



Wasabi's 2023 Global Cloud Storage Index

Executive Summary of key findings



Andrew Smith

Senior Manager, Strategy
and Market Intelligence



No Signs of Slowdown in Cloud Storage:

Findings from Wasabi's 2023 Global Cloud Storage Index

Majority of organizations will expand cloud storage capacity and spending in 2023; with significant improvements to be gained in billing/fee structures and multicloud deployments.

Wasabi analyzed survey results from 1,000 IT decision-makers worldwide to provide insight into how your peers are thinking about their cloud storage strategy, and the challenges they face.

Introducing the Global Cloud Storage Index

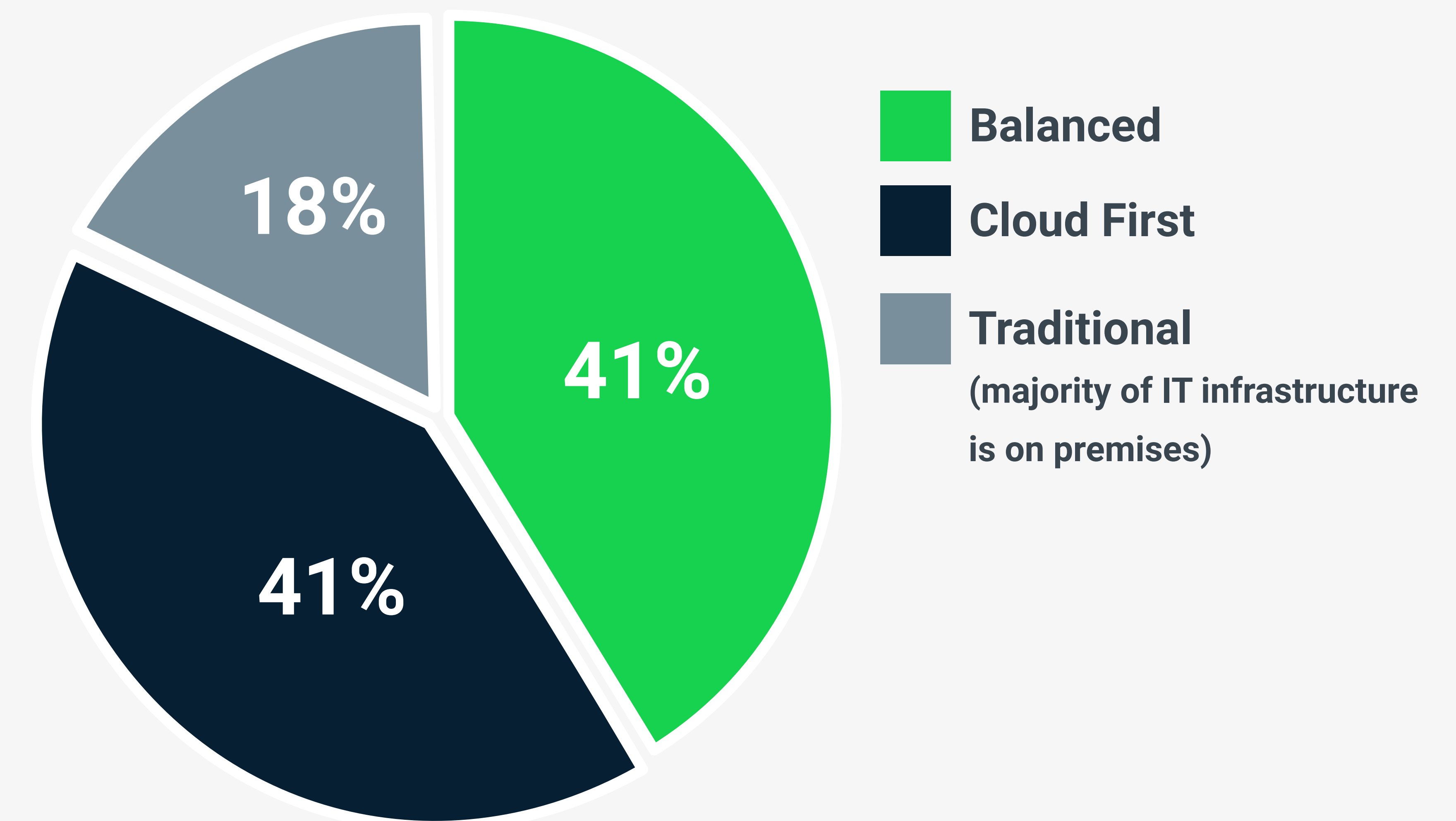
In late 2022, Wasabi commissioned research to better understand enterprise cloud storage market trends and developments. This Executive Summary provides a high-level overview of the results and key trends that organizations should be aware of.

