Following the Impact of COVID-19 Pandemic on Server & Enterprise Storage Budget

Wave 3 Survey

April 2020

contents

Executive Summary

1 Total IT Spending: Respondents outside of USA appear more optimistic. This is especially noticeable within the full year 2020 expectations, where 45% of USA respondents now expect lower IT spending vs. 33% of WW respondents.

2 Enterprise Server Spending: Shifts between Wave 2 and Wave 3 appear relatively stable at the WW level. Whereas Wave 3 USA results suggest a strong increase in the degree to which 2020 server budgets will decrease.

3 Enterprise Storage Spending: WW storage budgets also remained relatively stable. Wave 3 results show a pessimistic shift, with increases to the share of respondents expecting a 10% or more decrease in storage spending.

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Research Objectives

This is the Third Bi-Weekly Survey Exploring IT Buyers Expectations Related to the Impact COVID-19 will Have on IT Budgets

- This tracking survey is the third of a series that is created every two weeks to capture IT spending behavior during (and in the aftermath of) the COVID-19 pandemic.

- The survey was conducted in more than a dozen countries representing North America, EMEA and Asia Pacific.

- This IDC deliverable provides insights related to top-line IT spending, enterprise servers and enterprise storage. Additional survey results spanning 20+ technology categories have been published within IDC's respective research domains.

- Each survey wave was complete on the following dates:

  - Wave 1: March 28, 2020
 - Wave 2: April 15, 2020
  - Wave 3: April 30, 2020

Additional detail and data available via request

Key Analysis and Findings

Expected Impact on WW IT Budgets: Second Quarter

Compared to your organization's originally budgeted IT spending plans, which of the following best reflects your opinion of how COVID-19 will impact your organization's actual IT spending in the second quarter of 2020 (April to June)?

Worldwide Responses

|	Wave 1	Wave 2	Wave 3
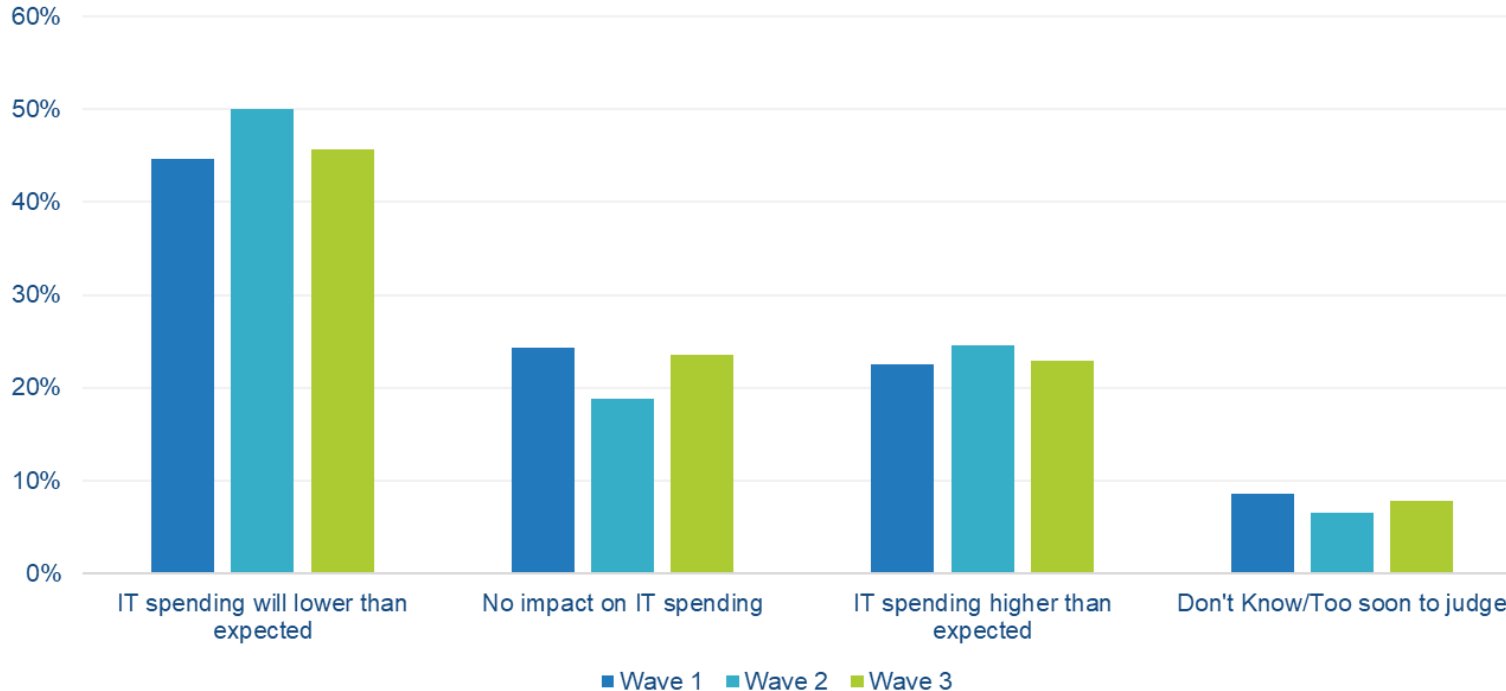
Share of worldwide respondents expecting lower 2Q spending for total IT remains above 45%

Wave 3 results suggests fewer respondents are expecting higher 2Q spending, yet more are now expecting no impact to IT spending.

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Expected Impact on USA IT Budgets: Second Quarter

Compared to your organization's originally budgeted IT spending plans, which of the following best reflects your opinion of how COVID-19 will impact your organization's actual IT spending in the second quarter of 2020 (April to June)?


