We rely more than ever on computing and technology in our daily lives – for communication, for entertainment, for transactions. Today, smart devices, cloud computing and instant communication are firmly embedded in our lifestyle.

It’s relatively easy to find out about the latest technology, its technical specs and what it can offer us. Yet there’s scarce information on what people really think about it, or their feelings about placing information into the cloud. And by understanding what individuals feel, what they like and what raises suspicions, then we can act to address these fears.

We’re keen to find out what people think about the cloud computing revolution – how comfortable do people feel sharing photos, music, games and documents through virtual servers and social networks.

We took a detailed look at how people actually feel about this evolution and here are some of the highlights of what we found.

**Consumers accept that cloud computing will become an inevitable part of everyone’s lives… but not just yet**

Almost everyone feels that sharing data ‘in the cloud’ will become the norm, despite any reservations they may have. It is seen as inevitable, and on the whole, a good thing. Indeed, a number of real cloud champions are very enthusiastic about cloud-based services, and all the benefits the cloud affords them.
Despite widely held concerns the positives outweigh the negatives

Positives

• No need for large, expensive PCs
• Freedom to access your data anywhere in the world
• Better for the environment
• Become more of a global community
• Reduce the need for expensive software updates

Negatives

• Lack of control over your own data. Who now owns my data?
• Perceived greater risk of loss, hacking and malicious use of the data
• Increasingly complex security
• Technology that is not yet tried and tested

But, as with any new technology, the majority of people are waiting for others to try it out and recommend it. Until then, these concerns and fears will hold back rapid, widespread adoption.

“Personally I would have very serious reservations about placing critical information on what is a relatively new technology platform and it being out of my direct control. Five years down the line and with them having a proven track record and security of information I might have a different opinion, but not today.” Sangita - age 30

There was also a concern over how robust their important data was once it was in the cloud. How safe is the data when so little known about the service provider, how safe is it once you cease to be that service provider’s customer.
We uncovered a host of individual concerns, many were personal, some were anecdotal and some picked up from media reports. However, they tend to fall into five categories:

1. **Confusion.** Most people who use cloud computing struggle to describe what it is and how it works. Whilst this is a concern for some respondents, many users don’t actually care about the technical details – how it works doesn’t matter as long as it does the job.

2. **Presumption.** Consumers assume cloud service providers are secure and professional, but rarely check and research them. If a provider looks good and sounds competent, customers assume their data will be safely stored and properly handled – yet they rarely look into this before signing up. A more prevalent attitude was “these providers must be doing the right thing, right?” Thus, the majority of people get reassurance from ‘safe’ brands – those that are well known and big enough to be seen as stable – and big enough to trust without looking closely at how they will store and use your data. This will undoubtedly be a concern for new service providers looking to leverage the benefits of the cloud.

3. **Lack of trust.** Even if a provider is proven to be secure and reputable, most people are still reluctant to move personal or financial data (personal photos, bank details, correspondence) to a cloud-based service. Paul, aged 25, represented the cloud sceptics, stating “I don’t trust it. I foresee the headlines saying that everything has been deleted. I don’t know enough about it and therefore don’t trust it very much.”

4. **Fear of losing control.** Consumers say they are wary of the way social media sites like Facebook handle their data. Some are fearful of the direction Facebook and Google are taking. The default should be that data should not be shared unless the user is asked and gives permission. It should be the user who decides who should see what, and not the current default, which is that the user has to select who should not see their data. Yet this does not stop them uploading more and more data to social networking sites.

5. **A need for human contact if things go wrong.** Although cloud computing is, by definition, virtual, customers feel they need a real person to speak to in case things go wrong. Indeed, this is absolutely expected if a customer is paying for a service. It is not enough for a cloud service provider to offer to interact with customers via email and social media – they demand a phone number so they can speak to a human being – even if this is a chargeable extra. This becomes more of an issue the more ‘critical’ the service is to the individual.
The vast majority of cloud service users – and would-be users – assume that their data is protected and backed up adequately by the service provider, with access restricted to trusted employees with operational requirement to access. They also presume that if a service provider were to lose or inadvertently allow their data to be accessed, then they would be informed very quickly.

Those using cloud solutions and social media from well-known brands, like Google and Microsoft, automatically assume that their data is safer than if it were to be held by a smaller or less well known company. Thus, the awareness and reputation of a brand provides reassurance and an assumption of safety. Even those using free services from trusted brands fully expect their data to be manipulated and shared with advertisers, but trust that this will be done anonymously, with security and privacy assumptions intact. Many say that in order to keep a service free, they accept that their data will be analysed and shared in some way – provided that it is aggregated, or kept anonymous. Chris, aged 48, really valued the vast amount of innovative free services available in the cloud, and recognised that the providers need to make their money somewhere “you make a pact with the devil…I expect them to exploit my information as much as they can”.

