



# INTRICATELY

## 2019 Intricately Cloud Market Share Report





# INTRODUCTION

The cloud market is undergoing tremendous change. As new players enter the space, established cloud providers are faced with an entirely new set of challenges: increasing competition, rising customer expectations, complex use cases, and shifting spending habits.

So how do the top players in the cloud space fare? And where do opportunities exist in the cloud market?

The 2019 Intricate Cloud Market Share report leverages real customer data to answer these questions and more:

- **Who is winning in the cloud hosting market?**
- **Which trends contributed most to the growth of cloud hosting vendors?**
- **Which cloud hosting providers are most popular across various company sizes?**
- **How much do companies spend on cloud hosting around the world?**





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# THE METHODOLOGY

Intricately monitors cloud adoption, usage, and spend across 21,000 distinct products and analyzes the usage of more than seven million companies worldwide. Using its proprietary Global Sensor Network, deployed in more than 150 points of presence (PoPs), Intricately has a comprehensive view into how organizations deploy and utilize their digital products, applications, and infrastructure.

The platform gives cloud providers the insights to power everything from account-based marketing to market forecasting and planning activities.

This report analyzes data from January to December 2018 to show which cloud technologies are being used and how much is being spent by businesses. This report focuses primarily on IaaS and PaaS vendors.

Note: The data in this report has been collected via Intricately's proprietary Global Sensor Network. In some instances, third-party research has been used to provide additional context.

**7 million**

companies evaluated

**21,000**

unique products monitored

## DEFINITIONS



**Enterprise**

1,000+ employees



**Mid-Market**

100-1,000 employees



**SMB**

10-100 employees



**Tiny**

Less than 10 employees



# THE GLOBAL CLOUD MARKET: OVERVIEW

There are a number of substantial trends influencing the global cloud market today:

## **Amazon continues to dominate the cloud market.**

With a 10-year head start on the competition, Amazon Web Services is the undeniable leader in the cloud market. With its breadth of services, it has forced vendors entering the space to focus on niche solutions to gain a foothold in the market.

## **The explosion of software and cloud growth go hand-in-hand.**

The sheer number of tools and platforms available make it easier than ever to quickly build and deploy high-performance applications. Cloud vendors benefit from a world with as many applications as possible, because those apps require cloud providers.

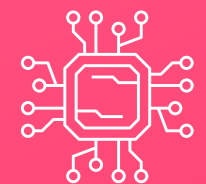
## GLOBAL TRENDS INFLUENCING THE CLOUD MARKET