U.K.-based researcher Vanson Bourne surveyed 1,000 IT decision makers around the world. The respondent set represents all major geographies, over 10 individual industries, and a wide range of company size from SMB to large enterprise. Respondents chosen to participate had to be involved in their organization's cloud storage purchases. Respondents were asked about a range of cloud storage topics, from the amount of data they store and their expectations around budget and growth; to the various benefits and challenges they face as they expand their usage of multiple cloud providers and address increasingly stringent security, compliance, and regulatory requirements.

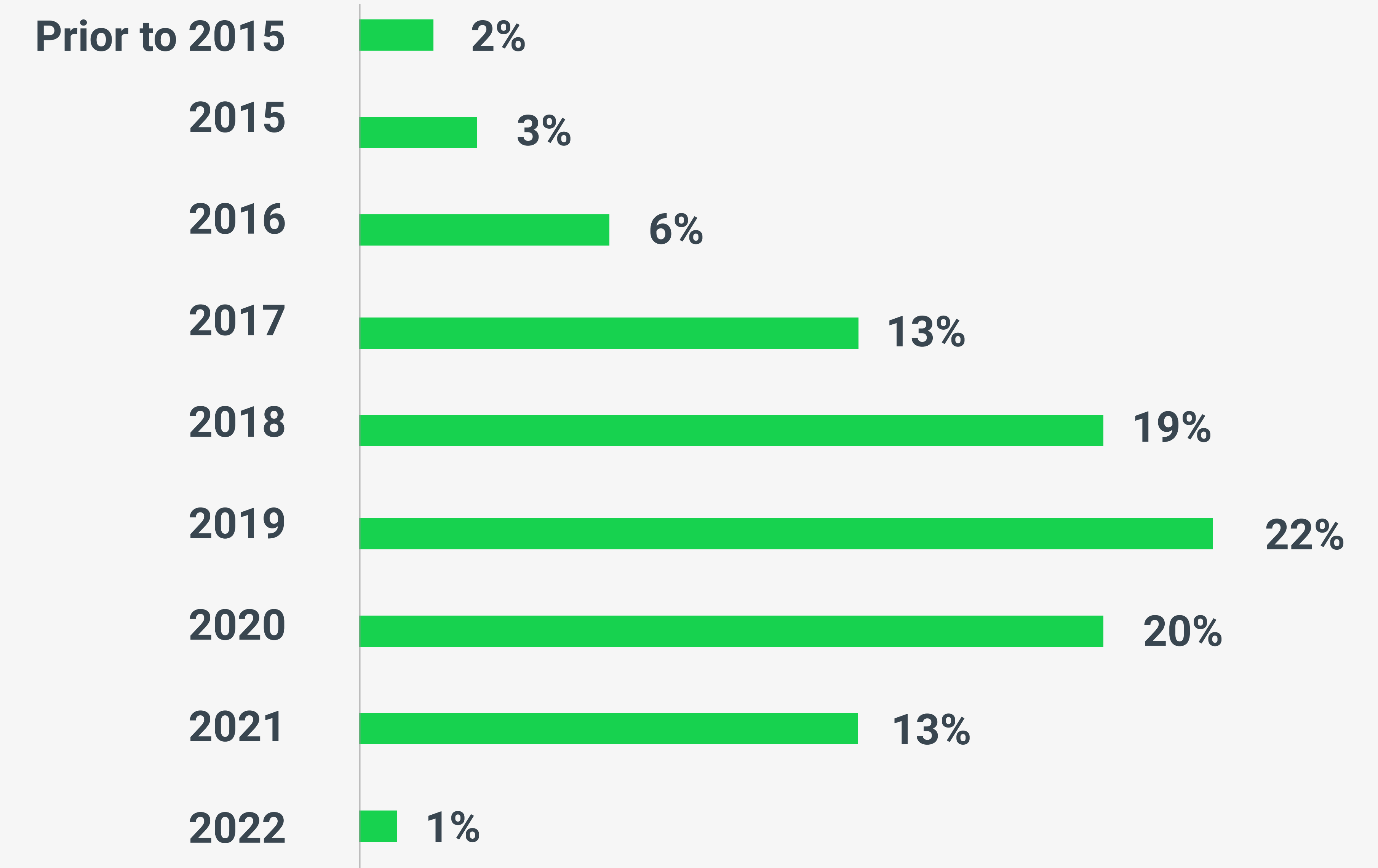
Source: Wasabi's 2023 Global Cloud Storage Index

