

2019 State of Public Cloud: Market Share, Trends and Predictions

We've looked at retrospective Q4 2018 data and projections for 2019, according to respected research firms and industry experts. Here are some interesting findings we've gathered about market share, cloud adoption trends and challenges, and industry predictions for the rest of the year.

Three types of cloud deployment

PRIVATE

Sometimes referred to as "enterprise/corporate/on-premise cloud", it's an internal cloud network, usually protected by firewalls, for exclusive use of a single organization.

PUBLIC

Most likely what most people refer to when talking about "cloud", it's offered by third-party providers (Amazon Web Services, Microsoft, Google etc) via the internet for free or a pay-per-use/on-demand cost.

HYBRID

Combines both private and public clouds by allowing data and applications to be shared between them.

All three deployment types offer similar benefits, such as cost-effectiveness, performance, reliability and scalability. What you choose boils down to your specific needs. For the interest of software vendors, let's look closely at public cloud.

Advantages of public cloud



Lower cost:

You need for hardware and software licensing because you only "pay-per-use".



Maintenance-free:

Your cloud service provider takes care of this.



Ultimate scalability

You can downgrade/upgrade on-demand very easily.



High reliability

A vast network of servers ensures against failure.

Three main models of cloud XaaS

IaaS vs. PaaS vs. SaaS¹

HOST



IaaS

Infrastructure-as-a-service

helps build the infrastructure of a cloud-based technology.

BUILD



PaaS

Platform-as-a-Service

helps developers build custom apps via an API that can be delivered over the cloud.

CONSUME



SaaS

Software-as-a-Service

is cloud-based software that vendors can sell and their clients can directly use.

MARKET SHARE of major public cloud providers:

This list of public cloud providers revolves around the service providers that offer software-, platform-, and infrastructure-as-a-service offerings.

01

IN THE PUBLIC CLOUD SPACE, adoption of Infrastructure-as-a-Service (IaaS) is growing fast, for which **Amazon Web Services (AWS)**, **Microsoft Azure** and **Google Cloud** top the **2019 Gartner Magic Quadrant worldwide rankings²**.



Most commonly chosen for strategic, organization wide adoption



Appeals to multiple levels of customers with varying cloud maturity

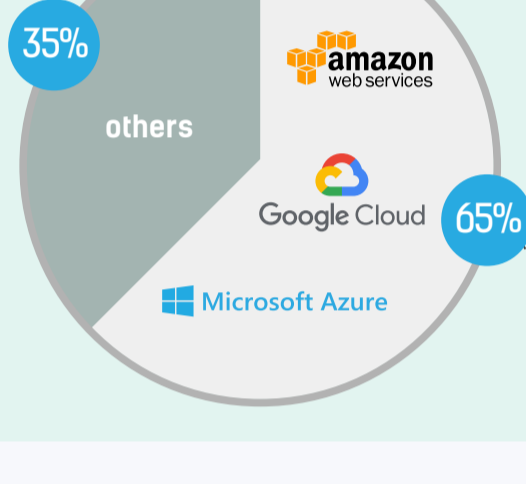


Good option for cloud-native companies

02

According to **Gartner and Goldman Sachs** estimates, **AWS**, **Microsoft** and **Google** remain the **top 3 cloud service providers**.

Combined, the "Big 3" enjoys 65% market share of the global cloud market³.



