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1H 2025 Enterprise Applications Market Sizing & Five-Year Forecast

A Global Study of the 12 Product Segments Within Enterprise Applications

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This report serves as a "highlights reel" of findings from our study of 12 product segments of enterprise applications.

This is a "companion" report to the entire dataset within Futurum's interactive visualization dashboard, where users can filter and drill down further into the study details - see app.futurumgroup.com.

Key Findings

- Market Growth and Drivers: The enterprise application market grew to US$341.4 billion in 2024, with a projected compound annual growth rate (CAGR) of 10.8% through 2029, reaching US$569.7 billion. Despite global economic uncertainties and geopolitical tensions, this robust expansion is fueled by AI integration, digital transformation investments, 5G deployment, IoT, Industry 4.0 innovations, and deep learning frameworks.

- The Impact of AI on Next-Gen Technology Integration: AI, ML, and generative AI are now core components of enterprise applications. These technologies are transforming operations, enabling real-time insights, and reducing manual workloads. Strategic moves – e.g., SAP-backed Sapphire Ventures' US$1 billion fund for AI startups and Salesforce's Tableau Einstein Alliance – highlight the accelerating shift toward AI-powered ecosystems.

- Market Challenges and Forecast: As AI adoption accelerates, vendors must address concerns around data privacy, ethical use, scalability, regulatory compliance, and intellectual property. Rising global instability, tech decoupling (e.g., U.S.–China), and tightening capital introduce new innovation and funding access constraints.

Recommendations

To optimize their chance for success in this vast, competitive, fast-moving market, enterprise application vendors should:

1. Accelerate AI-First Strategies: Vendors should continue to embed generative and predictive AI across products, prioritizing automation, real-time decision-making, and hyper-personalization to stay ahead in a crowded market.

2. Design for Hybrid Flexibility: Support customers' varied deployment needs by offering modular, hybrid solutions that integrate seamlessly with cloud-native and on-premises infrastructures, especially critical in regulated sectors.

3. Address Cloud Migration Challenges Proactively: Offer cost-effective migration services, pricing models linked to value delivered, and assistance to help customers manage data transfer, licensing complexity, and rising SaaS costs.

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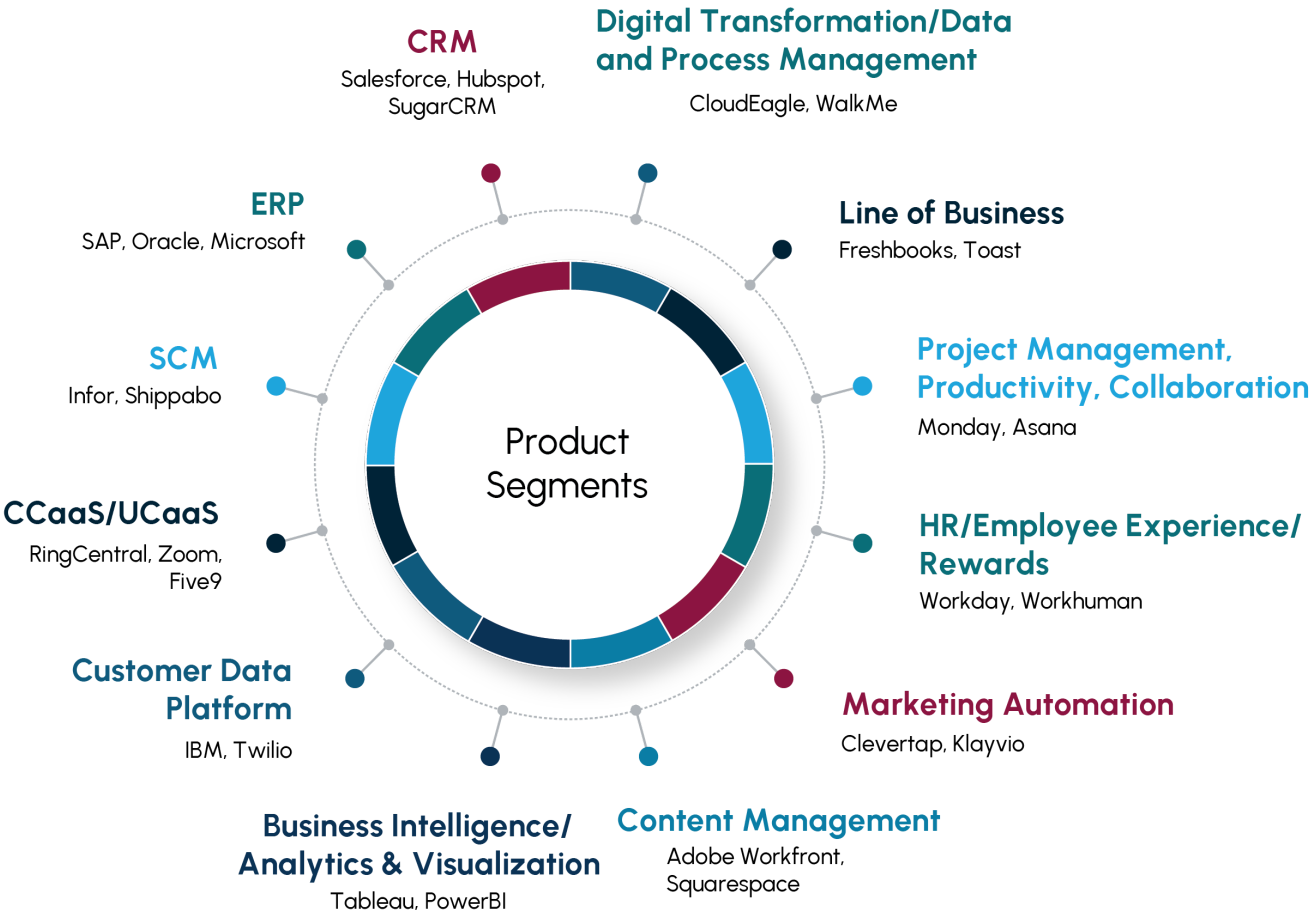
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Market Model

Futurum views the enterprise applications market model through the following lens:

Product Segments



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Deployment Type

Deployment

SaaS

This model operates on a subscription basis, where customers pay a recurring fee to use the software. SaaS providers handle all maintenance, updates, and security, which reduces the burden on the customer's IT resources.

