Data Center Service Market Research Report- Forecast to 2030

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Description:

Data Center Service Market Overview

Data Center Service Market Size was valued at USD 55.4 Billion in 2022. The Data Center Service market industry is projected to grow from USD 70.3 Billion in 2023 to USD 280.6 Billion by 2030, exhibiting a compound annual growth rate (CAGR) of 21.86% during the forecast period (2023 - 2030). Increasing shift from physical infrastructure to the cloud, introducing new technologies such as AI, instant service, and affordable rates for startups, and enhanced security and update with new technologies boosts the market growth.

Data Center Service Market Overview

Source: Secondary Research, Primary Research, MRFR Database, and Analyst Review

Data Center Service Market Trends

Increasing shift from physical infrastructure to the cloud boosts market growth

The growing use of cloud-based technology and the development of data centers in the organization ultimately drive the growth of the Data Center Service market in the market. To meet customer demands, many major market players are investing a considerable amount in adopting advanced technology, hence driving the market of Data Center Services in the market. Because of this, spending's web service infrastructure is also building. In association with Google Cloud, Rackspace Technology was surveyed in 2021. As per this survey of 1,400+ IT executives, 51% mentioned that their infrastructure is now functional on the cloud, and 49% said they plan to shift the workloads from on-premises architecture to the cloud. The increasing migration towards cloud computing is anticipated to drive the adoption of data centers as a service.

Figure 1: Growth rate of overall data centers, by countries
Growth rate of overall data centers, by countries
Source: Secondary Research, Primary Research, MRFR Database and Analyst Review

Singapore leads the market with a growth rate of 30.5% from 2020 to 2022. At the same time, India's overall data center growth rate is 24.2% from 2020 to 2022. This growth is attributed to the increasing cloud-based infrastructure locally as per the steps taken by the government to become self-sufficient after COVID saw this surge**.**

Data Center Service Market Segment Insight

Data Center Service by Infrastructure Type Insights

Based on infrastructure type, the Data Center Service market segmentation includes servers, storage, and networking. The server category dominates this market with a CAGR of 21.53% and is also expected to drive market growth during the forecast period. Furthermore, an advanced IT system is now required due to the increasing use of various digital technologies like artificial intelligence, the internet of things, and machine learning. Additionally, there is a growing need for high-performance computing servers to support a variety of apps and solutions, such as software-defined solutions, hyper-converged infrastructure, big data analytics, and others. Additionally, the demand for faster processing speeds to handle large data volumes is anticipated to boost adoption in government, military, and academic institutions, which is anticipated to spur market expansion.

The dominant market tendency is server disaggregation to raise utilization rates. "server disaggregation" describes the logical division of the server's components into memory and compute units. Furthermore, data center colocation is a type of data center where companies can hire space for servers and other computing hardware. Customers can place their servers and storage using the facilities, cooling, power supplies, bandwidth, and physical protection offered by data center colocation providers.

Figure 2: Data Center Service Market, by Infrastructure Type, 2022 & 2030 (USD Billion)
Data Center Service Market, by Infrastructure Type, 2022 & 2030
Source: Secondary Research, Primary Research, MRFR Database, and Analyst Review

The storage segment is estimated to grow at a CAGR of 22.37% through the forecast period. The expansion of organized and unstructured data is responsible for this sector's expansion. Additionally, increased usage of streaming services and digital platforms during the pandemic is expected to aid in the expansion of the storage market. The data as a service market is expanding due to the rising use of portable data storage devices for data retrieval regardless of time or place. Additionally, the rising demand for colocation facilities and corporate data storage significantly accelerates the market's expansion.

February 2023: - In nearly 60 years, Nokia has undergone its first rebrand, and at Mobile World Congress, a new logo was unveiled. The Finnish company claimed that the new logo was necessary because it wanted to emphasize its networks and digitization business rather than be identified as a mobile phone operator.

February 2023 - At Kudal, Maharashtra, Varanium opens a containerized Edge data center. Varanium Cloud, a digital technology company based in India, has opened a new Edge data center in Maharashtra. Last week, the business' Hydra Web Services division opened a containerized data center in the Sindhudurg district's Kudal town.

Data Center Service by Organization Insights

Based on deployment type, the Data Center Service market segmentation includes small, medium, and large organizations. The large enterprise segment dominated this market with a share of 56.3% in 2022 and is also estimated to boost the market growth with a CAGR of 20.1% through the forecast period. Big enterprises are modernizing their IT infrastructure to operate cutting-edge applications and processes based on IoT and big data analytics. Large businesses also process many data, which necessitates a lot of storage space. Due to these factors, the use of the DCaaS model in significant companies is predicted to expand.

Other segments, such as small & medium enterprises, are projected to grow at a CAGR of 23.1% over the forecast period. ly, there is a growing demand for compact data centers that can accommodate the unique business requirements of small businesses. Due to their small IT needs and financial restrictions, these businesses only require a less data center space. The establishment of a data center in a small firm is not the only meaning of the phrase "small data center." Depending on the demands of the business and the operational viability, even huge enterprises develop and deploy numerous small data centers on their premises.

