



2024 Wasabi Global Cloud Storage Index

Executive Summary Report



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Cloud Storage Remains an Essential Ingredient in Modern IT Infrastructure Environments

Findings from the 2024 Global Cloud Storage Index

Organizations plan to increase cloud storage volumes and spending in 2024, an indicator of growing ubiquity of cloud storage services within modern enterprise. However, organizations still face challenges managing the complexity of their cloud storage environments – both in terms of the technology, and the associated billing and fee structures.

Wasabi analyzed survey results from 1,200 IT decision-makers worldwide to provide insight into how your peers are thinking about their cloud storage strategy, and the challenges they face.

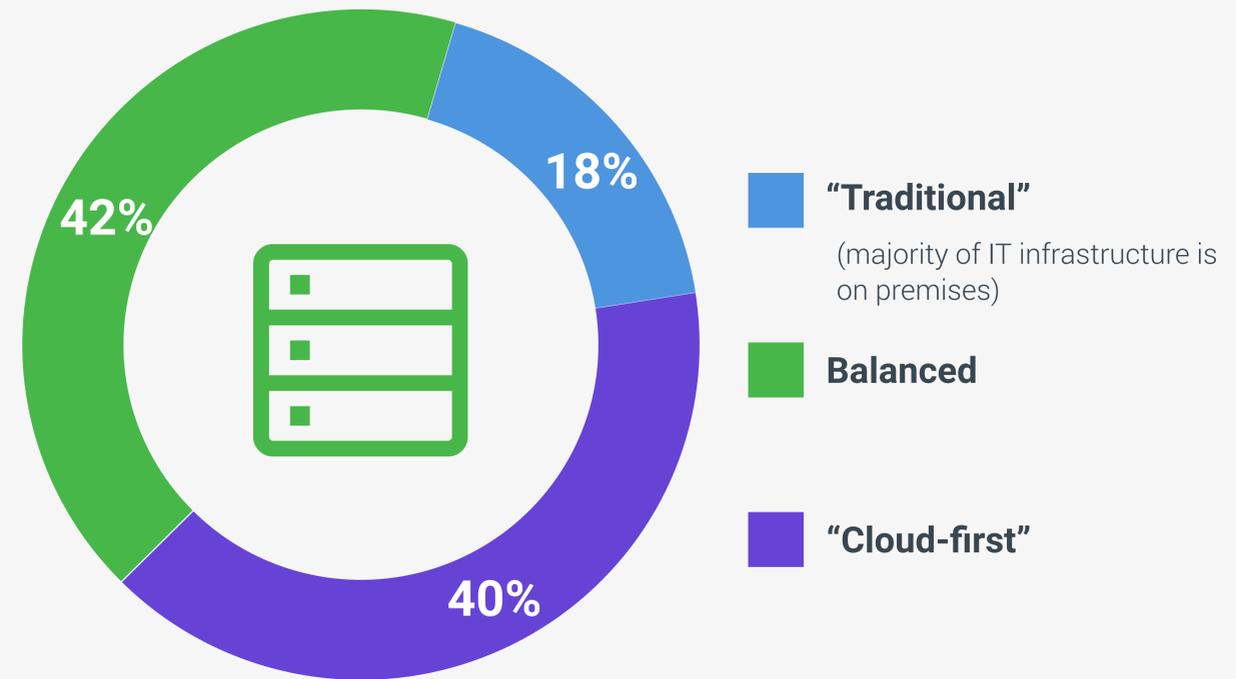


The 2024 Global Cloud Storage Index

In late 2023, Wasabi commissioned primary research to better understand cloud storage market trends and dynamics. This Executive Summary provides a high-level overview of the results and key trends that organizations should be aware of during 2024.

U.K.-based researcher Vanson Bourne surveyed 1,200 IT decision makers around the world. Respondents chosen to participate had to be involved in their organization's cloud storage purchases. Respondents were asked questions covering a range of topics, including their organization's data storage capacity and locations; how their organization approaches cloud IT services adoption; their organization's satisfaction with cloud storage services; strategies and planning for AI/ML adoption and storage-related challenges; and how cloud storage is being used for modern surveillance and data security workloads.

