

Gartner Research

2024 Tech Provider Top Trends

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12 December 2023

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Published 12 December 2023 - ID G00800884 - 10 min read

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Initiatives: Business of High Tech; Digital Future; Technology Markets and Companies Insights for Investors

Product leaders increasingly rely on technology to unlock new product and service opportunities. Faced with impacts of macro and external forces, product leaders can remain competitive by accounting for these tech provider top trends in their operational and strategic planning for 2024 and beyond.

Analysis

Product leaders approach 2024 by seeing the confluence of technological, economic, customer and competitive influences. 2024 represents the first full year of eased pandemic-related restrictions that in one way feels familiar and in another presents a series of first-time issues and opportunities.

Generative AI (GenAI) is dominating the technical and product agenda of nearly every tech provider. The technology reshapes a tech provider from its growth and product strategy down to the everyday tools used by its associates. Despite the potential for GenAI to reshape providers, it is not the only influence facing technology leaders. There are new points of friction in growth plans, new points of fusion in marketing and sales, and new relationships opening up to technology and service providers (TSPs).

The immediate and long-term implications of these issues require product leaders to balance between short-term opportunity and long-term advantage and strategies based on economic recovery or recession. Gartner's top trends for 2024 reflect these dualities. The trends are the effects of three broad themes grouped below (and illustrated in Figure 1). Four of these trends are an evolution of trends that were present in the 2023 edition and have been selected again due to their growing prominence and scale (indicated with * in the lists below). One of these trends is a composite trend (indicated with ** in the list below).

Impact of Macro and External Forces

These trends have emerged due to powerful external forces, including macroeconomic, sociological and environmental factors:

- **Sustainable Business Grows Up*** – Environment, social and governance (ESG) strategies are evolving to better account for top- and bottom-line financial objectives.
- **New Enterprise IT-Provider Relationships**** – Business and technical demands challenge enterprise IT ability, creating opportunities for providers to change their relationships with IT and the enterprise.
- **AI Safety** – Regulatory and enterprise governance concerns demand action to leverage AI in a safe and sustainable manner.
- **Rising Buyer Pessimism*** – The evolution of buyer indecision, purchase regret, pessimism and channel friction is driving an unexpected negative impact on the technology provider pipeline and conversion rates.

Opportunities Through New Technology

These trends have emerged primarily through the use of new technologies or the application of established technologies in new ways:

- **Vertical Generative AI Models** – Vertical AI solutions and models tailored to specific industry requirements and challenges will gain favor beyond more generalized horizontal market offerings.
- **Personalized Marketplace Experiences*** – Digital marketplaces are rapidly embracing personalization by employing advanced analytics, contextual profiling and AI to enhance and provide customized buyer experiences.
- **Industry Cloud Delivers Growth** – Industry cloud platforms enable product leaders to deliver highly differentiated vertical outcomes while maintaining cloud-scale efficiency.