Note: n = 1,000; some figures may not sum to 100% due to rounding

How would you describe your organization's approach to "cloud" IT services adoption, including storage?



When did your organization first adopt public cloud object storage?



Cloud Storage Capacity Growth and Placement

Our data confirms the relentless pace of data growth in the cloud, and highlights some of the growth expectations by select industry.

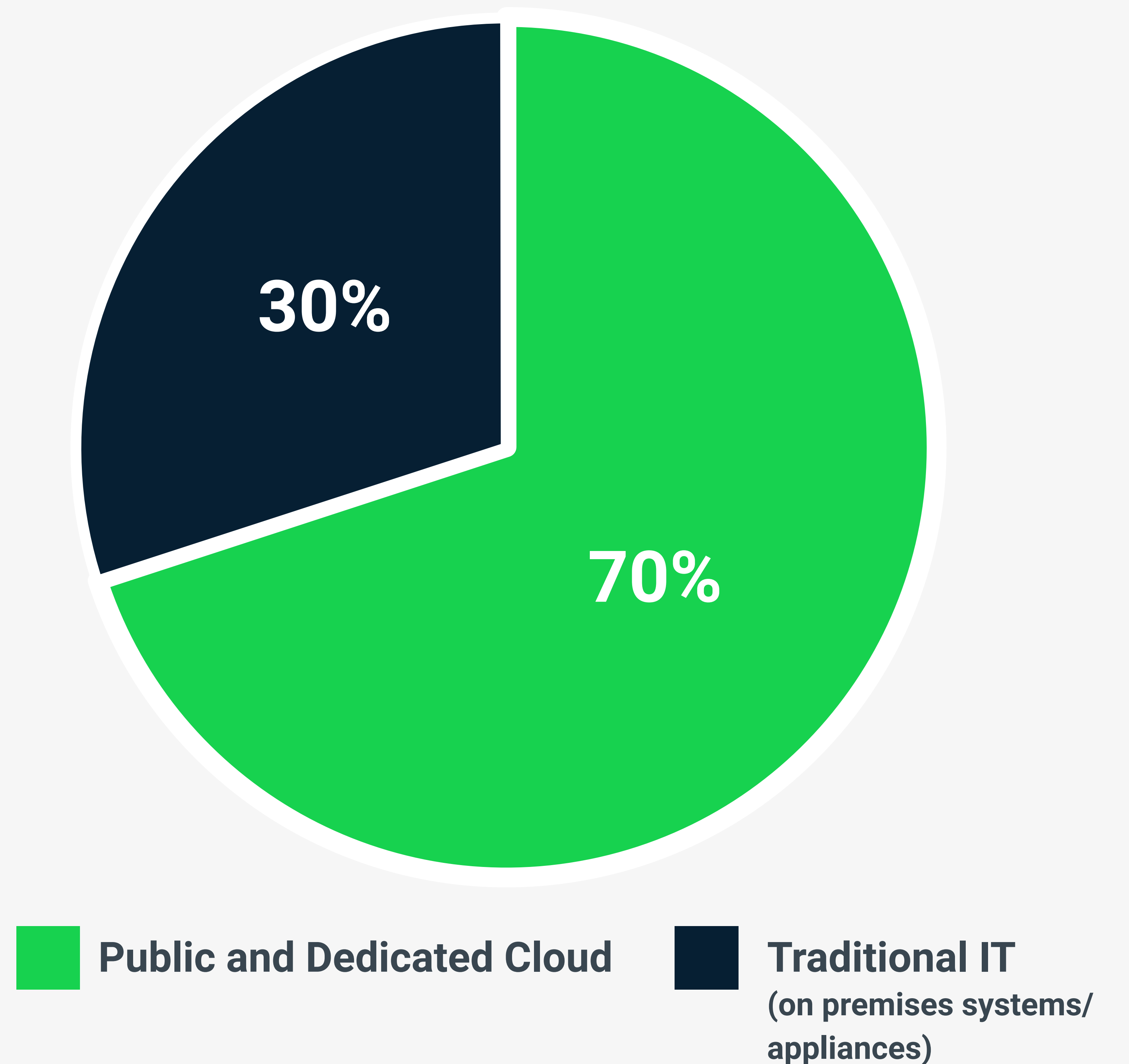
84% of respondents expect the amount of data they store in the public cloud to increase in 2023.

