



EQUINIX

Beyond COVID-19: Digital Transformation Trends in the Wake of the Pandemic

Equinix 2020-21 Global Tech Trends Survey

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

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Introduction

2020 saw a rapid acceleration of companies' digital transformation plans. Across industries in every part of the world, COVID-19 forced organizations to adapt to new business practices. In some cases, company leaders had to completely change business models almost overnight.

In many cases, the pandemic simply supercharged trends that had been building for many years. We expect the transformations and innovations forged in the crisis of the pandemic are here to stay.

As we look to a brighter future, when employees return to offices, international travel returns and normal business practices resume, we ask:

- Will organizations seize the opportunity to become more agile, build resilience into their teams, and develop scalable digital infrastructures tailored to distributed workforces operating on a hybrid working model?
- Will they finally embrace hybrid and multicloud models as business-critical components of enterprise IT infrastructures?
- What other factors will contribute to the foundation of this agile, digitally transformed future—where should digital leaders place their bets?

In a business landscape changed forever, it's never been more important for digital leaders to answer these questions and understand the trends shaping the world around them.

Now in its third iteration, our 2020-21 Global Tech Trends Survey gathers the opinions of 2,600 IT decision-makers from diverse enterprises across the Americas, Asia-Pacific and EMEA regions, on these industry-shaping trends and the challenges and opportunities they present to us.

The survey explores everything from the impact of COVID-19 and perceptions of the Cloud and 5G, to perceptions of sustainability issues around digital transformation.

As we begin a new era beyond the COVID-19 pandemic, we hope this will stand as a useful guide for your own digital transformation and IT infrastructure strategies.

Claire Macland

Senior Vice President, Global Marketing, Equinix



COVID-19

In 2020, businesses across industries around the world had to readjust strategies and services almost overnight in response to global lockdowns and pandemic-forced restrictions. IT teams came to the fore in companies' responses to COVID-19, but how ready were they for the challenges they faced?



COVID-19

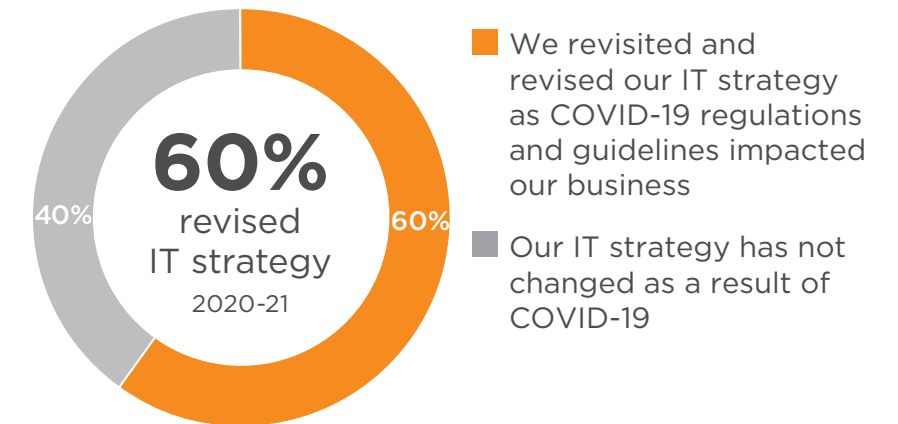
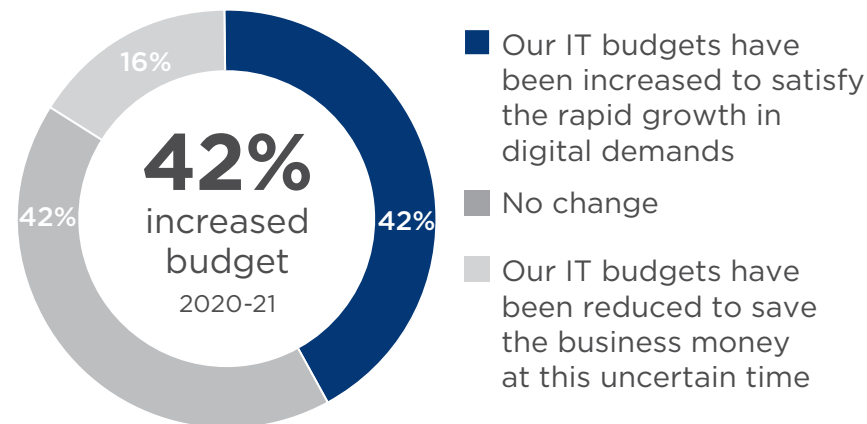
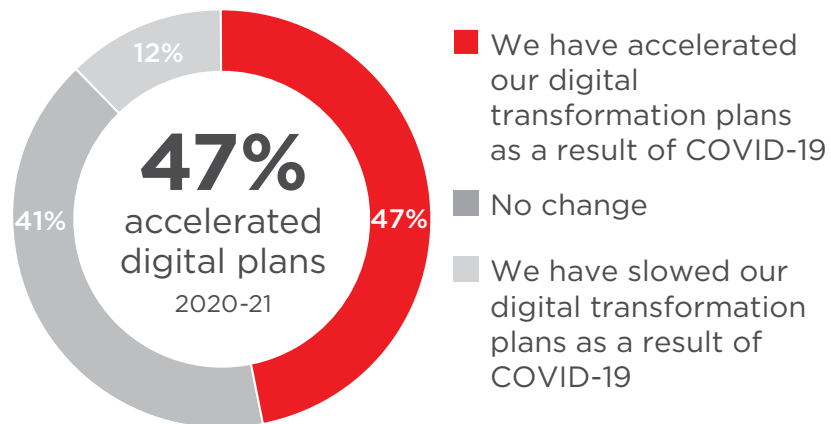
Accelerating digital transformation

COVID-19 fast-tracked the transformation of business-critical digital infrastructures around the world. 47% of IT decision-makers globally reported they accelerated digital transformation plans because of the pandemic, while a significant majority (60%) of respondents across all regions said the pandemic forced them to revisit and revise their IT strategy.

