

Data Center Market Study

About Us

Straits Research Pvt Ltd is a leading market research firm offering comprehensive insights on market demand, trends, growth prospects and regional analysis. With over 35 years of combined experience, we provide premium qualitative insights on consumer preferences, regulatory landscape, and technological advancements along with quantitative insights on industry market size, global economic scenario and revenue opportunities. These reports are backed by high-quality data sourced from primary sources and large secondary databases. With analyst perspectives and insights included in every report, Straits Research delivers comprehensive market intelligence and detailed analysis to help clients make informed decisions.

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Company Profiles

AT&T Intellectual Property

Lumen Technologies (CenturyLink)

China Telecom Americas, Inc.

CoreSite

CyrusOne

Digital Realty

Equinix, Inc.

Google Cloud

IBM

Microsoft

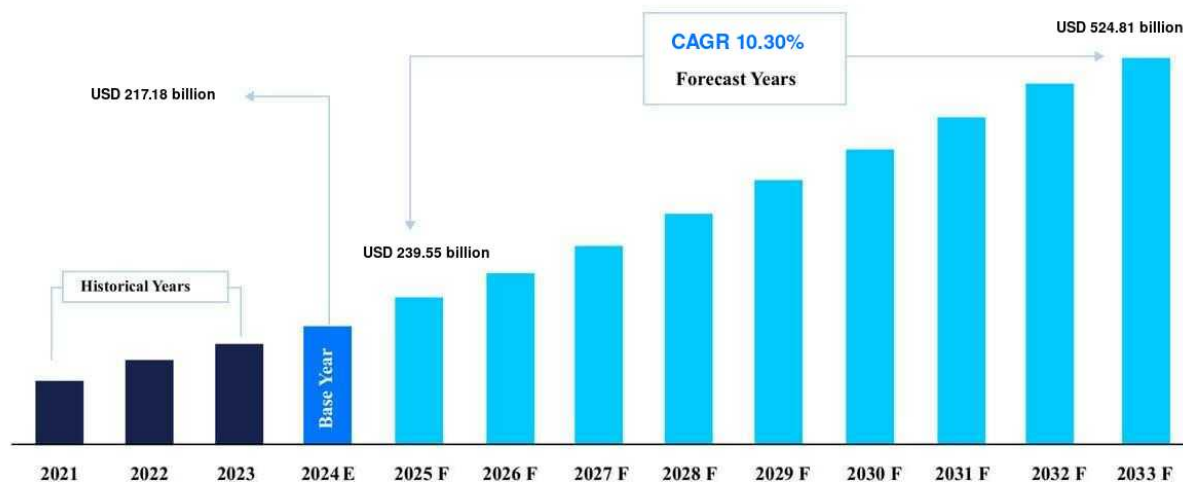
NTT Communications Corporation

Oracle

Tencent Cloud

Others

Note: More company profiles available on full reports.



Source: Straits Research

Emerging Countries

United States

Germany

China

Emerging Companies

AT&T Intellectual Property

Lumen Technologies

CoreSite

Top 5 Company Market Share



Total
46%

Top 5 company market share

Market Trends

Growth Trends

- Increasing shift towards hyper-scale data centers
- Growth in the adoption of green data centers
- Increasing reliance on machine learning and AI technologies for data center operations
- Trends in the development and adoption of edge computing
- Increasing demand for colocation services
- Growth of data center infrastructure management (DCIM) tools
- Advancements in energy efficiency and cooling technologies for data centers
- Increased application of Virtualization in data centers

Factors considered while calculating market size and share

- The number of data centers globally and regionally
- Operational expenditure of data centers
- Revenues generated by data center providers
- Investments in data center infrastructure
- The storage capacity of the data centers
- Adoption rate of cloud and colocation services
- Trends in data growth and data traffic
- The level of digitalization in different sectors
- Number of data centers owned by top data center providers

Key Market Indicators

- Global IT spending
- Growth of big data and cloud computing
- Rate of digitalization across various industry verticals
- Growth rate of internet users and data generation
- Trends in Artificial Intelligence (AI) and Machine Learning (ML) adoption
- Internet of Things (IoT) device growth
- Government regulations on data storage and privacy
- Uptake of high speed internet technologies such as 5G

Operational, Environmental, and Regulatory Challenges in the market

Despite the rapid growth, the data center market faces several challenges. High operational costs, including energy consumption, maintenance, and the need for skilled personnel, can significantly impact profitability. Additionally, environmental concerns regarding the carbon footprint of large-scale data centers are prompting regulatory scrutiny and driving the need for more sustainable practices. Limited availability of real estate, particularly in urban areas, and the complex regulatory landscape in different regions further complicate expansion efforts. These factors may hinder the pace of growth in the data center market.