Equally important is data gathered which gives us insight into the shifting mix of storage within enterprises, across cloud and traditional IT environments. Stored capacity in cloud environments (public and dedicated) will continue to gain share proportionally when looking at an enterprise's total storage environment.

Source: Wasabi's 2023 Global Cloud Storage Index

Note: n = 1,000; some figures may not sum to 100% due to rounding

What percentage of your total storage install base resides in the following locations/environments today?



Over the next 12 months, respondents expect this average proportion to increase to 75% (+5 points of share).

94% of Energy, oil/ gas and utilities respondents, and 93% of Public (government/state provided) Sector respondents said they expect to increase the amount of data they store in the public cloud in 2023.

Enterprise Cloud Storage Budget, Spending, and Growth

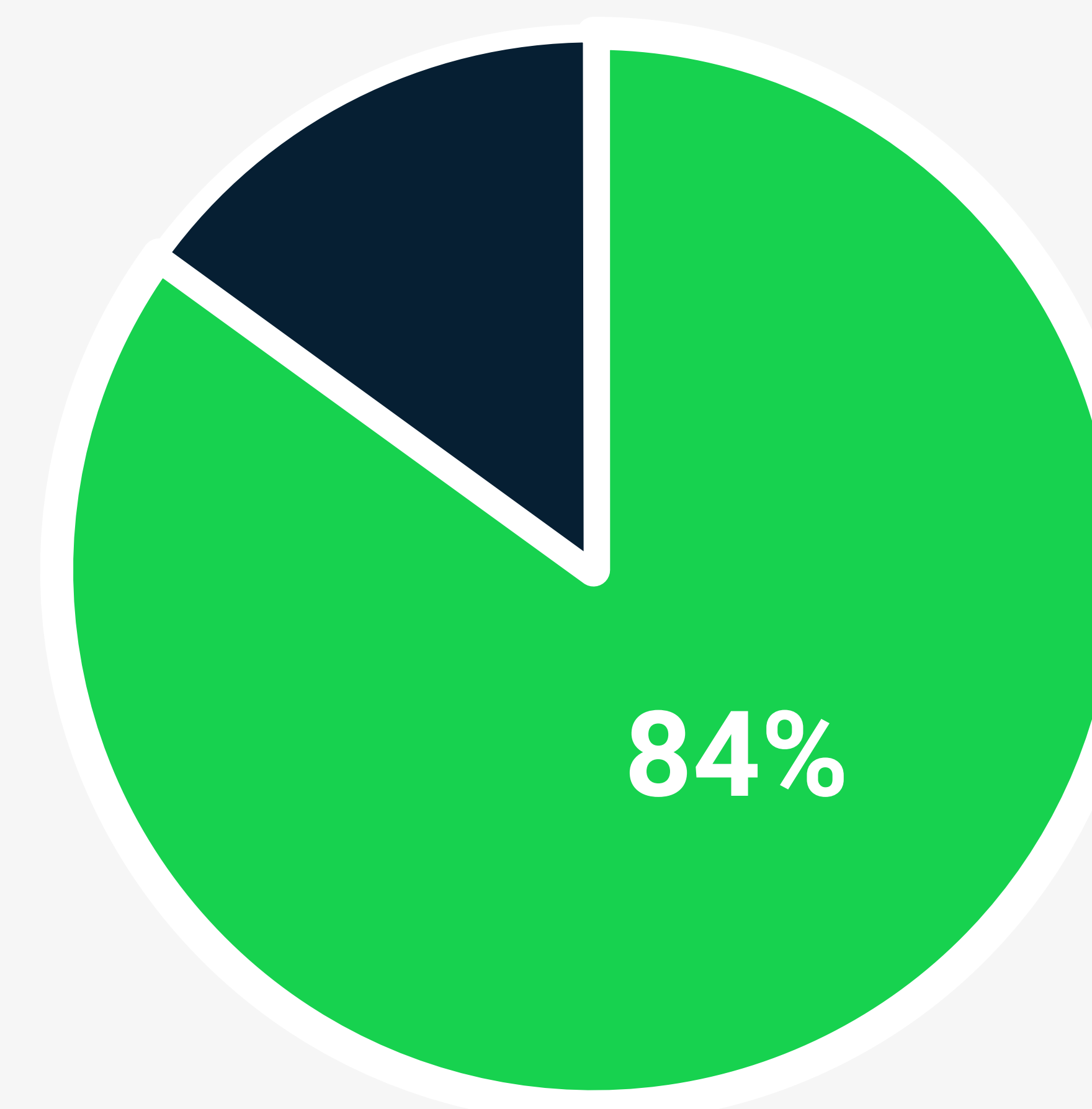
Today, organizations allocate **14% of their total IT budgets to public cloud storage services, on average**. We expect this proportion to expand, as overall IT budgets grow slowly or remain relatively stagnant in 2023, and more budget dollars are allocated to high-growth IT segments like cloud infrastructure.

Importantly, most enterprises expect to increase their cloud storage budgets to support anticipated growth in capacity.

However, more than **half of organizations exceeded their budgeted spend on cloud storage in 2022**, illustrating a significant pain point which many users may look to address this year.

