

## Cloud: Igniting Demand for Connected Life Services

IBSG Service Provider FastFacts

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The “Connected Life” is becoming a reality for more and more U.S. broadband consumers, creating opportunities for service providers who make it easy to engage in Connected Life activities. According to a recent analysis from Cisco’s Internet Business Solutions Group (IBSG), service providers can significantly increase adoption of Connected Life services by strategically including cloud enhancements with their offerings. In fact, 68 percent of respondents said they would be more likely to buy a Connected Life service if it had even a single cloud enhancement.

### Connected Life Experiences Are Becoming Mainstream

The “Connected Life” refers to an expanding collection of services that enable consumers to work, live, play, and learn from anywhere, using virtually any device to access any application or content—from family communication and entertainment to remote healthcare, education, or home energy management. A Cisco IBSG Connected Life Market Watch (CLMW) survey revealed that consumers are regularly engaged in Connected Life activities: For example, nearly two-thirds of U.S. broadband consumers listen to music from their digital music library at least once a month; 55 percent share digital photos; and nearly half use portable devices to check maps and get directions.

This widespread adoption of Connected Life services has also created new challenges:

- Consumers’ social and sharing behavior has become more complex, outpacing their ability to safeguard their privacy
- Consumer digital content libraries have grown beyond consumers’ ability to manage them safely and securely
- Consumers are struggling with disjointed experiences across various online activities, which require opening new windows and interacting with each service separately
- Connected devices are not connected to each other, causing a disrupted experience when moving from one device to another
- Managing multiple devices with different platforms and management software is difficult and time-consuming

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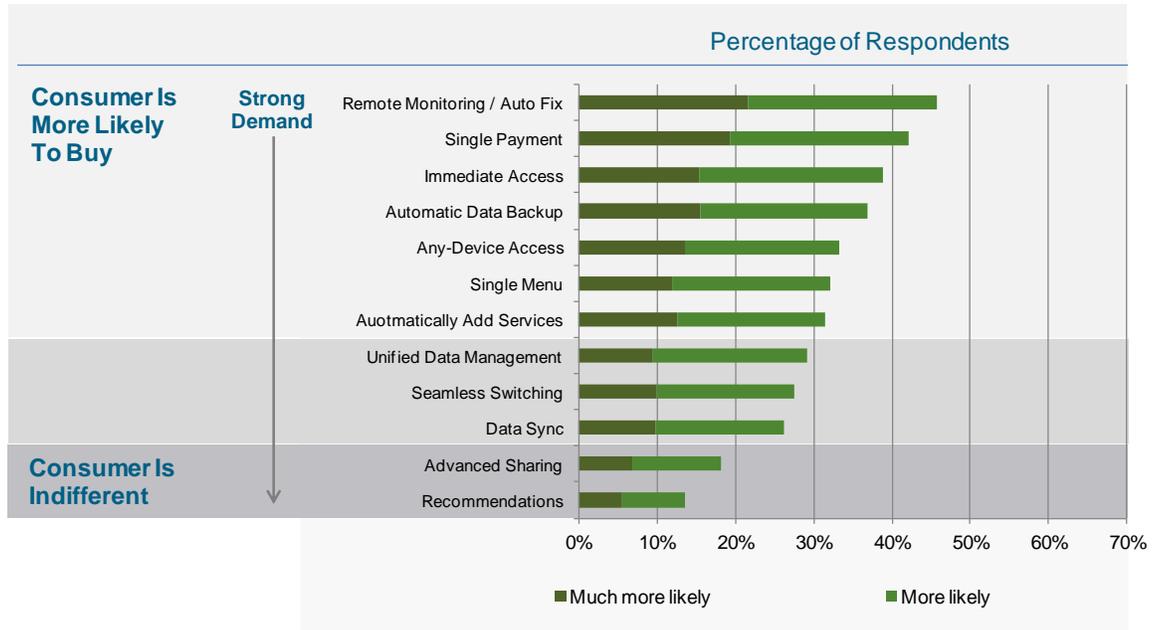


Cisco Internet Business Solutions Group (IBSG)

## Cloud-Based Features Can Enhance the Connected Life Experience

By bringing together and managing a consumer's Connected Life services in the cloud, service providers can turn a disjointed experience into an automated and unified experience that stretches seamlessly across devices, content, applications, and distance—making consumers more willing to adopt additional Connected Life services. (See Figure 1.)

**Figure 1.** Consumers Are More Likely To Buy When Cloud Enhancements Are Included



Base: U.S. broadband consumers

Source: Cisco IBSG Connected Life Market Watch, 2011

## Segmenting Customers Can Help Prioritize Enhancements

Service providers can strategically prioritize their cloud offerings by identifying the consumers most likely to respond positively to cloud enhancements, and the specific enhancements that are most important to them. The survey showed that about 40 percent of consumers were positively impacted by five or more individual cloud enhancements, and half of these were interested in a complete cloud experience, with eight or more enhancements.

We asked consumers to identify the enhancements they consider to be critical, differentiating, or mandatory in a Connected Life service. For the consumer segment with significant cloud interest (5-7 enhancements), three features rose to the top as mandatory or critical. In other words, these are features that consumers expect to receive as part of a Connected Life service:

- The ability to pay once for content regardless of how many devices used to access it
- Immediate access to purchased or rented movies, TV shows, songs and e-books
- Remote monitoring and automatic fix of service problems by the service provider

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This consumer segment also identified five enhancements as differentiating—features they don't necessarily *expect* to be included, but are thrilled when they are:

- Automatic backup of content on any Internet-enabled device
- Single menu access to movies, TV shows and music from multiple sources
- Access to files from any Internet-enabled device in any location
- Automatic data synch, enabling content on any device to be saved on any other one
- Ability to automatically add new services or capabilities with a click or a call

Service providers should prioritize their cloud offerings in a way that balances between their impact on consumer behavior and their cost to implement. They also need to align enhancements to their company strategy, taking into consideration what features are expected vs. differentiating, what customers they are targeting, brand alignment, technology requirements and capabilities, and investment requirements.

For the complete Connected Life Market Watch perspective on Consumer Cloud Demand, see: [http://www.cisco.com/web/about/ac79/docs/clmw/CLMW\\_Cloud-Demand.pdf](http://www.cisco.com/web/about/ac79/docs/clmw/CLMW_Cloud-Demand.pdf)

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#### More Information

Cisco Internet Business Solutions Group (IBSG), the company's global consultancy, helps CXOs from the world's largest public and private organizations solve critical business challenges. By connecting strategy, process, and technology, Cisco IBSG industry experts enable customers to turn visionary ideas into value.

For further information about IBSG, visit <http://www.cisco.com/go/ibsg>.



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