Despite the negative impact of the pandemic on many industry sectors and functions, almost half of businesses have increased their

IT budgets, rather than reducing them, as a result of the pandemic. More than 4 in 10 businesses report budgets have gone up to meet increased digital demand, compared to only 16% who say budgets have been reduced.

The COVID-19 pandemic has impacted many areas of business, including IT strategy and investment. For each of the following pairs of statements, please choose the one that applies best to your business.



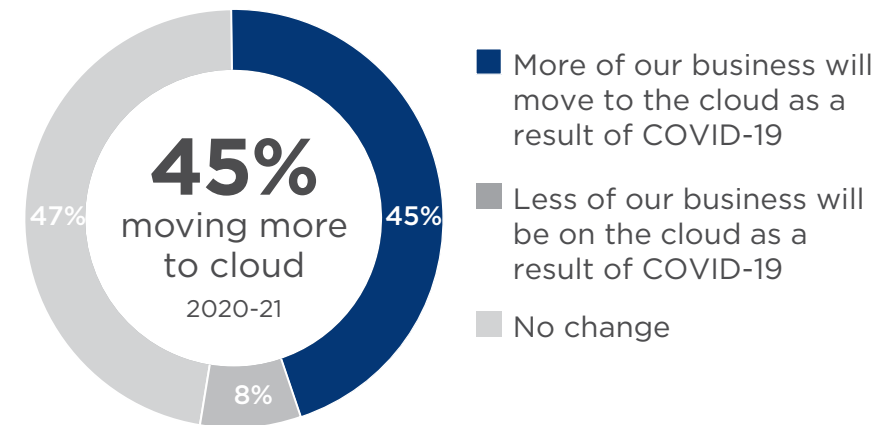
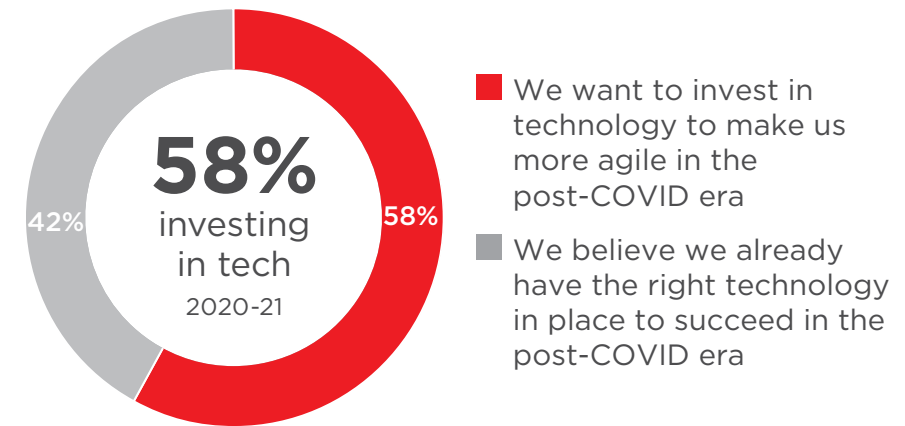


COVID-19

Investing in agility and flexibility

Despite the disruption posed by the pandemic, 42% of global digital leaders believe they already have the right technology in place to succeed in the post-COVID era, although nearly 6 in 10 (58%) are planning to invest in technology to make their businesses more agile post-pandemic. A key component of this increased agility is the move to cloud, with 45% of respondents expecting to move more of their critical applications to the cloud as a result of COVID-19.

The COVID-19 pandemic has impacted many areas of business, including IT strategy and investment. For each of the following pairs of statements, please choose the one that applies best to your business.



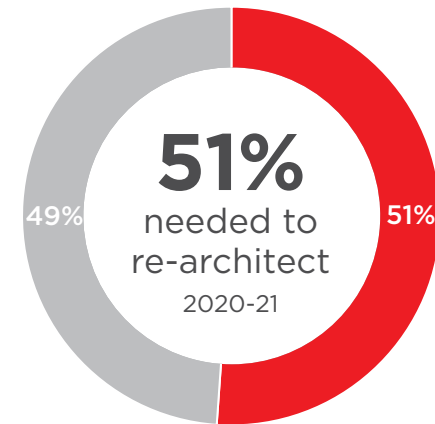
COVID-19

Re-architecting for hybrid working

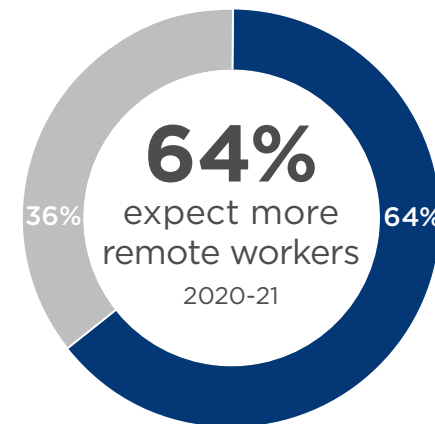
More than half (51%) of digital leaders around the world say the COVID-19 pandemic has forced them to re-architect their enterprise IT infrastructure to enable remote working. EMEA organizations feel they were better prepared for the shift to remote working than other regions, with 54% saying they already had the necessary infrastructure in place.

Nearly two thirds (64%) of respondents globally report their IT teams are planning for a long-term hybrid workforce after COVID-19, suggesting the post-pandemic workplace will be markedly different to what came before.

The COVID-19 pandemic has impacted many areas of business, including IT strategy and investment. For each of the following pairs of statements, please choose the one that applies best to your business.



- The COVID-19 pandemic meant we needed to re-architect our IT infrastructure to enable a remote working model
- Our business model already had the IT infrastructure in place to shift to a remote working model during the pandemic



- The IT department is planning for long-term changes to where and how people work since we anticipate more people working remotely post-COVID-19
- Post-COVID-19, we're expecting employees to return to the office; the IT department is planning for an eventual return to the pre-COVID-19 normal



Cloud

The journey to the cloud hasn't always been an easy or trusted one. Cloud migration projects can be complex, but successfully implementing a hybrid multicloud strategy can improve security, flexibility and customer experience. How are digital leaders progressing in this area, and does it differ across regions?