Source: Wasabi's 2023 Global Cloud Storage Index

Note: n = 1,000; some figures may not sum to 100% due to rounding



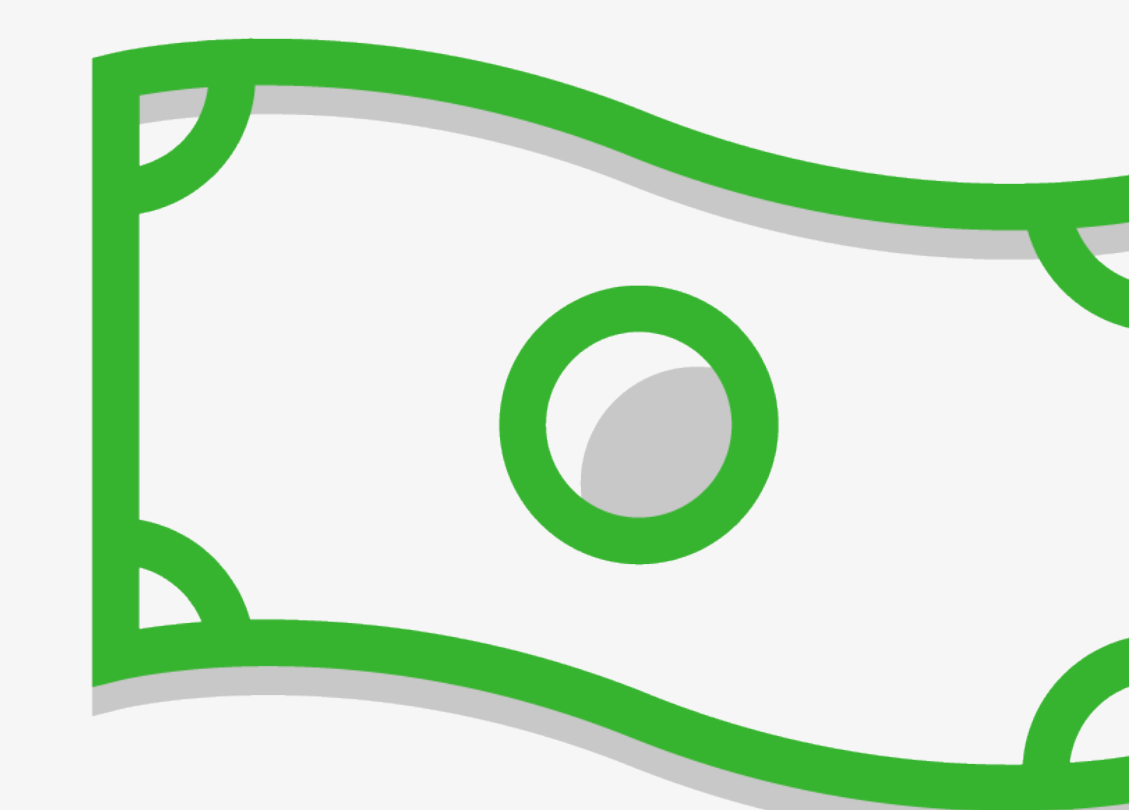
Of respondents expect their public cloud storage budget to increase in 2023

Who has the highest level of influence on cloud storage budget? (Results in rank order)

1. Central IT department
2. Application developers
3. External partners

And how did budgeting align with reality?

52% spent more than they budgeted for public cloud storage



The worst offenders were new adopters. **72% of respondents who adopted public cloud storage services in the past 12-24 months exceeded their budget.**

