The demand of Cloud Computing in Europe: drivers, barriers, market estimates

Gabriella Cattaneo
Associate VP IDC European Government Consulting

Research In Future Cloud Computing workshop
Bruxelles, May 2° 2012
Agenda

- A few predictions from IDC
- Take up of Cloud Computing in Europe
- Drivers and benefits
- Barriers to Cloud adoption
- What should be done to overcome barriers
- Policy counts
First, a few predictions from IDC...

In 2012....

>80% of new apps will target the cloud!

85 Bn mobile apps will be shipped!

The "digital universe" will grow to 2.7 ZB, up 48% from 2011!

By 2020....

the ICT industry will reach $5 trillion — $1.7 trillion larger than it is today

Source: www.cloudtweaks.com

IDC 2012
By 2020, the IT industry will be dominated by the new disruptive technologies of today….

Cloud computing, Mobile devices and Apps, Social Technologies, Big Data Analytics today represent about 20% of global IT spending.

According to IDC, they grow 6 times faster than traditional IT and will represent 80% of the market by 2020.

They represent a structural change and a new platform for growth.

IDC 2012
What about Europe?

IDC research on Cloud Computing on behalf of DG Information Society

- Quantitative estimates of the demand for Cloud Computing in Europe and the likely barriers to take-up
  - Surveys on business and consumer users
  - 40 stakeholder interviews

- Clouds for Science and Public Authorities, in partnership with Trust-IT
  - Cartography on Cloud initiatives by country
  - Case studies

Source: Adapted from IDC Predictions 2012 “Competing for 2020”

IDC 2012
The EU Public Cloud Market is growing 3 times faster than other IT

- Public Cloud HW: 1.1 Billion Euros, CAGR 34.9%
- Public Cloud SW: 3.5 Billion Euros, CAGR 32.2%
- Total: 4.6 Billion Euros in 2011, 10.9 Billion Euros in 2014

Source: IDC 2012
Already a majority of EU businesses use Cloud services

- Full use: 32%
- Full use / one area: 13%
- Limited/trial use: 19%
- Thinking: 12%
- Planning: 13%
- No Usage: 11%

Data 2011 - Sample n=1056

TOTAL USERS 64%
But users so far privilege the "easy" Cloud applications

Data 2011 - % of respondents

IDC 2012
Micro-SMEs still lag behind in Cloud adoption

Data 2011 - % of respondents - Sample n=1056

- No usage or intention
- At least one thinking about but no plans
- At least one planning
- Limited/trial users
- Full use only one areas
- Full use more than one area

IDC 2012
Cloud promises and delivers benefits – positively correlated with use intensity

Data 2011 – % of respondents

- Mobile working
- Productivity
- Standard processes
- New locations
- New business
- Capex
- Business volume

IDC 2012

© IDC
May-12
Almost all users see cost savings with a peak between 10 and 20%.
The real barriers: uncertainty, complex regulation and lock-in fears

Trust, Security & Data Protection
Who is trustworthy?
Who protects my customers’ data?
Who guarantees the Integrity of data?
Availability?
Who deals with security breaches?
Who is responsible?

Data location and jurisdiction
Where is our data?
Where does legal jurisdiction reside?
Are we sure to be compliant?

Interoperability and portability
Who owns changes and upgrades?
Can we move data from one provider to another?
Multiple barriers with a cumulative impact

Data 2011 - % of respondents

- Security & data protection: 30%
- Trustworthiness: 25%
- Data location: 24%
- Local support: 23%
- Change control: 22%
- Ownership of customisation: 21%
- Evaluation of Usefulness: 18%
- Slow Internet Connection: 18%
- Local language: 18%
- Tax incentives on capital spending: 17%

IDC 2012
Depending on maturity, Cloud users have different priority requirements

**Full Users**
- Data Location
- Data Portability
- Improved security and accountability

**Limited/trial users**
- Evidence of benefits
- Peer pressure!

**Thinking or Planning**
- Improved Security and Data Protection guarantees
- Evidence of benefits

**Non Users**
- Peer pressure!
What Actions could increase Cloud adoption? Users’ opinions

- Clear rules on service provider **accountability**
- Guaranteeing data and application **portability** between cloud services providers
- Better and more reliable Internet **connectivity**
- EU-wide **security certification**
- Clarification and **harmonisation** of data residency and legal jurisdiction regulation
- EU-wide **certification for government** usage
- Fostering EU-wide **standardisation and interoperability** of cloud and cloud services
Consumers would use more cloud services if they had....

- Increased Security
- Data and Privacy protection
- Lower costs!!
- Apps for my needs
- The right to be forgotten
Scenarios of Cloud Computing Market Growth in the EU27 (DRAFT)

- No intervention Scenario
- Policy driven Scenario

Source: IDC 2012
Next steps: Workshop on May 10

Removing barriers to Cloud Computing in Europe
Open workshop
Ave de Beaulieu 25, Brussels

Contact Gabriella Cattaneo
IDC European Government Consulting
gcattaneo@idc.com