

Cloud spending surged in Q2 2020, as lockdowns drove high levels of consumption

The Q2 2020 worldwide cloud infrastructure services market continued to surge, as spending grew 31% to US\$34.6 billion.

SINGAPORE, SINGAPORE, July 30, 2020 /EINPresswire.com/ -- The Q2 2020 worldwide cloud infrastructure services market continued to surge, as spending grew 31% to US\$34.6 billion. Overall, total expenditure was over US\$3.5 billion higher than the previous quarter and more than US\$8 billion on

Q2 2019 [according to Canals](#) data. This represents the largest quarterly expansion in terms of US dollars, as consumption of [cloud-based services](#) for online collaboration and remote working tools, ecommerce, remote learning, and content streaming hit new records during lockdown. But growth rates continued to be constrained due to a slowdown in large projects, as the economic

outlook weakened, and existing IT assets made to last longer. Amazon Web Services (AWS) was the leading cloud service provider in Q2 2020, accounting for 31% share of total spend. Microsoft Azure reached 20% market share for the first time after a strong end to its fiscal year. Google Cloud remained the third largest cloud service provider with 6%, after exceeding the US\$2 billion mark, followed by Alibaba Cloud with 5%.

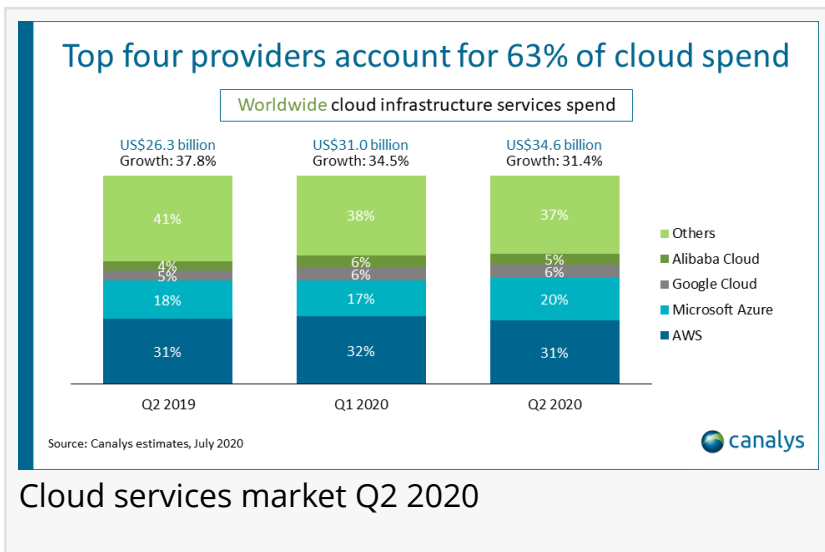
Business continuity emerged as a top priority for many organizations from the start of the year. The need for

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Mathew Ball, Chief Analyst

robust plans to enable operations to continue no matter the situation has never been more crucial considering the impact of the COVID-19 pandemic. “Cloud-based services were pivotal in enabling emergency continuity plans designed to maintain virtual operations during lockdown,” said Canals Chief Analyst, Mathew Ball. “These will also prove to be critical in the next phase of the response to COVID-19, as economies gradually re-open. In addition to supporting continued remote working and distance learning, cloud-based services will underpin the deployment of



Cloud services market Q2 2020

new digital workflows such as online booking and ordering systems as well as other contactless service engagements. It will also be part of solutions to make workplaces COVID-secure by monitoring occupancy levels and footfalls as well as contact-tracing to help reopen large offices and education facilities with confidence. Demand for cloud-based services will remain strong, as organizations accelerate their digital transformation initiatives over the next 12-months to capitalize on new emerging opportunities.”

Organizations will take advantage of the different strengths and capabilities of each cloud service provider, as they migrate more of their existing workloads to the public cloud and develop new cloud native applications. But this will not be a quick process. Instead it will be a multi-stage, multi-year process. “Differentiation among the leading providers will be critical as competition for customer’s spending on digital transformation projects intensifies,” said Canals Research Analyst, Blake Murray. “Security, code development and migration tools, support for multi-cloud and hybrid-IT deployments, as well as enabling more predictable costs will be key areas of focus as organizations look to move as quickly as possible, minimize disruption and keep within more constrained budgets. The top four cloud service providers have maintained the pace of innovation over the last six months and will look to add further capabilities to help win new business. But competition from other cloud service providers will intensify.”

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