Worldwide Spending on Edge Computing Will Reach $250 Billion in 2024, According to a New IDC Spending Guide

FRAMINGHAM, Mass., September 23, 2020 – The concept of edge computing most often refers to intermediating infrastructure and critical services between core datacenters and intelligent end points. Proliferating enterprise and consumer devices benefit from a digitally transformed technology world through edge capabilities. However edge is defined, the compute, storage, and networking cornerstones grid data creation, analysis, and management outside of the core. A future is unfolding where extraordinary value and opportunity for essential products and services from a myriad of technology ecosystem stakeholders is being created. According to the new Worldwide Edge Spending Guide from International Data Corporation (IDC), the worldwide edge computing market will reach $250.6 billion in 2024 with a compound annual growth rate (CAGR) of 12.5% over the 2019–2024 forecast period.

"Edge products and services are powering the next wave of digital transformation," said Dave McCarthy, research director, Edge Strategies at IDC. "With the ability to place infrastructure and applications close to where data is generated and consumed, organizations of all types are looking to edge technology as a method of improving business agility and creating new customer experiences."

The stable of companies that are present and investing in edge computing continues to grow and increasingly includes a diverse set of competitors. Familiar companies in the hyperscaler space include Amazon Web Services (AWS), Equinix, Google, IBM, Microsoft, Oracle, and Switch among others. Physical infrastructure providers include companies such as AMD, Dell Technologies, Ericsson, HPE, and Intel. Meanwhile, services companies like AT&T, Lumen, and Verizon deliver critical networking capabilities to connect the thousands of planned and deployed edge datacenters.
IDC expects edge expenditures will be concentrated in the U.S. and Western Europe over the next several years. In 2020, the global regional spending shares for the Americas, EMEA, and Asia/Pacific will be 45.0%, 27.9%, and 27.2%, respectively. From an industry perspective, 11 of the 19 standard industry segments will deliver 5% or more of total worldwide spending in 2020. The top two industries for edge spending throughout the forecast are discrete manufacturing and professional services, while retail will overtake process manufacturing to become the third largest industry by the end of the forecast. Professional services will also see the fastest growth in edge spending with a five-year CAGR of 15.4%.

From a technology perspective, services (including professional and provisioned services) will account for 46.2% of all edge spending in 2024. Hardware follows as the second largest technology category with a 32.2% share of spending, while the remaining 21.6% will go to edge-related software.

"While no technology market has been spared from the economic impact of COVID-19, edge market suppliers are poised to experience sustained growth throughout the forecast from enterprise and service provider investments," said Marcus Torchia, research director.
with IDC's Customer Insights & Analysis group.

The IDC Worldwide Edge Spending Guide quantifies the edge computing market by forecasting end user spending across 17 technology markets, six technology domains, 19 industries, and nine geographies. This version (V1 2020) of the Spending Guide incorporates updated estimates for the impact of COVID-19 across all technology and industry markets as of the end of May 2020.

About IDC Spending Guides

IDC’s Spending Guides provide a granular view of key technology markets from a regional, vertical industry, use case, buyer, and technology perspective. The spending guides are delivered via pivot table format or custom query tool, allowing the user to easily extract meaningful information about each market by viewing data trends and relationships.

For more information about IDC’s Spending Guides, please contact Monika Kumar at mkumar@idc.com.

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