**Rising Customer  
Expectations**



**Globalization**



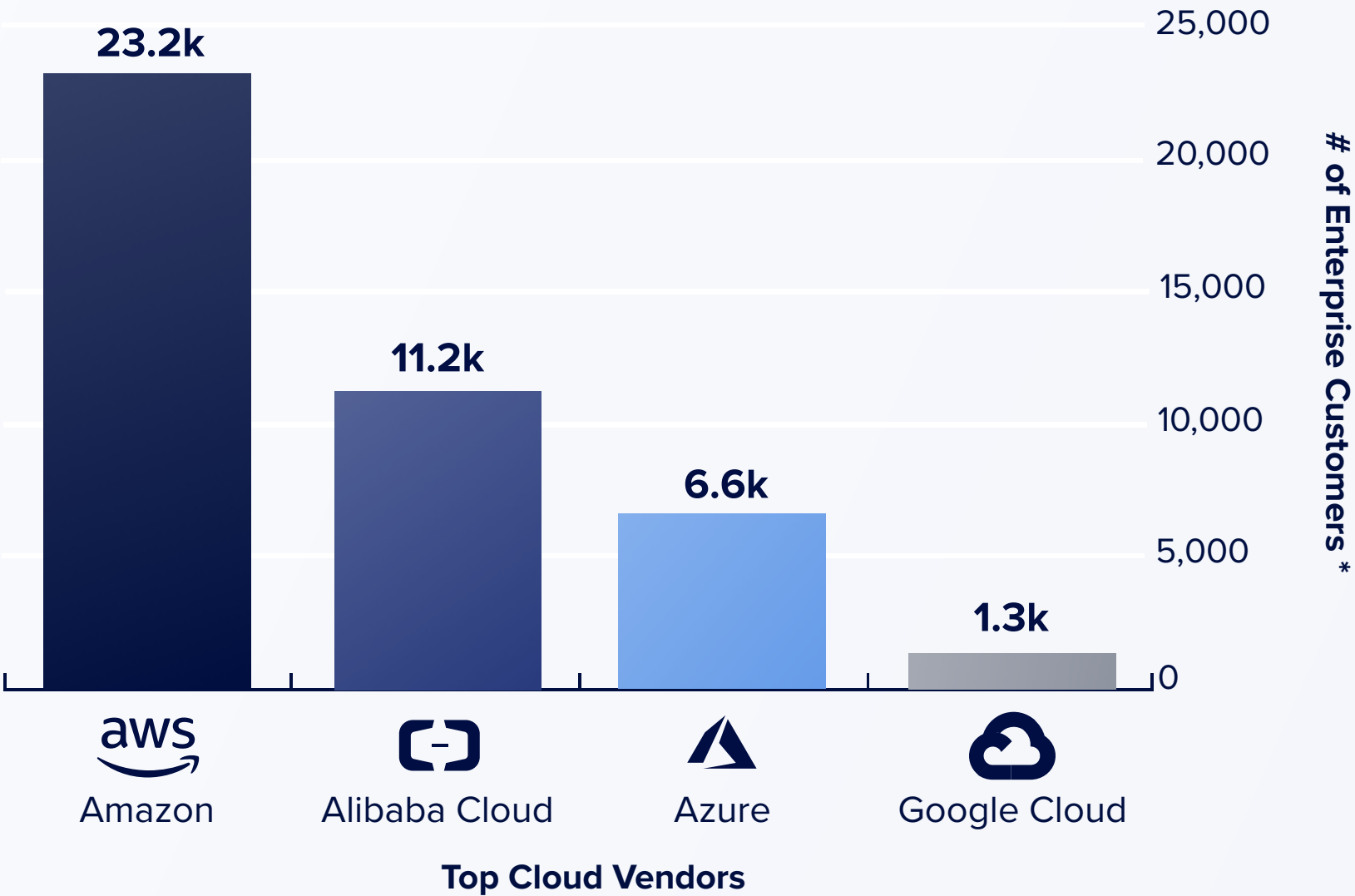
**Niche Solutions**



# GLOBAL CLOUD MARKET DETAIL

## Who Are the Leaders in the Cloud Hosting Market?

Cloud Hosting Enterprise Customer Count



AWS is the clear market leader in terms of revenue. It has more enterprise customers than the next three biggest vendors combined.



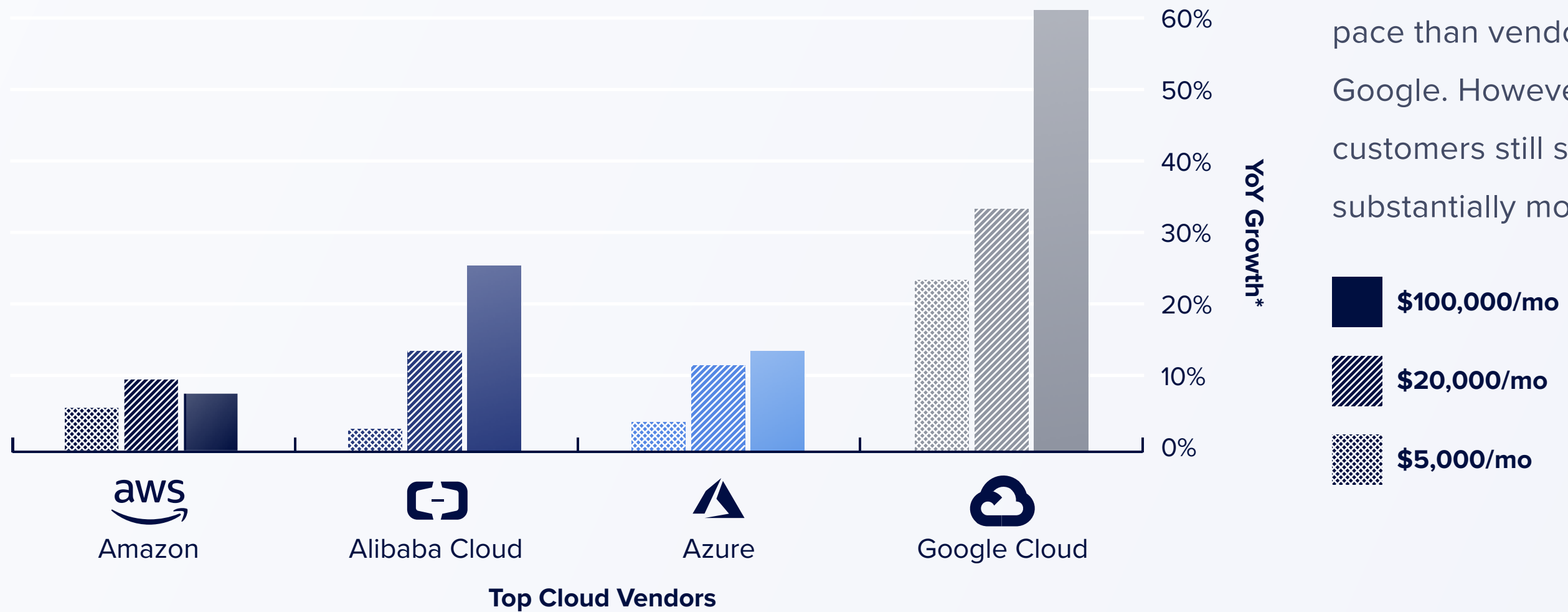
\*Data includes companies with 1,000+ employees.  
Source: 2019 Intricate Cloud Market Share Report



# GLOBAL CLOUD MARKET DETAIL

## How Much Do Cloud Customers Spend?

YoY Growth Rate by Company Size



AWS' enterprise customer base is growing at a slower pace than vendors like Google. However, AWS customers still spend substantially more overall.