USA Responses
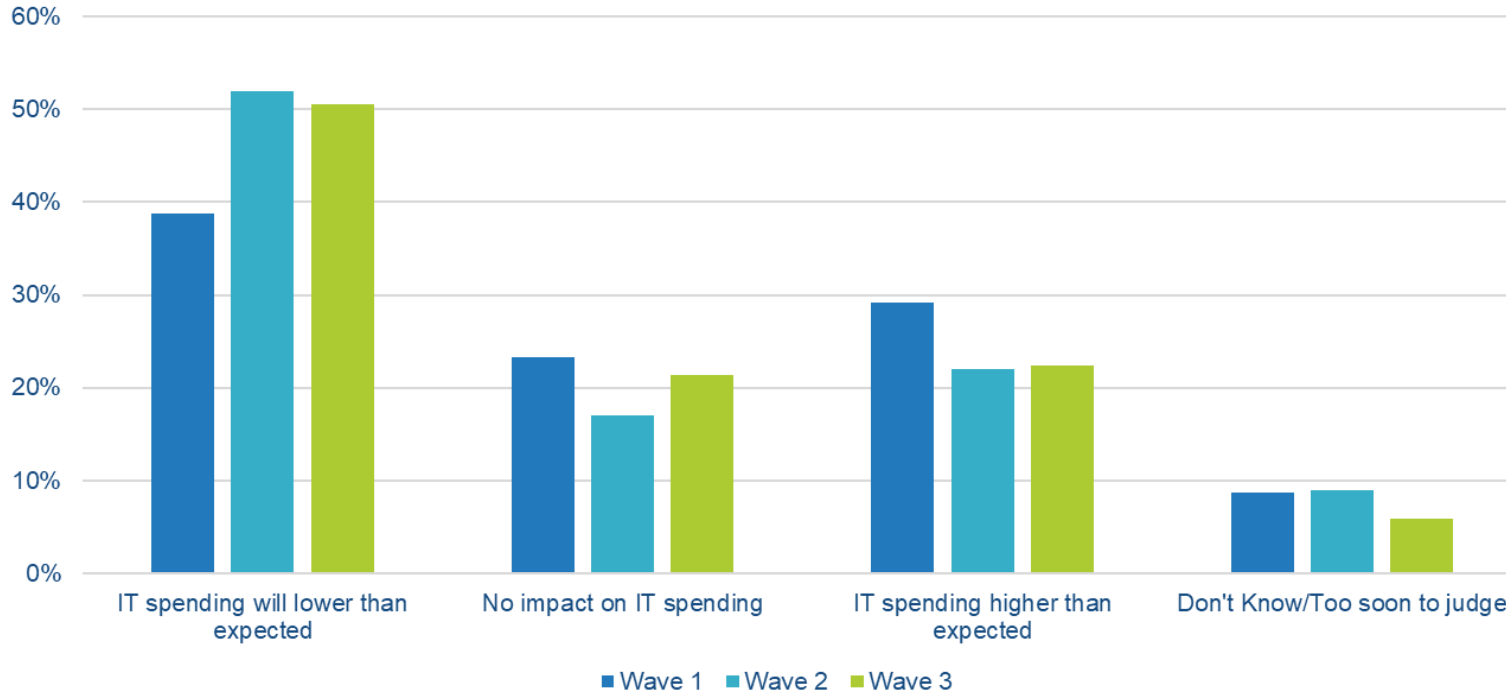
Wave 2 and Wave 3 responses were similar, with slightly more Wave 3 respondents indicating no impact to IT spending in Q2

Legend: ■ Wave 1 ■ Wave 2 ■ Wave 3

Expected Impact on WW IT Budgets: Full Year 2020

Compared to your organization's originally budgeted IT spending plans, which of the following best reflects your opinion of how COVID-19 will impact your organization's actual IT spending for the full year (2020)?

Worldwide Responses
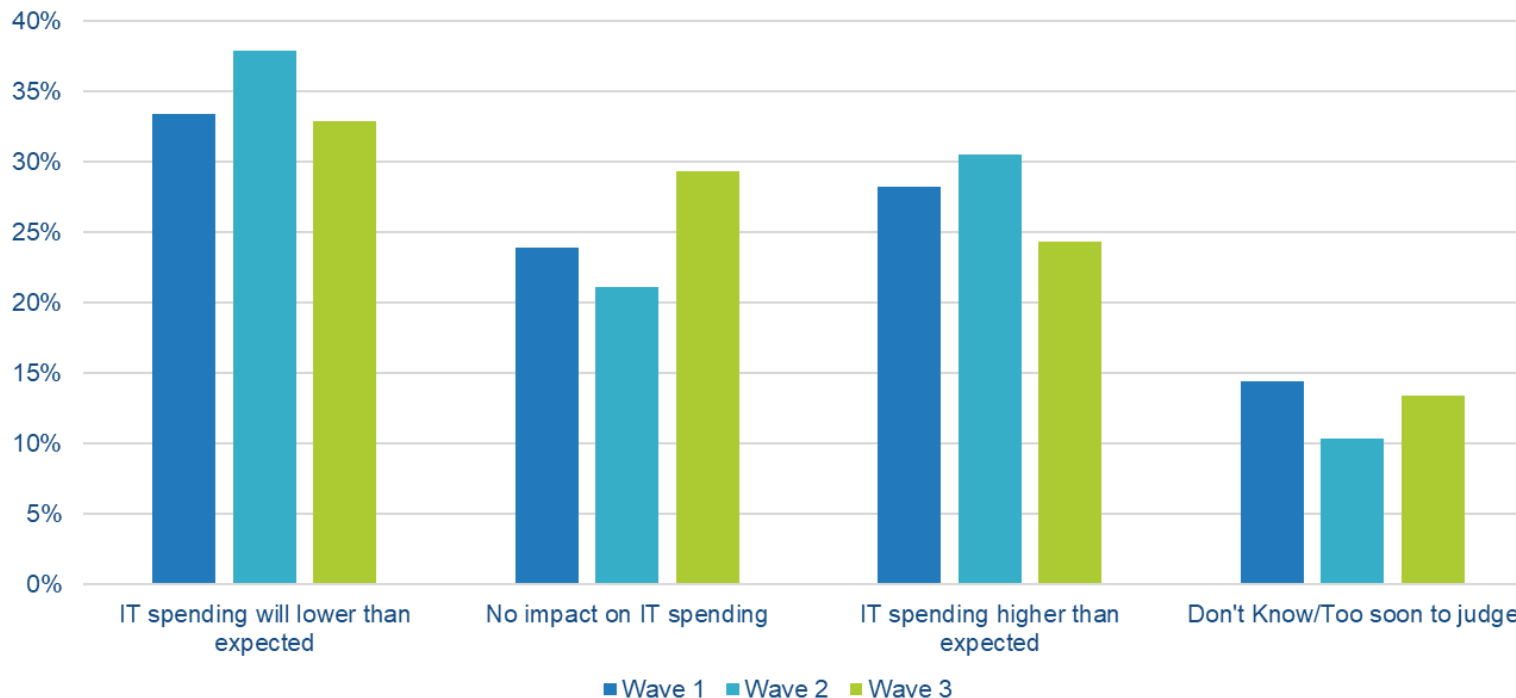
Share of worldwide respondents expecting lower 2020 IT spending has fallen to 33% in Wave 3.

Largest Wave 3 shift comes from those expecting no impact to 2020 IT spending.

Fewer respondents (24%) of Wave 3 expect 2020 IT spending to increase.

Expected Impact on USA IT Budgets: Full Year 2020

Compared to your organization's originally budgeted IT spending plans, which of the following best reflects your opinion of how COVID-19 will impact your organization's actual IT spending for the full year (2020)?

