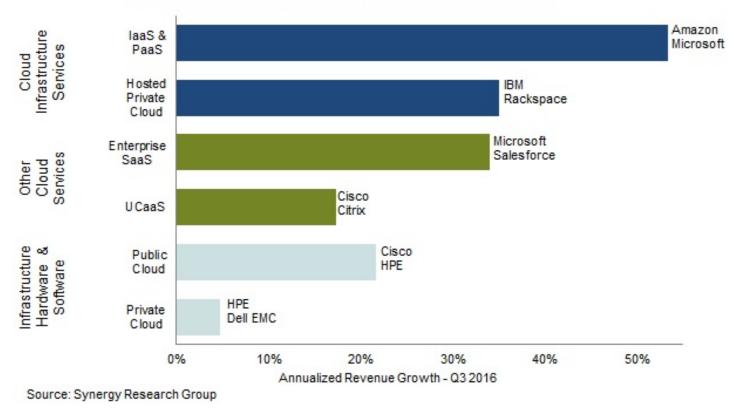
Written by Marco Attard 06 January 2017

The Synergy Research Group reports spending on cloud services overtakes that on cloud infrastructure and hardware in 2016-- the services markets are growing 3 times more quickly than infrastructure hardware and software.



## **Cloud Growth by Segment & Market Leaders**

The overall cloud market is also on a positive streak, with revenues reaching \$148 billion, a 25% increase. IaaS and PaaS show the highest growth at 53%, followed by hosted private cloud infrastructure services at 35% and enterprise SaaS at 34%. The total spend on hardware and software exceeds \$65bn, with spending on private cloud accounting for over half the total, even if public cloud spending is growing "much more rapidly."

Cloud infrastructure service revenues (covering IaaS, PaaS, hosted private cloud services) total \$30bn, while enterprise SaaS makes \$40bn, in addition to supporting online services such as search, social networking, email and e-commerce. UCaaS also sees steady growth as it drives "radical" changes in business communications.

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"We tagged 2015 as the year when cloud became mainstream and I'd say that 2016 is the year that cloud started to dominate many IT market segments," the analyst concludes. "Major barriers to cloud adoption are now almost a thing of the past, especially on the public cloud side. Cloud technologies are now generating massive revenues for technology vendors and cloud service providers and yet there are still many years of strong growth ahead."

Go 2016 Review Shows \$148 billion Cloud Market Growing at 25% Annually