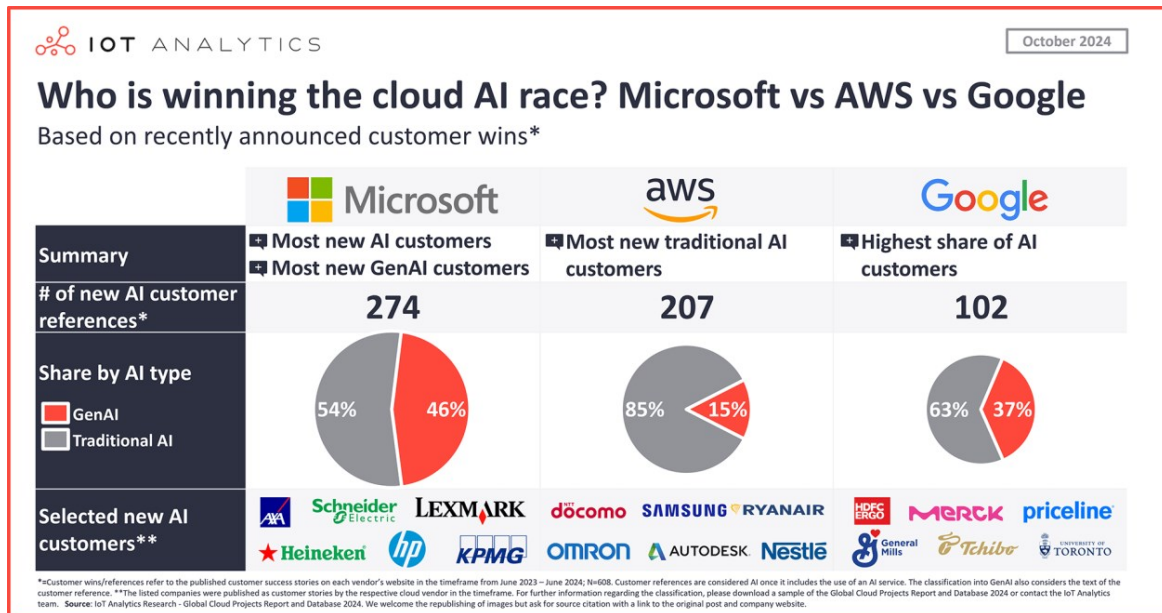


FOR IMMEDIATE RELEASE

Who is winning the cloud AI race? Microsoft vs. AWS vs. Google



[Hamburg, Germany] – [October 24, 2024] – New data by IoT Analytics reveals that AI is driving cloud demand. According to the Global Cloud Projects Report and Database 2024, 22% of recent cloud implementations include AI elements.

The report and structured repository consisting of over 8,300 publicly known cloud projects highlights the growing role of generative AI (GenAI) in cloud demand. Microsoft is leading the overall AI and GenAI race, while AWS excels in traditional AI. Google, on the other hand, has the highest share of AI customers as a percentage to their newly added projects.

The research article provides a comparison of these hyperscalers in terms of cloud AI and GenAI projects, offering valuable insights into the current landscape.

KEY INSIGHTS

- 22% of recently announced cloud implementations had an AI element, according to the 188-page [Global Cloud Projects Report and Database 2024](#). The data shows that AI has become a driver for cloud demand, with generative AI (GenAI) playing an increasing role.

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- According to the data, **Microsoft** is leading the overall AI and GenAI race. **AWS** leads in traditional AI, while **Google** has the highest share of AI customers.

