COVID-19 Impact Analysis

Cloud Technology Market
Impact on Worldwide ICT Spending

Worldwide ICT Technology Spending YoY Trend

- Amid the COVID-19 outbreak, the traditional ICT technology market such as hardware, software and services would see a decline in the next 3 years, due to economic downtime.
- New technologies such as AI, Robotics, AR/VR, IoT, cognitive security etc., would see surge in the adoption owing to the increasing new use-cases and new market opportunities.

Source: FMI Analysis, 2020
New ICT Technology Vs. Public Cloud Spending

Public Cloud Spending Vs. New ICT Technology YoY Trend

Key Insights

- In response to the COVID-19 pandemic, cloud service providers are taking special measures to meet the customer demand for cloud usage, due to sudden shift to a remote-first workforce.

- According to estimates, almost 70% CIOs agrees “cloud services” would become a priority in 2020, and they expect to reduce on-premises workloads to 35% in 2021, as compared to almost 60% in 2019.

- With this trend to continue, public cloud services market revenue is estimated to increase by 1.6X during 2019-2021.

Source: FMI Analysis, 2020
Impact on Public Cloud Services Types

COVID-19 Impact on Public Cloud Services Spending

Key Insights

- **Software-as-a-Service (SaaS) market** is estimated to grow by 1.4X from 2019-2020 and would see a surge in demand amid the COVID-19 outbreak, as remote working becomes the new norm.

- **Increasing adoption of cloud-based collaboration tools** such as web conferencing, cloud storage, unified messaging and others, due to global lockdowns.

- However, **cloud security has emerged to be a major concern**, as cyber criminals are targeting remote workforce with spear phishing emails, account hijacking and other attacks.

Source: FMI Analysis, 2020
The increasing work-from-home scenario amid global lockdowns due to COVID-19 outbreak, would drive the market for SaaS-based application during Q2-Q4 2020. Cloud-based offerings such as UCaaS, unified messaging, cloud-CRM, and others would grow at unprecedented rate.

However, the overall public cloud services market is projected to grow at increasing rate, Q1 2021 onwards.

Source: FMI Analysis, 2020