

Data Center Services - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The Data Center Services Market size is estimated at USD 148.31 billion in 2025, and is expected to reach USD 316.65 billion by 2030, at a CAGR of 16.38% during the forecast period (2025-2030).

The primary driver behind the surge in demand for data center services is the widespread adoption of cloud computing. Businesses and firms are turning to cloud services for their storage, computing, and application requirements, leading to a surge in data volumes that necessitates expanded data center capacity.

The rising demand for digital transformation initiatives in multiple industries is driving the need for robust data center infrastructure. Firms are increasingly turning to digital technologies to boost operations, elevate customer experiences, and foster innovation. Organizations are progressively relying on big data and analytics, collecting and analyzing extensive data sets for decision-making. This trend underscores the growing need for robust data storage and processing infrastructure.

In January 2024, Digital Realty, a global provider of cloud- and carrier-neutral data center services, unveiled its inaugural data center in India. Situated in Chennai's industrial hub, the 10-acre campus boasts the capacity to support up to 100 megawatts of critical IT load. This marks a pivotal expansion for the company's global data center platform, addressing the escalating digital transformation demands in significant global markets.

Moreover, the increase of the Internet of Things (IoT) adds another layer of demand, with countless connected devices generating massive amounts of data that need to be stored, processed, and analyzed. The expanding sophistication of artificial intelligence and machine learning necessitates substantial computational power and storage, thereby driving up the demand for data center services.

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The surge in remote work and digital services, catalyzed by the COVID-19 pandemic, underscored the importance of data centers. They now serve as crucial hubs for secure and reliable access to information and applications. Additionally, stringent data protection regulations are nudging businesses to bolster their investments in data center services to meet compliance standards. Technological advancements, including energy-efficient designs and enhanced cooling solutions, are enhancing the appeal and cost-effectiveness of data centers, thereby fuelling market growth.

In April 2024, CoreSite, a subsidiary of American Tower Corporation and a provider of hybrid IT solutions, revealed its certification under the NVIDIA DGX-Ready Data Center program. This certification equips CoreSite to offer scalable, high-performance infrastructure, catering specifically to organizations seeking to leverage the growing appetite for artificial intelligence (AI), machine learning (ML), and other high-density applications. Customers opting to host their NVIDIA DGX infrastructure with CoreSite can gain access to a network of high-density data center campuses in key locations, such as Los Angeles, Silicon Valley, Chicago, and Northern Virginia, tailored for NVIDIA AI and high-performance computing.

However, the growth of the market is restricted by high operational costs, energy consumption concerns, and limited availability of skilled professionals. Additionally, data security and privacy challenges, along with regulatory compliance requirements, pose significant barriers to expansion.

Data Center Services Market Trends

Cloud and Hosting is Expected to Capture a Major Share in the Data Center Services Market

- The growing demand for cloud and hosting services is propelling the data center services market. This surge is fuelled by the necessity for enhanced, scalable infrastructure. With businesses increasingly shifting to the cloud for its flexibility, scalability, and cost-effectiveness, the demand for reliable data center facilities has surged to support these services.
- The rising demand is driving investments in data center construction and expansion. This surge is not only spurring technological advancements but also amplifying the necessity for high-performance computing, storage, and networking solutions. Furthermore, the transition to cloud-based services is fuelling innovation and competition in the data center sphere. This heightened competition is resulting in more robust service portfolios and greater operational efficiencies.
- According to Cloudscene, as of March 2024, the United States boasted the highest number of data centers globally, with a reported count of 5,381. Germany followed with 521, and the United Kingdom closely behind with 514.
- Billions of internet-connected devices are in operation today, a number that continues to climb. These devices often produce substantial data volumes, necessitating recording, processing, storage, assessment, and retrieval. As IoT and Industry 4.0 advance, manufacturers increasingly turn to big data and analytics to enhance productivity, cut costs, bolster security, and streamline operations.
- As data generation accelerates, capturing timely insights becomes increasingly challenging. Emerging digital arenas, like smart cities and intelligent buildings, provide a wealth of readily accessible data. Furthermore, the public cloud's popularity is surging due to its cost-effectiveness and minimal maintenance requirements. Moreover, the accessibility of cloud services is empowering small and medium enterprises to scale efficiently, as they can tailor their infrastructure expenses to match their requirements.
- In May 2024, Soluna Holdings Inc., a company specializing in green data centers for Bitcoin mining and intensive computing, revealed a new partnership. It announced its plan to collaborate with a global enterprise GPU-server OEM and an AI Infrastructure-as-a-Service provider. Soluna Cloud is set to launch its services, tapping into the renewable-powered, high-performance data centers of its strategic partner. Moreover, this partnership is expected to broaden Soluna Cloud's services from basic infrastructure to encompass its strategic partner's full suite of AI pipeline software solutions.

