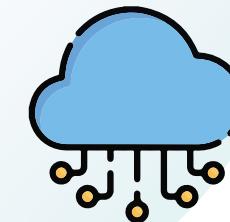




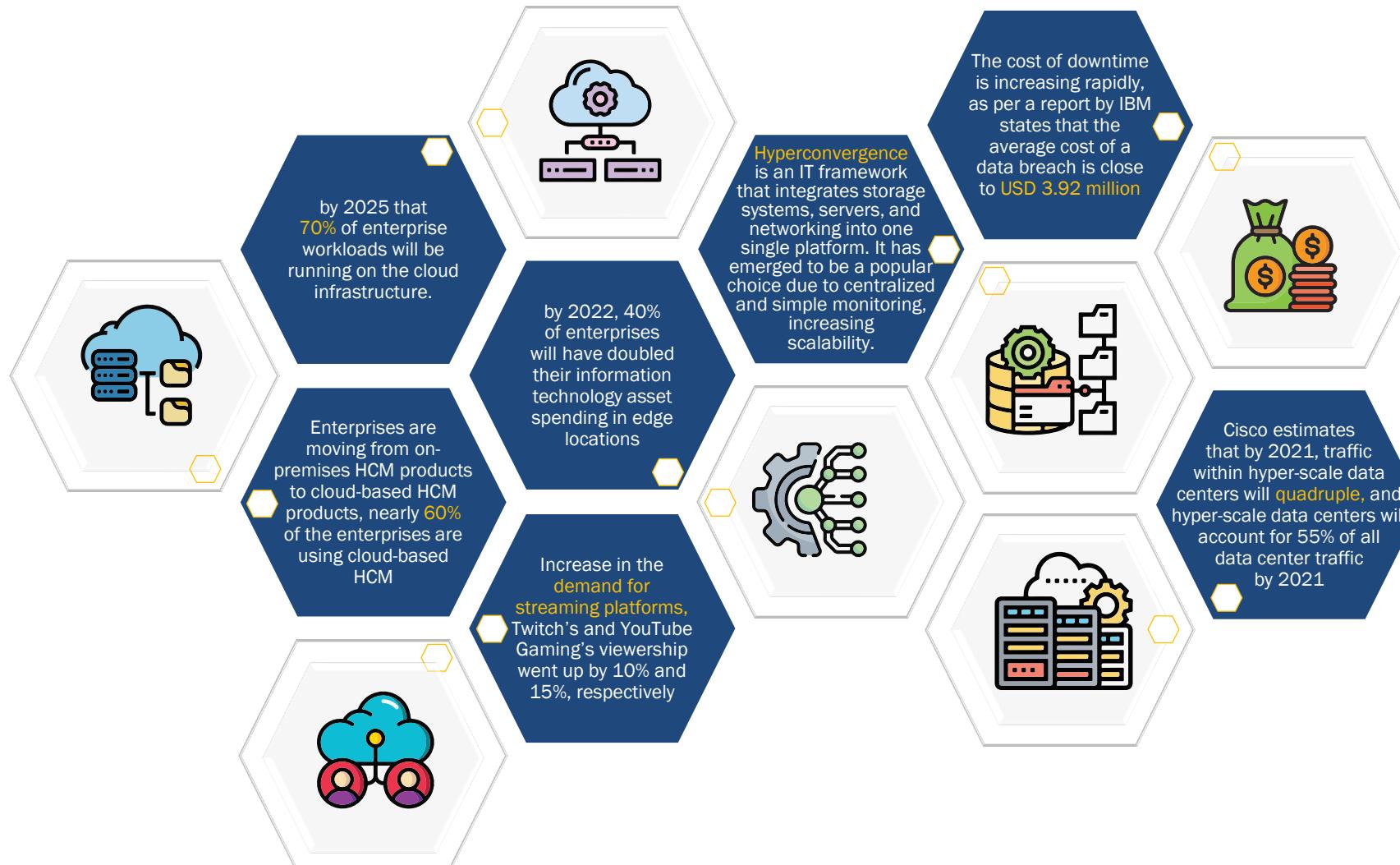
CLOUD COMPUTING

JANUARY 2022



DISRUPTIVE TRENDS

DISRUPTION – WITH AN ADVENT OF HYPERCONVERGENCE INFRASTRUCTURE, DISASTER-RECOVERY-AS-A-SERVICE, THE RISE OF CONTAINERS, AND THE USE OF AI IN CLOUD AND DATA CENTRES BEING THE NEXT BIG TREND ~USD 80BN+ WORTH OF POTENTIAL OPPORTUNITY OPENING UP