On-premise

This deployment model involves purchasing licenses upfront and typically requires a significant investment in hardware, maintenance, and IT infrastructure.

Buyer Personas

C-Level Decision Makers

They are intimately involved with internal development efforts, and want to ensure that any software purchased can be properly integrated into the company's technology stack.

Department Heads

They may be directly involved with the purchase decision process, and depending upon the application, may work in tandem with their counterparts to identify, assess, and ultimately recommend or purchase a software platform, application or tool.

Line of Business Managers

Within enterprises, they usually serve as purchase influencers, rather than decision makers, as their responsibilities and perspective often does not extend beyond their line of business.

Line Workers/Users

Some organizations actively seek out and incorporate end-user feedback and recommendations into the software that is procured, while others will simply purchase software without incorporating the feedback or opinions from users or user groups.

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Market in Review - 2024

The enterprise application market has grown significantly, with a recorded size of US$341.4 billion in 2024. It is projected to grow at a CAGR of 10.8% through 2029. The software industry is poised for sustained and resilient growth, even amid macroeconomic headwinds such as persistent inflation, elevated interest rates, and geopolitical volatility. This momentum is fueled by accelerated enterprise investments in digital transformation, rapid advancements in generative AI and deep learning frameworks, and the proliferation of next-generation technologies – including the Internet of Things (IoT), Industry 4.0 innovations, and widespread 5G adoption – enabling smarter, more connected ecosystems across sectors.

The shift to a digital-first world has rapidly increased the importance of AI-driven software-as-a-service (SaaS) and cloud-based enterprise applications. These solutions, built on modern architectures and seamlessly integrated through application programming interfaces (APIs), are now essential for success in today's fast-paced digital landscape. This evolution is fueled by significant investments in digital infrastructure and cloud analytics, which enhance software maintainability and improve data accessibility. AI plays a transformative role by improving customer satisfaction, streamlining operations, and optimizing data management. According to a recent survey by Futurum, published in November 2024, 65% of executives and IT professionals identified generative AI as a top organizational priority, emphasizing its potential to automate content creation, foster innovation, and streamline business operations.

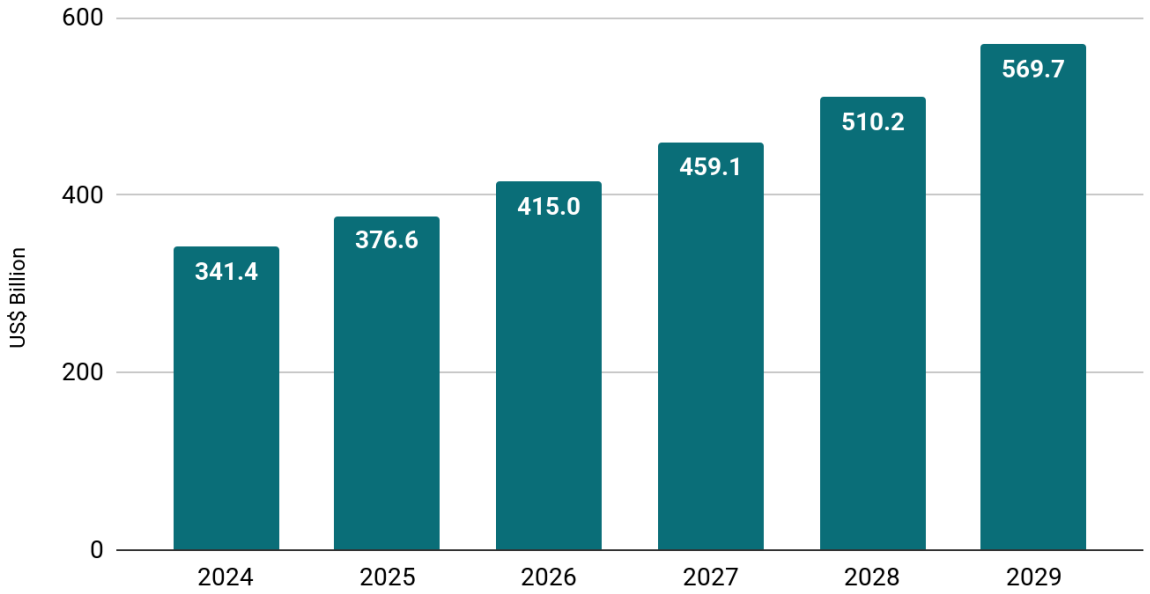
Incorporating IoT and AI into enterprise applications revolutionizes business operations by enabling real-time insights, process automation, and data-driven decision-making. SAP-backed Sapphire Ventures committed US$1 billion in early 2024 to support startups focused on AI-powered enterprise technologies. Leveraging its deep ties to SAP, the firm offers capital, strategic guidance, and scaling expertise, enabling smarter, more targeted investments in enterprise AI.

Despite rapid advancements, enterprise applications face significant challenges, including concerns over data privacy and security, scalability and integration, regulatory compliance, ethical AI use, and intellectual property and data ownership. Macroeconomic pressures such as persistent inflation, interest rate volatility, and geopolitical tensions, such as tariff wars, have added further layers of complexity. As emerging technologies transform business operations, the World Economic Forum projects that automation will displace 85 million jobs by 2025 and shift 40% of core skills, highlighting the urgent need for inclusive workforce upskilling in the age of AI.

In conclusion, the enterprise application market offers significant opportunities driven by the push for digital transformation. However, navigating economic challenges and addressing the evolving skillset landscape will be crucial for businesses to realize this potential fully.

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Figure 1: 1H 2025 Enterprise Applications Market 2024–2029 (in US$ Billion)



Source: Futurum Research, April 2025

Table 1: 1H 2025 Enterprise Applications Market 2024–2029 (in US$ Billion)

	2024	2025	2026	2027	2028	2029
Revenue	341.4	376.6	415.0	459.1	510.2	569.7
Y-O-Y		10.3%	10.2%	10.6%	11.1%	11.7%

Source: Futurum Research, April 2025

Five-Year Forecast for Enterprise Applications Market (2024–2029)

The following general assumptions factor into our forecast calculations. Various segments and region-specific assumptions are discussed in their appropriate sections.

This forecast is based on the historical growth rates of enterprise applications from leading vendors, representing more than 85% of the market share. While the market demonstrates robust growth potential, the expansion rate is slightly tempered compared to pre-pandemic levels. The maturation of enterprise applications, alongside challenges such as data privacy concerns and ethical considerations due to the incorporation of AI, contributes to this moderated growth outlook.

