

Cloud infrastructure market grows 47% in Q1 2018, despite underuse

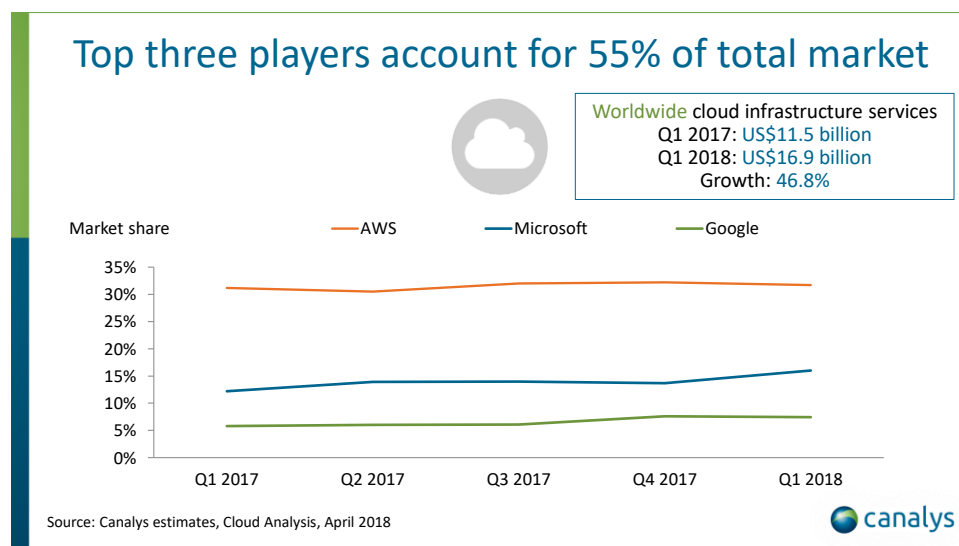
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Cloud infrastructure market grows 47% in Q1 2018, despite underuse - via @Canalys
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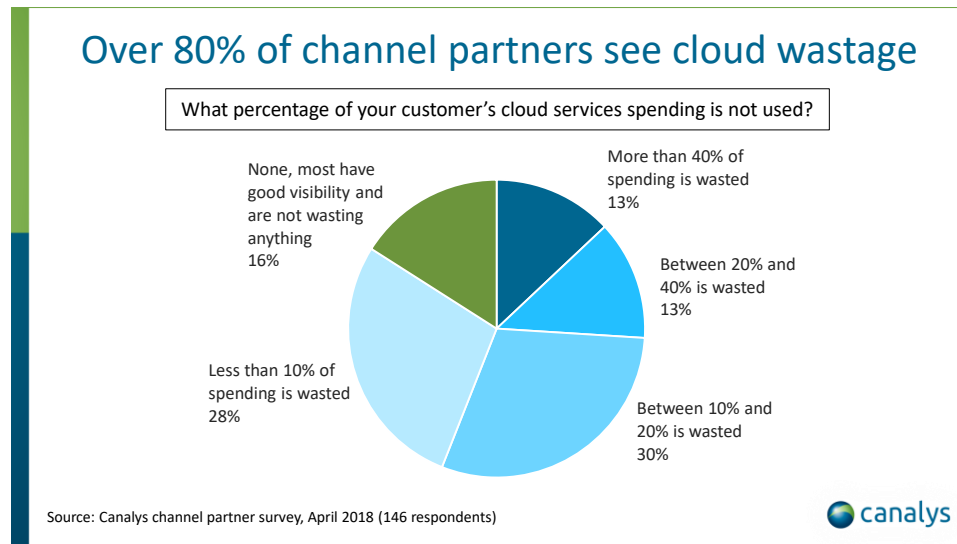
Worldwide spending on cloud infrastructure services continues to grow, reaching US\$17 billion in the first quarter of 2018. This represents a 47% increase on the same period last year. Amazon Web Services (AWS) stayed ahead of the competition, up 49% this quarter. The market

leader’s revenue is nearly double that of its nearest competitor, Microsoft (up 93%), which continued to grow faster than AWS. Google was ranked third, up 89% to US\$1.2 billion.



Cloud adoption has been a key part of businesses’ digital transformation strategies due to its multiple benefits, including elasticity, scalability, on-demand provision of virtualized and container resources, and low upfront costs. But complexity and uncontrolled user access to cloud technologies has led to customers underusing paid-for services and not fully realizing the return on investment. “According to a Canalys survey of 146 channel partners around the world, over 80% of respondents believe their customers’ cloud expenditure is not fully used,” said Daniel Liu,

Research Analyst in Canalys. “58% of partners believe up to 20% of their customers’ cloud investment is wasted, while 26% think the wastage is more than 20%.”



This is creating opportunities for channel partners, as more organizations are migrating to public cloud services and opting for multiple providers while integrating them with their existing IT infrastructure. “The main role for channel partners after migrating and integrating customer workloads to a hybrid environment will be giving them greater visibility into available cloud resources to optimize use. This will be driven by analytics and, in future, machine learning to identify the optimal cloud package or subscription. But the skills needed for workload cloud migration, consumption monitoring, billing analytics, cloud consultation and integration services are in short supply,” said Liu.

For more information, please contact:

Canalys EMEA: +44 118 984 0520

Matthew Ball: matthew_ball@canalys.com +44 118 984 0535

Canalys APAC (Shanghai): +86 21 2225 2888

Daniel Liu: daniel_liu@canalys.com +86 21 2225 2817

Canalys APAC (Singapore): +65 6671 9399

Jordan Mari De Leon: jordan_mari_deleon@canalys.com +65 66 719 397

Canalys Americas: +1 650 681 4488

Alex Smith: alex_smith@canalys.com +1 650 681 4486

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Americas: Suite 317, 855 El Camino Real, Palo Alto, CA 94301, US | tel: +1 650 681 4488

APAC: Room 310, Block A, No 98 Yanping Road, Jingan District, Shanghai 200042, China | tel: +86 21 2225 2888

APAC: 133 Cecil Street, Keck Seng Tower, #13-02/02A, Singapore 069535 | tel: +65 6671 9399

EMEA: Diddenham Court, Lambwood Hill, Grazeley, Reading RG7 1JQ, UK | tel: +44 118 984 0520

email: inquiry@canalys.com | web: www.canalys.com