



CloudFest State of the Cloud Report

The mission is imperative, and growing worldwide. Despite a need for consumer education, cloud-based tech feels optimistic about innovation and continued success.

A large, stylized outline of the year "2023" in a light purple color, positioned at the bottom of a large rectangular area with a vertical gradient from light blue to light purple.

2023

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Report Highlights

As cloud-based technology becomes more pervasive and more imperative for end users around the world, CloudFest wanted to spread the word from the very source itself about what its members see happening and coming. CloudFest turned to its members to learn about both the current state of the industry and their view of the industry moving further into the 21st Century.

The following are highlighted findings from the 2023 survey of 1,000+ cloud-based tech professionals from around the world. All are detailed in the following report.

The future is bright; the mission is imperative.

Optimism is very high on both individual business and industry-wide scales when it comes to cloud-based technology, driven by a forecast of increased innovation and global adoption.

Primary threats to that positivity relate to security and trust, from both business and consumer points of view.

Trust needs to be bolstered on an industry level by belief in reliable, hack-proof technology, and on an end-user level by greater understanding of how their personal data is protected.

Global cooperation and AI stand out as imperative for successful growth.

Artificial Intelligence and global approaches to cloud technology are key areas of interest for both present needs and for continued success, employing both in the interest of increased security, streamlining the product, and serving more customers.

CloudFest serves the need to connect over innovation and expansion.

CloudFest stands out as a resource for growing a personal network now as cloud-based technology at large grows into the future.

PREPARED BY
Open Eye

PREPARED FOR
CloudFest

Methods

CloudFest partnered with Open Eye Advisors to author and field a survey in January 2023, sending the online questionnaire to CloudFest members worldwide.

1,115 members responded to this survey, making results statistically significant for extrapolation to CloudFest members at large.

Size of business:

This year's survey results lean toward businesses of smaller employee size (50 employees or under).

<10 employees	25%
10-50 employees	24%
51-100 employees	10%
100-250 employees	9%
250+ employees	30%
I'm not sure	4%

Business type:

Cloud Service Providers make up more than a quarter of survey respondents.

Cloud Service Provider	27%
MSP/VAR/System Integrator	9%
Corporate IT	15%
Infrastructure provider/hardware/components	11%
Independent software vendor (ISV)	11%
ISP/Telecom	4%
Registrar/Registry/Domain Name System (DNS)	9%
Other	16%

Methods ₍₂₎

Time in Cloud-Based Industry:

A majority of respondents have been in this field for more than 5 years, but more than a third are relatively new to the industry (5 years or less).

<1 year	7%
5 years	29%
5+ years	64%

Region of Focus:

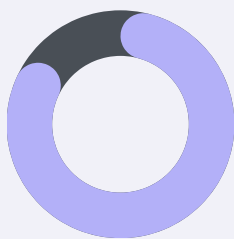
70% of survey respondents focus business in EMEA.

North America	5%
Latin America	2%
Asia Pacific	4%
Europe, Middle East & Africa	70%
Global reach	19%



The View of the Cloud Moving Forward

A supermajority of cloud-based industry leaders feel optimistic about their continued success and vitality.

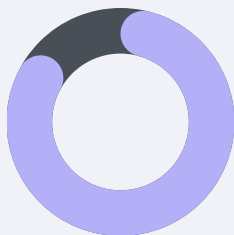


86%

AGREE (N=729)

86% of respondents agreed with the statement “I feel optimistic about the future of cloud-based technology” (44% “completely”).

“Cloud-based technology will continue to be vital to businesses worldwide.”

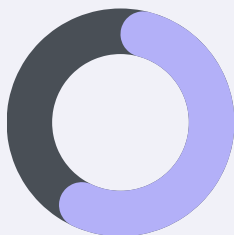


87%

AGREE (N=729)

87% agreed that “cloud-based technology will continue to be vital to businesses worldwide” (48% “completely”).

“The opportunities ahead for cloud technology outweigh the risks.”



61%

AGREE (N=729)

61% agreed that “the opportunities ahead for cloud technology outweigh the risks.”

Recession and inflation concerns have not dramatically impacted the industry in a negative way.

While rising costs are of concern, most respondents did not agree that this time has created “significant hardship” for the cloud-based tech industry, or for their individual company.