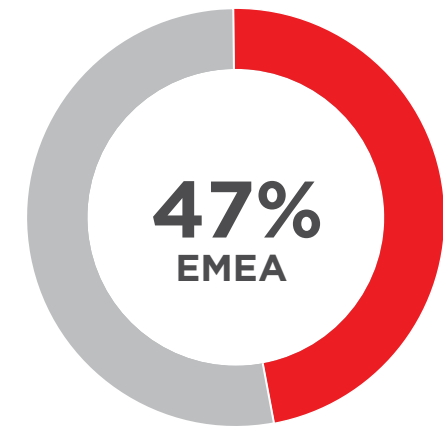
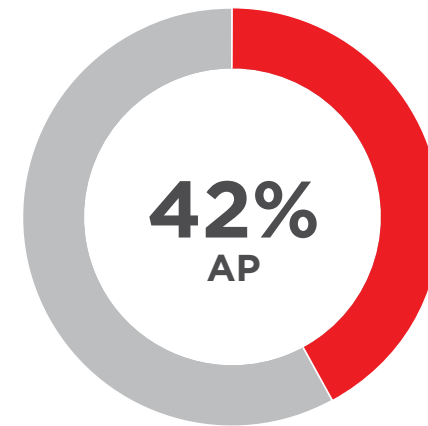
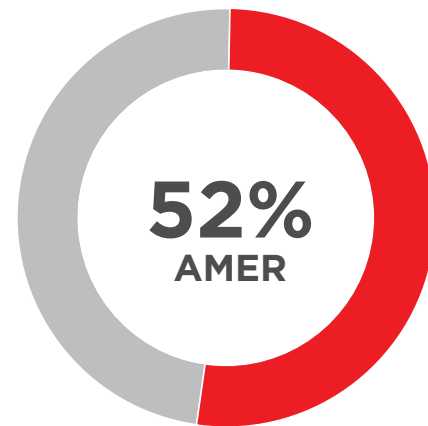
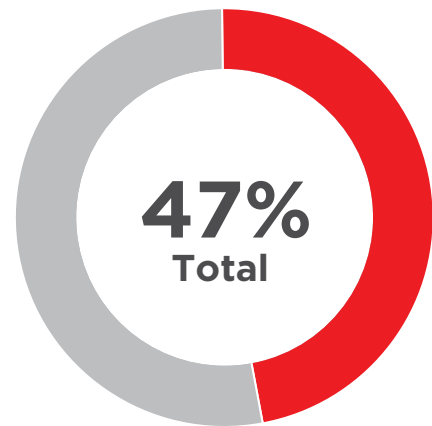


CLOUD

Infrastructure on the cloud

Digital leaders are increasingly embracing the cloud, with almost half (47%) saying their organization's digital infrastructure now resides there. On average, digital leaders in the Americas estimate the highest share of their infrastructure is on the cloud (52%). Asia-Pacific respondents estimate the lowest percentage, though this figure is still substantial at 42%.

How much of your infrastructure is currently on the cloud?



2020-21 Estimated average % of infrastructure on the cloud



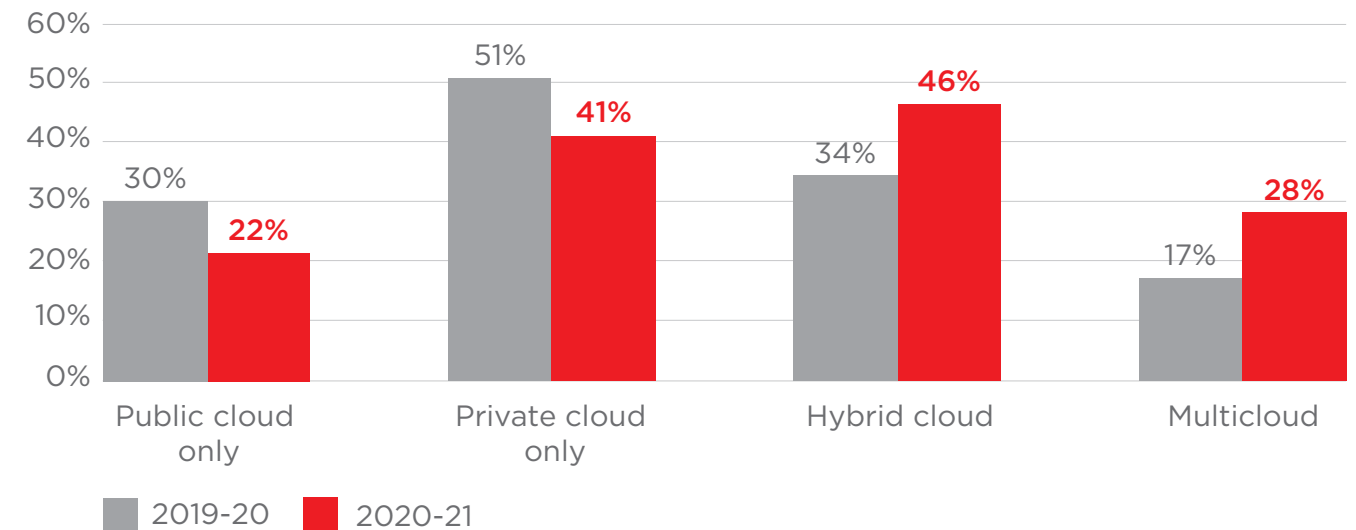
CLOUD

The era of hybrid and multicloud

The past year has seen a significant shift from private and public cloud-only deployments to hybrid and multicloud strategies. Since our 2019-20 Global Tech Trends Survey, hybrid cloud adoption has increased by 12%, while multicloud models have increased 11%, compared to similar declines for public and private cloud.

Hybrid cloud is now the most common deployment of cloud globally, according to the IT decision-makers surveyed, with Asia-Pacific having the greatest level of penetration. EMEA is the only region where private cloud is still the most prevalent.

How are you deploying on the cloud?








