IDC MarketScape

IDC MarketScape: Worldwide Public Cloud Infrastructure as a Service 2022 Vendor Assessment

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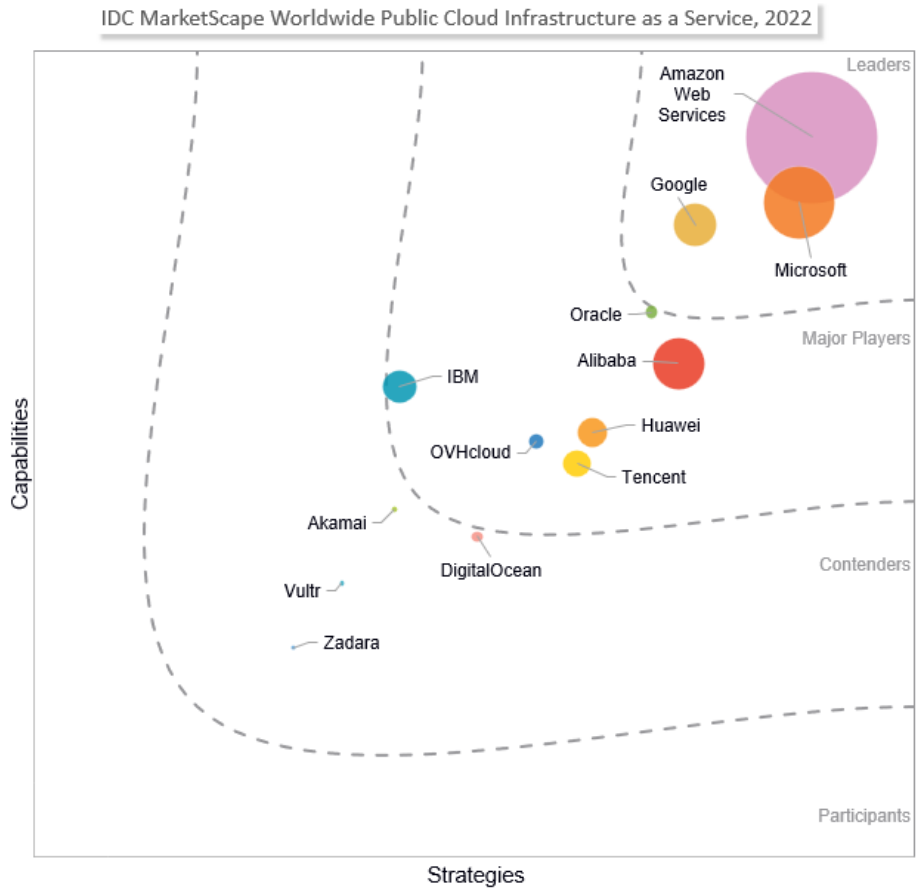
THIS IDC MARKETSCAPE EXCERPT FEATURES OVHCLOUD

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Public Cloud Infrastructure as a Service Vendor Assessment



Source: IDC, 2022

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

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IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Public Cloud Infrastructure as a Service 2022 Vendor Assessment (Doc # US48861822). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

Public cloud infrastructure as a service (IaaS) continues to see rapid growth as companies worldwide move workloads to the cloud and create new cloud-native applications. Public cloud IaaS spending rose 35.6% in 2021 to $91.3 billion, driven not only by customer preferences for the cloud but compelled by the onset of the COVID-19 pandemic. Even as the deadly disease is coming under control, thanks to the widespread availability of vaccines and natural immunity, IDC does not expect companies to pull back their use of public cloud IaaS. In fact, IDC estimates show that spending on public cloud IaaS will overtake the total spent on traditional infrastructure and private cloud in the next several years.

Since the publication of previous IDC MarketScape for public cloud IaaS in 2020 (see *IDC MarketScape: Worldwide Public Cloud Infrastructure as a Service 2020 Vendor Assessment,* IDC #US46795720, September 2020), the segment has undergone an evolution, thanks to the continuing maturity of hyperscale platforms, the arrival of new players, and a continued rollout of new regions and zones across the world. There is also a stronger understanding of cloud computing as an operating model for IT, and not something pegged to where infrastructure is located. Public cloud IaaS providers have aggressively expanded their footprints to on premises and edge locations, giving customers the benefits of cloud — scalability, elasticity, and consumption-based pricing — along with advantages such as security and latency associated with the latter two options. Moreover, public cloud IaaS providers are becoming increasingly cognizant of the rising interest in sovereign clouds and are adjusting their plans accordingly.