Cloud adoption

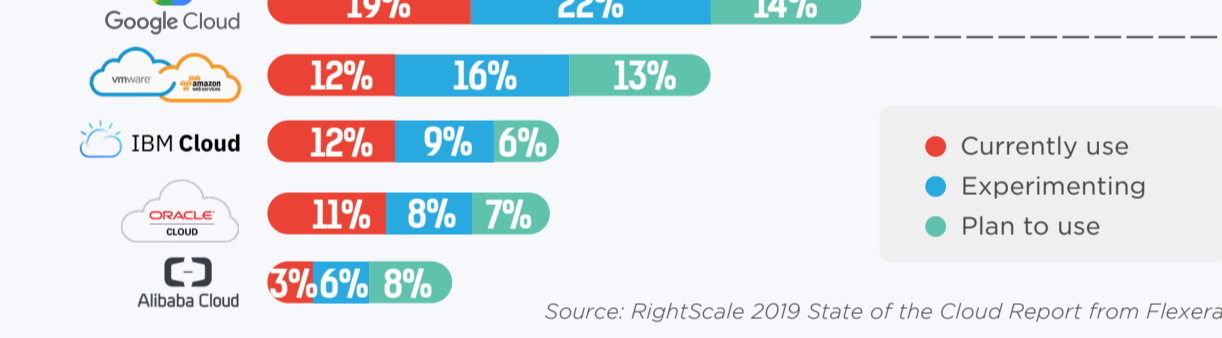
While cloud brings more opportunities than threats, data security remains a key consideration when deciding to migrate, regardless of application deployment (SaaS, PaaS or IaaS)⁴.

- Experiencing faster adoption rate, Microsoft Azure is quickly closing the gap between AWS⁵.