Over the next five years, the enterprise applications market is projected to achieve a CAGR of 10.8%, with revenues expected to increase from US$341.4 billion in 2024 to approximately US$569.7 billion by 2029. The enterprise software market's growth is fueled by the rapid automation of business processes and the continued integration of traditional AI, machine learning (ML), and generative AI into organizational workflows. These

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technologies enable faster, smarter insights and decision-making, positioning enterprise applications as critical enablers of efficiency and innovation across industries. According to McKinsey's Report - The economic potential of generative AI, updated adoption scenarios factoring in technology advances, economic viability, and adoption timelines suggest that half of today's work activities could be automated between 2030 and 2060, with a midpoint around 2045 – nearly a decade sooner than previously projected. To remain competitive in a fast-evolving digital landscape, companies are intensifying investments in modernizing their application portfolios and adopting AI-first strategies.

Technology companies are increasingly fostering specialized partner ecosystems to co-develop AI-powered enterprise solutions, accelerating innovation and value delivery. These ecosystems are becoming strategic hubs for collaboration, co-selling, and go-to-market acceleration, especially in AI and data analytics. For instance, in October 2024, Salesforce launched the Tableau Einstein Alliance, a dedicated partner community aimed at co-creating AI solutions and analytical agents for Tableau Einstein, integrated with Agentforce. The alliance equips partners with strategic resources and marketplaces to co-create, commercialize, and scale AI-driven solutions rapidly.

Hybrid IT models, combining on-premises and cloud-based (SaaS) solutions, are gaining traction among industry leaders. According to Futurum's November 2024 survey of enterprise application purchase decision-makers, 46% of respondents favor a hybrid deployment model, reflecting growing flexibility in vendor strategies, digital transformation investments, and hybrid cloud adoption. This evolution reduces the operational burden of frequent software upgrades and ensures seamless, secure, and universal data access.

The integration of AI across enterprise software ecosystems acts as a catalyst for operational optimization, customer engagement, and data-driven management. As AI adoption accelerates, the demand for AI-infused enterprise solutions continues to surge. Enterprises are rapidly prioritizing AI initiatives, recognizing them as essential for maintaining a competitive edge and future-proofing their operations.

In addition, Futurum's IT decision-maker survey shows varied enterprise application spending, with 76% of organizations allocating 10–30% of their IT budgets, highlighting diverse digital priorities. As noted by Futurum, enterprise applications are driving this surge with 15.5% market growth, fueled by strong demand for AI, cloud, and automation technologies. Also, tech employment in the U.S. is set to grow by 3.1% in 2024, adding over 300,000 new jobs, more than doubling the 1.2% growth and 117,000 hires recorded in 2023, according to CompTIA. However, geopolitical tensions – such as the U.S.–China tech restrictions, conflicts in Eastern Europe and the Middle East, and global supply chain disruptions – contribute to market uncertainty and investor caution, which tighten capital availability. The shift to subscription-based and SaaS models has made tech revenues more resilient by ensuring predictable income, helping cushion the impact of economic slowdowns. However, signs of budget tightening are emerging, requiring providers to stay pragmatic and adaptive.

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Looking ahead, the enterprise application market is poised for resilient growth through 2025 and beyond, propelled by technological innovation, broader digital adoption, and an increasing emphasis on AI-driven business models. Successfully navigating regulatory complexities, addressing cybersecurity concerns, and adapting to macroeconomic shifts will be essential for sustaining market momentum and achieving long-term success.

Forecast Details by Deployment

The following sections provide forecasts and commentary on the individual product segments – On-premises and SaaS-based revenue.

Table 2: Five-Year Market Forecast by Deployment (in US$ Billion)

Type	2024	2025	2026	2027	2028	2029	5-Year CAGR
On-premises	85.2	88.5	91.8	95.2	98.9	102.9	3.9%
SaaS	256.2	288.1	323.3	363.8	411.2	466.8	12.7%
Total	341.4	376.6	415.0	459.1	510.2	569.7	10.8%

Source: Futurum Research, April 2025

On-Premises

The market for on-premises enterprise applications is valued at US$85.2 billion as of the first half of 2025 and is projected to reach US$103.0 billion annually by 2029. On-premises solutions continue to play a critical role for industries with strict data privacy and regulatory compliance needs, such as healthcare, finance, and government, by providing complete control over data environments. Financial institutions, for instance, often adopt on-premises AI platforms such as Salesforce Health Cloud and IBM Watsonx to comply with evolving regulations around data security and sovereignty. Similarly, healthcare providers rely on localized deployments to ensure compliance with standards such as HIPAA and GDPR.

While on-premises AI solutions offer critical advantages in control, security, and compliance, they often come with significant upfront costs, including infrastructure investments, software licensing, and implementation services, which can pose a barrier for organizations across various sizes and sectors. To overcome these challenges, leading vendors such as SAP and Oracle have evolved their offerings with flexible licensing models and scalable deployment options tailored to diverse business needs. For instance, SAP's on-premises enterprise resource planning (ERP) systems now include modular components that seamlessly integrate with cloud-based services, enabling gradual digital transformation without full cloud migration. Similarly, Oracle continues to support its robust on-premises solutions with frequent security and performance updates, helping enterprises maintain operational excellence while deferring immediate cloud adoption.

Moreover, the rise of hybrid cloud architectures is further revitalizing the on-premises application market. These architectures allow organizations to strategically blend

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on-premises infrastructure with cloud-based tools, offering the flexibility to scale, modernize, and innovate while still leveraging existing IT investments. This hybrid model ensures a more agile and cost-effective path forward, particularly for regulated industries and large enterprises navigating complex digital landscapes.

SaaS-based Software

The market for SaaS-based enterprise applications was valued at US$256.2 billion as of the first half of 2025 and is projected to reach US$466.7 billion annually by 2029. Also, according to Futurum's 2024 IT decision-makers survey, 45% of organizations prioritize efficiency improvements and productivity gains as key measures of SaaS ROI, highlighting the focus on automation, streamlined workflows, and operational optimization.

This shift is fueled by increased investment in digital infrastructure and rapid advancements in cloud-based analytics, which minimize the need for constant software upgrades while enabling seamless, accessible data management.

