

Magic Quadrant for Strategic Cloud Platform Services

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AI capabilities, industry solutions, digital sovereignty, operational efficiency and hybrid/multicloud are driving how organizations select their cloud provider. Use this Magic Quadrant to choose the best long-term strategic hyperscaler to scale and innovate your business.

Market Definition/Description

Gartner defines strategic cloud platform services (SCPS) as standardized, automated, public cloud offerings integrating infrastructure services, platform services and transformation services. Although owned by the service provider, infrastructure and platform services may be hosted in provider infrastructures or customer data centers. Services should be elastically scalable, metered by use and consumable via web-based interfaces and programmable APIs. Transformation programs may be delivered by automated, self-service interfaces and managed interactions facilitated by account teams/partners.

Not all enterprise cloud journeys are the same; however, there are similarities. In [Cloud Journey: A Comprehensive Guide to Navigate Complexity and Avoid Pitfalls](#), Gartner defines four broad types of cloud journeys:

- Technology replacement
- Cloud-native adoption
- Cloud innovation

- Business transformation

Each organization's journey requires a unique combination of cloud services and digital transformation initiatives. To select the optimal approach, assess your current state, clarify future direction and define business objectives.

Many types of cloud service providers (CSPs) are in the market — infrastructure/platform/software as a service (IaaS/PaaS/SaaS), as well as managed services providers (MSPs). However, only a few strategic global hyperscalers combine the breadth and depth of capabilities necessary to meet any enterprise where it is, help it determine where it should be headed, and provide the cloud services and transformation support to help it get there.

Customers must consider their relationship with their SCPS provider of choice as long term and strategic. While selecting the SCPS provider that is right for their business:

- Gauge the relative strengths and weaknesses of each provider in the areas that are important to the business.
- Determine which providers are most aligned with their immediate and long-term objectives in the cloud.
- Learn about provider programs and resources to help digitally transform the organization.

Mandatory Features

The SCPS market is based on delivery of integrated public cloud IaaS and PaaS services that are suitable for supporting mission-critical, large-scale production workloads, whether enterprise or cloud-native. The mandatory features for this market include:

- Elastic, real-time provisioning and resizing of software defined compute, network, storage and platform services with capacity that are sold and billed on a metered-usage basis. Self-service access is provided via web browser, to a web services API and command line interface (CLI).
- A global presence and scope with regional cloud data centers across multiple continents that provide resilient service architecture, enabling customers to replicate resource configurations and data between provider zones and regions, and automated failover between locations as needed.

- Cloud software infrastructure services that facilitate automated management, including monitoring, autoscaling and managed data backup.
- Managed database and application platforms as a service offerings.
- The ability to securely interact with all services using identity and access management (IAM) controls, encryption, data protection and secrets management.
- Specialized IaaS and PaaS infrastructure and services that support AI workloads. An offering of first-party and/or third-party foundation models, specialized hardware and tools for building and consuming classic AI and generative AI (GenAI) services.
- A digital sovereignty offering that includes support for data residency controls, capabilities to bring and/or hold your own encryption keys, and options to deploy into locally managed and/or autonomous zones and/or regions.
- An enterprise-focused approach that features dedicated sales strategies, specialized presales and sales teams, architecture consulting, and support services tailored to traditional enterprise needs, organizations undergoing digital transformation, and digitally native companies. A globally scaled partner network of solution integrators, MSPs and technology solution providers that facilitate cloud adoption, migration and managed services.

Optional Features

The most common IaaS and PaaS features for the SCPS market include:

- Serverless PaaS options, such as functions as a service (FaaS) and serverless SQL or NoSQL databases
- Company-developed, publicly available software development kits (SDKs) in three or more programming languages
- A distributed, continuously available control plane supporting a hyperscale architecture
- Managed continuous integration/continuous delivery (CI/CD) offerings that support complete application and data management life cycles, including automated integration, build, testing and deployment
- A [distributed cloud offering](#)

- A published SLA for 75% or more of all IaaS and PaaS services in all regions, with a minimum of 99.5% availability for each service in each region
- Ability to extend and integrate a customer's private data center network and core IT services with the provider's cloud environment
- Preconfigured IaaS and PaaS environments optimized to support common workloads such as SAP and Oracle databases, and specialty workloads such as Internet of Things (IoT), high-performance computing (HPC), AI/ML, GenAI and non-x86
- Vertical industry platform solutions comprising data models, platform services and partner ecosystems to support industry-specific needs
- Cloud financial management tools and services that enable customers to forecast, track, manage, optimize and allocate cloud costs

Providers in the SCPS market also offer standard means of assisting customers to move to a cloud operating model for delivery of IT services. These include:

- A strategic co-innovation service offering, all or partially subsidized by the provider, designed to help customers create a cloud adoption strategy and implementation plan
- A cloud migration program that includes migration planning, automated application assessment, rightsizing, cost estimation, and physical data and resource migration tools
- A globally scaled partner network of solution integrators, MSPs and technology solution providers; Capabilities should include:
 - Programs that enable partners and certify them with technical specialties and/or preferential status indicators
 - Customer self-service tools to find, evaluate, select and communicate with partners
- Globally available, self-service resources and provider-assisted engagements to help customers plan, build and operate high-quality cloud environments, including enterprise training and support, adoption frameworks and best practices, planning services and customer success reviews
- A digital marketplace offering a wide range of certified third-party software products and services associated with the platform

Less common features for this market include:

