

Update: Gartner to Expand Its Vertical Forecast Segmentation for IT Services

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Effective 3Q21, Gartner will revise its segmentation for IT services within its “Forecast: Enterprise IT Spending by Vertical Industry Market, Worldwide” reports. Read this document for further details regarding the impact of these changes.

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[Market Definitions and Methodology: Vertical Industries](#)

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Planned Update to Gartner Market Statistics Coverage

What We Are Changing

The previously announced changes to the 2Q21 vertical industry Forecast in the IT services segmentation will now be released in the 3Q21 vertical industry Forecast. As a result, the Market Definitions and Methodology document for vertical industries will also be released in 3Q21. To provide visibility into the changes implemented in the 2Q21 Forecast, the revised International Standard Industrial Classification (ISIC) Code map can be found in this document.

For more details on the segmentation changes, see [Update: Gartner to Revise Its IT Services Forecast Segmentation](#).

In addition to the segmentation changes, the firmographic data is being revised. Firmographic data is a set of characteristics related to firms or companies that group them together to form market segments. This will likely lead to changes in the forecast growth rates at the industry-by-country level. When this is the case, changes will be explained in the corresponding Forecast Analysis document.

Why We Are Making the Change

Gartner is revising its market and industry segmentation across most vertical industries reported to provide more accurate industry representation and to provide additional levels of granularity.

Client Benefits of the Change

These changes to Gartner coverage are intended to better support and inform clients making critical product and business planning and investment decisions.

The added granularity from these segmentation changes will provide technology and service providers additional insight to identify and evolve their product and solution portfolios toward growth opportunities.

Market Segmentation Summary

The changes to IT services segmentation can be found in [Update: Gartner to Revise Its IT Services Forecast Segmentation](#).

In advance of the Market Definitions and Methodology document's publication, we've provided a revised vertical market ISIC Code map and definitions in Table 1. Revisions are highlighted in yellow.

Table 1: Vertical Market Industrial Code Map

(Enlarged table in Appendix)

[illegible]

Revised Definitions

Only definitions that have changed or are new are presented below.

Vertical Industry Forecast Definitions

Banking and Investment

Investment Services

Investment services include securities and commodity brokers and services, such as securities dealers and underwriters, flotation companies, securities brokers, commodity contracts brokers and dealers, securities and commodity exchanges, and investment advice. Fund, trust and other financial vehicle managers include managers of insurance and employee benefit funds or other investment pools and funds. This category also includes investment and private banks, as well as other financial institutions that operate wealth management in the capital market space.

Communications, Media and Services

CMS includes categories of the communications industry, media industry and service industry. This industry category is composed of broadcasting and cable; telecommunications; IT services and software; entertainment offline; entertainment online; and other business, technical and consumer services.

Entertainment Offline

This includes, but is not limited to, cinemas, amusement park venues, concert venues, live in-person sporting events, museums, motion picture production and console-based video games.

Entertainment Online

This includes, but is not limited to, video-on-demand (subscription, transaction, advertising) streaming, live event streaming, audio streaming, e-sports, cloud gaming and podcasting.

Insurance

Property and Casualty Insurance

P&C insurance includes non-life insurance (except health insurance), fire, marine and casualty insurance, surety insurance, and title insurance. It also includes direct P&C insurance carriers, direct title insurance carriers and other direct insurance (except life, health and medical) carriers.

Life Insurance

Life insurance includes direct life insurance carriers.

Other Insurance

Other insurance includes reinsurance, insurance agents, brokers, and service providers and administrators.

Manufacturing and Natural Resources

The manufacturing and natural resources industry includes automotive and vehicle manufacturing; equipment and other discrete manufacturing; pharma, agriculture, food and consumer process industries; chemical, metal and other industrial process manufacturing; and other manufacturing.

Automotive and Vehicle Manufacturing

Automotive and vehicle manufacturing includes motor vehicles (cars and light trucks) and parts, as well as transportation equipment other than automotive (aerospace and defense equipment and ship and rail building).