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



When did your organization first adopt public cloud object storage?



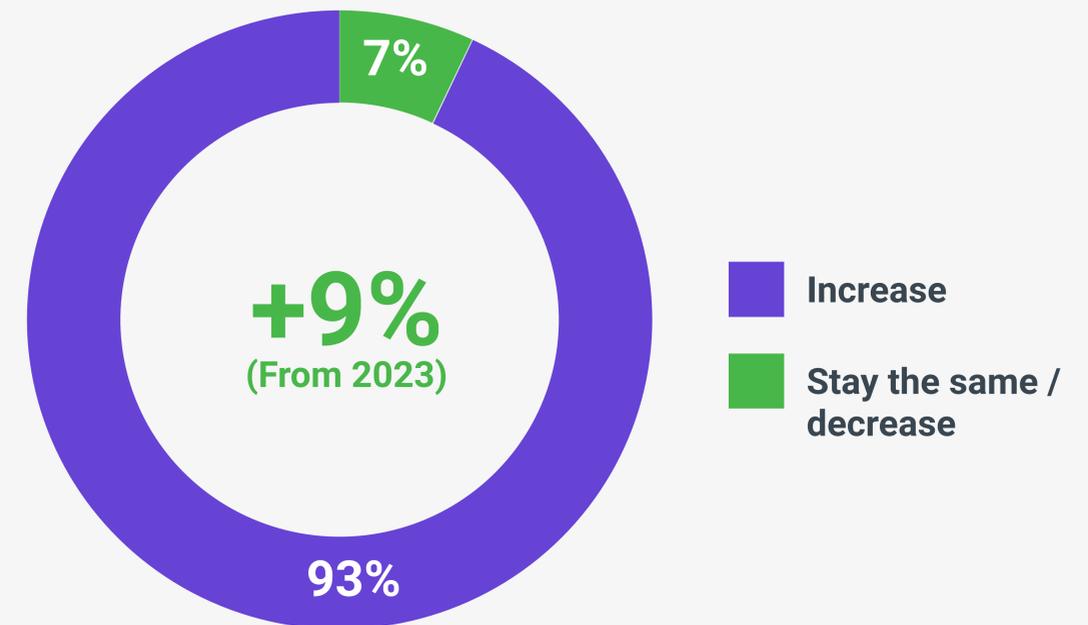
93% of Organizations Say Cloud Storage Capacity will Increase in 2024

Cloud Storage Capacity Grows Unabated

2024's Global Cloud Storage Index indicates that cloud storage capacity will continue to increase – at a slightly accelerated rate compared to 2023.

93% of respondents expect the amount of data they store in the public cloud to increase in 2024. **This is a 9-point increase over the 2023** survey and a positive indicator for the direction of the market as organizations continue to rely on a mix of cloud storage services and solutions to meet their growing capacity requirements.

How do you expect the amount of data your organization stores in the public cloud to change over the next year?



2023 Comparison:

84% said increase

16% said stay the same / decrease

Industry Spotlight: Federal Government, and Media & Entertainment indicated some of the highest rates of “increase,” at **99%** and **97%**, respectively.

