

Data Center Services: Regional Differences in the Move Toward the Cloud, 2012



Global trends and regional variations affect the \$150 billion market for managed data center services. The differences in how major geographies evolve toward cloud infrastructures services will challenge CIO, IT and sourcing managers.



Overview

The shift toward industrialized services, such as infrastructure utility services (IUS), cloud computing infrastructure as a service (IaaS) and platform as a service (PaaS) is a global trend in the data center services (DCS) market. Nevertheless, the detailed market structure, dynamics and maturity differ across the world. Enterprise buyers of DCS can use this research to understand these variations in America, Europe and Asia/Pacific better.

Key Findings

- In North America, hosting (42%) and cloud IaaS have achieved the highest level of client adoption, while providers face the impact of accelerating service industrialization and pricing pressures (see Note 1).
- The European market is dominated by data center outsourcing (DCO) (81%) and as the recessionary economy continues, businesses are increasingly migrating into IUS and cloud services, driven by their need for international competitiveness and lower IT costs.
- Similarly to Europe and the rest of world, Asia/Pacific is dominated by data center outsourcing (80%) while business growth and geographical fragmentation create a fertile ground for telecom, hosting and cloud providers (and regional players), to exploit market opportunities.
- South America's fast growing economies and businesses are demanding scalable, good quality and inexpensive services. IUS and cloud IaaS products are starting to become available from telecom and global outsourcers.

Recommendations

Global CIOs and IT and sourcing managers should:

Use the Gartner data center Services Map to understand the global structure of this market¹ and the geographical variations in providers' investments and product availability.

Leverage the Gartner data center Service Compass 2 to understand the product categories that fulfill their business and IT requirements better.

Factor business requirements and geographical span against the differences detailed in this analysis into their own analysis of alternative data center services and cloud sourcing scenarios.

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