USA Responses
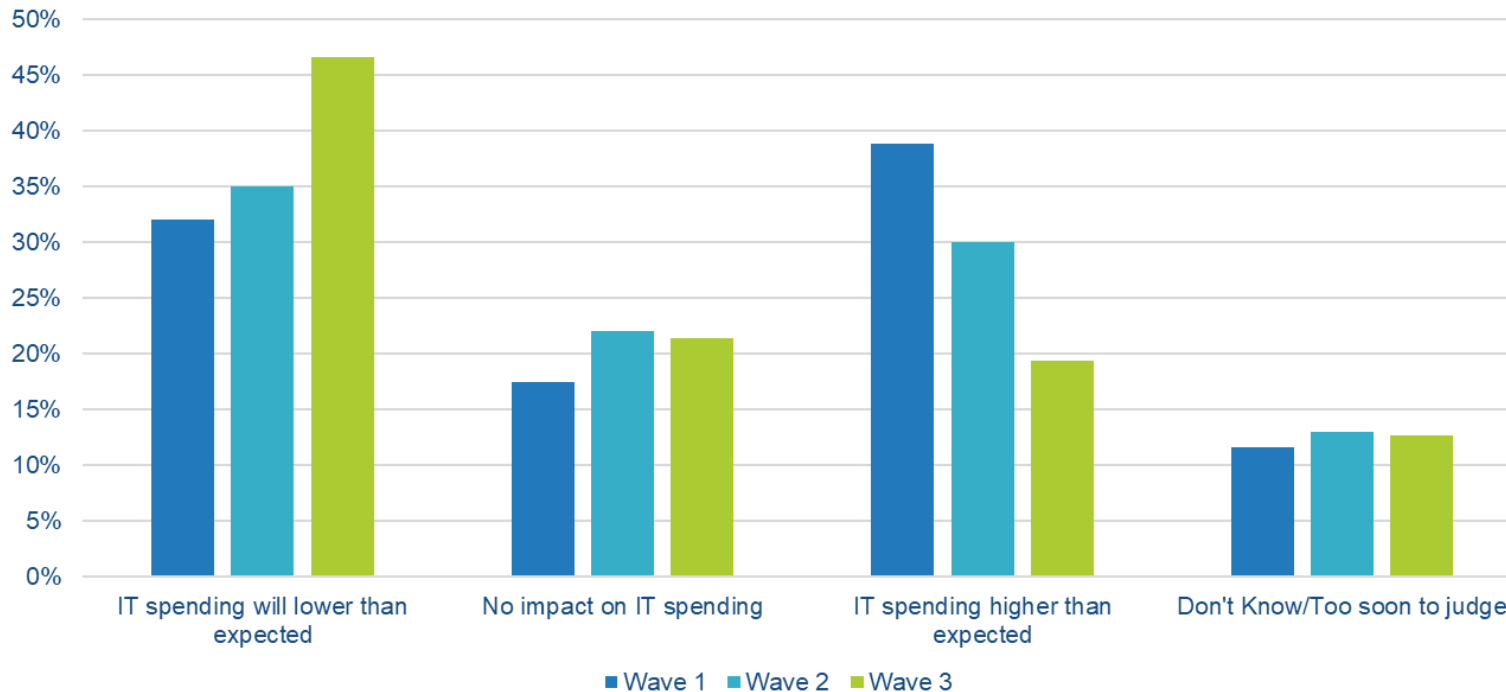
USA results show an increasingly pessimistic view of IT spending for the full year.

Wave 3 results show a sharp decrease of respondents expecting higher spending when compared to Wave 1 & Wave 2.

Impact on Full Year 2020 Server Budgets: Worldwide

Compared to your organization's originally budgeted IT spending plans, in 2020 overall, how do you think your organization's actual spending on SERVERS will be affected due to COVID-19?
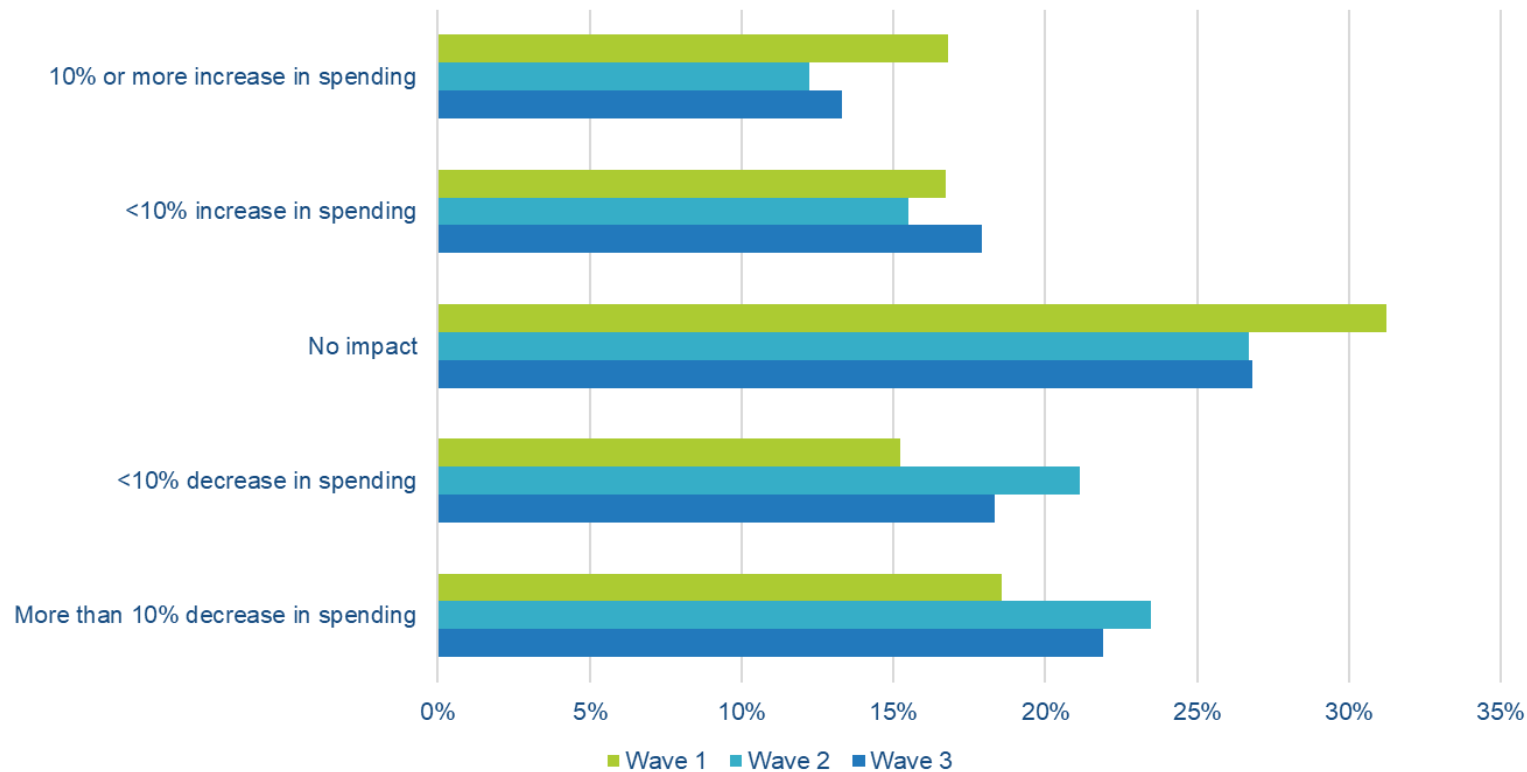

More respondents in Wave 3 anticipate increases to 2020 server spending compared to Wave 2.