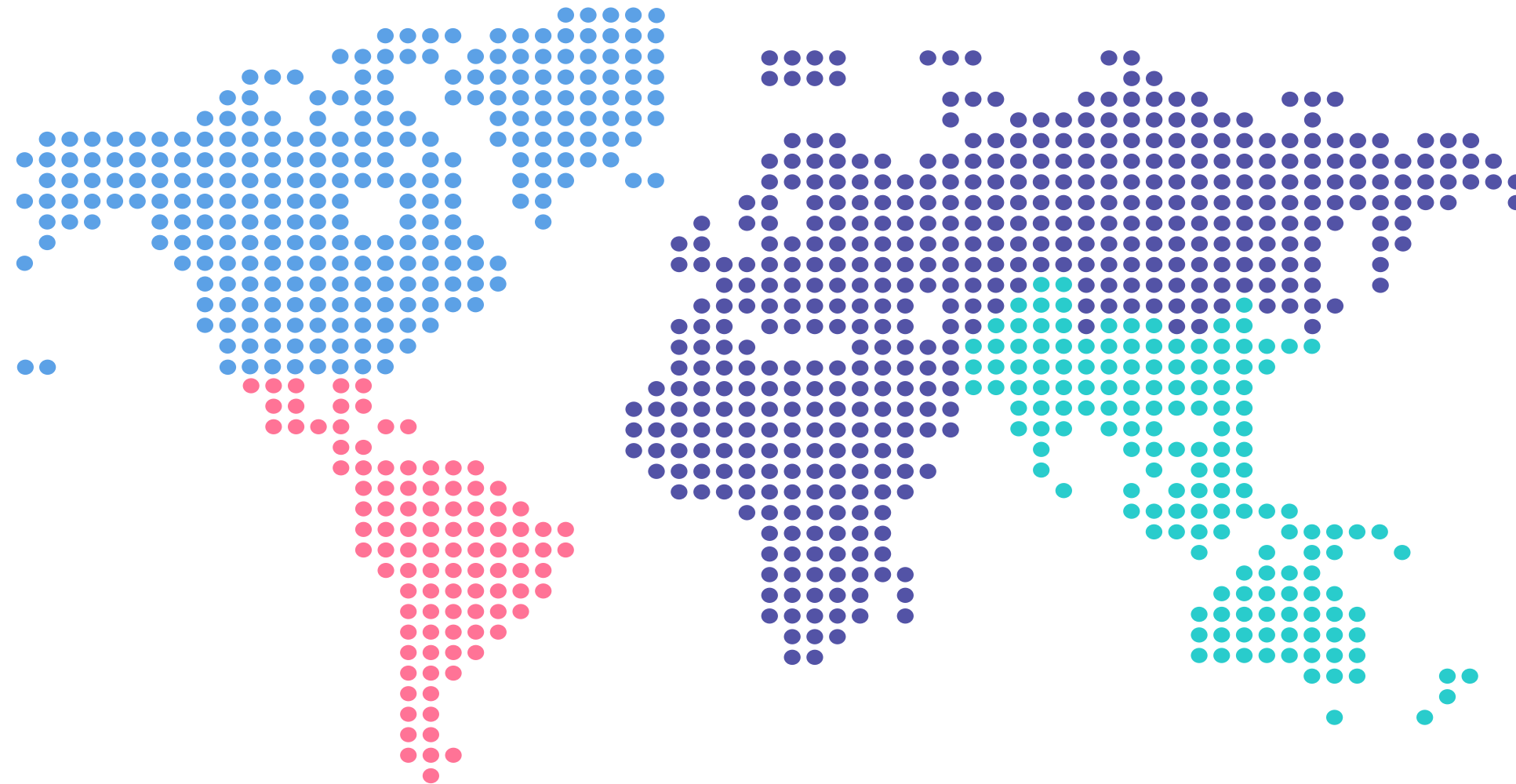


\*Increase in the number of customers in each spend tier from 2017 to 2018. Source: 2019 Intricate Cloud Market Share Report



# REGIONAL DISTRIBUTION: WHERE ARE CLOUD BUYERS LOCATED?

This map represents the distribution of cloud buyers across the world.\*



North America	<b>516k</b>	Latin America	<b>107k</b>	Europe, the Middle East & Africa	<b>286k</b>	Asia-Pacific	<b>288k</b>
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\*Cloud buyers are defined as companies that spend money on cloud hosting products monthly. This map only includes cloud buyers Intricate has location data for.

Source: 2019 Intricate Cloud Market Share Report





# CLOUD PRODUCT ADOPTION BY COMPANY SIZE

The average enterprise organization deploys an average of 27 cloud applications – many of which are competitive with one another. As cloud products become more specialized, companies are faced with the task of integrating multiple competing products.

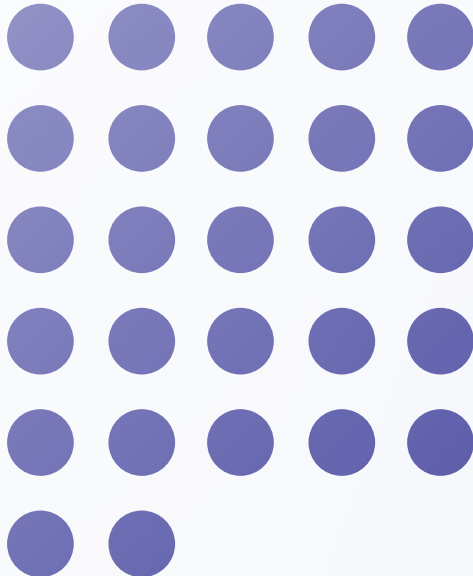
## How Many Cloud Products Do Companies Deploy?

