

NETAPP

THE NEW INFRASTRUCTURE NORMAL

How the COVID crisis is affecting infrastructure spending and consumption

The global economy is in decline

6.4%

reduction in real global GDP, forecasted April 2020¹

34.4%

reduction in annualized US GDP, Q2 2020²

And work and social norms are changing fast



54%

will accelerate digital transformation³



55%

will work from home more⁴



45%

will stay in the suburbs⁵



60%

will dine out, travel, and shop less than before⁶

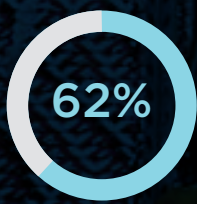
In response, IT spending is down and priorities are changing

8% decline in global IT spending in 2020 due to the impact of COVID-19⁷

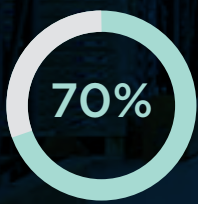
Industries cutting IT budgets by **10% or more**:



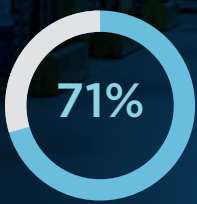
Retail



Energy



Transportation



Education

Over **60% plan to reevaluate** current projects, reset priorities, or put new projects on hold⁹

There is a steady shift to pay-as-you-go models

15x predicted **growth for flexible consumption models**, versus capex growth, through 2022¹⁰

15% of on-premises deployments to involve **pay-per-use pricing** by 2022, vs. < 1% in 2019¹¹

53% prefer to consume **technology via subscription**¹²

66% see **similar pricing** or a net cost advantage for **pay-per-use storage**¹³

55% utilize a **pay-per-use model** for more than half their storage¹⁴

Need operational and financial flexibility for your on-premise storage? NetApp Keystone Flex Subscription delivers.



Pay for performance.

Storage service tiers based on IOPs/TiB and latency to meet workload needs.



Pay for use.

Predictable billing for committed capacity, pay-per-use for bursting.



Get a bundled price.

Hardware, core OS, and support at one \$/TiB price.



Choose a flexible term.

As little as 12 months, 100 TiB or more per site.



Choose who operates.

NetApp, you, or a partner.

[Learn More](#)

¹ Gartner Global Recession Scenario, April 2020.

² US Bureau of Economic Analysis, "Gross Domestic Product, 2nd Quarter 2020 (Advance Estimate) and Annual Update," July 30, 2020.

³⁻⁶ CDX Digital Roundtable poll results.

⁷ Gartner, "Gartner Says Global IT Spending to Decline % in 2020 Due to Impact of COVID-19," May 13, 2020.

⁸ Gartner CFO Study, April 2020.

⁹ Evaluator Group, "Enterprise IT Responds to COVID-19," April 14, 2020.

¹⁰ Extrapolation of data from IDC Q3 2020 Enterprise Storage Systems Tracker.

¹¹⁻¹² Gartner, "Competitive Landscape: Consumption-Based Pricing for On-Premises Infrastructures," June 26, 2020, ID G00717180.

¹³⁻¹⁴ Enterprise Strategy Group survey, September 2019, N=200 respondents.