Function As A Service - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The Function As A Service Market size is estimated at USD 21.30 billion in 2025, and is expected to reach USD 53.81 billion by 2030, at a CAGR of 20.36% during the forecast period (2025-2030).

Key Highlights
- Function as a Service (FaaS) is a type of cloud computing that allows developers to operate more efficiently by eliminating the need to manage application infrastructure. When developers use a FaaS platform, the platform builds, runs, and manages application packages on their behalf.
- The growing shift from development operations (DevOps) to serverless computing, agility, scalability, and the maturity of hosted services drive the market's growth. Also, companies' inclination towards optimizing microservices and managing multiple platforms is expected to boost the market's growth.
- With the emergence of FaaS, the programmable cloud has been rapidly growing for the deployment of applications. According to Oracle, it is estimated that there will be 600 times more sensitive data shared in the cloud. Many cloud providers offer FaaS, such as AWS Lambda, Azure Functions, etc. With these models, developers seek advantages in simple deployments, reduced operation efforts, and pay-as-you-go pricing.
- COVID-19 boosted the investments by companies in IT and cloud resources as companies across various industries started realizing the benefits and value of cloud computing, even beyond the immediate need for remote work generated by COVID-19.
- The FaaS offers inherent high availability because it is spread across multiple availability zones per geographic region and can be deployed across any number of areas without incremental costs. With this FaaS, the market will likely grow over the forecast period.

Function as a Service Market Trends

Hybrid Cloud to Drive the Growth of the Market for Security and Privacy Concerned End Users

- The hybrid cloud market is expected to drive market growth as they are highly used compared to other clouds. Hybrid cloud deployment helps companies reduce their investment for handling short-term spikes in demand and when the business needs to free up local resources for more sensitive data or applications.
- With the rise in fluctuating demand for computing and processing, hybrid cloud deployment allows companies to scale their on-premises infrastructure up to the public cloud to handle any overflow without giving third-party data centers access to the entirety of their data. These developments have adequately addressed the concerns of the end-users, who were concerned about their data security and were earlier hesitant to switch to this solution.
- The growth of cloud and industrialized services and the decline of traditional data center outsourcing (DCO) indicate a massive shift towards hybrid infrastructure services. While the conventional DCO market is shrinking, spending on colocation and hosting is increasing along with infrastructure utility services. This is expected to drive the shift toward cloud infrastructure-as-a-service (IaaS) and hosting. Owing to its benefits, hybrid cloud deployment occupies a continuously increasing share of the cloud market.
- Moreover, hyper-scale activity leveled out at the end of the previous year as demand drivers that spiked in recent years began to plateau, including enterprise clients utilizing hybrid IT solutions to accommodate remote working mandates. This trend will likely continue, albeit faster than in the last few years.
- Furthermore, the hybrid cloud market has experienced significant overall growth in the past few years compared to other cloud services. It offers certain benefits to organizations with a vast data set. Using a hybrid cloud allows companies to scale computing resources and helps eliminate the need to invest massive capital in handling short-term spikes in demand when the business needs to free up local resources for more sensitive data or applications.

North America to Hold Highest Market Share

- North America holds the highest market share. The region is among the lead innovators and pioneers in adopting new technologies such as 5G, autonomous driving, IoT, blockchain, gaming, and artificial intelligence (AI), among others. This trend will likely fuel the region's adoption of function as a service.
- As more communication service providers (CSPs) decide to deliver their 5G services in collaboration with hyper-scale cloud providers, a hybrid and multi-cloud future is quickly developing. The significant growth in data consumption is further boosting the 5G technology, thereby contributing to the market growth rate.
- Through collaborations with hyper-scale cloud providers (HCPs), communication service providers (CSPs) are growing their cloud infrastructures and are increasingly implementing a hybrid and multi-cloud strategy.
- Over the last two decades, IBM and AT&T have collaborated on innovations and supported enterprise clients' transformation. The two organizations announced intentions to demonstrate the possibilities of edge computing and 5G wireless networking for digital transformation. In February last year, AT&T and IBM launched virtual environments that allow business clients to physically experience the power of combining IBM hybrid cloud and AI technologies with AT&T connection.
- The growth of new business insights contributes to expanding the market in the United States as many data sources increase. FaaS can also dramatically boost computing performance and improve results that directly strengthen business performance. Furthermore, the rise in demand for business agility and flexibility is also increasing the market demand in the region.