AWS leads, but Azure grows faster to reach 52% adoption

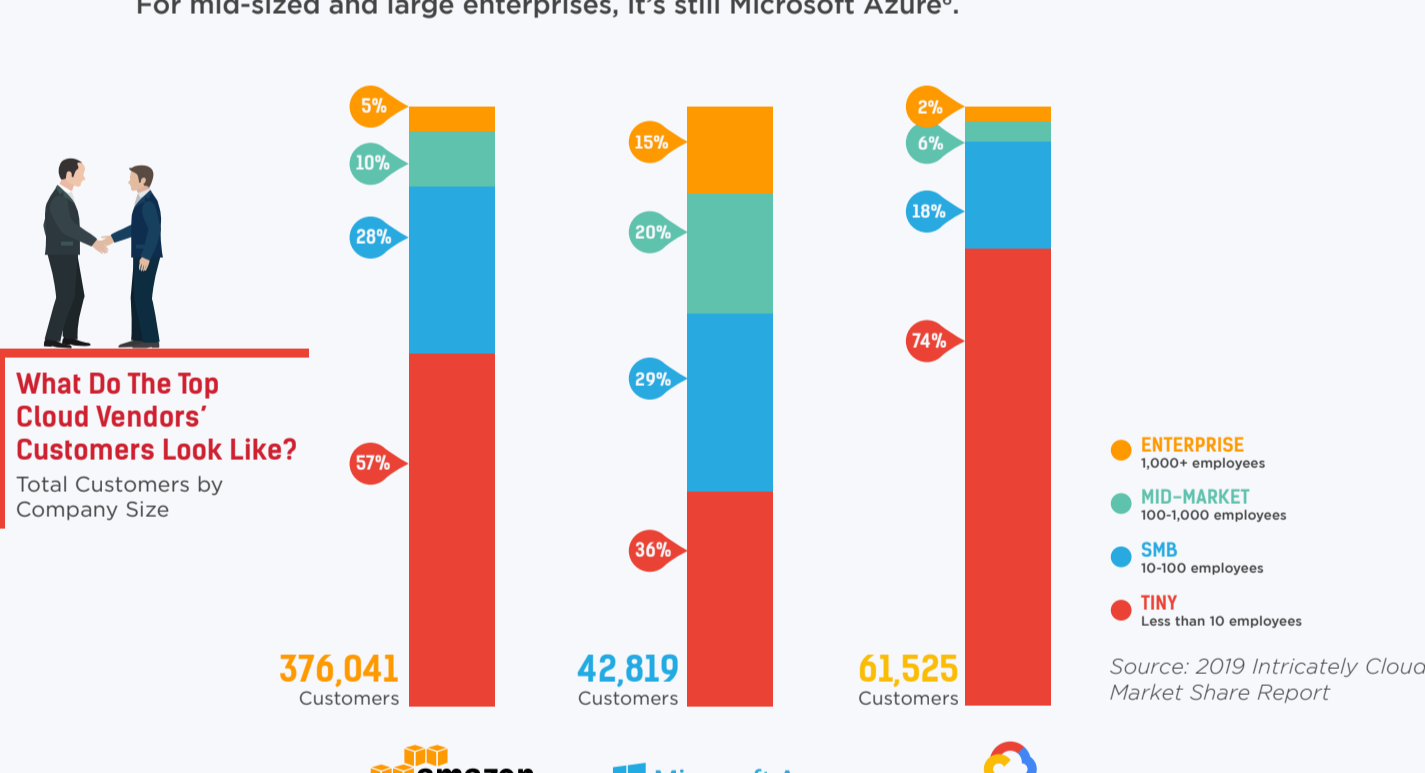
PUBLIC CLOUD ADOPTION

% of all respondents



Source: RightScale 2019 State of the Cloud Report from Flexera

- Retail and SMBs are still the vast majority of users, of which Google remains the top choice. For mid-sized and large enterprises, it's still Microsoft Azure⁶.



Source: 2019 Intricately Cloud Market Share Report

Challenges

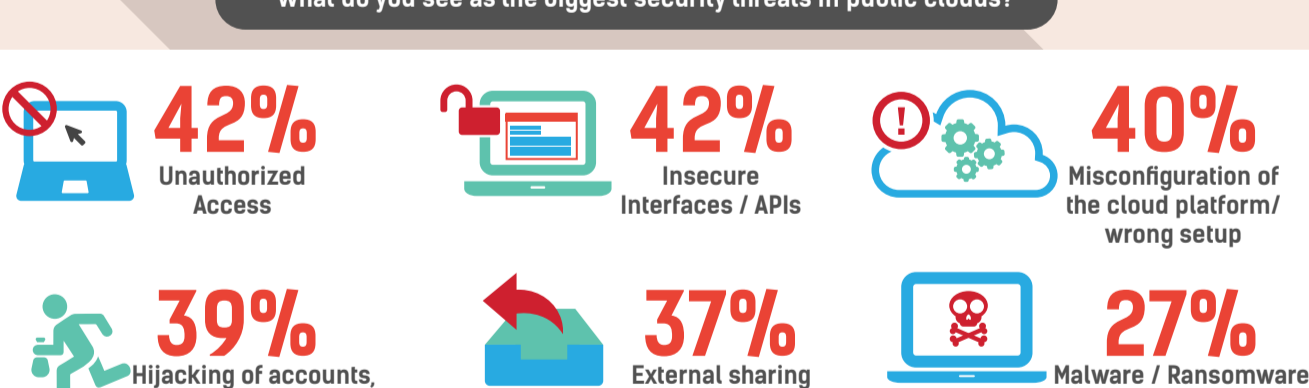
The larger the company size, the more challenges they face across the board, compared to SMBs.



SECURITY

remains the largest issue among cloud "beginners"⁷.

What do you see as the biggest security threats in public clouds?