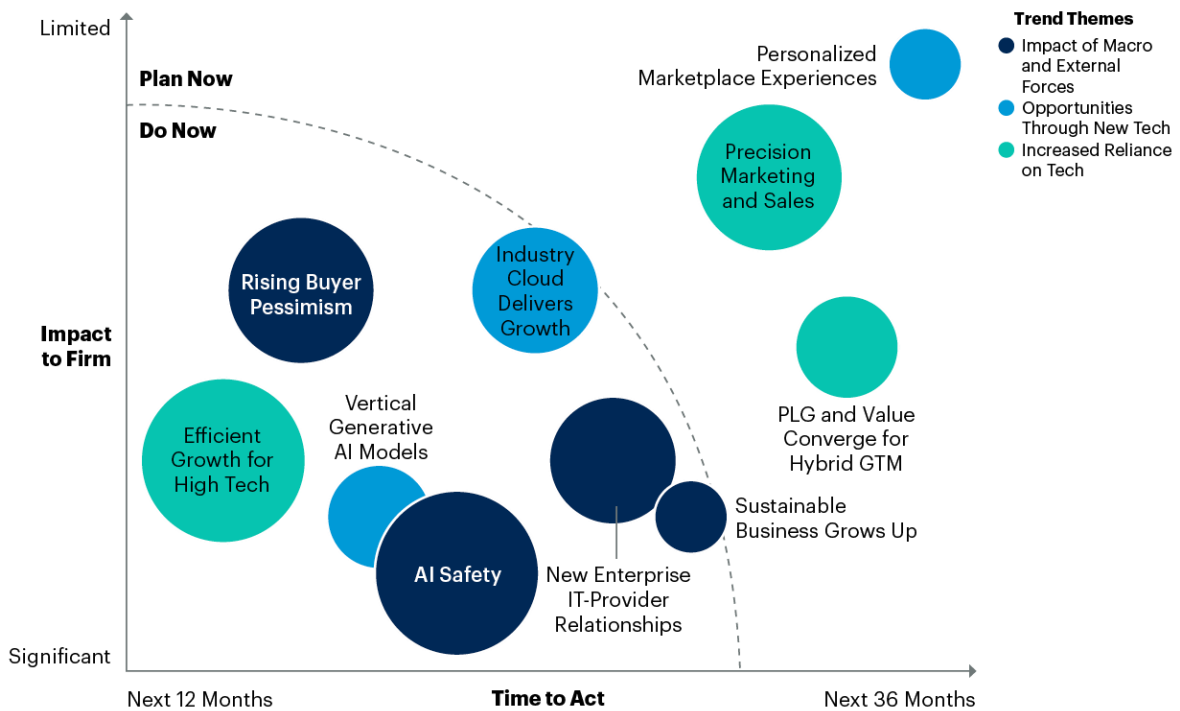
Increased Reliance on Technology

These trends have emerged due to businesses increasing their reliance on tech across all aspects of business and operating models:

- **PLG and Value Converge for Hybrid GTM*** – Buyer needs for business value and outcome justification will force the convergence of product-led growth (PLG) tactics with value management and realization initiatives.
- **Efficient Growth for High Tech** – Eclipsing a “growth at all costs” mindset, this trend introduces new financial/capital allocation models alongside operational and product investment requirements.
- **Precision Marketing and Sales** – From GenAI to digital buying and the metaverse, technology is changing how tech providers market and sell technology.

Figure 1: 2024 Tech Provider Top Trends: Time to Act, Impact to Firm and Magnitude of Disruption

2024 Tech Provider Top Trends: Time to Act, Impact to Firm and Magnitude of Disruption



Source: Gartner

Note: The bubble size for each trend conveys the relative magnitude of disruption for a given trend, relative to the other top trends.
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These 10 trends:

- Will impact six core areas for tech provider firms, including products and services, customers and buyers, operations and processes, competitive landscape, partners and ecosystems, and talent and resources.
- Require product leaders and executives to make decisions on how and when to act.
- Are evident now and relevant for the next three years.
- Have worldwide implications.
- Demand prioritization through the balance of planning and action.
- Will impact multiple vertical industries.

See Note 1 for the methodology that we used to select these trends.

Product leaders must evaluate the impact of these trends across all dimensions of their business to determine required actions. It is vital that product leaders engage with other strategic leaders in their organization across finance, marketing, sales, operations and other areas to craft their strategies.

Table 1 highlights the trends and the level of impact across various dimensions of tech provider firms.

Table 1: Firm-Level Impacts of 2024 Trends on Business Operations

(Enlarged table in Appendix)

↓	Products and Services ↓	Customers and Buyers ↓	Operations and Processes ↓	Competitive Landscape ↓	Partners and Ecosystems ↓	Talent and Resources ↓
Vertical Generative AI Models	High	Medium	Low	High	Medium	Very High
Efficient Growth for High Tech	High	Very High	Very High	High	Medium	Medium
PLG and Value Converge for Hybrid GTM*	Very High	Very High	High	High	Low	Medium
Industry Cloud Delivers Growth	Very High	Very High	Medium	High	Medium	Low
New Enterprise IT-Provider Relationships*	Very High	High	Medium	High	Medium	High
Precision Marketing and Sales	Low	Very High	Very High	High	Low	High
Sustainable Business Grows Up*	Very High	High	Medium	High	Very High	High
Personalized Marketplace Experiences*	High	High	Medium	Low	High	Low
AI Safety	High	Very High	Very High	High	Medium	Very High
Rising Buyer Pessimism*	Low	Very High	Very High	Medium	High	Medium

Definitions for scale of impact:
 Very High = above 75% of business operations impacted for all tech providers
 High = 50% to 75% of business operations impacted for all tech providers
 Medium = 30% to 50% of business operations impacted for all tech providers
 Low = below 30% of business operations impacted for all tech providers
 * Indicates evolution of a 2023 trend
 ** Indicates a composite trend

Source: Gartner (December 2023)

Research Highlights

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Links to the research notes that analyze the top 10 trends for tech providers in 2024 are provided below. The order in the list does not imply a ranking.

2024 Tech Provider Top Trends: Sustainable Business Grows Up

2024 Tech Provider Top Trends: Sustainable Business Grows Up

Sustainability remains a top priority for tech providers, yet the evolving market expectations and added complications from emerging technologies are complicating established strategies. Tech providers must expand their strategy with an increased focus and enterprisewide accountability for double materiality and the utilization of GenAI. Tech providers failing to make this change will see increasingly negative perceptions in the market and a failure to achieve longer-term ESG objectives.

2024 Tech Provider Top Trends: New Enterprise IT-Provider Relationships

Rising business and technical demands stretch enterprise IT – constraining its present- and future-state operational and delivery capability/capacity. Declining ability drives opportunity and trends toward new relationships, products and services for the entire enterprise and enterprise IT. Tech providers must expand provider roles within both enterprise IT and the business, align to outcome-centric provider-enterprise relationships, and elevate their leverage of enterprisewide Tier 1 relationships.