Similar share of respondents in Waves 2 & Wave 3 expect no 2020 server spending changes.

Fewer respondents in Wave 3 anticipate decreases to 2020 server spending compared to those in Wave 2.

Wave 1 N=435; Wave 2 N=582; Wave 3 N=555
Source: IDC, 2020, COVID-19 Impact on IT Spending Surveys

Impact on Full Year 2020 Server Budgets: USA

Compared to your organization's originally budgeted IT spending plans, in 2020 overall, how do you think your organization's actual spending on SERVERS will be affected due to COVID-19?
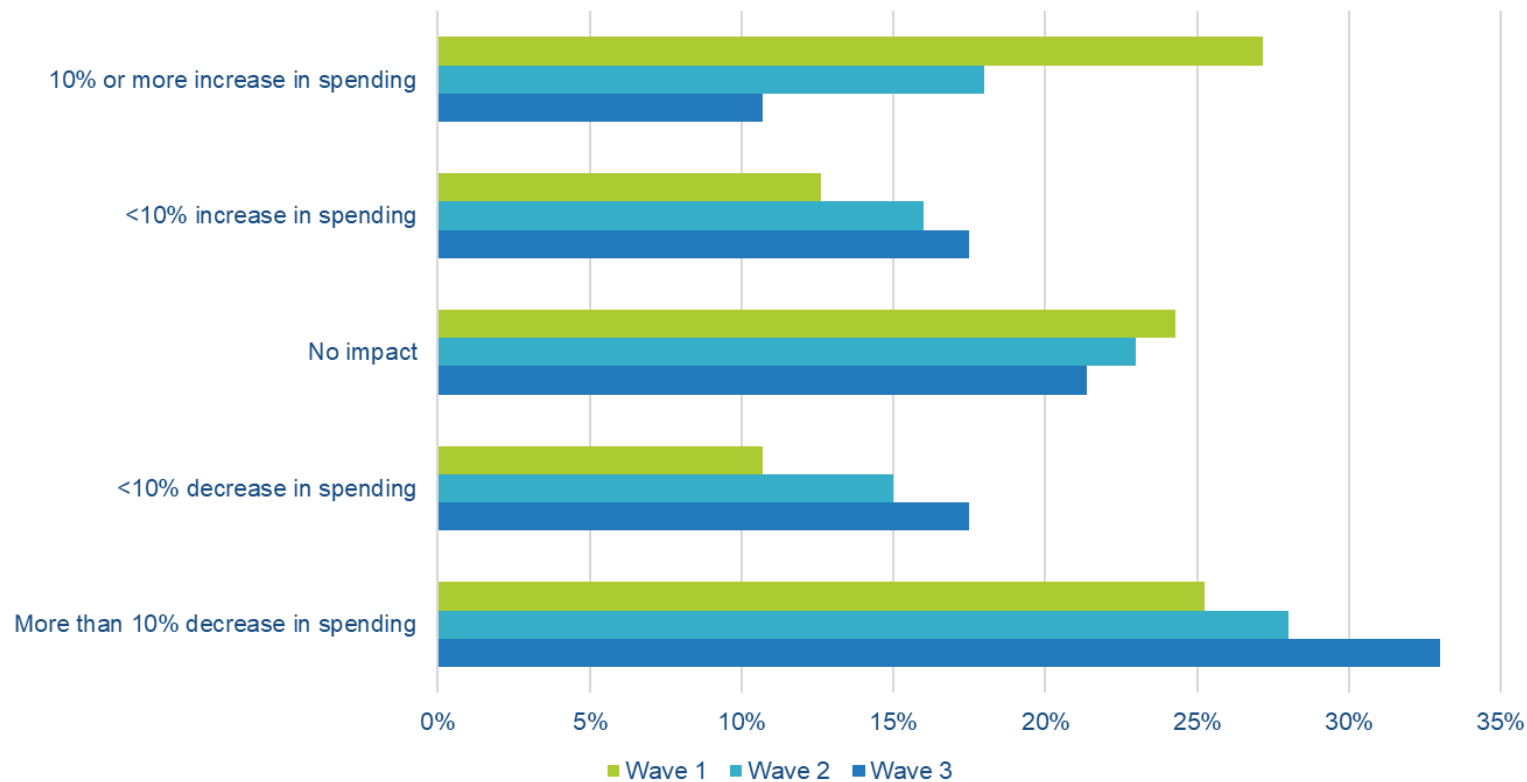

For those planning on server spending increases, Wave 3 respondents are planning for smaller 2020 spending increases compared with Wave 2 US respondents

There are also upticks in the frequency of planned decreases in US server spending for respondents in Wave 3 compared with Wave 2

Wave 1 N=103; Wave 2 N=100; Wave 3 N=103
Source: IDC, 2020, COVID-19 Impact on IT Spending Surveys

Impact on Full Year 2020 Storage Budgets: Worldwide

Compared to your organization's originally budgeted IT spending plans, in 2020 overall, how do you think your organization's actual spending on Enterprise Storage will be affected due to COVID-19?
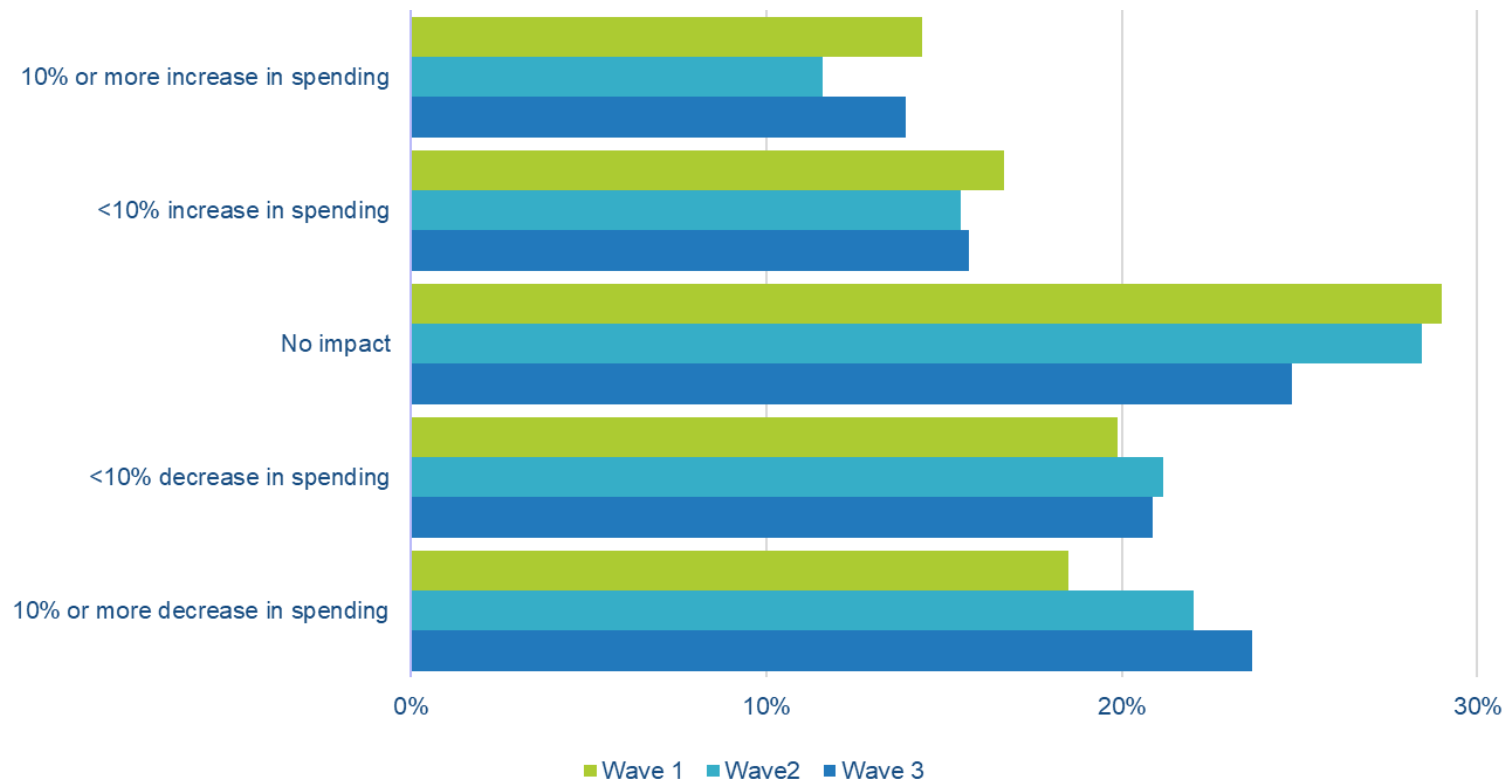
Wave 3 survey results show a shift towards extremes of the ranges provided at the cost of those not expecting any impact to 2020 enterprise storage spending.