Market Trends

Increasing demand for storage of born-digital and digitized archives

The surge in demand for born-digital and digitized archive storage is notably shaping the landscape of the market. The immense growth in digital content, born-digital materials, and digitized archives is fueling a critical need for secure, scalable, and easily accessible storage solutions. The need for data centers is further driven by industries adopting remote work and moving to digital operations. These cloud-based solutions offer both cost-effectiveness and flexibility in managing large volumes of digital content.

- For instance, cloud adoption has seen a remarkable surge in the U.K.'s public sector over the past decade. As per the Cloud Industry Forum, the number of organizations embracing cloud services has soared from 38% in 2010 to an impressive 78% in 2023. This surge in adoption indicates an overall rate of 84%, showcasing a substantial portion utilizing multiple cloud services. This transformation signifies a significant shift towards cloud-based solutions, observed in the public sector and various private industries. It echoes the growing reliance on cloud storage for managing born-digital and digitized archives globally.

Retail and e-commerce

The retail and e-commerce sector stands out as one of the most rapidly growing and substantial contributors to the data center market. This industry heavily relies on a spectrum of data center services, including colocation, cloud infrastructure, data protection, and professional services. These services enable critical functions such as online shopping platforms, payment systems, inventory management, customer service, and data analytics. The ongoing digital transformation and cloud migration within the retail and e-commerce sector are notable, driven by a desire to enhance customer experiences, operational efficiency, and competitive positioning. Moreover, the COVID-19 pandemic accelerated the already burgeoning growth of online shopping and e-commerce, prompting a surge in demand for data center services. The adoption of advanced technologies such as artificial intelligence, machine learning, and blockchain in this sector is a testament to the industry's commitment to staying at the forefront of innovation.

Market Segments

By Components

Hardware dominates the market, accounting for 49-53% of the market share, driven by the growing demand for high-performance computing and advanced networking equipment.



49-53%

Hardware

By Power Capacity

The 100-800 MW segment leads (45-48%) as it balances scalability and efficiency for colocation and enterprise demands.



45-48%

100-800 MW

By Data Center Type

Hyperscale data centers dominate the market, accounting for XX% of the share, as cloud computing giants expand storage and processing capacities globally.



XX%

Hyperscale

Market Segments

By Data Center Design

Modular designs lead with their scalability and cost-effectiveness, overtaking traditional setups as modernization accelerates, while containerized centers gain ground for quick deployment.



XX%

Modular Designs

By Data Center Tiers

Tier 3 dominates with its balance of reliability and cost for enterprises, while Tier 4 serves critical applications.



XX%

Tier 3

By End Use

BFSI leads the market with a XX% share as financial institutions drive digital transformation and data security, ahead of telecom, healthcare & retail/e-commerce.



XX%

BFSI

Regional Overview

North America

Dominating at 40%, led by the U.S. (82-85%), this region thrives on tech giants and hyperscale growth, with robust infrastructure and innovation



82-85%

United States Market Share

Europe

Europe holds a 25% market share, with Germany leading at 28-30%, balancing sustainability efforts with growing cloud demand.



28-30%

Germany Market Share

APAC

APAC holds a 25% market share, with China leading at XX%. The region's \$60 billion market experiences rapid growth driven by digitization, hyperscale investments, and a thriving tech landscape.



XX%

China Market Share

Regional Overview

Middle East and Africa

The Middle East and Africa account for 5% of the market, with the UAE leading at XX%. Despite regional challenges, the region is expanding through strategic hubs and investments.



United Arab Emirates Market Share

LATAM

LATAM also holds 5% of the market, with Brazil driving XX% of the share. Growth is fueled by e-commerce and telecom, despite being an emerging and constrained region.



Brazil Market Share

Company Profiles

Companies	Websites	Headquarters	Establisheds	Key Executives	Revenues
Microsoft	https://www.microsoft.com/en-in/	Redmond, Washington, USA	1975	Satya Nadella (CEO)	USD 211 Billion
Equinix, Inc.	https://www.equinix.com/	Redwood City, California, USA	1998	Adaire Fox-Martin (CEO)	USD 8.2 Billion
Google Cloud	https://cloud.google.com/	Mountain View, California, USA	2008 (cloud division)	Thomas Kurian (CEO, Google Cloud)	USD 33 Billion
IBM	https://www.ibm.com/in-en	Armonk, New York, USA	1911	Arvind Krishna (CEO)	USD 61 Billion
Oracle	https://www.oracle.com/	Austin, Texas, USA	1977	Safra Catz (CEO)	USD 50 Billion

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