IDC

IDC MarketScape: Worldwide Public Cloud Infrastructure as a Service 2025 Vendor Assessment
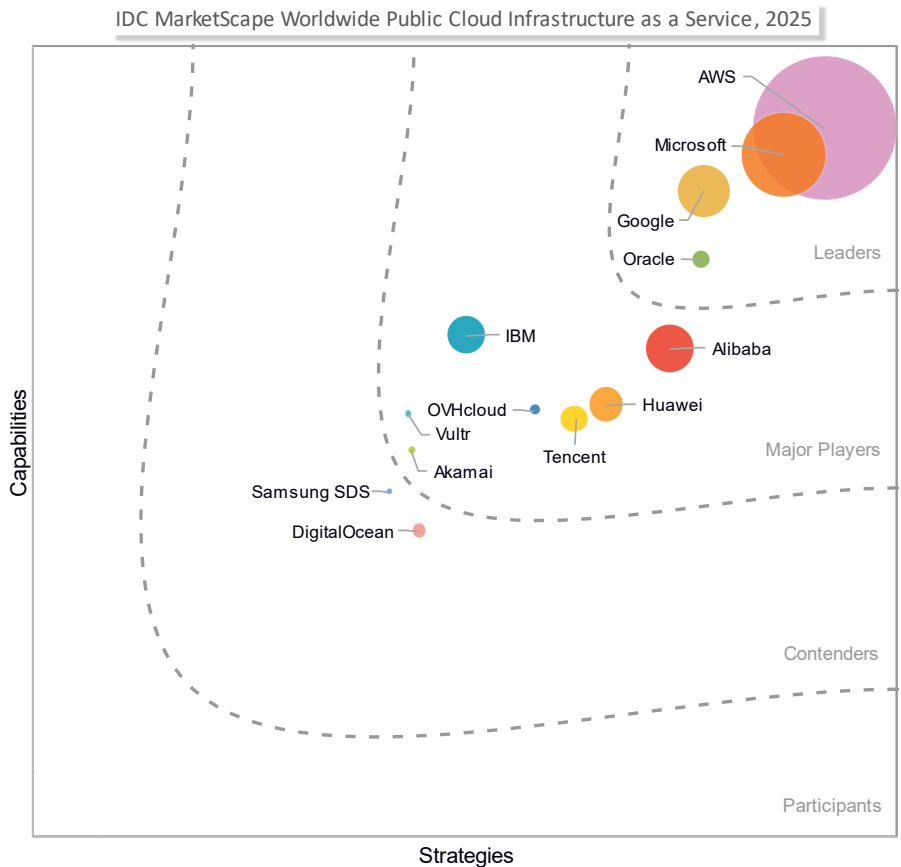
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THIS EXCERPT FEATURES ORACLE AS A LEADER

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Public Cloud Infrastructure as a Service Vendor Assessment

IDC MarketScape Worldwide Public Cloud Infrastructure as a Service, 2025

Source: IDC, 2025

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

ABOUT THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Public Cloud Infrastructure as a Service 2025 Vendor Assessment (Doc # US51813824).

IDC OPINION

Public cloud infrastructure as a service (IaaS) continues to see rapid growth as organizations move additional workloads to the cloud and create new cloud-native applications. IDC expects the overall IaaS market to reach $188 billion in 2025.

Artificial intelligence (AI) is significantly reshaping the cloud infrastructure market in several ways:

- **Hardware investments:** AI workloads demand specialized hardware such as GPUs, tensor processing units (TPUs), and FPGAs. This necessitates substantial investments in these resources to offer them as on-demand services, creating a competitive race to provide the most powerful and efficient hardware.
- **Automation and efficiency:** AI is used to automate various aspects of infrastructure management, including provisioning, load balancing, and maintenance. This leads to increased efficiency, reduced operational costs, and improved scalability, allowing providers to handle growing demand more effectively.
- **Enhanced security offerings:** AI-powered security tools are crucial for detecting and responding to increasingly sophisticated threats in real time. This drives providers to invest in and offer advanced security solutions, such as anomaly detection, intrusion prevention, and vulnerability scanning, as key differentiators.
- **Resource optimization:** AI algorithms analyze usage patterns and predict future demand, enabling providers to optimize resource allocation and minimize waste. This leads to better utilization of hardware, reduced energy consumption, and ultimately, improved profitability.
- **New AI-driven services:** Providers are developing and offering a range of AI-powered services, such as natural language processing, image recognition, and predictive analytics. This expands their service offerings and attracts new customers seeking to leverage AI in their applications.