Average Number of Cloud Products per Company

### Enterprise

1,000+ employees

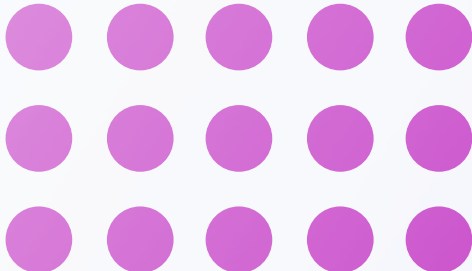
**27 PRODUCTS**



### Mid-Market

100-1,000 employees

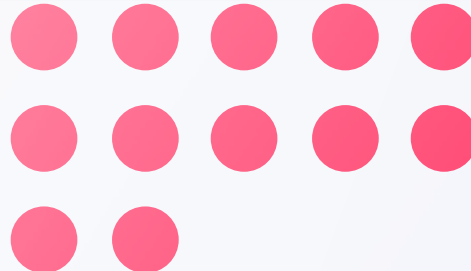
**15 PRODUCTS**



### SMB

10-100 employees

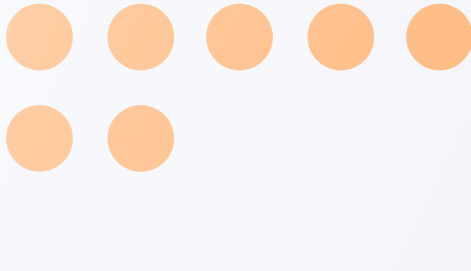
**12 PRODUCTS**



### Tiny

Less than 10 employees

**7 PRODUCTS**



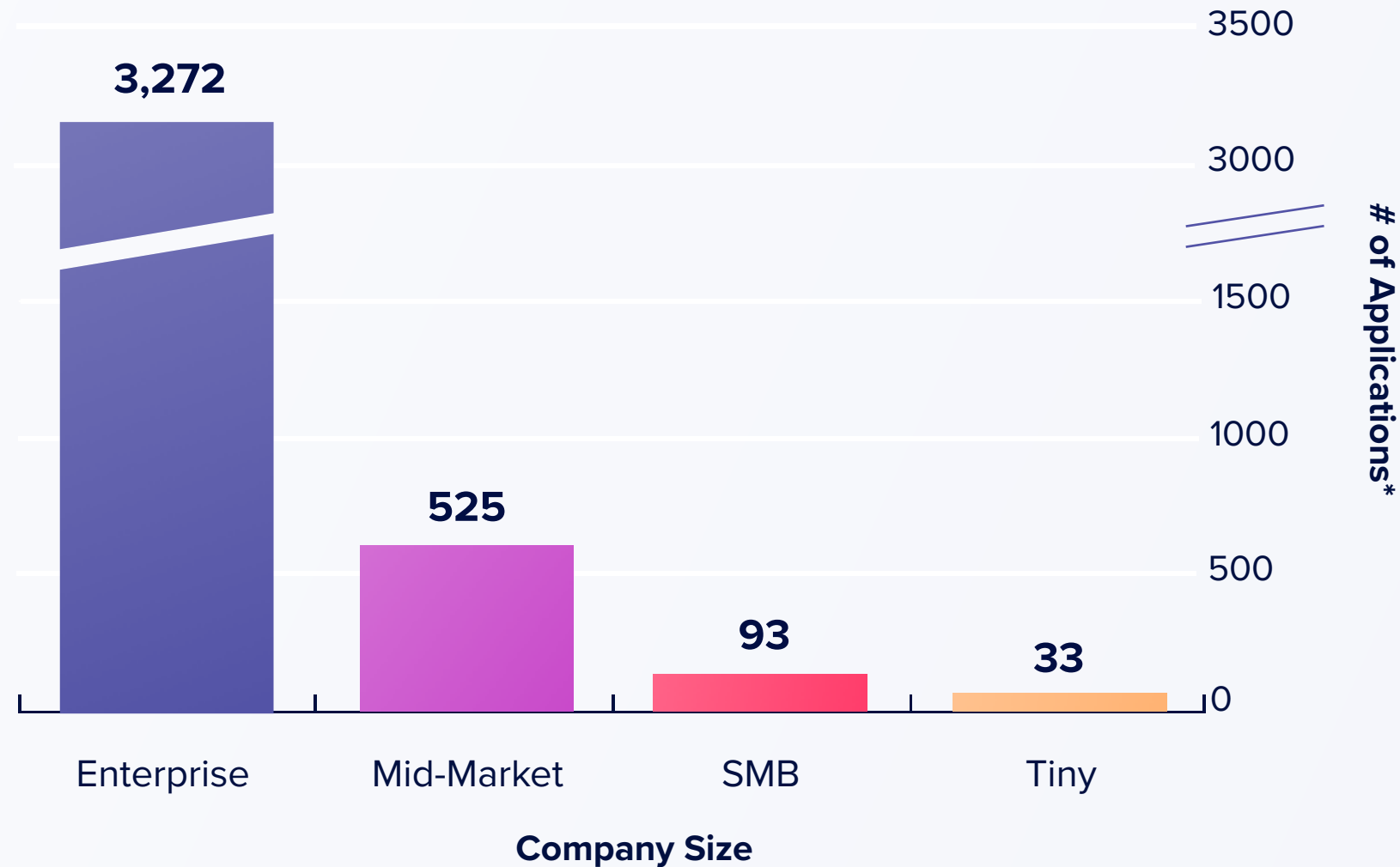
Source: 2019 Intricate Cloud Market Share Report



# STATE OF CLOUD HOSTING

## How Many Applications Do Businesses Use?

Average Number of Applications Per Company



The proliferation of software and app development is driving up cloud hosting spend and usage. The average number of applications that a business uses is rapidly accelerating as more vendors provide tools and infrastructure needed to simplify application development and build web-scale products.

