Cloud Computing & Market Research - Opportunity or Threat?

Business Analytics

Agenda

Cloud Computing is transforming the world of IT enablement with both public & private organisations turning towards various flavours of Cloud capabilities to meet their needs. What does this mean for Market Research in the context of provisioning, opportunities & challenges, and the impact Cloud could have on how MR is conducted in the future?

- What is Cloud?
- Cloud and Market Research
  - Provisioning
  - Opportunities
  - Challenges
- What effect could Cloud have on Market Research in the future?

What is Cloud?

3 Ways to Deliver IT Capabilities

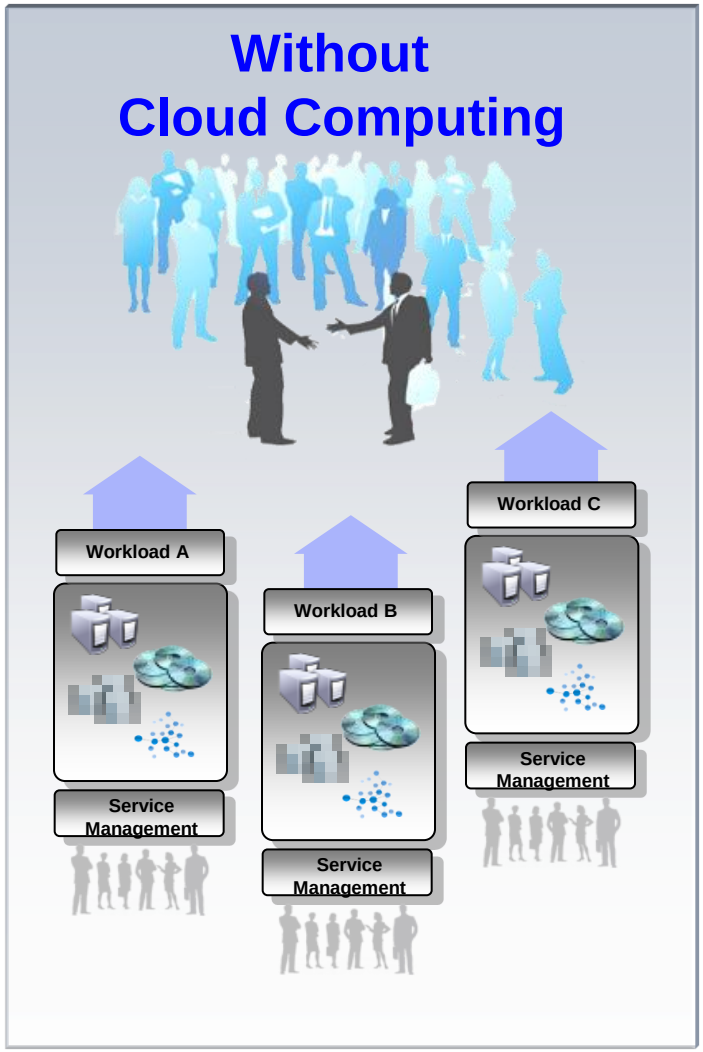
Software, hardware, & networking

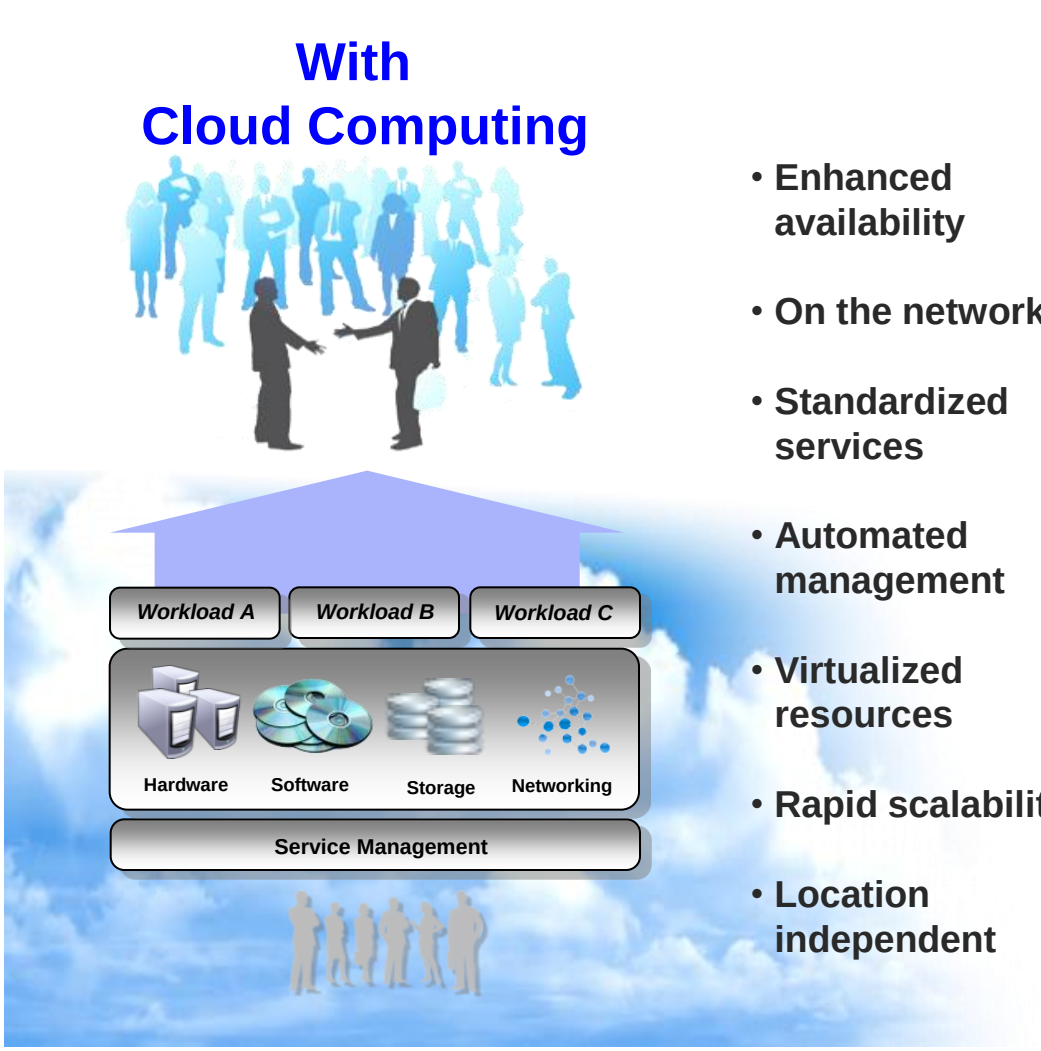
Pre-integrated systems & appliances

Provided as a service

Cloud computing is a new model for delivering and consuming IT capabilities

Cloud Computing - Highlights

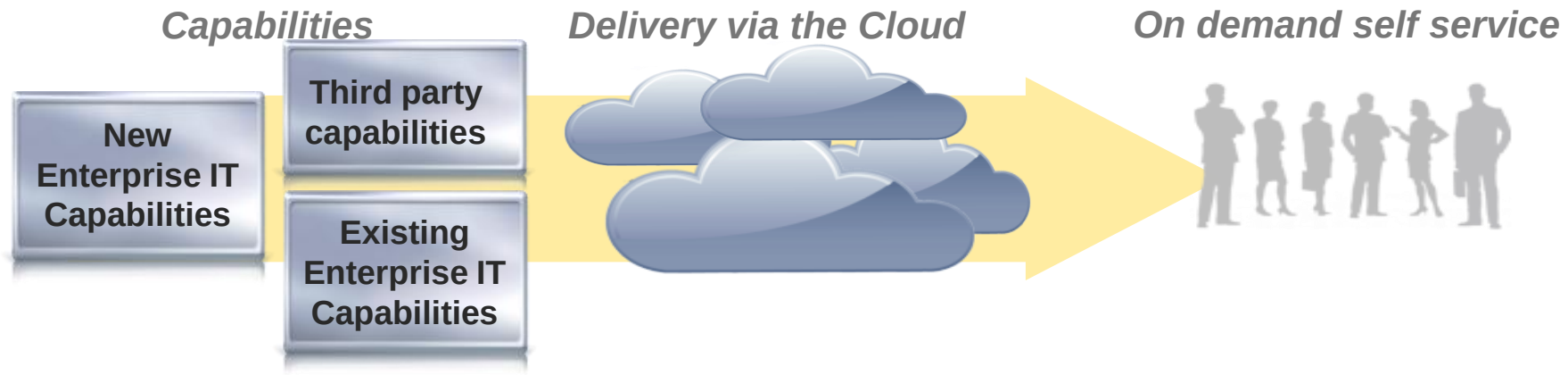




- Enhanced availability
- On the network
- Standardized services
