

## 75 % of Consumers Want Connected Life Services That Are Cloud-Enhanced

IBSG Service Provider FastFacts

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Despite Microsoft's significant investment in its recent '*To the cloud*' advertising campaign, most consumers do not understand the 'term' cloud. But – unclear industry jargon aside – consumers do understand the improvements cloud capabilities can deliver to their basic Connected Life services. For instance, they embrace the ability to buy their Connected Life Services once, to access them from multiple platforms and to more seamlessly pay and manage their suite of services. And even more importantly, they value these cloud-based enhancements – 75 % of consumers find the cloud experience to be a key and differentiating element of their Connected Life service.

In the most recent installment of Cisco IBSG's *Connected Life Market Watch*, we sought to determine whether the benefits of cloud are recognized by consumers. Do consumers value cloud-based experiences? Does the presence of cloud-based capabilities influence consumers' perception of the underlying Connected Life service? Are they more likely to buy Connected Life services when they include cloud-based enhancements? The answer is YES.

To determine how much consumers value cloud, *Connected Life Market Watch* asked them how they would feel if a particular cloud-based enhancement was included as part of their Connected Life service. The underlying service could span the Connected Life taxonomy: anything from a PayTV service to a mobile data service to a home monitoring service to a storage solution. Rather than test interest in these core services, the study isolated the experiences that were only possible with a 'cloud-based approach' and evaluated how these enhancements affected consumers attitude toward the core Connected Life service.

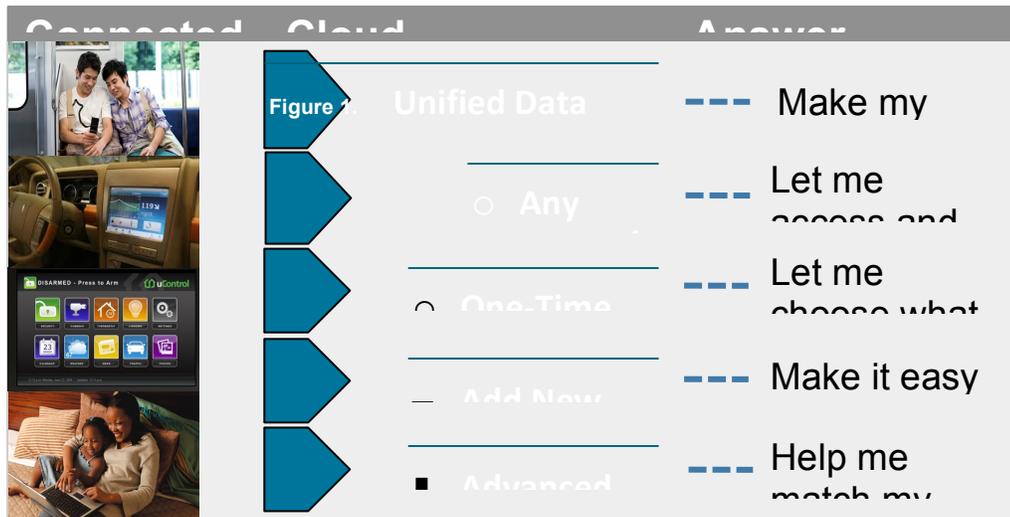
A cloud-based approach can provide a range of new experiences. To ensure *Connected Life Market Watch* fully measured consumer interest in the 'cloud experience' the study began with the core consumer benefits delivered by cloud and then created 12 specific enhancements, enabled by cloud, that actually delivered these benefits to consumers (See Figure 1, below). The study then tested these enhancements individually to create a composite view of consumers' reaction to cloud.

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Figure 1.

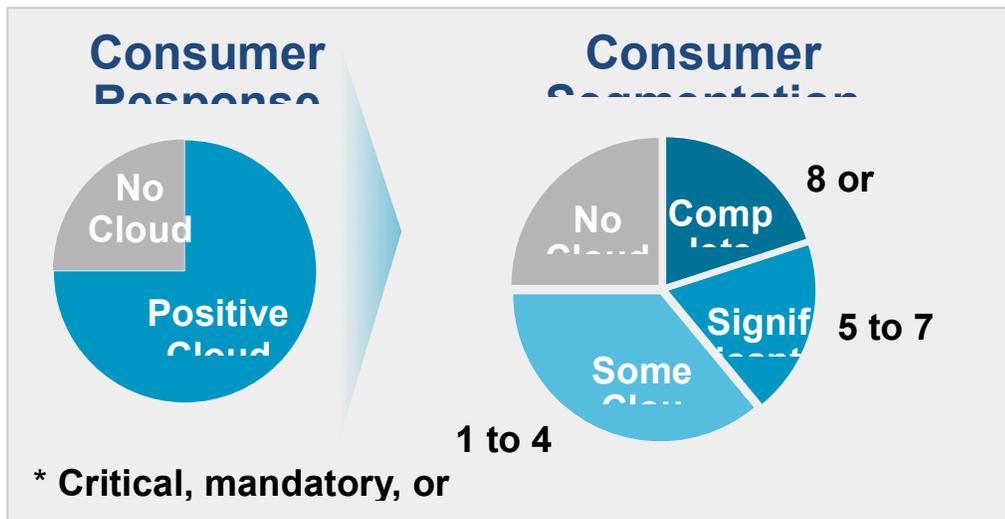


Testing the Cloud Experience: 12 Enhancements that Cover the Cloud

Cloud experiences can have a real and tangible influence on consumer buying behavior. Even in isolation, when each enhancement is evaluated individually, consumers are more likely to buy a Connected Life service that includes a single cloud enhancement. On average, 68% of respondents display an increased likelihood of buying Connected Life service if the offer has single cloud enhancement. And, 32% are “more likely” or “much more likely.”

However, the power of cloud is not just in deploying a single enhancement, but rather in leveraging the cloud-based approach to deliver a full cloud experience that incorporates many or all of these 12 enhancements. In fact, many consumers already demand a holistic cloud experience with their Connected Life services. (See Figure 2, below)

**Figure 2.** Cloud Has Broadest Reach and Impact as a Complete Experience vs a Single Enhancement



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Specifically, a full 20% of respondents were highly 'cloud-aligned', finding *8 or more cloud-based enhancements to be key and differentiating* to their Connected Life services experience. Another 19% of respondents were significantly 'cloud-aligned' citing 5-7 cloud enhancements as key to their experience.

With a cloud-based approach, service providers can accelerate demand for their Connected Life service and differentiate from their peers. To satisfy and exceed the expectations of these consumers, providers must look beyond one or two enhancements. They should invest in a holistic cloud-based approach that delivers a complete cloud experience and includes a range of enhancements, such as the 12 that we tested, to meet consumers' needs to:

- Manage data easily and seamlessly
- Access and move data across devices from anywhere
- Choose among multiple services options but pay only once
- Make it easy to get and manage Connected Life Services
- Help match online social behavior with real-life social behavior

As Service Providers, begin to incorporate cloud-enhancements into their services portfolio, it will be important to keep this holistic approach in mind – and prioritize enhancements that can be leveraged across their whole portfolio.

For a more complete analysis of Cisco's recent Connected Life Market Watch research, please visit the following link for a quick overview of the complete results in Connected Life Market Watch, Service Delivery and Consumer Cloud (U.S.) at [http://www.cisco.com/web/about/ac79/docs/clmw/CLMW\\_Service-Delivery\\_US\\_Short.pdf](http://www.cisco.com/web/about/ac79/docs/clmw/CLMW_Service-Delivery_US_Short.pdf)