90% of Organizations Say Cloud Storage Budgets will Increase in 2024

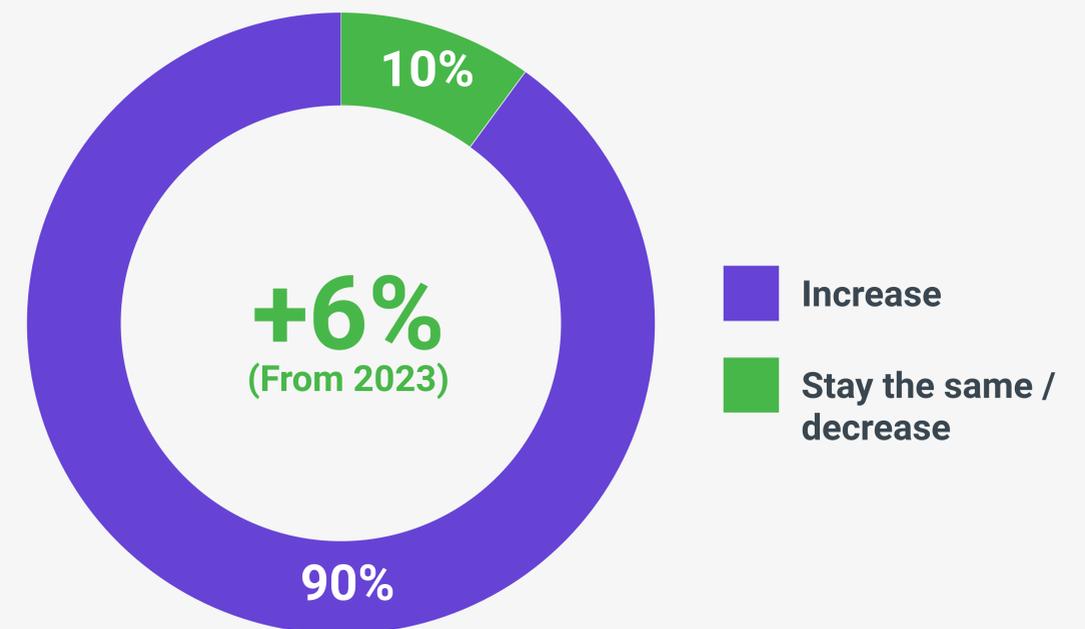
Organizations Continue to Prioritize Spending for Cloud Infrastructure and Storage Initiatives

Organizations plan to expand their budgets for cloud storage solutions, which serves as another positive market indication and an important reflection of the growing ubiquity of storage services in modern IT infrastructure environments.

We asked respondents who expect their budgets to increase to rank the key reasons driving 2024 budget growth:

- 60% of organizations cite IT initiatives like application development or workload migration
- 52% say business initiatives like digital transformation and cloud modernization drive storage budget increase
- 47% indicate new data security, backup, and recovery requirements drive storage budget increase

How do you expect your organization's public cloud storage budget will change in the next 12 months?



2023 Comparison:

84% said increase

16% said stay the same / decrease

Respondent Role Spotlight: Looking at the results by role, C-level respondents indicated an even higher rate of "increase" at 95%.

