

# Artificial Intelligence (AI) as a Service Market Size Hit USD 34.1 Bn 2027, Increasing Demand for cloud-based Solutions

*AI as a Service Market- 1.73 Billion in 2019, CAGR of 45.6%, Increasing demand for cloud-based solutions for intelligent business applications*

NEW YORK, NY, UNITED STATES, August 16, 2022 /EINPresswire.com/ -- The growing demand for AI & cognitive computing and large-scale adoption of cloud-based solutions for intelligent business applications is propelling the growth of the AI as a Service Market.



Reports And Data

Global [Artificial Intelligence \(AI\) as a Service Market](#) is forecasted to grow at a rate of 45.6% from USD 1.73 Billion in 2019 to USD 34.1 Billion in 2027, according to a new report by Reports and Data. AI as a service (AlaaS) is an artificial intelligence outsourcing service that is provided by a third party to enables big organizations and SMEs to explore growth avenues without high investment for initial installation. Most smart vendors, be it consultants, software firms, or professional service firms, partner with or offer organizations that can offer a full suite of services to help support a large-scale Artificial Intelligence solution. Major tech giants, such as IBM, Microsoft, Google, and other leading players, have aggressively implemented Artificial Intelligence solutions and services as an important part of their technologies.

With the growing demand for advanced AI solutions, several industry players are rapidly integrating new sets of capabilities. For instance, Google announced the addition of new AI features to its cloud in July 2018. The move aided the company in attracting more customers. In the same year, Mindtree, a Larsen & Toubro group company, collaborated with Tookitaki, to offer AI solutions to the banks to help them detect crimes associated with financial activities. A rise in the number of advanced AI solutions offered by industry players to meet specific client requirements will bolster AI as a Service Market growth over the forecast period. Moreover, expanding application scope and mounting demand for IoT will provide major growth avenues for the industry through 2027.

In the regional landscape, Asia Pacific is estimated to register the highest growth rate over the

projected timeframe due to a rise in the number of startups in the region, along with large-scale adoption of AI solutions & services in both the private and public sectors. The top tech giants that offer AI services across the globe are opening research labs in the APAC region, which will further supplement regional market share through 2027.

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Key participants in the market include IBM, Microsoft, Amazon, Google, FICO, SAS Institute, IRIS AI, Salesforce, Mighty.AI, and Craft.AI.

Further key findings from the report suggest

- The AI as a Service market size accounted for USD 2.38 Billion in 2018 and is forecast to exhibit a growth rate of 45.6% through 2027.
- Based on service type, the software tools segment generated revenue of approximately USD 1.10 Billion in 2018 and is set to witness a notable CAGR of 45.1% through 2026. The robust segmental growth can be attributed to the extensive usage of these tools in analyzing data patterns and hidden data sets in large datasheets.
- On the basis of deployment model, the on-premises segment is set to contribute significantly towards global AI as a Service Market revenue share through 2027. The significant growth will be accountable to the rise in the development of various tools for on-premises deployment that are capable of high-performance with mass computers, which otherwise may turn out to be expensive in the cloud deployment model.
- Speaking in terms of application, the customer service and management application is forecast to register a CAGR of 46.6% through 2026 on account of large-scale adoption of chatbots and conversational AI solutions in various industry verticals for enhancing the customer service.
- Based on end-use, the Banking, Financial Services & Insurance (BFSI) segment accounted for 40.9% of the global market share in 2018 and is likely to register a CAGR of 46.1% through 2026. Growth is stemming from high relevance and associated adoption of AI in the industry in analyzing data patterns and data sets from a large volume of data to formulate growth strategies. Nearly 32% of BFSI service providers are already using artificial intelligence technologies such as Predictive Analytics, Voice Recognition, and others.
- In the regional landscape, Asia Pacific is estimated to experience the maximum growth rate of 47.6% through 2026 due to a rise in the number of startups and the increased rate of adoption of AI in both private and public sectors in this region. Most of the impetus in the region will be provided by China, as it is extensively leveraging AI in most of the sectors. While China is a leading contributor, countries like Singapore, Japan, South Korea, India, and Taiwan, are also shifting their focus toward AI, which will further boost regional growth.

To identify the key trends in the industry, click on the link

below: <https://www.reportsanddata.com/report-detail/artificial-intelligence-ai-as-a-service-market>

For the purpose of this report, Reports and Data has segmented the global AI as a Service market based on service type, technologies type, organizational size type, deployment mode type, end-user, end-user ownership type, application type, and region:

#### Service Type Outlook (Revenue, USD Billion; 2017-2027)

- Services
  - o Managed Services
  - o Professional Services
- Software Tools
  - o Web-Based and Cloud Application Programming Interface
  - o Processing and Modeler
  - o Archiving and Data Storage
  - o Others

#### Technologies Type Outlook (Revenue, USD Billion; 2017-2027)

- Machine Learning and Deep Learning
- Natural Language Processing
- Computer Vision
- Others

#### Organizational Size Type Outlook (Revenue, USD Billion; 2017-2027)

- Large Enterprises
- Small and Medium-Sized Enterprises

#### Deployment Mode Type Outlook (Revenue, USD Billion; 2017-2027)

- On-premises
- Cloud

#### End-User Type Outlook (Revenue, USD Billion; 2017-2027)

- Healthcare and Life Sciences
- Banking, Financial Services, and Insurance
- Telecommunication
- Retail
- Manufacturing
- Government and Defense
- Energy
- Others

## End-User Ownership Type Outlook (Revenue, USD Billion; 2017-2027)

- Public
- Private

## Application Type Outlook (Revenue, USD Billion; 2017-2027)

- Fraud Detection
- Data Analytics & Visualization
- Customer Service and management
- Risk Management
- Compliance & Security
- Others

## Regional Outlook (Revenue, USD Billion; 2017-2027)

- North America
- Europe
- Asia Pacific
- Latin America
- Middle East & Africa

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Market Report includes major TOC points:

- AI as a Service market Overview
- Global Economic Impact on Industry
- Global Market Competition by Manufacturers
- Global Production, Revenue (Value) by Region
- Global Supply (Production), Consumption, Export, Import by Regions
- Global Production, Revenue (Value), Price Trend by Type
- Global Market Analysis by Application
- Manufacturing Cost Analysis
- Industrial Chain, Sourcing Strategy and Downstream Buyers
- Marketing Strategy Analysis, Distributors/Traders
- Market Effect Factors Analysis
- AI as a Service market Forecast

Conclusively, all aspects of the AI as a Service market are quantitatively as well qualitatively assessed to study the global as well as regional market comparatively. This market study presents critical information and factual data about the market providing an overall statistical

study of this market on the basis of market drivers, limitations and its future prospects.

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