Equipment and Other Discrete Manufacturing

Equipment and other discrete manufacturing includes fabricated metal products; electrical and electronic products; industrial, medical and electrical machinery and equipment; furniture; repair; and safety.

Pharma, Agriculture, Food and Consumer Process Industries

Pharma, agriculture, food and consumer process industries include food, beverage and tobacco producers, processing and products; soap, cleaning and cosmetic products; and pharmaceuticals, drugs and medicine.

Chemical, Metal and Other Industrial Process Manufacturing

Chemical, metal and other industrial process manufacturing includes basic chemicals, fertilizers and plastics; specialty chemicals, rubber and plastics; and minerals and basic metals.

Other Manufacturing

Other manufacturing includes construction, wood, paper, mining of metals/stone, textiles, clothing and leather products.

Retail

The retail industry includes general retailers; grocery; specialty retailers — soft lines; specialty retailers — hard lines; quick-service restaurants; and other retail.

General Retailers

General retailers include department stores, variety stores, warehouse/club stores, food/drug stores, discount food stores, and miscellaneous “big box” and general merchandise stores.

Grocery

Grocery includes convenience stores, supermarkets and grocery stores, meat and fish markets, fruit and vegetable markets, candy stores, nut and confectionery stores, dairy product stores, retail bakeries, and miscellaneous food stores.

Specialty Retailers – Soft Lines

Specialty retailers – soft lines include apparel, footwear, fashion, beauty, jewelry and miscellaneous soft goods.

Specialty Retailers – Hard Lines

Specialty retailers – hard lines include building materials, auto parts, hardware, furniture, office supplies, sporting goods and miscellaneous hard goods.

Quick-Service Restaurants

Quick-service restaurants include fast-food, fast-casual and miscellaneous quick-service restaurants.

Other Retail

Other retail includes:

- Automotive dealers and gasoline service stations
- Cafeterias, snack and nonalcoholic beverage bars, food service contractors, caterers, drinking places (bars and pubs, as well as hotels and other lodging facilities), casino hotels, motels, bed and breakfast inns, rooming and boarding homes, sporting and recreational camps, recreational vehicle parks, campsites and lodging houses, and other organization hotels

Energy and Utilities

The energy and utility industry is composed of electric and gas utilities, energy resources and processing, pipelines, and water utilities.

Energy Resources and Processing

This segment includes energy mining (coal, uranium, and oil and gas) and refining and blending of fuels.

Pipelines

Pipelines include natural gas pipelines, petroleum pipelines and refined petroleum pipelines.

Enterprise IT Spending Forecast Component Definitions

For further detailed information, see [Market Definitions and Methodology: IT Services](#).

IT Services Definitions

Application Implementation and Managed Services

Application implementation services provide configuration, development, deployment or integration services for custom-developed package applications and/or commercially available applications, including SaaS, to increase the performance of business or personal resources.

Application managed services (AMS) are multiyear contracts to develop, maintain, enhance, modernize, optimize and manage one or more of a customer's business applications.

Infrastructure Implementation and Managed Services

Infrastructure implementation services provide development, deployment or integration of computing hardware (such as servers and storage devices) and network equipment (such as WAN, LAN or corporate customer premises equipment) to build, run and manage the performance of enterprise IT resources.

Infrastructure managed services (IMS) are a multiyear or annuity contract/relationship, providing services, processes and methodologies for maintaining, enhancing and managing compute, storage, desktop, service desk and network infrastructure.

Infrastructure as a Service

Infrastructure as a service (IaaS) is a standardized, highly automated offering in which computing resources owned by a service provider, complemented by storage and networking capabilities, are offered to customers on demand. Resources are scalable and elastic in near real time and metered by use. Self-service interfaces, including an API and a graphical user interface (GUI), are exposed directly to customers. Resources at the discretion of the service provider may be single tenant or multitenant and are hosted by the service provider.

