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

Market Report | 2025-07-01 | 120 pages | Mordor Intelligence

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Report description:

Data Processing And Hosting Services Market Analysis

The Data Processing And Hosting Services Market size is estimated at USD 118.83 billion in 2025, and is expected to reach USD 195.55 billion by 2030, at a CAGR of 10.48% during the forecast period (2025-2030).

Expansion is propelled by large-scale enterprise migrations to managed compute, an accelerating shift toward AI-ready infrastructure, and unrelenting hyperscale capital expenditure. Enterprises are diverting budgets from refreshed on-prem racks to GPU-dense cloud instances, turnkey colocation suites, and regional edge nodes that compress data-to-insight cycles. Parallel policy shifts in Europe and the Middle East mandate sovereign-cloud deployments, prompting global corporations to localize workloads and create fresh pools of in-country capacity. Meanwhile, the removal of egress fees by the three largest public clouds has lowered switching costs, opening opportunities for specialist challengers that differentiate on stacked silicon, proximity, or sector-specific compliance.

Key technology and regulatory catalysts have reshaped the competitive balance. North America currently commands a 39% revenue share, underpinned by deep fiber networks, reliable power, and dense hyperscale clusters. Asia, in contrast, is expanding the fastest at a 13.4% CAGR as 5G penetration, AI start-up activity, and government tax incentives converge to boost new datacenter builds. Hosting services continue to dominate the data processing and hosting services market with a 64% share, yet cloud-native offerings within that category, especially IaaS, PaaS, and SaaS, post the strongest 14.1% CAGR as customers prioritize elasticity. Hybrid and multi-cloud strategies are surging at 12.5% CAGR, signaling that enterprises now view cloud as a portfolio rather than a monolith.

Growing Migration of Enterprise Workloads to Hyperscale Cloud Data-Centers

Enterprises continue to de-risk capital budgets by shifting mission-critical systems to hyperscale regions, with U.S. datacenter power demand expected to double to 35 GW by 2030. The move is increasingly capability-driven, anchored in access to AI accelerators and managed security services that remain prohibitively expensive on-prem. Pre-lease agreements now secure capacity years ahead of physical handover, particularly in Ashburn, Phoenix, Dublin, and Frankfurt, where power allotments are constrained.

AI/ML Workload Explosion Elevating Demand for High-Density GPU Hosting

By 2025, over 40,000 companies will run production AI on discrete GPUs, raising computational density and cooling requirements. Dedicated GPU clouds such as Lambda and CoreWeave post triple-digit growth as they guarantee H100 and MI300 inventory for training, fine-tuning, and inference workloads.

Power-Grid Instability and Rising Energy Tariffs Limiting Data-Center Expansion

Electricity supply shortfalls and surcharges in South Asia and Africa throttle new builds. Data centers consumed 176 TWh of U.S. power in 2023, or 4.4% of national demand, underscoring the tension between compute growth and grid capacity. Operators pivot to onsite solar-plus-battery and micro-grid solutions, inflating capital requirements and elongating deployment schedules.

Other drivers and restraints analyzed in the detailed report include:

Proliferation of Edge-Native Applications Requiring Distributed Micro-Hosting / Emergence of Sovereign-Cloud Mandates Boosting In-Country Hosting / Data-Sovereignty Conflicts Hindering Cross-Border Hosting /

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Large enterprises controlled 71% of 2024 revenue, leveraging deep coffers to modernize mainframes, adopt container orchestration, and spin up global DR replicas. In contrast, SMEs are the fastest movers, accelerating at 11.7% CAGR as simplified migration tooling, marketplace credits, and managed DevOps services flatten technical barriers. In African and Latin American markets, more than 90% of SMEs have adopted digital payments, underscoring widespread digital adoption. Governments subsidize training and cloud vouchers, further broadening reach. The absolute data processing and hosting services market size for SMEs is projected to double by 2030, while their slice of overall spending remains under 30% because large-enterprise estates also keep expanding.

SME cloud maturation creates new partner ecosystems. Resellers bundle point-of-sale, analytics, and local-language support, embedding compute costs into service fees. Advanced observability stacks surface anomalies and auto-apply remediation scripts, mitigating the skill gap that once stymied smaller firms. Those efficiencies, in turn, reinforce subscription renewals and incremental upsell, positioning the SME segment as a durable growth flywheel within the broader data processing and hosting services market.