Wave 1 N=435; Wave 2 N=582; Wave 3 N=555
Source: IDC, 2020, COVID-19 Impact on IT Spending Surveys

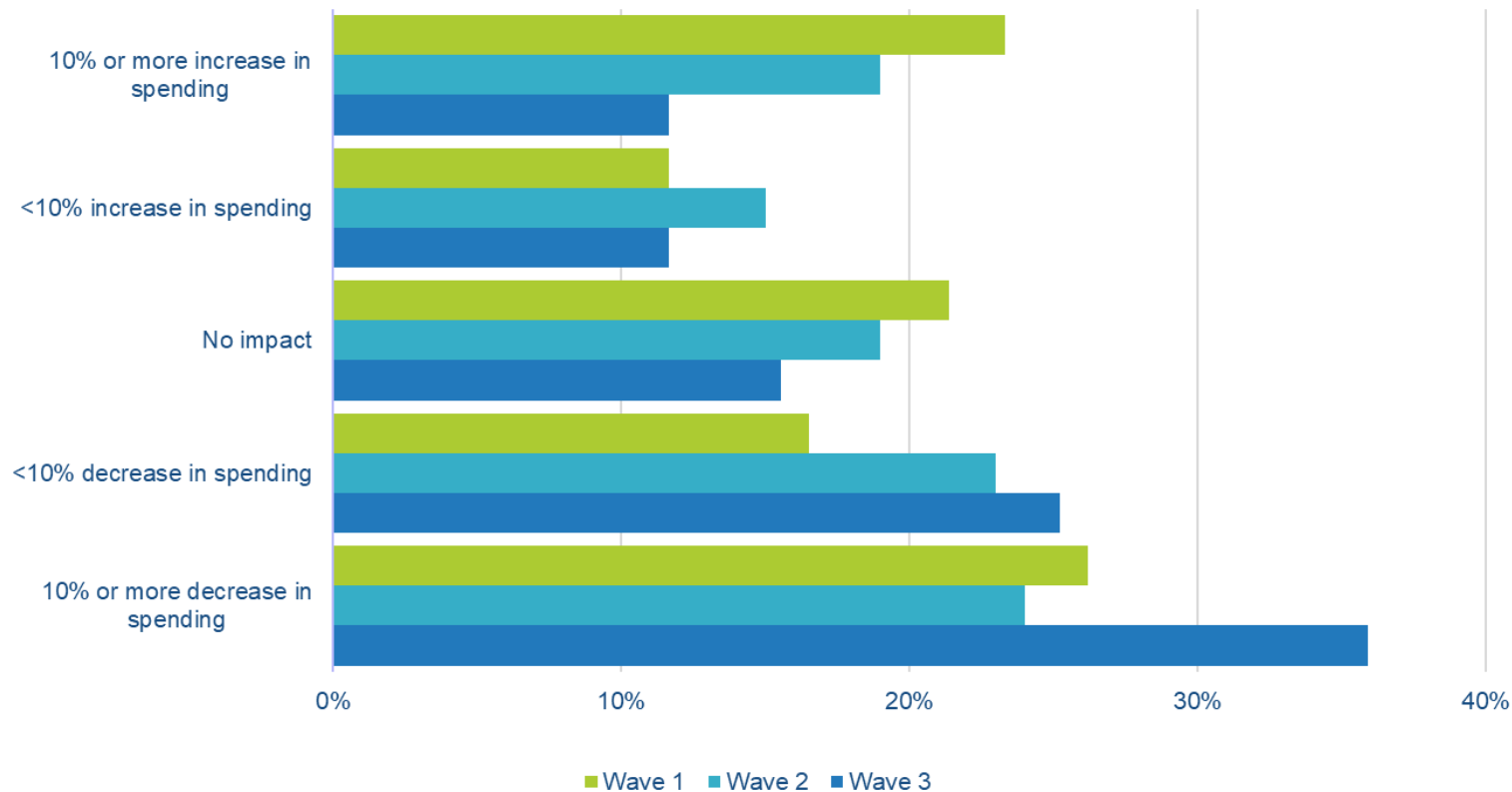# Impact on Full Year 2020 Storage Budgets – USA

Compared to your organization's originally budgeted IT spending plans, in 2020 overall, how do you think your organization's actual spending on Enterprise Storage will be affected due to COVID-19?

Wave 3 survey results show a strong shift towards a pessimistic outlook for 2020 within the USA

■ Wave 1 ■ Wave 2 ■ Wave 3

Expected Server & Storage Budget Impact by Role: Wave 1

Compared to your org's originally budgeted IT spending plans, in 2Q CY20 and 2020 overall, how do you think your organization's actual spending on dev tools and cloud services will be affected due to COVID-19?

Legend: ■ Decrease in spending ■ No Impact ■ Increase in spending ■ Don't know

Categories (top to bottom):
- LOB - Enterprise Storage 2020
- IT - Enterprise Storage 2020
- LOB - Enterprise Storage Q2
- IT - Enterprise Storage Q2
- LOB - Servers 2020
- IT - Servers 2020
- LOB - Servers Q2
- IT - Servers Q2

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Expected Server & Storage Budget Impact by Role: Wave 2

Compared to your org's originally budgeted IT spending plans, in 2Q CY20 and 2020 overall, how do you think your organization's actual spending on dev tools and cloud services will be affected due to COVID-19?