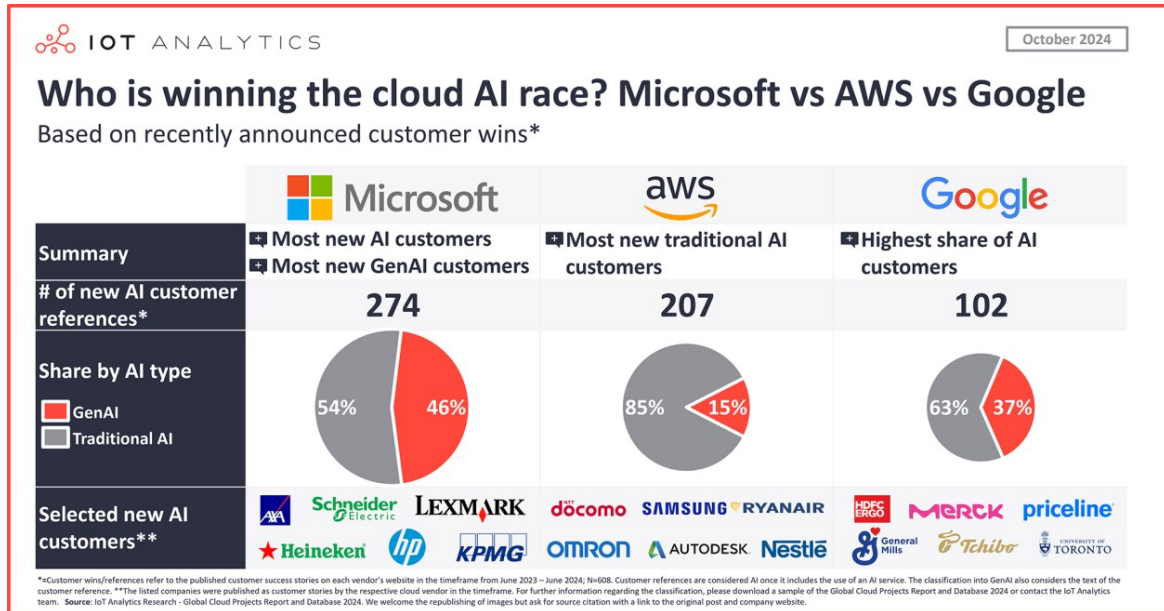
SELECT QUOTES

Knud Lasse Lueth, CEO at IoT Analytics, comments that "While it's still early days in the cloud AI race, all three major providers—Microsoft, AWS, and Google—are offering compelling AI-driven solutions for their customers. Microsoft is emerging as the leader in generative AI, while AWS maintains strength in traditional AI. As our research highlights, the competition is just heating up, and each of these cloud platforms is uniquely positioned to deliver value as AI continues to rise in importance for organizations worldwide."

Dimitris Paraskevopoulos, Senior Analyst at IoT Analytics, adds that "With more than a fifth of last year's public customer references being AI, it's clear the hyperscalers are relying heavily on that front to increase their customer base. Microsoft might be winning for now, but the race is just starting and it's already heated."

[The full research article is attached below]