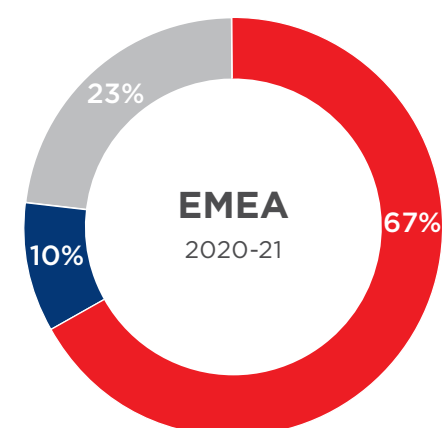
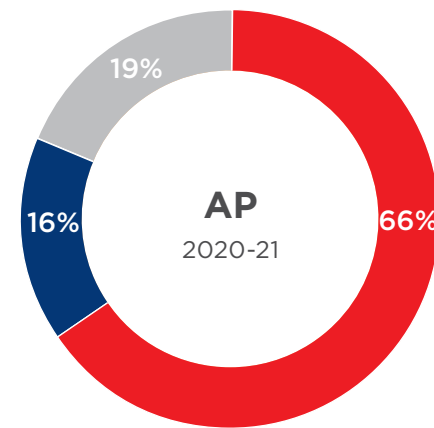
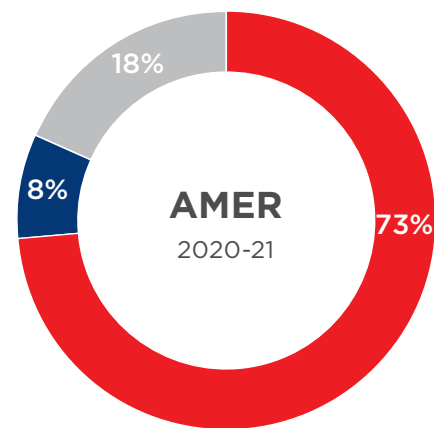
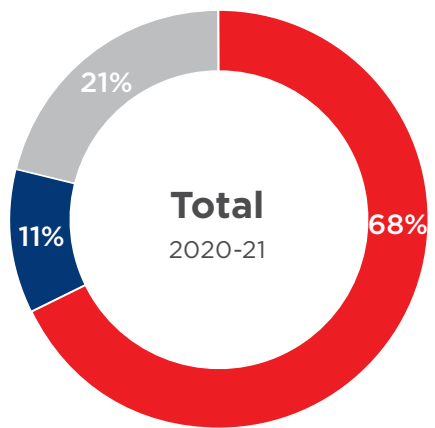
CLOUD

Making the migration

The vast majority of organizations are moving more functions to the cloud—especially in the Americas, where 73% of respondents plan to make the shift. For those making a transition to the cloud, most expect their migration to happen in the next year. Again, the Americas are ahead of the curve, with nearly 4 in 5 enterprises looking to migrate within the next 12 months.

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?

-  We will move more functions to the cloud
-  We will move more functions off the cloud
-  We will retain the same number of functions on the cloud





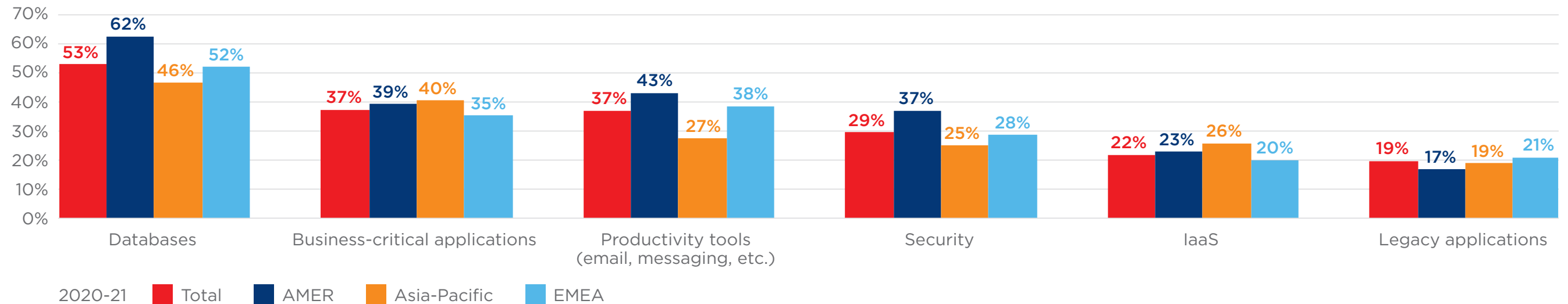
CLOUD

Growing confidence in the cloud

Across regions, databases are the most common function to transition to the cloud, at 53%. But looking at the change in responses since last year's survey tells another story: globally, there has been a huge year-on-year leap in companies moving business-critical applications to the cloud, up by 15%, to 37%.

This may suggest a growing confidence and perhaps a cooling of security concerns around the cloud—borne out by the fact that nearly 3 in 10 respondents globally are willing to move their security functions to the cloud, rising to 37% in the Americas.

What functions do you plan to move onto the cloud, and why?





Interconnection

Dedicated, private connectivity that bypasses the public internet to connect to strategic ecosystem partners is becoming ever more critical to the success of businesses across industries. This approach of utilizing interconnection enables digital leaders to modernize IT systems, optimize application performance, improve security and scale while gaining efficiency and reducing cost. But what do digital leaders believe will be the key benefit?