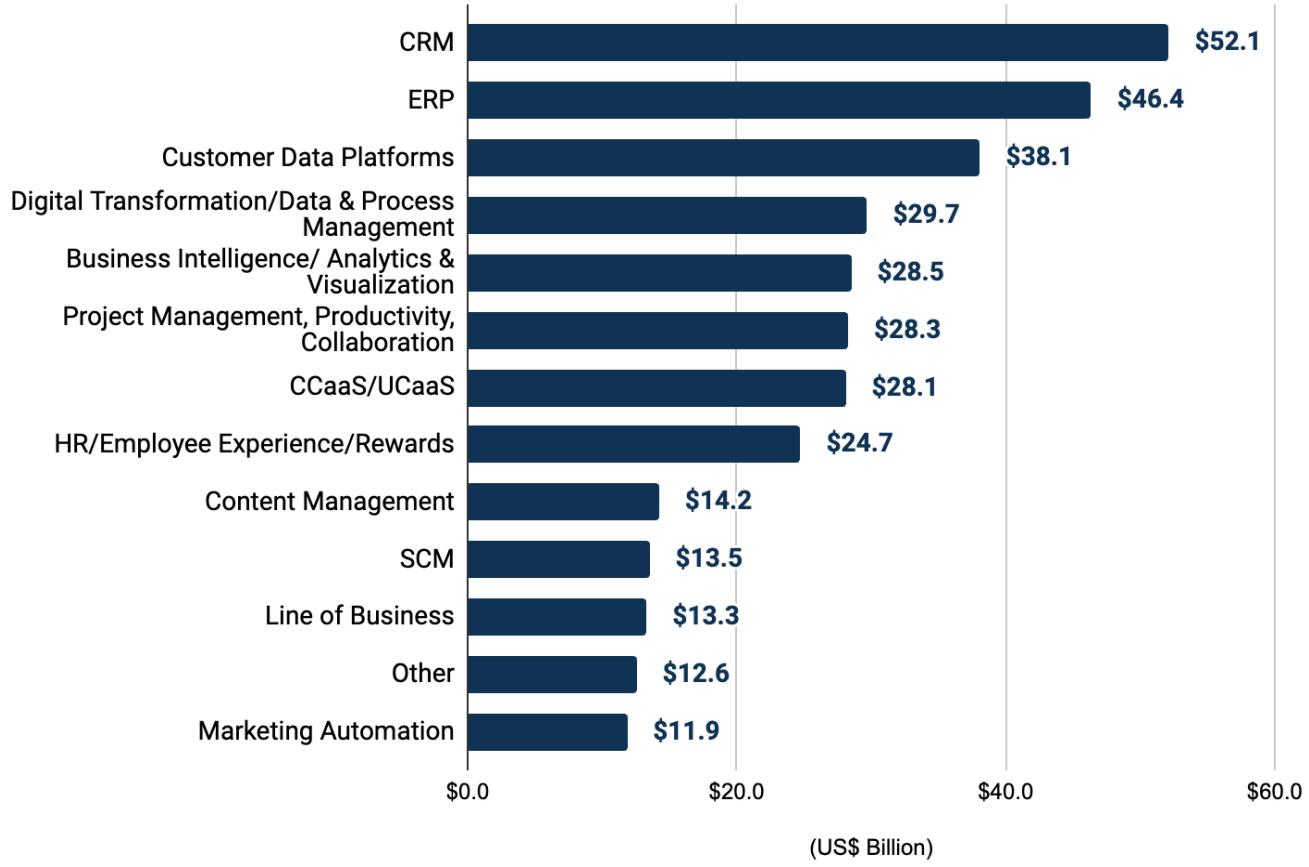
However, vendors encounter key hurdles in transitioning to cloud-native models, including high migration costs, data transfer complexities, and escalating service fees. SaaS enterprise application buyers also demand localized pricing, outcome-driven models, and hybrid subscription-consumption pricing structures to align with diverse operational needs.

While SaaS solutions provide agility and scalability, on-premises deployments continue to be favored for their superior data control and regulatory compliance. Despite integration challenges and cost pressures, the enterprise application market holds substantial growth potential, particularly through innovative use cases and strategic ecosystem collaborations.

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Forecast Details by Application

Figure 2: 1H 2025 Market Revenue by Application, (Revenue – 2024; in US$ Billion)



Source: Futurum Research, April 2025

CRM: The CRM market is expanding rapidly, driven by the growing demand for personalized customer experiences and the integration of AI and ML. According to Futurum Group's analysis, the CRM market reached US$52.1 billion by the first half of 2025 and is projected to grow to US$112.5 billion annually by 2029.

As businesses increasingly adopt AI-driven solutions, platforms such as Agentforce (Salesforce) are poised to redefine customer engagement strategies, offering more efficient, personalized, and scalable interactions. Launched in late 2024, Salesforce's AI-driven Agentforce platform automates complex customer service tasks and delivers hyper-personalized interactions using large language models, enhancing satisfaction and efficiency. Moreover, as stated by the company, Agentforce is driving a more than 40% increase in case resolution for companies such as Wiley by automating routine inquiries with AI-powered, knowledge-based self-service, freeing human agents to handle more complex issues. The rise of AI-powered agentic CRM platforms, exemplified by Salesforce's Agentforce, represents the most significant development in the CRM industry in 2025, signaling a shift toward more intelligent, autonomous, and personalized customer relationship management.

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Also, in Oct 2024, Oracle introduced AI-driven tools within its Fusion Cloud Sales and Fusion Cloud Supply Chain & Manufacturing platforms, significantly impacting the CRM industry by enhancing automation and personalization. These AI agents assist sales professionals with tasks such as updating company records and generating multilingual reports, thereby reducing administrative workloads and improving efficiency. By integrating these tools at no additional cost, Oracle aligns with industry trends set by competitors such as Microsoft and Google, emphasizing the growing importance of AI in customer relationship management.

The CRM market outlook for 2025 is highly optimistic, as platforms evolve into intelligent, predictive systems powered by big data and AI. These next-generation CRMs not only anticipate customer needs with greater precision but also drive higher retention and engagement by delivering hyper-personalized experiences at scale, transforming them from static databases into proactive growth engines.

Enterprise Resource Planning: In 2025, data management was valued at US$46.3 billion and is projected to reach US$93.2 billion by 2029. ERP, digital transformation, and analytics experience some growth driven by the need for operational efficiency and cloud adoption.

