Tech Provider 2025: Strategic Impacts to the Competitive Landscape

Published 16 September 2020 - ID G00730414 - 22 min read
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Initiatives: Emerging Technologies and Trends Impact on Products and Services and 2 more

Four global trends will change the competitive landscape significantly over the next five years. Technology and service providers aspiring to thrive or survive into and beyond 2025 must evaluate and adapt their product, market, staffing and other strategies to stand out from the competition.

More on This Topic
This is part of an in-depth collection of research. See the collection:

Overview

Key Challenges

- Increasing cloud adoption will shift competition further away from components in traditional technology layers to competition between vertically integrated application offerings and platform stacks. This will deepen the divide between an increasingly smaller number of providers owning product IPs (platforms, applications) and the majority of providers destined to service, support and manage third-party IPs.

- Bundling to increase value for money and ease of deployment will be key factors for the winning players, while the less successful providers will scramble to define viable business models around the winning stacks and bundles.

- Providers will need to compete on composable functionality, ending the current reality that customers have to choose between solutions that offer ready-to-use business functionality (aka SaaS) and cloud infrastructure platforms (aka cloud infrastructure and platform services [CIPS]) that let customers build net new functionality.

- In a homogeneous open world, this would naturally lead to increased vendor consolidation with only a small number of megavendors able to offer wide and composable suites. However, we expect a parallel technology sovereignty trend with some geographies, driving toward regulatory balkanization that create national or regional rather than global competitive battlefields.

Recommendations
Product leaders preparing their emerging technologies and trends impact on products and services for the 2025 competitive landscape should:

- Optimize their cloud offerings by moving from offering components to offering full stacks.
- Address a larger share of wallet by moving from offering single-purpose cloud apps to cloud bundles.
- Participate in the composable enterprise era by moving from separate SaaS (buy) and CIPS (build) offerings to either composable business suites or programmable business components (packaged business capabilities [PBCs]).
- Accommodate regulatory sovereignty and date residency demands, if needed, by changing your organization’s corporate structure along geopolitical lines.

**Strategic Planning Assumption**

By 2025, the majority of technology and service providers will differentiate through vertical integration and bundling rather than through individual product excellence.

**Introduction**

As part of the “Tech Provider 2025” Special Report, this note addresses one of six “impacts” on technology and service providers, namely the impact on the competitive landscape (see Tech Providers 2025: Product Leaders Must Prepare for 6 Key Impacts as Markets Evolve for the context for these notes).

The four trends impacting the tech provider competitive landscape of 2025 are:

1. Cloud model proliferation driving tech providers from offering components to offering full stacks.
2. Leading cloud vendors moving from offering single-purpose cloud apps to cloud bundles.
3. Separating SaaS (buy) and CIPS (build) offerings that will give way to composable business suites.
4. A regulatory technology sovereignty trend driving from open and global to closed and local.

With regard to changes in the competitive landscape, Gartner has identified the above-mentioned four — partly overlapping — trends. The first, and most important, is the continued proliferation of the cloud computing delivery model throughout the industry. We analyzed the profound impact cloud computing has had on competition in the industry. And we extrapolated this impact into 2025 and beyond. We then analyzed a trend that we expect successful cloud computing providers to drive. That is, namely the bundling of multiple — traditionally delivered separately — cloud services into more attractively priced and somewhat integrated best-of-breed suites. This will
happen largely in parallel to more advanced customers embarking on a journey toward the concept of a composable enterprise. Here, they will expect, or at least desire, to be able to click together various cloud components at a semantic business level rather than an underlying technology level. This third trend will, more than the previous ones, force providers to compete at higher levels of the stack, namely the level of business processes and even business outcomes rather than supporting technologies or platforms. Meanwhile, the fourth trend impacting the competitive landscape has already started. This is a trend of geopolitical change that is weaponizing technology ownership and balkanizing the open global market that we have come to expect into smaller, more closed, regional or national markets. In many cases, complying with local regulatory requirements will not be enough to get a “license to operate.” In many cases, providers will need to prove they are “local,” which may result in them having to split into truly independent local entities. This, in turn, may offer possibilities to again “merge” the resulting smaller players by region into larger conglomerates.