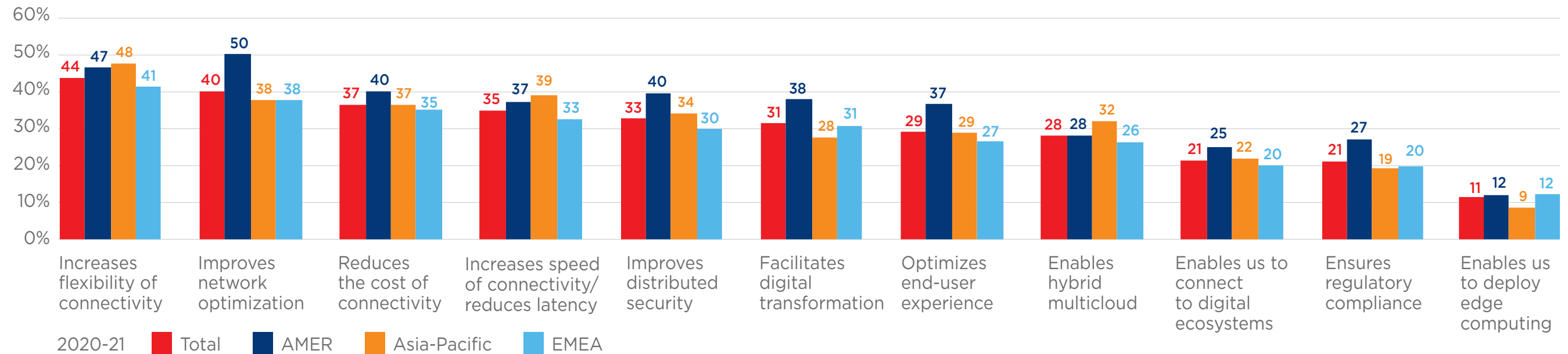
INTERCONNECTION

Why interconnection?

The key benefit of interconnection cited globally is the increase in flexibility of connectivity that it offers, followed by improving network optimization. Perceptions around the benefits of interconnection remain largely unchanged from 2019-20, but it is telling that facilitating digital transformation (20% to 31%) and connecting to digital ecosystems (11% to 21%) have both grown

significantly. The decrease in importance of distributed security (42% to 33%) is also interesting: it could suggest growing confidence in security or that other benefits of interconnection have become more important as a result of the impact of COVID-19.

What benefits does interconnection bring to your organization?





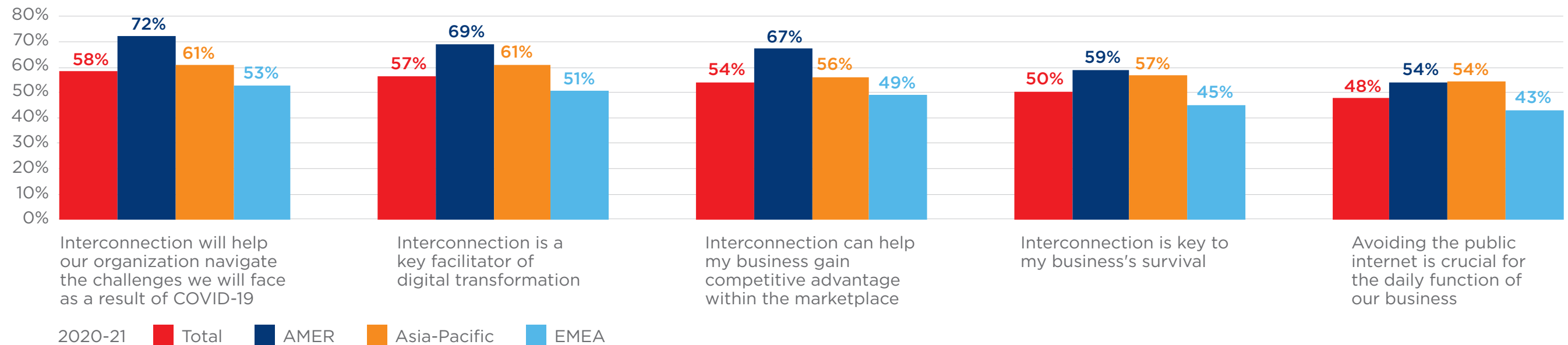
INTERCONNECTION

The interconnection imperative

There is strong agreement from digital leaders across all regions that interconnection will help enterprises navigate the challenges created by the pandemic. EMEA ranks the lowest, but over half (53%) of respondents still agree with this statement. In the Americas, it is nearly 3 in 4 (72%).

More than half of respondents globally said interconnection will help them gain competitive advantage, while 50% of IT leaders globally believe interconnection is key to the survival of their business.

To what extent do you agree or disagree with each of the following statements?





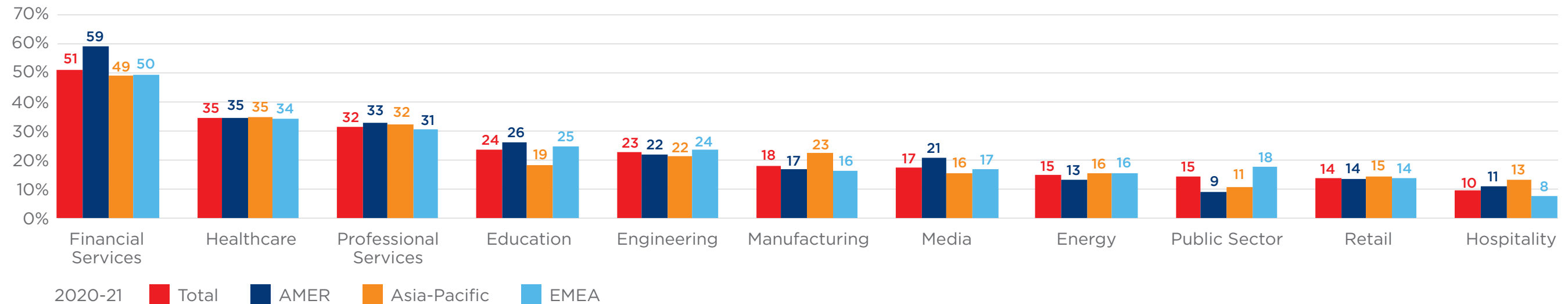
INTERCONNECTION

Industries driven by interconnection

Across all regions, IT leaders believe the financial services sector will benefit most from interconnection in the coming years. This is particularly pronounced in the Americas, where almost 6 in 10 (59%) see the sector as having the most to gain.

The majority of industries are ranked in a similar position to the 2019–20 survey; however, there are two notable exceptions: Energy, which jumps from 14th in 2019 to 8th in 2020, and Education, which jumps from 7th to 4th.

Which industry sectors do you believe will benefit the most from interconnection over the next 5 years?