Sources: International Trade Administration (ITA),
Cloud Computing Association (CCA), Asia Cloud Computing Association, Industry Experts and Press Release

GROWTH OPPORTUNITY OF CLOUD COMPUTING MARKET BY GEOGRAPHY



NOTH AMERICA

- The US government developed FedRAMP to provide a standardized approach for security assessment, authorization, and continuous monitoring of cloud services and solutions.
- With the issuance of new emergency standards and guidelines by Occupational Safety and Health Administration (OSHA), Work From Home (WFH) would be the new norm that would drive investment on Cloud-based [collaboration solution and services](#)
- As per the report 'A Cloud-Based Digital Fabric Supports a Transformed Enterprise' by cdw; more than 50% of organizations in Canada have invested in cloud-based infrastructure and applications. The IT budget allocation for public cloud services is expected to reach 29% in 2022 compared to 20% in 2020.



EUROPE

- In November 2021 the Europa commission has launched the Digital Europe Programme to focus on investment in the areas of artificial intelligence (AI), cloud and data spaces, quantum communication infrastructure among others. The budget of this program is Euro 1.38 Billion.
- The European Alliance for [Industrial Data, Edge and Cloud](#) 2021 is to provide grant/investments to facilitate deployment of next-generation, trustworthy, energy efficient and competitive cloud and edge infrastructure to meet the specific service needs of demand sectors.
- As per the report of Eurostat the use of cloud computing services in Europe in 2021 has increased to 41% compared to 36% in 2020.



MIDDLE EAST AND AFRICA

- Public cloud spending in the Middle East, Turkey, and Africa region will increase to USD 2.8 billion this year and will top USD 6.5 billion in 2024.
- The Ministry of Communications and Information Technology (MCIT), KSA's digital transformation plan includes the development of [hyperscale data](#) centres to enable Saudi Arabia to become a [computing powerhouse and the digital hub](#) for the region.



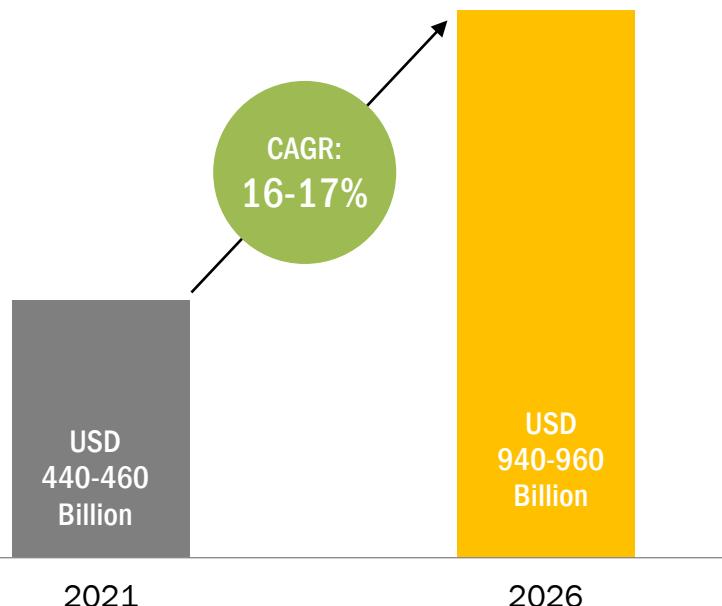
APAC

- The Australian Government is following a vision to become a leading digital economy and society by 2030, enabled by government as a platform. In 2017, its [Digital Transformation Agency](#) had developed a Secure Cloud Strategy to guide government agencies in their transition to and adoption of cloud computing.
- In 2020, the government of Hong Kong had launched [Government Cloud Infrastructure Services](#) in order to become the new generation of government cloud services and facilitate agile development and delivery of digital government services.