- Sustainability initiatives focused on efficient energy and cooling usage, supported by proprietary tools and services designed to optimize consumption and workload placement
- Centralized policy management, with support for programmable policy as code
- Tools and services to support more advanced agile CI/CD methodologies, such as GitOps and DataOps
- Tools and services to support multicloud computing, including integrations with other vendor cloud services, as well as the potential deployment of provider services in other vendor clouds
- Co-investment programs in which the cloud provider shares in the cost, risk and reward of a joint provider-partner or provider-customer venture

Magic Quadrant

Figure 1: Magic Quadrant for Strategic Cloud Platform Services



Magic Quadrant for Strategic Cloud Platform Services



Gartner

Vendor Strengths and Cautions

Alibaba Cloud

Alibaba Cloud is a Leader in this Magic Quadrant. Alibaba Cloud serves as the digital technology backbone of the Alibaba Group, offering a broader array of services than other Chinese cloud providers. With a robust market presence in China and the Asia/Pacific region, Alibaba Cloud is aggressively expanding its existing footprint in Europe over the next 12 to 18 months, leveraging ongoing geopolitical instability and accelerating the international deployment of its AI capabilities to strengthen its presence in the region.

In 2026, Alibaba Cloud executed a fundamental strategic pivot from a traditional cloud infrastructure provider to an AI-native and agentic cloud provider, capitalizing on and augmenting its parent company's extensive digital ecosystem, including e-commerce, digital payments, logistics and entertainment. According to Gartner's cloud infrastructure and platform services (CIPS) data, Alibaba Cloud's revenue in CIPS grew by 33.9% in 2025.

Strengths

- **Full-stack AI cloud strategy:** Alibaba Cloud's vertically integrated "Super AI Cloud" strategy is spanning proprietary silicon (e.g., T-Head Zhenwu 810E chips) and the world's largest open-source model portfolio (the Qwen model family). It enables high-performance AI workloads and broad developer adoption. Deep integration of agentic AI within enterprise platforms such as DingTalk further enhances automation and operational efficiency for customers.
- **Smooth hybrid cloud management:** Alibaba Cloud delivers a highly integrated hybrid experience via Apsara Stack, utilizing a unified management console to boost efficiency and lower operational complexity between different public and private clouds.
- **Highly optimized storage for AI workloads:** Alibaba Cloud delivers highly optimized storage for AI workloads through its Cloud Parallel File Storage (CPFS), which is purpose-built to meet the intensive demands of large-scale AI training and inference. CPFS enhances performance for large models via advanced model distribution and KVCache acceleration, enabling customers to reduce total cost of ownership (TCO) for AI initiatives.

Cautions

- **AI-native and agentic-native-oriented:** Alibaba's engineering-lead culture heavily influences its approach to AI industry use cases, often making it difficult for business leaders to link AI-native or agentic-native technical metrics with workable AI use cases and measurable business KPI improvements. This presents Alibaba Cloud with challenges in expanding its market within traditional industries.
- **Limited partner ecosystem in North America and EMEA:** Compared with the U.S. hyperscalers in this evaluation, Alibaba Cloud's sales, consulting, technology and service teams remain primarily concentrated in China and the Asia/Pacific region, which limits its attractiveness to partners in North America and EMEA.
- **Selective international availability:** Alibaba Cloud aims to offer full-stack cloud AI infrastructure services to enterprises, and has further invested in its proprietary

technologies to mitigate the potential risks and needs for sovereignty. These include Lingjun AI Cluster, Yitian 710, Hanguang 800, Qoder platform, and DataWorks (for AI governance). However, the availability of these offerings remains limited, with many not yet launched internationally or restricted to selective regions.

Amazon Web Services

Amazon Web Services (AWS) is a Leader in this Magic Quadrant. AWS offers a comprehensive range of AI, cloud infrastructure, platform and transformation services, targeting a broad array of requirements and use cases. With a focus on enterprise customers, AWS facilitates customer migration to the cloud through a number of transformation programs — including its Migration Acceleration Program (MAP) — and emerging multicloud efforts. AWS has built the broadest partner network among the vendors in this evaluation to help organizations achieve their cloud transformation goals.

According to Gartner, AWS holds a leading 39.8% share of the cloud infrastructure and platform services (CIPS) market — the largest share of all providers in this Magic Quadrant — achieving overall growth in the market of \$19.3 billion year over year. However, AWS's market share has declined while its competitors have increased theirs. While AWS's strategy continues to enhance its core IaaS and PaaS services and evolve its partner network, the organization is actively working to reposition its capabilities to capture AI and multicloud opportunities in the years ahead.

Strengths

- **Leading mind share still keeps AWS on every organization's "shortlist":** AWS's significant share of global cloud market revenue generates and sustains a network effect of consulting integration partners, training programs, skilled workers, independent software vendor (ISV) solutions, and more, leading to a well-fueled growth engine for many years to come. For many enterprise organizations hiring technical workers today, AWS experience is practically a default hiring requirement.
- **Strategically positioned to capitalize on agentic AI:** AWS's operational history and maturity at scale position it to potentially become a leader in the emerging agentic AI market. By integrating its Bedrock catalog — featuring frontier models from OpenAI, Anthropic, DeepSeek and Qwen — with new "agentic stack" components like Amazon Bedrock AgentCore, AWS Transform, Agent Registry, and the Agent Toolkit, AWS delivers a commercially coherent platform that extends well beyond a basic AI "runtime."