5G

5G represents a major technological inflection point, with high-performance 5G capabilities requiring physical infrastructure that extends to the edge, close to key functions. It promises to offer an always-on experience, with significant improvements in capacity and performance over legacy networks. With all the promised benefits in mind, what do digital leaders hope to achieve with the rollout of 5G?

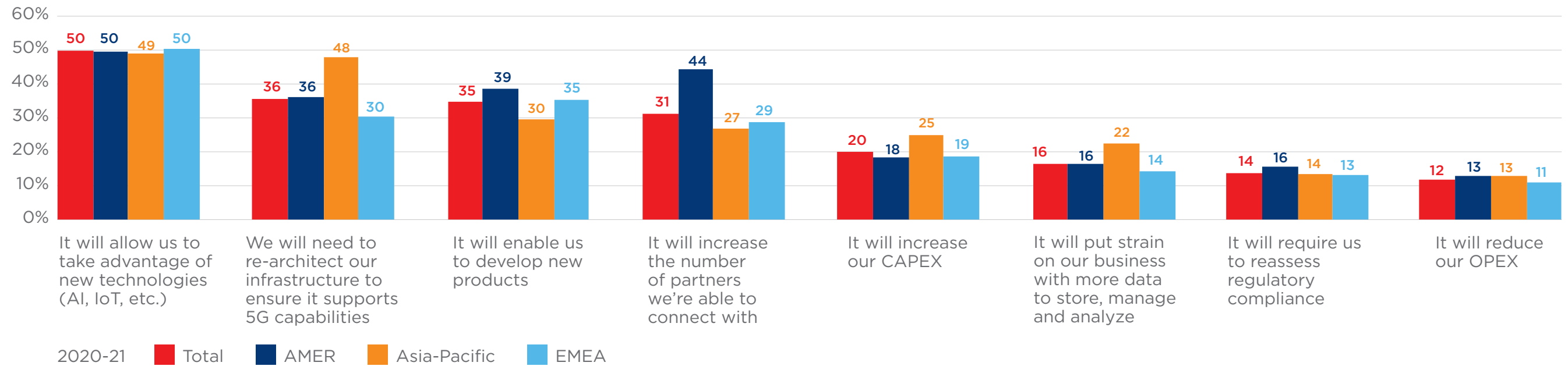


5G

The impact of 5G

Global IT decision-makers agreed the greatest impact of 5G is the ability it gives businesses to take advantage of new technologies. For the Americas, the second-greatest impact is the potential to increase the number of partners enterprises could connect to. For Asia-Pacific, it is the need to re-architect infrastructure. For EMEA, it is the ability to develop new products.

In which ways do you think 5G will have the biggest impact on your business?





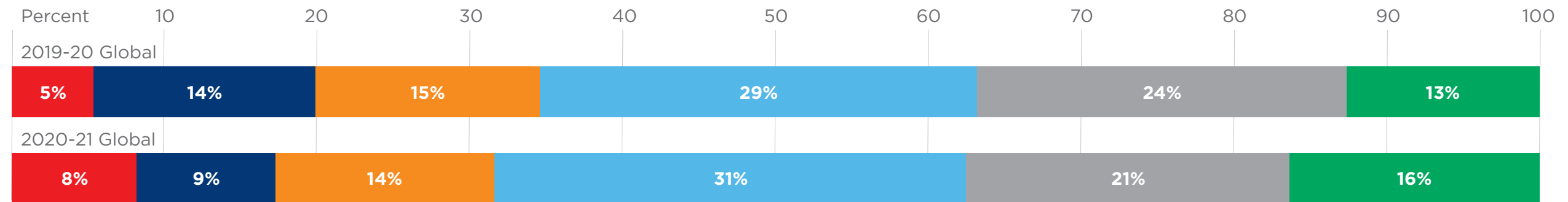
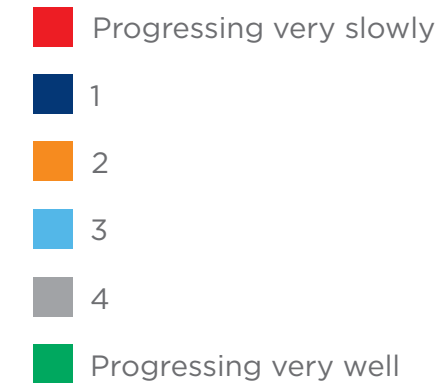
5G

Perceptions of the 5G rollout

People's opinions of their government's rollout of 5G have become more polarized over the past year. More digital leaders say the implementation of 5G is progressing very well this year (up three percentage points), while there is a similar increase in those who say it is progressing very slowly (also up three percentage points).

Overall, in the 2020-21 survey, more digital leaders say 5G is progressing very well (16%) than very slowly (8%). IT leaders in Asia-Pacific are most satisfied with their country's implementation of 5G, with EMEA respondents least likely to describe their government's rollout as progressing very well.

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





Tech Trends

Digital leaders are juggling many different priorities and the plethora of opportunities available to them through advancing technologies. Concerns around cybersecurity, data protection regulation and improving user experience for both customers and employees, are shaping IT strategies and digital infrastructure models. But what is taking the lead when it comes to priorities and threats in the minds of digital leaders around the world?