**Timing**

These four trends impacting the competitive landscape will happen to some extent in parallel, but will need considerable time to reach their maximum impact. Even cloud, which is generally seen as one of the most pronounced trends impacting the tech provider industry, took about 14 years to reach its current position (see *Market Trends: Cloud Shift — 2020 Through 2024*). And although legislative changes are traditionally considered as proverbially slow, the trend with the fastest impact may very well turn out to be the geopolitical compliance trend, resulting from increasing political awareness of the impact and importance of technology. The trend needing the most runway to come to fruition will likely be the one toward composable enterprise enablement, as complexity and the required effort to reach standardization at international levels tends to increase as solutions move up the functional stack. Expanding the portfolio breadth to increase the share of wallet by bundling multiple value propositions into a suite will start sooner, leading up to the composability trend. Also note that the individual trends will impact each other’s speed of proliferation. Faster cloud adoption may drive a faster transition to bundling (as organic cloud growth options decline in that case). Meanwhile, faster geopolitical balkanization may result in “simpler” local markets and strong government guidance that facilitate the type of semantic standardization needed for composable enterprise scenarios.

**Analysis**

Here, we dig deeper into the four identified trends. Figure 1 depicts more details about the first trend described above.

*Figure 1: Cloud Model Proliferation Impacting the Competitive Landscape Through 2025; Illustrative (Details)*
Trend 1: Cloud Model Proliferation Drives Tech Providers From Offering Components to Offering Full Stacks

During the last decade, the competitive landscape for most, if not all, technology and service providers has changed profoundly under the influence of cloud computing. And cloud computing will continue to play a significant role. The reason is that cloud adoption typically drives competition away from battling for leadership at layers of the traditional stack (e.g., for either share in servers, databases or applications) to a battle between competing, fully integrated stacks (such as SaaS-based CRM, SaaS-based productivity and collaboration suites or fully integrated CIPS) for building new enterprise applications. In Note 1, we look in more detail at how the cloud computing model has significantly transformed the competitive landscape for tech providers, resulting in a cloud market where we see three main competitive cloud battlefields:

- **Buy**: A SaaS battlefield, where competition is segregated between functional areas, such as CRM, HR or help desk, typically addressing the functional problem owner (e.g., head of sales or head of HR) rather than the enterprise as a whole, like ERP did. This increases speed of both selling and implementing, but the somewhat siloed approach of SaaS did introduce a risk of suboptimization. Competition between SaaS providers takes place on aspects of readymade

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### Table: Impact of Cloud Model Proliferation

<table>
<thead>
<tr>
<th>From Components</th>
<th>To Stacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application</td>
<td>CRM (&lt;1)</td>
</tr>
<tr>
<td>Competition (1000s)</td>
<td>HR (&gt;20)</td>
</tr>
<tr>
<td>Middleware</td>
<td>Office (&lt;3)</td>
</tr>
<tr>
<td>Competition (1000s)</td>
<td>Expenses (&lt;5)</td>
</tr>
<tr>
<td>OS Virt</td>
<td>File Sharing (&lt;10)</td>
</tr>
<tr>
<td>Competition (100s)</td>
<td>Etc.</td>
</tr>
<tr>
<td>Hardware</td>
<td>CIPS (&lt;8)</td>
</tr>
<tr>
<td>Competition (10s)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Gartner

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standard functionality, ease of use, reputation (including security), market share and, to some extent, price.

- **Build**: A CIPS battlefield, where competition takes place almost exclusively between a small number of hyperscale cloud providers, with the two largest of these hyperscale providers taking the majority share of this market. The target buyers were tech-savvy builders looking to create a new generation digital solution while avoiding undifferentiated heavy (technology) lifting.

- **Have**: A more diverse and yet undecided battlefield with potential opportunities for more traditional technology and service providers, but with an undeniably declining long-term outlook.

Figure 2 depicts these three typically separate areas of enterprise cloud adoption (see *7 Elements for Creating a Pragmatic Enterprise Cloud Strategy*).

**Figure 2: The Three Typical Areas of Enterprise Cloud Adoption**

### The Three Typical Areas of Enterprise Cloud Adoption

**SaaS, DevOps and Migration**

<table>
<thead>
<tr>
<th>Area 1: SaaS</th>
<th>Area 2: DevOps</th>
<th>Area 3: Migrate?</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRM</td>
<td>Hyperscale</td>
<td>Test/Develop Batch</td>
</tr>
<tr>
<td>Office</td>
<td>Digital Transformation</td>
<td>Production, ERP Disaster Recovery</td>
</tr>
<tr>
<td>HR</td>
<td>Service</td>
<td>Legacy Non-x86</td>
</tr>
<tr>
<td>Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
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<tr>
<td>ERP</td>
<td></td>
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</tbody>
</table>

Source: Gartner
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The above-described cloud shift will continue for several more years and likely even accelerate as cloud continues to gain momentum and acceptance; this will happen outside of the traditional
cloud target audiences. The above-described adoption model, however, has a couple of shortcomings that customers will expect to be addressed as the cloud matures.

