

Cloud Managed Services to Hit \$319.4 Billion by 2031 Driven by Digitalization & IT Outsourcing

Cloud managed services market grows as enterprises adopt cloud-first strategies, demanding agility, automation, security, and cost-efficient infrastructure.

WILMINGTON, DE, UNITED STATES, December 4, 2025 /EINPresswire.com/ -- According to a new report Global [Cloud Managed Services Market](#) Size, Share, Competitive Landscape and Trend Analysis Report, by Service Type (Managed Business Services, Managed Network Services, Managed Security Services, Managed Infrastructure Services, Managed Mobility Services, Managed Communication and Collaboration Services), by Enterprise Size (Large Enterprises, SMEs), by Industry Vertical (BFSI, Healthcare, Manufacturing, Retail, It And Telecom, Others): Global Opportunity Analysis and Industry Forecast, 2021-2031, The global cloud managed services market size was valued at \$83.3 billion in 2021 and is projected to reach \$319.4 billion by 2031, growing at a CAGR of 14.5% from 2022 to 2031.

The cloud managed services market is experiencing strong growth as organizations accelerate their digital transformation journeys and move critical workloads to cloud environments. As businesses expand their IT footprints across public, private, and hybrid clouds, they increasingly rely on managed service providers (MSPs) to ensure seamless operations, high availability, and optimized performance. The transition from traditional on-premises systems to cloud-centric architectures has created a strong demand for outsourced expertise, enabling enterprises to streamline IT management and reduce operational complexities.

Moreover, the rise of multi-cloud strategies and distributed workforce models has pushed companies to seek scalable and secure cloud environments managed by qualified partners. Cloud managed services offer end-to-end capabilities ranging from infrastructure management and monitoring to security, automation, and compliance. With the growing need for efficient cost management and predictable operational expenditure (OPEX), businesses across industries are embracing managed services to optimize cloud investments while maintaining strategic focus on core operations.

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One of the key drivers of market growth is the increasing adoption of cloud-first strategies across enterprises of all sizes. Organizations shifting to digital business models require scalable and resilient cloud infrastructures, and managed service providers help ensure smooth migrations, faster deployments, and ongoing optimization, reducing the burden on internal IT teams. Cybersecurity concerns also play a major role in boosting market demand. As cyber threats become more sophisticated, enterprises are turning to cloud managed security services for continuous monitoring, threat detection, identity access management, and compliance. MSPs offer advanced security tools and 24/7 support, making them critical in reducing vulnerabilities and enhancing data protection.

Another major factor influencing the market is the rapid adoption of automation and AI-driven IT operations. MSPs are integrating AI, machine learning, and predictive analytics into cloud management processes to improve resource utilization, streamline workflows, and enhance service delivery. This transformation significantly reduces downtime and operational costs for clients.

Cost optimization remains a compelling market driver, as cloud managed services help organizations reduce capital expenditure while gaining predictable, subscription-based pricing structures. Businesses can avoid the high costs of in-house IT personnel, tools, and infrastructure by partnering with MSPs that provide specialized expertise and flexible service models tailored to business needs.

Despite the strong growth, the market faces challenges such as data privacy concerns, vendor lock-in issues, and the shortage of skilled cloud professionals. However, these challenges also present opportunities for MSPs to differentiate themselves through transparent data governance, multi-cloud support, and value-added services.

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The cloud managed services market is segmented by service type (managed infrastructure, managed security, managed network, managed mobility, managed communication and collaboration, and managed business services), deployment mode (public cloud, private cloud, hybrid cloud), enterprise size (large enterprises and SMEs), and end-user industry (BFSI, IT & telecom, healthcare, retail, manufacturing, government, and others). Among these, managed security and managed infrastructure services hold a significant share due to rising cyber threats and the need for scalable, reliable cloud environments.

By industry vertical, the BFSI segment held the largest share of the cloud managed services market in 2021 and is expected to maintain its lead throughout the forecast period. This dominance is primarily driven by the accelerated adoption of cloud solutions following the COVID-19 pandemic, as financial institutions increasingly rely on cloud platforms for enhanced security, scalability, and operational efficiency. In contrast, the retail segment is projected to experience the fastest growth, supported by the rapid expansion of e-commerce and digital retail platforms, which has significantly increased the demand for cloud-based management solutions.

Regional Market Analysis

Regionally, North America led the cloud managed services market in 2021 and is anticipated to retain its leadership due to its high concentration of major cloud service providers and robust digital infrastructure—key factors propelling market growth in the region. Meanwhile, Asia-Pacific is expected to record substantial growth during the forecast period, driven by the region's expanding technology landscape and rising cloud adoption across industries, which are set to accelerate market development in the coming years.

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Key Players in the Market

The key players profiled in the cloud managed services market analysis are Accenture, ALE International, ALE USA Inc., Atos SE, Amazon Web Services, Inc, Cisco Systems, Inc., Cloudtcity, Datacom Group Ltd, Telefonaktiebolaget LM Ericsson, FUJITSU, Hewlett Packard Enterprise Development LP, Huawei Technologies Co., Ltd, IBM Corporation, Infosys Limited, NEC Corporation, NTT DATA Corporation, RACKSPACE TECHNOLOGY, Tata Consultancy Services Limited, and Wipro. These players have adopted various strategies to increase their market penetration and strengthen their position in the [cloud managed services industry](#).

The report focuses on growth prospects, restraints, and trends of the market analysis. The study provides Porter's five forces analysis to understand the impact of various factors, such as the bargaining power of suppliers, competitive intensity of competitors, threat of new entrants, the threat of substitutes, and bargaining power of buyers, on the market.

Market Segmentation

- By enterprise size, the large enterprise segment accounted for the largest cloud managed services market share in 2021.
- By region, North America generated highest revenue in 2021.
- By industry vertical, the BFSI segment generated the highest revenue in 2021.

Other Market Segments

Music Production Software Market

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Treasury Software Market

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Version Controls System Market

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E-mail Marketing Market

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