



# India's IT Services Market to Grow to US\$8.1 Billion by 2011, Says Springboard Research

*Application Integration and Enterprise IT Outsourcing offer the most attractive market opportunities*

**New Delhi, August 28, 2008** – The IT Services market in India is estimated to grow from US\$4.1 Billion in 2007 to US\$8.1 Billion in 2011, representing a compounded annual growth rate (CAGR) of 18.6% from 2006 to 2011, according to the latest research by Springboard Research, a leading innovator in the IT Market Research industry. Per Springboard's report, titled "*India IT Services Market and Forecast 2006-2011*", IT Services growth rate in India is well above the 10.5% CAGR of overall Asia Pacific market and makes India the fastest growing IT Services market in the Asia Pacific (excluding Japan) region.

According to the report, the Indian IT Services market is heavily dominated by infrastructure Services, which are estimated to garner 54% of the market in 2007. Springboard further forecasts the segment to grow in line with the overall market and reach US\$4.27 billion by 2011. However, Applications Services with a CAGR of 19.6% remain the fastest growing market segment, while IT Consulting – typically used by vendors as entry point to reach clients in India – is estimated to grow from US\$0.22 Billion in 2007 to US\$0.40 Billion by 2011.

"India is the epicenter of growth in Asia Pacific IT Services marketplace," **said Sanchit Vir Gogia, Senior Research Analyst for Services at Springboard Research.** "Not only is the India IT Services market forecast to be the fastest growing in the region, the country also has a rather unique position in the worldwide outsourcing arena through a well-educated and language-proficient workforce, that sets it apart from other Asian competitors," Mr. Gogia added.

### **Growth Leaders**

The report showed that Infrastructure Application Integration is the single largest category in India and is expected to contribute approximately 21% of the total IT Services opportunity in India by 2011. In stark contrast to other Asia Pacific countries, Enterprise IT Outsourcing enjoys the highest growth momentum in India with a CAGR of 24.4% during 2007-2011 and is expected to become the second largest market opportunity in the country by 2011. Enterprise Application Integration, the second-ranked market in India currently, will slip to the third place by 2011 despite registering a high CAGR of 19.1%. Together, the top three markets will garner over 42% of the Indian IT Services market by 2011.

---

The report uses Springboard's Market Attractiveness Index to rank 15 individual IT Services markets on the basis of growth opportunities. According to the Market Attractiveness Index, the top five IT Services markets in India are:

1. Infrastructure Application Integration
2. Enterprise IT Outsourcing
3. Enterprise Application Integration
4. Custom Application Development
5. Network Integration

"The overall growth momentum of IT Services market in India is shared almost equally among all the sub-categories," said **Phil Hassey, Vice President of Services Research at Springboard Research**. "Not only are these robust growth figures indicative of a vibrant marketplace, but they also reflect the fast maturing mindset of Indian enterprises, who are now looking at IT as a business enabler or a growth engine rather than a means to cut costs," Mr. Hassey added.

### Services Predictions

As part of the overall assessment of the India IT Services market, the report provides 17 key outcomes and predictions for the industry in 2008. The demand for skills and the resultant skills gap are predicted to offer a key challenge to vendors, and the latter in turn will expand aggressively in Tier-II and Tier-III cities. Also, while "subscription-based-pricing model" will continue to do well in the SMB segment, which happens to be the ongoing new "sweet spot" for vendors, productization of service offerings will continue to be the go-to-market mainstay for most players. Finally, the industry is soon predicted to witness its share of mergers and acquisitions, and firms are already looking for niche companies to boost specific IT Services areas, including emerging technologies, storage, security, and consulting.

###

### About this report

The Springboard Research report, "*India IT Services Market and Forecast 2006-2011*" is designed to offer a treetop view of the IT Services market in India, informed by Springboard Research's high level and engagement-focused discussions with key services providers. Within this report, Springboard also notes its key observations, substantiated by relevant market-sizing figures, and has predicted the market areas that IT Services vendors will need to assess and act on for the rest of 2008 and into early 2009. The report also features Springboard Market Attractiveness Index that ranks 15 individual IT Services categories with respect to their growth attractiveness for the vendors.

### About Springboard Market Attractiveness Index

Springboard Research Market Attractiveness Index uses an index of the market growth alongside the total market view, as well as the total growth in the forecast period, adjacent to the average growth in the forecast period.

---

## About Springboard Research

Springboard Research is a next-generation IT market research and advisory firm. Springboard leverages its pioneering research model to deliver greater agility and flexibility in IT market research and helps its clients lead rather than follow market trends. Springboard works with the leading IT companies in the world in the software, services, telecom, and hardware sectors. Founded in 2004, Springboard has a worldwide presence with offices in the United States, Australia, Singapore and Japan, as well as global research centers in India, Pakistan, and Morocco. Springboard has been acknowledged as an emerging leader and was recently named “Rising Star” in the global IT market research industry by Outsell, the leading research and advisory firm for the information industry. For more information, please visit [www.springboardresearch.com](http://www.springboardresearch.com)

### Media Contacts

Rishi Seth, Manager - Marketing  
Springboard Research  
91-11-40518241  
[rseth@springboardresearch.com](mailto:rseth@springboardresearch.com)

Sanchit Vir Gogia, Senior Analyst - Services Research  
Springboard Research  
91-11-40518234  
[sgogia@springboardresearch.com](mailto:sgogia@springboardresearch.com)

Phil Hassey, Vice President - Services Research  
Springboard Research  
+61-2-9959-1926  
[phassey@springboardresearch.com](mailto:phassey@springboardresearch.com)