- Automated management
- Virtualized resources
- Rapid scalability
- Location independent

Cloud computing is a new delivery model

Cloud enables customers to consume IT as a service, without burdening customers about how the service works behind the scenes



Key Characteristics

1. Self service
2. Standardization
3. Automation
4. Rapid elasticity
5. Variable cost model

Service Models

1. Infrastructure as a Service
2. Platform as a Service
3. Software as a Service

Delivery Models

1. Public cloud
2. Private cloud
3. Community cloud
4. Hybrid cloud

Cloud and Market Research

Provisioning

There is a greater need for IT to help address business challenges

Doing more with less

Reduce capital expenditures and operational expenses

Reducing risk

Ensure the right levels of security and resiliency across all business data and processes

Higher quality services

Improve quality of services and deliver new services that help the business grow and reduce costs

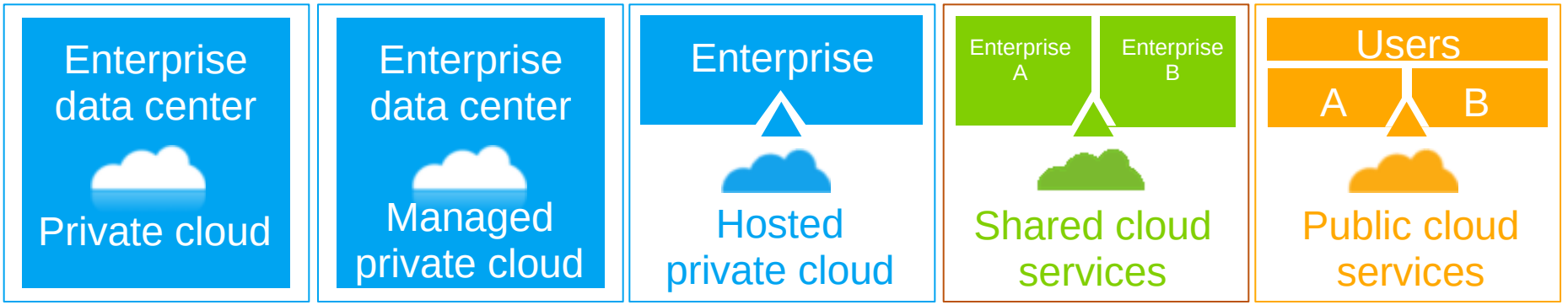
Breakthrough agility

Increase ability to quickly deliver new services to capitalize on opportunities while containing costs and managing risk

There is a spectrum of deployment options

Third-party hosted

Third-party hosted and operated



- Private
- Implemented on client premises
- Client runs/ manages

- Third-party operated
- Enterprise owned
- Mission critical
- Packaged applications

- Third-party owned and operated
- Standardization
- Centralization
- Security
- Internal network

- Mix of shared and dedicated resources
- Shared facility and staff
- Virtual private network (VPN) access
- Subscription or membership based

- Shared resources
- Elastic scaling
- Pay as you go
- Public Internet

Private cloud

- Owned and managed by the enterprise
- Limits access to enterprise and partner network
- Drives efficiency, standardization and best practices
- Retains high degree of control, privacy and security
- Enables business to more easily customize services
- Reduces deployment time for new services
- Accessed from "inside" the firewall

