

Gartner®

Most Hyped Trends

Top business trends





Your single source on the trends that everyone is talking about

Every year, corporate strategists spend one-quarter of their team's time and one-quarter of a million dollars on trend sensing.

Gartner has taken this work off your plate.

The No. 1 imperative for corporate strategists is to keep the organization ahead of emerging trends.

Most of the time when a company loses value it's because of external market disruption — or rather, a lack of awareness and the absence of a mitigation strategy on the part of the corporate strategist.

As a result, **the average corporate strategist spends 26% of their team's time and \$220,000 of the annual budget on investigating emerging trends.**

But no amount of time or money spent will ever be enough: No corporate strategist can read everything, and what's more, the volume of information available creates a confusing environment with potential misinformation.

Gartner can help you reduce the time spent scanning sources to identify trends generating the most buzz. Our artificial intelligence (AI) capabilities enable us to quickly scan more than 100 publications respected by strategy leaders to identify the most frequently mentioned emerging trends.

Gartner's approach yields a precise, quantified view of the top trends.

Most Hyped Business Trends 2019

Retail reinvention and focus on cybersecurity and data privacy






Retail reinvention: As more retailers adapt to customers' changing expectations, the retail value proposition is evolving. Brick-and-mortar retailers are realizing the importance of creating unique and curated merchandise offerings, an exciting and entertaining atmosphere, and concierge-like service levels beyond what consumers can find online.



Focus on cybersecurity and data privacy: Over the past few years, data privacy and cybersecurity have become increasingly critical strategic issues. Privacy and trust are top priorities for consumers, and feelings about these issues have intensified in recent years. Governments and regulators around the world are setting up institutions to ensure businesses comply with cybersecurity and data privacy regulations.



open

Retail reinvention

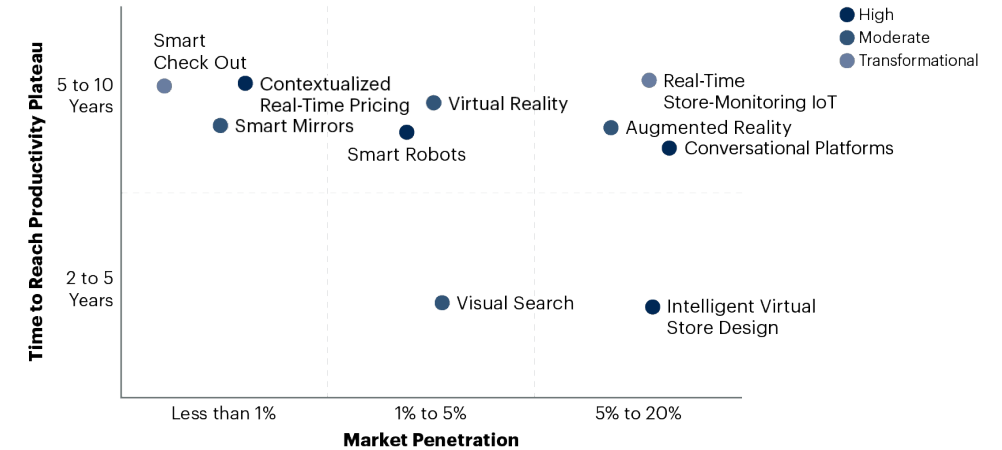
Emerging retail technologies aid retailers in satisfying consumer demand for unique products and experiences

As more retailers adapt to customers' changing expectations, the retail value proposition is evolving. Brick-and-mortar retailers are realizing the importance of creating unique and curated merchandise offerings, an exciting and entertaining atmosphere, and concierge-like service levels beyond what consumers can find online.

Retailers are leveraging automation, robotics, data analytics and immersive technologies to handle routine and often mundane tasks and improve efficiency and service levels. This has kindled novel retail concepts such as unmanned stores, in-store consumer tracking and smart dressing rooms. Retailers are also pursuing true omnichannel commerce by:

- Integrating their digital and offline presence to drive process efficiency and improve the customer experience
- Leveraging omnichannel sales and logistics to provide convenience
- Using data to improve their storefronts

The Trajectory of Emerging Retail Technologies
Time to Productivity and Market Penetration Rates for Technologies That Are Reshaping the Retail Experience



Source: Gartner (October 2018)
CSB182502

Focus on cybersecurity and data privacy

Governments and consumers increasingly scrutinize organizations' cybersecurity and data privacy practices



Over the past few years, data privacy and cybersecurity have become increasingly critical strategic issues. Privacy and trust are top priorities for consumers, and feelings about these issues have intensified in recent years. Governments and regulators around the world are setting up institutions to ensure businesses comply with cybersecurity and data privacy regulations.

