Everest Group®

State of the Market Report | Cloud and Infrastructure Services

Navigating the Cloudscape: Unveiling Enterprise Adoption of Google Cloud Services

July 2023: Complimentary Abstract / Table of Contents

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Background of the research

Enterprises are increasingly adopting multi-cloud and hybrid-cloud strategies, and Google Cloud is emerging as a preferred secondary cloud option. Google Cloud's portfolio of data analytics and AI/ML products, along with its engineering expertise, ongoing investments in enhancing its offerings, and competitive pricing, contribute to its notable presence in the market. With its comprehensive suite of services and solutions, enterprises are leveraging Google Cloud across industries, especially where data can drive differentiation. Its focus on innovation, partnership ecosystem, and continuous development of advanced technologies further strengthens its position among cloud providers.

In this report, we present an outlook on the current state of the market of global Google Cloud services market trends and growth. The analysis is based on Everest Group's annual RFI process, interactions with leading cloud service providers, client reference checks, enterprise interactions, and ongoing analysis of the Google Cloud services market. This report looks at:

- Google Cloud adoption trends and market dynamics
- Google Cloud deal characteristics
- Top enterprise demand highlighting Google Cloud differentiated specializations
- Enablers for enterprise demand on Google Cloud

Scope of this report

Geography
Global

Industry
All industries

Services
Google Cloud services

Overview and abbreviated summary of key messages

This report provides an overview of the Google Cloud services market, including trends, demand drivers, and key enterprise concerns. It also outlines the characteristics of Google Cloud services engagement and deep-dives into top enterprise demand, along with key enablers to gain most out of enterprise Google Cloud adoption.

Some of the findings in this report, among others, are:

Global Google Cloud services market

- Enterprise adoption of Google Cloud for specialized data, open-source, and cybersecurity workloads is leading to resilient adoption levels
- North America and Europe are the largest consumers of Google Cloud services, driven by enterprises' cloud modernization and optimization focus
- Enterprise demand for platform-focused and data-focused initiatives is expected to rise with continued Google Cloud adoption
- With enterprises increasingly opting for a multi-cloud model, Google Cloud's adoption as a secondary cloud continues to grow

Google Cloud services engagement characteristics

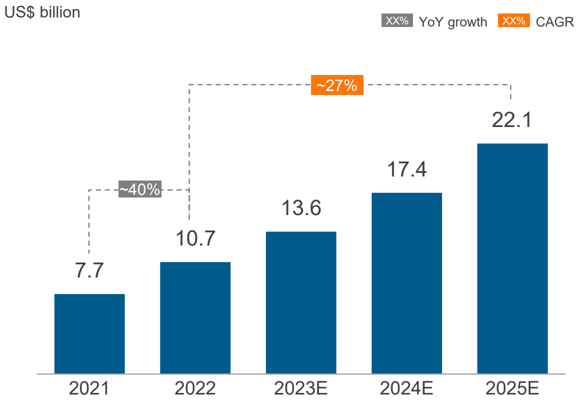
- Cloud design/implementation and modernization accounts for over half of the Google Cloud services spend, as a majority of enterprises are still in the adoption phase
- Enterprises highlight the lack of value being delivered, subpar domain expertise, and limited strategic partnership as critical pain points during Google Cloud services engagements

Gaining the most out of your Google Cloud adoption

- Enterprises' top demands on Google Cloud align primarily with its areas of specialization
- Enterprises' differentiated demand themes require focused enablers for effective adoption of Google Cloud

This study offers three distinct chapters providing a deep dive into key aspects of cloud and infrastructure services market; below are four charts to illustrate the depth of the report

Global Google Cloud services market size, growth rate, and adoption drivers



Google Cloud demand drivers

Gain innovative insights from data streams
Enterprises are leveraging Google Cloud's AI-enabled data offerings to unlock the full potential of their existing data for business growth and innovation

Increase flexibility and control of cloud infrastructure
Enterprises are striving to maintain control over workloads, address scalability challenges, enhance agility, and effectively manage cost pressures by utilizing Google Cloud's open-source services

Manage incidents of cyberattacks and threats
The substantial rise in cyberattacks, such as phishing, malware, social engineering, DDoS, and ransomware, has heightened the demand for Google Cloud's security-embedded solutions

Google Cloud services market size – by geography

43%
North America
North America remains the largest adopter, with demand for innovation through unified data ecosystem, building new capabilities in the cloud using cloud-native features, and infrastructure optimization.

22%
Continental Europe
Demand in the region is driven by multi-cloud adoption with enterprises mandates such as sustainability, cybersecurity, and cloud sovereignty. The region is seeing a greater traction for SAP workload modernization.

22%
United Kingdom & Ireland (UKI)
Enterprises in UKI are migrating their workloads end-to-end by adopting a cloud-first approach and building on smart and emerging technologies.

9%
Asia Pacific
The region is currently experiencing rapid growth wherein enterprises are adopting Google Cloud during infrastructure, application migration, and data modernization exercises.

4%
Rest of the World (RoW)
The region has seen slight uptick with an increased demand from digital natives, especially from the LATAM and a few Middle Eastern countries. High infrastructure investments and government support are the primary reasons for growth.

