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Enterprise cloud explosion looms finds Google research

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Enterprises globally are expected to adopt cloud solutions en masse in the next 12 months, according to a new study published in a whitepaper by search leader Google. CRM, however, will not be the major driving application.

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According to the Google Communications Intelligence Report 2009, which surveyed 1125 global multi-industry IT decision makers on how SaaS is impacting their business, 89% of companies expect to expand or maintain their use of cloud computing between 2009 and 2011.

In addition, nearly 50% of the respondents who were not currently using cloud-based applications indicated that they are considering deploying a cloud solution within the next 12 months.

Email security, web security, and messaging are the cloud applications most widely adopted ranking higher than CRM.

According to the research, lower cost was not the primary factor behind the adoption of cloud services by the majority of companies surveyed.

"22% of respondents who were aware of and currently using cloud computing had moved to cloud computing because of ease of use and convenience; 14% made the switch seeking product-effectiveness traits such as service quality, availability, and reliability," the report stated.

"Ease of use and product effectiveness were cited by healthcare and communications respondents as primary reasons; both also listed data security. Banking stated business necessity as a top reason. Price/cost was not the top priority in any industry; only technology respondents listed it as a key factor."

According to the report, of all survey respondents, 45% use cloud solutions for email security, 40% for messaging (email, IM, calendar), and 38% for web security.

Overall, organizations that use cloud solutions had three top criteria affecting the choice to implement additional cloud applications: security, privacy, and ease of maintenance. Although lower cost of acquisition, or purchase/deployment costs, did not rank in the top three across all respondents, it received higher ranking in manufacturing, professional services, and the public sector industries.

However, the whitepaper admits that there is still resistance to cloud adoption among some users with existing sunk investments in IT systems.

According to the Google report, non-users continue to perceive higher costs associated with switching to the cloud. Cost or budget issues were the primary factor reported as a barrier to adoption; it is likely that for some of these respondents the fixed costs already invested in existing hardware, software, and systems were seen as a deterrent to adopting a new solution.

The report concludes that cloud computing has moved from the early adoption phase to the mainstream.