Small/Medium Business (SMB) Cloud Study:
Summary of India Study Results

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Background

Microsoft’s Trustworthy Computing Division conducted research among small and midsize businesses (SMBs), defined as companies with between 100 and 250 PCs in the U.S., India, Hong Kong, Malaysia and Singapore. The goal of the study was to gather data to better understand the cloud’s benefits relating to IT costs, improved security and better time management. For the purpose of this research, cloud users were defined as companies that used a cloud service via a subscription model.

This document summarizes the key findings from the research conducted in India. For more information, including research findings in the other countries in which research was conducted, go to http://www.microsoft.com/en-us/news/presskits/security.

India Summary

Benefits

- SMBs in India that use the cloud feel two to three times more positive than noncloud users regarding specific cloud service attributes (e.g., time and money savings, revenue enhancement, and quick and security-enhanced additions of products and services).
- More than two-thirds of cloud-using SMBs believe that IT cost savings is a primary benefit of cloud usage.
- Twenty-six percent of SMBs that transitioned their businesses to the cloud said they had been able to reduce the portion of their IT budget used for managing security during the past three years. This compares to just 4 percent of SMBs that do not use the cloud.
- Among cloud-using SMBs:
  - Seventy-two percent said they spent less time managing security.
  - Sixty-four percent saw improved security.
  - Fifty-two percent said they spent less time worrying about their company’s susceptibility to cyberattacks.
  - Forty-nine percent said it was easier to integrate systems.
- In addition to realizing better levels of security and cost savings, cloud-using SMBs are able to:
  - Focus more internal resources on core business (65 percent)
  - Invest in more product development or innovation (63 percent)
  - Employ more staff in roles that directly benefit sales or growth (61 percent)
  - More easily scale business to new markets (52 percent)

Savings

- SMBs using the cloud said they saved an average of 29 hours per week after transitioning to the cloud. Indian SMBs are also saving 28 percent of their IT budget due to using the cloud.
- The research indicates that areas where cloud-using SMBs are saving money are related to:
  - Being able to spend less time training new staff (69 percent)
  - Being able to increase and decrease IT capacity when needed (62 percent)
  - Requiring fewer specialized skills among IT staff (56 percent)
• Requiring fewer internal IT resources (55 percent)

Impact

• Forty-four percent of cloud users felt that their cloud service provider was entirely responsible for information security. This suggests that education is needed to raise awareness among SMBs that they still need to retain responsibility for some elements of IT security (e.g., client security). Fifty-four percent felt they shared responsibility with their cloud provider.
• The research suggests that SMBs that do not use the cloud underestimate the benefits that their cloud-using counterparts enjoy. For example:
  • Sixty-nine percent of cloud users said that cloud saves them money. Only 26 percent of noncloud users thought they would save money if they used the cloud.
  • Sixty-four percent of cloud users said that using the cloud enabled them to add new software products and services quickly and securely. Only 33 percent of noncloud users anticipated such a benefit if they transitioned to the cloud.
  • Sixty-three percent of cloud users said the cloud saves their IT department time. Only 36 percent of noncloud users thought they would save time if they used the cloud.

Barriers

• Sixty-one percent of SMBs that do not use the cloud said they intend to transition to the cloud within the next 12 months. Only 6 percent said they had no such intention. One-third remain undecided.
• Fifty-seven percent said more transparency would give them greater confidence about security in the cloud. Fifty-six percent of SMBs not currently using cloud services said industry security standards would help make them feel more confident about cloud security.
• Among noncloud users, concerns over the cost of transitioning (46 percent) and how the cloud provider would secure data (38 percent) were cited as the main barriers to adoption. Findings from SMBs that have adopted the cloud suggest that such concerns could be overstated.

India SMBs’ Comments

When asked, Indian SMBs provided a number of reasons for their adoption of cloud services:

“By using cloud we make our data safe and secure.”
– Indian cloud user in healthcare

“We believe that it will increase efficiency and bring more stability in some processes.”
– Indian cloud user in construction

“It’s [a] cheaper cost in investment of hardware as well as no issues of maintenance. We would choose setup as per need. Moreover this would help to reduce total budget of any apps running on this at least 20 percent ...”
– Indian cloud user in telecommunications
“Maintenance of cloud computing applications is easier compared with other services.”
   – Indian cloud user in IT consulting and software development

“Improve the data protection and disaster recovery strategies quickly and easily.”
   – Indian cloud user in IT consulting and software development

“It’s very easy to use and software is much cheaper.”
   – Indian cloud user in IT consulting and software development

“It is the latest trend and going to be cheaper.”
   – Indian cloud user in telecommunications

Note: With pure probability samples of 90 (India cloud) and 61 (India noncloud), one could say with a 95 percent probability that the overall results for Indian cloud users and nonusers would have a sampling error of +/- 10.3 and 12.6 percentage points, respectively. Besides sampling error, all sample studies and polls may be subject to several additional sources of error that cannot be calculated, including, but not limited to, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-study weighting and adjustments. It should be noted that the sample used in this study is based on those who initially self-selected for participation, therefore no complete estimate of sampling error can be calculated.