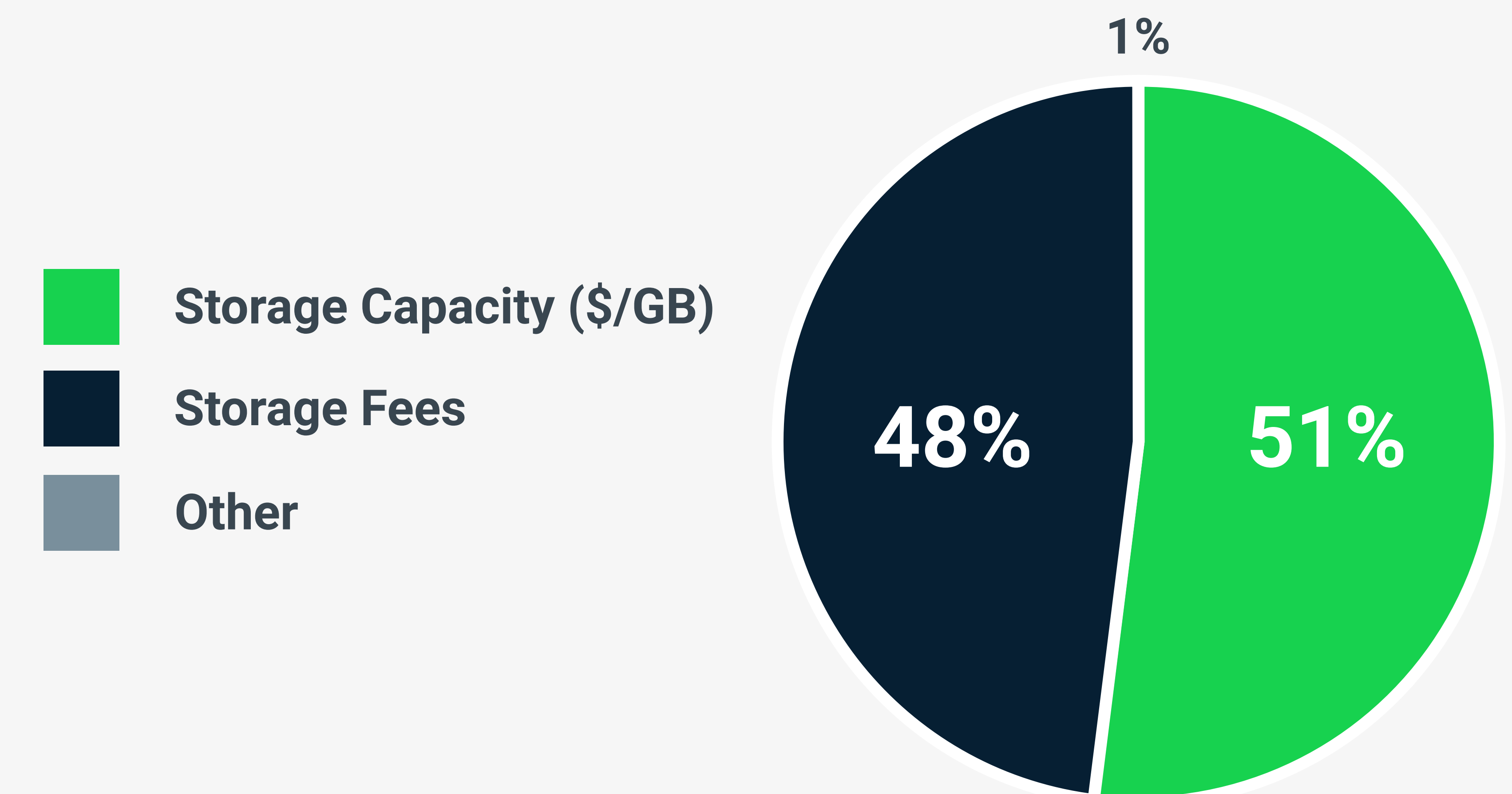
Cloud Storage Billing Dynamics and Impact of Fees

Our survey data uncovered some specific pain points regarding cloud storage billing and fee structures. The ugly truth is that enterprises are spending almost as much on storage fees as they are on storage capacity. And this is a major reason why many of them (more than half) are blowing their budgets. **When we asked for reasons why organizations exceeded their budget expectations, 3 out of the top 4 reasons were fee-related.**

Source: Wasabi's 2023 Global Cloud Storage Index

Note: n = 1,000; some figures may not sum to 100% due to rounding

What percentage of your organization's total public cloud storage subscription/bill on average is allocated to the following areas?



Why do you believe your organizations spending on public cloud storage exceeded budget expectations? (Results in rank order)

1. We incurred higher **data operations fees** (e.g., cross-region replication, object tagging, transfer acceleration) than expected
2. We migrated additional applications/data to cloud than we originally anticipated
3. We incurred higher **API call fees** (e.g., puts/gets, reads/writes) than expected
4. We incurred higher **data retrieval fees** than expected

Enterprise Cloud Data Migration

Data movement and migration are critical components of many organization's cloud IT journey. **Almost 90% of respondents we surveyed indicated that they had migrated storage from on premises to public cloud within the last year.** Interestingly, the top reasons driving migration were not cost related – instead **users were spurred by the need for better infrastructure resilience, durability, and scale.**

What are the key factor(s) that led your org to migrate capacity from on prem to the public cloud? (Results in rank order)

1. Better infrastructure resilience/durability than we can deliver on premises
2. Need to scale resources beyond what we can do on premises
3. Need to avoid costs with refreshing/purchasing new hardware
4. Access to global regions and locations that we don't have on premises

Source: Wasabi's 2023 Global Cloud Storage Index

Note: n = 1,000; some figures may not sum to 100% due to rounding

Looking at results by respondent role provides additional insight:

- > **C-Level/Board Member decision maker:** #1 reason was better performance than on premises
- > **Senior and mid-level management decision maker:** #1 reason was better infrastructure resilience/durability than on premises

What about #1 reason by industry?

