

## **United States IT Services - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029**

Market Report | 2024-02-17 | 200 pages | Mordor Intelligence

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### **Report description:**

The United States IT Services Market size is estimated at USD 461.03 billion in 2024, and is expected to reach USD 630.76 billion by 2029, growing at a CAGR of 6.47% during the forecast period (2024-2029).

#### Key Highlights

-Firms focusing more on digital with access to advanced technologies for driving growth while decreasing cost, growing usage of cloud technologies, and using business intelligence for forecasting and optimizing company operations to earn more increased tical IT Services Market drivers and trends fueling the growth of the market. Growing data security and privacy protection considerations drive the demand for IT services from companies across various industry verticals.

#### Key Highlights

-IT decision-makers face regulatory compliance, security, and risk reduction issues as businesses in the digital transformation era upgrade their on-premises IT infrastructure services and move some of their operations to the cloud.

-Moreover, The demand for cloud computing solutions and, consequently, the adoption of ondemand IT services in the region is driven by increasing awareness amongst businesses that they can save money and resources by shifting their data to a cloud rather than building or maintaining new information storage.

- The IT services across the region are likely to be influenced by trends such as 5G, Blockchain, AR and AI. It's likely that companies will be able to set up networks in their premises with the arrival of 5G technology. It is expected that digital transformation will allow the establishment of new networks based on local frequency bands or to upgrade existing ones for LTE.

-IT service market has a positive outlook in the country. Still, factors such as growing data breaches, cost concerns over product customization, and data migration are some of the reasons posing a threat to the market.

-According to the US Census Bureau, post-COVID-19, retail e-commerce sales in the United States were rise over the previous

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quarter. The opportunity for market players to grow after the pandemic would be created by such a huge increase in ecommerce sales. There has been a noticeable increase in organisations that have made significant investments to the IT services market since the pandemic. The need to address evolving digital transformation requirements in different end user industries and to strengthen the hybrid workplace environment is primarily driving this growth.

## USA IT Service Market Trends

### IT Outsourcing to Hold Major Market Share

- The majority of US companies have long outsourced IT work to developing economies to save on labor costs. The country houses major IT outsourcing players such as IBM, DXC, and Cognizant, which fuels the country's offshore and onshore IT outsourcing market during the forecast period.
- The country has been registering significant digital transformations across all private and government-owned businesses, creating an opportunity for market vendors, such as TCS, Infosys, etc., to expand their businesses by contracting with the enterprises for their IT outsourcing service offerings.
- A US-based employer, for instance, considers a set of cost parameters while hiring a US-based employee. These costs include recruiting, office space, computer equipment, office furniture, supervision/training, quality assurance, wage/salary, Federal Insurance Contributions Act (FICA), Medicare, unemployment insurance, workman's comp, benefits, retirement plan, paid holidays, sick days, employee turnover, office supplies, human resources department, and government regulations compliance oversight.
- Amongst these cost stacks, the IT outsourcing option becomes more viable. The global IT services vendors also Additionally, the global IT services vendors resorted to expanding their footprints in the country. Such action clearly indicates demand soaring for IT outsourcing from local companies. In order to offer digital transformation services to clients in the smart manufacturing, insurance, aerospace and defence sectors, HCL Technologies has established a global delivery centre in the country.
- Many midscale IT service companies operating in the US, such as Onix Networking Corp, Innwise Inc., etc., have been partnering with global technology companies, such as Microsoft and Google, to increase their IT outsourcing service capabilities, supporting the market growth in the country. For instance, in February 2023, Onix announced that it has collaborated in the Google Cloud Partner Advantage program to gain the application Development Partner Specialization. It expanded its IT outsourcing service, offering the capability and capacity to build customer solutions in the Application Development field using Google Cloud technology.
- The digitization trend in the country with Industry 4.0 has led to the reshoring of IT services, i.e., bringing operations back to the US shores. This has become increasingly popular as the government has been aiming to create domestic jobs and help in the resurgence of the American economy, which can support the market expansion of IT outsourcing companies in the country and drive the market during the forecast period.
- The Bureau of Labor Statistics in the United States estimates that there will be a 31% increase in employment between now and 2026. In addition, in this period, approximately 255,400 IT jobs are expected to be created. About 0.36 million people were employed by the public sector and about 0.083 million for information industries within the United States.

### Healthcare to be the Largest End-user Industry

- Advanced and emerging technologies have recently transformed healthcare in the United States. In response to the changing regulatory environment, hospitals and doctor's offices have introduced new technology that improves quality of care for patients. High technology operations are now being carried out at medical facilities in the country, placing advanced technologies in the hands of talented professionals.

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- IT services in the healthcare sector enable the implementation of insights-driven solutions for efficient and digitally accessible healthcare that suit individual organizations to small or big multiservice organizations and franchises. Additionally, these services help healthcare customers streamline integrated care delivery for better clinical, financial, and operational outcomes.
- Moreover, the implementation of IT services in the healthcare sector is rapidly rising across the United States as healthcare organizations focus on digitizing healthcare practices for improved care. Therefore, various IT service providers are introducing healthcare IT services in the region.
- For example, Damco's HIPAA complaint telemedicine solution enables healthcare providers to offer quality and safe telehealth services that give a more favourable alternative to traditional medical models. By using the Internet and mobile devices to connect with doctors leveraging videoconferencing or audiophone call communications, booking online appointments, undergoing real time consultations, getting more information about medical treatments remotely, this company's IT service enables patients to access healthcare services from wherever they are.
- Furthermore, the government has forecasted the healthcare expenditure to reach USD 7.147 trillion, thereby contributing to the market growth. In the United States, digital transformation in healthcare involves the integration of digital functions or processes across the enterprise - be it a payer, a provider, or another organization.
- By combining digital systems and processes, digitally transformed healthcare can offer its patients individualized and omnichannel experiences. Advancements in electronic medical records or other initiatives striving for medical interoperability reflect the recent shift toward the digital transformation of healthcare in the United States. Such developments are boosting the adoption of IT services in the United States.

## USA IT Service Industry Overview

The USA IT service market is fragmented and is under examination is currently dominated by major players, including IBM, TCS, Wipro, Microsoft, and Capgemini, all of whom boast substantial client bases. These industry leaders are continuously elevating their offerings, employing robust competitive strategies to maintain their market presence and retain their clientele. This intense competition characterizes the market landscape, with high levels of rivalry expected to persist throughout the forecasted period as these players tailor their services to meet the diverse needs of their customers.

- In October 2023 - IBM has announced the next evolution of its managed detection and response service offerings with new AI technologies, including the ability to automatically escalate or close up to 85% of alerts, while helping to accelerate security response timelines for clients. Where the new Threat Detection and Response Services (TDR) provide 24x7 monitoring, investigation, and automated remediation of security alerts from all relevant technologies across client's hybrid cloud environments including existing security tools and investments, as well as cloud, on-premise, and operational technologies (OT)
- In July 2023, Tata Consultancy Services (TCS) extended its longstanding partnership with GE HealthCare Technologies Inc. (GE HealthCare) to facilitate the transformation of GE Healthcare's IT operating model. This collaboration will primarily focus on digitally revamping GE HealthCare's global IT function by introducing a novel operating model for overseeing its application portfolio and fostering innovation. TCS will oversee the development, maintenance, rationalization, and standardization of its enterprise IT applications.

### Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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