Hosting services delivered 64% of sector revenue in 2024, anchored by reliable compute, storage, and network primitives. The sub-segment of cloud hosting (IaaS, PaaS, SaaS) commands a 14.1% CAGR to 2030, fueled by elastic scaling, bundled APIs, and declining unit pricing as hyperscalers aggregate demand. Customers increasingly favor workload-optimized tiers, GPU clusters for AI, ARM cores for web tier, and z-parity CICS as a service for financial ledgers. Concurrently, professional services revenue grows as firms seek cloud-native redesign, data pipeline refactor, and FinOps governance. Edge and colocation providers embed cloud-like provisioning into portals, blurring the lines between core and distributed hosting. Over time, integrated pipelines that marry data preparation with compute will erode standalone ETL vendors, folding their economics into the data processing and hosting services market gatekeepers.

Financial flexibility remains a draw. Pay-by-the-second billing and sustained-usage credits lower the total cost of ownership. As energy costs fluctuate, workloads re-balance across regions based on real-time power spot prices, a capability accessible only through cloud automation. The result is a structurally higher utilization rate, translating to margin expansion for providers and cost predictability for tenants.

The Data Processing and Hosting Services Market Report is Segmented by Organisation (Large Enterprise and Small and Medium Enterprises [SME]), Offering (Data Processing Services and Hosting Services), Deployment Model (Public Cloud, Private Cloud, and Hybrid and Multi-Cloud), End-User Industry (IT and Telecommunication, BFSI, Retail and E-Commerce, Manufacturing, Healthcare and Life Sciences, and More), and Geography

Geography Analysis

North America claimed 39% of 2024 revenue on the back of vast fiber backbones, generous tax incentives, and dense hyperscale clusters. Loudoun County, Virginia, alone hosts over 30 million square feet of raised floor and is now facing grid-interconnection pauses due to transformer constraints. Providers respond with campus-scale micro-grids, 24?7 renewable PPAs, and reclaimed-heat reuse programs to counter sustainability scrutiny. AWS, Microsoft, and Google collectively earmarked more than USD 255 billion for new U.S. halls in 2025, ensuring the region's capacity lead. Privacy legislation at the state level, such as California CCPA and Texas privacy bills, could demand that data copies remain in-state, subtly reshaping deployment footprints inside the data processing and hosting services market.

Asia records the fastest 13.4% CAGR as 5G proliferation, digital banking, and AI start-up ecosystems converge. Singapore's moratorium on new datacenter permits diverts cap-ex toward Johor, Batam, Bangkok, and Hyderabad, all vying to become the region's latency hubs. Japanese operators exploit underused geothermal in Hokkaido while Chinese hyperscalers replicate domestic super-app stacks to Southeast Asia, blending compute with payments and logistics. Smartphone saturation and real-time translation services multiply data flows, anchoring durable demand.

Europe's sovereignty agenda steers procurement trends. The EU's Digital Europe Programme has allocated EUR 900 million to cloud marketplaces and security centers, catalysing domestic capacity. Germany and France vie for AI training clusters by touting nuclear and hydro power mixes. Gaia-X lays interoperability standards, albeit slower than first envisioned. Nordic states leverage cheap hydroelectricity yet grapple with limited fiber routes; Eastern European states woo investors through special economic zones, though geopolitical risk remains a hurdle. Notably, post-Brexit UK relaxes VAT on datacenter gear, attracting trans-Atlantic investment and reinforcing London's pole position.

List of Companies Covered in this Report:

Amazon Web Services Inc. / Microsoft Corporation (Azure) / Alphabet Inc. (Google Cloud Platform) / International Business Machines Corporation / Alibaba Cloud / Oracle Corporation / SAP SE / Teradata Corporation / Hewlett Packard Enterprise Development LP / GoDaddy Operating Company LLC / Bluehost (Newfold Digital Inc.) / HostGator.com LLC / Hostinger

International Ltd. / SiteGround Hosting Ltd. / A2 Hosting Inc. / DreamHost LLC / GreenGeeks LLC / DigitalOcean Holdings Inc. / OVHcloud / Equinix Inc. / Hetzner Online GmbH / Cloudflare Inc. / Salesforce.com Inc. / Alteryx Inc. / Cloudera Inc. /

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