

The resurgence of Storage as a Service in the form of online storage is being driven by an upswing in popularity of social networking technologies. Online storage began its transformation in 2007 from a simplified backup option for consumers and small businesses to a service that can enable larger businesses to bolster information sharing, disaster recovery operations, regulatory compliance needs and help curb storage infrastructure costs.

SOCIAL NETWORKING AND ON-LINE STORAGE TRENDS

In the last few years, there has been an increase in the use of social networking technologies, from YouTube, Mozy, blogs, wikis, complex interactive web sites and virtual worlds such as Second Life. These types of applications are becoming known as Web 2.0.

Web 2.0 technology is taking storage services into uncharted waters where market leaders will be forced to rethink their approach to storage. Storage vendors are starting to focus their efforts on developing technologies for social networking. EMC, for example, recently announced the development of its top-secret "Maui" software and the now available InfiniFlex hardware, which is a clustered file system that will compete with products like Isilon's OneFS, Network Appliance's OnTap GX and Nirvanix.

TRADITIONAL STORAGE VS. ONLINE / SOCIAL NETWORKING STORAGE

The key difference between storage for social networking and traditional legacy storage is the types of transaction. Social networking storage is similar to fixed content as people include pictures, audio, and video where legacy is more transactional in nature. EMC, like IBM, is also talking about the opportunities presented by online storage where users may access distributed storage systems via the Internet to develop Web 2.0 applications or use applications like Mozy, LinkedIn, or YouTube.

THE WHITE ELEPHANT

The demand for online storage is high, running in terabytes, petabytes and beyond. Many companies are thinking about whether they can take advantage of social networking technology. There are risks however that social networking could turn out to be a costly "white elephant" for businesses that rush to invest in the technology. Analyst firms are saying the hype around social networking does not necessarily mean it is mature enough to make it a critical business requirement. There is also little evidence that social networking will be as beneficial for businesses as other web-based communications technologies such as instant messaging and VoIP. Ultimately, analysts suggest the value of social networking technology comes from content rather than the product itself. Analysts are currently recommending IT departments think very carefully before committing to expensive "social networking white elephants." At some point, content ownership in the online storage cloud will be unclear. This will be acceptable to many users and providers since online storage is intended to be a shared collective pool of media. Yet it is obvious that this will not be acceptable for all content.

CONCLUSIONS

Adoption by consumers and small businesses will continue to dominate the online storage arena for several years with slower adoption by medium-sized businesses and enterprises. By 2010, delivery practices will begin to standardize, competition will hinder price rises, suppliers will consolidate, and online backup will become a built-in feature for some online and web-based services. There are clearly risks associated with moving in this direction. We believe that these online storage services will first

impact unstructured data commonly stored on Network Attached Storage (NAS) but not have a significant impact on the core SAN-based storage business in the foreseeable future. When we evaluate the majority of government, financial, and healthcare institutions, we do not see substantial demand for commodity storage where national restrictions and regulatory controls cannot be stringently managed. Likewise, retail, manufacturing, and telecom customers do not currently have a significant demand for storage that may compromise proprietary, competitive information with weakened performance. However, demand for online storage does exist for niche areas of the enterprise. Application or web based developers currently utilizing NAS-based storage could be early adopters of online storage in the enterprise. For these users, performance would not be a key decision factor. Rather, inexpensive capacity with almost no limits on scalability or access would be the most important aspects. If these early adopters can put this emerging technology into practice, more strategic uses for online storage within the enterprise may emerge. For the immediate future, however, we believe that online storage will be adopted in the low-end of the SMB market as an alternative to NAS-based storage where price, and not performance, is paramount for the consumer. In response to this existing market, EDS has focused our attention on responding to the demand within this niche market segment.

TERMINOLOGY

TERM	DEFINITION
S3	Simple Storage Service
blogs	An online diary or a personal chronological log of thoughts published on a Web page; also called Weblog, Web log
wikis	A Hawaiian word for "fast" is software that allows users to create, edit, and link web pages easily. Wikis are often used to create collaborative websites and to power community websites.
Mozy	EMC online PC and distributed server backup service
LinkedIn	Is a professional social networking site to making and maintaining contacts
Terabyte	Is a measurement term for data storage capacity. The value of a Terabyte is 1,000 Gigabytes.
Petabyte	Is a measurement term for data storage capacity. The value of a Petabyte is 1,000 Terabytes.