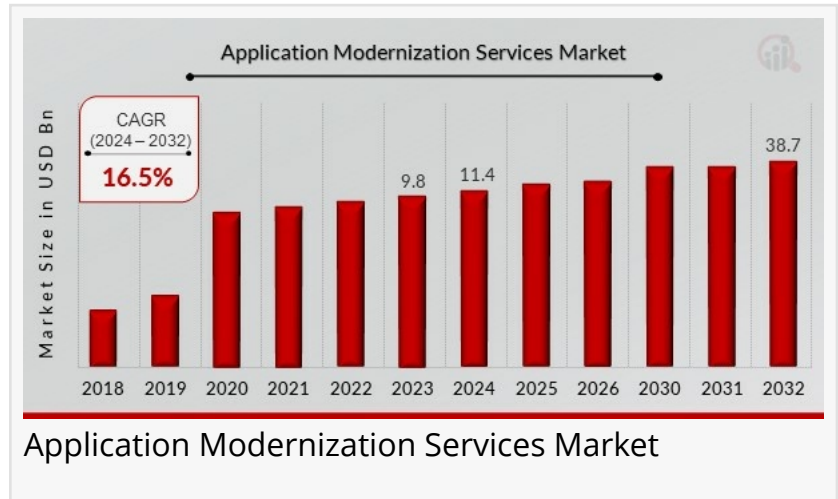


# Application Modernization Services Market to Hit \$38.7 Billion By 2032, Modernizing Legacy Systems for Future Readiness

*Services aimed at enhancing and modernizing legacy systems with new technologies for improved efficiency and scalability.*

LOS ANGELES, CA, UNITED STATES, April 11, 2025 /EINPresswire.com/ -- According to a new report published by Market Research Future (MRFR), [Application Modernization Services Market](#) was valued at \$11.4 billion in 2024, and is estimated to reach \$38.7 billion by 2032, growing at a CAGR of 16.5% from 2024 to 2032.



The Application Modernization Services Market is experiencing a significant transformation as enterprises across sectors prioritize upgrading legacy systems to remain agile, competitive, and digitally resilient. With the surge in cloud adoption, digital transformation initiatives, and the rise of AI-powered infrastructure, application modernization services have become critical to ensuring business continuity and scalability. These services help organizations transition from outdated software and systems to more efficient, scalable, and secure digital platforms.

[PDF Brochure] Request for Sample Report - [https://www.marketresearchfuture.com/sample\\_request/5541](https://www.marketresearchfuture.com/sample_request/5541)

## Application Modernization Services Market Key Players

The application modernization services market is dominated by both global consulting giants and specialized IT firms that offer tailored modernization strategies. Leading players include,

- Aspire Systems
- Virtusa
- IBM
- Capgemini

- Software
- Oracle
- DXC Technology
- NTT Data
- Accenture
- HCL
- Bell Integrator
- Dell
- Cognizant
- Blu Age
- Fujitsu

These companies provide a diverse range of services including legacy code conversion, containerization, re-platforming, and microservices development. IBM, for instance, leverages its hybrid cloud solutions and Red Hat OpenShift to assist clients in modernizing their workloads. Meanwhile, Accenture and Infosys offer industry-specific modernization frameworks combined with AI and automation tools to streamline application lifecycle management. Their global presence, strong R&D capabilities, and strategic partnerships with cloud providers such as AWS, Azure, and Google Cloud give them a competitive edge.

## Market Segmentation

The application modernization services market can be segmented based on service type, deployment mode, organization size, end-user industry, and region. By service type, the market includes application re-platforming, re-hosting, re-coding, re-architecting, integration, and modernization advisory services. Deployment mode is bifurcated into on-premises and cloud-based solutions, with cloud deployment gaining rapid traction due to its scalability and cost-effectiveness. Based on organization size, the market is segmented into small and medium enterprises (SMEs) and large enterprises, with large enterprises accounting for the major share due to greater budgets and complex legacy infrastructures. In terms of end-user industry, key segments include banking, financial services and insurance (BFSI), healthcare, retail, manufacturing, IT and telecom, government, and others. Among these, the BFSI sector holds a significant share, driven by regulatory compliance needs and the demand for secure, scalable applications.

## Market Drivers

Several factors are fueling the growth of the application modernization services market. First and foremost is the increasing need to enhance business agility and operational efficiency. Legacy systems are often rigid, costly to maintain, and incompatible with emerging technologies, making modernization essential for digital transformation. The rapid adoption of cloud computing, microservices architecture, and DevOps practices also propels modernization efforts. Additionally, the rise in customer expectations and the demand for real-time, personalized digital

experiences are prompting organizations to overhaul their legacy applications. The pressure to reduce IT costs, improve time-to-market, and adhere to compliance regulations further drives market growth. Moreover, the ongoing shift toward remote and hybrid work environments emphasizes the need for scalable, secure, and resilient digital infrastructures.