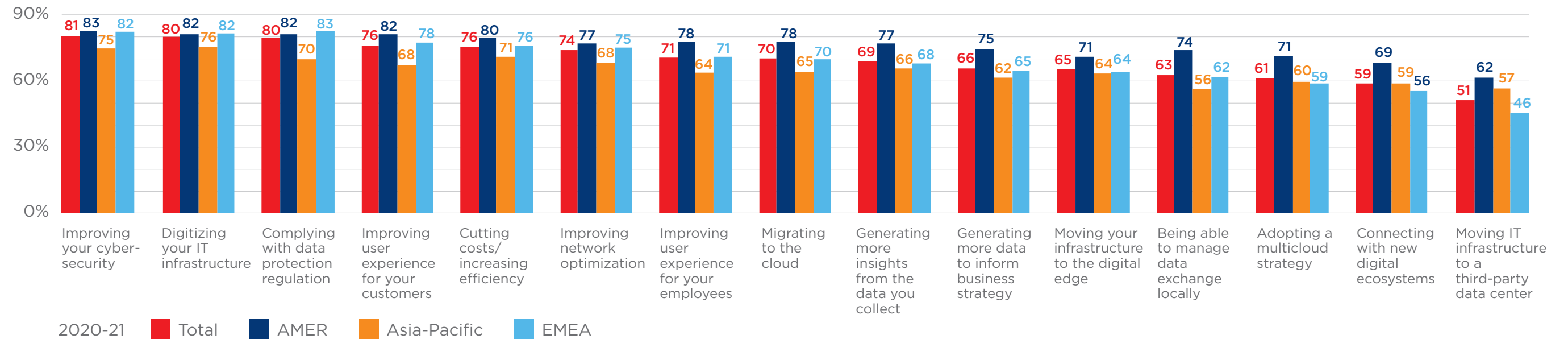


TECH TRENDS

Pressing tech priorities

Improving cybersecurity, digitizing IT infrastructure and complying with data protection regulations are top priorities for organizations globally. Compared to responses from digital leaders in 2019-20, there were particularly strong increases in priorities around cutting costs (+22%), digitizing IT infrastructure (+16%), adopting a multicloud strategy (+16%) and moving to the digital edge (+15%).

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



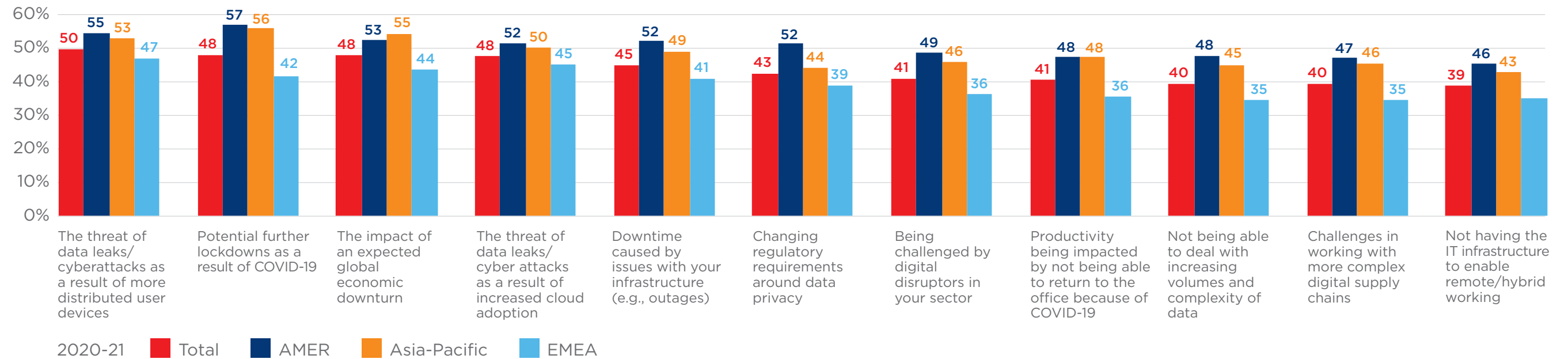


TECH TRENDS

Impending threats

For digital leaders in the Americas and Asia-Pacific, further COVID-19 lockdowns are seen as the biggest threat to their organization, followed closely by the threat of data leaks/cyberattacks and the impact of an expected economic downturn. In EMEA, there are concerns for further lockdowns, but the threat of data leaks/cyberattacks, both as a result of distributed user devices and of increased cloud adoption, are bigger concerns.

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

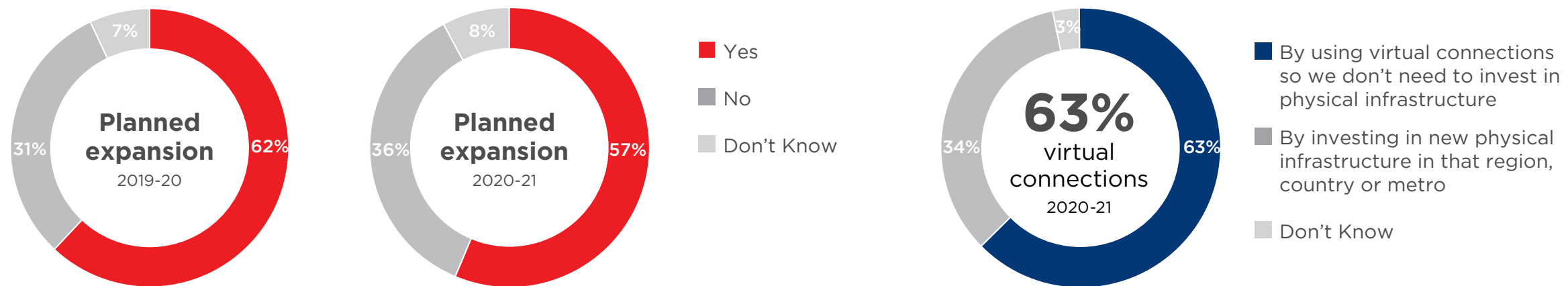


TECH TRENDS

In pursuit of expansion

Despite COVID-19 and the economic impact of the pandemic, nearly 6 in 10 businesses globally (57%) still intend to expand into new regions, countries or metros, according to IT leaders. Expansion overall is down for 2020-21—which could be a result of the global pandemic—but remains in plan for a majority. And most of those planning to expand (63%) will use virtualization to achieve this, rather than physical infrastructure.

Is your organization currently expanding into new regions, countries or metros? How do you plan on supporting this expansion from an IT infrastructure perspective?





Sustainability

There is a strong societal and business push toward advancing sustainability progress; it is important for companies to further energy efficiency improvements and explore innovations that will continue to improve their impact on the environment. Digital transformation can in fact be a force for good, and many companies are now working with customers, suppliers and competitors alike to ensure best practice in this area. But is change coming quickly enough?