In the two years since last IDC MarketScape for public cloud IaaS, customers have a better, richer array of options, thanks to strategic decisions taken by vendors to gain competitive advantage. The following are some examples of this dynamic in action as IDC sees it:

- Innovative partnerships exist between software vendors known primarily for their on-premises options and public cloud IaaS providers with the services in many cases delivered natively by the cloud provider. This reflects competitive battle lines being redrawn or even erased, as traditional providers and public cloud IaaS leaders find that deep cooperation is good for customers and thus good for business.
- The movement of once single-focus cloud providers into adjacent areas, such as adding compute to storage, provides new alternatives for IaaS.
- The arrival of managed 5G network services allows customers to set up 5G networks directly from cloud provider consoles.
- While cloud computing has long been dominated by x86 infrastructure, this is changing today with the availability of ARM-based instances as well as custom silicon. Using ARM may require some rewriting of applications, but it offers compelling advantages around cost

performance ratios. IDC expects rapid expansion and uptake of ARM in the public cloud IaaS market in coming years.

- The move by major ISVs to decommission their own datacenters and shift operations to public cloud is also a major trend. The trend caters to customers that want their software-as-a-service (SaaS) applications and data running close by for privacy and regulatory reasons. This too is a reflection of the sovereign cloud trend.
- Multicloud continues to grow as a preferred customer deployment model (along with hybrid cloud) for reasons such as service selection and vendor management. While customers report multicloud can be difficult and costly to manage, providers are making new steps toward interoperability that can ease this pain and help customers innovate, moving beyond API compatibility and into areas such as dedicated interconnects.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This IDC MarketScape is an evaluation of global public cloud IaaS providers. IDC's Worldwide Semiannual Public Cloud Services Tracker covers more than 30 global and regional cloud providers with IaaS. However, many of these companies are focused on specific regions or have not reached a material revenue scale. This IDC MarketScape focuses on providers that have reached a certain threshold of revenue and have a presence in all global regions. IDC uses the following inclusion criteria for service providers included in this IDC MarketScape:

- The service provider offered IaaS compute and storage services for at least two years as of the end of 2021.
- The service provider generated over $100 million in IaaS business in 2021.
- The service provider has active operations in all three global regions — Americas; Europe, the Middle East, and Africa; and Asia/Pacific.

IDC opted to exclude service providers with public cloud services that were either no longer a strategic business focus or were in the process of undergoing a major transformation since the evaluation would not be an accurate reflection of the service.

ADVICE FOR TECHNOLOGY BUYERS

Despite the continuing strong growth in public cloud IaaS revenue, many workloads remain on premises and may stay that way forever due to latency, privacy, and security reasons. Other workloads, such as older, stable bespoke applications, may run fine on traditional infrastructure, making a lift and shift to public cloud unnecessary or undesired.

Public cloud IaaS buyers should, if they have not already, begin viewing cloud computing as an overall operating model spanning a continuum from hyperscale datacenters to edge locations to private datacenters and colocation provider facilities. Advances in infrastructure software such as Kubernetes and VMware, along with vendor willingness to make other functional investments, mean the cloud experience is increasingly similar across all these locations.

The options can be overwhelming, but customers should view the landscape for its advantages and not be afflicted by the paradox of choice. It is critical to determine a workload's placement not just by cost but also by factors such as service adjacency, the provider's broader ecosystem, and the provider's commitment to interoperability and open standards.

It will be the case for many customers that they spend the same or more with a given public IaaS provider over time, but on services that don't fit into the public IaaS category, as with dedicated cloud IaaS offerings such as AWS Outposts.

Securing and managing public cloud environments continues to be challenging for many customers. Seek providers that offer the best capabilities out of the box, as well as those that have a strong story to tell beyond monitoring and into system observability, a discipline and technology that becomes more critical in multicloud and hybrid cloud environments.

Ultimately, now is a time of fresh opportunity for public cloud IaaS buyers, from both a commercial and innovation standpoint. New and rising players in the public cloud IaaS game are eager for business and offering favorable terms and incentives. The growing maturity around interoperability and partnerships among providers is also good for customers. And as discussed previously, we are in an era where the cloud can be everywhere.

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of the vendor's strengths and challenges. (Companies are profiled in alphabetical order. Placement does not reflect standing in IDC MarketScape assessment placement, revenue, or any other factors.)

OVHcloud

OVHcloud is positioned in the Major Players category in the 2022 IDC MarketScape for worldwide public cloud infrastructure as a service.

With roots dating to 1999 as a hosted server provider, France-based OVHcloud entered the public cloud IaaS market in 2011. As of 2016, it had a presence in the United States and since then has continued expanding to other geographies. It now has 33 datacenters, primarily in Europe and North America, but is expanding its footprint in Asia.

