Rackspace reveals cloud conundrum causes corporate confusion

Released on: February 2, 2009, 5:17 am

Press Release Author: **Rackspace**

Industry: Internet & Online

Press Release Summary: Rackspace survey releases businesses struggling to understand the cloud

Press Release Body: A new survey released by Rackspace has revealed that businesses are in danger of missing out on the cloud revolution because they don't understand the concept. The findings show that more than half of UK (57%) and US (58%) businesses are unaware of the term cloud hosting.

Organisations' varied responses when asked to define cloud hosting highlights the current confusion. Most UK businesses (43%) defined it as 'remote and multiple servers accessed via the internet'. In the US this was also the most popular answer (29%). UK respondents also believed cloud hosting was 'applications via the internet' (31%), 'virtualisation' (14%) and 'online storage' (8%), with a similar pattern being found in the US. However 27% of UK businesses 'don't know how they would use cloud hosting as part of their IT mix'. A third of US businesses (33%) agreed with this statement.

Lew Moorman, chief strategy officer, Rackspace Hosting, said: "Cloud technology is ideal for the current economic climate, but it is vital that businesses understand how it can best serve their organisation. At Rackspace we want to provide clearer guidelines on how they can get the most out of this technology as a matter of urgency. That is why we are launching a new cloud clinic web site."

"Cloud is going to be the hot business topic for 2009 and it is not just IT folk that will need to understand the benefits it brings but people across the business," added Lew.

Despite the confusion over the definition of cloud hosting, 36% of businesses in the UK and 48% in the US are 'planning or considering using it'. Reasons for not adopting the cloud in the UK were cited as: cost (25%); 'untested, new technology' (14%) and reliability (15%). In the US businesses are twice (20%) as concerned about security and compliance as they are in the UK (10%).

Other key findings from the research included: 15% of UK businesses would use cloud hosting as part of their IT mix for 'extra servers/to boost processing and distribute workload'; 11% for data back up and 8% for application hosting.

Rackspace has set up a cloud clinic to help demystify the cloud by providing a range of cloud materials and case studies.

About   Rackspace   Hosting
As the world's leader and specialist in hosting, Rackspace Hosting is changing the way businesses worldwide buy IT. Rackspace delivers computing-as-a-service, integrating the industry's best technologies into a flexible service offering, making computing more reliable and affordable.

A trusted partner to companies of all sizes, Rackspace enables IT departments to be more effective. Rackspace is distinguished by its award-winning Fanatical Support, furthering the company's mission to be one of the world's greatest service companies.

Rackspace featured in the top 30 of both the Sunday Times 100 Best companies to work for list and the Financial Times Great Place to Work Awards, 2008. Rackspace's portfolio of hosted services includes managed hosting, email hosting and cloud hosting.

- ENDS -

Notes to editors

A total of 1500 companies were surveyed - 600 in each of USA and UK and 300 in Netherlands. The survey was conducted online, between mid October and mid November 2008 by Vanson Bourne

Web Site: http://www.rackspace.co.uk/

Contact Details: For more information, please contact
Harriet Fletcher
Head of Online Marketing
Rackspace Limited
4 The Square
Stockley Park
Uxbridge
UB11 1ET
0208 734 2578
www.rackspace.co.uk