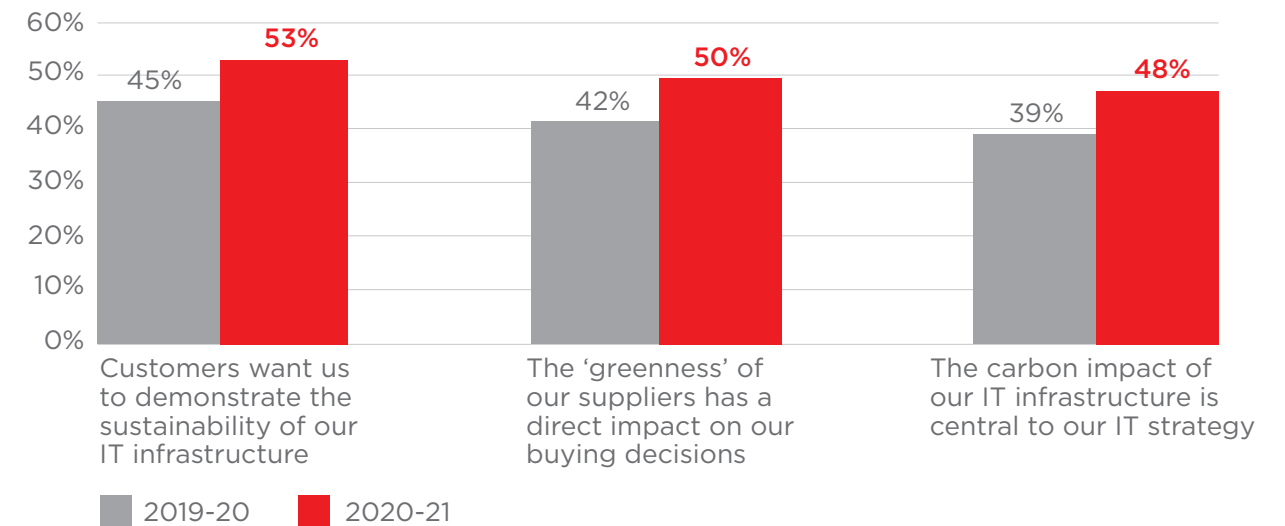
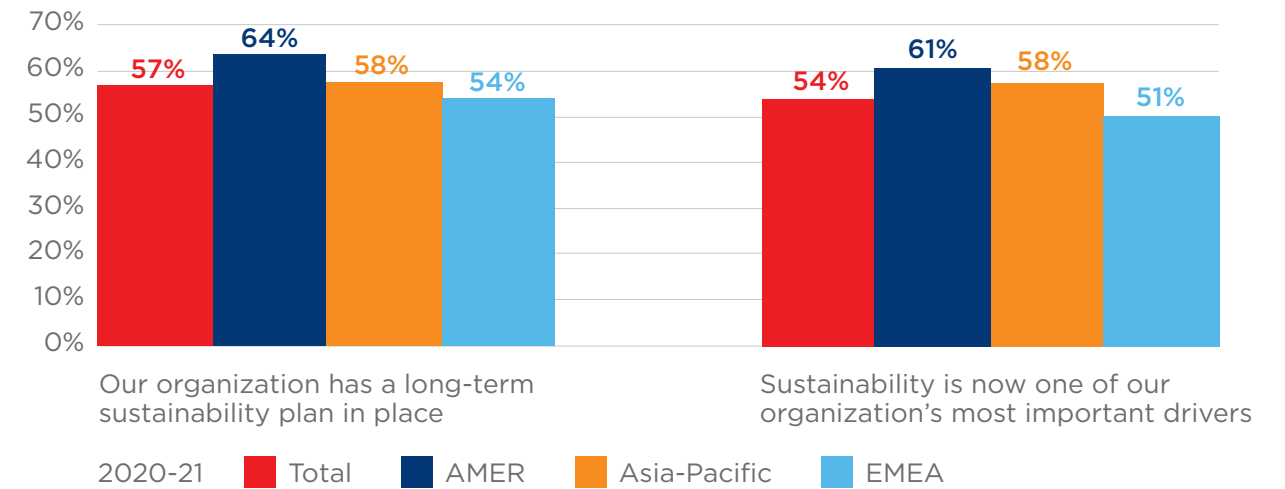
SUSTAINABILITY

The search for sustainability

Businesses and communities alike are increasingly aware of the need to become more sustainable and reverse the current trajectory. The majority of digital leaders across all regions said sustainability is a major focus for their organization, reporting they have a long-term sustainability plan in place for their IT infrastructure. However, a substantial number (43%) don't. And while numbers have increased by eight percentage points since 2019-20, it's still only half of digital leaders that say the greenness of their supply chain influences purchasing decisions.

There is still some way to go, but the across-the-board rise in responses for all questions shows many digital leaders are increasingly seeing sustainability as an important element of their IT infrastructure strategies—a trend we expect to continue as climate change concerns return to the fore post-COVID-19.

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





LEARN MORE

Discover more insights to create a better digital advantage

Equinix 2020-21 Global Tech Trends Survey Databook (full data)

[Equinix.com/resources/databook](https://equinix.com/resources/databook)



The Global Interconnection Index, Volume 4

[Equinix.com/gxi-report](https://equinix.com/gxi-report)



IDC: Building Digital Infrastructure to Achieve Business Advantage

[Equinix.com/resources/analyst-reports/idc-build-digital-infrastructure-business-advantage](https://equinix.com/resources/analyst-reports/idc-build-digital-infrastructure-business-advantage)



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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The independent study, commissioned by Equinix, surveyed 2,600 IT decision-makers in diverse enterprises across the Americas (Brazil, Canada, Colombia, Mexico, U.S.), Asia-Pacific (Australia, China, Hong Kong, Japan, South Korea, Singapore) and EMEA (Bulgaria, Finland, France, Germany, Ireland, Italy, Netherlands, Poland, Portugal, Spain, Sweden, Switzerland, Turkey, UAE, UK). Respondents were selected for participation from Dynata's online panel. The survey was conducted online between December 17, 2020 and January 8, 2021.