

Gartner, Inc. - Where to Focus Research Attention?

Internal ID: S&F-STR-267

Topic: Customer Strategy, Business Models, Pricing Strategy

Industry: IT Consulting & Other Services

Source: Strategy & Finance

Publication date: 5 October 2026

License: Not specified

Decision date and information cutoff: March 1, 2024

Case convention: The decision team and assignment below are hypothetical. The case does not describe a Gartner management decision.

A different kind of research company

Gartner sells research and advisory subscriptions, hosts conferences, and provides consulting. Its Research segment supports technology users and providers through Global Technology Sales (GTS), and other business functions through Global Business Sales (GBS). Offerings include published research, data and benchmarks, access to research experts, briefings, tools and peer networking. Gartner described its strategy as increasing penetration among valuable clients, building new relationships, and using packaging, campaigns, cross-selling and pricing to grow client spending. [P1]

On March 1, 2024, a hypothetical commercial-strategy team is preparing a 2024 plan for where to focus incremental attention across the Research business. The assignment is to recommend a priority and define the evidence the team should monitor. No fixed headcount pool or budget is supplied, and Gartner has not disclosed this assignment. Students may introduce a limited test or reallocation as an explicit scenario assumption.

Two client groups, different signals

Gartner measures Research growth partly through contract value (CV), the annualized value of subscription-related contracts in effect at a point in time. The company says CV primarily reflects Research subscriptions, but also includes some other items, principally conference tickets. CV is a company-defined indicator of the Research business's longer-term health; it is not the same as recognized revenue. Client retention measures whether a client enterprise remains a client. Wallet retention measures how much CV Gartner retained from client enterprises that were also clients the year before. [P1]

At December 31, 2023, GTS CV was \$3.748 billion, up 6% on a foreign-exchange-neutral basis. GBS CV was \$1.091 billion, up 13%. GTS client retention was 83%, down from 86% a year earlier; GTS wallet retention was 101%, down from 105%. GBS client retention was 87%, down from 89%; GBS wallet retention was 107%, down from 112%. Gartner said both groups' lower wallet retention was largely due to lower incremental spending by existing clients. [P1]

The Research segment generated \$4.887 billion in 2023 revenue, up 6%, with a reported gross contribution margin of 74%. These figures cover the whole Research segment, not GTS or GBS alone. [P1]

New-contract value and productivity

Gartner's earnings supplement reported the following trailing-twelve-month (LTM) measures at year-end:

Research sales group	LTM net contract value increase (NCVI), Q4 2022 → Q4 2023	LTM productivity, Q4 2022 → Q4 2023	Client retention, Q4 2022 → Q4 2023
GTS	\$334m → \$223m	\$109k → \$62k	85.8% → 82.9%
GBS	\$154m → \$125m	\$170k → \$113k	89.3% → 87.3%

Gartner defines LTM productivity as LTM NCVI divided by quota-bearing headcount at the opening of the period. The supplement also notes that some client enterprises buy both GTS and GBS and appear in both groups' counts. These metrics describe different dimensions of sales and client relationships; they do not identify what caused the changes. [P3]

Guidance and competition

For 2024, Gartner set minimum guidance of \$5.150 billion for Research revenue. Its earnings supplement stated that subscription revenue reflected management's expectation that CV would bottom and reaccelerate during 2024. It said non-subscription revenue reflected a shift toward higher-quality traffic intended to support better pricing and revenue over time. Those statements are forecasts and management's explanations, not observed results. [P3]

Forrester Research reported 2023 contract value of \$332.1 million, down 4%, and revenue down 11%. Its CEO said two-thirds of contract value had migrated to the Forrester Decisions platform and that its generative-AI tool Izola was being prepared for general release. Forrester expected transition pressure to continue in 2024. Forrester's measures and scale differ from Gartner's, so the comparison offers competitive context rather than a direct performance benchmark. [P4]

Gartner's FY2023 filing noted that AI may create new offerings and operating risks. It also warned that AI chatbots or search tools could supply substantive content and reduce some users' need to visit Gartner's sites. The filing did not quantify substitution, AI revenue, client response, or an AI-specific investment plan. [P1]

Decision evidence

Evidence available at the cutoff	What it shows	What it does not show
GTS CV of \$3.748bn (+6%); GBS CV of \$1.091bn (+13%) [P1]	GTS is larger; GBS had faster year-end CV growth.	Relative marginal return from additional analyst or sales attention.
GTS and GBS client and wallet retention fell year over year [P1]	Both groups faced weaker retention indicators.	Which clients reduced spending, why they did so, or which intervention would reverse it.
LTM NCVI and productivity declined in both groups [P3]	New-contract-value indicators were lower than a year earlier.	Whether demand, seller coverage, research relevance, pricing or other factors drove the change.
Research revenue guidance and stated CV outlook [P3]	Management expected Research revenue and CV to improve.	Whether that forecast would be met or how results would divide between GTS and GBS.
Forrester's platform migration and Izola announcement [P4]	A competitor was changing its research platform and preparing an AI tool.	Gartner's relative client value or the returns of adopting a similar approach.

The public materials do not provide client-level reasons for lower incremental spending, renewal cohorts by use of analyst services, contract-level pricing, segment-specific marginal costs, or results from alternative account-development approaches. Gartner does not disclose a fixed pool of analysts or sales capacity that must be divided between GTS and GBS. The team must distinguish facts from its own hypotheses and any test assumptions.

The choice

One approach would focus on GTS, the larger group, and investigate why client retention and incremental spending weakened. A second would emphasize GBS, where CV growth remained faster, while testing whether that growth can be sustained as the segment scales. A third would organize attention around client needs and run limited, measurable account-development tests across both groups.

Decision prompt: Where should the hypothetical team focus incremental Research-segment attention in 2024? Name the evidence that would support continuing, changing or stopping the approach. State any assumed test design, effort limit or data availability, and explain what evidence could change your recommendation.

Sources and conventions

The information cutoff is March 1, 2024; information public through February 29, 2024 is included. Forecasts and management explanations are attributed. No later results, causal effects or segment-level ROI are asserted.

[P1]: [Gartner FY2023 Form 10-K](#), filed February 15, 2024; Item 1, printed pp. 3-4; Item 1A, printed pp. 8-9; Item 7, printed pp. 20, 25-26. [P2]: [Gartner Fourth Quarter 2023 financial results](#), February 6, 2024. [P3]: [Gartner 4Q23 Earnings Supplement](#), February 6, 2024, PDF pp. 6-9, printed pp. 7-10; productivity definition at PDF p. 8, printed p. 9. [P4]: [Forrester 2023 fourth-quarter and full-year results](#), February 8, 2024.