The first shortcoming that enterprises are finding is that subscribing to such a wide variety of SaaS solutions (basically one per application area), from an equally large number of providers, is a costly endeavor. This concern tends to become more acute once surpassing 10 or 20 applications per employee. In addition, the cost of ownership of having to continuously manage and integrate these essentially siloed applications is considerable. Leading providers will start to address this (see Trend 2).

The second flaw in the current adoption model is that customers did not ask for a completely different set of solutions nor did they ask vendors to address their buy versus their build needs. Customers likely would have preferred to consume standard functionality and create unique differentiation functionality in the same environment, had that option been available. After all, why would you want to build an order processing facility from scratch if all you want is to differentiate through some order entry or invoicing capabilities. An emerging segment, such as communications platform as a service (CPaaS), can be seen as an early example of higher-level hybrid solutions that combine high-level, out-of-the-box functionality with adaptability and build options. Eventually, this may lead to a convergence of Trend 1 and 2. This is further discussed in the section on Trend 3.

Recommendations:

No less than four trends coming to the market in rapid succession are putting high demands on technology service providers to be successful. The first trend is a continuation of the rapid cloud adoption and has favored providers with vertically highly integrated offerings addressing the needs of customers. This trend looks to either buy standard functionality, build differentiating functionality, and to a lesser extent, the needs of customers that have functionality they want to bring forward into a sustainable 2025 scenario. Providers looking for a right to play in this market must either:

- Create a compelling, highly integrated product value proposition explicitly addressing one of these areas.
- Create a compelling services proposition around one of the leading third-party propositions.

Figure 3 describes the second trend discussed earlier.

Figure 3: Cloud Services Bundling Impacting the Competitive Landscape Through 2025; Illustrative (Details)
Trend 2: Leading Cloud Vendors Move From Offering Single-Purpose Cloud Apps to Cloud Bundles

Bundling and unbundling are technology provider practices that are as old as tech providers themselves. What we see as the main competitive tactic pursued by the winners of the initial cloud trend is a move to bundling to increase value for money and ease of deployment. This will be driven more by a pursuit of a larger share of wallet of their target customers than by pursuit of larger absolute revenue or profits. Given the expected financial positions and relentless ambitions of the initial cloud winners, we expect this bundling to be driven through acquisitions, acqui-hires and possibly mergers rather than through partnerships or resell arrangements. Less successful providers will be forced to scramble to define viable business models around servicing these winning stacks and emerging bundles.

Bundling, to some extent, will be a response to the unsustainable growth in the number of SaaS providers that the average enterprise will have been implementing, using, managing but also been paying for. Even at modest monthly amounts per user, the cost for these add up as the number of solutions increases and invoices keep coming in month after month. Offering bundles as an answer to this issue is far from a new strategy for tech providers, and leading providers are typically more than happy to oblige. The reason is that selling a wider portfolio decreases their average cost of sales, increases customer stickiness and provides room for growth for providers nearing monopolistic market shares in their original market.
We expect the bundling trend will further increase the pressure that tech providers, who are offering professional and managed services around third-party cloud services, were already under to come up with profitable value propositions. Bundling adds to the winner-take-all model that is already so typical for cloud propositions.

**Recommendations:** Having a strong product or service position in at least one of the three areas is required to get access to Trend 2, which involves:

- Expanding the portfolio from one strong proposition to a bundle of strong adjacent and complementary propositions that offers considerably more value for customers. In addition, it expands the share of wallet (although not necessarily the absolute revenue) of the provider.
- Providers not being opportunistic in their bundling strategy, as Trend 3 requires significant strategic technology planning of foresight.

Figure 4 describes the third trend mentioned earlier.

