

European DX Spending Keeps Growing, Despite Coronavirus Impact, Says IDC - Focus on key digitalization spots help companies overcome the biggest brakes on their business

FOR IMMEDIATE RELEASE, Prague — According to the latest release of the Worldwide Digital Transformation Spending Guide published by International Data Corporation (IDC), European ICT investments aimed at digital transformation will increase 12% year on year to reach \$305 billion in 2020. This represents a significant contraction from the 18% growth forecast prior to the onset of the COVID-19 pandemic.

In a lockdown situation with most global economies in at least a mild recession, companies realize that, with the right technology in place, employees can continue working remotely, and operations can be maintained while they adjust as quickly as possible to the new normal. While digitalization investments across industries will suffer, some will be more pronounced than others, depending on the extent to which the given industry has been impacted by the crisis and on the ability of organizations to innovate.

The biggest drops in DX spending growth in 2020 compared to the pre-pandemic forecast will be seen in transportation, personal and consumer services, retail, and discrete manufacturing. The most resilient sectors are expected to be government, utilities, education, and telecom. In terms of DX spending, healthcare is expected to be the fastest growing industry in 2020 in Europe.

However, even in the most affected industries, some areas of technology investments (use cases) will keep growing, as businesses are looking to resiliency, flexibility, and efficiency to their operations. In discrete manufacturing, efficiency and productivity have never been more important, yet the skills shortage was costing European manufacturing companies billions of euros annually, even before the

COVID-19 outbreak. Although they are considered expensive, autonomous technologies are more appealing to companies than the alternative of downtimes. Technologies like IoT, automation, and robotics also decrease the effect of restrictions related to health concerns (lockdowns) and increase flexibility when reconfiguring production lines. For transportation companies, the intelligent inventory planning and routing use case becomes essential when traditional transportation routes are not available, or destinations and cargo volumes change. In healthcare, use cases like remote patient monitoring are accelerating as more people with chronic diseases can be consulted and treated remotely. In education, use cases have focused on distance education, which has triggered investments in virtualized labs and integrated planning and advising.

TOP 10 Use Cases for Advancing DX

Investments in the following use cases have accelerated the most compared to the pre-COVID 19 forecast.

Figure 1

	EDUCATION Virtualized Labs Integrated Planning and Advising
	INSURANCE Robotic Process Automation-Based Claims Processing
	TELECOMMUNICATIONS Infrastructure and Network Process Insight
	HEALTHCARE Remote Health Monitoring Machine Learning-Driven Predictive Analytics
	CENTRAL GOVERNMENT Crime Analysis and Data Sharing Centers
	DISCRETE MANUFACTURING Autonomic Operations
	UTILITIES Intelligent and Predictive Grid Management - Water
	TRANSPORTATION Intelligent Inventory Planning and Routing

About IDC Spending Guides

IDC's Spending Guides provide a granular view of key technology markets from a regional, vertical industry, use case, buyer, and technology perspective. The spending guides are delivered via pivot table format or custom query tool, allowing the user to easily extract meaningful information about each market by viewing data trends and relationships.

For more information about IDC's Spending Guides, please contact Monika Kumar at mkumar@idc.com.

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