Alibaba opened a new data center in Saudi Arabia in June 2023, increasing its geographic presence there. Small and medium-sized businesses (SMEs) and large corporations across various industries might accelerate their digitization activities with the support of the expansion, which would help deliver a wide range of public cloud services.

Data Center Service Verticals Insights

Based on vertical type, the Data Center Service market segmentation includes retail, BFSI, IT & Telecom, healthcare, and manufacturing. IT & Telecom dominated the market with a share of 30.2% in 2022. A sizable amount of data is predicted to be generated in the following years due to the deployment of 5G and the rise in internet traffic ly. Huge amounts of data are being generated due to the quick uptake of cutting-edge technologies like the internet of things, cloud computing, and artificial intelligence. This information is gathered via user behavior on mobile networks, employee files, network hardware, server logs, billing activity, and social media. Companies in the IT and telecom sectors are renting third-party venues to store such massive amounts of data.

The healthcare segment will be the second-highest vertical in the upcoming years and is expected to grow at a CAGR of more than 23% through the forecast period. The increased emphasis on protecting patient data and using cutting-edge technology tools in the healthcare industry is credited with this expansion. Also, the BFSI sector is anticipated to develop significantly over the projection year due to consumers' increased reliance on internet banking and the rising popularity of mobile wallets and online payment services.

India's economy, which is among the fastest-growing in the world, is anticipated to spur the development of public cloud-based data centers. As the largest employer in the private sector and the primary user of data centers, the IT sector dominates the Indian market and drives market expansion.

Data Center Service Regional Insights

This market has been segmented by region into North America, Europe, Asia-Pacific, and the rest of the world. The North American region is anticipated to drive this market with significant growth at a CAGR of 20.46% in the upcoming years. With the most significant revenue share of more than 40% in 2022, the North American region dominated the market for data centers as a service. Market expansion is anticipated to be fueled by the demand for data processing across many sectors and technological improvements. There are several businesses in the area offering data centers as a service. Also, the region has robust telecom networks and government efforts that will hasten the adoption of DCaaS.

Asia-Pacific region is expected to grow fastest, with a CAGR of more than 25% through the forecast period. Public cloud-based data centers are expected to rise due to India's economy, which is among the fastest-growing in the world. The IT sector dominates the Indian market and propels market growth as the largest employer in the private sector and the main consumer of data centers. India provides facilities construction with faster processes and a single point of clearance. Moreover, China's hyper-scale platforms have grown, making it necessary to offer Data Center Services to Chinese hyper-scale platforms.

Figure 3: Data Center Service Market, by Region, 2022 & 2030 (USD Billion)

Data Center Service Market, by Region, 2022 & 2030

Demand for Data Center Service is growing in several countries across the North American region.

Source: Secondary Research, Primary Research, MRFR Database, and Analyst Review

All Chinese markets now need to build hyper-scale platforms as it becomes the need of the hour in a country like China, where there is a population explosion. This is because China has raised its hyper-scale platforms to boost efficiency in its work. Also, the Indian government is taking numerous steps to expand the market for Data Center Services internationally by offering tax breaks to the country's software technology parks and special economic zones to construct facilities for single-window clearance.

Data Center Service Key Market Players & Competitive Insights

Fujitsu Ltd., Reliance Group, Capgemini, HCL Technologies Limited, and others are significant market participants in the Data Center Services industry. Due to the increasing demand for specific products for numerous applications, this market can be positioned with a sustainable competitive advantage through innovation.

These are the most significant market participants in the market for Data Center Services. They employ various methods and policies to draw in new clients and grow existing clientele. These players all make wise use of their available resources.

Key Companies in the Data Center Service market include.

- Fujitsu Ltd.

- Reliance Group

- Capgemini

- HCL Technologies Limited

- Cisco Systems, Inc.

- Dell Inc.

- Vertiv Co

- Equinix, Inc.

- Schneider Electric SE

- Level 3 Communications

- NTT Communications

- Hitachi Ltd.

- AWS

- ECL

- Nokia

- Varanium

Data Center Service Industry Developments

February 2023: - For the U.S. Department of Defense, AWS created an edge computing system utilizing their Outpost product. In low-connectivity situations, this initiative offers visible application cases for modular data centers. Additionally, it clarifies edge computing's possible costs and difficulties.

February 2023:- Hydrogen-powered data center modules were introduced by ECL. Some said it would take at least 10 years before the vision of disconnecting data centers from "the grid" came true.

Data Center Service Market Segmentation

Data Center Service Infrastructure Outlook

- Servers

- Storage

- Networking

Data Center Service Organization Size Outlook

- Small

- Medium

- Large

Data Center Service Vertical Outlook

- Retail

- BFSI

- IT & Telecom

- Healthcare

- Manufacturing

Data Center Service Regional Outlook

- North America
  - US
  - Canada
- Europe
  - Germany
  - France
  - UK
  - Italy
  - Spain
  - Rest of Europe
- Asia-Pacific
  - China
  - Japan
  - India
  - Australia
  - South Korea
  - Australia
  - Rest of Asia-Pacific

- Rest of the World

  - Middle East

  - Africa

  - Latin America

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