**Figure 4: Composable Enterprise Needs Impacting the Competitive Landscape Through 2025; Illustrative (Details)**

**Composable Enterprise Needs Impacting the Competitive Landscape Through 2025; Illustrative (Details)**

<table>
<thead>
<tr>
<th>From</th>
<th>To Composable Business Suites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separate SaaS (buy)</td>
<td>IaaS/PaaS (build)</td>
</tr>
<tr>
<td>CRM and HR (&lt;3)</td>
<td>File Sharing, etc. (&lt;2)</td>
</tr>
<tr>
<td>File Sharing, etc. (&lt;2)</td>
<td>Enterprise (≈5)</td>
</tr>
<tr>
<td>Enterprise (≈5)</td>
<td>Low and High Code</td>
</tr>
<tr>
<td>Low and High Code</td>
<td>CIPS (≈5)</td>
</tr>
<tr>
<td>CIPS (≈5)</td>
<td>CIPS (Low Code)</td>
</tr>
<tr>
<td>CIPS (Low Code)</td>
<td>HR and CRM</td>
</tr>
<tr>
<td>HR and CRM</td>
<td>Office and File Sharing</td>
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<tr>
<td>Office and File Sharing</td>
<td>Supply Chain and Operations</td>
</tr>
<tr>
<td>Supply Chain and Operations</td>
<td>Semantic Model</td>
</tr>
<tr>
<td>Semantic Model</td>
<td>CES (Composable Enterprise Suites) (&lt;3)</td>
</tr>
</tbody>
</table>

Source: Gartner

Trend 3: Separate SaaS (Buy) and CIPS (Build) Offerings Give Way to Composable Business Suites
Next, providers will compete on composable functionality, ending the current reality that customers have to choose between solutions that offer ready-to-use business functionality (aka SaaS) and platforms that let them build net new functionality (aka CIPS). This caters to the desire of more advanced and ambitious customers, who are pursuing the vision of a composable enterprise in which they can seamlessly combine components from their SaaS, CIPS and legacy environments.

Technology and service providers must be able to address a dichotomy in customer requirements. On one hand, end-user customers will become more digital and will want to leverage technology as a core competency to differentiate their core offerings, customer experience and cost competitiveness (the three traditional axis of differentiation, but now leveraged in parallel). On the other hand, customers are looking to avoid so-called “undifferentiated technical heavy lifting.” And to top things off, customers will want to do so without risk of being exposed to exponential growing technical or functional debt.

The components that enterprises will use to compose their differentiating customer solutions will move up the stack from technical building blocks, such as virtual machines (VMs) and (orchestrated) containers, to functional business building blocks, such as purchase orders, production recipes and financial service definitions.

The semantics needed to govern and standardize these business components will — for now — continue to be too complex to be addressed with pure artificial intelligence (AI) and compute power. This will lead to a need for simplification to a scale that humans can still comprehend, discuss and reach agreements on. And that will be at the level of individual vertical industries. Ideally, these would be standardized across the globe to facilitate continued global trade; but given current geopolitical developments of protectionism and emerging splinternets (fenced off national internets), these may also evolve on a more regional level (e.g., Asia, North America and European Union levels).

**Recommendations:** Composability of business functionality across a bundled portfolio will require that:

- Providers enable their customers’ architects and end users to build on top of technology-enabled business components rather than on lower-level technology components. Tech providers that focus on technology offerings that customers can use to build business functionality, rather than on business functionality that customers can compose into differentiating business processes, face a challenge. They are likely to find themselves only selling to fellow providers higher up in the technology food chain, rather than to end-user enterprises. To some extent, Trend 3 will commoditize pure technology providers (similar to how lower technology layers got commoditized into an open-source ecosystem) and offer more opportunity for providers with deeper understanding of industry and business processes.

- In classic “crossing the chasm” fashion, providers wanting to address customers beyond tech-savvy early adopters with composable business suites will specialize on catering to specific
vertical industries with preconfigured industry functionality. For selected providers that were relegated to largely servicing third-party product IP during Trend 2, Trend 3 may offer an opportunity to get back into the product IP game.

- Service providers that play their cards right can build a higher-level “composable business functionality” product proposition on top of the previous generation of more technology-oriented build offerings and compete with traditional, less flexible and not composable buy offerings.

Figure 5 describes the fourth trend described earlier.

Figure 5: Regulatory Balkanization Impacting the Competitive Landscape Through 2025; Illustrative (Details)

Regulatory Balkanization Impacting the Competitive Landscape Through 2025; Illustrative (Details)

Trend 4: Regulatory Balkanization Drives From Global Tech Markets to Regional/National-Walled Tech Gardens

Geopolitical change may be the only trend that’s countering the expected market concentration and consolidation effects of the earlier discussed trends. In Tech Providers 2025: Strategic Responses to Disruption From Geopolitics and World Events we observe how: “However, taken together with
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Tariffs and other geopolitically driven restrictions on trade and investment, they point to a tech industry that will be in many ways less open and more fragmented than that of yesteryear” (see Note 2).

