IDC MarketScape: Worldwide Public Cloud Infrastructure as a Service 2020 Vendor Assessment

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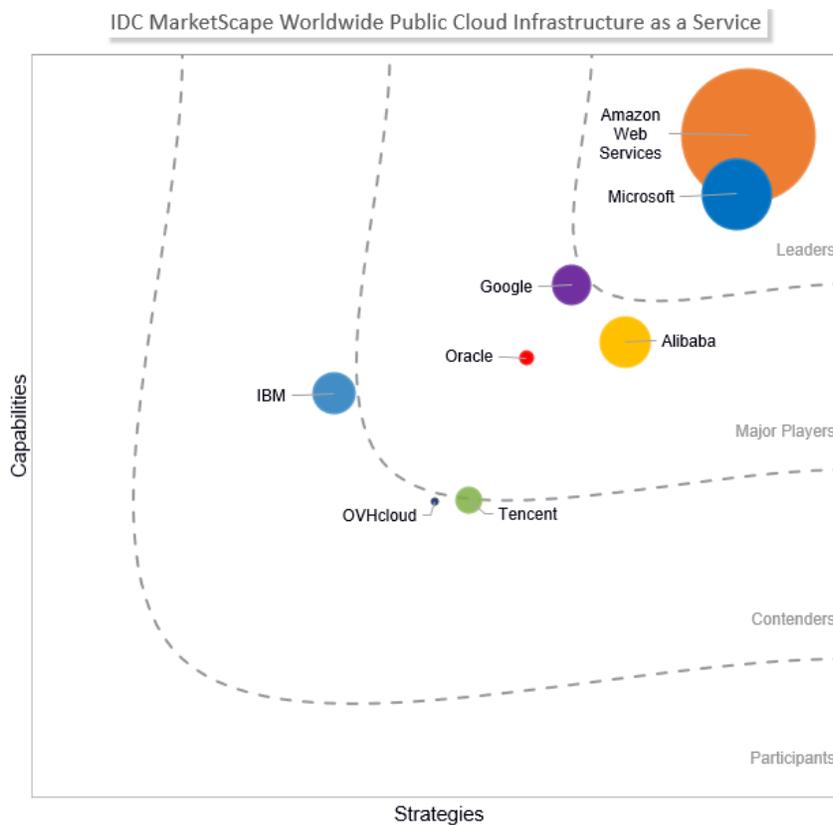
THIS IDC MARKETSCAPE EXCERPT FEATURES OVHCLOUD

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Public Cloud Infrastructure as a Service Vendor Assessment

Source: IDC, 2020

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Public Cloud Infrastructure as a Service 2020 Vendor Assessment (Doc # US46795720). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

Public cloud infrastructure as a service (IaaS) is increasingly seen by organizations as the preferred infrastructure backbone for digital transformation (DX) initiatives and IT modernization. This is evidenced by the continued pace of growth in public cloud IaaS spending, which grew 38% in 2019 to a worldwide total of $49 billion. IDC estimates the enterprise IT spend on public cloud IaaS to exceed spend on traditional infrastructure and private cloud infrastructure systems within the next five years. The COVID-19 disruption has renewed the focus on flexibility and cost optimization, accelerating the usage of public cloud IaaS by enterprises.

The rapid pace of public cloud IaaS adoption has resulted in a corresponding evolution of customer demands and offerings in this market. This includes increasing demand from traditional IT environments to facilitate easy adoption of public cloud IaaS, as well as a shift in customer preferences around where and how they want to adopt cloud. Among the notable changes in the market in the three years since IDC's last IDC MarketScape for public cloud IaaS are:

- Deep partnerships between public cloud IaaS providers and traditional enterprise technology providers, facilitating easier adoption of public cloud IaaS alongside the rest of their IT assets

- Growth in *cloud offerings from traditional infrastructure systems providers,* to better serve enterprise IT customers as they explore paths to modernize their IT systems

- Shift in mainstream IT customer perception around cloud usage – from "opportunistic cloud usage" to "cloud first" to "cloud everywhere" (Cloud providers have responded by expanding their service delivery footprint, with cloud service offerings spanning public cloud, customer datacenters, and edge locations. *Cloud services everywhere* is gradually becoming a reality.)

- Growing focus on the edge, in particular *edge solutions enabled by 5G deployment* and the network core modernization (Cloud providers and wireless carriers are increasing their partnerships and collaborations to capture new opportunities emerging in this space.)