To keep pace with growing software demands, more companies are abandoning physical servers in favor of cloud hosting.



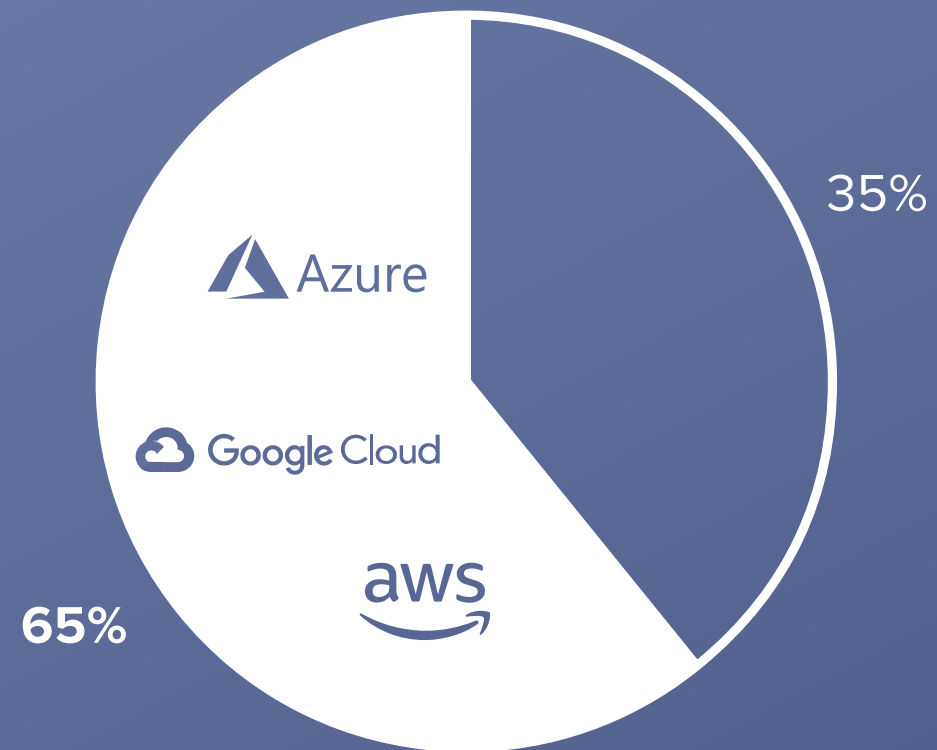
\*Cloud and on-premises applications.  
Source: 2019 Intricate Cloud Market Report



83% of enterprise workloads will be in the cloud by 2020.



Amazon, Microsoft, and Google are the leaders in the cloud hosting space.



Combined, they account for nearly 65% of the global cloud market.



**\$206.2 BILLION IN REVENUE IN 2019**

According to Gartner, the public cloud market is predicted to grow 17.3 percent to reach \$206.2 billion in revenue in 2019.



# CLOUD HOSTING TRENDS



## Rising Customer Expectations

Consumers expect fast, reliable, and intuitive applications.

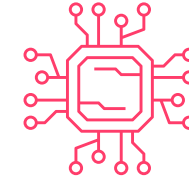
To stay competitive, enterprises are racing to deploy high-quality software for internal and external users. As a result, enterprise cloud buyers are demanding high performance, redundancy, and low latency from cloud hosting providers.



## Globalization

Cloud technologies have made it possible for businesses to quickly deploy infrastructure to conduct business internationally.

As the enterprise workforce and customer base go global, cloud providers need to offer distributed, high-performing hosting solutions across the globe. Modern applications are increasingly distributed and need to run from many locations.



## Niche Solutions

What do you do when you can't compete with AWS as a commodity business? You specialize.

Cloud hosting providers are capitalizing on trends like artificial intelligence, security, and the developer experience to differentiate their services and win clients.



# WHO ARE THE KEY PLAYERS?



## **Amazon EC2, Amazon S3, AWS China, AWS RDS**

With its extensive customer base and breadth and depth of products, Amazon is the largest provider in the cloud hosting space by far.

Amazon's popular cloud hosting products include EC2 for compute capacity and S3 for object storage.



## **Microsoft Azure**

Microsoft found a foothold in the cloud hosting market by converting legacy Microsoft customers into cloud customers.

Azure offers a seamless cloud hosting solution for businesses running Microsoft-centric environments.



## **Google Compute Engine**

G Suite and the Google Cloud Platform are now a multi-billion dollar per quarter business. Google found its niche in the cloud hosting space by selling to smaller, cloud-native startups.