2024 Tech Provider Top Trends: AI Safety

Responsible AI and AI safety are not new concepts, but the unprecedented rapid development of GenAI technologies has fueled the discussion around risk management and how to address growing issues such as content provenance and hallucination. Increasing regulatory pressures have raised the question of whether regulations can be designed and applied globally in such a heterogeneous environment. Product leaders must build solutions that incorporate safety principles with a focus on model transparency, traceability, interpretability and explainability aspects. Preempting regulatory and compliance issues will be critical to staying competitive in this vibrant GenAI market by creating trust.

2024 Tech Provider Top Trends: Rising Buyer Pessimism

Over the past three years, tech providers have increasingly observed negative sales pipeline effects due to new buyer behaviors that are colliding with outdated go-to-market (GTM) models. Without adapting sales and marketing approaches to detect and respond to buyer pessimism, technology providers will see their own GTM operations decline in both internal and external perspectives, including:

- Internal effectiveness, efficiency and scalability of revenue production
- External relevance, resonance and reach of buyer engagement

2024 Tech Provider Top Trends: Vertical Generative AI Models

While general-purpose models perform well across a broad set of GenAI applications, they can be impractical for many enterprise use cases that require domain-specific data. Tech providers must explore vertical (industry and business)-focused models that can be adapted to specific user requirements using available resources more efficiently. Those failing to do so will face increased costs and complexity in the creation and leverage of models – and in worst-case scenarios, they'll be outpaced by market competitors that do leverage vertical models.

2024 Tech Provider Top Trends: Personalized Marketplace Experiences

Specialized, niche, digital marketplaces are emerging to help buyers navigate the complexity of procuring, implementing and integrating solutions. TSPs must analyze the diverse needs of buyer groups and provide composable and modular offerings tailored to specific verticals or market areas to maximize marketplace success. Product leaders who do not offer their services through personalized digital marketplaces limit their findability for their target customers.

2024 Tech Provider Top Trends: Industry Cloud Delivers Growth

Customers are expecting providers to deliver business outcomes instead of technology enablement that requires customers to deploy the underlying cloud innovations into their own use cases. Product leaders must change the narrative with their customers from technology enablement to mission-critical industry requirements, and industry clouds are the perfect vehicle to do so. Product leaders who do not respond risk losing their audience and remain solely in the domain of selling technology to IT buyers, limiting their total addressable market.

2024 Tech Provider Top Trends: PLG and Value Converge for Hybrid GTM

PLG focuses on showing value to product users, creating intent signals that GTM teams can use with prospective buyers. But most companies using a PLG GTM have begun to realize that, in most cases, a 100% self-serve GTM motion isn't tenable. At some point, sellers must be involved to convert deals. Buyer needs for business value and outcome justification – for new or expansion business – will meld PLG tactics with value management and realization initiatives in hybrid GTM strategies.

2024 Tech Provider Top Trends: Efficient Growth for High Tech

Funding has become harder for tech providers to obtain, and combined with investors less enamored with near-term growth and competitors fighting for revenue from more fickle buyers, the “growth at all costs” strategy has changed. Tech providers must align strategy, product, talent, GTM and so forth to more efficient methods of engaging with customers, growing revenue and achieving/improving profitability. Failing to adopt across value, profitability, quality and efficient growth may lead to cost takeout spirals without end.

2024 Tech Provider Top Trends: Precision Marketing and Sales

Rapidly evolving technology advances are resetting expectations for sales and marketing as buyers look for deeper and more meaningful engagement from tech providers. From GenAI to digital buying and the metaverse — technology is changing how tech providers market and sell technology. Tech providers failing to adopt these approaches will see the erosion of overall deal quality combined with the loss of relevance and limited growth within established accounts.

Additional research contribution and review: Esha Bhatia

Note 1: Methodology

Gartner’s selection of the top trends is based on primary research activities, including surveys, external sources and interactions with tech providers, enterprises and other organizations. The selection was made from a larger collection of more than 90 trends identified, curated and synthesized by our research teams, qualifying top trends with such criteria as scope, breath and time of impact. Trends were sequentially ranked in terms of time to act.

Impact to firm is a rank-based determination based on the six-category impact-to-firm analysis (very high, high, medium and low for each category). The “firm-level impacts” shown in Table 1 incorporate the six-category scoring, along with a definition of the four designations that could apply to any given firm-level impact. Each specific trend research note also includes a qualitative “scope of impact” elaboration that further characterizes the driver behind a given designation for each of the six categories. A numeric scale was assigned to each category, and trends were ranked based on their total score across each of these six categories. Magnitude of disruption was determined by grouping trends into five distinct groups based on multiple factors surrounding the relative disruption of each term.

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