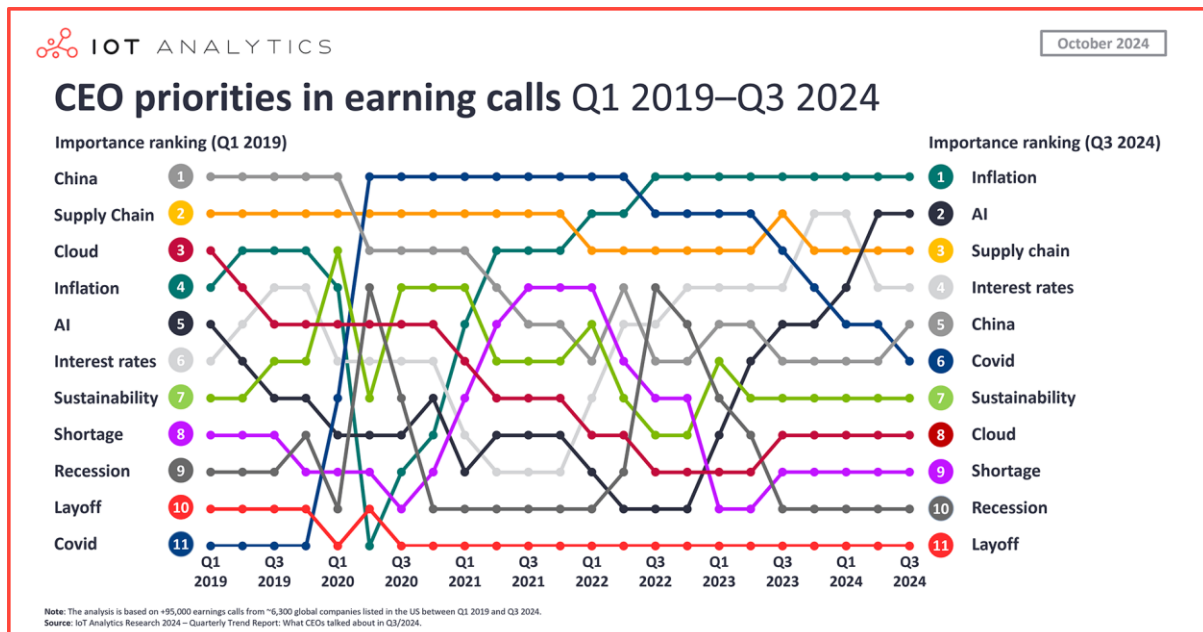
Who is winning the cloud AI race? Microsoft vs. AWS vs. Google



State of cloud AI projects in 2024

A fifth of cloud implementations now have an AI element. The 188-page [Global Cloud Projects Report and Database 2024](#) (published October 2024) shows that between June 2023 and June 2024, over 2,700 new customer case studies were published by the top 5 global hyperscalers, 608 of which use a cloud AI service (22%). The report analyzes over 8,300 customer implementations of the largest cloud vendors of recent years (including deep dives on AI and IoT cloud projects).

Interest in enterprise AI rising. AI has been a technology of interest to enterprises for years, though it has remained out of the top 10 priorities until 2021. It is now a [top 5 enterprise technology priority](#). Supporting this is the surge in [CEO boardroom discussions](#) about AI. In fact, in Q3 2024, only the topic of [inflation surpassed AI in these discussions](#).



The decline and rise of AI among common CEO discussions, Q1 2019–Q3 2024 (Source: [IoT Analytics](#))

As CEOs talk about AI, their teams use cloud AI technology (Example: Intuit). With widespread excitement about generative AI (GenAI), executives have not been shy about discussing some of their company's AI initiatives in depth. For example, in Q2 2024, Mark Notarainni— **Intuit's** chief customer success officer and executive VP—discussed how the company is embedding GenAI features in its accounting software:

“Generative AI is certainly a game changer for us in how you can help customers get prepared for taxes by getting their documents for them, doing work on those documents as you collect those in the platform and shifting our assisted experiences to be much more about advisory and decision-making and almost eliminating the data entry side of it, which is where the traditional market is.”

Mark Notarainni, Chief customer success officer and the executive VP at Intuit (June 2024)

The global cloud project report's accompanying database* shows that Intuit is just one of 500 companies that have been building their AI stack on top of the **AWS** cloud, using tools such as AWS Bedrock and AWS SageMaker in conjunction with other AWS tools for the underlying data analytics infrastructure, such as AWS Kinesis.

***Note:** The Excel file of over 8,000 cloud projects is available for purchase with Team User and Enterprise Premium licenses.

How representative is the cloud projects report 2024?

The cloud project report aggregates all 8,374 publicly known cloud implementations to date in one database. Although there are tens of thousands of more projects that have

not been made publicly available, the data appears representative enough to draw conclusions regarding the business footprint for each of the 5 vendors and specifically their AI business. The table below shows the 2023 public cloud market share (according to IoT Analytics' own model) compared to the share of public customer references (for public cloud and new cloud AI projects) in the database that accompanies the report.

