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# Data Colocation Market Research Report - Global Forecast 2030

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## Description:

### Market Overview

The data colocation market has outgrown its capacity to a greater extent. The global data colocation market is anticipated to extend its limits from USD -26 billion to USD 114.47 billion from 2020 to 2030. The compound annual growth rate (CAGR) estimation of the market is 13.48 %.

Data colocation is a term that defines the supply of data center services to businesses. Data colocation business utilizes and controls their storage, servers, networking as well as other computing devices through the process. The facility that the data colocation industry provides includes the lease of server cabinets, cages, and connections building between physical and network infrastructure. The business also offers optional services to the user, such as renting hardware, structured cabling, local support, monitoring servers, and many more.

The colocation of data enables businesses to strengthen their control over equipment and access higher-level bandwidths. The data colocation centers act as a gateway between on-cloud and on-premises data centers. Earlier, data colocation business followed the on-premises centers, which kept all the services and data in-house. On-premises data centers demand a lot of maintenance and require a heavy amount of cost. The colocation data center is a cost-saving method, effective, and saves a lot of time too.

The major drivers of data colocation market growth are facilitating access to the hosting servers, providing centralized data storage systems, backups, systems for suppressing fire, and firewall protection. All these services are restricted with on-premises data centers, and the equipment needs constant look after in power as well as cooling. It helps the data colocation industry to focus entirely on the core business and reduce the capabilities of recovering a disaster or unfortunate incident.

The report depicts the exponential growth of the data colocation market towards the end of 2026. It includes the impact of COVID19 and analysis on the data colocation market. It covers the market dynamics and regional analysis of the global data colocation market. It consists of a segment overview and key players that boost the data colocation market growth.

### Latest Industry Update for Data Colocation Market:

**January 2023-** Sungard's data centre and colocation operations in Paris, France, have been bought by European data centre company Penta Infra.

This Monday, the business said that it had purchased the campus of data centers in the French capital's Lognes neighborhood. The agreement's terms were not made public.

They are very excited to announce that they are expanding their footprint into France, one of the leading European markets, said Patrick van der Wilt, chief commercial officer of Penta Infra. Their goal to expand their data centre footprint in Europe has a new chapter with the purchase of the Lognes data centre estate. Penta Infra is ideally positioned to grow their company in Europe by servicing both domestic and foreign clients because of the high-profile clientele, a dense partner ecosystem that offers a variety of connectivity and public cloud alternatives, and the campus's potential to scale.

For continuous use of the data center's capacity, Sungard and Penta Infra have entered into a service agreement. Sungard will continue to work on-site as a partner in providing managed hosting & other availability solutions for a "specific set" of current clients.

The three-building complex, which is made up of two data centers and a workspace facility and is situated at 93 Cr des Petites Écuries, has significant opportunities to grow. It is more than 16,000 square meters (172,000 square feet) in size. According to Penta, the location will be transformed into 10MW data centre.

In Germany, Denmark, and the Netherlands, Penta Infra operated ten data centers. Penta Infra enters the French market with this transaction. The firm hopes to further develop its pan-European portfolio of edge and hub data centers by entering this sector in Europe.

Penta Infra intends to make direct investments in the campus in order to modernize and develop the Lognes plant to the highest industry standards and run them over the long term in the most environmentally friendly manner.

### **COVID19 Analysis**

The COVID19 pandemic outbreak resulted in a reduced global economy, and every sector faced the severity of consequences. Certain sectors like banking, financial services, insurance, information technology, and telecom departments bear the financial losses in adverse circumstances. The lockdown as a result of the pandemic outbreak led to strict guidelines on working of the industrial sector, which eventually disrupted the supply chain. In most countries, manufacturing units of industries are put to a halt for an uncertain time period.

Several projects remained incomplete in the unfavorable situation. However, the growth of the data colocation market is unprecedented due to the heavy demand for data collection, storage, and proper analysis, which strives for more data centers. Many online platform companies have seen a major rush of data traffic during the lockdown, and the reason is the worldwide implementation of restrictions.

The COVID19 outbreak heavily impacted the global data colocation market, and the lockdown measures imposed several challenges to the business practices. Regardless of the pandemic, the data colocation market forecast that there is still a huge demand of the industry, and it will grow exponentially in the upcoming months.

The growth will withstand on the basis of high consumption of data usage by the enterprises and adopting policies of remote working. All these factors boost the potential of the data colocation market. During the lockdown, data center units experienced a gush of demand for data storage, collection, and analysis. The increased usage of online platforms, applications, and cloud computing services during the outbreak fuelled the expansion of the data colocation market.

