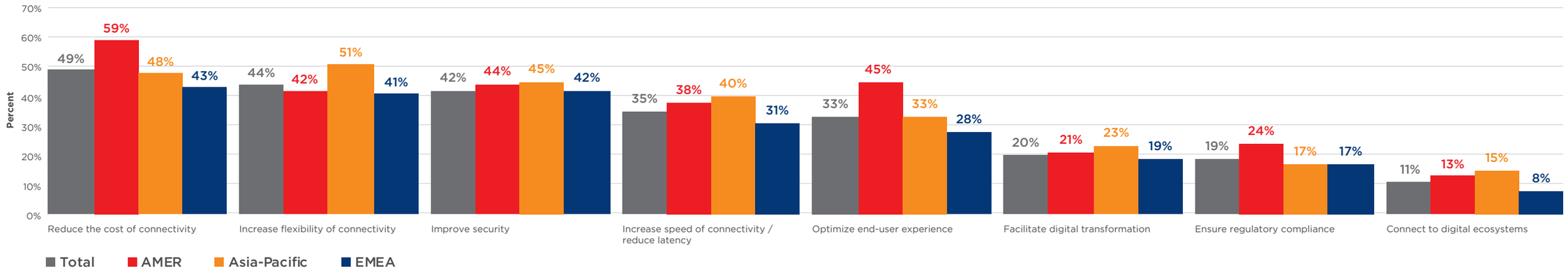
But the main reason? To leverage interconnection for digital transformation. As companies across all sectors aim to transform through tech, interconnection will remain vital to evolving long-term.



INTERCONNECTION USE

Why are you using interconnection to connect in this way?

Given the rapid uptake of interconnection services, we asked IT decision-makers why they were increasing their use of interconnection. Almost half (49%) cite the reduction in connectivity cost—particularly important to IT leaders in AMER where this number rises to 59%. And since cybersecurity fears abound, it is apt that 4 out of 10 (42%) global IT leaders state they rely on interconnection to improve security.

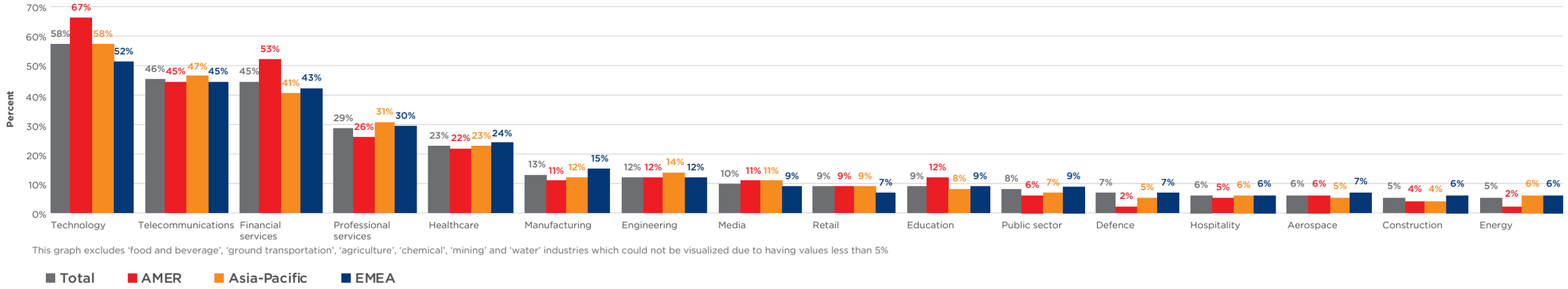


INTERCONNECTED SECTORS

Which industry sectors do you believe will benefit the most from interconnection over the next five years?

As sustained data increase continues to get further distributed at the edge, companies across many industries and around the world have rushed to leverage interconnection to stay competitive in the digitally driven global economy.

Over half (58%) of IT decision-makers think the technology sector will benefit the most from interconnection over the next five years. Financial services also rank highly, with 45% of global IT decision-makers believing the sector will benefit from interconnection.