MARKET POTENTIAL & HIGH GROWTH OPPORTUNITIES

CLOUD COMPUTING MARKET IS ESTIMATED TO GROW AT A HEALTHY CAGR OF 16-17% IN THE NEXT 5 YEARS, DRIVEN BY AN INCREASED FOCUS ON DELIVERING CUSTOMER-CENTRIC APPLICATIONS IMPROVING CUSTOMER SATISFACTION

GLOBAL CLOUD COMPUTING MARKET (2021 VS 2026)



DRIVERS & OPPORTUNITIES

- **Increased emphasis on multi-cloud strategy:** According to Accenture 93 percent of enterprises have built up to a multi-cloud strategy
- **Increase in adoption of hybrid cloud services:** Enterprises having their existing infrastructure are moving toward the adoption of cloud computing services and are willing to adopt the hybrid approach so that they can reap the benefits of on-premises and cloud services. According to Flexera 2021 State of the Cloud Report 87% of enterprises have already adopted hybrid cloud strategies.
- **Boosting the adoption of edge computing technology:** Most enterprises focus on edge computing as it minimizes delays, which is one of the major factors for any real-time application to perform efficiently. Edge computing has a wide variety of applications, such as smart cities, industrial Internet of Things (IoT), remote monitoring, and content delivery. As per a survey by Cisco states that the number of devices connected to IP networks will be more than three times the global population by 2022.
- **Rise in number of SMEs** to create new revenue opportunities for cloud vendors. As per reports there were 31.7 Million SMBs in the US in 2020 and 65% of them are likely to invest in new technologies. According to Singaporean SMEs survey it is found that Cloud adoption stood out particularly, among public sector organizations and SMEs, with adoption rates at 82 % for both – a rise up from 62% for public sector organizations and 54 % for SMEs from only the previous year.

IMPACT OF COVID-19

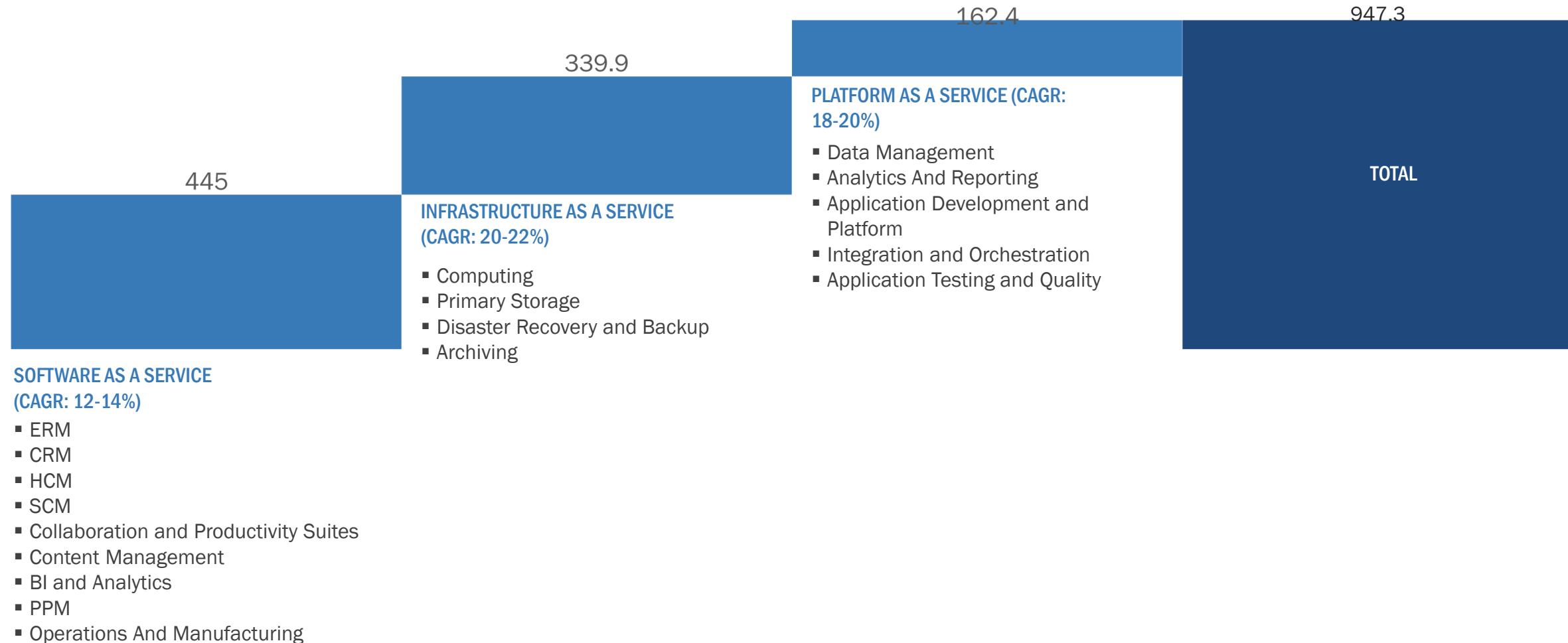
- The cloud computing market is heavily affected in 2020 registering a **Y-o-Y growth of more than 24%**
- Enterprise IT spend is expected to decline due to supply demand disruption, pending business decisions, and other socio-economic factors. Enterprises would heavily rely on public cloud services to meet their near-term business goals.
- The sudden shutdown of offices, schools, colleges, and physical retail stores etc. has massively disrupted operations, this has led to an increase in the demand for digital workplace tools and services such as Zoom, Slack , Blackboard, Lynda, Canvas, Google Classroom, AnyMeeting, and Moodle. AWS, Microsoft, and Google host and manage all applications in a public cloud environment.

