

Gartner: IT Spending Drops Across Verticals

Written by Marco Attard
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Global IT spending across vertical industries will drop by 3.5% to \$2.6 trillion in 2015 Gartner reports, with slowdown caused mainly by a rising US dollar.



"Appreciation of the US dollar (mainly against the euro, yen and the ruble), along with the relative slowdown of emerging markets (particularly Russia, Brazil and China), had a double impact on IT spending in 2015, and explains the downward revision in the forecast," the analyst says. "Unsurprisingly, most technology firms reporting revenue in US dollars have taken a negative hit on their quarterly revenue earnings."

The top 3 growth industries-- retail, banking and securities, and healthcare providers-- remain lead industry drivers, even if all industries are set to experience negative growth in 2015.

Retail industry IT spending is forecast to drop by 1.5% in 2015. Gartner describes technologies helping understand customers better, improve engagement through multichannel experience and facilitate the buying process as high-priority areas, while IT infrastructure accepting mobile payment systems and digital wallets are high-priority in-store investments for H2 2015. Further spending should be seen in point of sale (POS) terminals, as many countries comply with the October 2015 deadline to shift to systems shifting liability from credit card issuers to merchants accepting nonchip, PIN-based cards.

Meanwhile the analyst forecasts the demand for support of digital and other technology initiatives will double banking IT budgets through 2019, even as 2015 spending is to drop by -2.4%.

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"As banks grapple with growth and regulation issues, while battling new financial technology competitors, they will also look to invest in data solutions, driven by availability of big data, analytics tools and competition from fintech companies that rely on big data and analytics more to reach the right customer and analyse the risks," Gartner remarks. "Cybersecurity remains an area of focus for executives in consumer banking segments, while an emerging area of interest is smart machine technology, including artificial intelligence, robotic process automation, intelligent analytics and deep learning."

Healthcare spending is forecast to drop by -2.7%, with spending mainly driven by the US accounting for around 40% of the global market. The analyst marks telehealth technology as a growing (15%) segment, even if it is starting from a "very low" base.

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