There is also an increased emphasis on a distributed approach to cloud infrastructure that spans hyperscale datacenters, private facilities, telco networks, and edge locations. When combined with the previous trends of hybrid and multicloud architectures, cloud has become the ubiquitous platform for innovation regardless of where it is deployed.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This IDC MarketScape is an evaluation of global public cloud IaaS providers. IDC's Worldwide Semiannual Public Cloud Services Tracker covers more than 30 global and regional cloud providers with IaaS. However, many of these companies are focused on specific regions or have not reached a material revenue scale. This IDC MarketScape focuses on providers that have reached a certain threshold of revenue and have a presence in all global regions. IDC uses the following inclusion criteria for service providers (SPs) included in this IDC MarketScape:

- The service provider offered IaaS compute and storage services for at least two years as of the end of 2023.
- The service provider generated over $100 million in IaaS business in 2023.
- 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

For technology buyers navigating the cloud landscape, a strategic, holistic approach is paramount. While public cloud IaaS continues its robust growth trajectory, a portion of workloads will remain on premises due to critical factors like latency sensitivity, stringent privacy regulations, and specific security requirements. Furthermore, established, stable legacy applications often perform adequately on existing infrastructure, rendering a wholesale "lift and shift" to the public cloud unnecessary or even counterproductive.

Therefore, IDC advises clients to adopt a "cloud operating model" perspective. This encompasses a spectrum of deployment options, from hyperscale public cloud datacenters to edge deployments, private datacenters, and colocation facilities. The convergence of infrastructure software such as Kubernetes and VMware, coupled with vendor investments in hybrid cloud management tools, is creating a more unified cloud experience across these diverse environments.

The breadth of choice can be daunting, but buyers should view this as an advantage, not a paralyzing dilemma. Workload placement decisions must extend beyond simple cost considerations. Factors such as service adjacency (proximity to other required services), the provider's broader ecosystem (including partner networks and available integrations), and their commitment to interoperability and open standards are crucial.

Increasingly, the integration of AI capabilities into cloud infrastructure is also a key differentiator. Buyers should evaluate how providers are leveraging AI to enhance areas like infrastructure automation, security, and cost optimization.

It's important to recognize that cloud spending may shift toward services outside the traditional public IaaS category, such as dedicated cloud infrastructure offerings. This reflects a growing demand for consistent infrastructure and operational models across different deployment locations.

Cloud security and management remain significant challenges. IDC recommends prioritizing providers that offer robust out-of-the-box security features and a comprehensive approach to system observability. This goes beyond basic monitoring and provides deeper insights into system behavior, which is essential in complex multicloud and hybrid cloud environments. AI-driven security solutions offered by cloud providers are becoming increasingly vital for threat detection and response in these complex environments.

The current market presents significant opportunities for technology buyers. Emerging cloud providers are actively competing for market share, often offering attractive terms and incentives. The increasing maturity of interoperability standards and partnerships between providers further benefit customers. And with the rise of edge computing and distributed cloud architectures, the cloud is truly becoming ubiquitous. By adopting a strategic, holistic approach that considers workload characteristics, ecosystem alignment, and the growing influence of AI, organizations can maximize the value and minimize the risks of their cloud investments.

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. (Companies are profiled in alphabetical order. It does not reflect standing in IDC MarketScape assessment placement, revenue, or any other factors.)

Oracle

Oracle is positioned in the Leaders category in this 2025 IDC MarketScape for worldwide public cloud infrastructure as a service.

Oracle Cloud Infrastructure was launched in 2016 and has grown at a rapid pace since then owing to its large enterprise base, suite of cloud-based services, and its database business. The company has continued its OCI expansion, growing to 50 public cloud

regions across 24 countries, with additional sites planned across Europe, Middle East and Africa, and Asia/Pacific. Its rapid rollout of OCI regions is enabled by a standardized software stack.