- Decrease in spending
- No Impact
- Increase in spending
- Don't know

Expected Server & Storage Budget Impact by Role: Wave 3

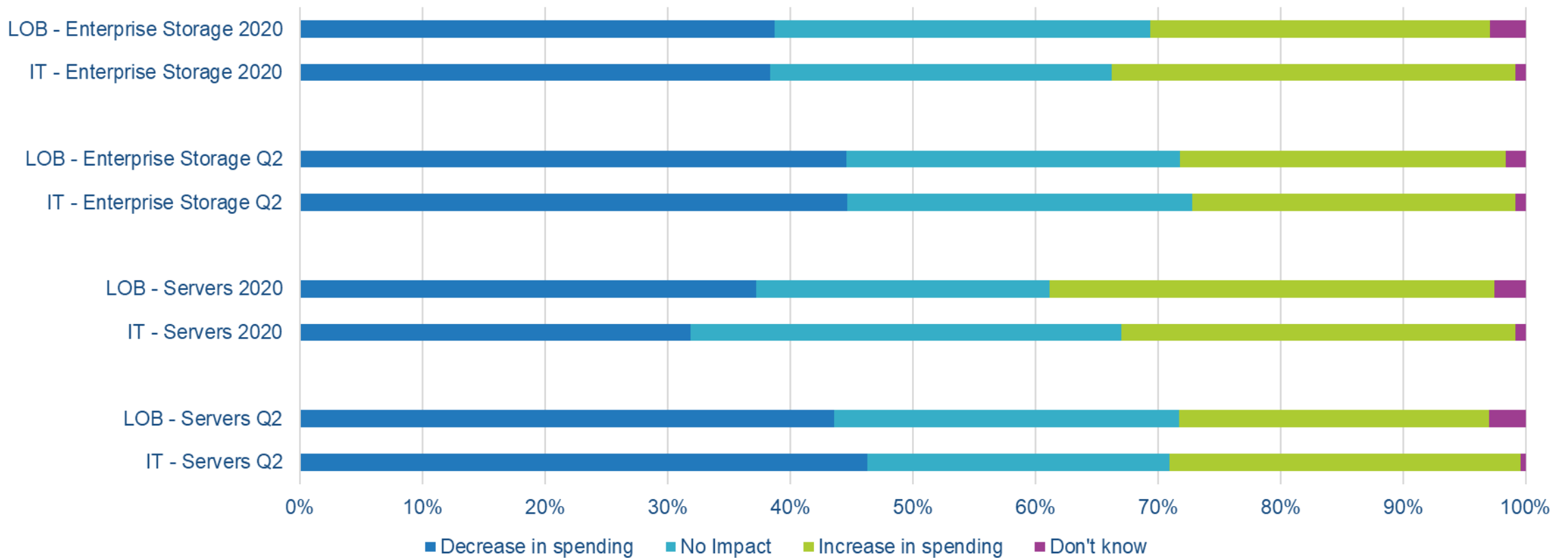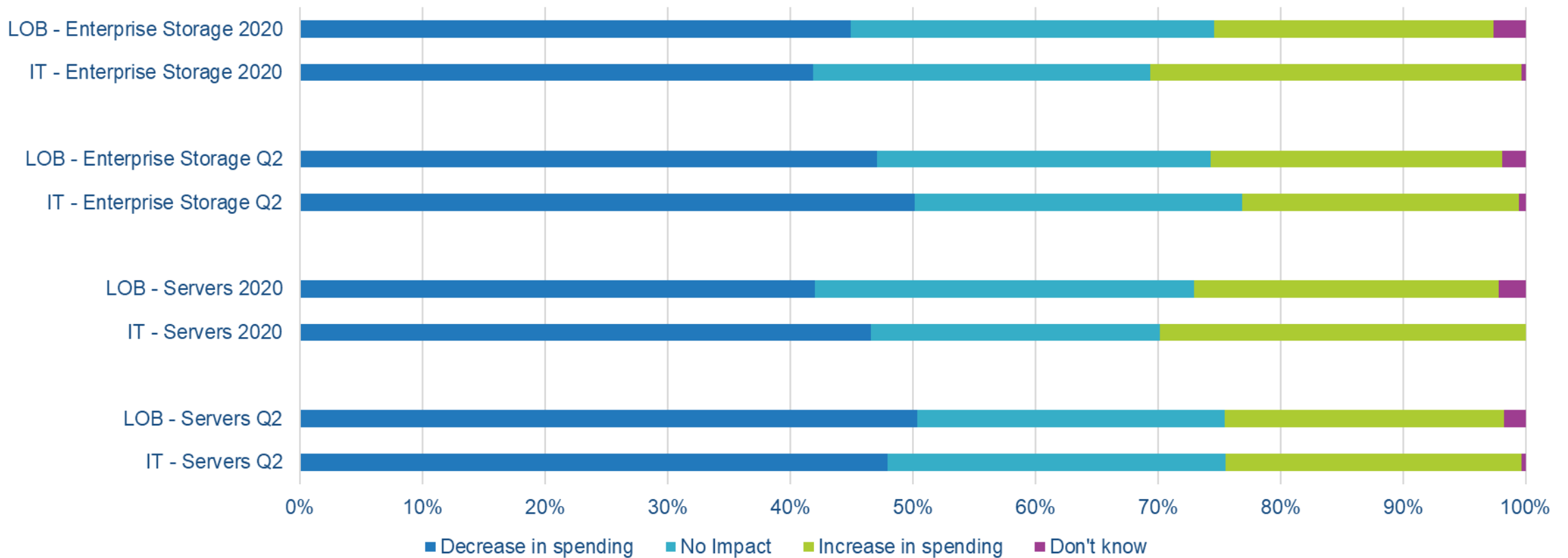**Compared to your organization's originally budgeted IT spending plans, in 2020 overall , how do you think your organization's actual spending on the following IT products and services will be affected due to COVID-19?**

Chart categories (top to bottom):
- LOB - Enterprise Storage
- IT - Enterprise Storage
- 2Q20 Questions Not Asked in Wave 3
- LOB - Servers
- IT - Servers

X-axis: 0% to 100%

Legend: ■ Decrease in spending ■ No Impact ■ Increase in spending ■ Don't know

N=281, 274 (IT, LoB)
Source: COVID-19 Impact on IT Spending Survey, IDC, April 2020

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Expected Server & Storage Budget Impact, WW v. USA: Wave 1