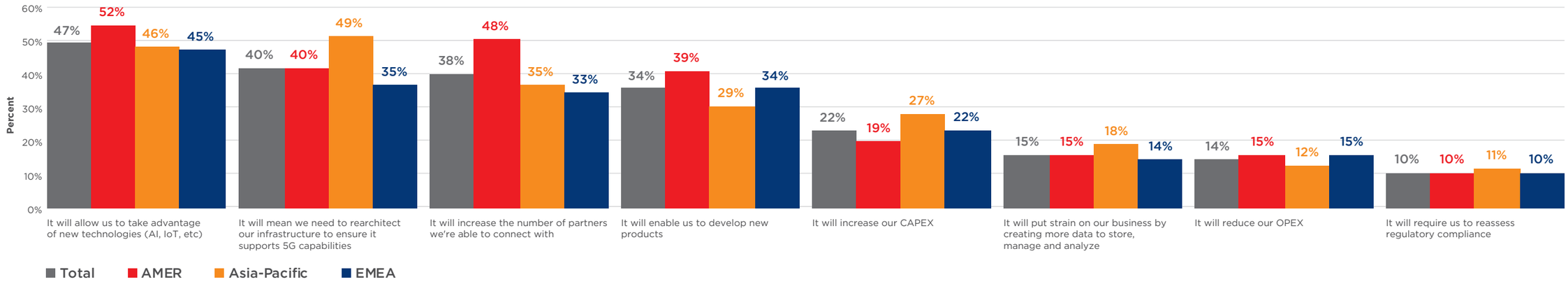


VIEWS ON 5G'S IMPACT

Regardless of your progress with implementing it, how do you think 5G will impact your business the most?

IT leaders are excited about 5G's potential impact—47% of respondents say they will be able to take advantage of AI and IoT smart tech, which might previously have been stymied by poor internet connectivity. 38% of global respondents say 5G would increase the number of potential partners to connect with, while 34% say it would enable new product development.

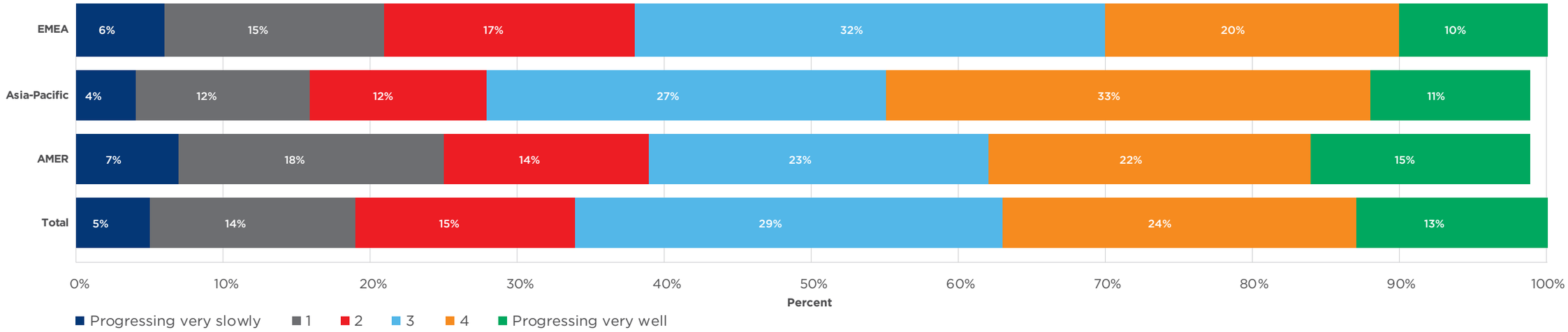
Others are less positive. Over two-thirds (40%) say they would need to rearchitect their IT to support 5G, impacting their resources. Indeed, 22% say 5G would lead to an increase in CAPEX. Just 10% think it might require reassessing regulatory compliance—although with new data privacy legislation coming in many markets, it's likely this number will increase soon.



VIEWS ON 5G'S PROGRESS

How would you rate the progress of the government's implementation of 5G?