- **Embracing multicloud:** The general availability of “AWS Interconnect - multicloud” marks a strategic pivot for the company, acknowledging the multicloud nature of its core subscriber base. This shift reflects a maturing approach, moving beyond a single-provider mandate to better align with customer operational realities, including the provision of professional and consultative services for third-party infrastructure as needed.

Cautions

- **B2C and SaaS strategy:** Unlike competitors that leverage deep B2C and SaaS portfolios to drive B2B cloud and AI adoption, AWS has instead made the deliberate choice not to build a comprehensive SaaS offering, nor to tightly couple its B2C Amazon business with AWS. This structural gap limits AWS’s ability to create a flywheel between end-user-facing presence and enterprise cloud and AI demand, a disconnect reflected in the vendor’s CIPS market share decline from 52% in 2018 to 39.8% in 2025.
- **Lagging first-party models:** Underperforming first-party AI models, such as Amazon Nova 2, provide less competitive differentiation in the intensely competitive AI landscape. Although the company’s Bedrock offering provides organizations with access to leading frontier models, AWS’s “model-choice” approach does not create a unique market advantage.
- **Reliability and cross-region dependencies:** A 14-hour U.S.-East-1 outage, triggered by a DynamoDB DNS race condition, challenged AWS’s narrative of operational excellence. The incident exposed critical centralization risks, as foundational services — including IAM and Route 53 Private DNS — rely on control planes localized to U.S.-East-1. Furthermore, select endpoints, such as some AWS Marketplace endpoints, remain regionally constrained.

Google

Google is a Leader in this Magic Quadrant. The appeal of Google Cloud to both customers and partners has grown notably over the past year as Google’s AI capabilities and market credibility have increased. Google Cloud offers a complete portfolio of cloud infrastructure and platform services, including optimized capabilities for AI operations. Google’s AI Hypercomputer, based on first-party TPU chips, provides high-performance AI infrastructure operating alongside Google’s standard cloud infrastructure services. Additional storage, data services, and cloud-native and container-based services makes the platform attractive to cloud-native and AI-focused developers. Through its AI Hypercomputer, Google Cloud

provides the foundational platform for its Gemini models — the centerpiece of Google's AI strategy.

Google's growth is the result of AI adoption as well as increasing penetration in enterprise environments, including those running other cloud services. Google's efforts to improve its enterprise capabilities in both technology and customer engagement practices, and to expand its partner programs, helped drive Google Cloud revenue growth of 32.8% in 2025, increasing its CIPS market share position by almost 1 percentage point.

Strengths

- **Fully integrated and capable AI stack:** Google's "full-stack" approach includes custom silicon (Google TPUs, Axion CPUs and GPUs), data services, Gemini frontier models, AI engineering and operations platform, AI agent platform, and AI applications at the SaaS layer, including support for and integration with Google Workspace. These capabilities set Google apart as a provider that delivers leading AI and cloud infrastructure, coupled with a competitive frontier model family — Gemini. Google's delivery of its integrated AI offering, coupled with consistent commercial terms, has helped accelerate growth across its cloud business.
- **AI research and engineering excellence:** Google's dedicated AI research and engineering center — Google DeepMind — acts as a strategic innovation and development engine for the company, directly influencing the evolution of Google Cloud's infrastructure in supporting the AI requirements driven by DeepMind. This deep alignment between research and engineering has resulted in a vertically optimized stack, purpose-built to support demanding AI workloads and the Gemini model family.
- **Open-source contribution and sovereign cloud:** Google remains a major contributor to widely adopted open-source technologies such as Kubernetes and TensorFlow, supporting clients in minimizing vendor lock-in and progress in their technological sovereignty ambitions. Cloud sovereignty requirements are further addressed through Google Cloud Data Boundary, Google Cloud Dedicated and Google Distributed Cloud.

Cautions

- **Push toward Gemini:** Google Cloud's strategic direction, deepest integrations and strongest economic incentives are naturally aligned with Gemini. While organizations can still run 200+ third-party and native AI models on Google Cloud, certain SaaS and B2C offerings are defaulting to Gemini.

- **Partners and ecosystem:** Google Cloud is one of the top three providers by market share, but still trails AWS and Microsoft. This has resulted in a smaller base of partners (consultancies, system integrators and ISVs) and talent ecosystems within some geographies and vertical industries, which can make it more difficult to support Google Cloud workloads compared with AWS and Microsoft.
- **AI and digital transformation prioritization:** Organizations with cautious AI ambitions, or those whose primary needs are a “rented virtualization” platform, may not fully exploit Google Cloud. Google’s innovation is focused on prioritizing its advanced AI and data services over basic data center rehosting capabilities.

Huawei Cloud

Huawei Cloud is a Niche Player in this Magic Quadrant. Driven by an “All Intelligence” strategy, Huawei has continued to focus on innovations in first-party AI chips, high-performance network clustering, AI-native storage, intelligent industry solutions and distributed heterogeneous architectures, all while facing the pressures of international sanctions.

Still, international trade sanctions and purchase bans in the U.S. and its alliance group have diminished Huawei Cloud’s appeal in relevant markets. This has also impacted Huawei Cloud’s partner ecosystem, which remains embryonic outside of Asia/Pacific. In 2025, Huawei Cloud’s revenue in the CIPS segment grew by only 5.1%, representing the slowest growth recorded of vendors in this evaluation. This has led to a decline in overall market share to 3.2%.