Compared to your org's originally budgeted IT spending plans, in 2Q CY20 and 2020 overall, how do you think your organization's actual spending on dev tools and cloud services will be affected due to COVID-19?
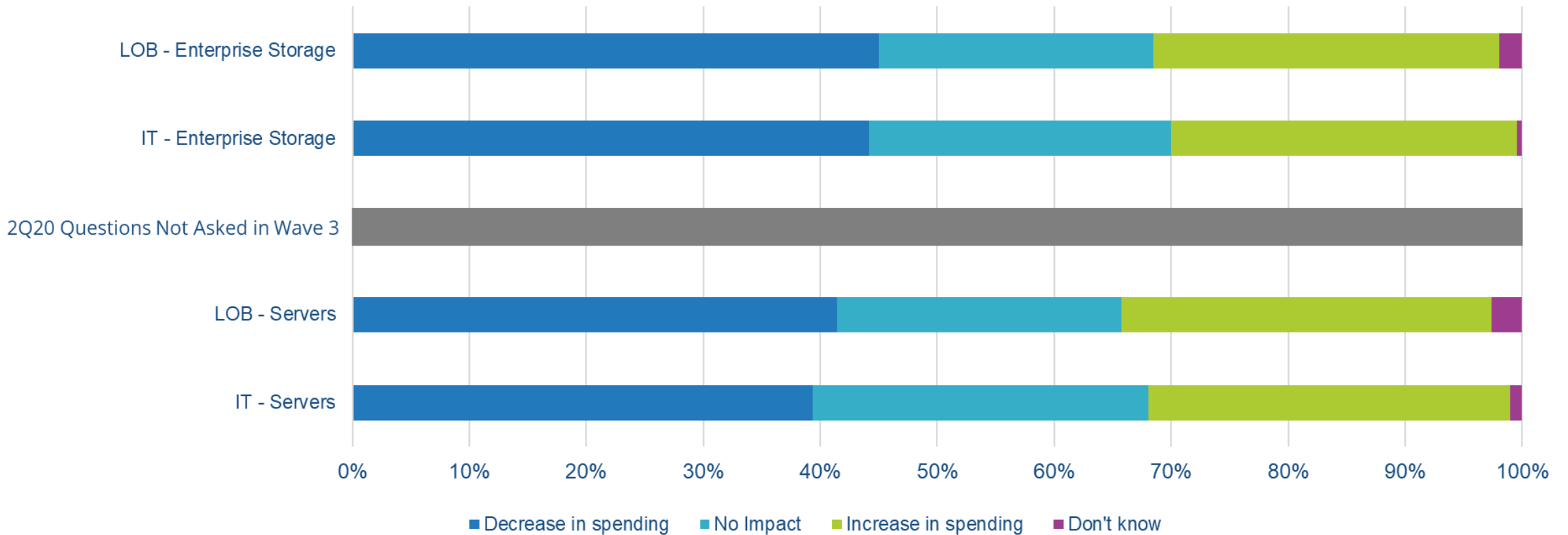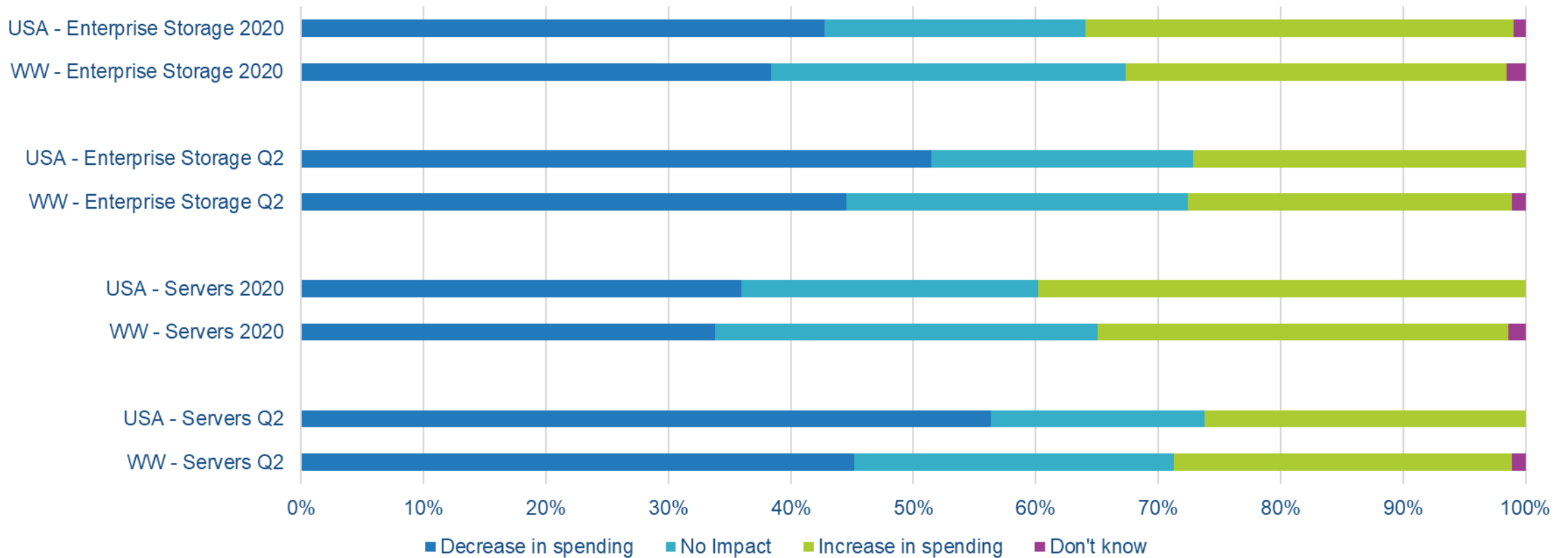

Legend: ■ Decrease in spending ■ No Impact ■ Increase in spending ■ Don't know

Categories (top to bottom):
- USA - Enterprise Storage 2020
- WW - Enterprise Storage 2020
- USA - Enterprise Storage Q2
- WW - Enterprise Storage Q2
- USA - Servers 2020
- WW - Servers 2020
- USA - Servers Q2
- WW - Servers Q2

Expected Server & Storage Budget Impact, WW v. USA: Wave 2

Compared to your org's originally budgeted IT spending plans, in 2Q CY20 and 2020 overall, how do you think your organization's actual spending on dev tools and cloud services will be affected due to COVID-19?