Private cloud

Wedding Reception

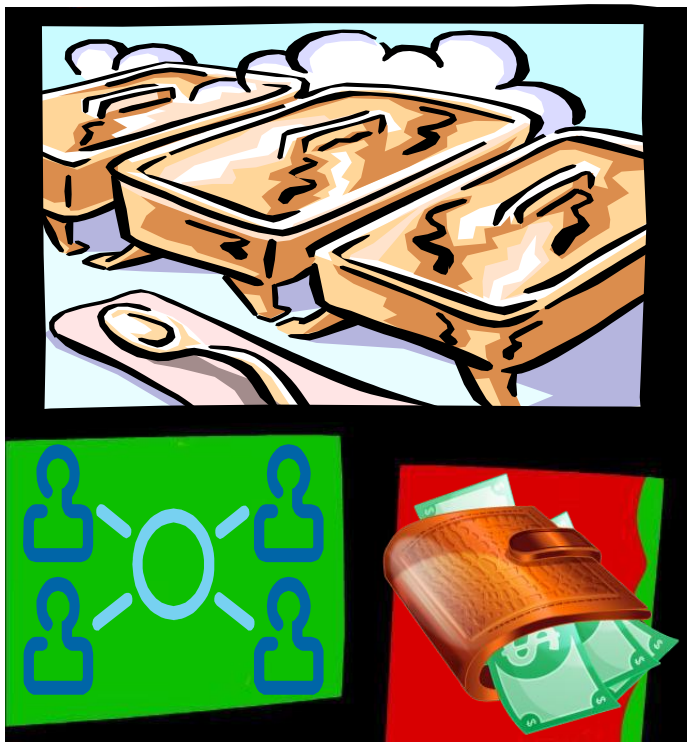
- More specialised menu
- You get your own plate
- Dishes are made for you
- You only have to share with people at your table
- You can have it made the way you want it
- You can add bits or have them omitted
- You control the environment

Public cloud

- Owned and managed by service provider
- Limits access to subscribers
- Delivers select set business process, application or infrastructure services on a “pay per use” basis
- Highly standardized
- Limited customization options
- Accessed from "outside" the firewall

Public cloud

Self-Service Buffet



- Standard menu
- You get your own plate
- But…dishes are made for everyone
- You have to share food delivery with other people at other tables
- You can't have it made the way you want it
- Standard cost – eat as little or as much as you want

Cloud and Market Research

Provisioning

Opportunities

Opportunities

- Impact of multiple devices recording data
- More offerings to Market Research consumers from software service providers
  - More specialised capabilities in the market place
  - Framework can facilitate exploration of new techniques as low-risk adoption of capabilities is easier
  - Easier to be innovative
- Interest in Cloud adoption - projects that require MR in this area
  - Commercial projects – i.e. Opinions on Cloud, usability etc.

Opportunities

- Cloud platforms can be developed without having to build independent infrastructure at various geographical locations
  - Easier to service new clientele in new markets
- Deploy custom services faster than on traditional platforms (.Net, etc)
- Any production issues can be diagnosed with greater ease
- Research in areas with poor communications infrastructure – synchronize to cloud-based repositories
- Rapid response to events – need collection, feedback, & monitoring capabilities fast

Opportunities

- Have internal capabilities - extra capacity sometimes
- Adopting new technologies in the MR space - low risk, cost-effective way to evaluate
- Open channel to market - Enhance agency/client relationships

Cloud and Market Research

Provisioning

Opportunities

Challenges

Challenges - General

- Don’t want to share – require dedicated resources – appropriate Cloud model
- Impact on optimising processes or bringing new MR service deliverables to market
  - Apply more cloud resources - not design something for efficiency
- Own internal IT infrastructure / resources
  - Can signify greater control / security / “status”
- Rush to the Cloud market
  - Vendor applications not designed for Cloud computing – could contain “vulnerabilities”

Challenges - General

- Control and accountability – manage internal systems
  - Fear of being held to ransom by 3rd party Data centres
- Self-Service delivery model empowers individual researchers yet may lead to bypassing quality control on deliverables
- Possible to circumvent IT – SaaS applications can be below threshold that allows direct purchase
  - Would users understand the implications?
- Will Cloud-based functionality & MR specific applications make agencies unnecessary?

