Data Center Virtualization Market Anticipated to Grow at 18.2% CAGR Through 2029: Industry Report

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How Big Is The Data Center Virtualization Market In 2025?
There has been a rapid expansion in the market size of data center virtualization in the past

> It will grow to $20.01 billion in 2029 at a compound annual growth rate (CAGR) of 18.2%"
>
> *The Business Research Company*

years. The growth is projected to increase from $8.64 billion in 2024 to $10.25 billion in 2025, exhibiting a compound annual growth rate (CAGR) of 18.6%. This growth during the historic period can be traced back to the growing dependence on virtual infrastructure for upgrades of legacy systems, enhanced usage of virtualization in disaster recovery planning for enterprises, escalating demand for IT centralization, increasing virtualization implementation, and a rising need for scalability and

remote accessibility.

Expected to experience accelerated growth in the upcoming years, the data center virtualization market size is predicted to reach $20.01 billion by 2029, with an 18.2% compound annual growth rate (CAGR). This growth, projected for the forecast period, is ascribed to elements such as the rising demand for hybrid and multi-cloud settings, greater usage of automation in data center activities, the escalating requirement for adaptable and nimble IT infrastructure, the increased application of AI and machine learning for the management of virtualization, and a growing emphasis on ecologically friendly and sustainable data centers. The forecast period is likely to witness trends including the improvement in virtualization security systems, the introduction of

AI-powered data center automation, the consolidation of hybrid cloud management platforms, advancement in software-controlled networking technologies, and inventive developments in virtual desktop infrastructure systems.

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What Are The Key Driving Factors For The Growth Of The Data Center Virtualization Market?
The acceleration of cloud computing services adoption is anticipated to catalyze the data center virtualization market's expansion. Cloud computing services are responsible for distributing computing resources such as servers, storage, databases, networking, and software over the internet, facilitating user access to scalable, cost-effective solutions without requiring an on-site infrastructure. Cloud computing services are gaining popularity as they allow businesses to expand or contract their IT resources based on variable demand, delivering the best performance and cost efficiency without massive initial outlays on physical infrastructure. Cloud computing aids data center virtualization by enabling online management and scaling of virtual servers, storage, and networks, minimizing physical hardware reliance and maximizing resource efficacy. For example, Eurostat, a government entity based in Luxembourg, reported in December 2023 that 45.2% of EU enterprises availed of cloud computing services, signifying a 4.2% escalation from 2021. Thus, the increased adoption of cloud computing services is fueling the progression of the data center virtualization market.

Who Are The Key Players In The Data Center Virtualization Industry?
Major players in the Data Center Virtualization Global Market Report 2025 include:

• Google LLC
• Microsoft Corporation
• Alibaba Group
• AT&T Inc.
• Dell Technologies Inc.
• Amazon Web Services Inc.
• Huawei Technologies Co. Ltd.
• Tencent Holdings Ltd.
• International Business Machines Corporation
• Cisco Systems Inc.

What Are The Prominent Trends In The Data Center Virtualization Market?
Leading firms within the data center virtualization market are directing their focus towards the development of innovative solutions, like virtual data center nodes, which aim to decrease operating costs by eliminating the dependence on extensive physical infrastructure. These nodes are logical units within a virtualized setup that manage sections of computing, storage, or network resources as individual, controllable units. Telefónica Tech Inc., a Spain-based technology solutions company, launched its Virtual Data Center service in Virginia in May 2022.

The company extended its presence in the United States with the introduction of a new Virtual Data Center node in Ashburn, Virginia, joining its existing node in Miami and enhancing its broader network of nodes spread across Europe and Latin America. With this expansion, the firm has bolstered its virtual private cloud services for regional businesses and also offers resilient recovery solutions to shield organizations from data loss and disruptions in operations.

What Segments Are Covered In The Data Center Virtualization Market Report?
The data center virtualization market covered in this report is segmented

1) By Type: Server, Storage, Network, Desktop, Application, Other Types
2) By Deployment Type: On-Premises, Cloud-Based, Hybrid
3) By Organization Size: Small And Medium-Sized Enterprises (SMEs), Large Enterprises
4) By End-Use: Banking, Financial Services, And Insurance (BFSI), Information Technology (IT) And Telecommunication, Manufacturing And Automotive, Government, Healthcare, Education, Retail And Supply Chain Management, Media And Entertainment, Other End Users

Subsegments:
1) By Server: Virtual Machines, Blade Servers, Rack Servers, Tower Servers, Hyper-Converged Infrastructure
2) By Storage: Storage Area Network (SAN), Network Attached Storage (NAS), Direct Attached Storage (DAS), Virtual Storage Area Network, Cloud Storage
3) By Network: Software-Defined Networking (SDN), Network Function Virtualization (NFV), Virtual Private Network (VPN), Virtual LAN (VLAN), Overlay Networks
4) By Desktop: Virtual Desktop Infrastructure (VDI), Remote Desktop Services (RDS), Desktop-As-A-Service (DaaS), Session-Based Desktops
5) By Application: Application Virtualization, Containerization, Middleware Virtualization, Remote Application Delivery
6) By Other Types: Data Center Infrastructure Management (DCIM), Load Balancing Virtualization, Security Virtualization, Backup And Disaster Recovery Virtualization

View the full data center virtualization market report:
https://www.thebusinessresearchcompany.com/report/data-center-virtualization-global-market-report

Which Region Is Expected To Lead The Data Center Virtualization Market By 2025?
For the year referenced in the Data Center Virtualization Global Market Report 2025, North America led as the largest market region. Growth projections anticipate Asia-Pacific to be the most rapidly expanding market region. The report encompasses a comprehensive study of regions including Asia-Pacific, Western Europe, Eastern Europe, North America, South America, the Middle East and Africa.

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