In fact, 38% responded that revenues have increased during recent recession/inflation concerns, and more than a quarter of respondents state that this has been a time of opportunity for the industry.



Cloud-based tech isn't recession-proof but is a resource still seen as imperative for investment, including for companies looking to cut costs.

What did you learn from the recent inflation/recession concerns that has proven beneficial to your business?

“Your network is your net worth.”

“Entangling our on-line services offer to the clients due to increased remote office usage.”

“Customers are more sensible in investing and changing technology.”

“It is still necessary to go forward with IT-related projects to transform business, even with the recent inflation/recession.”

Lower-revenue companies (under \$50M) express a general sense of more optimism, making the best of tough times. They see opportunity when end-users are cutting costs and may get a foot in the door with a cheaper offering now. They stress agility and working lean.

Highest revenue companies (\$250M+) focus more on the long view (cyclical nature of markets/business), with a need to cut costs and get new business.

Predominant risks stem from security and lack of trust.

When asked about challenges they see ahead, the security of the cloud and a concerns around the end-users threaten the bright view of cloud-based technology's future.

Security

- 64% of respondents agreed that “Security is a definite risk moving forward” (33% “completely”).
- Security was the most frequently cited risk seen for the future of the cloud.

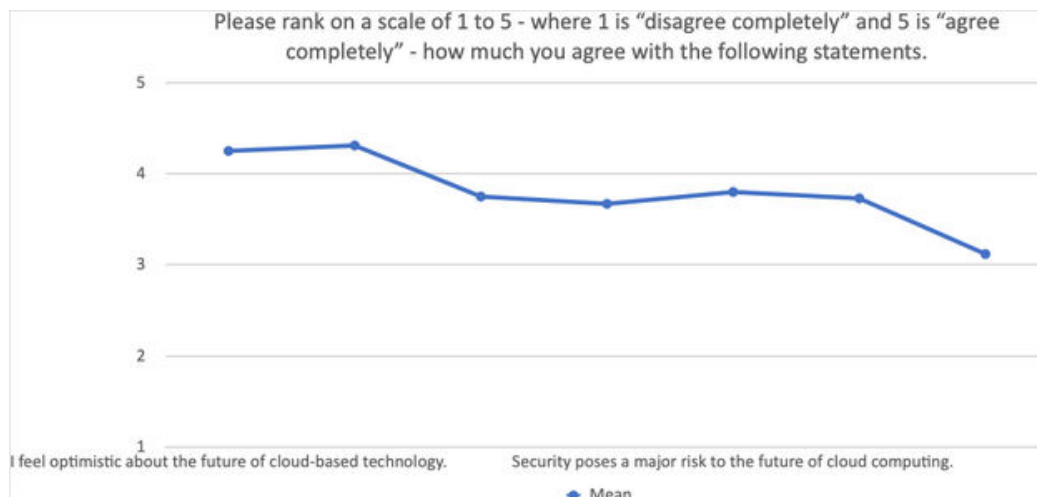
“Security of data will always be a major risk to keep in mind.”

Knowledge/trust

- 61% of respondents wish end-users better understood cloud technology.
- Only a third agree that “Consumers largely trust cloud technology.”

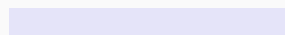
“End users don't really know much about this and how to use it.”

“Clients still consider security risks in using cloud technology even if it's not the case.”



While security was the most commonly cited concern, that security was often tied to trust and the cloud not letting the industry and its end-users down with breaches or failures.

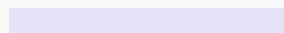
Other concerns included rising costs, consolidation within the industry, and the red tape of regulation.



"Security and fraud are issues which take advantage of the fact that many users don't understand exactly what it is they are using"



"Cyber warfare, ecological disasters and general security threats against cloud computing providers affect a lot of businesses and users at once."