Source: MarketsandMarkets Knowledge Store

OUR OUTSIDE-IN ASSESSMENT IN THE CLOUDCOMPUTING SECTOR HAS UNEARTHED OPPORTUNITIES WORTH ~USD 950 BILLION POTENTIAL, MORE THAN HALF OF WHICH IS CONTRIBUTED BY SOFTWARE AS A SERVICE(SAAS) MODEL



MARKET POTENTIAL WITHIN CLOUD COMPUTING SERVICE MODELS BY 2026 (USD BILLION)



GROWTH PROBLEMS ENCOUNTERED BY CLOUD COMPUTING COMPANIES



CUSTOMER PRIORITIZATION AND ASSESSING UNMET NEEDS:

- Identify emerging customer preference trends for cloud applications and identify current gaps in market.
- What are the disruptions in our clients' businesses? How can we support them for our own growth?
- What are the prominent use-cases that would drive the cloud computing market in the next 5 years?
- What are the key unmet needs of customers? Who are the key stakeholders in different settings? Do vendor selection criteria differ by settings? Which new product features should be added to the existing products?



WHERE TO PLAY:

- Which service model should we focus on? Should it be SaaS, PaaS or IaaS? What are the emerging use cases in the cloud computing ecosystem?
- Which regions should we place our bets on? What are the regional specific trends and developments that are shaping the adoption of cloud applications?
- What are the key trends that will shape the cloud computing market in the future?



BUILDING A COMPELLING RIGHT TO WIN (RTW):

- For M&A, which are the right targets for us? Should we target solution providers or service providers? Should we enter new markets directly or through partners?
- How can we differentiate from top players? What is their right-to-win vs ours?

OBSTACLES TO GROWTH FOR CURRENT PLAYERS

- Unable to assess of key mega trends
- Complexity in integrating with existing cloud architecture
- Not able to keep pace with fast evolving cloud computing industry – New technologies are emerging leading to decreasing cost of sequencing
- Many start-ups and emerging companies eating up market share of established companies
- Limited clarity on unmet needs, hence requirements for product features
- Unclear picture about the regulatory and reimbursement scenario

KEY QUESTIONS OF CLOUD COMPUTING COMPANIES

- What application areas will be relevant and redundant in the next 5 years?
- How does the architectural framework/business model/value chain of the edge computing market look like over the coming year?
- What are the key differentiators/features we can add in our products to make more lucrative to our customers?
- How can companies optimize the manufacturing processes to be more agile and efficient to achieve a more seamless workflow?
- What regulatory policies can help strategize and achieve volumetric scale-up?
- Which region is the largest in terms of market opportunities now and in the future?

KEY QUESTIONS OF COMPANIES IN ADJACENT MARKETS

- What are some of the latest trends that will shape the cloud computing market in the future?
- What are the regulations surrounding the cloud data privacy and security?
- What is the impact of workload complexities in cloud environment, data transfer and application issues on cloud infrastructure ?
- Identify the adoption of key cloud storage solutions such as object, block and file storage

LEARN HOW MARKETSANDMARKETS CAN HELP YOU

CONTACT: SDR CONTACT DETAILS





THANK YOU

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