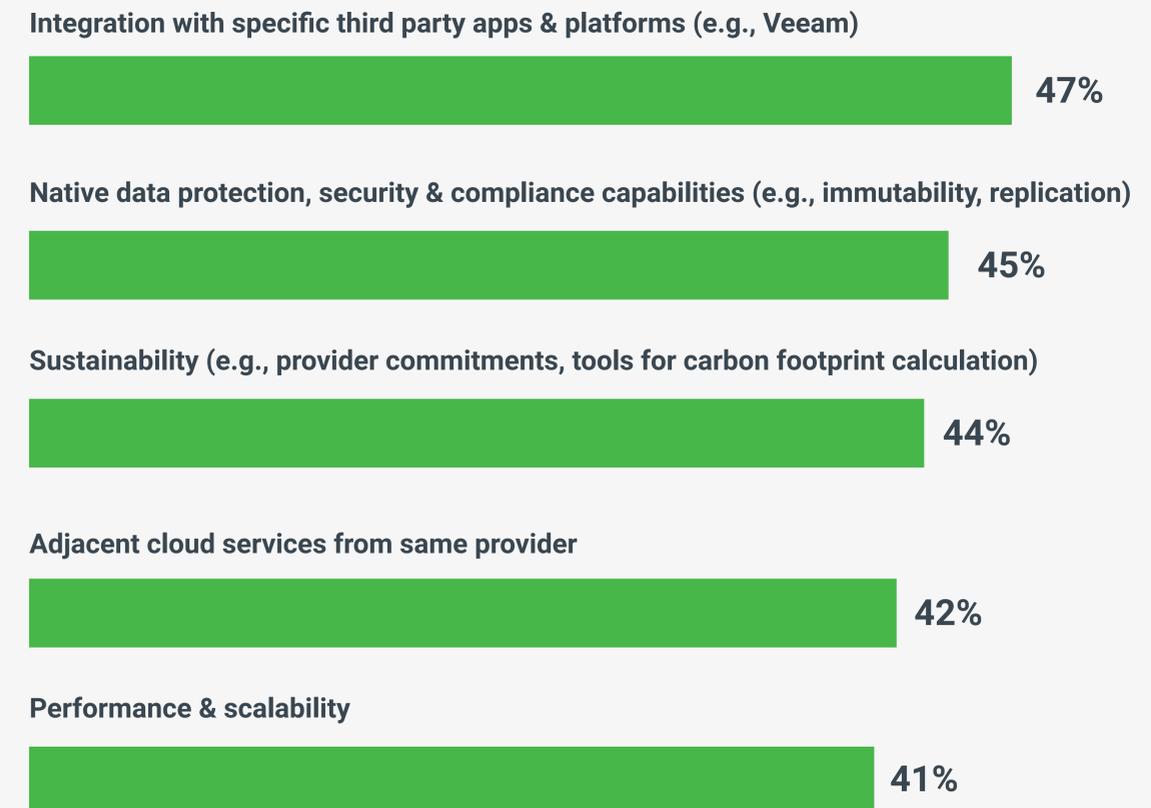
Third-party Integrations, Data Security, and Sustainability are Top Influencers of Vendor Selection

Organizations Evaluate a Wide Range of Options When it Comes to Choosing a Cloud Storage Service – Not Just TCO

For two years in a row, organizations have ranked integration with third party applications and platforms; native data protection, security, and compliance capabilities; and sustainability as their top three considerations when it comes to choosing a cloud storage service.

Interestingly, price and TCO do not appear on the list of top 5 choices. Surely, organizations care about cost of cloud storage, but this list illustrates that buyers are looking for solutions which deliver more than just low-cost capacity.

Which are your organization's most important considerations when choosing a cloud storage service?



Company Size Spotlight:

Large organizations (1,000+ employees) ranked native data protection, security & compliance capabilities as their top consideration (39%)

The Cloud Storage Market Has A Fee Problem

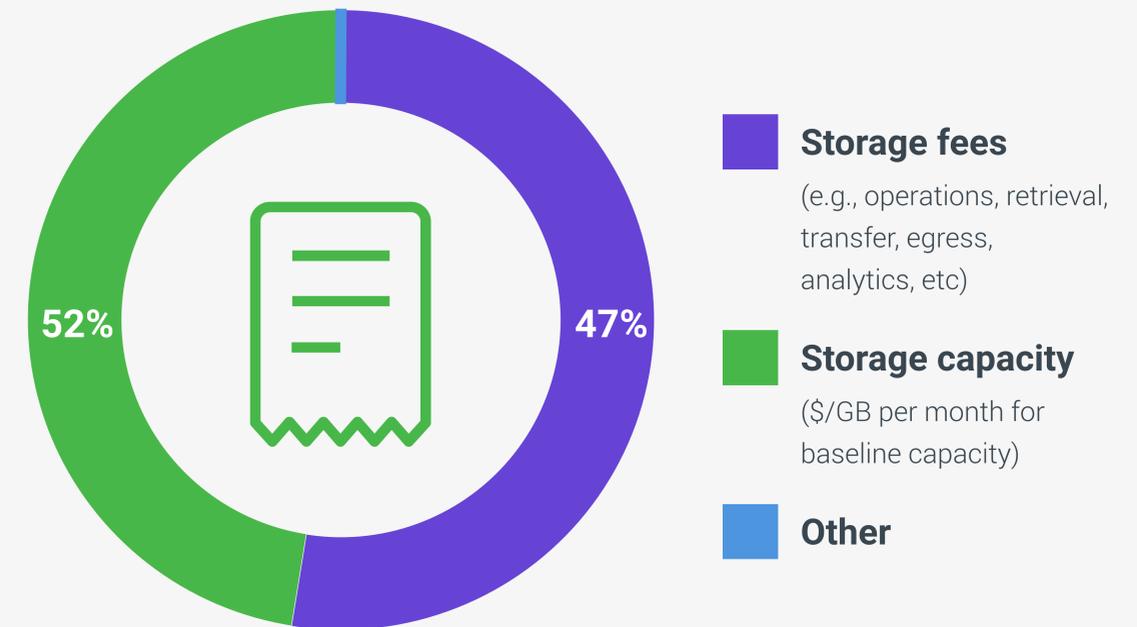
Organizations Spend Almost Half Their Cloud Storage Bill on Fees for Data Access and Retrieval, Operations, Migration, and Egress