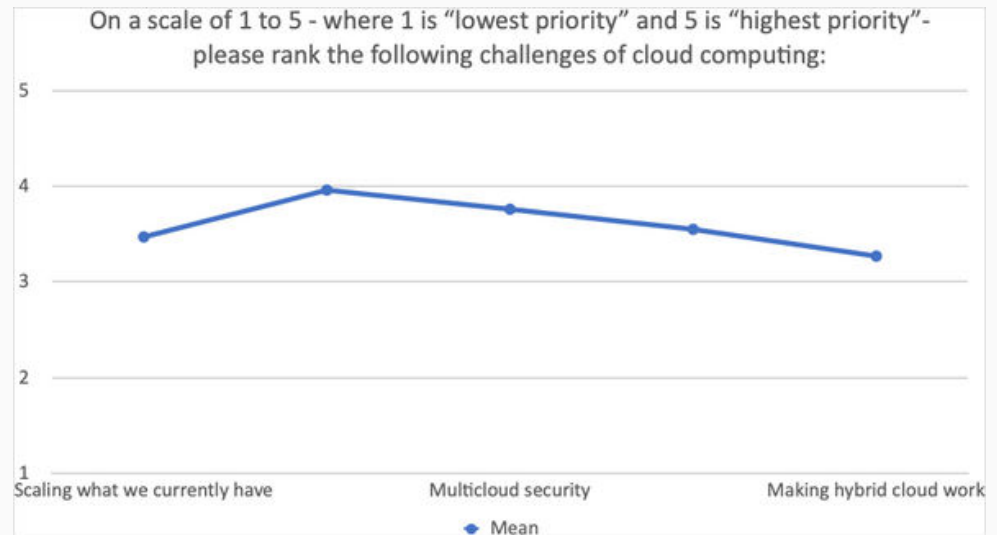
"We have to be very careful if we want to prevent creating the real 1984."

For lower revenue: security & consolidation (including single vendor reliance) are existential threats.

For higher revenue: security is still the primary concern, but costs and regulation rise to the top as well.

Highest priority is to build a firm foundation.

In the interest of addressing those security concerns, “Building the right cloud infrastructure” rises to the top among challenges of cloud computing.



The View of the Cloud Moving Forward – Key Takeaways

- Cloud-based tech leaders clearly see bright skies ahead for the industry at large, notably when it comes to growth in importance and adoption by businesses around the globe.
- Cloud-based tech is not only here to stay, but will be an ever-greater part of daily life on a global scale.
- Cloud-based tech leaders want to know how to increase security not only for their own business' health, but for the continued success of the industry in enhancing consumer trust.
- The strength of a firm foundation is essential for the future of cloud-based technology. It all comes back to a solid base.

How to Enhance the Cloud

Behind the rosy view of the cloud's future is increasing ease and adoption, and decreasing costs.

When we asked about primary opportunities seen in the near future for cloud computing, we heard it's becoming:

- Cheaper
- Easier to use
- More ubiquitous with increased adoption and remote working

The cloud is on a fast track. What's making it move even faster are the opportunities presented by:

- Scalability
- Advancing tech (especially AI)
- Increased efficiency

“More efficient use of computing resources, scaling is easy and resources are available to a lot of different users.”

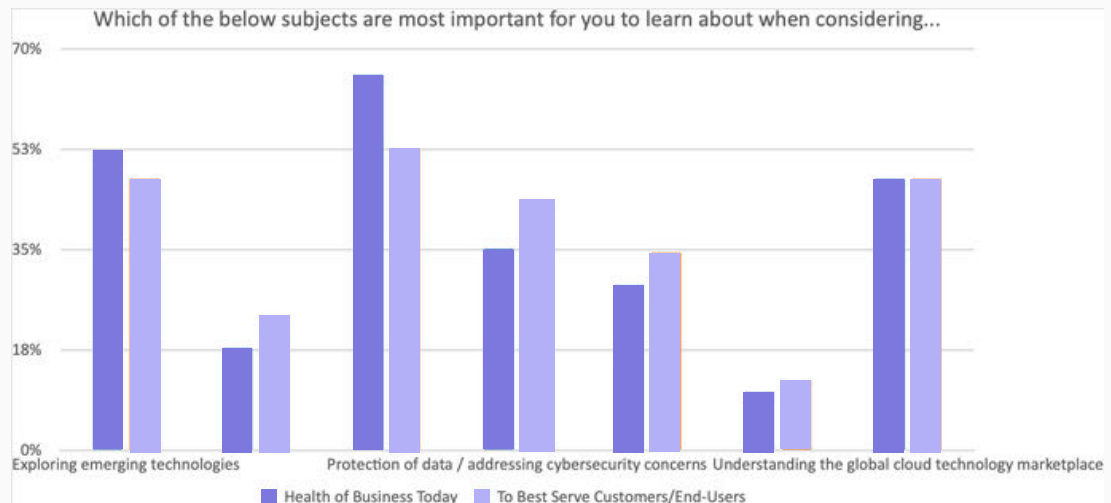
“Cloud computing has the potential to expand to new areas....as it forms a true grid, like an energy grid, and can process data at an unprecedented scale.”