Company	2023 market share	Share of public cloud projects in database	Share of new public cloud AI projects
AWS	37%	38%	34%
Microsoft	29%	28%	45%
Google	9%	20%	17%
Others	7%	14%	4%

Note: "Others" includes **Oracle** and **Alibaba**; however, given their small share of cloud AI projects, the focus of this article will be on the top 3 hyperscalers in this regard.

The share of overall cloud and cloud AI projects in the list is largely comparable to the actual market share of the vendors (although some deviations remain). The data provides a comprehensive snapshot of how the customer footprint of these companies varies by industry, region, and customer size, and they reveal some key customers in each vertical. IoT Analytics was also able to verify with various experts in the field that the [2023 version of the global cloud projects report](#) appeared to be representative of the actual customer footprint of these vendors.

Definition and methodology

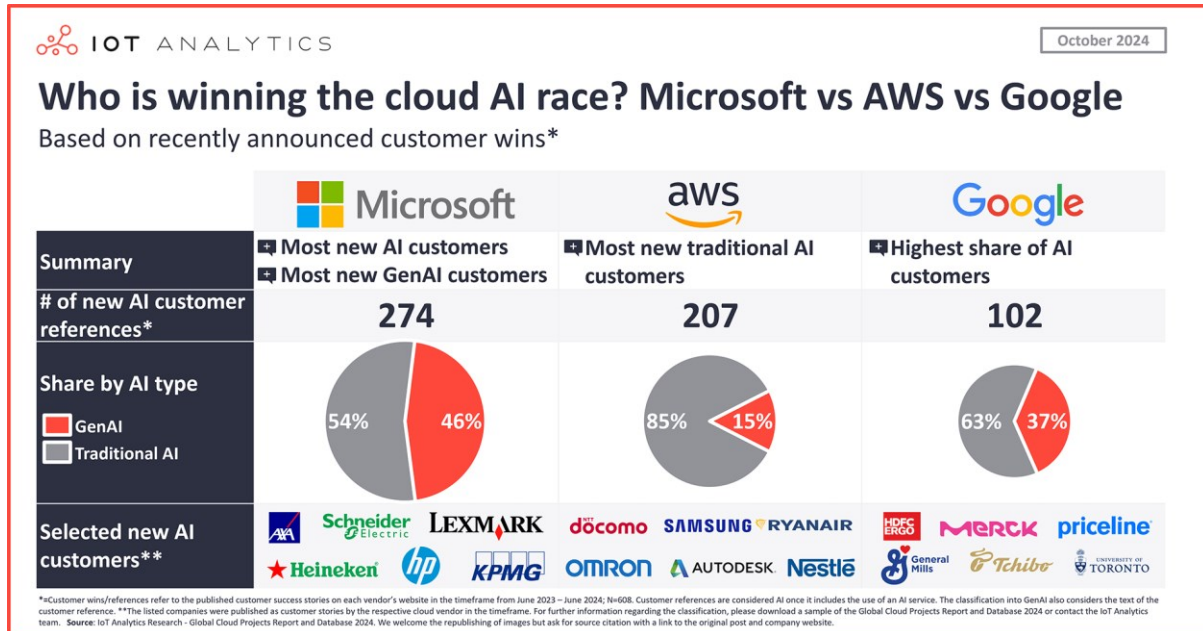
Overall cloud projects

The overall cloud project database of over 8,300 projects is a compilation of all publicly known cloud customer references from the five leading cloud vendors on their respective cloud success story websites: **AWS, Microsoft, Google, Oracle, and Alibaba**. All projects in the list represent public information and were published on the respective vendors' websites as of June 2024. To be included, a project must involve at least one public cloud Infrastructure-as-a-Service (IaaS) or cloud Platform-as-a-Service (PaaS) service. Pure Software-as-a-Service (SaaS) customer projects were excluded.

AI and GenAI projects

In terms of AI, all case studies that contain at least one AI/ML product are considered "AI" for the purposes of this article. For GenAI, case studies are classified via a combination of products included in the case study (i.e., Amazon Bedrock/Azure OpenAI) and keywords mentioned in the main text of each case study.