For the enterprise market, this may evolve into a dual market that offers a choice between a small number of “eastern” versus “western” stacks, coming largely from tech providers based in China and the United States, respectively. Both sets will initially continue to leverage the same open-source components they leverage today. However, the competitive battle won't happen at that underlying technology level, but at the higher level of enabled business outcomes. Regions not able to create or sustain their own platform ecosystems will have no other choice than to leverage the platforms created in other regions and resort to legislation and regulation to maintain some level of control and sovereignty. This may include regions that were traditionally economically strong, such as Europe and the Middle East; concerns among politicians, academia and tech providers in these regions are increasing, leading to initiatives such as GAIA-X and others (see Market Trends: Europe Aims to Achieve Digital Sovereignty With GAIA-X).

Recommendations:

Governments using regulatory means to create technology sovereignty in Trend 4 have been raising their heads in a number of geographies already. Although protectionism does seem to play a role in the political motivation behind this trend, Gartner makes the following suggestions:

- We do not advise providers to try and use this trend as a way to protect themselves from larger, more global, hyperscale competitors. This is because those types of advantages over time are often not sustainable and tend to lead to weaker, and not stronger, propositions. Also, we saw with, for example, the General Data Protection Regulation (GDPR) regulation coming into force, that large, global (e.g., hyperscale) providers had more scale, allocated more funding and invested more local staffing into bringing a compliant solution to market. Thus, global providers outperformed local or regional providers in compliance with their own local regulations.

- Rather than looking for regulation as “air cover,” tech providers should focus on understanding how their customers would best deal with geopolitical issues and challenges and build corresponding value propositions. These propositions would enable customers to be as efficient as their global competitors.

Figure 6 recaps the four trends we discussed above for easy reference.

Figure 6: Four Trends Impacting the Competitive Landscape Through 2025
Note 1: The Historic Impact of Cloud Computing on the Competitive Landscape

As technology continues to advance, so does the complexity of owning, managing or even comprehending technology-based solutions. Up until a few years ago, end-user IT organizations would try and cope with this complexity by voluntarily identifying themselves with the vendor they most engaged with (e.g., calling themselves an IBM shop, a Microsoft shop, an Oracle shop, a Salesforce.com shop, an SAP shop). Deal by deal, competition, however, still happened at individual levels within the stack. Database vendors competed with database vendors, server vendors with server vendors, service management vendors with service management vendors, data warehousing and reporting vendors with data warehousing and reporting vendors, etc. The result was that providers of business applications had to support the wide variety of vendors and platforms that their customers had running in their IT shops. Supporting three or more databases, four or more operating systems (including countless hardware vendor varieties) and multiple hardware platforms was quite normal.
The “as-a-service” model that public cloud computing introduced changed that significantly, especially in the area of SaaS. Here, business functionality was delivered on top of a fully integrated, nonnegotiable stack that was selected and operated by the SaaS provider. For end-user customers, this meant that application stacks effectively became silos with little or no similarities or synergies at lower layers. Only a small number of application providers offer some choice regarding the cloud or stack underlying their solution. This means that the battlefield of competition has become a lot smaller. Where companies used to have a choice of different technology and service providers for each layer of their technology stack, they now only have a choice at the top of the stack. This doesn’t have to be a problem as long as the company doesn’t need to have control over the underlying layers. The need for control, however, arises if the company wants to make changes in the way an application works or needs to integrate applications across different stacks or silos. This has resulted in SaaS being very popular in areas where companies are happy to consume functionality as is; where good enough is good enough. This is typically an area of systems of record in pace-layering terms and an area which is now largely approached with a strategy of buy, rather than build. This has resulted in a large number of very diverse SaaS providers for most enterprises.

It is a different, but somewhat similar, story for the other important category of systems from pace layering, namely systems of differentiation. As part of their digital transformation journeys, many companies have started to build their own functionality again, but only for processes they deem core or differentiating. For these processes, companies are not willing to accept a “good enough” offering. They want to be able to define the digital applications that make up their digital processes in detail. In this build area, we also saw massive adoption of cloud services, but a different type of services, namely cloud platform and infrastructure services. Gartner describes this area as CIPS (see Market Share: Enterprise Public Cloud Services, Worldwide, 2019). Like we saw with SaaS, for CIPS, the whole top-to-bottom stack is typically purchased from a single provider. Some customers may adopt a multicloud strategy, where they use two or more of these vertically integrated CIPS stack offerings, and decide — typically on a case-by-case basis — which project goes where.