Legend: Decrease in spending ■ No Impact ■ Increase in spending ■ Don't know ■

Categories:
- USA - Enterprise Storage 2020
- WW - Enterprise Storage 2020
- USA - Enterprise Storage Q2
- WW - Enterprise Storage Q2
- USA - Servers 2020
- WW - Servers 2020
- USA - Servers Q2
- WW - Servers Q2

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Expected Server & Storage Budget Impact, WW v. USA: Wave 3

Compared to your organization's originally budgeted IT spending plans, in 2020 overall , how do you think your organization's actual spending on the following IT products and services will be affected due to COVID-19?
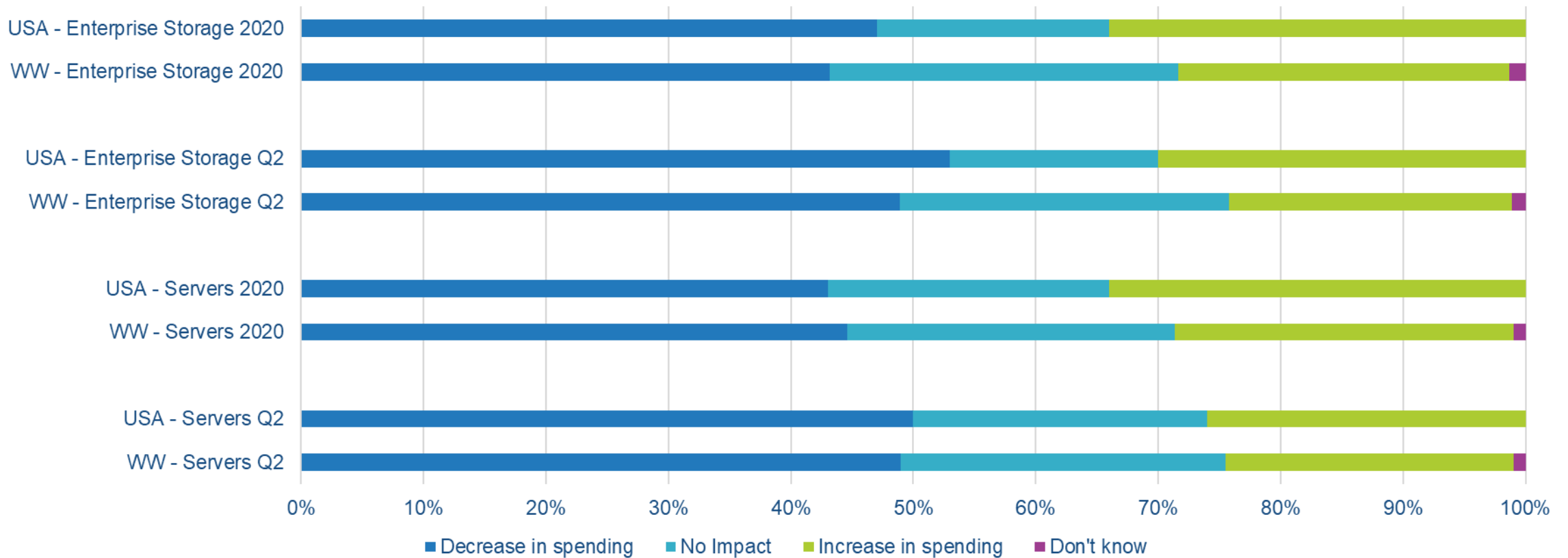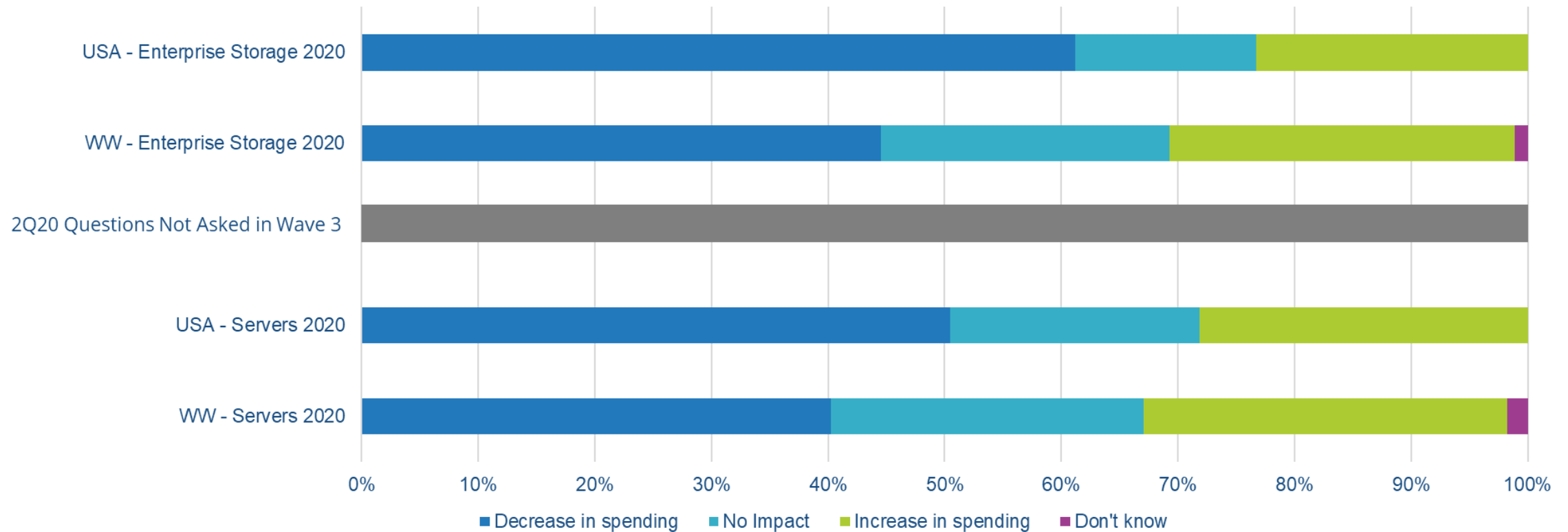

Legend: Decrease in spending | No Impact | Increase in spending | Don't know

Categories: USA - Enterprise Storage 2020, WW - Enterprise Storage 2020, 2Q20 Questions Not Asked in Wave 3, USA - Servers 2020, WW - Servers 2020

Related Research

US46233920

Apr 2020

Impact of COVID-19 on Worldwide Infrastructure as a Service (IaaS) Spending, April 2020

Apr 2020 US46208920

Impact of COVID-19 on IT Infrastructure Spending: Spotlight on Servers, External Storage, and Cloud Computing

prUS46186120

Apr 2020

IDC Expects Worldwide IT Spending to Decline by 2.7% in 2020 as COVID-19 Drives Down Forecasts

Mar 2020 prUS46171120

Worldwide Server and Enterprise Storage Systems Markets Will Decline in 2020, Impacted by the COVID-19 Pandemic

US46163720

Mar 2020

COVID-19 Datacenter Infrastructure Supply Chain Impact Update, March 2020

Mar 2020 US46159420

Worldwide Enterprise Storage Systems Market Shares, 4Q19

US45740119

Dec 2019

IDC's Enterprise Infrastructure Market Pulse: 4Q19 Vendor View

Pub Date Document Number

Title

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Thank You

Appendix

Methodology

- Survey Sample

Survey	Worldwide	North America	U.S.	APAC	EMEA	IT	LOB	500-999 Employees	1,000+ Employees
Wave 1	435	167	103	164	104	276	159	77	358
Wave 2	582	160	100	157	113	346	236	243	339
Wave 3	555	166	103	149	240	281	274	213	342

- North America includes US, Canada
- APAC includes Australia, China, India, Indonesia, Korea, Singapore
- EMEA includes Denmark, France, Germany, Russia, Sweden, UK
- Field Time: April 2020
- Method: Online
- Screener Requirements
  - Organization in one of the sample countries
  - 500+ employees within country
  - All industries
  - Manager or above
  - Decision maker or influence the IT spending decision

Demographics

How many people are employed by your organization?