Strengths

- **AI innovation:** As a reaction to international sanctions, Huawei has built a robust, vertically integrated AI stack that combines high-performance AI hardware and high-speed AI networking with optimized upper-layer AI software and an open model as service layer, including first-party Pangu Models and third-party LLMs, such as Qwen and DeepSeek. This end-to-end integration offers a compelling alternative for enterprises seeking to diversify their AI supplier landscape without compromising on quality and performance.
- **Proven industry use cases:** Huawei Cloud accelerates the maturity of its industry-specific solutions by utilizing the broader Huawei Group as a “customer zero” testbed. By refining complex offerings in real-world, high-scale environments, Huawei ensures its solutions are battle-tested and aligned with meaningful business objectives of its key target industries.

- **Government cloud experience:** Huawei leverages its extensive experience in China — where it manages over 800 distributed cloud installations across national and provincial levels — to build a growing international footprint. Government entities prioritizing digital sovereignty, particularly those in emerging markets, should consider Huawei in their provider evaluations.

Cautions

- **Fragmented regional strategy:** Huawei has decoupled the management plane for its Ireland region (its only cloud region in Europe), claiming that this was done to ensure GDPR compliance. However, this introduces operational fragmentation. Furthermore, regional architectures — such as the availability of 3-AZ deployments — remain inconsistent across regions.
- **International sanctions and purchase restrictions:** Sanctions have created significant barriers to Huawei Cloud's growth in mature Western markets. Restrictions on access to high-performance GPUs, semiconductor manufacturing equipment, and supply chain constraints for proprietary chips have further eroded the competitiveness of Huawei Cloud in the global market. These factors restrict its ability to serve enterprise customers in Europe and North America, leading Huawei to more aggressively target customer bases outside of those markets.
- **Slow growth:** A sales focus in the Asia/Pacific, Middle East, South Africa and Latin American markets has limited Huawei's ability to offer feature parity between domestic and international cloud regions. According to Gartner estimates for the CIPS market, Huawei is the only provider in this evaluation with revenue growth of less than \$1 billion in 2025. Its 5.1% year-over-year growth is the lowest among all cloud vendors in this Magic Quadrant.

Microsoft

Microsoft is a Leader in this Magic Quadrant. Microsoft Azure is the foundation of the broader Microsoft portfolio of products and offerings. Microsoft differentiates in this market by combining its IaaS and PaaS offerings with infused AI capabilities and integrations with other products in its portfolio, such as Microsoft 365, Microsoft IQ, Power Platform and Copilot.

Microsoft's long-established partner network — now primarily focused around cloud services — and its deep reach into adjacent markets, such as workplace suites, make Azure a logical choice for many customers. Microsoft also strategically partners with other popular IT

vendors, such as SAP, Oracle, NVIDIA and OpenAI, as well as consulting firms such as Accenture, Avanade, TCS and IBM Consulting, to offer joint solutions. Despite challenges in capacity availability, Azure revenue grew by 29% in 2025, and its public cloud market share is now at 28.5% — second only to AWS.

Strengths

- **AI enterprise context:** Microsoft IQ is an emerging strategic differentiator that extends Azure's value beyond infrastructure, databases and AI models into a unified enterprise intelligence layer. Rather than competing directly with services such as compute, storage and networking, Microsoft IQ aims to make Azure's AI capabilities more effective by providing enterprise business context, organizational knowledge and semantic understanding that Azure-based AI agents can use to reason and act.
- **Pragmatic application modernization:** Through GitHub Copilot App Modernization, Microsoft enables agent-driven modernization of .NET and Java enterprise applications. This strategy delivers accessible and affordable application modernization with reduced risk, addressing a critical market need often overlooked by some other vendors in this evaluation that are still focused on complex and risky mainframe exits. This approach effectively positions Azure as the preferred destination for these modernized workloads.
- **Integrated software development life cycle (SDLC) ecosystem:** Microsoft is the only vendor in this evaluation that provides a unified, widely adopted, end-to-end SDLC ecosystem — spanning an AI developer assistant (GitHub Copilot), source-control platform (GitHub), IDEs (Visual Studio and Visual Studio Code) and Azure DevOps. This integrated ecosystem reduces friction for customers adopting cloud and AI services on Azure.

Cautions

- **Capacity constraints:** Capacity shortages across multiple Azure regions remain a top concern for Gartner clients, with frequent complaints about capacity shortages in their regions of choice. Gartner clients have also mentioned insufficient transparency from Microsoft's account teams, causing project delays and additional costs when customers need to move to alternative regions or deployment approaches.
- **First-party silicon and model maturity:** Microsoft's first-party AI silicon and models remain emergent. Maia processors are currently used internally at Microsoft, while MAI models still need to establish themselves in the market. The maturity of Microsoft's first-party

capabilities may limit near-term differentiation and cost optimization from its own silicon and models.

- **Sovereign deployment maturity:** Azure Local deployment at scale still shows limited traction among Gartner clients, while Microsoft's offering for sovereign and disconnected AI, Foundry Local, is in preview. Customers considering single-country, independently operated sovereign cloud offerings such as Bleu and Delos Cloud should weigh standard risks related to localized cloud deployments, such as data replication, data survivability and seamless cross operations with Azure public cloud.

Oracle

Oracle is a Leader in this Magic Quadrant. Oracle Cloud Infrastructure (OCI) continues to evolve its public cloud offerings, delivering purpose-built bare metal and virtual machines infrastructure based on Oracle's Exadata hardware, advanced database services and other IaaS/PaaS solutions. These capabilities, along with multiple sovereign and multicloud options, also support the broader Oracle Applications portfolio. Oracle delivers high-performance AI infrastructure through its OCI Superclusters, capable of scaling above 800K GPUs, with non-oversubscribed RDMA networking and up to 2.1 Eb/s throughput for efficient training and inference.