### **Market Dynamics**

- **Major drivers of the market**

IT industry mostly requires a data colocation center and acts as a primary driving force of the market. The data colocation market growth is blooming rapidly due to the facilities and services it provides. The factors that influence the market growth are the easy accessibility of hosting servers or managed security. Along with that, colocation data centers provide firewall protection, fire suppressing systems, centralized data storage facility, and environmental controls, which makes it hassle-free as compared to on-premises data centers. It has reduced the on-premises centers' disturbances and remains as a helping hand to support IT equipment and facilitate power and cooling feature to the servers.

Even in the COVID19 outbreak, the data colocation market has seen a drastic growth in demand for colocation data centers. Excessive usage of online platforms led to heavy data traffic, and companies needed more and more data storage, collection, and analysis facilities. There is no doubt that the market growth will remain exponential, and the factors will drive the market to a greater extent.

- **Significant opportunities for the market**

The overall demand of the data colocation market is not going to stop sooner. In the upcoming years, the market will surge into unprecedented heights. The ongoing requirement for a data colocation center was put to stale when the pandemic took place. Up to 2019, there was a rapid increase in the data allocation center needs, but after the outbreak, industries required more data storage. The requirement of increased data storage is a result of heavy data traffic, and for many more years, the demand will still continue.

The COVID19 pandemic, in fact, helped the data colocation industry to enhance its potential in the field of data storage facilities. Data collection and analysis also showcase the rising demands of data centers. The lockdown restrictions forced enterprises to work remotely, which creates immense consumption of data. As modern and technological advancements are growing, the data colocation market trends are also evolving.

- **Market restraints**

The outbreak of the COVID19 pandemic is the biggest restraint in the data colocation market. In 2019, the need for data colocation centers was blooming, and the demand for data storage facilities

in the industrial sector was less. However, with the implementation of lockdown measures, organizations followed their working practices remotely. The huge requirement of data storage understated the growing demand for data centers.

The growth margin till 2019 was 17 percent, and the data colocation market forecast rate from 2020 to 2026 will be 15 percent. The growth rate reflects the decrease in the market growth in the global economy. However, different data colocation market analysis shows that there was a significant increase in the demand even in the pandemic.

- **Market Challenges**

The estimation of growth rate can fluctuate at any time if the challenges in the market will increase. According to data colocation market analysis, the market potential constraints when there is the unavailability of huge locations near the particular organization to construct a data center near it. Many industries take less initiative and fear to adopt and implement data centers. The reason behind this fear is the over-dependence on servers and losing control over them. All these factors, in the long run, will restrict the growth of the data colocation market.

### **Value Chain Analysis**

The value chain analysis of the data colocation market trends includes several stakeholders working to distribute the services of data colocation to the end-users. Each and every player involved in it plays an important role in their operation point, which results in the competitive worth of the product.

The value chain of the colocation data center can be represented in three parts. The first part consists of equipment manufacturers like cage and rack manufactures, cooling manufacturers, ISP, etc. The second part consists of the service provider of data colocation, whereas the third part consists of organizations that need the services.

### **Segment Overview**

The global data allocation market is fragmented on the grounds of service types, end-users, and components. The service types mainly consist the large-scale as well as small-scale industries. The components of data centers comprise cooling units, network hardware, storage, and servers. The end users are the sectors including healthcare, IT, energy, banking and insurance, government organizations, cloud providers, software companies, and many more.

### **Regional Analysis**

The data colocation market regional analysis is studied in certain regions like North America, Europe, the Asia Pacific region, and the rest of the world. In North America, the immense requirement of data centers is arising to manage the increasing IT capacity. Most likely, North America will dominate the data colocation market as service providers are griping the advanced technological systems, which leads to an increase in market shares.

The Asia Pacific region data colocation market is predicted to grow in the next few years due to the vast production of data and the inclination of companies towards the cloud. In Europe, there are immense chances of growth in the data colocation market as many companies are investing in the IT market.

### **Competitive Landscape of Data colocation market**

The major players of the data colocation market are:

- Equinix Inc.(US)
- CenturyLink, Inc.(US.)
- SunGard availability services (US.)
- Global Switch Corporation (UK.)
- Verizon Communication, Inc.(US.)
- KDDI Telehouse Corporation (Japan)
- Fabros Technology, Inc.(US.)
- Interxion Holding NV (Netherlands, Europe)
- DuPont and American Telephone & Telegraph, Inc. (US.)

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