

Application Modernization Services Market to Reach USD 67.87 Billion by 2032

The Application Modernization Services Market is growing rapidly, driven by cloud adoption, digital transformation, and the need for legacy system updates.

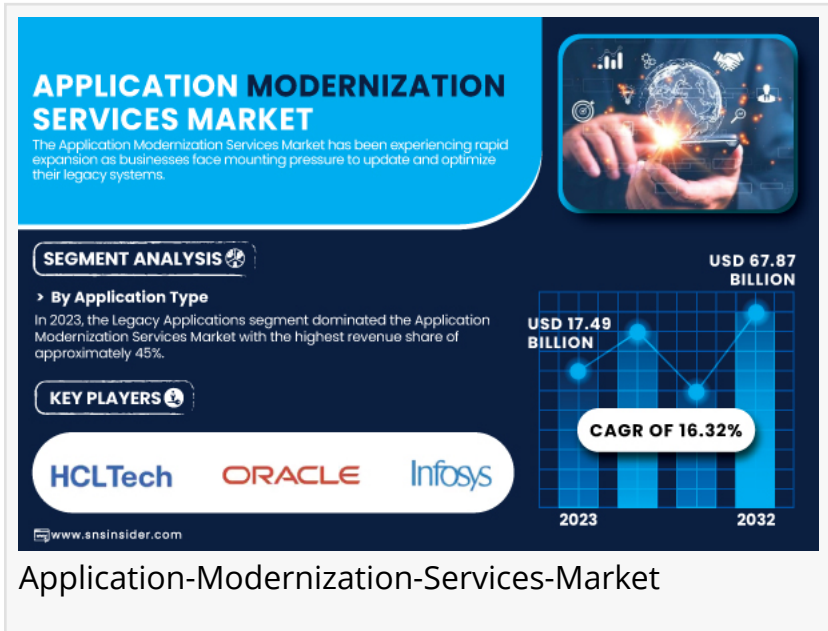
AUSTIN, TX, UNITED STATES, February 4, 2025 /EINPresswire.com/ -- The [Application Modernization Services Market](https://www.snsinsider.com/sample-request/3459) was valued at USD 17.49 Billion in 2023 and is projected to reach USD 67.87 Billion by 2032, growing at a compound annual growth rate (CAGR) of 16.32% from 2024 to 2032.

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Keyplayers:

- ☐ Oracle (Cloud Infrastructure, Java Application Development)
- ☐ IBM (IBM Cloud, IBM Watson)
- ☐ Microsoft (Azure, Power BI)
- ☐ HCL Technologies (HCL CloudSmart, HCL Digital Transformation)
- ☐ Accenture (Accenture Cloud Platform, Accenture myNav)
- ☐ ATOS SE (Atos Digital Workplace, Atos Cloud Services)
- ☐ Capgemini (Capgemini Cloud Services, Capgemini Smart Enterprise)
- ☐ Cognizant (Cognizant Cloud, Cognizant Digital Engineering)
- ☐ Tata Consultancy Services (TCS Cloud, TCS iON)
- ☐ Aspire Systems (Aspire Digital Transformation, Aspire Cloud Solutions)
- ☐ NTT Data Group Corporation (NTT Data Cloud, NTT Data Digital Transformation)
- ☐ Infosys (Infosys Cloud, Infosys Cobalt)
- ☐ Dell Technologies (Dell VxRail, Dell PowerEdge)
- ☐ Innova Solutions (Innova Cloud Services, Innova Digital Transformation)
- ☐ Epam Systems (EPAM Cloud, EPAM Digital Transformation)
- ☐ DXC Technology (DXC Cloud, DXC Modernization Services)



- MongoDB (MongoDB Atlas, MongoDB Enterprise)
- LTIMindtree (LTM Cloud, LTM Digital Transformation)
- Wipro (Wipro FullStride Cloud, Wipro Digital)
- Rocket Software (Rocket Modernization, Rocket Cloud)
- Fujitsu (Fujitsu Cloud, Fujitsu Digital Transformation)
- Hexaware Technologies (Hexaware Cloud, Hexaware Digital Engineering)
- Virtusa (Virtusa Cloud, Virtusa Digital Transformation)
- Softura (Softura Cloud, Softura Digital Transformation)
- CloudHedge (CloudHedge Modernization, CloudHedge Migration)
- D3V Technology (D3V Cloud Solutions, D3V Digital Transformation)
- Bayshore Intelligence (Bayshore Cloud, Bayshore Analytics)
- Opinov8 (Opinov8 Cloud, Opinov8 Digital Transformation)
- Icreon (Icreon Digital, Icreon Cloud)
- Symphony Solutions (Symphony Cloud, Symphony Digital Transformation)
- Cleveroad (Cleveroad Cloud, Cleveroad Digital Solutions)
- Soft Suave (Soft Suave Cloud, Soft Suave Modernization)
- Geomotiv (Geomotiv Cloud, Geomotiv Digital Transformation)
- PalmDigitalz (PalmDigitalz Cloud, PalmDigitalz Digital Transformation)
- AveriSource (AveriSource Cloud, AveriSource Digital Services)

