AI in Telecommunication Industry Forecast : $38.8 Billion by 2031 at 41.4% CAGR

WILMINGTON, NEW CASTLE, DE, UNITED STATES, September 30, 2025 /EINPresswire.com/ -- Allied Market Research published a report, titled, "AI in Telecommunication Market by Component (Solution, Service), by Deployment Model (On-Premise, Cloud), by Technology (Machine Learning, Natural Language Processing (NLP), Data Analytics, Others), by Application (Customer Analytics, Network Security, Network Optimization, Self-Diagnostics, Virtual Assistance, Others): Global Opportunity Analysis and Industry Forecast, 2021-2031." According to the report, the global AI in telecommunication industry generated $1.2 billion in 2021, and is estimated to reach $38.8 by 2031, witnessing a CAGR of 41.4% from 2022 to 2031. The report offers a detailed analysis of changing market trends, top segments, key investment pockets, value chain, regional landscape, and competitive scenario.

Drivers, Restraints, and Opportunities

Growing adoption of AI solutions in various telecom applications, the ability of AI to provide a simpler and easier interface in telecommunication and reduce the human intervention needed for network configuration and maintenance, and the growing demand for high bandwidth with more consumers turning to OTT services drive the growth of the global AI in telecommunication market. However, the incompatibility between telecommunication systems and AI technology hampers the global market growth. On the other hand, the increasing penetration of AI-enabled smartphones in the telecommunication industry, and the advent of 5G technology in smartphones likely to create potential opportunities for growth of the global market in the coming years.

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Covid-19 Scenario

The global artificial intelligence in telecommunication market saw a stable growth during the COVID-19 pandemic, owing to the increasing digital penetration and rise in automation.

Moreover, the pandemic led the telecommunications infrastructure to keep businesses, governments, and communities connected and operational. The social and financial disruption caused by the pandemic forced people to depend on technology such as AI for information and remote working.

AI also helped the telecom industry to reinvent customer relationships by identifying personalized needs and engaging with customers through hyper-personalized one-to-one contacts. It also helped configure fixed-line and mobile-network bundles that combine VPN, teleconferencing, and productivity apps.

The solution segment to dominate in terms of revenue during the forecast period

Based on component, the solution segment was the largest market in 2021, contributing to more than two-thirds of the global AI in telecommunication market, and is expected to maintain its leadership status during the forecast period. This is due to the adoption of solutions by various end users for the automated processes. On the other hand, the service segment is projected to witness the fastest CAGR of 44.9% from 2022 to 2031, due to surge in the adoption of managed and professional services.

The on-premise segment to garner the largest revenue during the forecast period

Based on deployment model, the on-premise segment held the largest market share of nearly three-fifths of the global AI in telecommunication market in 2021 and is expected to maintain its dominance during the forecast period. This is because it provides added security of data. The cloud segment, however, is projected to witness the largest CAGR of 43.8% from 2022 to 2031, as cloud provides flexibility, scalability, complete visibility, and efficiency to all processes.

The machine learning segment to exhibit a progressive revenue growth during the forecast period

Based on technology, the machine learning segment held the largest market share of more than two-fifths of the global AI in telecommunication market in 2021, and would maintain its dominance during the forecast period. This is because machine learning algorithms are designed to keep improving accuracy and efficiency. The data analytics segment, however, is projected to witness the largest CAGR of 46.1% from 2022 to 2031, as it helps telecom companies to increase profitability by optimizing network usage and services.

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Asia-Pacific to maintain its leadership in terms of revenue by 2031

Based on region, North America was the largest market in 2021, capturing more than one-third of the global AI in telecommunication market. The growth in the region can be attributed to the infrastructure development and technology adoption in countries like the U.S. and Canada. However, the market in Asia-Pacific is expected to lead in terms of revenue and manifest the fastest CAGR of 45.7% during the forecast period, owing to the growing digital and economic transformation of the region.

Leading Market Players

Intel Corporation
Nuance Communications, Inc.
AT&T
Infosys Limited
ZTE Corporation
IBM Corporation
Google LLC
Microsoft
Salesforce, Inc.
Cisco Systems, Inc.

The report analyzes these key players of the global AI in telecommunication market. These players have adopted various strategies such as expansion, new product launches, partnerships, and others to increase their market penetration and strengthen their position in the industry. The report is helpful in determining the business performance, operating segments, product portfolio, and developments by every market player.

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