The high proportional mix of fees incurred by organizations using cloud storage services continues to be a pain point. These variable fees make it difficult for organizations to forecast their cloud storage costs accurately, or even interpret the breakdown of their billing on a month-to-month basis.

This complexity is a key reason why more than half of organizations surveyed this year (53%) say they exceeded their budgeted spend for cloud storage in 2023. Here are the details on reasons for budget excess:

1. 42% of organizations say they incurred more API call fees than expected (e.g., puts/gets, reads/writes)
2. 39% of organizations say they experienced higher data operations fees than expected (e.g., cross-region replication, object tagging, transfer acceleration)
3. 33% of organizations say they incurred higher data retrieval fees than expected (e.g., cost to access “cold” storage)

Approximately, what percentage of your organization's total public cloud storage subscription / bill is allocated to the following areas?
(showing avg. %)



Industry Spotlight:

Media & Entertainment and Managed Services Providers (MSPs) are slightly worse-off compared to the average, with 51% of their cloud storage bills allocated to fees

Respondents Indicate High Levels of Satisfaction With Their Cloud Object Storage Services

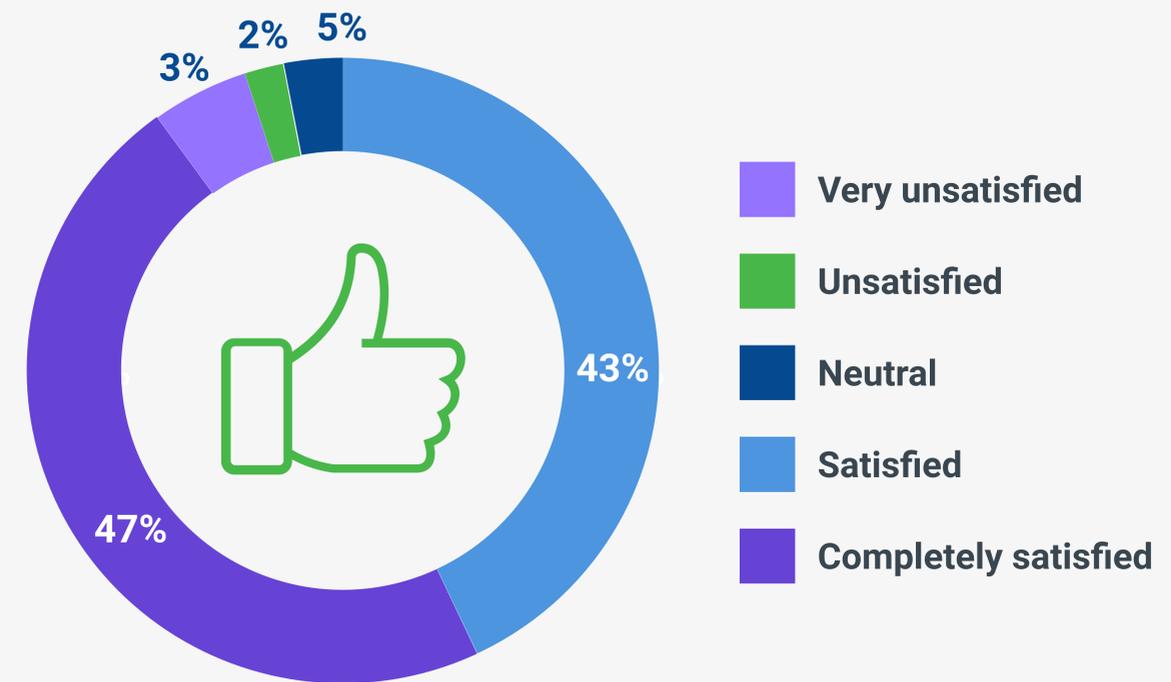
90% of Users are “Satisfied” with Their Cloud Object Storage Solution