Google Cloud services market split across value chain

Cloud advisory/consulting
- Analyzing and prioritizing modernization opportunities that optimize the business benefits
- Performing RoI assessment, building strategic roadmaps, and analyzing architectural gaps
- Managing organizational change

16% of the spend value

Infrastructure design/build
- Designing solutions and defining security requirements, rightsizing, and embedding automation
- Technical, functional, and configuration design
- Process transformation and build, configure, deploy, and decommission virtual servers from scratch

34% of the spend value

Cloud modernization
- Executing defined modernization roadmap with blueprints and accelerators
- Refactoring, migration, and cloud-native modernization
- Cloud migration, containerized infrastructure, and optimized data storage for modernization

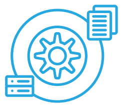
36% of the spend value

Managed services
- Monitoring, incident management, issue resolution, compliance, regulatory support, and emergency fixes
- Upgrades, minor usability updates, and product enhancements
- Organizing, securing, and managing Google Cloud environment, resources, and applications

14% of the spend value

Top enterprise demands on Google Cloud

SAP workload modernization



Data transformation and engineering

Cloud-native development

Marketing analytics

AI-first digital engineering

Research calendar
Cloud and Infrastructure Services

Published | Planned | Current release

Reports title	Release date
Cloud Services State of the Market: Maximizing Value from Cloud – North America	December 2022
Cloud Services State of the Market: Maximizing Value from Cloud – Europe	December 2022
Network Transformation Services Provider Compendium – Communication Service Providers (CSPs) 2023	January 2023
Cloud Revolution in Banking: Imperative Role of Hyperscalers	July 2023
Navigating the Cloudscape: Unveiling Enterprise Adoption of Google Cloud Services	**July 2023**
Cloud Services PEAK Matrix® Assessment 2023 – North America	Q3 2023
Cloud Services PEAK Matrix® Assessment 2023 – Europe	Q3 2023
Cloud Services Provider Compendium 2023 – North America	Q3 2023
Cloud Services Provider Compendium 2023 – Europe	Q3 2023
Network Transformation and Managed Services (Focus on SIs) PEAK Matrix Assessment 2023	Q3 2023
Network Transformation and Managed Services (Focus on SIs) Provider Compendium 2023	Q3 2023
Amazon Web Services (AWS) State of the Market 2023	Q3 2023
Microsoft Azure Services State of the Market 2023	Q3 2023
FinOps: A Critical element of enabling Cloud for Value (CfV)	Q2 2023
Cloud Security Services PEAK Matrix® Assessment 2023	Q4 2023

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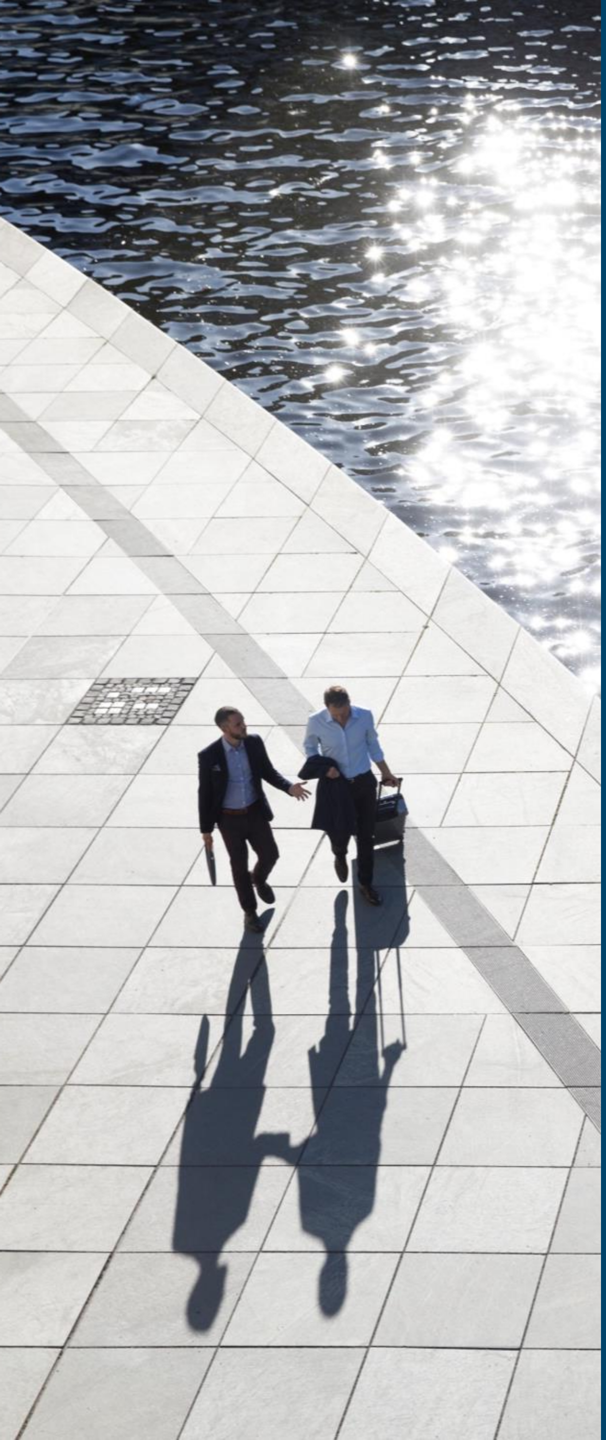

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