Overall, views of how governments globally are implementing 5G are lukewarm at best. Asia-Pacific is the most positive region, with 44% of respondents saying implementation is progressing well or very well. Businesses in EMEA appear to have the most reservations, with only 30% giving the same rating.

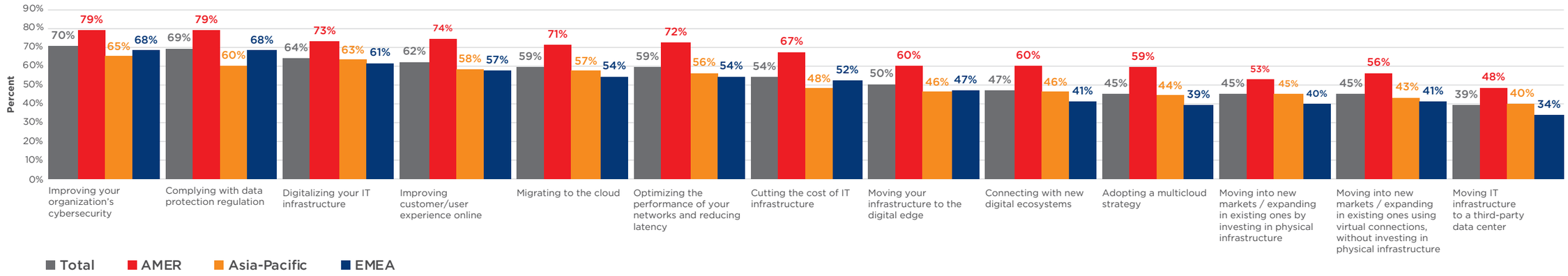


BIGGEST PRIORITIES

How much of a priority is each of the following for your organization's technology strategy?

In a complex and increasingly challenging technology landscape, we wanted to understand from IT decision-makers what their key priorities were for the future and where they perceived the greatest business threats to be coming from.

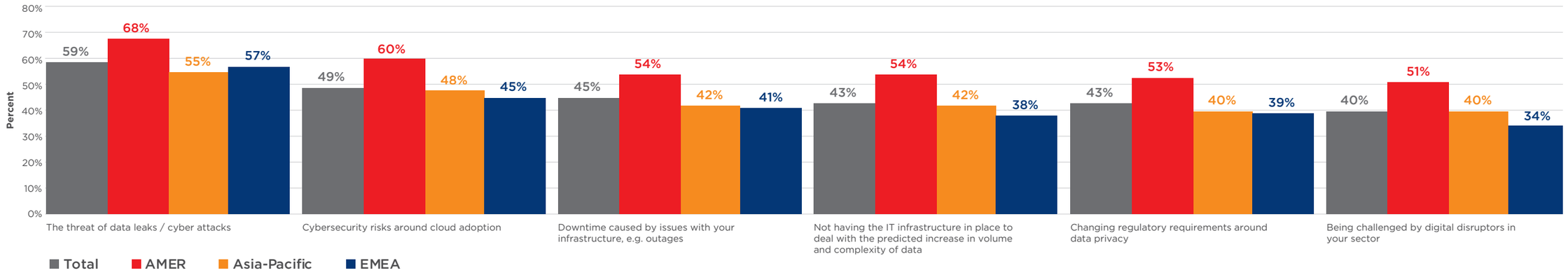
Perhaps unsurprisingly, issues around data protection and cybersecurity topped the list on both counts. Improving cybersecurity and complying with data protection regulations were named the top priorities by 70% and 69% of respondents, respectively.



BIGGEST THREATS

How much of a threat do you consider each of the following to be to your organization?

On key threats, nearly 6 in 10 (59%) respondents say the possibility of a data leak or cyberattack presents the biggest risk to their organization, with 49% saying cybersecurity risk specifically around cloud adoption is the key threat they face.