Business Process Services

Business process outsourcing (BPO) is the delegation of one or more IT-enabled business processes to an external provider that, in turn, owns, administers and manages the processes and agreed-on outcomes based on predefined performance metrics. BPO providers offer buyers improved business process efficiency and effectiveness.

Outsourced processes include knowledge-based processes as well as transactional ones, along with the support and administration of front-office, middle-office and back-office activities. Almost any business process or discrete part thereof can be awarded to a BPO provider, with the boundaries regularly being widened to include more sophisticated processes. Entire processes or discrete subprocesses can be outsourced to form end-to-end, comprehensive service arrangements.

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Table 1: Vertical Market Industrial Code Map

Primary Industry Segment	Secondary Industry Segment	Additional Description	ISIC Rev. 4	NAICS (2017)
Banking and Investment	Banking	Monetary authorities, depository credit intermediation, nondepository credit intermediation and activities related to credit intermediation.	K (64)	521-522
	Investment Services	Investment banking and securities dealing; securities brokerage; commodity contracts dealing; commodity contracts brokerage; securities and commodity exchanges; miscellaneous intermediation; portfolio management; investment advice; trust, fiduciary and custody activities; and miscellaneous financial investment activities. Insurance and employee benefit funds; pension funds; health and welfare funds;	K (653, 66)	523, 525

		other insurance funds; other investment pools and funds; open-end investment funds; trust, estate and agency accounts; and other financial vehicles. Investment, private banks and other financial institutions that operate wealth management in the capital market space.		
Communications, Media and Services (CMS)	Entertainment Online	Video-on-demand (subscription, transaction, advertising) streaming, live event streaming, audio streaming, e-sports, cloud gaming and podcasting.	J (5913*, 5914*, 592*), M (742*), R (92*)	51212*, 51213*, 51223*, 51225*, 54143*, 7132*
	Entertainment Offline	Cinemas, amusement park venues, concert venues, live in-person sporting events, museums, motion picture production and console-based video games.	J (5911-5912, 5913*, 5914*, 592*), M (742*), N (7722), R (90-91, 92*, 93)	51211, 51212*, 51213*, 51223*, 51224, 51225*, 51229, 51912, 53282, 54143*, 711, 712, 7131, 7132*, 7139
	Broadcasting and Cable	Radio, TV, cable broadcasting and distribution, and satellite broadcasting.	J (60), J (613)	515, 517311*, 5174
	Telecommunications	Fixed-line carriers, wireline	J (611, 612, 619)	5173*, 517911

		carriers, wireless carriers, interexchange carriers, telecom carriers and resellers.		
	Other Business, Technical and Consumer Services	Real estate activities; other professional, scientific and technical activities; other consumer and household domestic services; and other business services.	C (18), J (581), L (68), M (69, 71-73, 741, 743, 749, 75), N (77-78, 80-82), S (94, 952, 96), T (97, 98)	323, 5111, 53*, 5411-5413, 54141-54142, 54149, 5417-5419, 55, 56*, 811*, 812, 813
	Information Technology Services and Software	IT consultancy, IT management, information services, data processing, hosting, internet content providers and web portals; supplier of software and software reproduction.	J (582), J (62-63), M (70*), S (951)	5112, 518, 519*, 5415-5416, 811212-811213
Education	Primary and Secondary Education	Primary and secondary schools.	P (851-852)	6111
	Higher Education	Colleges, professional and other.	P (853-855)	6112-6117
Government	National and International Government	Public administration and defense, health and human services, and tax/revenue programs.	O (841*, 842), U (99)	921, 928
	Local and Regional	Public administration of	O (841*, 843)	922-927

