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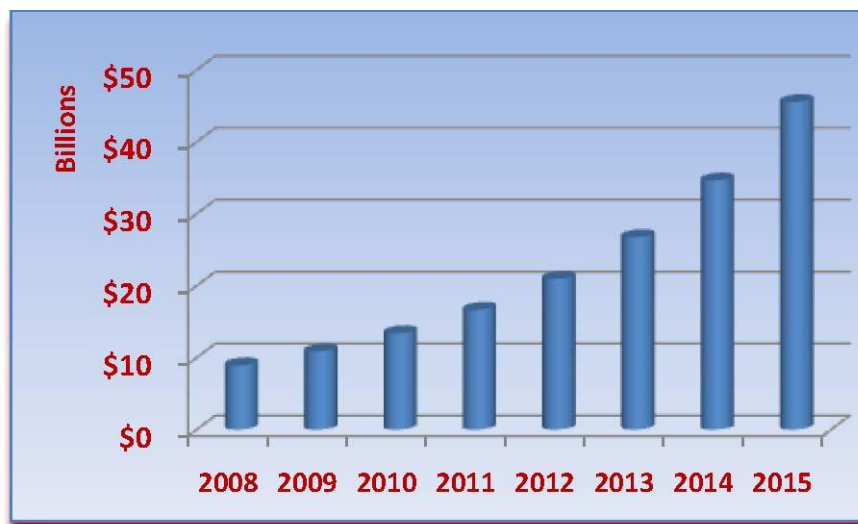
Cloud computing to generate \$45.5 billion in revenue by 2015, says Telecom Trends International

Low Cost of Service is the Primary Driver, says Report

Deployment to Pick Up as Confidence in Technology Grows

The cloud computing services market will generate \$45.5 billion in revenue by 2015, says a report published by Telecom Trends International. These services are aimed at providing access to computing resources over the Internet, obviating the need for deploying and maintaining expensive call centers.

Cloud Computing Services Revenue, 2008-2015



Source: Telecom Trends International, Inc.

Cloud computing will have a significant but not extraordinary growth over the next seven years, said Naqi Jaffery, the report author. “The growth will be tempered by the current hesitation of the user community to embrace the technology,” he said.

There is a perception that cloud computing lacks reliability, the report said. “In addition, most of the current implementations are based on proprietary protocols.” However, as the technology becomes more mature and confidence in the technology grows, the growth rate will pick up, the report said.

The primary driver of cloud computing, according to the report, is the low cost of the service coupled with the fact that it allows customers to use it wherever they want, and to pay only for what they use, the report said.

The aggressive pricing of cloud-based products by Amazon.com have set new benchmarks that other vendors will have to match, said Naqi Jaffery. Despite the low barriers to entry in the market, he said, many service providers will find it challenging to survive, given the highly competitive environment.

While cloud computing offerings are being launched in the industrialized world, the report said, the primary engine of growth in the mid-term will be the emerging markets. Cloud computing will be particularly useful for small to medium size companies, the report said.

About Telecom Trends International

Telecom Trends International, Inc. conducts leading-edge research on trends and developments in the telecommunications marketplace, and disseminates that research through published reports, custom projects, briefings, and advisory services. The company performs market analysis, technology assessment, and strategic planning.