- Growth of *Chinese public cloud providers and cloud spending* underscored by the growth of companies such as Alibaba and Tencent and their emergence as global players

- Ever-increasing focus on *automation and intelligence,* particularly around the areas of infrastructure operations, infrastructure governance, and security assurance

- Increasing recognition of the business value of investments around *data management and analytics* and the need for a holistic approach to manage enterprise data

- Growing use of multiple public cloud IaaS by enterprises, with the mix of cloud *provider selection often determined by best fit for workload, use case, or industry-specific requirements*

- *Independent software vendors (ISVs) actively start responding* to the growing demand from enterprises to consume the ISV's software on their preferred public cloud platform

While there is strong growth in usage, public cloud IaaS is still less than half of the infrastructure footprint at the medium-sized IT organization. Organizations are actively looking at ways to easily

adopt cloud for their needs, be it for new use cases or for modernization of existing IT assets. Cloud migration has been repeatedly reported as one of the top cloud-related priorities at organizations. The current cloud adoption momentum suggests that enterprise IT adoption of public cloud IaaS will continue to be a top driver of public cloud IaaS spending growth over the next three years. This IDC MarketScape is designed from the perspective of the enterprise IT customers, evaluating the largest global cloud providers using the IDC MarketScape methodology.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This IDC MarketScape is intended to be an evaluation of global public cloud IaaS providers. IDC's Public Cloud Services Tracker covers over 30 global and regional cloud providers with IaaS. Many of these service providers are focused on specific regions or have not reached a material revenue scale. This IDC MarketScape focuses on global public cloud IaaS providers, which have reached a critical threshold of revenue and are present in all global regions. The inclusion criteria for service providers included in this IDC MarketScape are as follows:

- The service provider offered IaaS compute and storage services for at least two years as of end of 2019.
- The service provider generated over $100 million IaaS business in 2019.
- The service provider has active operations in all three global regions – Americas; Europe, the Middle East, and Africa; and Asia/Pacific.

IDC opted to exclude service providers with public cloud services that were either no longer a strategic business focus or were in the process of undergoing a major transformation since the evaluation would not be an accurate reflection of the service.

ADVICE FOR TECHNOLOGY BUYERS

Public cloud infrastructure services have grown to become an accepted and integral component of the enterprise IT environment. But the use of public cloud for core business operations – planning, building, and delivering products – is still far from pervasive. Broader use of public cloud infrastructure services will enable the creation of an agile, a scalable, and a resilient digital foundation for organizations. This will be a critical enabler or digital transformation and growth acceleration, as the organizations adapt to changing needs during the ongoing economic disruption and the following recovery. Further:

- Organizations must actively invest in transforming organizational skill set and process-related limitations that can act as barriers to broader cloud adoption.
- Public cloud infrastructure has evolved to deliver an increasingly broad set of services, allowing customers to create a "hypercustomized" environment in the public cloud that is highly optimized for their performance and functionality requirements. As IT organizations increase their use of cloud infrastructure services, developing clear functional and performance requirements, and aligning services usage to the most optimal ones, can have a significant impact on performance and cost of operations for the workload.
- Security and governance continue to be concerns reported by cloud customers. Early focus on cloud security, and competence building around cloud security and cloud governance, will allow organizations to easily scale cloud services usage without adding risk.

- Customers are recognizing and leveraging the value delivered through the broader ecosystem of services and tools in the public cloud ecosystem – this includes services from both the cloud provider and third-party partners. Actively exploring solutions from within the cloud ecosystem can accelerate the time to value from cloud adoption initiatives.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

OVHcloud

OVHcloud is positioned in the Contenders category in the 2020 IDC MarketScape for worldwide public cloud infrastructure as a service.

OVHcloud was founded in France in 1999, with an initial focus on delivering hosted servers to the local market. In 2010, OVHcloud announced a hosted private cloud service offering based on VMware vSphere, and in 2011, OVHcloud launched its Public Cloud service. In 2016, OVHcloud launched its first U.S. datacenter, and in 2017, OVHcloud acquired VMware's vCloud Air business and datacenter assets. The company has since expanded its infrastructure systems capabilities, software partnerships, and datacenter footprint, emerging as a cloud service provider with a strong European and growing global presence.

OVHcloud's computing offerings are categorized into four portfolios: OVHcloud Baremetal Cloud portfolio delivers to customers a range of Intel- and AMD-based dedicated servers on a monthly commitment basis; OVHcloud Hosted Private Cloud offers a VMware-based dedicated private cloud service, hosted in OVHcloud datacenters; OVHcloud Public Cloud offers virtual private server machines, storage, and a range of higher-layer management and PaaS; and the OVHcloud Web Cloud offers web hosting, domain names, and other hosted web collaboration services. The OVHcloud Public Cloud allows customers to provision Intel- and AMD-based virtual servers, supporting a range of configurations including GPU-enabled compute resources. The compute resources can be used alongside OVHcloud's HDD and SSD block storage services. OVHcloud's Public Cloud storage services also delivers standard and archive tier object storage services. For shared file storage needs, customers have the option of provisioning dedicated NAS offerings alongside their compute resources. These are supported by automation and orchestration capabilities (including Kubernetes container management), network load-balancing services and anti-DDoS, and a cross-continent, multi-datacenters common virtual private network that can span the Public Cloud, Hosted Private Cloud, and Baremetal Cloud offerings.