OCI adopts several distinctive strategies within this market. These include a unique regional approach focused on placing smaller regions in closer proximity to enterprise clients, while maintaining consistent pricing and functionality across all public, sovereign, government and dedicated regions. Oracle's AI strategy is also unique, as it combines high-performance infrastructure with AI services delivered through Oracle applications and by enterprises building their AI applications on top of OCI. OCI saw a 27.2% revenue increase in 2025, generating more than \$7.5 billion in revenue that year.

Strengths

- **Broad sovereign cloud offering:** Oracle delivers the same unified OCI architecture across all deployment models, including fully isolated, air-gapped solutions. Unlike competitors, whose air-gapped offerings typically feature limited capabilities at premium pricing, OCI Isolated Regions provide consistent price and feature parity with OCI's public cloud, allowing organizations to adopt different jurisdictional and operational control models without moving to a wholly separate cloud architecture.

- **Multicloud approach:** Oracle Database Multicloud leverages native, low-latency interconnects to host database services directly within preferred hyperscaler environments, avoiding architectural trade-offs. This architecture eliminates cross-cloud bottlenecks and utilizes Exadata-level hardware to provide submillisecond latency for high-demand transaction processing, while mitigating data movement risks and costs.
- **Countercultural AI strategy:** OCI's AI focus is on scaling AI workloads via the OCI Supercluster, utilizing ultra-low-latency networking and massive-scale interconnects to support large-scale, multinode GPU training. While some competitors necessitate continuous, capital-intensive R&D to keep their first-party models competitive, OCI's strategy emphasizes AI price/performance, regional availability and an ecosystem of third-party leading models, including Cohere, Gemini, Meta, OpenAI and xAI.

Cautions

- **Partner strategy:** OCI's customers are often impacted as Oracle partner incentive structures skew heavily toward Oracle's internal objectives. Gartner clients frequently cite friction during sales engagements, often pointing to uncoordinated go-to-market motions and adversarial support dynamics. These misalignments contribute to client confusion, hindering effective pipeline development and deal closure.
- **Cost transparency in sovereign cloud deals:** Some Gartner clients have reported that, during negotiation of sovereignty cloud deals, certain ancillary and site-specific costs were not fully defined until late in the procurement cycle. Customers should demand that Oracle establish such costs and dependencies as early as possible, especially where it involves their own data center facilities or an Oracle Alloy operator.
- **Industry strategy focus:** Oracle's industry approach is tethered to its application offerings, rather than integrated natively into the OCI platform. Unlike competitors that embed industry-specific capabilities directly into their cloud services, Oracle's industry approach is tethered to its application offerings.

Tencent Cloud

Tencent Cloud is a Niche Player in this Magic Quadrant. Tencent Cloud has established itself as a strong provider in the Asia/Pacific region, particularly within China. Tencent Cloud's infrastructure is focused on supporting large-scale cloud-native gaming, live streaming, media

delivery and messaging workloads. Tencent Cloud has recently expanded its focus to AI services, especially on the Chinese mainland.

Tencent Cloud is part of Tencent Holdings, one of the largest tech conglomerates in the world, with established leadership in multimedia (QQ Music, Tencent Video), gaming (Riot Games, TiMi Studio Group) and social network (WeChat, Tencent QQ). AI computing demand and enterprise cloud adoption has allowed Tencent Cloud to achieve a 20.5% growth in 2025, with a global CIPS market share of 2.6%.

Strengths

- **Proven scale and infrastructure resiliency:** Tencent Cloud's history in managing high-concurrency, low-latency environments demonstrates robust infrastructure reliability across its service portfolio. Organizations requiring high-traffic, real-time application support — such as global media distribution, gaming and real-time analytics — benefit from consistent performance during extreme traffic bursts.
- **Aggressive pricing and cost efficiency:** Tencent Cloud consistently provides discount structures that are more aggressive than major U.S.-based cloud providers and remain highly competitive against other regional Chinese providers. Companies prioritizing TCO reduction, particularly for high-volume, non-latency-sensitive compute or storage workloads, can optimize their cloud budget and possibly increase margins by strategically offloading suitable workloads to Tencent Cloud.
- **Hybrid capabilities:** Tencent's Cloud Dedicated Clusters (CDCs) and Cloud Dedicated Zones (CDZs) share the same architecture, codebase and APIs as the public cloud offering, providing seamless upgrades and a consistent user experience in the hybrid estate. Customers can start with a small CDC deployment, requiring at least eight servers and minimal data center resources, and, if needed, upgrade to a CDZ or Tencent Cloud Enterprise (TCE), which enables more than 50 PaaS services.

Cautions

- **Limited global partner ecosystem:** The breadth and depth of Tencent Cloud's implementation and managed service partners outside the Chinese mainland remain significantly constrained. Organizations operating internationally struggle to find local, certified integrators, placing a heavier burden on internal IT teams to vet third-party providers for competency, increasing the risk of project delays or misconfiguration when deploying complex architectures abroad.

