

IDC: Public Cloud Software Outpaces Traditional Delivery

Written by Marco Attard
12 August 2016

According to the IDC, global public cloud services revenues are to reach over \$195 billion in 2020, double the \$96.5bn revenues forecast for 2016, the result of a CAGR of 20.4% over the 2015-2020 period.



Cloud software-- combining applications as a service, system infrastructure software (SIS) as a service (which combine to form SaaS), and platform as a service (PaaS)-- make 83.7% of all 2015 public cloud revenues. The remaining 16.3% comes from IaaS. However, IDC says IaaS and PaaS will grow at a faster rate than SaaS, expanding their share of overall revenues in the process.

"Cloud software will significantly outpace traditional software product delivery over the next five years, growing nearly 3 times faster than the software market as a whole and becoming the significant growth driver to all functional software markets," the analyst adds. "By 2020, about half of all new business software purchases will be of service-enabled software, and cloud software will constitute more than a quarter of all software sold."

The industries leading in public cloud services spending are discrete manufacturing, banking and professional services, taking over around 30% of 2016 revenues. The industries seeing the fastest growth during 2015-2020 are media, telecommunications and retail, but all industries should experience revenue growth of over 100% over the forecast period.

The US is the biggest market, followed by W. Europe and Asia/Pacific (excluding Japan).

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