In addition to OVHcloud's core cloud offerings, the company has invested in a rich ecosystem of open source and commercial software partners, facilitating turnkey access for OVHcloud customers to qualified software components and applications. OVHcloud's core offerings and partnerships are complemented by OVHcloud's commitment to transparency, simplicity, reversibility, and customer trust through data ownership and sovereignty in all its offerings and engagements. These, combined with OVHcloud's position as a top VMware partner and a Europe-headquartered cloud service provider, position OVHcloud well to meet its customer needs as enterprise usage of cloud increases worldwide.

Strengths

OVHcloud's public cloud business benefits from the company's strong adjacent portfolio of infrastructure services, including dedicated server hosting and private cloud hosting, all of which are unified through the VMware infrastructure operations framework. It also benefits from the fact that it is a Europe-headquartered public cloud services provider and that it offers a competitive pricing for infrastructure services, positioning OVHcloud well to address IT use cases that prefer a service that is within the EU jurisdiction. In addition, OVHcloud emphasizes and delivers price transparency and price predictability as one of its value propositions, which is recognized and valued by customers.

Challenges

While OVHcloud has a strong core infrastructure service offering, it does not deliver the breadth of offerings in the higher-layer PaaS and SaaS that the other global public cloud providers deliver. OVHcloud also does not enjoy the same awareness worldwide as it does in Europe, and it does not have as strong a footprint worldwide as the other global cloud service providers.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

The public cloud infrastructure as a service market is defined in detail in the sections that follow, which describes the infrastructure as a service functional market and public cloud service deployment model.

Infrastructure as a Service

IDC defines public cloud infrastructure as a service as the aggregate of compute, raw storage capacity, and the associated networking capability, delivered through a cloud deployment model.

Note that client functionality delivered as cloud services is categorized as virtual cloud client computing (including "desktop as a service" offerings, such as those from Amazon, Microsoft, and VMware). This fits within the software-as-a-service system infrastructure software market and is not part of the IaaS market.

Cloud Deployment Models

Cloud deployment models describe how a cloud IT service is built and delivered to consumers of the service. The factors that determine the cloud deployment model are:

- The physical location of the hardware infrastructure systems on which the service is running
- Whether or not the service is dedicated to one organization or shared across multiple independent organizations
- The owner of the hardware infrastructure systems on which the service is running

At the broadest level, the types of deployment models for cloud services are public and private:

- **Public cloud services** are shared among unrelated enterprises and/or consumers, open to a largely unrestricted universe of potential users, and designed for a market, not a single enterprise.
- **Private cloud services** are shared within a single enterprise or an extended enterprise, with restrictions on access and level of resource dedication, and defined/controlled by the enterprise beyond the control available in public cloud offerings.

Attributes That Define an IT Cloud Service

IDC defines cloud services through a checklist of key attributes that an offering must manifest to end users of the service (see Table 1). To qualify as a "cloud service," as defined by IDC, an offering must support *all* of the six attributes listed in Table 1. These attributes apply to all cloud services – in all public and private cloud service deployment models – although the specifics of how each attribute applies may vary slightly among these deployment models.

TABLE 1

Six Attributes of IT Cloud Services

Attribute	Remarks
Shared, standard offering	Built for massive scale, automated deployment
Delivered as an all-inclusive service	Pre-integrated and manages/updates all required resources
Elastic scaling	Dynamic, rapid, and fine-grained
Elastic pricing capability	Tied to resource consumption or number of users
Self-service	Self-service provisioning and administration options
API/published service interface	Programmable access via open/published API

Source: IDC, 2020

Under the umbrella of IT cloud services, IDC recognizes four primary market segments: infrastructure as a service (IaaS), platform as a service, software as a service – applications, and software as a service – system infrastructure software.

Refer to *IDC's Worldwide IT Cloud Services Taxonomy, 2019* (IDC #US45714519, December 2019) for comprehensive definitions of all IT cloud services market segments, including IaaS.

LEARN MORE

Related Research

- *Worldwide Public Cloud Infrastructure as a Service Forecast, 2020-2024* (IDC #US45322520, July 2020)
- *Worldwide Public Cloud Infrastructure as a Service Market Shares, 2019: Leaders Consolidate Their Positions, Seek to Differentiate with Investment in Emerging Use Cases* (IDC #US46735820, July 2020)
- *Impact of COVID-19 on Worldwide Infrastructure as a Service (IaaS) Spending, April 29, 2020* (IDC #US46277920, May 2020)
- *IDC's Forecast Scenario Assumptions for the ICT Markets, April 2020* (IDC #US46208220, April 2020)

- *IDC's Worldwide IT Cloud Services Taxonomy, 2019* (IDC #US45714519, December 2019)

Synopsis

This IDC study represents a vendor assessment of global public cloud infrastructure as a service (IaaS) providers through the IDC MarketScape model.

"The use of public cloud IaaS by enterprises has rapidly increased in the past two years, creating new demands and new expectations of services," said Deepak Mohan, research director, Cloud Infrastructure Services at IDC. "Cloud providers have been quick to respond, with partnerships, service expansions, and easier onboarding, to better enable workload onboarding and digital transformation for enterprises. The effectiveness of each provider's response, and the ability to continue addressing new demands from enterprises, is emerging as a critical determinant of success in this market."

About IDC

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