- **Enterprise software maturity gaps:** Tencent Cloud's foundational strengths are geared toward internet-scale, high-concurrency workloads rather than traditional enterprise IT. Businesses heavily reliant on ERP systems, third-party databases or traditional on-premises infrastructures may experience higher migration friction, increased lead times and less mature support mechanisms compared with platforms that prioritize enterprise-native features and migration tooling.
- **Missed cross-selling opportunities:** Cross-pollination between Tencent Holdings' social media and gaming services and its cloud business remains limited. Consequently, global customers seeking to penetrate the Asia/Pacific B2C market may prefer alternative China-based cloud vendors that offer more integrated, horizontal service portfolios.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

No vendors were added to this Magic Quadrant.

Dropped

IBM

Inclusion and Exclusion Criteria

To qualify for inclusion in the Magic Quadrant for Strategic Cloud Platform Services, cloud providers must meet the following criteria.

Market Participation

A qualifying provider must:

- Offer public cloud IaaS (e.g., computing, network and storage), PaaS (e.g., application, data and value-added services such as AI/ML) and transformation services aimed at helping customers adopt the provider's IaaS and PaaS services and a cloud-oriented IT delivery model.
- Sell public cloud IaaS and PaaS as stand-alone services, without the requirement to use any managed services (including guest OS management) or to bundle them with managed hosting, application development, application maintenance or other forms of outsourcing.
- Host its IaaS and PaaS services in infrastructure it owns or leases. Distributed cloud IaaS and PaaS services may be hosted in infrastructure residing in customers' data centers; however, the services themselves must be owned and managed by the service provider.

Market Traction and Momentum

A qualifying provider must:

- Offer its public cloud IaaS and PaaS services through public cloud regions comprising ISO 27001-audited (or equivalent) data centers on at least three continents. In every case, Gartner is specifically evaluating an SCPS provider's global cloud offering, which may differ from what a provider offers to customers in its home country.
- Either:
 - Have at least one public cloud IaaS+PaaS offering that has been generally available for more than three years and has a minimum of \$5 billion in revenue in calendar year 2025 (directly from sales of the offering and excluding managed and professional services), with at least \$1 billion in revenue coming from outside the provider's home country.
- Or:
 - Have at least one public cloud IaaS+PaaS offering that has been generally available for less than three years and has a minimum of \$2.5 billion in revenue in calendar year 2025 (directly from sales of the offering and excluding managed and professional services), with a compound annual revenue growth rate at the end of 2025 of at least 40%.

Business Capabilities Relevant to Gartner Clients

Each qualifying provider must:

- Be able to invoice, offer consolidated billing and negotiate custom contracts with customers globally.
- Maintain sales and support offices on at least three continents.
- Have 24/7 customer support (including phone support) in a minimum of two languages.
- Offer language localization (minimum of two language options) of its contracts, service portal, documentation and support.
- Offer both free and fee-based cloud adoption assistance to customers through programs and services that help them become proficient in cloud computing best practices and transform their IT organizations to a cloud-based service delivery model.
- Have an enterprise-focused approach that features dedicated sales strategies, specialized presales and sales teams, architecture consulting and support services tailored to traditional enterprise needs, organizations undergoing digital transformation and digitally native companies.
- Have a globally scaled partner network of solution integrators, MSPs and technology solution providers that facilitate cloud adoption, migration and managed services.

Technical Capabilities Relevant to Gartner Clients

In addition to meeting the technical criteria for market participation above, at a minimum each provider must:

- As part of its IaaS services, offer software-defined computing, storage and networking, with self-service access via web browser, to a web services API, and CLI interface.
- As part of its PaaS services, offer both managed application platform as a service and managed database platform as a service options. The managed database PaaS option must include support for both relational and nonrelational databases.
- Support the elastic, real-time provisioning and scaling of both IaaS and PaaS services and capacity, sold and billed on a metered-usage basis.
- Offer cloud services facilitating automated infrastructure management, including, at a minimum, monitoring, autoscaling and managed data backup.

- Offer AI capabilities through an integrated IaaS and PaaS platform, offering first-party and/or third-party foundation models, specialized hardware, and tools for building and consuming AI/ML and generative AI services.
- Offer digital sovereignty capabilities that include support for data residency controls, capabilities to bring and/or hold your own encryption keys, and options to deploy into locally managed and/or autonomous zones and/or regions.
- Offer a published service-level agreement (SLA) for 75% or more of all IaaS and PaaS services it sells in all regions, with a minimum of 99.5% availability for each service in each region.
- Offer an architecture for service resilience that enables customers to replicate resource configurations and data between provider zones and regions, and fail over from one location to another as needed, in an automated way.

Evaluation Criteria

Ability to Execute

We assessed vendors' Ability to Execute in this market by using the following criteria:

Product or Service: This criterion looks at the core IaaS and PaaS services that the vendor offers to the SCPS market in terms of breadth, depth and quality of features. Consideration is given to a vendor's ability to deliver the comprehensive set of infrastructure, platform, data, management, governance and industry-specific capabilities expected by the market. Weight is also given to a vendor's particular capabilities in emerging technical areas, such as AI capabilities and augmented industry solutions, digital sovereignty, operational efficiency and hybrid/multicloud, as well as in support of customer digital transformation.

Overall Viability: This criterion includes an assessment of the vendor's overall financial health, as well as the financial and operational success of the relevant business units. It also evaluates the likelihood that the vendor will continue to offer and invest in the product and the product's position within the current portfolio. Considerations include a track record of growth, sustained investment in the market, and stability — both financial and strategic — indicating the vendor is a reliable long-term choice for customers.

