Cloud Market View, 2021-2022

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TSP Quantitative Innovation Research Team

Initiatives: Technology Market Essentials

> TSPs seeking to expedite digital business transformation will continue to accelerate cloud adoption. Use of regional stand-alone IaaS and PaaS vendors is growing. But, they have a small market share compared to integrated cloud infrastructure and platform services hyperscalers.

The core cloud services are maturing. Cloud infrastructure, platform and application services are in common use across organizations of all types. Most organizations are using multiple public cloud services in some capacity and increasing investments in new cloud-based initiatives such as cloud sustainability, quantum computing as a service, sovereign cloud etc. As cloud adoption expands to address new use cases, so does the demand for cloud capabilities to support new application models, industry-specific requirements and new features and functionality. The effectiveness of cloud models in helping organizations respond to unanticipated changes during the COVID-19 pandemic as demonstrated by the flexibility and adaptability of cloud models. Most enterprises have adopted cloud infrastructure and platform services (CIPS) strategically and use infrastructure as as service (IaaS) and platform as a service (PaaS) for a broad range of workloads, including production applications. The integrated CIPS market is defined as a full-featured platform where IaaS and PaaS capabilities are offered as integrated cloud services.

Gartner's latest public cloud services forecast (Forecast: Public Cloud Services, Worldwide, 2020-2026, 2Q22 Update) expects the public cloud services to grow by 20.7% (23.1% in constant currency) in 2022. With a five-year compound annual growth rate (CAGR) of 20.2%, spending on public cloud services will increase $625 billion during the course of the forecast to reach $1,037 billion in current U.S. dollars in 2026. Through 2026 and beyond, cloud will be considered a core aspect of ensuring business continuity.

The rapid adoption and growth of the cloud industry are creating lucrative opportunities for providers. Service providers' business model offerings and revenue growth are being built around a cloud strategy which includes the adoption of various cloud models and supporting services to include offerings in public and private clouds. Organizations are adopting multicloud models, and hybrid cloud and hybrid IT models, as part of their digital transformation initiatives. In addition, emerging technologies in cloud computing continue to disrupt adjacent markets and create new product categories. Technology and services providers (TSPs) must understand new trends such as industry cloud, hyperscale edge and cloud sustainability to seize opportunities and remain relevant and competitive in the market.

This presentation includes excerpts from Gartner research published within the last 12 months to highlight the market trends, competitive landscape and growth opportunities within the cloud and cloud-related service markets.

Recommended by the Authors

Market Share: Enterprise Application Software as a Service, Worldwide, 2021

Market Share: Platform as a Service, Worldwide, 2021

Market Share: Enterprise Public Cloud Services, Worldwide, 2021

Forecast: Public Cloud Services, Worldwide, 2020-2026, 2Q22 Update

Market Definitions and Methodology: Public Cloud Services

Forecast Analysis: Cloud Managed Services, Worldwide

Forecast Analysis: Cloud Infrastructure and Platform Services, Worldwide

Market Impact: Cloud Shift — 2022 Through 2025

Market Trend: Data Residency and Low-Latency Use Cases Drive Adoption of On-Premises Public Cloud

Emerging Technology Horizon for Cloud Computing, 2021

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Scenarios for the Cloud Marketplace, 2020 - 29 October 2020

Scenarios for the Cloud Marketplace, 2019 - 16 September 2019

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