- > **Business & professional services:** Avoid hardware refresh costs
- > **Energy, oil/gas and utilities; Financial service; Manufacturing; Retail:** all need to scale beyond what they can do on premises
- > **IT, technology and telecoms:** Better data security than on prem
- > **Managed service providers:** Access to global regions
- > **Media and entertainment:** better infrastructure resilience/durability
- > **Public sector:** better infrastructure resilience/durability

We Live in a Multicloud World

Our survey data confirms and reinforces an important industry trend – many enterprises are using more than one public cloud infrastructure provider. And storage is no exception, **57% of organizations use more than one public cloud storage provider.**

Nothing groundbreaking here, but what is interesting are the reasons why many organizations have adopted multiple cloud providers for storage, and what they believe the key benefits and challenges of this type of strategy are.

Source: Wasabi's 2023 Global Cloud Storage Index

Note: n = 1,000; some figures may not sum to 100% due to rounding

What is driving adoption of multiple public cloud storage providers? (Results in rank order)

1. Different business units/buying centers within the organization making their own purchase decisions
2. Availability of specific storage or infrastructure-related features
3. Different application requirements need specific storage environments

What are the benefits? (Results in rank order)

1. Ability to match app/workload requirements to the most efficient storage environment
2. Access to a wider variety of cloud regions/availability zones
3. Ability to take advantage of lower price points (e.g., \$/GB month)

What are the challenges? (Results in rank order)

1. Consistency of storage features/tools across clouds (e.g., backup policies, API commands, analytics and reporting tools)
2. Data operations (e.g., APIs) and access varies from one provider to another
3. Ability to share/migrate large amounts of data across clouds

Cloud Storage Security & Compliance Concerns

As public cloud infrastructure services and storage comprise a larger percentage of enterprise IT environments, the data security, compliance, and regulatory requirements of users, as well as their organizations have increased significantly. And this demand for secure, resilient cloud storage has a big impact on vendor selection.

Color Commentary and Context:

8-10 years ago, data security was a proverbial “Achilles heel” for public cloud infrastructure. Today **this is no longer the case**.

Organizations understand that cloud infrastructure is architected to be highly secure and resilient. So what is their #1 security concern today? According to our findings, **it’s lack of experience with a cloud platform or adequate security training**.

Source: Wasabi’s 2023 Global Cloud Storage Index

Note: n = 1,000; some figures may not sum to 100% due to rounding

Top 2 most important considerations when choosing a cloud storage provider: (Results in rank order)

1. Native data protection, security, and compliance features/capabilities (e.g., immutability, backup, replication, disaster recovery)
2. Integration with specific third party apps/platforms (e.g., Veeam).

What specific regulatory initiatives are cloud storage buyers thinking about? (Results in rank order)

1. ISO
2. GDPR
3. NIST
4. CCPA
5. SOC
6. HIPAA/HITECH

Survey Methodology

Methodology

Wasabi commissioned independent market research agency Vanson Bourne to conduct research into cloud storage. The study surveyed 1,000 IT decision makers who had at least some involvement in or responsibility for public cloud storage purchases in their organization. The research took place in November and December 2022 from organizations with more than 100 employees across all public and private sectors. All interviews were conducted using a rigorous multi-level screening process to ensure that only suitable candidates were given the opportunity to participate.

Vanson Bourne

Vanson Bourne is an independent specialist in market research for the technology sector. Their reputation for robust and credible research-based analysis is founded upon rigorous research principles and their ability to seek the opinions of senior decision makers across technical and business functions, in all business sectors and all major markets. For more information, visit www.vansonbourne.com



Andrew Smith

Senior Manager, Strategy
and Market Intelligence

strategy@wasabi.com