A 90% satisfaction rate is excellent and ranks at the high end of the established satisfaction spectrum for SaaS companies, which usually set target goals for satisfaction within the 60%-80% range.

If respondents weren't completely satisfied with their object storage service, we asked why. The #1 reason driving low satisfaction? Pricing.

Wasabi context: we recently surveyed a group of Wasabi customers to gain a better understanding of their level of satisfaction. 92% say they are “satisfied” with their use of Wasabi. Likert scaling for satisfaction was identical in both surveys.

Please rank your overall level of satisfaction with your object storage service(s):



Satisfaction Spotlight:

We did observe pockets of lower satisfaction within our respondent base, including:

- Japan: 80% satisfied
- Media & Entertainment: 80% satisfied
- Federal Government: 80% satisfied

Source: 2024 Wasabi Global Cloud Storage Index

Note: n = 1,200; some figures may not sum to 100% due to rounding; Wasabi satisfaction survey was conducted with 107 customers

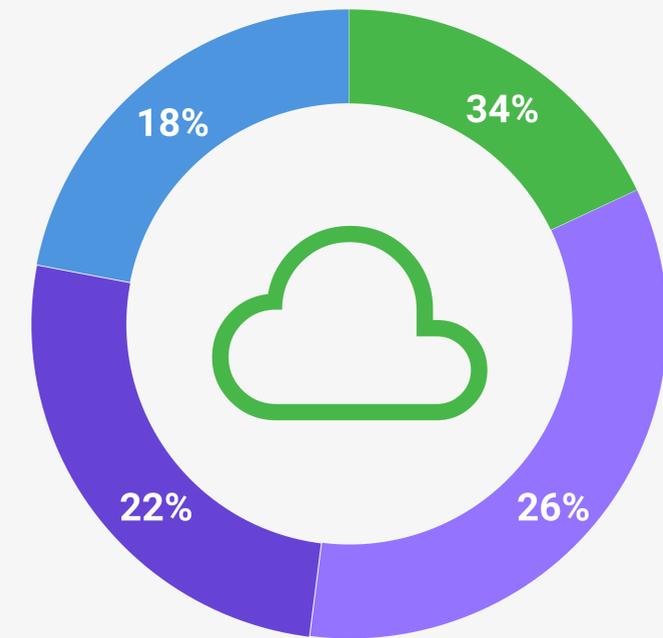
82% of Cloud Object Storage Volumes, on Average, Are Categorized as “Active” Data

Organizations are Doing More With Their Object Storage

Just about half of all cloud object storage capacity sits in the “Goldilocks Zone” – not too hot, not too cold; an ideal characterization which is part of the reason why object storage can serve such a wide range of enterprise applications and workloads.

Interestingly, only 18% of object storage capacity was labeled as “cold.” In our opinion, this provides an important illustration of the direction of the cloud object storage market overall. It’s not just about placing long-term, inactive archive data in the cloud. Organizations are consistently doing more with their data, and require higher performance and accessibility as result.

