

# Software Market View, 2020-2021

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Initiatives: [Technology Market Essentials](#)

The global enterprise software market grew 9% in 2020 to over \$535 billion, confirming its status as the most dynamic and fastest-growing IT market. The proportion of IT spending shifting to cloud will accelerate through 2021, increasing the share of cloud spend in the software market.

The worldwide software market grew to \$536 billion in 2020, up by \$44.3 billion from 2019. The COVID-19 pandemic had a small impact on the software market in 2020, reducing the overall growth rate to 9% from 12% in 2019, with different software markets impacted to varying degrees. However, overall, this growth is still higher than that of other IT markets, demonstrating the software market's resilience and the importance of software technologies to enterprises in terms of higher profit margins. Key software areas driving this growth were DBMS, email and authoring, and CRM markets, which registered double-digit growth rates of 17%, 13% and about 13%, respectively.

Within the vendor landscape, the fastest-growing providers (among the top 10) were the ones that generated revenue from cloud-based models — Google (48%) and Amazon (33%). The top five enterprise software vendors in 2020 — Microsoft, Oracle, SAP, IBM and Salesforce — remained the same as in 2019, with a slight change in the relative order. IBM slipped to fourth place in 2020 from its third place in 2019, and was replaced by SAP as the third-largest software vendor. The revenue share of these top five vendors decreased in 2020 to 36%, 2% down from 38% in 2019. However, the revenue share of the next five vendors — Amazon, Google, Adobe, VMware and Apple — increased in 2020 to 11% from 9% in 2019. This reflects a shift in concentration to the midtier vendor, primarily due to the phenomenal revenue growth rates of cloud-native vendors (Amazon and Google).

The proportion of enterprise IT spending on cloud continues to increase. Technology and service providers must ensure they remain attuned to changing market dynamics as enterprise IT spending continues the shift to cloud from 2020 through 2024 in the wake of COVID-19. Digital business initiatives will push spending on enterprise applications, infrastructure software, and managed services and cloud infrastructure services into double-digit growth in 2021.

This presentation provides a set of essential extracts from Gartner Market Share, Forecast, Market Trends and Competitive Landscape documents covering the software market.

## Recommended by the Authors

[Market Share: All Software Markets, Worldwide, 2020](#)

[Market Share: Enterprise Application Software, Worldwide, 2020](#)

[Market Share: Enterprise Infrastructure Software, Worldwide, 2020](#)

[Market Share Analysis: Database Management Systems, Worldwide, 2020](#)

[Market Share Analysis: ERP Software, Worldwide, 2020](#)

[Market Share Analysis: Digital Experience Platforms, Worldwide, 2020](#)

[Market Share Analysis: Data Integration Software, Worldwide, 2020](#)

[Forecast: Enterprise Application Software, Worldwide, 2019-2025, 2Q21 Update](#)

[Forecast: Enterprise Infrastructure Software, Worldwide, 2019-2025, 2Q21 Update](#)

[Forecast Analysis: Enterprise Application Software, Worldwide](#)

## Document Revision History

[Scenarios for the Software Marketplace, 2020 - 2 September 2020](#)

[Scenarios for Software Marketplace, 2019 - 9 August 2019](#)

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