“Need for scalability and automation to reduce cost during a recession/inflation.”

Learning together about emerging tech, the global marketplace, and data protection are imperative to serve business and customers.

In addition to networking with present and future partners, learning about new technological solutions, international approaches to cloud technology, and how to make the cloud more secure are also top of mind.

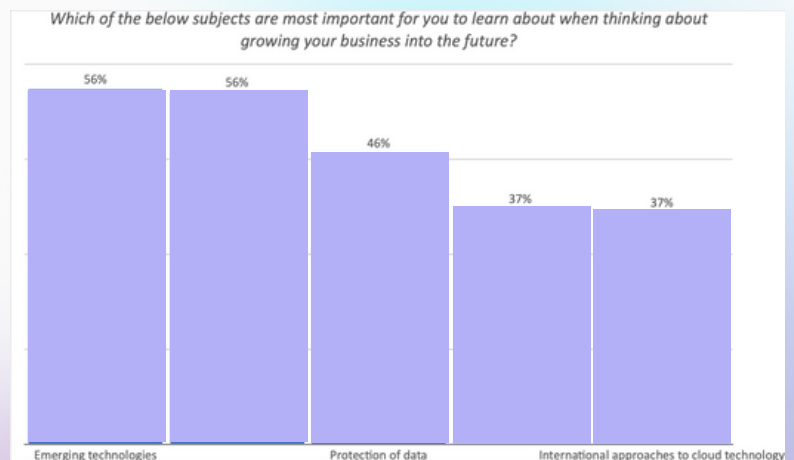
In coming together for CloudFest, cloud-based technology leaders want to learn from and lean on each other for a global view of the best ways to address security risks and technological growth.



Thinking ahead, emerging tech and data protection rise to the top.

Networking is still a key priority when respondents consider what will help them grow into the future, but the subject of emerging technology is equally vital to this forward-thinking approach.

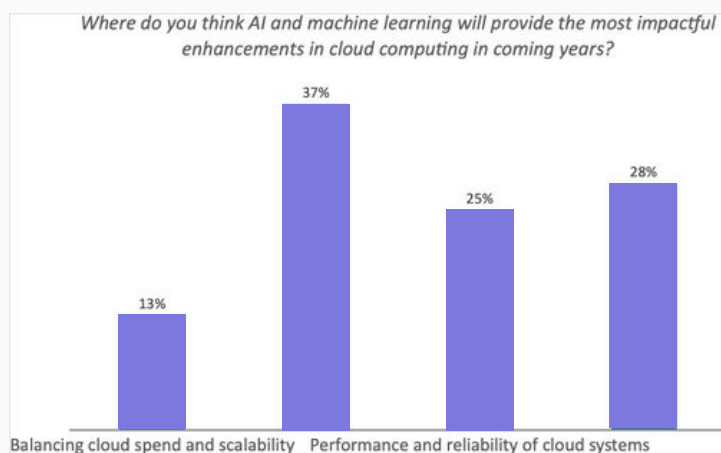
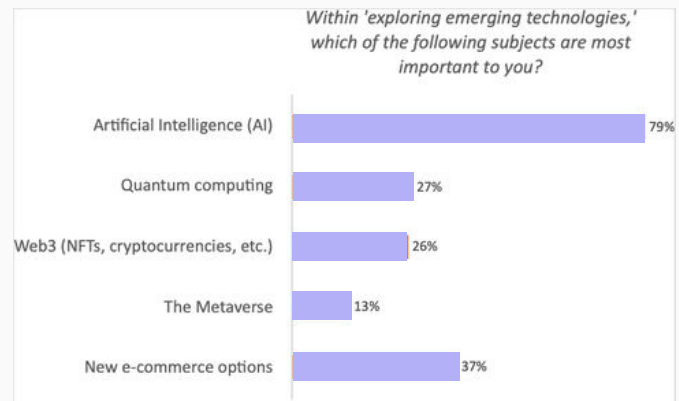
Data protection and international approaches to the cloud are also key drivers of education, indicating a perceived need to work together on a global scale for the future health of individual businesses and the industry at large.