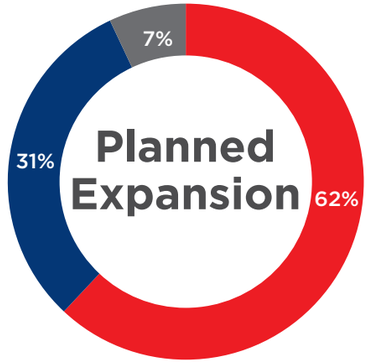


EXPANSION PLANS

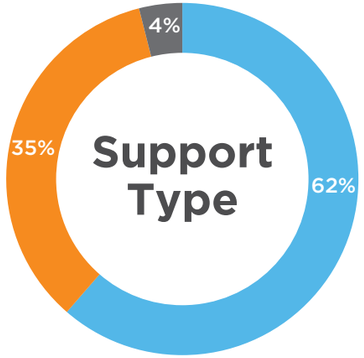
Is your organization currently expanding into new markets, and if so, how is your IT supporting this growth?

Businesses are continuing to set their sights on expansion—62% of respondents say their company is currently expanding into new markets.

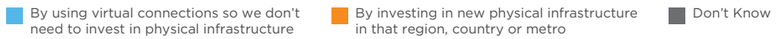
Interestingly, the majority of those IT decision-makers (62%) plan to use virtual connections to achieve this from an IT infrastructure perspective.



Organization planning to expand into new regions, countries and/or metros



Plan to support this expansion from an IT infrastructure perspective

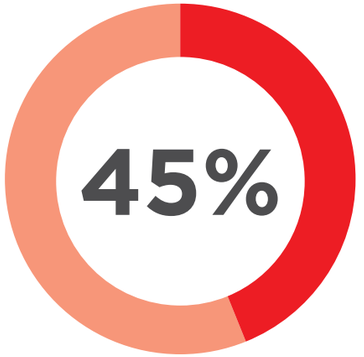


SUSTAINABILITY DRIVERS

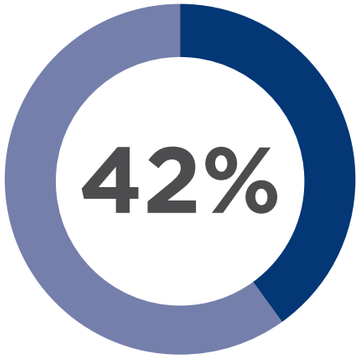
Thinking now about the sustainability of your IT infrastructure—to what extent do you agree or disagree with the following?

Over the past two years, the significance of sustainability has grown exponentially in light of mounting legislation, increasing investor awareness and community concerns around business impacts on climate change. As such, organizations globally have begun to prioritize investments in environmental, social and governance (ESG) initiatives. 86% of S&P 500 companies published sustainability reports in 2018, with ESG investment surging in the past year by over $30 trillion.

IT leaders' responses to our survey's sustainability-related questions provide further insight into how ESG issues are affecting business critical decision-making when it comes to IT infrastructure. Nearly half of all respondents (45%) say their customers now want them to demonstrate their digital infrastructure is sustainable, while 42% say the sustainability of their own suppliers will have a direct impact on their buying decisions.



Customers want us to demonstrate the sustainability of IT infrastructure



The "greenness" of our suppliers has a direct impact on our buying decisions

*Total global response

LEARN MORE

Discover more insights to create a better digital advantage

The Global Interconnection Index, Volume 3

Equinix.com/gxi-report

IDC MarketScape: Worldwide Colocation & Interconnection Services Report

Equinix.com/resources/analyst-reports/interconnection-colocation-equinix-idc-marketscape

QUESTIONS?

We hope you find these discoveries and insights as illuminating as we do, and we welcome the chance to discuss what they mean for your organization.

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This independent study, commissioned by Equinix and carried out by APCO Insight, surveyed 2,485 IT decision-makers in 23 countries across the Americas (Brazil, Canada, Colombia, Mexico, U.S.), EMEA (Finland, France, Germany, Ireland, Italy, UAE, Netherlands, Poland, Spain, Switzerland, Turkey, U.K.) and Asia-Pacific (Australia, China, Hong Kong, Japan, Korea, Singapore). Respondents were selected for participation from Dynata's online panel. The survey was conducted online between 1 and 16 August 2019.

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