In 2025, SAP – one of the largest ERP providers – is experiencing a surge in client concerns over cloud provider flexibility amid rising geopolitical tensions and fears of a global trade war. In response, the company is expanding its sovereign cloud services across Germany, France, and key Asian markets, including Singapore and India, in addition to its existing operations for "Five Eyes" nations. These sovereign cloud initiatives are unlocking new opportunities in highly regulated sectors such as healthcare, defense, and finance, as well as in regions that have traditionally been cautious about adopting cloud-based ERP solutions.

Oracle's ERP Cloud has also seen enhancements with AI-driven financial management tools. The future of ERP looks promising with increased integration of IoT and AI, enabling real-time data analysis and decision-making, which will further drive efficiency and innovation in business operations.

Customer Data Platforms: In 2025, data management was valued at US$38.1 billion and is projected to reach US$57.9 billion by 2029. This growth reflects the critical importance of customer data platforms as enterprises face increasing data volumes and security concerns.

Investments from companies such as Google Cloud, through products such as BigQuery, Vertex AI, and AlloyDB, are designed to improve data management and drive better business outcomes. Informatica has embedded generative AI into its Data Management Cloud through CLAIRE GPT. This integration enhances data discovery, security, privacy, process creation, and application development, empowering business users to leverage AI-driven insights effectively.

Business Intelligence/Analytics: The segment contributed significantly to the market, reaching a value of US$28.5 billion in H1 2025. BI platforms are increasingly integrating generative AI and NLP capabilities, allowing users to interact with data using natural language queries. This democratizes data access, enabling non-technical users to generate

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insights without specialized training. In March 2024, Oracle enhanced its Fusion Data Intelligence platform with new AI capabilities, enabling Fusion Cloud Applications users to combine advanced analytics and intelligent automation for improved decision-making and business outcomes.

Tableau's integration with Salesforce has enhanced its analytics capabilities, providing deeper insights and better visualization tools. Additionally, Microsoft Power BI introduced new AI features for predictive analytics. The future of analytics includes more sophisticated AI algorithms and real-time data processing, enabling businesses to gain deeper insights, improve decision-making, and stay ahead of the competition.

Table 3: Five-Year Market Forecast by Application (2024–2029; in US$ Billion)

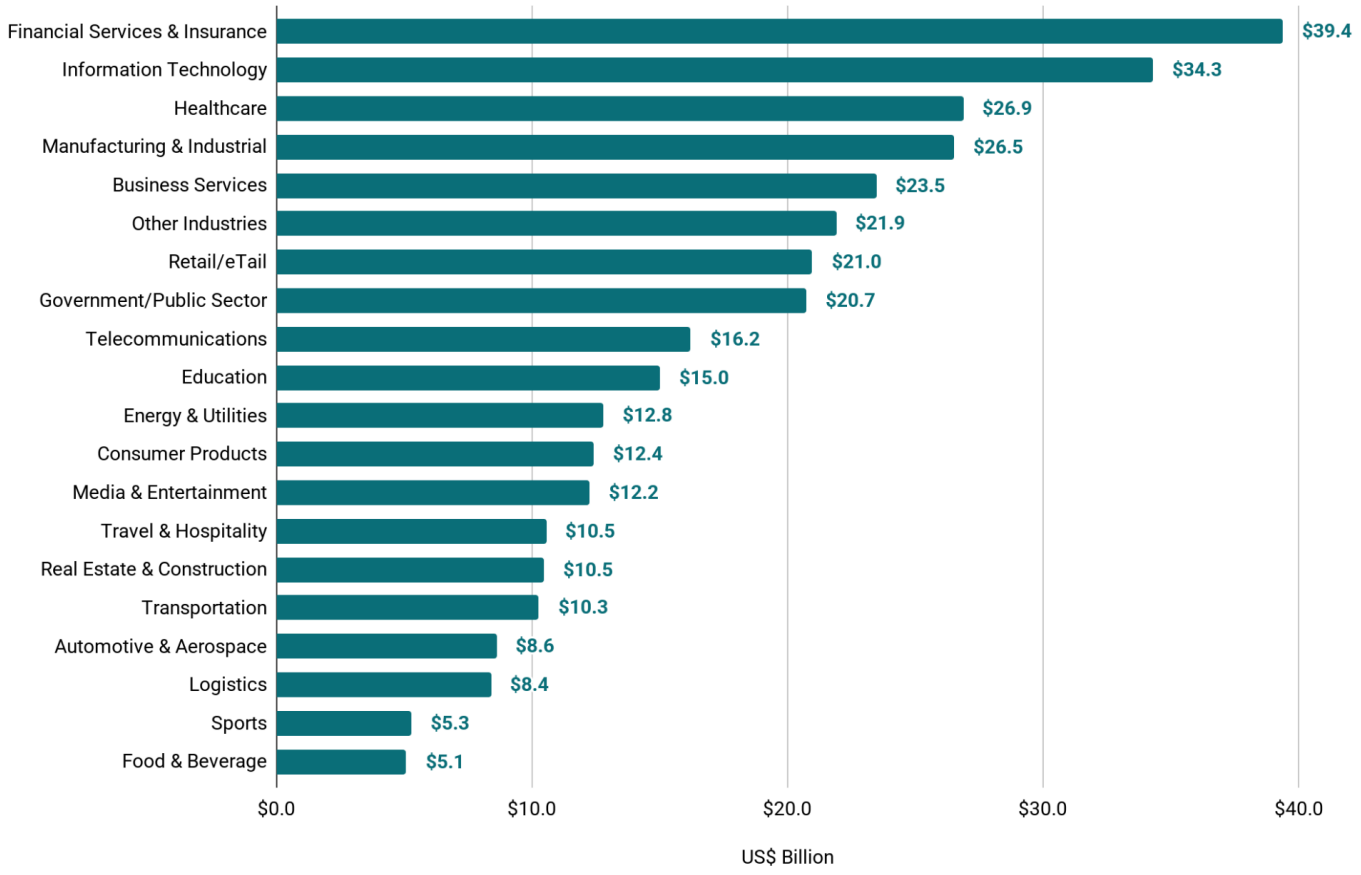
Application	2024	2025	2026	2027	2028	2029	5-Year CAGR
Business Intelligence/ Analytics & Visualization	28.5	31.7	35.1	38.9	43.3	48.2	11.1%
CCaaS/UCaaS	28.1	31.6	35.4	39.8	44.9	50.7	12.5%
Content Management	14.2	15.0	15.7	16.5	17.3	18.2	5.0%
CRM	52.1	60.4	70.0	81.5	95.5	112.5	16.7%
Customer Data Platforms	38.1	41.6	45.1	49.0	53.3	58.0	8.8%
Digital Transformation/Data and Process Management	29.7	32.8	36.2	40.1	44.5	49.5	10.8%
ERP	46.4	53.0	60.6	69.6	80.3	93.2	15.0%
HR/Employee Experience/Rewards	24.7	26.6	28.5	30.5	32.7	35.2	7.3%
Line of Business	13.3	13.5	13.7	13.9	14.0	14.2	1.4%
Marketing Automation	11.9	13.0	14.2	15.4	16.9	18.5	9.3%
Other	12.6	12.6	12.6	12.7	12.7	12.7	0.3%
Project Management, Productivity, Collaboration	28.3	30.2	32.2	34.2	36.4	38.8	6.5%
SCM	13.5	14.6	15.7	17.0	18.3	20.0	8.2%
Total	341.4	376.6	415.0	459.1	510.2	569.7	10.8%