Regulations put the burden and responsibility on businesses to invest in order to comply with new rules. They face heavy regulatory and legal consequences if consumer data isn't safeguarded properly. **Data privacy and security issues also affect consumers' purchase behavior and their perception of a brand.** In all, 95% of CIOs expect cybersecurity and data privacy risks to increase and impact their organization.

With all this focus on cybersecurity and data privacy, **companies must worry about not only setting up safeguards but also attracting relevant talent.** The market currently has a shortage of cybersecurity talent. This shortage is also expected to increase the median wages for cybersecurity professionals and the costs of IT security consulting.

Caution: disruption ahead

Get smart on the opportunities and threats that will arise from 5 other business trends

1. Rise of the social CEO

Increasingly, CEOs are speaking out publicly and taking stands on issues such as climate change, public policy, immigration and equal pay.

Implications and trajectory: With most millennials expecting CEOs to take a stand on social issues and rewarding CEOs who do so with increased revenue and lower staff churn, CEOs may have no other choice than to embrace activism.

8 in 10 consumers agree that CEOs must speak out when their companies' values are violated or threatened

Weber Shandwick

2. Omnichannel commerce

This is the next step in the evolution of the bricks-and-clicks business model. Omnichannel retailers combine physical, online and social presence to sell products by leveraging omnichannel transactions and fulfillment methodologies.

Roughly 3 in 4 consumers use multiple shopping channels compared to 7% shopping online only and 20% shopping offline only

Harvard Business Review

Implications and trajectory: Businesses have already started merging their online and offline offerings amid the rise of showrooming and webrooming trends. Omnichannel retail is poised to become the retailing norm of the future.

3. Continued growth of the service economy

A service business employs information-rich services, either as standalone offerings or alongside traditional products, to deliver customer value. Services organizations contributed 65% of the world GDP in 2017.

Implications and trajectory: As companies expand the volume of data they have on their products and consumers, many will identify valuable services to offer as support for their core products or as a growth opportunity in their own right.

More than 75% of business leaders expect their organizations in 2020 to prioritize creating services to enhance existing products over the creation of new products

4. Increasing consolidation

Over the past decade, merger and acquisition (M&A) activity has accelerated and grown as an organizational strategy to maximize shareholder value and create competitive advantage. Businesses use M&A to acquire technology assets, bring in new talent, expand their customer base and diversify their product offerings.

Implications and trajectory: M&A is changing the competitive landscape today, enabling companies to increase scale and bargaining power and cope with or control disruptive technologies and competitors.

Experts particularly expect increased convergence in the retail, technology, healthcare and financial services industries.

5. Rise of technology giants and techlash

Technology giants (commonly Google, Apple, Facebook and Amazon) have grown to become very powerful in the digital age.

The top 5% of technology companies capture 60% of the profits generated from the technology, media and telecom sector, equaling roughly \$148 billion

As a result, Silicon Valley companies are facing increased “techlash” and scrutiny from consumers and governments alike for concerns such as data privacy, digital overexposure and addiction, and tax avoidance.

Implications and trajectory: Large technology firms are now moving beyond technology and threatening incumbents in the financial services, retail, media and entertainment industries, with other industries potentially to follow. There are rising concerns among government bodies, consumers and other industry players that the technology giants are becoming too large and monopolistic, dictating terms to the market. Their entrance into other industries has led to high barriers to entry for those industries and increased competitive pressure. They are powerful enough to lower the stock prices of incumbents and make funding difficult for new ventures and startups.

Our priority? Helping you to achieve yours

Gartner Strategy Leadership Council is the definitive research and advisory resource for strategists



Eighty percent of strategy leaders expect significant business model change. But they realize you can't transform the organization by playing it safe with incremental investments: You need to be bold and test entirely new business models, while also finding ways to reduce the risk that comes with that.

Strategists are under constant pressure to position their organizations to achieve long-term revenue growth. Shortsightedness among business leaders, shrinking strategy budgets and massive macroeconomic shifts make the strategist's job all the more difficult.

Gartner Strategy Leadership Council supports strategists against key processes including strategic planning, mergers & acquisitions, portfolio management and competitive intelligence.

Our support — which stems from proven approaches used by the world's leading companies — helps you save time and make better decisions within the strategy function.

"You provide research insights in a synthesized manner that enables us to think, 'What does that mean to our company? How can we take action?' Your research continues to be relevant as our business evolves, and your strategic planning resources have been integral."

*Dick Aubrect, Vice President of Strategy and Technology,
Moog Inc.*

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