Comparing the hyperscalers' new cloud AI offerings: Microsoft vs. AWS vs. Google



1. All cloud AI projects

Total number of AI case studies

Microsoft has added the most AI case studies. Among the 608 new cloud AI case studies, Microsoft had the most, with 274 case studies identified (45% of the 608). New AI customer wins in the analysis timeframe include insurance giant **AXA**, professional services company **KPMG**, industrial automation company **Schneider Electric**, and brewing company **Heineken**. AWS was second in this regard, with 207 (34%). Electronics giant **Samsung** and food and beverage manufacturer **Nestlé** were two notable new AWS AI customers. Google came in third with 102 (17%), adding customers such as pharmaceutical company **Merck** and travel agency **Priceline.com**. AWS had the highest number of traditional AI case studies—i.e., not counting GenAI—at 176. Of note, Google had the highest share of new AI case studies compared to new overall cloud case studies—102 of 280 (36%).

Number of AI case studies relative to market share

Microsoft has the largest percentage point (pp) gap between the share of new case studies and market share. AWS's share of new cloud AI case studies (34%) is 3 pp lower than its 2023 cloud market share of 37%. Google's case study share of 17% is 8 pp higher than its cloud market share of 9%, while Microsoft's case study share of 45% is 16

pp higher than its 29% cloud market share. Microsoft and Google are thus outperforming their cloud market share.

2. Cloud GenAI projects

206 new GenAI case studies. The global cloud projects report and database includes 206 new GenAI case studies—34% of overall AI case studies.

Total number of cloud GenAI case studies

Microsoft leads with the most cloud GenAI case studies. Of the 206 cloud GenAI case studies, Microsoft takes a clear lead with 127 case studies (62% of the 206). Google is second in this regard, with 37 case studies (18%), and AWS has 33 (16%).

Number of GenAI case study relative to market share

Microsoft's share of new cloud GenAI case studies far outweighs its cloud market share. AWS's share of new cloud GenAI case studies (16%) is 21 pp lower than its 2023 cloud market share of 37%. Google's case study share of 18% is 9 pp higher than its cloud market share of 9%, while Microsoft's 62% share of new GenAI case studies was 33 pp higher than its 29% cloud market share. Once again, Microsoft outperforms its peers in this aspect of the cloud AI race.

Additional analysis about cloud AI projects

Top cloud GenAI use case: Customer service

According to the [Global Cloud Projects Report and Database 2024](#), the top use case for GenAI was issue resolution for customer service/support. An example of this is UK-based multinational telecommunications company **Vodafone** leveraging Microsoft Azure AI Studio, Azure OpenAI Service, and Microsoft Copilot—along with Azure AI Search—to build on its existing virtual assistant, TOBi, to empower customer care agents to respond to multiple questions quickly and broaden their expertise.

Analyst takeaway: Who is winning the cloud AI race?

Microsoft leads the cloud AI race in general and the GenAI race—for now. As it stands, when comparing new cloud AI case studies against overall cloud case studies, Microsoft has a clear lead in the race and might remain so in the near term. Helping boost Microsoft into this spot is its significant lead in cloud GenAI, driven by its close relationship with OpenAI. Microsoft was a [massive backer of OpenAI](#) in 2019, and in January 2023 (less than two months since ChatGPT became publicly available), it expanded the relationship by [increasing investment](#) and making the Azure OpenAI service [generally available](#). Many large enterprises have initiated their first GenAI