Challenges - General

- May require additional IT skill sets with an appreciation of Cloud
- Cloud plan offered may prove too expensive for large-scale data handling and processing due to commercial charging models
  - Depending on the Cloud / SaaS charging model - may promote "meter watching" prohibit creativity
- Existing software licences hosted in a Private Cloud - do terms and conditions of software usage provide for this deployment methodology

Challenges - Legal

- Off-shore Data Centres – is the MR data being handled appropriately?
  - Cloud providers subject to the laws of the country in which they are located
  - Importance of location on legal rights and obligations
  - If different jurisdiction – legal protection may be limited
- Customer is often not told:
  - Where the data is stored?
  - Who has access to the data?
  - What security protocols are used?
  - If there are any business continuity practices – disaster recovery?

Challenges - Legal

- Regulation – no international standard code of practice in Cloud
  - U.S. Patriot Act affect privacy of survey data
  - Safe Harbor = part of general requirements for EU data privacy
- Compliance with industry standards - You may be certified but the Cloud provider and/or the data centre may not
- EU law - sending personal data abroad
- Current laws for existing electronic communications may not apply to Cloud computing
- Give MR data to a service provider - your responsibility for compliance with regulations (Industry & Governmental)

Challenges - Legal

- Collection, storage and management of Market Research data
  - Personal Identifiable Information (PII) and Sensitive Personal Identifiable Information (SPII)
  - Safe Harbor
  - Data Protection & Data Privacy
  - Sarbanes-Oxley or other regulatory rules
  - External audit standards for Data Centres

Challenges - Service Level Agreements (SLA)

- What do these cover?
  - Application – to what level of expertise?
  - Environment – Security both IT and physical
- Cloud deployment models, that incorporate multi –tiered virtualized environments, can present problematical issues for ensuring application wellbeing and performance
- Virtualisation – theoretically great - if one goes then they all go
- Cloud provider may not have adequate provision for capacity peaks
  - If excess demand on the system - where from?

Challenges - Service Level Agreements (SLA)

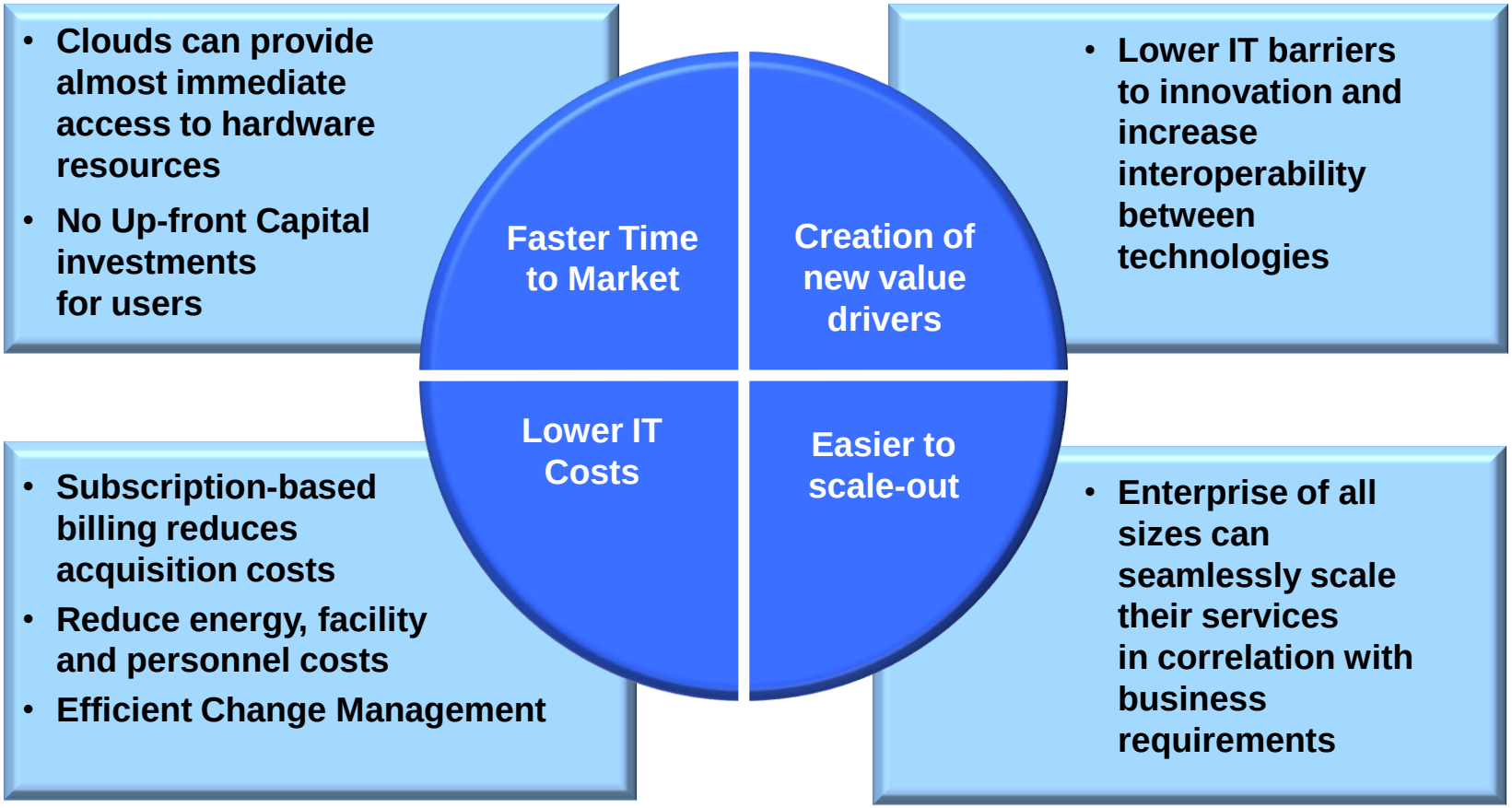
- It’s not that easy to prove underperformance ?