Buy this Premium Research Report | Immediate Delivery Available at -

[https://www.marketresearchfuture.com/checkout?currency=one\\_user-USD&report\\_id=5541](https://www.marketresearchfuture.com/checkout?currency=one_user-USD&report_id=5541)

## Market Opportunities

The application modernization services market presents significant opportunities for service providers and technology vendors. One major opportunity lies in AI and machine learning integration, where organizations seek to enhance legacy applications with intelligent automation, analytics, and decision-making capabilities. The growing popularity of low-code/no-code platforms also offers an avenue for modernization with minimal disruption. In addition, as more enterprises adopt hybrid and multi-cloud strategies, the demand for cross-platform modernization and interoperability solutions is set to rise. SMEs represent another underpenetrated segment where cost-effective and scalable modernization services can unlock growth potential. Geographic expansion into emerging markets such as Asia-Pacific, Latin America, and the Middle East & Africa also opens doors for vendors aiming to capitalize on digital transformation trends in these regions.

## Restraints and Challenges

Despite the promising outlook, the application modernization services market faces certain restraints and challenges. One of the key hurdles is the high initial cost associated with modernization projects, which may deter small and budget-constrained organizations. Additionally, modernizing complex legacy systems can be risky, as it involves potential disruptions, data migration challenges, and integration issues. Resistance to change within organizations, lack of in-house expertise, and the need for extensive employee training also pose significant challenges. Furthermore, security and compliance concerns related to cloud migration and application transformation can hinder adoption, especially in highly regulated industries like finance and healthcare. Lastly, ensuring uninterrupted business operations during the modernization process remains a critical challenge that requires careful planning and execution.

## Regional Analysis

Regionally, North America holds the largest share of the application modernization services market, driven by the presence of major technology firms, early adoption of advanced IT solutions, and robust investment in digital transformation initiatives. The United States, in particular, leads the market due to its dynamic enterprise landscape and focus on innovation. Europe follows closely, with countries such as Germany, the UK, and France modernizing legacy

infrastructure to comply with GDPR and other digital mandates. The Asia-Pacific region is projected to witness the fastest growth during the forecast period, fueled by increasing cloud adoption, rapid industrialization, and government-led digital initiatives in countries like China, India, Japan, and South Korea. Latin America and the Middle East & Africa are gradually emerging as potential markets, supported by growing IT spending and modernization efforts across banking and public sectors.

Browse In-depth Market Research Report -

<https://www.marketresearchfuture.com/reports/application-modernization-services-market-5541>

## Recent Developments

The application modernization services market has seen several recent developments that highlight its dynamic and evolving nature. For example, in 2023, Microsoft expanded its Azure Migrate and Modernize program, making it easier for enterprises to assess and move workloads to the cloud. IBM, on the other hand, launched its Watson platform to integrate AI and machine learning into legacy system modernization. Accenture recently acquired several niche firms specializing in cloud transformation and DevOps to bolster its modernization offerings. Infosys introduced an AI-first modernization suite to automate application transformation and improve business outcomes. Meanwhile, Wipro partnered with AWS to offer application modernization-as-a-service for large enterprises. These strategic moves reflect the increasing convergence of cloud, AI, and modernization services and indicate that leading players are continuously innovating to meet market demands.

Browse More Related Reports:

APAC Devops Market -

<https://www.marketresearchfuture.com/reports/apac-devops-market-45981>

Canada Devops Market -

<https://www.marketresearchfuture.com/reports/canada-devops-market-45979>

France Devops Market -

<https://www.marketresearchfuture.com/reports/france-devops-market-45978>

GCC Devops Market -

<https://www.marketresearchfuture.com/reports/gcc-devops-market-45980>

Germany Devops Market -

<https://www.marketresearchfuture.com/reports/germany-devops-market-45977>

[UK Devops Market](#)

## [US Devops Market](#)

About Market Research Future:

At Market Research Future (MRFR), we enable our customers to unravel the complexity of various industries through our Cooked Research Report (CRR), Half-Cooked Research Reports (HCRR), Raw Research Reports (3R), Continuous-Feed Research (CFR), and Market Research & Consulting Services.

MRFR team have supreme objective to provide the optimum quality market research and intelligence services to our clients. Our market research studies by products, services, technologies, applications, end users, and market players for global, regional, and country level market segments, enable our clients to see more, know more, and do more, which help to answer all their most important questions.

Contact:

Market Research Future  
(Part of Wantstats Research and Media Private Limited)  
99 Hudson Street, 5Th Floor  
New York, NY 10013  
United States of America  
+1 628 258 0071 (US)  
+44 2035 002 764 (UK)  
Email: [sales@marketresearchfuture.com](mailto:sales@marketresearchfuture.com)  
Website: <https://www.marketresearchfuture.com>  
Website: <https://www.wiseguyreports.com>  
Website: <https://www.wantstats.com>

Sagar Kadam  
Market Research Future  
+1 628-258-0071  
[email us here](#)

Visit us on social media:

[Facebook](#)

[X](#)

[LinkedIn](#)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/802299861>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire,

Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2025 Newsmatics Inc. All Right Reserved.