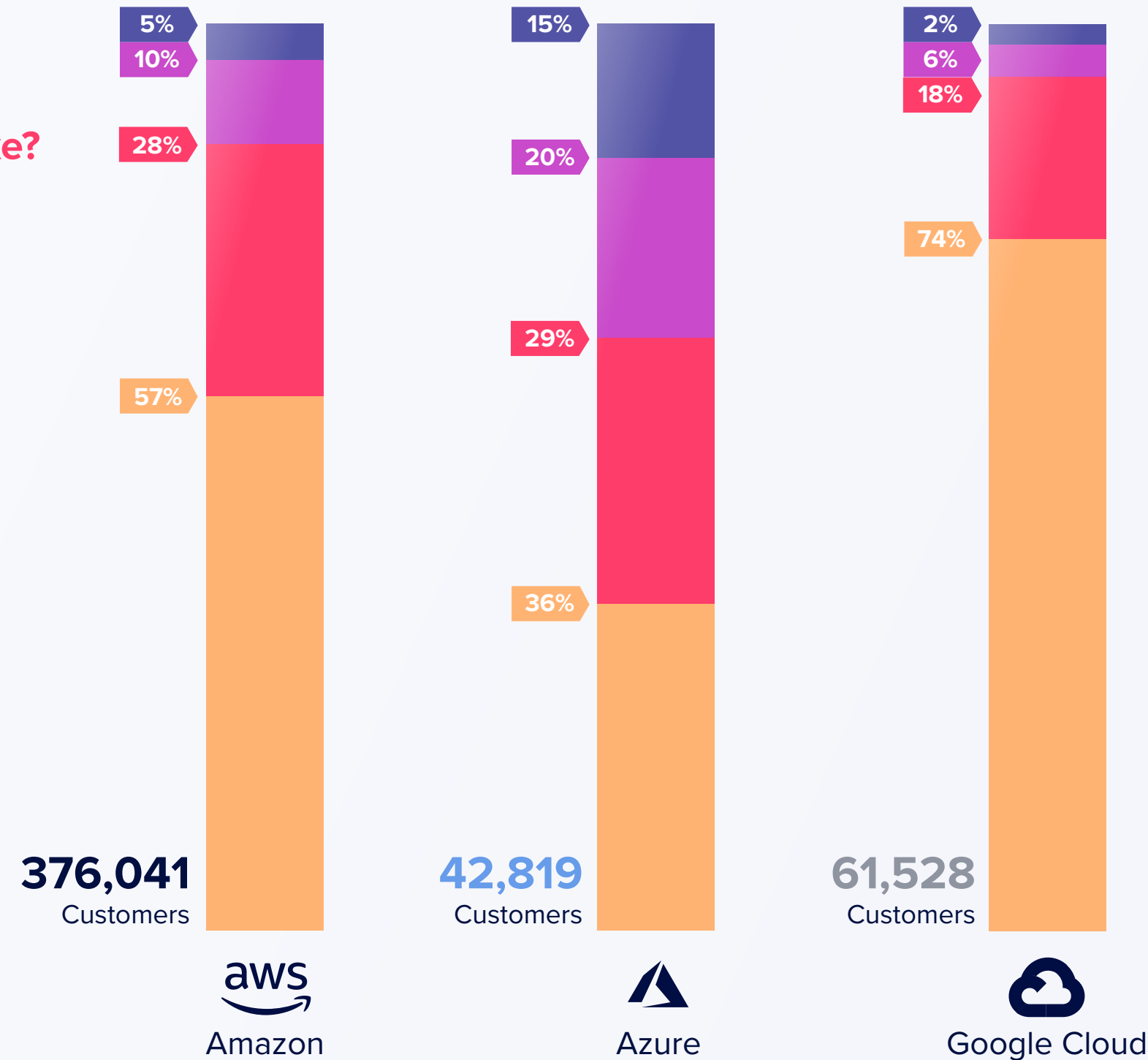
Google Compute Engine is known for its reliable performance and competitive pricing.



# WHO ARE THE KEY PLAYERS?

## What Do The Top Cloud Vendors' Customers Look Like?

Total Customers by Company Size



- Enterprise**  
1,000+ employees
- Mid-Market**  
100-1,000 employees
- SMB**  
10-100 employees
- Tiny**  
Less than 10 employees



Source: 2019 Intricate Cloud Market Share Report



# REGIONAL DISTRIBUTION: WHERE ARE CLOUD HOSTING BUYERS LOCATED?

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\*Cloud hosting buyers are defined as companies that spend money on cloud hosting products monthly. This map only includes cloud hosting buyers Intricate has location data for.

Source: 2019 Intricate Cloud Market Share Report



# TOP CLOUD HOSTING PROVIDERS BY CUSTOMERS

1	Amazon Web Services		<b>376,041</b> Customers	6	IBM		<b>54,209</b> Customers
2	Digital Ocean, Inc.		<b>101,101</b> Customers	7	AliCloud		<b>53,710</b> Customers
3	Rackspace		<b>94,385</b> Customers	8	HiChina		<b>43,128</b> Customers
4	Google Cloud		<b>61,528</b> Customers	9	Microsoft Azure		<b>42,819</b> Customers
5	Linode		<b>59,657</b> Customers	10	Level 3 Communications		<b>32,150</b> Customers

