

Consumer Cloud Computing - US - December 2012

Scope and Themes



“Use of a cloud service has passed through early adoption and now encompasses more than a third of internet users. However, the majority of usage is based on free services, and it may be necessary to offer qualitative differences in service to attract paid usage, rather than basing fees around the amount of storage made available.”

– Billy Hulkower, Senior Technology Analyst

In this report we answer the key questions:

- **Is there a problem with local storage?**
- **Who foots the bill for storage?**
- **Where’s the profit?**
- **Where’s the marketing support?**

The major players in technology no longer compete within a given sector, but instead aim to create a complete digital ecosystem in which consumers can lead the entirety of their digital lives without leaving the brand’s borders. Cloud storage supports sales of branded hardware, entertainment at digital stores, as well as driving interest in online stores for tangible objects, and sales of online and mobile advertising. In this massive and global game of corporate maneuvers to counter or preempt the activity of competitors, technology firms may be losing sight of where their strength comes from, and from where their coffers are filled—fulfilling demand for individual consumer services.

This report explores consumer activity and sentiment in relation to cloud services and storage, including backup

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KNOW?**

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

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Scope and Themes

services and the need for access to content “anytime and anywhere.” App store purchases and the use of streaming media are addressed, as well as which digital stores are used by consumers to purchase digital media. The report also explores consumers’ familiarity with cloud service brand names and their attitudes (including fears) toward cloud storage. Consumer selection between physical and digital media is investigated, along with the rise of streaming services as a competitive alternative to the ownership model that underlies the idea of private lockers for media.

For the purposes of this report, Mintel defines consumer cloud computing as any system for storing data online for personal purposes, excluding storage related to email. Cloud services can include media storage (music, movies, games, photos, books), backup services, as well as providing a method of syncing applications purchased between computing devices. While remotely stored productivity tools

(such as word processing and spreadsheet applications) are not explicitly covered in this report, some cloud services covered in this report, such as Google Drive, do include cloud-hosted applications.

Streaming media such as that offered by Netflix or Pandora may be considered cloud-based services; however, for the purposes of this report streaming media are considered competitive to storage services. Streaming video is explored in greater detail in Mintel’s *Online and Streaming Video—U.S., November 2012* and *Digital Movie Sales and Rentals—U.S., August 2012*, while internet radio is covered in Mintel’s *Internet Advertising—U.S., July 2012*.

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