Function as a Service Industry Overview

The function as a service Market is highly competitive due to the many players in the market. Key players in the market include Google, AWS, SAP, IBM, and Microsoft, among others. Players in the market use new product launches, expansions, agreements, joint ventures, partnerships, acquisitions, etc., to increase their market share. Some of the key developments in the market are mentioned below.

In June 2022, Kyndryl, the world's largest IT infrastructure services provider, partnered with Oracle to help customers accelerate their journey to the cloud by delivering managed cloud solutions to enterprises worldwide. As part of the alliance, Kyndryl will become a key delivery partner for Oracle Cloud Infrastructure (OCI), expanding upon its deep experience of working with and supporting customers using Oracle products and services.

Moreover, in May 2022, Red Hat Inc., the world's leading provider of open source solutions, and Accenture expanded their nearly 12-year strategic partnership further to power open hybrid cloud innovation for enterprises worldwide. The companies are jointly investing in the co-development of new solutions to help organizations more seamlessly navigate a multi- and hybrid cloud world, define their strategy, and accelerate their pace of innovation to get to value faster.

Further, in August 2022, Ridge, a provider of edge clouds, launched a hybrid cloud, a brand-new all-inclusive cloud service. According to Ridge, its distributed cloud architecture allows businesses to unify business-critical apps across all their locations, whether on-premises or managed locations run by Ridge. According to the company, workloads can be transferred easily between different environments. Businesses can also manage them through a single portal, providing companies with a cohesive cloud experience across all public and private locations..

Additional Benefits:

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

Table of Contents:

1 INTRODUCTION
1.1 Study Assumptions and Market Definition
1.2 Scope of the Study

2 RESEARCH METHODOLOGY

3 EXECUTIVE SUMMARY

4 MARKET DYNAMICS
4.1 Market Overview
4.2 Market Drivers
4.2.1 Growing shift towards serverless computing
4.2.2 Increasing focus towards agility of infrastructure and cost reduction
4.3 Market Restraints
4.3.1 Incompatibility of some applications with cloud environment
4.4 Industry Value Chain Analysis
4.5 Industry Attractiveness - Porters Five Forces Analysis
4.5.1 Threat of New Entrants
4.5.2 Bargaining Power of Buyers/Consumers
4.5.3 Bargaining Power of Suppliers

4.5.4 Threat of Substitute Products
4.5.5 Intensity of Competitive Rivalry
4.6 Assessment on the Impact of COVID-19 on the market

5 MARKET SEGMENTATION
5.1 By Type of Cloud Deployment
5.1.1 Public
5.1.2 Private
5.1.3 Hybrid
5.2 By Organization Size
5.2.1 Small and Medium Enterprises
5.2.2 Large Enterprises
5.3 By End-User
5.3.1 BFSI
5.3.2 IT and Telecommunication
5.3.3 Retail
5.3.4 Healthcare and Life Sciences
5.3.5 Other End-Users (Media and Entertainment, Government, Educational Institutions))
5.4 Geography
5.4.1 North America
5.4.2 Europe
5.4.3 Asia-Pacific
5.4.4 Rest of the World

6 COMPETITIVE LANDSCAPE
6.1 Company Profiles*
6.1.1 Amazon Web Services Inc.
6.1.2 IBM Corporation
6.1.3 Google Inc.
6.1.4 Microsoft Corporation
6.1.5 SAP SE
6.1.6 Infosys Limited
6.1.7 Dynatrace LLC
6.1.8 Tibco Software Inc.
6.1.9 Oracle Corporation
6.1.10 Rogue Wave Software Inc
6.1.11 Fiorano Software and Affiliates

7 INVESTMENT ANALYSIS

8 MARKET OPPORTUNITIES AND FUTURE TRENDS

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