Approximately what percentage of your cloud object storage volumes match the following categories?



“Super” Hot (storage for primary applications with extremely fast performance requirements)

Hot (storage for primary applications with daily/weekly data access rates)

Warm (storage for secondary apps with monthly/quarterly data access)

Cold (storage for secondary apps with expected performance limitations in terms of access)

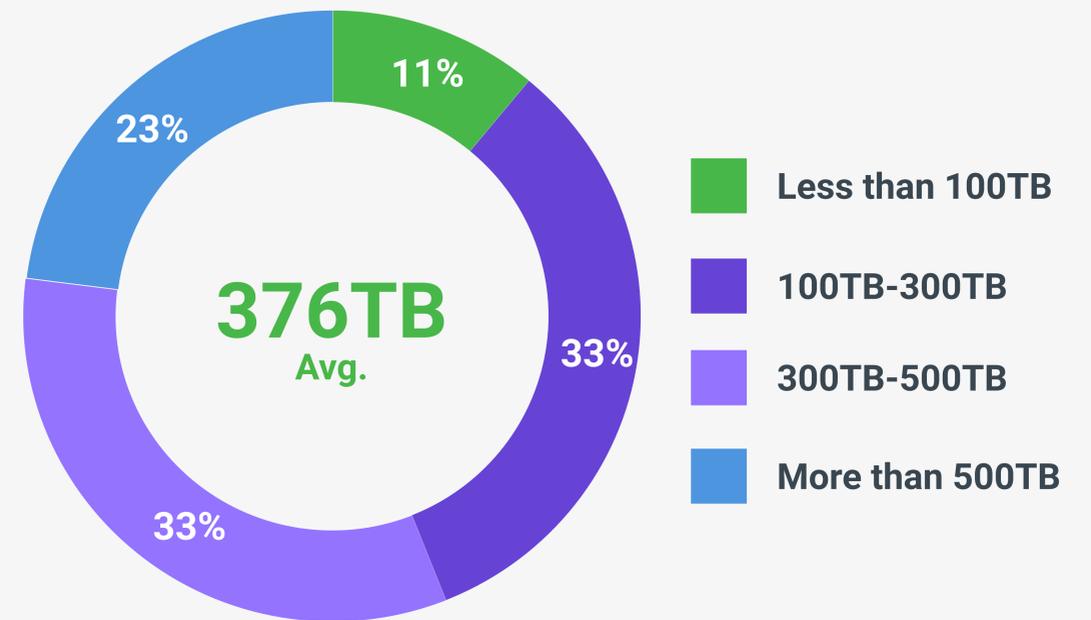
Organizations Store Hundreds of Terabytes of Video Surveillance Data

Respondents Indicate They Store 376TB of Surveillance Data on Average

Organizations across a range of industries rely on surveillance data as part of their physical security and facilities management strategies. Increasingly, that surveillance data is also leveraged for business processes like asset optimization, supply chain and logistics monitoring and management, and anomaly detection.

Organizations are doing more with their surveillance data and, as a result, need solutions to help keep this data retained and immediately accessible. Many organizations are turning to cloud storage services to help meet this need.

Approximately how much data does your organization store for its video surveillance solutions and workloads?



Surveillance Storage Environments:

We asked respondents to estimate the proportion of video surveillance data stored in different environments, they indicate:

- 65% of surveillance data is stored on traditional IT systems and appliances located on/off premises, on average
- 35% of surveillance data is stored in the public cloud, on average

99% of Respondents Plan to Develop or Deploy AI/ML Applications and Services in 2024

