

IT Services - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

Market Report | 2026-01-16 | 120 pages | Mordor Intelligence

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Report description:

IT Services Market Analysis

IT services market size in 2026 is estimated at USD 1651.6 billion, growing from 2025 value of USD 1518.1 billion with 2031 projections showing USD 2514.9 billion, growing at 8.78% CAGR over 2026-2031. Robust digital-transformation agendas, an upswing in enterprise artificial-intelligence adoption, and rising cloud-native migrations are expanding addressable demand. Spending momentum is strongest in banking and healthcare, where 2024 outlays jumped 8.7% and 15% respectively as institutions modernized legacy cores. Providers able to bundle consulting, implementation, and managed services around hybrid-cloud and AI workloads capture premium contracts, while price-sensitive outsourcing engagements continue to anchor large-scale delivery pipelines. Heightened consolidation-including multibillion-dollar acquisitions-shows that scale, vertical depth, and intellectual-property differentiation are now decisive in winning enterprise renewals.

Global IT Services Market Trends and Insights

Digital-transformation acceleration post-COVID-19

Multi-cloud adoption has crossed 87% of enterprises, while 51% are funding cloud-native modernization tracks that bundle application refactoring, AI services and data platforms. The Global IT services market now rewards providers that master container orchestration, micro-services and DevOps over simple lift-and-shift migration. DXC Technology's "Cloud Right" approach enabled Ocean Network Express to achieve zero-downtime migration, showcasing how vendors move from infrastructure caretakers to

strategic business partners. Revenue pools are shifting toward advisory and managed cloud operations layers that demand both deep technical credentials and sector insight. These engagements, typically structured around shared service-level outcomes, lift provider stickiness and unit economics. Skills scarcity in Kubernetes, site reliability engineering and FinOps is further buoying service rates, underscoring why cloud-first programmes add the highest positive delta to long-run growth.

Hybrid-cloud migration boom

Global cloud-ERP outlays are on track to nearly double between 2022 and 2027 as enterprises pursue workload portability and regulatory compliance. European firms directed EUR 489.8 billion (USD 553.5 billion) to IT services in 2025, with 45% tagged for cloud initiatives. Multi-cloud strategies help organizations avert vendor lock-in, yet they impose governance complexity that drives demand for advisory and optimization services. Data sovereignty mandates heighten the need for region-specific hosting footprints, bolstering nearshore and onshore engagements. Providers offering certified cloud architects and managed FinOps talent are capturing high-margin contracts across the IT services market.

Service-price commoditization pressure

Automation and offshore scale have erased entry barriers for common help-desk and infrastructure tasks, compressing margins in traditional outsourcing. Clients increasingly demand outcome-based billing, compelling vendors to prove tangible business impact. Smaller rivals undercut pricing, which accelerates consolidation among incumbents able to cross-sell premium consulting and security offerings. The resulting shake-out is likely to realign the competitive order within the IT services market over the next two years.

Other drivers and restraints analyzed in the detailed report include:

Escalating cyber-threat landscapeEnterprise AI and analytics spend surgeGlobal talent shortage and attrition

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

Segment Analysis

Managed Security Services is growing at a 12.18% CAGR, the steepest rate across the IT services market. Enterprises accept that specialized providers outperform internal teams in threat detection and incident response, prompting long-term outsourcing contracts that include continuous compliance monitoring. IT Outsourcing retains the largest 28.04% revenue position due to entrenched cost-optimization mandates. However, margin compression in commoditized workstreams is pushing vendors to package outsourcing with consulting to protect pricing. Cloud and Platform Services benefit from surging hybrid-cloud adoption; projects frequently bundle ERP modernization with data-integration layers, supporting cross-selling momentum.

Demand dynamics also favor Business Process Outsourcing, especially in finance, HR, and industry-specific back-office workflows where robotic process automation amplifies efficiency gains. IT Consulting revenues rise on complexity: organizations need guidance to harmonize AI, edge computing, and vertical clouds. Vendors that deliver reference architectures, accelerated migration toolkits, and domain-centric solutions increase wallet share across the IT services market.

Small and Medium Enterprises register an 10.92% CAGR through 2031, reflecting democratized access to cloud-delivered ERP, CRM, and cybersecurity bundles. Consumption-based pricing allows SMEs to deploy capabilities historically reserved for large corporations, compressing deployment timelines from months to weeks. Compliance burdens in healthcare and financial services incentivize SMEs to engage external specialists rather than build in-house controls, expanding addressable revenue for managed-service partners.

Large Enterprises still command 69.42% revenue, underpinned by sprawling legacy estates that demand long-duration transformation roadmaps. Hybrid models blending internal centers of excellence with targeted external expertise prevail, securing high-value contracts for niche providers. Enterprise buyers increasingly list sustainability credentials and carbon-reporting readiness in RFPs, offering differentiation avenues for providers that track Scope-3 emissions across the IT services market.

The IT Services Market Report is Segmented by Service Type (IT Consulting and Implementation, and More), End-User Enterprise Size (Small and Medium Enterprises, and More), Deployment Model (Onshore, Nearshore, and More), End-User Vertical (BFSI, Manufacturing, and More), and Geography (North America, South America, Europe, Asia-Pacific, and Middle East and Africa). The Market Forecasts are Provided in Terms of Value (USD).

Geography Analysis

North America represents 37.05% of 2025 revenue, steered by USD 2.7 trillion in enterprise tech spending and early-adopter behavior toward AI and cloud platforms. Federal mandates requiring AI governance boards have institutionalized demand for strategic advisory and implementation services. Canada advances digital-government programs and natural-resource automation, whereas Mexico's nearshore proposition attracts U.S. firms seeking cultural affinity and IP protection.

Asia-Pacific records the highest 11.12% CAGR through 2031. China scales smart-city pilots and green-manufacturing upgrades, India leverages its delivery-hub heritage while expanding domestic demand, and ASEAN economies close infrastructure gaps to support cross-border e-commerce and fintech growth. Japan and South Korea funnel investments into advanced manufacturing and telecom, spurring niche consulting around 5G and edge computing. Australia and New Zealand, despite mature IT spend, continue prioritizing cybersecurity and cloud compliance in banking and government.

Europe allocates EUR 489.8 billion (USD 553.5 billion) to IT services in 2025, 45% of which funds cloud programs. Regulatory frameworks-GDPR, DORA, and NIS2-propel security and compliance spend, ensuring consistent engagement pipelines for qualified providers. Germany spearheads manufacturing digitization, the United Kingdom leads in financial services transformation, and France, Italy, and Spain scale cloud-ERP rollouts. Eastern Europe develops as both a nearshore delivery basin and a consumer of modernization services, strengthening ecosystem depth across the IT services market.

List of Companies Covered in this Report:

Accenture plc International Business Machines Corporation (IBM) Tata Consultancy Services Limited (TCS) Infosys Limited Cognizant Technology Solutions Corporation Capgemini SE Wipro Limited HCL Technologies Limited DXC Technology Company Atos SE Fujitsu Limited NTT DATA Corporation CGI Inc. L&T Technology Services Limited Tech Mahindra Limited EPAM Systems Inc. Endava plc Globant S.A. Mindtree Limited Sopra Steria Group SA Rackspace Technology Inc. Virtusa Corporation Persistent Systems Limited UST Global Inc.

Additional Benefits:

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

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