Sales Execution/Pricing: This criterion assesses the vendor's capabilities in all sales and presales activities and the structure that handles these tasks. This includes deal management, pricing and negotiation, presales support and the overall effectiveness of the sales channel. Consideration is given to the depth and quality of the vendor's sales force. Such organizations should include field solutions engineering to support direct sales and a partner enablement structure — comprising a dedicated partner sales force and solution engineering capabilities — to support partner-led selling. This structure should demonstrate clear value for money through transparent, predictable pricing and discounting models. Sales practices must be tailored appropriately to the target geography and industry.

Market Responsiveness/Record: This criterion looks at a vendor's ability to successfully respond and change direction based on the evolving needs of the market. Considerations include response to competitors, ability to perceive and adapt to changing customer needs, and pace of introduction of new services, features and programs. Vendors should demonstrate a multiyear track record of success, with strong customer satisfaction (including successfully meeting cloud adoption targets and honoring spending commitments), engineering velocity, and the ability to pivot both business and technical approaches in response to shifting buyer needs.

Marketing Execution: This criterion looks at the quality and effectiveness of programs that deliver the vendor's message in order to influence the market, promote the brand, increase awareness of products and establish a positive identification in the minds of customers. Considerations include a vendor's ability to demonstrate thought leadership, as well as the ability to convey truthful yet compelling market messages to each target buyer, region and industry.

Customer Experience: This criterion covers the vendor programs that enable customers to achieve anticipated results with its products. This includes high-quality supplier-buyer interactions, technical and account support, and ancillary resources such as customer enablement tools, user communities, formal support programs and clearly defined SLAs. Consideration is also given to the quality of customer experience across all people-centric interactions, including sales, presales, support and account management. The vendor should be easy and pleasant to do business with and operate a high-quality partner program that fosters strong vendor-partner and partner-customer relationships. Superior customer experience should be evident across the geographies and industries where the vendor has significant operations.

Operations: This criterion looks at the ability of the vendor to meet its operational responsibilities. Factors include the quality of its organizational structure, its technical and commercial operational processes, its platform resilience and its ability to meet SLAs. This assessment also includes an evaluation of vendor outages, security vulnerabilities and capacity shortage events. Consideration is also given to the quality and consistency of customer-facing interfaces and interactions. Lastly, weight is given to the degree to which a vendor offers options for customers to easily and reliably automate their own operational activities within the vendor’s environment.

Ability to Execute Evaluation Criteria	
Evaluation Criteria	Weighting
Product or Service	High
Overall Viability	High
Sales Execution/Pricing	Medium
Market Responsiveness/Record	High
Marketing Execution	Low
Customer Experience	High
Operations	High

Source: Gartner (September 2026)

Completeness of Vision

We assessed vendors’ Completeness of Vision in this market by using the following criteria:

Market Understanding: This criterion assesses the vendor’s ability to anticipate and understand customer needs and translate them into differentiated products and services. A

vendor that demonstrates a clear market understanding listens to customers, interprets their requirements and proactively shapes or accelerates market evolution through that vision. For this evaluation, we focused on a vendor's capacity to meet the needs of customers whose public cloud strategic objectives fall into one or more of the following five areas: efficiency and scalability; speed and agility; location flexibility; technical innovation; and digital transformation.

Marketing Strategy: This criterion looks for consistent, differentiated messaging that is clearly communicated internally and externally through social media, advertising, customer programs, partners and positioning statements. Each vendor is evaluated based on its ability to provide differentiating product marketing strategies, frameworks and messaging tailored for three cloud customer segments: digital natives, digital enterprises and traditional enterprises. Each vendor should also demonstrate a mature approach to regional marketing beyond its home country and to targeted vertical-industry marketing in the sectors it focuses on.

Sales Strategy: This criterion considers whether the vendor has a sound strategy for selling that uses the appropriate channels — direct and indirect sales, marketing, services and communications — to reach target customers effectively. Consideration is given to the vendor's efficient use of partners that extend market reach and depth by contributing their expertise, technologies, services and customer relationships. Gartner evaluates how vendors articulate distinct sales strategies for engaging business leaders and IT leaders, for entering and expanding in specific geographic markets, for targeting defined vertical industries, and for selling both directly and through channel partners.

Offering (Product) Strategy: This criterion evaluates whether a vendor's approach to product and service development and delivery emphasizes market differentiation, functionality, methodology and features that cover current and future market requirements. Consideration is given to how well articulated a vendor's product strategy is in each of seven SCPS areas: integrated IaaS and PaaS core services; distributed and edge; application and data PaaS; AI; workload migration and modernization; industry-specific solutions; and sovereignty-related solutions.

Business Model: This criterion looks at the design, logic and execution of the vendor's business proposition to achieve continued success. Consideration is given to how well a vendor articulates its value proposition as a vendor of cloud services, as a provider of an integrated IaaS and PaaS platform, and its value as a strategic partner.

Vertical/Industry Strategy: This criterion looks at a vendor’s strategy to allocate resources — sales, product and development — and align skills and offerings to address the specific needs of individual market segments, including vertical industries. Consideration is given to the vendor’s solution strategy and roadmap for multiple industry verticals, with vertical-specific service offerings and capabilities supported by a dedicated, vertical-specific partner ecosystem. Examples of relevant verticals include manufacturing, healthcare, telecommunications, banking and financial services, pharmaceuticals and life sciences, retail, and insurance.