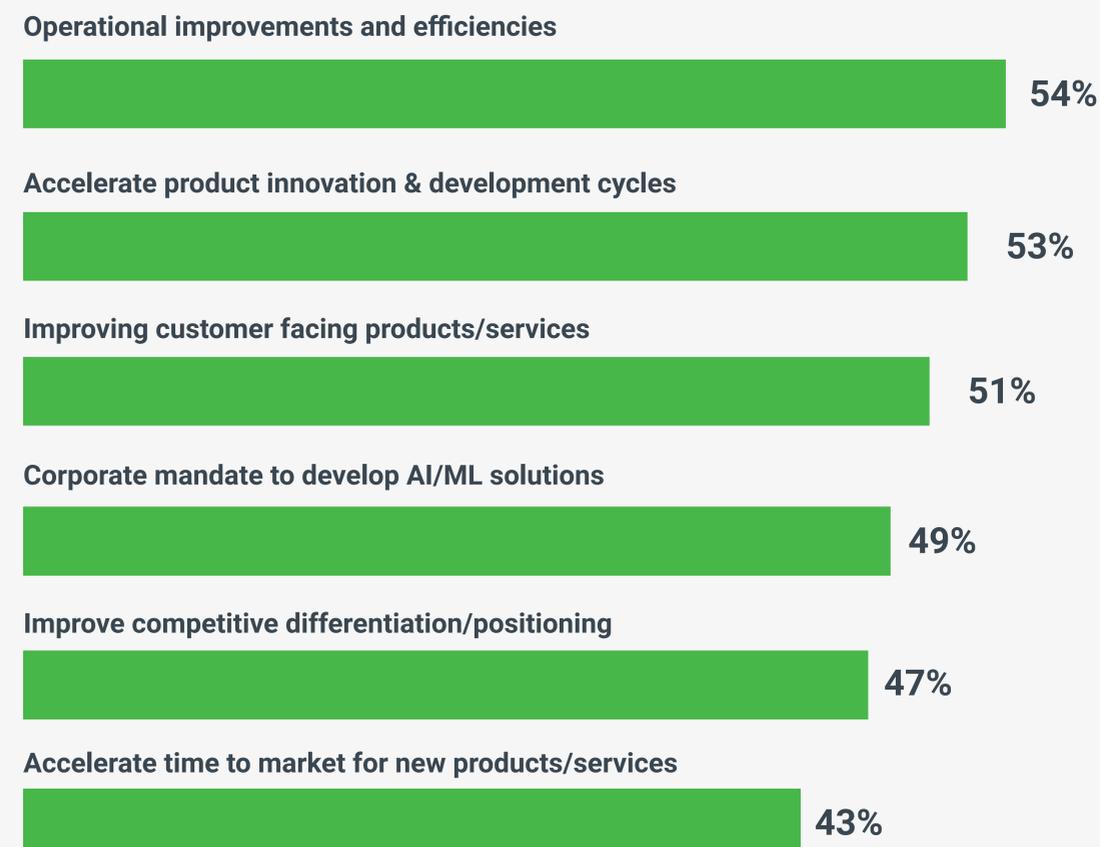
Almost All Organizations are Considering AI/ML Solution Adoption, But Face New Storage Challenges

Part of the goal of the 2024 Cloud Storage Index was to gather data on adoption of Artificial Intelligence (AI), Machine Learning (ML), and analytics, and better understand how these technologies are driving organizations to evaluate novel infrastructure solutions.

We asked respondents to rank their top **cloud storage concerns** related to AI/ML workload adoption. Here's what they said:

- 49% believe requirements to store data across a wider range of locations (e.g., cloud and edge) will be one of the top challenges
- 44% believe new or increasing storage migration/movement requirements (including hybrid and multicloud storage) will be a top challenge
- 43% say addressing new data security and compliance requirements will be a top challenge

Most important drivers influencing adoption/ planned adoption of AI/ML apps & services:



AI/ML Technology Spotlight:

- 49% of organizations say they have implemented or will implement Generative AI solutions
- 45% of organizations say they have implemented or will implement AI/ML-based security and compliance solutions
- 39% of organizations say they have implemented or will implement AI/ML solutions to improve product design processes.

Survey Methodology

Methodology

Wasabi commissioned independent agency Vanson Bourne to conduct primary market research into cloud storage. The study surveyed 1,200 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 2023 and surveyed 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

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