Source: Futurum Research, April 2025

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Forecast Details by Industry

Figure 3: H1 2025 Market Share by Industry Vertical (Revenue – 2024; in US$ Billion)



Source: Futurum Research, April 2025

Banking, Financial Services, and Insurance: As of H1 2025, the segment holds a significant portion of the market, valued at US$39.3 billion, with forecasts predicting growth to US$80.0 billion by 2029. This growth is propelled by the expansive applicability of enterprise applications and a sharp rise in AI integration, particularly within the finance sector, which is emerging as a frontrunner in AI adoption. According to IMF data, the financial services industry invested US$35 billion in AI in 2023, of which US$21 billion originated from the banking sector alone. Financial institutions are aggressively modernizing their technology stacks to drive end-to-end digital transformation. This includes enhancing customer-facing services and streamlining internal operations, supported by a strategic pivot toward hybrid and multi-cloud environments as technology vendors roll out advanced cloud-native solutions tailored to financial compliance, scalability, and speed.

Information Technology: Accenture reports that organizations with advanced digital cores – integrating cloud-first infrastructure, AI, and data platforms – achieve up to 60% higher

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revenue growth and 40% greater profitability. This underscores the strategic importance of enterprise software modernization in driving business performance. The enterprise applications for IT vertical was valued at US$34.3 billion in the first half of 2025 and is projected to reach US$51.4 billion annually by 2029. This growth is fueled by the increasing adoption of cloud-based solutions, including a shift to SaaS, expected to account for 80% of enterprise software delivery by 2025. As a result, the global IT services market, encompassing cloud migration, data integration, and cybersecurity, is anticipated to reach US$1.2 trillion by 2025. The rapid pace of digital transformation suggests continued expansion in the enterprise applications market in the coming years.

Manufacturing and Industrial: As of H1 2025, the manufacturing and industrial segment of the enterprise application market is valued at US$26.5 billion and is projected to reach US$42.7 billion by 2029. The role of enterprise solutions – such as ERP, PLM, and MES – is rapidly evolving as manufacturers embrace Industry 4.0 to enhance efficiency, agility, and data-driven decision-making. Companies integrating these systems have reported significant performance improvements, including a 30–50% reduction in machine downtime and a 10–30% increase in throughput, particularly when MES is combined with IoT and predictive analytics.

For instance, in March 2025, Lifetime Products began deploying Microsoft Dynamics 365 Supply Chain Management, incorporating AI tools such as the Supplier Communications Agent to enhance logistics and streamline supply chain operations – an initiative projected to deliver substantial savings on inventory costs. This collaboration aims to optimize manufacturing operations through real-time decision-making, AI-driven assistance, and improved productivity, addressing industry challenges and promoting sustainability.

Healthcare: The healthcare sector registered a value of US$26.8 billion in 2024 and is expected to grow at a CAGR of 14.2% until 2029. Technological advancements are revolutionizing patient care, making it more effective, precise, and patient-centered. The digital health market is projected to expand from US$147 billion in 2023 to US$258 billion by 2029. Integrating AI, IoT, blockchain, VR, and predictive analytics will further advance healthcare, creating new opportunities in patient well-being applications.

Healthcare applications such as EHRs, telemedicine, and administrative tools have continuously evolved. In March 2025, Microsoft launched Dragon Copilot, the first AI assistant for clinical workflows, combining voice dictation, ambient listening, and generative AI to streamline documentation and automate tasks, enhancing clinician efficiency and patient care as part of Microsoft Cloud for Healthcare.

Healthcare providers are under pressure to reduce operational costs. Cloud-based enterprise apps (e.g., Microsoft Azure, Oracle Health) help cut IT overhead by 20–30% and improve decision-making through real-time analytics. Predictive analytics and IoT integration enable personalized care plans and early intervention. For example, apps now use patient data to forecast readmissions or flag high-risk patients proactively.

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Table 4: Five-Year Market Forecast by Industry (2024–2029; in US$ Billion)

Use Case	2024	2025	2026	2027	2028	2029	5-Year CAGR
Financial Services & Insurance	39.4	45.4	51.7	59.5	68.8	80.0	15.2%
Healthcare	26.9	30.7	34.9	39.8	45.6	52.3	14.2%
Information Technology	34.3	37.3	40.3	43.7	47.4	51.5	8.5%
Retail/eTail	21.0	24.1	27.8	32.1	37.4	43.8	15.9%
Manufacturing & Industrial	26.5	29.0	31.7	34.8	38.4	42.7	10.0%
Business Services	23.5	25.5	27.6	30.0	32.6	35.5	8.6%
Government/Public Sector	20.7	22.8	25.1	27.6	30.6	34.0	10.4%
Telecommunications	16.2	18.0	19.7	21.8	24.1	26.8	10.5%
Consumer Products	12.4	14.2	16.1	18.5	21.3	24.6	14.7%
Other Industries	21.9	22.4	23.0	23.4	24.0	24.5	2.3%
Media & Entertainment	12.2	13.6	15.0	16.6	18.5	20.7	11.0%
Education	15.0	16.0	17.1	18.2	19.4	20.6	6.6%
Energy & Utilities	12.8	13.8	14.9	16.0	17.3	18.7	7.9%
Travel & Hospitality	10.5	11.8	13.1	14.6	16.4	18.5	11.9%
Real Estate & Construction	10.5	11.4	12.5	13.8	15.2	16.9	10.1%
Automotive & Aerospace	8.6	9.7	10.8	12.2	13.9	16.0	13.2%
Transportation	10.3	11.0	11.7	12.4	13.2	14.1	6.6%
Logistics	8.4	9.2	10.2	11.3	12.5	14.0	10.8%
Sports	5.3	5.7	6.1	6.5	7.0	7.5	7.4%
Food & Beverage	5.1	5.4	5.8	6.2	6.6	7.0	6.7%
Total	341.4	376.6	415.0	459.1	510.2	569.7	10.8%