North America Holds a Substantial Share in the Market

- North America boasts a surplus of technological innovators, driving demand for advanced technologies such as cloud computing and IoT. Given the intricate nature of these technologies, there is a growing need for resilient data center facilities. Consequently, the region is poised to witness a surge in demand for data center services.
- The United States, a significant global economy, is poised to drive the expansion of public cloud-based data centers. With the IT industry governing as the nation's primary private employer, the widespread adoption of data centers further fuels market growth. Furthermore, with the surge in hyper-scale platforms, the country finds itself increasingly catering to the data center needs of its hyper-scale platforms.
- Businesses in the region are increasingly favoring colocation data centers over building their own. This shift is driven by the realization of the myriad benefits that come with leasing from a colocation facility. Infrastructure facilities are becoming increasingly complex due to the rapid integration of technologies such as networks and connectivity devices.
- The market is witnessing intense competitive rivalry driven by both established and emerging players. These industry participants are deploying a mix of organic and inorganic strategies to enhance their competitive edge and fuel market growth. For instance, in June 2024, Oracle and Google Cloud unveiled a strategic partnership, offering customers the flexibility to integrate Oracle Cloud Infrastructure (OCI) with Google Cloud technologies. This collaboration aims to expedite application migrations and upgrades for users. Oracle Interconnect for Google Cloud is projected to be initially available in 11 global regions for customer onboarding, enabling seamless deployment of general-purpose workloads without incurring cross-cloud data transfer fees.
- In October 2023, Flexential, a provider of secure and scalable data center solutions, announced that CoreWeave, a specialized cloud provider focusing on large-scale GPU-accelerated workloads, is set to broaden its data center presence. CoreWeave's expansion would see the company moving into two additional colocation facilities, strategically located in Hillsboro, Oregon, and Douglasville, GA. Notably, both these facilities are under the ownership and operation of Flexential. CoreWeave's infrastructure is tailored to cater to the evolving needs of projects spanning machine learning, AI, VFX, rendering, and pixel streaming, showcasing an advanced computing framework.

Data Center Services Industry Overview

The data center service market is highly fragmented, with high competitive rivalry. The major market players are Fujitsu Ltd, Cisco Systems Inc., Capgemini, HCL Technologies Limited, and Hewlett Packard Enterprise Company. Market players are bolstering their portfolios and pursuing enduring competitive edges through strategic partnerships and product innovations.

- May 2024: Cologix, the network-neutral interconnection and hyperscale edge data center provider in North America, announced the successful launch of its fourth and most extensive data center in the region. This expansion signifies a pivotal step in Cologix's dedication to addressing the escalating need for colocation and interconnection services in Columbus, Ohio.
- February 2024: Global infrastructure Platform-as-a-Service company MOD Mission Critical (MOD) announced an expansion of its partnership with 365 Data Centers (365), a provider of network-centric colocation, cloud, and managed services. Through this partnership, MOD can provide fractional colocation and connectivity solutions, allowing its clients to access the services and resources offered by 365's network-centric data centers across 20 markets, complemented by an additional 125 nationwide points of presence.

Additional Benefits:

- The market estimate (ME) sheet in Excel format

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