Innovation: This criterion looks at how a vendor applies its resources, expertise or capital for investment, and partnerships in a coordinated way to lead and differentiate in the market. Consideration is given to a vendor’s track record and roadmap for differentiated technical innovations — from foundational technologies through solutions — and how the vendor is able to demonstrate measurable impact on customers, partners, markets, communities and the natural environment. Each vendor must also demonstrate a track record and roadmap for differentiated business model innovations, such as novel approaches to market creation, service licensing, adoption incentives, customer enablement and acceleration, or joint co-investment.

Geographic Strategy: This criterion looks at a vendor’s strategy for allocating resources, skills and offerings to serve markets outside its home geography — directly or through partners, channels and subsidiaries — tailored to each region’s market dynamics and regulatory context. Consideration is given to how a vendor is actively responding to shifting geopolitical and regulatory environments and engaging with regulators, standards bodies and other relevant authorities. Each vendor should articulate a global strategy that covers physical presence and localized operations, including clear positions on sovereignty and distributed-cloud requirements.

Completeness of Vision Evaluation Criteria	
<i>Evaluation Criteria</i>	<i>Weighting</i>
Market Understanding	High
Marketing Strategy	Medium

<i>Evaluation Criteria</i>	<i>Weighting</i>
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Low
Vertical/Industry Strategy	Medium
Innovation	High

Source: Gartner (September 2026)

Quadrant Descriptions

Leaders

Leaders distinguish themselves by offering a set of services suitable for strategic adoption and having an ambitious and well-aligned roadmap. They can serve a broad range of use cases, although they do not excel in all areas, may not necessarily be the best providers for a specific need and may not serve some use cases at all. Leaders in this market have appreciable market share and many referenceable customers.

Challengers

Challengers are well-positioned to serve some current market needs. They deliver a good service that is targeted at a particular set of use cases, and they have a track record of successful delivery. However, they are not adapting to market challenges sufficiently quickly or do not have a broad enough scope of ambition.

Visionaries

Visionaries have an ambitious vision of the future and are making significant investments in the development of unique technologies. Their services are still emerging, and they have many capabilities in development that are not yet generally available. Although they may have many

customers, they might not yet serve a broad range of use cases well or may have a limited geographic scope.

Niche Players

Niche Players may be excellent providers for particular use cases or in regions in which they operate, but they should ultimately be viewed as specialist providers. They often do not serve a broad range of use cases well or have a broadly ambitious roadmap. Some may have solid leadership positions in markets adjacent to this market, but are limited in their SCPS capabilities.

Context

While public cloud services are available to any enterprise, not all enterprise cloud journeys are the same. Gartner has identified four broad types of cloud journeys that our clients take:

1. Technology replacement
2. Cloud-native adoption
3. Cloud innovation
4. Business transformation

Each journey requires a different combination of cloud services and digital transformation activities. To choose the right approach, cloud customers must determine where they are and where they're headed. While many types of cloud service providers (CSPs) exist in the market, few strategic global hyperscalers offer the breadth and depth of capabilities required to meet enterprises where they are, assist in defining their goals, and provide the necessary cloud services and transformation support to achieve those objectives.

This SCPS Magic Quadrant evaluates the largest global public cloud providers on their ability to become long-term strategic partners of organizations by delivering a comprehensive array of IaaS and PaaS capabilities and helping customers transform their IT operations and business using cloud infrastructure. It helps clients compare and contrast providers on common criteria and map each provider's unique differentiators against their particular cloud journey.

Gartner clients can use the Magic Quadrant for Strategic Cloud Platform Services to:

- Gauge the relative strengths and weaknesses of each provider in areas that are important to their business.
- Determine which providers are most aligned with their immediate and long-term objectives in the cloud.
- Learn about provider programs and resources to help modernize and transform their organization.

Market Overview

Gartner currently refers to the market for integrated delivery of public cloud IaaS and PaaS services as “cloud infrastructure and platform services (CIPS).” In 2025, the global market of these providers stood at \$297 billion and, with a 24.2% growth rate, was one of the fastest-growing cloud market segments (see [Market Share: Enterprise Public Cloud Services, Worldwide, 2025](#)).

The strategic cloud platform services (SCPS) market segment, which this Magic Quadrant report examines, is a subset of the CIPS market controlled by global hyperscale cloud providers. The CIPS market has been consolidating around these providers for several years. Today, the seven SCPS providers featured in this Magic Quadrant control 97.8% of the total CIPS market.

For many years, the global SCPS providers have been racing to dominate the industry’s enterprise IT infrastructure and become the most important platform providers in the world. Today, these hyperscalers are expanding beyond standard IaaS and PaaS services to offer complete solutions in strategic new areas, such as artificial intelligence, industry solutions, digital sovereignty, operational efficiency and hybrid/multicloud.

Cloud remains the foundation of the most important innovations happening in IT today, including the AI race; in fact, providers playing in the SCPS space are “ready made for AI.” However, recouping the substantial investments required to enable AI remains a significant challenge, with cloud hyperscalers intensifying their focus on deepening industry expertise and developing industry-specific AI use cases to drive adoption and realize such returns. Failure to do so will compel providers to raise prices on non-AI services to maintain profitability.

All SCPS providers offer a wide range of services, and all have global sales, support and delivery capabilities. However, each provider has a unique approach to winning in the market, with distinct strengths and weaknesses in its services, programs and partner ecosystem. For better or worse, enterprises will be heavily reliant on their chosen provider for many years to come. To select the right cloud provider, customers are moving beyond technical evaluations to assess how well each vendor can serve as a strategic partner on their long-term cloud computing journey.

⊕ Evidence

Notes

⊕ Evaluation Criteria Definitions

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