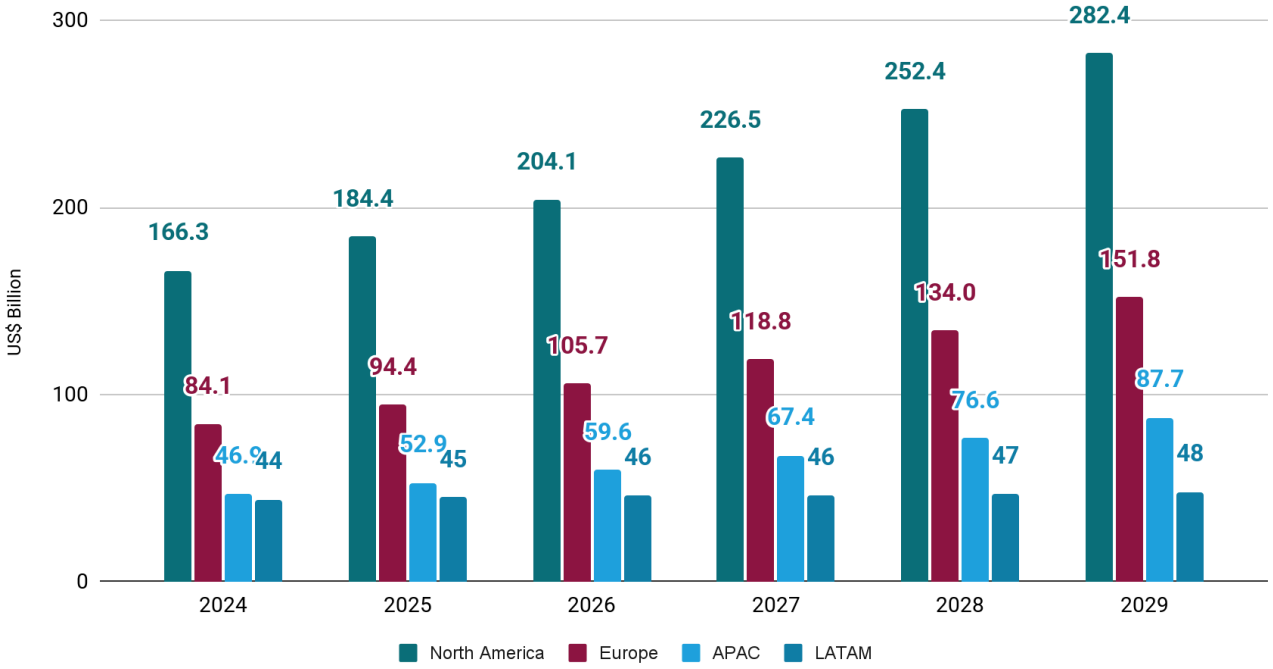
Source: Futurum Research, April 2025

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Forecast Details by Region

The enterprise applications market is further segmented into regions, including five-year global revenue forecasts and regional slices of the data and related notes.

Figure 4: H1 2025 Market Share by Region, 2024–2029 (in US$ Billion)



Source: Futurum Research, April 2025

Table 5: Global Enterprise Applications Market, by Region – H1 2025 (in US$ Billion)

Region	2024	2025	2026	2027	2028	2029	5-Year CAGR
North America	166.3	184.4	204.1	226.5	252.4	282.4	13.3%
Europe	84.1	94.4	105.7	118.8	134.0	151.8	12.5%
APAC	46.9	52.9	59.6	67.4	76.6	87.7	1.7%
LATAM	44.0	45.0	46.0	46.0	47.1	47.8	11.2%
Total	341.4	376.6	415.0	459.1	510.2	569.7	10.8%

Source: Futurum Research, April 2025

Regional notes:

- The North American AI tools and software market generated substantial revenues of US$166.3 billion as of H1 2025 and is projected to grow to US$282.3 billion by 2029.

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- The U.S. federal government's IT budget for 2025 is projected at US$102.1 billion, with a significant portion allocated to digital transformation initiatives. Also, U.S. General service administration announced FedRAMP 20x, a new initiative to streamline and modernize federal cloud security authorizations by automating processes, reducing paperwork, and accelerating access to secure cloud technologies. This cloud-native approach aims to foster stronger industry collaboration, faster innovation, and improved agency adoption of modern IT solutions.

- A January 2025 IBM study revealed that Canadian companies are committing to long-term AI investments, with 83% progressing on their 2024 AI strategies and 42% already seeing positive ROI. Businesses are leveraging a mix of vendor solutions (65%), open-source tools (57%), and in-house development (42%) to fuel innovation. Rising confidence and diversified AI adoption will accelerate the 2025 enterprise application market, driving demand for flexible, interoperable, AI-driven solutions

- According to the World Trade Organization's latest Global Trade Outlook and Statistics report (April 2025), global trade is projected to contract by 0.2% in 2025, driven by rising tariffs and growing policy uncertainty – reversing the gains of 2024 and clouding the short-term economic outlook.

- While current global trade friction may hinder exports, it could also drive demand for "sovereign" enterprise solutions tailored to U.S. regulations, benefiting domestic software providers focused on data security and compliance.

- Significant federal investments in emerging technologies, spurred by key CHIPS and Science Act agencies, are set to fuel tech spending growth and enhance the enterprise applications market. Rising IT budgets, especially for digital transformation and technologies such as IoT, blockchain, and machine learning, will open new avenues for enterprise applications to deliver impactful business solutions.

EMEA Forecast

Regional notes:

- The enterprise application market in EMEA accumulated significant revenues of US$84.1 billion by H1 2025 and is anticipated to grow to US$151.8 billion in 2029.