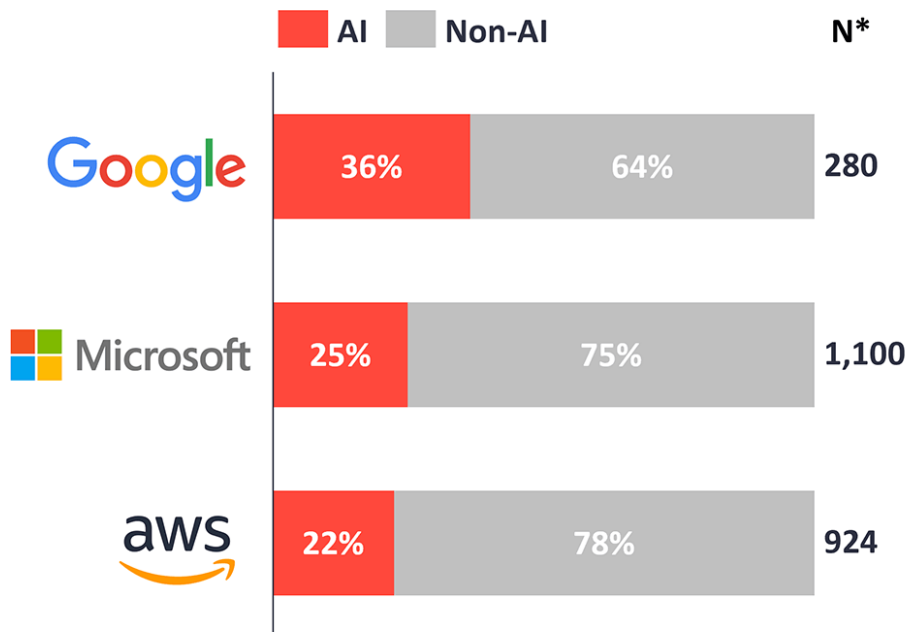
projects on top of a Microsoft AI stack. However, with several LLMs [closing the performance gap](#) with OpenAI models, it remains to be seen if Microsoft's early mover advantage fades or remains.

AWS leads with traditional AI. When cloud GenAI projects are removed from the overall cloud AI umbrella, the picture becomes different. AWS is the leader in terms of traditional cloud AI (i.e., cloud AI case studies without a GenAI element). Coinciding with this, AWS's Amazon SageMaker—an AI/ML platform—was the most included product at 21% of cloud AI case studies. As AWS further develops its cloud AI offerings (especially GenAI), it could start upselling these services to its current and new customer base, see more cloud AI projects, and gain a larger share of new projects.

Google has the highest share of AI customers. Google, which has traditionally been popular with smaller-sized companies, also has its own strength in the cloud AI race. When looking at new case studies for each vendor, Google had the largest share of cloud AI case studies relative to its overall new case study count. 36% of Google's new public cloud case studies make use of a cloud AI product, implying that AI is a bigger driver for Google Cloud than it is for any of the other hyperscalers.

Share of new AI case studies by vendor

Based on recently announced customer wins*



Note: Case studies are considered AI depending on the included products. *Number of new case studies published between June 2023 and June 2024.
Source: IoT Analytics Research - Global Cloud Projects Report and Database 2024. We welcome the republishing of images but ask for source citation with a link to the original post and company website.

AI is driving cloud demand, but there are other drivers. Looking ahead generally, enterprise appetite for AI applications will be pivotal, and the vendors offering the most or best services to support those projects stand to see market gains. However, while AI is expected to climb from the [8th-ranked enterprise technology priority in 2024 to the 4th in 2025](#), cybersecurity has been and is expected to remain the top priority for the foreseeable future. This, and many more cloud project insights, is reflected in the [Global Cloud Projects Report and Database 2024](#) as well—when discounting new cloud AI case studies, cloud security services (such as Microsoft Sentinel and Google Cloud Armor) are among the fastest-growing products over the past year.

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For further reading please visit:

www.iot-analytics.com/research-blog

About IoT Analytics

IoT Analytics, founded and operating out of Germany, is a leading global provider of market insights and strategic business intelligence for the IoT, AI, Cloud, Edge, and Industry 4.0.

Our key workstreams across the tech stack include IoT applications, IoT platforms and software, IoT connectivity and hardware, and industrial IoT. We are trusted by 1000+ leading companies around the world for our market insights, including globally leading software, telecommunications, consulting, semiconductor, and industrial players.

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