- Organisations may have issues related to amalgamating processes and support for on-premise and cloud applications
  - If problem with application or Cloud infrastructure – who does what?

Cloud and Market Research

Future?

Future - Cloud computing model creates value



Future

- Cloud - operational restructuring
  - Large MR agencies – Managed Hosting models
  - Smaller agencies and MR departments powerful assets on tap
  - Cloud storage – sharing and connectivity
  - Cloud virtualisation - run “older” or more specialized programs
- SaaS has been dominant in data collection – now more apps
  - Analytical tools
  - Social Media tools
  - Qualitative tools
- Increase in Bandwidth
  - Connectivity + optimised GUI’s = true hosted capabilities

Future

- Development and expansion of connected devices
  - Consumers data/ assets/preferences - move to the Cloud
  - 4G mobile networks
  - Cloud-based music applications to run on multiple platforms
- Offshoot technologies
  - VSaaS (Video surveillance as a service)
  - Intelligent video analytics - not just for security
- Social Media
  - Move from Panels to Communities/Blogs/Social Networking sites
  - Real-time research – mining the blogosphere
  - Issues with Privacy
- Developing markets
  - Cloud infrastructure to facilitate localised services / instruments / & methodologies

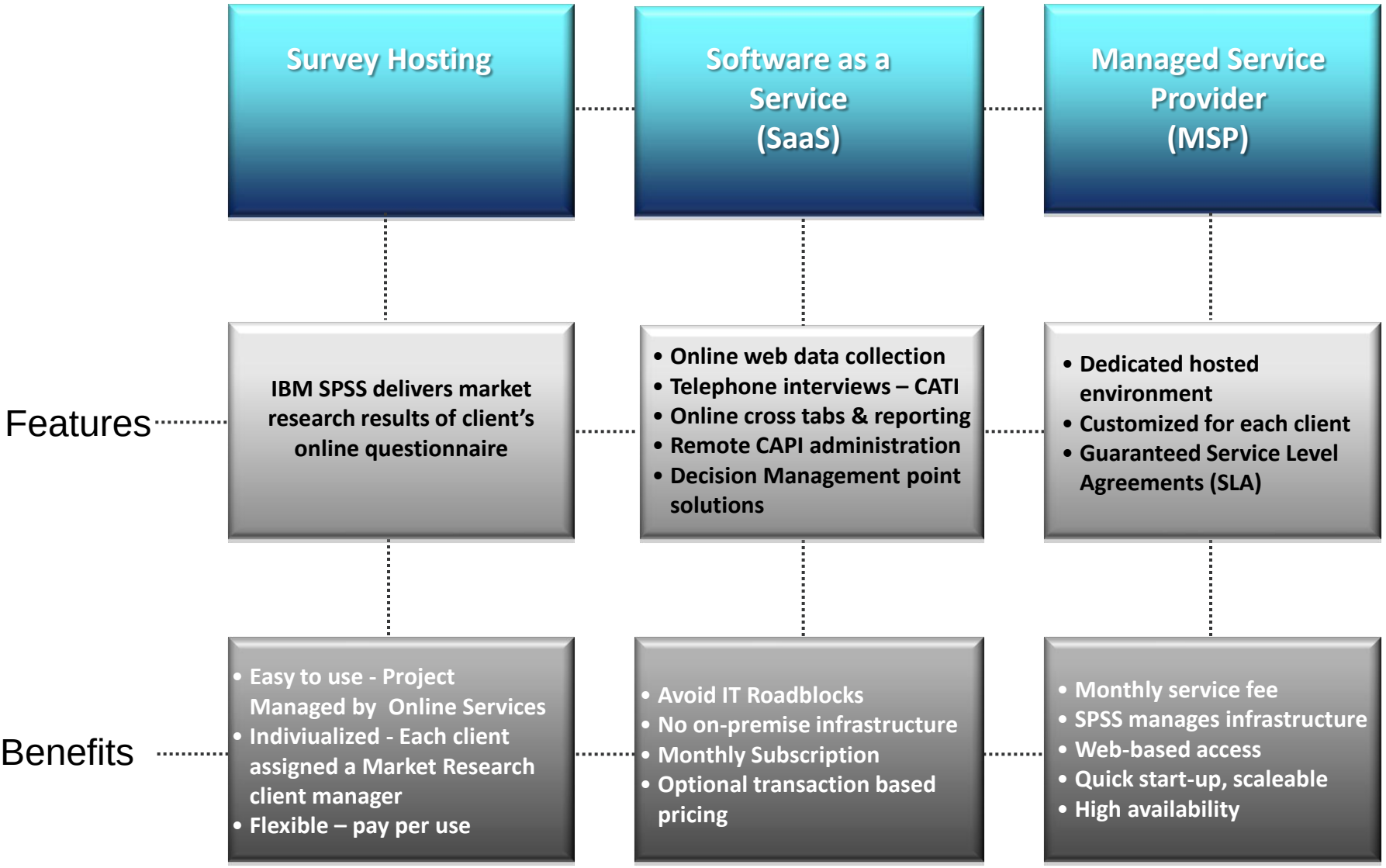
Future - Conclusions

- Improved adoption of Analytics – Cloud opens up on-demand
  - Reduced need for internal communication - less data input
  - Authorized users - same GUI and same data – less error
- Cloud computing power
  - New services ⇨ wider deployment ⇨ more feedback potential
  - Linking data from many sources and channels
  - Data already available for research - analytics
- Safeguards
  - Cloud redundancy - disaster recovery and business continuity
    - Recent natural catastrophes and “unplanned” outages

Future - Conclusions

- Data Integration possibilities
  - Need for Market Research data to be more linked with the strategic, tactical , and operational decisions of the organisation
- Legal , Policy & Privacy
  - Ethical standards - extracting from Cloud-based Social media
  - Regional legalities – movement across boarders
  - Cloud - trusted and endorsed?
  - Technology accelerating faster than the controls
- Standardisation – comparing like for like
  - Transparent SLA's – lot of implied "good will"
- Cloud-based apps and processes – not a substitute for professionalism

Current IBM SPSS Cloud Offerings



IBM SPSS Contact Info

Jason Cregor
Online Delivery Specialist
jason.cregor@uk.ibm.com

Q&A

Thank you!