OCI's global reach is supported by high-speed interconnects, including partnerships with Microsoft Azure in 12 regions and Google Cloud in 11 regions. These interconnections enable joint customers to leverage OCI alongside Azure or Google Cloud with low latency and no data transfer fees, facilitating seamless multicloud architectures. Oracle's multicloud strategy and offerings extends directly into the other major hyperscalers with its Oracle Database@Azure, Oracle Database@Google Cloud, and Oracle Database@AWS services. Customers can run Exadata Database Service, as well as Autonomous Database, directly in the datacenters of the major hyperscalers, with the flexibility and choice of where their applications run or which cloud services they want to use.

Oracle continues to differentiate OCI through its Dedicated Region offering, which brings the full stack of Oracle Cloud services, including IaaS, PaaS, and SaaS, directly to customer's preferred location. This flexibility is particularly appealing to highly regulated industries that require strict data sovereignty. Oracle's cloud offerings are further complemented by Oracle Autonomous Database and Exadata Cloud Service, providing high-performance database solutions optimized for enterprise needs.

OCI's compute portfolio remains varied, offering Intel, AMD, and ARM-based options with recent updates to support expanded GPU and AI/ML-focused instance types, such as NVIDIA A100 and H100 GPUs, to support AI model training. OCI's Ampere Altra ARM-based instances continue to gain traction, providing cost-effective, high-performance compute options for cloud-native workloads. The more performant GPU-powered instances such as H200 and B200 are planned for availability through bare metal offerings. OCI also supports containers via OCI Kubernetes Engine.

On the storage front, OCI has enhanced its block storage offerings by providing tiered pricing options and increased performance, maintaining its competitive pricing advantage. OCI claims that its block storage provides cost advantages while still delivering high performance. OCI's object storage service now includes additional capabilities for regional replication and life-cycle management to support advanced data governance and disaster recovery requirements. Oracle continues to highlight its Maximum Security Zones, where all security settings are enforced by default, promoting a stronger security posture for sensitive workloads.

Strengths

Oracle's heritage in enterprise software and databases provides a foundation of trust among long-standing clients, particularly for those in regulated sectors such as financial

services, healthcare, and government. OCI Dedicated Region further strengthens Oracle's appeal to these industries by delivering the full range of Oracle Cloud services on premises, with compliance and latency requirements in mind.

The partnerships with Microsoft, Google, and Amazon are a strong differentiator, allowing Oracle to address multicloud needs effectively. With increasing numbers of regions interconnected with Azure and Google Cloud already, Oracle has strengthened its ability to cater to customers looking for a hybrid or multicloud approach. IDC believes the deep investments Oracle has made in OCI as well as enticements around pricing and fees have paid off. It does not charge customers for inbound data transfer, and the first 10TB of data egress per month is free. This is a major differentiator to OCI and has certainly helped draw new eyes and dollars to the platform.

Challenges

Oracle continues to face challenges regarding its relatively late start in the public cloud market, with its limited market share and narrow service ecosystem. Furthermore, Oracle's reputation as a database-centric provider may limit its appeal for non-Oracle workloads, as many customers perceive OCI primarily as a platform for Oracle applications rather than a general-purpose IaaS provider.

Although Oracle has taken strides toward improved transparency and customer-friendly pricing, its history of license audits and stringent IP enforcement could still deter some potential customers from adopting OCI fully. Maintaining its current course of transparency and cost-effectiveness will be crucial for Oracle as it looks to increase OCI's market presence.

Consider Oracle When

Consider Oracle when migrating enterprise workloads to cloud infrastructure with an emphasis on hybrid and multicloud capabilities.

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 dedicated:

- 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.
- Dedicated 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 six attributes listed in Table 1. These attributes apply to all cloud services — in all public and dedicated 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

Related Research

- *Worldwide Public Cloud Infrastructure as a Service Market Shares, 2023: High-Performance Computing and Cloud Synergies Address Market Demands* (IDC #US50402723, September 2024)
- *Worldwide Public Cloud Infrastructure as a Service Forecast, 2024–2028* (IDC #US50402523, August 2024)
- *IDC's Worldwide Public Cloud Infrastructure as a Service Taxonomy, 2024* (IDC #US51735424, June 2024)

Synopsis

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

"AI is no longer a peripheral technology but a core driver of cloud infrastructure demand. The need for specialized hardware, massive compute capacity, and AI-optimized services is reshaping the cloud landscape," said Dave McCarthy, research vice president, Cloud and Edge Services. "Providers that invest aggressively in AI infrastructure and offer comprehensive AI platforms will be the clear leaders in the next phase of cloud evolution."

ABOUT IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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