Source: 2019 Intricate Cloud Market Share Report

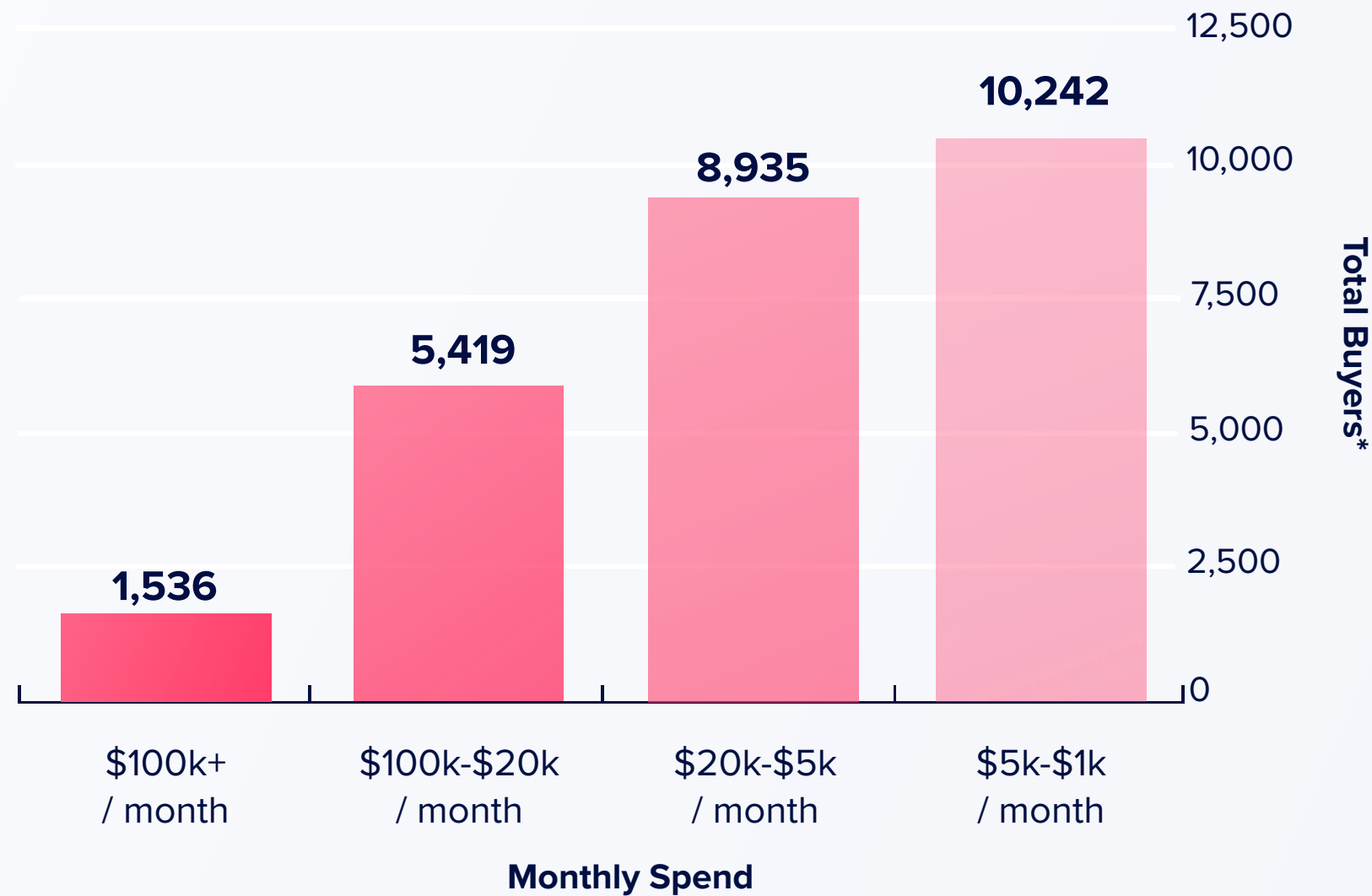




# CLOUD HOSTING CUSTOMER SPEND

## How Much Do Companies Spend on Cloud Hosting Products?

Cloud Buyers by Spend



Across all products, 1,536 companies spend more than \$100K per month on cloud hosting vendors.

AWS is a vendor to 81% of these top-tier buyers.



\*Companies that purchased cloud hosting products in 2018.

