Small/Medium Business (SMB) Cloud Study:
Summary of Malaysia 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 Malaysia. 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.

Malaysia Summary

Benefits

- SMBs in Malaysia 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).
- Almost two-thirds of cloud-using SMBs said they believe that IT cost savings are a primary benefit of cloud usage, and 52 percent said the same about higher levels of security.
- Twenty-two 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 with 13 percent of SMBs that do not use the cloud.
- Among cloud-using SMBs:
  - Fifty-six percent said they spent less time managing security.
  - Forty-six percent said it was easier to integrate systems.
  - Forty-six percent said they were more confident in their organization’s compliance.
- In addition to realizing better levels of security and cost savings, participants said cloud-using SMBs are able to:
  - Invest in more product development or innovation (70 percent)
  - Focus more internal resources on core business (52 percent)
  - See spending less time managing security information as a primary benefit (44 percent)
  - See an easier ability to scale business to new markets (38 percent)
  - Employ more staff in roles that directly benefit sales or growth (38 percent)

Savings

- SMBs using the cloud said they saved an average of 25 hours per week after transitioning to the cloud. Malaysia SMBs are also saving 30 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:
  - Requiring fewer internal IT resources (60 percent)
  - Being able to spend less time training new staff (52 percent)
  - Requiring fewer specialized skills among IT staff (48 percent)
• Being able to increase and decrease IT capacity when needed (46 percent)

Impact

• Thirty-two 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). Sixty-two percent felt they shared responsibility with their cloud provider.
• SMBs that do not use the cloud underestimate the benefits that their cloud-using counterparts enjoy. For example:
  • Thirty-six percent of cloud users said the cloud saves their IT department time. Only 19 percent of noncloud users thought they would save time if they used the cloud.
  • Twenty-six percent of cloud users said that using the cloud enabled them to add new software products and services quickly and securely. Twelve percent of noncloud users anticipated such a benefit if they transitioned to the cloud.
  • Twenty-two percent of cloud users said that the cloud saves them money. Fourteen percent of noncloud users thought they would save money if they used the cloud.

Barriers

• Thirty-seven percent of SMBs that do not use the cloud said they intend to transition to the cloud within the next 12 months, compared with 19 percent who said they had no such intention.
• Sixty-eight percent of SMBs not currently using cloud services said industry security standards would help make them feel more confident about cloud security. Sixty-three percent said more transparency would give them greater confidence about security in the cloud.
• Among noncloud users, concerns over the cost of transitioning (53 percent) and how the cloud provider would secure data (51 percent) were cited as the main barriers to adoption.

Malaysia SMBs’ Comments

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

“Deploy with no change to existing backup infrastructure.”
  – Malaysian cloud user in manufacturing

“Easy to maintain and less storage space needed.”
  – Malaysian cloud user in education

“Lower hardware investment cost.”
  – Malaysian cloud user in IT consulting and software development

“Can access from anywhere and secured.”
  – Malaysian cloud user in IT consulting and software development
Note: With pure probability samples of 50 (Malaysia cloud) and 43 (Malaysia noncloud), one could say with a 95 percent probability that the overall results for Malaysian cloud users and nonusers would have a sampling error of +/- 13.9 and 14.9 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.