What consumers tend to fear most of all is a breach of privacy. This manifests itself in two ways:

1. The fear of having your financial or personal data that you store in the cloud being accessed by others through malicious hacking attacks or the host’s site being insufficiently secure. The user has little control over this, other than researching and choosing a service provider they trust with their data.

2. The fear of having content that you deem to be private being inadvertently accessible to others. This is especially true for those using social networks, photo storage and music storage sites. Indeed, a site may have perfectly clear and acceptable privacy settings, but many people expect that the pressure to make money from their data (e.g. through targeted advertising) will force the site to change their privacy settings…and that the service provider will not always advise their users of the implications of these changes.

A number of people we spoke to say they prefer to use pseudonyms and false contact details to ensure that the sensitive data they share in the cloud cannot easily be linked to them. In addition, to make sure they can fully control their personal image, some say they are reluctant to share or advertise the music they listen to.

On balance, changes to privacy settings are much more of a concern than how secure their data is in the cloud, though this could change if consumers start to use the cloud to store more financial and transactional data. Having suitable – and unchanging – privacy settings is vital to the success of any social network or cloud-based solution.

Whether a free or paid-for service, only those that let their users decide how their data can be accessed, shared and used will be successful. Remember Google buzz – the social network that started off assuming everyone wanted everyone else to know who they had been communicating to via Gmail - now a defunct network? Thought not…

Privacy is more important than data security

Chris - age 48

Chris, aged 48, really valued the vast amount of innovative free services available in the cloud, and recognised that the providers need to make their money somewhere “you make a pact with the devil…I expect them to exploit my information as much as they can”.

Jonas – age 24

I share a ‘cool’ playlist for all to see on Facebook, but I keep my day to day listening private…Lady GaGa should be secret!”

I share a ‘cool’ playlist for all to see on Facebook, but I keep my day to day listening private…Lady GaGa should be secret!”
Six ways in which companies can remove barriers and increase take-up of cloud-based services:

1. **Make a promise about privacy.** Reassure your potential customers that their data is not only held securely, but that they as users will have complete control over who gets to access their content. To succeed, you will need to win customers’ trust so bring your privacy messages to the fore, and don’t be tempted to compromise them.

2. **Encourage word of mouth recommendation.** Positive experiences from others are the single most effective catalysts in encouraging people to sign up for cloud-based services. If potential customers see their friends and colleagues already using cloud services, they will be much more likely to investigate further. What’s more, with Facebook, Twitter, LinkedIn and other social media now facilitating communication, the tools are there for cloud service providers to capitalize on.

3. **Promote the benefits, not the technical specifications.** Cloud services are called cloud services for a reason, customers don’t need to understand what’s in the cloud, they want to know what benefits it gives them. Most customers don’t really understand what 100GB storage actually means – tell them what this equates to in real terms: the number of videos, photos and songs that they can store.

4. **Find out what customers will actually buy.** So many companies take great ideas to the market – many of which people think are cool and innovative. But only a small proportion of these companies bother to check whether their target market would actually buy these for themselves. Is the price right? Have competitors got there already? Given the success of Dropbox, Spotify, LinkedIn and others, the ‘freemium’ service model is an attractive approach, given the wide range of competition. Offering a basic level of service for free, then encouraging customers to pay to upgrade to better functionality, can offer good returns while encouraging significant initial uptake.

5. **Make it easy for customers to calculate ROI savings over alternatives.** Competition is only going to get stronger, and success will only come from a competitive value proposition. Make sure customers can see the full cost savings they would get not just today, but over the lifetime of the service.

6. **Be human.** People buy services from people. As trust is such an important factor in convincing customers to buy your services, make sure there is always access to real people, even if it is simply a telephone number. Our research tells us that people want human contact not just when things go wrong, but to reassure them that there is always access to someone who can explain things in plain English. And of course, as one of our respondents put it “that their provider is a business with real people, and not just an 18 year old in a bedroom offered as part of the service!”
About the research

These findings are based on two focus group discussions and 20 in-depth interviews, held in January, February and March 2012. Participants were all aware of the term “cloud computing” and users of social networks, and included around half who classified themselves as technology enthusiasts and users of cloud-based solutions.

Report by Martin Wootton

Researchers: Dan Luca & Becky Lees

About RS Consulting

We’re one of the world’s leading international market research companies. We create and deliver strategic research studies for many of the largest global technology companies.

If you want to find out more about how market research can help you genuinely connect with your customers please get in touch.

www.rsconsulting.com / +44 (0)20 7627 7700