Growth of the Application Modernization Services Market Driven by Cloud Adoption and Digital Transformation

The Application Modernization Services Market has grown significantly as companies face increasing pressure to update outdated systems. As cloud computing and digital transformation gain traction, businesses recognize the need to modernize applications for enhanced scalability, performance, and security. Microsoft Azure is the leading platform for modernization, followed by AWS and Google Cloud. In November 2024, Kyndryl and Microsoft launched services to modernize mainframe applications with Microsoft Cloud. Industries like banking, retail, and manufacturing are prioritizing innovation, driving demand for modernization services. Outdated systems hinder the integration of technologies like AI and machine learning, prompting companies to invest in updates. In January 2025, Accenture acquired Percipient's digital twin technology to enhance its banking services. Emerging technologies such as AI, blockchain, and IoT will continue shaping the market, offering opportunities for service providers supporting long-term digital transformation.

Legacy Applications Lead the Market, While Cloud-Native Applications Show Rapid Growth

In 2023, the Legacy Applications segment dominated the Application Modernization Services Market, accounting for about 45% of the revenue share. This leadership is attributed to the widespread use of outdated systems, which come with high maintenance costs and limit business agility. To address these issues, many companies are prioritizing the modernization of legacy applications to improve efficiency, security, and compatibility with emerging technologies, thus boosting demand for modernization services.

The Cloud-Native Applications segment is projected to grow at the fastest rate, with a CAGR of approximately 18.00% from 2024 to 2032. The increasing adoption of cloud technologies, which provide scalability, flexibility, and cost savings, is driving this growth. As more businesses migrate to the cloud, the demand for cloud-native applications designed for these environments is expected to surge, fueling the segment's rapid expansion.

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Public Cloud Dominates the Market, While Hybrid Cloud Shows Strong Growth Potential

In 2023, the Public Cloud segment led the Application Modernization Services Market, capturing around 49% of the revenue share. This dominance is driven by the widespread adoption of public cloud platforms, as businesses seek scalable, flexible, and cost-effective solutions for application modernization. Public cloud services offer easy access to advanced technologies, improved security, and quicker deployment, making them the top choice for organizations focused on digital transformation and optimizing their IT infrastructure.

The Hybrid Cloud segment is projected to experience the highest CAGR of approximately 18.70% from 2024 to 2032. This growth is fueled by the increasing preference for a combination of public and private cloud environments, enabling businesses to control sensitive data while benefiting from the scalability and cost-efficiency of the public cloud. The hybrid model provides enhanced flexibility, making it an ideal solution for companies looking to balance performance, security, and compliance in their modernization strategies.

North America Leads the Market, While Asia Pacific Exhibits Rapid Growth Potential

In 2023, North America led the Application Modernization Services Market, capturing around 42% of the revenue share. This leadership is driven by the region's advanced technological infrastructure, extensive digital transformation initiatives, and widespread adoption of cloud and AI technologies. North American companies are increasingly modernizing legacy systems to enhance operational efficiency, strengthen security, and maintain a competitive advantage in a rapidly evolving business landscape, making the region a key driver of market growth.

Asia Pacific is expected to experience the fastest growth, with a projected CAGR of approximately 18.15% from 2024 to 2032. This growth is fueled by the region's expanding digital economy, rising investments in IT modernization, and increasing cloud adoption. As businesses in Asia Pacific accelerate their digital transformation efforts, the demand for application modernization services is set to rise, particularly in emerging markets where modernization is essential for sustainable growth.

Key Developments in Application Modernization Services Market

□ In June 2024, Oracle and Google Cloud launched a multicloud partnership, integrating Oracle Cloud Infrastructure with Google Cloud to simplify cloud migrations and deployments.

□ In 2024, Cloud4C introduced Oracle Application Management Services on Oracle Cloud Infrastructure (OCI), designed to optimize cloud management, boost performance, and aid application modernization with features like automated patching and 24/7 support.

□ In January 2024, IBM acquired application modernization capabilities from Advanced to enhance IBM Consulting's hybrid cloud services, leveraging AI-powered tools like Watsonx Code Assistant for Z to streamline mainframe transformation.

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