Big Impacts from Big Data
Solid Fundamental Drivers for the Big Data Analytics Market

Massive Data Growth...

The Digital Universe - Data Growth (1)

- 130 exabytes in 2005
- 1,227 exabytes in 2010
- 7,910 exabytes in 2015

Impacts of Analytics Will Be Felt Across Many Markets

U.S. Healthcare
- $300BN value per year
- ~0.7% annual productivity growth

U.S. Retail
- Potential for 60% increase in net margin for retailers
- 0.5-1.0% annual productivity growth

European Public Sector Administration
- €250BN value per year
- ~0.5% annual productivity growth

Manufacturing
- Up to 50% decrease in development and assembly costs
- Up to 7% reduction in working capital

Global Personal Location Data
- $100+ BN revenue for service providers
- Up to $700BN value to end users

... Is Driving Huge Wave of IT Spend

Software and Services IT Spend, Social Media Spend (3)

- Up to $700BN value to end users

(1) IDC estimates
(2) McKinsey Global Institute
(3) Gartner estimates
New Technologies Are Broadening the Available Data Pool

Emerging new technologies, such as Hadoop and NoSQL, have significantly reduced the cost of analytics and extended its reach to small and medium enterprises.

- Cost of managing data within Hadoop ranges from $1-2K/TB, versus $20-200K/TB in enterprise warehouse.
- At the same time, distributed computing frameworks and in-memory processing technologies have reduced the processing time of running complex queries from days to minutes.
- Enterprises can now analyze mainframe data (web logs, emails, sensor data, etc.) inexpensively and quickly.
- Emergence of powerful and yet easy to use analytical tools have shifted the user base for analytics tools and platforms from the IT department to real business users, dramatically expanding the use cases.

Explosion of unstructured / semi-structured data sources will significantly expand the overall analytics opportunity and range of use cases, particularly among non-technical business users.
M&A Activity Levels Remain Significant…

(Announced Transaction Value $BN)

2007  2008  2009  2010  2011  2012  2013

$14.2  $1.4  $2.7  $12.6  $14.8  $4.0  $5.5

Commentary

- Since 2007, large acquirors have completed ~$54BN of transactions for analytics capabilities
- IBM has been the most aggressive acquirer, with $13BN of analytics deals including $3BN+ spent on its Smarter Commerce launch

Source: Wall Street research, Company information, Capital IQ, 451 Group
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