- Amid conflict in Ukraine and an ongoing tariff war, the European market is likely to face disruptions in the IT industry. Recently, the IMF projects Euro Area growth to slow to 0.8% in 2025 and 1.2% in 2026, both slightly downgraded from earlier forecasts.

- According to Eurostat data from 2023, a significant majority (95.8%) of EU enterprises that purchase cloud computing services acquired at least one

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cloud-based Software as a Service (SaaS) solution. This includes services such as email, office software, finance or accounting software, ERP, CRM, or security software applications.

- Eurostat data also indicates that a significant majority (74.2%) invested in at least one cloud-based Infrastructure as a Service (IaaS), which encompasses hosting enterprise databases, file storage, or computing power for running their software as a cloud service. EU enterprises' widespread adoption of SaaS and IaaS indicates a future where cloud computing becomes the backbone of business operations, driving innovation and enterprise applications.

- The Digital Services Act (DSA) aims to regulate digital platforms and services. Compliance with DSA provisions could affect software providers operating in the EU market. Also, as AI adoption grows, EU regulations on AI ethics and consumer rights will shape the development and deployment of AI-powered enterprise applications.

- Backed by SAP, Sapphire Ventures pledged US$1 billion in early 2024 to fund startups developing AI-driven enterprise technologies. Drawing on its strong SAP affiliation, the firm provides both capital and strategic support, enabling more focused and scalable investments in enterprise AI.

- In February 2025, Google signed a strategic agreement with the Polish government to advance AI in sectors such as energy and cybersecurity, while Microsoft pledged $700M to strengthen cloud and cybersecurity infrastructure – moves that will significantly boost Poland's enterprise software industry by accelerating digital transformation and fostering a robust innovation ecosystem.

Asia Pacific Forecast

Regional notes:

- The enterprise application market in APAC generated substantial revenues of US$47.0 billion as of the first half of 2025 and is projected to grow to US$87.7 billion by 2029.

- According to Oxford Economics, APAC is set to lead global IT spending growth in 2024 and 2025, contributing over half of the projected global acceleration. Despite a slight year-on-year slowdown, IT spending in the region will remain strong, growing at more than twice the pace of regional GDP. This momentum is supported by robust economic growth, driven by expanding IT export markets in China and India and significant investments in technological innovation.

- Despite existing disputes in some areas, the ongoing expansion of U.S. chip companies in the Chinese market highlights the broader potential for cooperation between the two nations in high-tech sectors such as semiconductors, AI, 5G, and

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cloud computing. This collaboration will also positively influence the global market and industrial supply chains, indirectly impacting the enterprise app market.

- Microsoft announced a US$2.9 billion investment over the next two years to enhance Japan's hyperscale cloud computing and AI infrastructure, alongside expanding digital skilling programs to train over 3 million people in AI within three years, all aimed at supporting Japan's efforts to combat deflation and drive economic growth through accelerated digital transformation and AI adoption. It will positively impact the development of the enterprise app market in the long run.

- In January 2025, Microsoft announced a US$3 billion investment in India to boost cloud and AI infrastructure, along with initiatives to skill 10 million people and accelerate AI-driven innovation. Through strategic partnerships and programs such as the AI Innovation Network and SaaSBoomi collaboration, Microsoft aims to position India as a global AI and SaaS powerhouse.

- In March 2025, Salesforce announced a US$1 billion investment in Singapore to boost Agentforce adoption, supporting the nation's AI strategy and addressing labor force challenges by enabling scalable, autonomous digital workforces.

Latin America Forecast

Regional notes:

- By H1 2025, the enterprise application market in Latin America accumulated significant revenues of US$44.0 billion and is projected to reach US$47.8 billion by 2029.

- The April 24 update to the World Economic Outlook revises Latin America and the Caribbean's 2025 GDP growth forecast to 2%, down from the earlier 2.5% projections made in October 2024 and January 2025. Despite overall growth projections for Latin America in 2025, Mexico, Haiti, and Venezuela are now expected to contract, largely due to U.S. tariffs and economic uncertainty, while Panama and Argentina lead with strong growth and improved inflation outlooks.

- As per TH Global Capital, a global investment banking firm, Latin America's IT services and tech market is on track to hit US$240 billion by 2030, driven by rapid digital adoption, nearshoring trends, and rising M&A activity, positioning the region as a global innovation and investment hub.

- With expanding mobile and internet access, pro-business government policies, and a strong tech talent pool, Latin America's enterprise application market is set for robust growth as global companies increasingly tap into the region's digital potential.

- In September 2024, Microsoft announced a US$2.7 billion investment to expand cloud and AI infrastructure in Brazil, aiming to accelerate national AI innovation and economic resilience. Through initiatives such as ConectAI, Microsoft will also train 5

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million Brazilians in AI skills, supporting long-term digital transformation and public sector efficiency.

- Also, in January 2025, Salesforce announced a US$500 million investment in Argentina to drive AI innovation, workforce development, and digital transformation, reinforcing the country's ambitions to become a global AI hub.
- According to industry estimates, AI advancements are expected to boost Latin America's GDP by 5.4%, or approximately US$0.5 trillion by 2030. This growth in AI adoption will be driven by the region's rising need for digital transformation, improved computing power, and strengthened resilience to unexpected market shifts.

Background and Definitions

Research Background and Methodology

This report used primary and secondary sources of information. The market size and forecast are estimated based on data collected through secondary research of major companies/vendors offering artificial intelligence (AI) solutions to end users.

The data has been gathered and evaluated from annual filings/10K reports, investor presentations, industry publications, and other publicly available sources. A comprehensive assessment of more than 75 major and minor vendors has been conducted to derive base-year revenue estimates. The forecasting model is constructed based on the historical growth of vendors providing enterprise software solutions, macroeconomic factors, and significant underlying trends in technology and software purchasing among enterprises, mid-market companies, and small and midsize businesses (SMBs), which drives market growth.

All revenues stated are from the technology vendor ("factory") and do not include channel/reseller markup ("retail"). We attempt to make our units clear in all figures and tables. Numbers in the tables may not add precisely to 100% due to rounding.

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About Us

About the Authors

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About The Futurum Group

The Futurum Group's analysts, researchers, and advisors help business leaders anticipate tectonic shifts in their industries and leverage disruptive innovation. Unlike traditional analysts, The Futurum Group works in analysis and research and takes that insight and knowledge even further, engaging through the go-to-market process.

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