Next, to separate cloud strategies for build and buy, enterprises are trying to figure out what best to do with the systems they already have. Here, many enterprises are considering the migration of their existing solutions to cloud infrastructure as a service offerings. But the benefits (and especially the business cases) of these lift-and-shift migrations remain largely unproven. There certainly are some successful cases in this area, but in many cases, the organizations undertaking these had specific conditions to address. For example, they involve companies whose existing data center is being closed or who are divested from a mother company and no longer are able to use their parents’ infrastructure facilities. Absent of these special conditions, benefits of migration are often elusive, as functionality does not improve or change and costs typically do not decrease. Making the effort and investment involved in such a transition is increasingly questionable from a business perspective.

It is outside the scope of this note, but by 2025 it will become clear whether existing applications are better served by a migration to a cloud service model or by an approach more similar to what
happened during the previous decade to mainframe-based workloads. With the benefit of hindsight, we can now namely conclude that following the rapid success of distributed and later open (UNIX) systems, mainframe applications were either replaced by new solutions that were natively designed for the new technical environment (the move from SAP R2 to R3 being a case in point), or left in the place on the platform they were designed for in the first place (namely native mainframes): On the one hand, being API-enabled to work together with new applications, and on the other hand, largely outsourcing the management and running of these mainframe applications to specialized outsourcing providers. Somewhat unexpected to both mainframe proponents and opponents, the remaining mainframe ecosystem then managed to benefit significantly from technical advancements in both chip and software advancements coming from the new distributed world. This made it technically and economically feasible to run the remaining mainframe workloads a lot longer than originally envisioned, prolonging the role of mainframes significantly, but with very little or no net new application development on them. A similar scenario for today’s existing applications is not inconceivable, where instead of forced migration to the public cloud, these are left in their native environment, with the management and operation largely outsourced and taking advantage of numerous innovations originating from the cloud ecosystem at every technology refresh along their remaining life cycle.

Note 2: Earlier Gartner Perspectives on Geopolitical Balkanization

In earlier scenario planning efforts, such as Market Insight: Future of IT Services, 2020, the ‘Economic Fortresses’ Scenario from October 2012 and Market Insight: The Future of the Data Center Market, the ‘Tech Ration’ Scenario from 2013, Gartner has discussed the possible impact of possible balkanization scenarios. The latter 2013 note, for example, explores a scenario where, “In response to the worldwide economy and events in the Middle East, governments around the world became protectionist and internally focused. Like the U.S. with its ‘Made in America’ program, the EU mandated that all government and business purchases, including IT, were to be from EU providers. This attitude began to filter down to local regions where ‘buy local’ mandates became the norm. By 2017, this movement and declining government revenue resulted in local taxes being levied on all internet transactions on a global basis. In anticipation of the move toward internet taxation, Amazon purchased an island and established its own national state and government to avoid paying internet transaction taxes.”

While in the earlier 2012 note, we explored for example how “information policies” may cause:

- Challenges from data sovereignty issues and strengthening of borders.
- Digital services used as “weapons” in the battle for growth, dominance and power.
- Governments to prevent data, information and trade from moving outside their respective borders.
- Economic fortresses forcing local standards, making global trade difficult.
In retrospect, we now all know this scenario did not transpire in the projected period. In fact, quite the contrary happened, with global trade reaching a series of all-time highs. Recent events, however, may have made this scenario a lot more likely than most would have expected just a year ago.

**Recommended by the Authors**

- Pivot Forward With Gartner’s Vertical Industry Strategy Guide 2020
- Market Trends: Europe Aims to Achieve Digital Sovereignty With GAIA-X
- Market Opportunity Map: Cloud Services, Worldwide

**Recommended For You**

- Tech Providers 2025: Strategic Impacts for Technology Buyers and Customers
- Emerging Technology Analysis: Smart Spaces
- Tech Providers 2025: Strategic Responses to Challenges From New (and Old) Entrants
- Tech Providers 2025: Strategic Impacts for Talent and Resources
- Tech Providers 2025: Transformed Buyers and Customers Force Evolution