AI is the most-cited area of interest within emerging technologies, for streamlining and securing the cloud.

Learning about emerging tech is a significant need expressed by respondents for success at present, for end users, and especially in moving into the future.

When we asked what emerging tech is most important to learn about, Artificial Intelligence was the clear driver with 79% ranking this as a top need.



Driving that interest are many perceived benefits of AI, notably optimizing the cloud and its resources, enhancing security, and improving performance and reliability.

However, concerns remain around AI, leading to that need for knowledge – 38% of those interested in learning about “Protection of data/addressing cybersecurity concerns” aid concerns around AI and cyber threats are important.

How to Enhance the Cloud – Key Takeaways

- The cloud is seen as the framework of the future, the equivalent of a power grid that needs to be trusted to never fail.
- The cloud-based tech industry is looking to the global innovation community for support, expansion, and education.
- For future success, cloud tech leaders are looking to emerging tech as well as ensuring the protection of data.
- Within that interest in emerging technologies, Artificial Intelligence is the element of most interest. It's seen as having potential for streamlining and security.

The Global View of the Cloud

International cooperation is **essential**.

Understanding the global cloud marketplace routinely ranked in the top 3 most important subjects for cloud-based tech leaders to learn about when it came to their current business health, aiding end users, and growing into the future.

The most optimistic respondents (5) are significantly more likely than others to say "understanding the global marketplace" is key to best serving customers or end-users, and that "international approaches to cloud technology" are important for growing into the future.

Younger respondents (42+) are significantly more likely to agree that "International cooperation in cloud investment is essential".

"International cooperation in cloud investment is essential."



63%

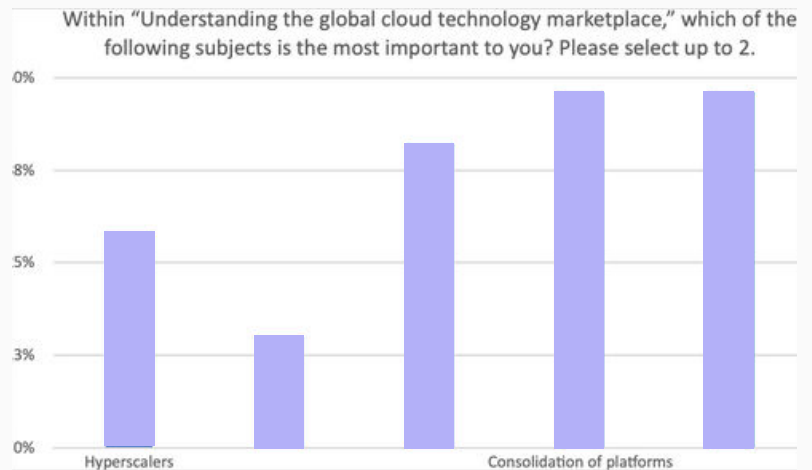
AGREE (N=729)

86% of respondents agreed with the statement "I feel optimistic about the future of cloud-based technology" (44% "completely").

Within the global cloud, there is a need to discuss consolidation, regional approaches, and security strategies.

In learning about the global cloud tech marketplace, CloudFest respondents are most interested in learning about and from each other:

- Cloud tech in different regions
- Consolidation of platforms
- Cybersecurity strategies



The Global View of the Cloud – Key Takeaways

- International cooperation is viewed as vital now and moving into the future, especially for younger cloud-based tech experts.
- There is a desire for working together for the betterment of global technology, global business, and global users.
- Being able to reach international peers and to form worldwide bonds is a key driver of CloudFest learning and networking, as it facilitates mutual strength and sharing between players across the globe.

"In one word, how would you describe your main motivation for attending CloudFest 2023?"

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+ About CloudFest

Industry leaders make big moves at CloudFest. Whether you're a global hyperscale platform or an emerging service provider, your path to greater success starts at this event. As an attendee or partner, CloudFest is where you build your brand, form strategic partnerships, and set yourself on the path for greater growth in a one-of-a-kind environment.

Find out how to be part of the CloudFest community [here](#).

+ About Open Eye

Open Eye helps small businesses and non-profit leaders make greater impact in the world, using current data, insights, and great people to craft achievable change strategies together.

Learn more about Open Eye [here](#).