It offers several flavors of IaaS including OVHcloud Bare Metal Cloud, a hosted private cloud service based on VMware, and OVH Public Cloud. In addition, the company provides website hosting services. Its compute offerings support AMD and Intel-based VMs. Storage options include block, file, and object. It partners with NetApp for an ONTAP-based file storage service managed by OVHcloud and with Veeam for backup. Archiving service tiers and NAS capabilities are also available.

In recent years, OVHcloud has made investments in building out software services higher up the stack in areas such as AI/ML, databases, and container orchestration. It has also continued to court partners focused on commercial and open source software to build its ecosystem. OVHcloud has also pursued targeted acquisitions to accelerate the deployment of in-house PaaS solutions, including OpenIO and Exten (storage), BuyDRM (security), and ForePaaS (data platform).

Strengths

OVHcloud has attractive and transparent pricing (e.g., it does not bill for API calls). It also has valuable service adjacency given it also offers dedicated private servers, web hosting, and hosted private clouds. This helps make it a one-stop shop for companies still early in their journey to the public cloud, as they can start the transition with OVHcloud using older deployment models and then maintain the same commercial relationship if and when they decide to move those workloads. OVHcloud's roots as a European service provider also puts the company in the catbird seat for conversations about sovereign cloud and data residency, and indeed, it has baked these factors into its development approach for years. It has also made sustainability a strong focus for many years.

Challenges

OVHcloud has the basics and more covered in terms of public cloud IaaS, but lags behind when one looks further up the software stack. Partnerships can help here, but IDC data shows that public cloud customers value native platform services highly for many workloads. OVHcloud also lacks awareness in major markets such as North America and will require heavy additional investment to raise its profile there.

APPENDIX

- The physical location of the hardware infrastructure systems on which the service is running
- Whether or not the service is dedicated to one organization or shared across multiple independent organizations
- The owner of the hardware infrastructure systems on which the service is running

At the broadest level, the types of deployment models for cloud services are public and private:

- Public cloud services are shared among unrelated enterprises and/or consumers, open to a largely unrestricted universe of potential users, and designed for a market, not a single enterprise.
- Private cloud services are shared within a single enterprise or an extended enterprise, with restrictions on access and level of resource dedication, and defined/controlled by the enterprise beyond the control available in public cloud offerings.

Attributes That Define an IT Cloud Service

IDC defines cloud services through a checklist of key attributes that an offering must manifest to end users of the service (see Table 1). To qualify as a "cloud service," as defined by IDC, an offering must support all of the six attributes listed in Table 1. These attributes apply to all cloud services – in all public and private cloud service deployment models – although the specifics of how each attribute applies may vary slightly among these deployment models.

TABLE 1

Six Attributes of IT Cloud Services

Attribute	Remarks
Shared, standard offering	Built for massive scale, automated deployment
Delivered as an all-inclusive service	Pre-integrated and manages/updates all required resources
Elastic scaling	Dynamic, rapid, and fine grained
Elastic pricing capability	Tied to resource consumption or number of users
Self-service	Self-service provisioning and administration options
API/published service interface	Programmable access via open/published API

Source: IDC, 2022

LEARN MORE

Related Research

- *Worldwide Public Cloud Infrastructure as a Service Forecast, 2022-2026* (IDC #US49520222, August 2022)
- *Worldwide Public Cloud Infrastructure as a Service Market Shares, 2021: Expanded Deployment Options Create New Opportunities* (IDC #US48101022, August 2022)
- *IDC's Worldwide Public Cloud Infrastructure as a Service Taxonomy, 2022* (IDC #US49017222, May 2022)

Synopsis

This IDC study provides an assessment of global public cloud infrastructure-as-a-service (IaaS) providers through the IDC MarketScape model.

"Cloud infrastructure remains a highly competitive market as providers expand into new regions with a broad portfolio of offerings," said Dave McCarthy, research vice president, Cloud and Edge Infrastructure Services. "As customers recognize the unique strengths of each cloud, they are increasingly finding themselves managing a multicloud environment, which creates opportunities for providers that facilitate the integration of specialized compute and storage services."

"Public cloud IaaS use has continued to rise quickly over the past two years, helped by continuing maturity in the largest hyperscalers, accelerating growth among others, and the arrival of new entrants to the market," said Chris Kanaracus, research director, Cloud Infrastructure Services. "There has also been a concerted effort by many IaaS providers to add to their global coverage and presence, meeting customer demand for low latency and redundancy, as well as to address the needs posed by the sovereign cloud movement."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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