	Government	human resources, health, social services, tax/revenue and transportation; public works and safety programs.		
Healthcare Providers	Physician	Ambulatory services, physician practices and at-home services.	Q (862-869)	621
	Hospital	Hospitals, hospital systems, nursing and residential care, and university hospitals.	Q (861), Q (87-88)	622, 623-624
Insurance	Health Insurance (Payer)	Health and medical insurers.	K (6512*)	524114
	Life Insurance	Life insurance.	K (6511)	524113
	Property and Casualty (P&C) Insurance	P&C insurers.	K (6512*)	524126-524128
	Other Insurance	Reinsurance and agencies, brokers, claims adjusting, and third-party administrators.	K (6512*, 6520)	52413, 5242
Manufacturing and Natural Resources	Automotive and Vehicle Manufacturing	Motor vehicles, parts and transportation equipment other than automotive (aerospace and defense equipment and ship and rail building).	C (2211, 29-30)	32621, 336

	Equipment and Other Discrete Manufacturing	Fabricated metal products; electrical and electronic products; industrial, medical and electrical machinery and equipment; furniture; repair; and safety.	C (25-28, 31-33)	332-335, 337, 339
	Pharma, Agriculture, Food and Consumer Process Industries	Food, beverage and tobacco producers, processing and products; soap, cleaning and cosmetic products; and pharmaceuticals, drugs and medicine.	A (01-03), C (10-12, 2023, 21)	11, 311-312, 3254, 3256
	Chemical, Metal and Other Industrial Process Manufacturing	Basic chemicals, fertilizers and plastics; specialty chemicals, rubber and plastics; and minerals and basic metals.	C (19, 20*, 22*, 23-24)	324, 325*, 326*, 327, 331
	Other Manufacturing	Construction, wood, paper, mining of metals/stone, textiles, clothing and leather products.	B (07-09), C (13-17, 41-43)	212-213, 236-238, 315-316, 321-322
Retail	General Retailers	Department stores, variety stores, warehouse/club stores, food/drug stores, discount food stores, and	G (471, 4772)	446, 452

		miscellaneous “big box” and general merchandise stores.		
	Grocery	Food and beverage stores.	G (472)	445
	Quick-Service Restaurants	Fast-food, fast-casual and miscellaneous quick-service restaurants.	I (561*)	722513
	Specialty Retailers – Soft Lines	Apparel, footwear, fashion, beauty, jewelry and miscellaneous soft goods.	G (4771, 4773-4774)	448, 453
	Specialty Retailers – Hard Lines	Building materials, auto parts, hardware, furniture, office supplies, sporting goods and miscellaneous hard goods.	G (474-476)	442-444, 451
	Other Retail	Automotive dealers and gasoline service stations, cafeterias, snack and nonalcoholic beverage bars, food service contractors, caterers, drinking places, accommodations, and other retail.	G (45*, 473, 478, 479), I (55, 56*)	441, 447, 454, 721, 722*
Transportation	Air Transport	Passenger and cargo air transportation and storage, airports, and support activities for air transport.	H (51)	481, 4881

	Motor Freight	Trucks; freight trucking; urban transit and ground passenger transport; bus, taxi and sightseeing transportation; and support activities for road transport.	H (492)	484, 485*, 487, 4884
	Rail and Water	Rail and maritime passenger travel and cargo shipments, commuter rail, ferries, and ports.	H (491), H (50), H (5222)	482, 483, 485111-485112, 48831
	Warehousing, Couriers and Support Services	Transportation support activities, travel agency services, postal, couriers, warehousing and third-party logistics providers.	H (52*, 53), N (79)	48699, 488*, 491-493, 5615
Energy and Utilities	Electric and Gas Utilities	Electric and natural gas.	D (35)	2211-2212
	Energy Resources and Processing	Mining and extraction of energy-related natural resources (coal and lignite and oil and gas), refining, and blending of fuels.	B (05-06)	211
	Pipelines	Natural gas pipelines, petroleum pipelines and refined petroleum pipelines.	H (493)	486*

	Water Utilities	Water supply and irrigation systems, sewage and refuse systems, and remediation services.	E (36-39)	2213
Wholesale Trade	Wholesale Durable and Nondurable Goods	Wholesale trade (durable and nondurable goods).	G (45*, 46)	42
* Indicates partial match NAICS = North American Industry Classification System				

Source: Gartner (June 2021)