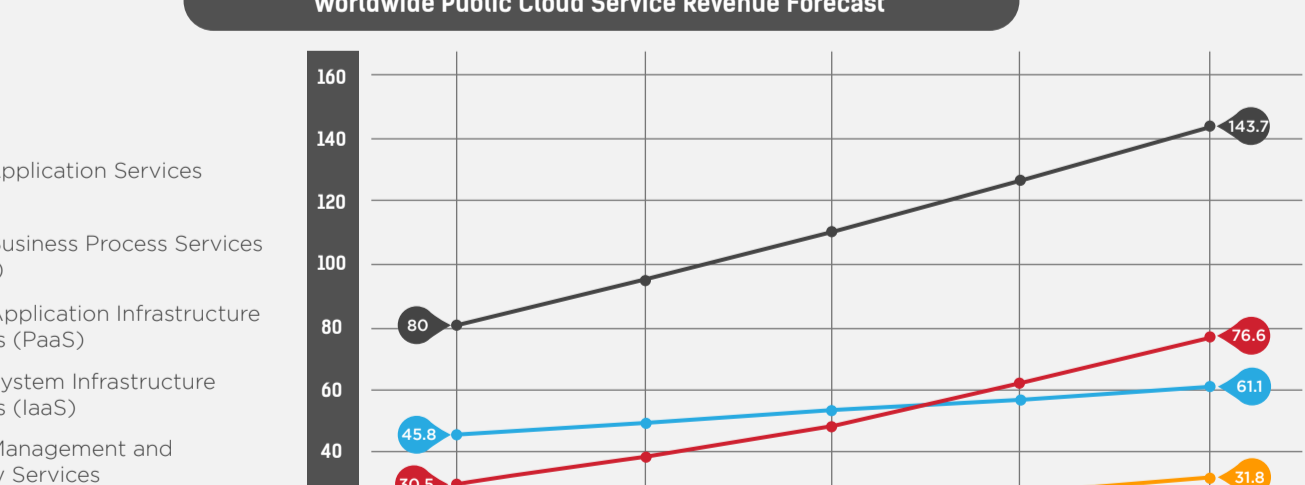
COST

is a bigger challenge for intermediate and advanced users.

Predictions and projections

According to Gartner, the public cloud services industry is expected to grow exponentially⁸ through 2022.

Worldwide Public Cloud Service Revenue Forecast



In billions of U.S. Dollars

by **2019** the global public cloud market will exceed \$200 billion, which is up 20 percent on last year. Worldwide revenue will grow.⁹

by **2020** more than 20 percent of global organisations will have already gone "serverless".⁹

by **2020** 83% of enterprise workloads will be in the cloud by 2020.⁶

by **2025** the market for global public cloud services will reach \$236 billion (Forrester).⁹

by **2025** around 80 percent of organisations will have migrated away from on-premise data centres towards colocation, hosting and the cloud (Gartner).⁹

Primary sources for 2019 figures

¹ Hubspot: IaaS vs. PaaS vs. SaaS: Here's What You Need to Know About Each

² Google Cloud gains in Gartner's 2019 cloud infrastructure Magic Quadrant

³ Public cloud market share from Gartner and Goldman Sachs (c/o Insider Inc)

⁴ SkyHigh Networks and McAfee: 2019 Cloud Adoption and Risk Report (PDF)

⁵ RightScale 2019 State of the Cloud Report™ from Flexera

⁶ 2019 Intricately Cloud Market Share Report

⁷ Check Point: 2019 Cloud Security Report (Cloud Security Challenges, Solutions, and Trends)

⁸ Gartner Forecasts Worldwide Public Cloud Revenue to Grow 17.5 Percent in 2019

⁹ Computer World UK: Cloud computing trends for 201

Canalys: battle for enterprise cloud customers intensifies as spending grows 42% in Q1 2019

Search Cloud Computing - Looking Ahead: Enterprise Cloud Trends for 2019

Secondary sources for historical data:

RightScale 2018 State of the Cloud Report™ DATA TO NAVIGATE YOUR MULTI-CLOUD STRATEGY

RightScale 2017 State of the Cloud Report™ Public Cloud Adoption Grows as Private Cloud Wanes

Cloud trends 2018: serverless, Kubernetes and vendor oligopoly

About MediaDev

MediaDev is a marketing services provider serving clients in the IT and technology industries. For over 20 years, we have been helping big and small players alike to grow their businesses, branch out into new markets, promote their products and services, and connect with strategic business partners.

Our comprehensive list of B2B marketing services covers everything you'll need to truly understand your market, convert visitors and nurture them into prospects, get highly qualified leads and grow your business.