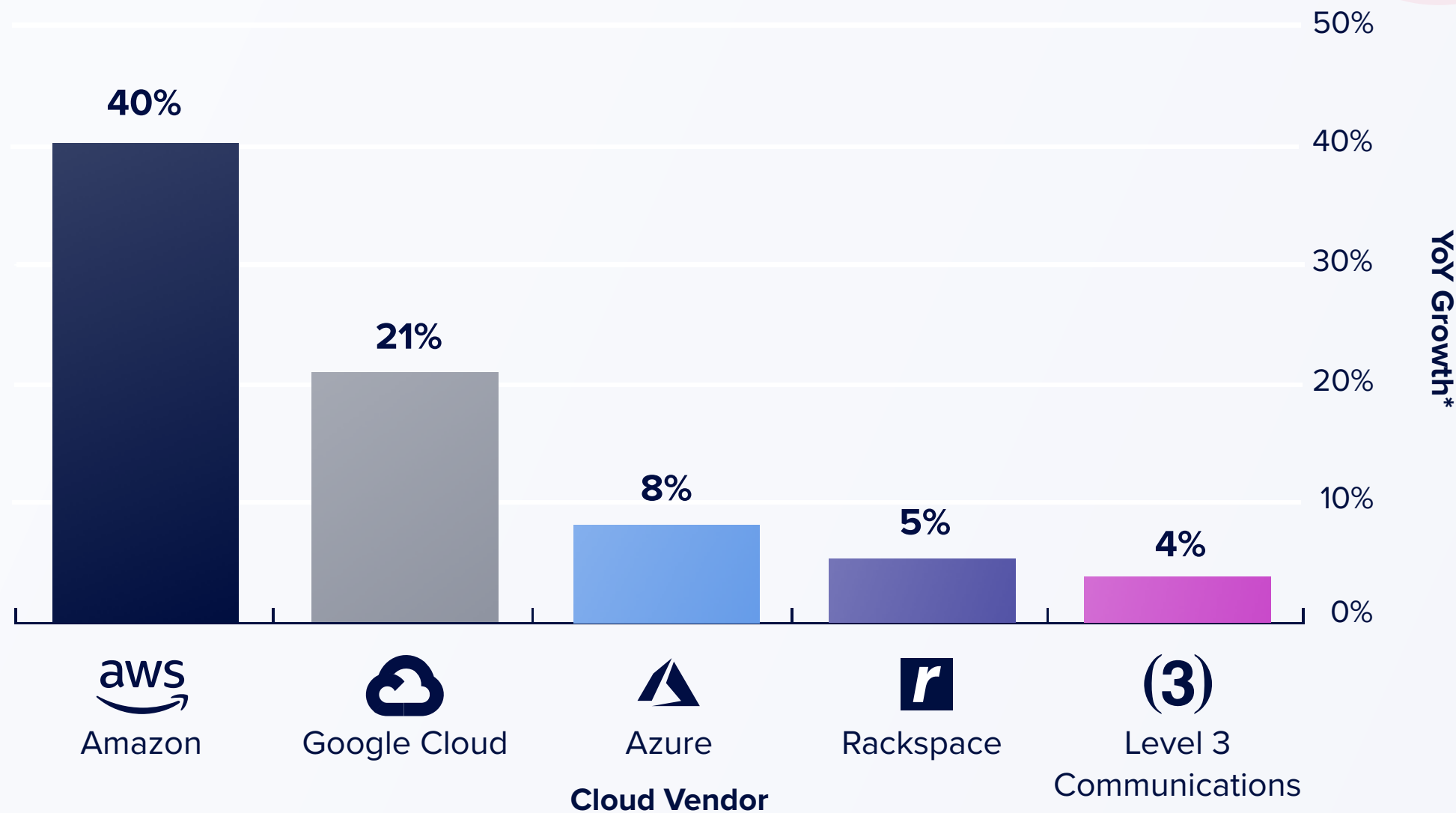
Source: 2019 Intricate Cloud Market Share Report



# CLOUD HOSTING ENTERPRISE CUSTOMER INSIGHTS

## How Fast Are They Gaining Market Share?

YoY Growth Rate by Enterprise Customer Count



Amazon holds 29% of the enterprise market share, and it's continuing to widen the gap. AWS experienced 40% year-over-year customer growth in 2018.

Google has long been a consumer-centric organization, but it's starting to gain significant traction in the enterprise market. Although Google only holds 2% of the market share, it saw 21% year-over-year enterprise customer growth in 2018.

Comparatively, Microsoft's enterprise customer base grew 8% year-over-year from 2017 to 2018.



\*From 2017 to 2018 for companies estimated to have 1,000+ employees. Source: 2019 Intricate Cloud Market Report



# TOP CLOUD HOSTING BUYERS

Most of the top global cloud hosting buyers are concentrated in media and internet services. We highlighted nine of the largest spenders by their estimated monthly spend on cloud hosting services.

**facebook**

\$59M / month

**NETFLIX**

\$5M / month

**twitter**

\$24M / month

*Pinterest*

\$6M / month

Baidu 百度

\$20M / month

**Rakuten**

\$3M / month

**twitch**

\$16M / month

**BBC**

\$6M / month



**BOOKING HOLDINGS**

\$3M / month

Intricately monitors the cloud hosting deployments and spend estimates for over 7M companies worldwide. Visit [intricately.com](https://intricately.com) to see a spend report for your company.



# CLOUD HOSTING IN 2019 AND BEYOND

It's no secret Amazon is winning, but there is clearly room for more than one winner.

Cloud computing is a critical tool for modernizing applications, making sense of big data, and pioneering new technologies. And digital transformation is fueling enterprise cloud adoption and spend faster than ever before.

To capitalize on this growth, modern cloud services provider need to focus on high-ROI customers and niche market opportunities.





# KNOW WHERE YOU ARE IN THE CLOUD MARKET

Want to know where your biggest opportunities to grow are in the cloud market?

Intricately specializes in helping cloud providers like yourself solve complex challenges. By leveraging the Intricately data platform, you can:

- **Forecast, plan, and target territories and markets**
- **Assess how you're performing across product lines compared to competitors**
- **See which industries and regions are saturated with your ideal customers**
- **Focus your marketing and sales efforts on qualified opportunities with adequate budgets, expiring contracts, and use cases you can support**

**Contact us  
to receive a  
free market  
analysis.**

 **650-600-1834**

 **[learnmore@intricately.com](mailto:learnmore@intricately.com)**



# ABOUT INTRICATELY

Intricate gives cloud sales and marketing teams an unfair advantage in finding and acquiring new customers, building advanced scoring models, getting proactive notification of sales cycles, spotting churn before it happens, and more.

Our sophisticated data platform provides a detailed picture of your prospects' cloud products and technology contracts so you can target your ideal buyers when they're ready to purchase.

**We show you the true spending potential of your target customers.**

## Our Customers

