



## Multi-Billion Dollar Operator Personal Cloud Opportunity Revealed by Synchronoss with Arthur D. Little

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### Market dynamics creating inflection point for operator personal cloud revenue growth potential

BRIDGEWATER, N.J., Oct. 20, 2020 (GLOBE NEWSWIRE) -- [Synchronoss Technologies](#) (NASDAQ: SNCR) and Arthur D. Little reveal new analysis detailing that the total addressable market for personal cloud services will reach \$8.9 billion by 2025 in the United States alone. The three key drivers of this trend are growth in mobile data generation and storage requirements, flat growth in free offerings by current market players, and continued evolution in personal cloud solution capabilities. The analysis shows that if the right strategy is adopted, the global personal cloud opportunity available to operators is valued between \$15-\$25 billion.

Personal cloud services provide for the storage of consumer data – photos, videos, documents and more – that can be accessed from any device. Telecoms operators today own only 1% of the U.S. personal cloud user base, giving them a tremendous growth opportunity. With smartphones as the primary place that people generate and store personal content, operators are in the driver's seat as this market evolves and expands.

"In just the United States, the total addressable market for personal cloud services will reach \$8.9 billion by 2025. Given that consumers already value and trust operators with their personal data, increasing ownership of the personal cloud user base is the greatest incremental revenue opportunity available to operators today," said Jeff Miller, Interim President and CEO of Synchronoss Technologies. "Subscribers with operator-provided cloud services are four times more likely to use paid plans than subscribers with platform-provided clouds. Clearly, the market dynamics actively favor operators who capitalize on this growth potential. I believe operators can and will wrestle this opportunity to the ground."

The \$15-\$25 billion global personal cloud opportunity available to operators is being driven by three main factors:

- **Data generation:** More and more consumer data is being generated by and stored on smartphones. Global data traffic generated through smartphones is poised to grow at a CAGR of 31% through 2025.
- **Cloud adoption to cloud monetization:** Personal cloud is now widely adopted, driven largely by ecosystem choices (the use of iOS, G-Suite, etc.) as opposed to active choices. Consumers value price, storage levels and interoperability. Security, privacy and data ownership are key significant trends as consumers look to primary central storage hubs which operators are primed to provide. Not only do operators have the opportunity to support the hardware, they can now become a one-stop-shop for all device and content data needs.
- **Storage needs:** As consumers exceed free personal cloud storage allowances, they will have to move to a paid personal cloud model. Operators are well-positioned to move subscribers to paid cloud plans, but they must meet expectations for a new and enhanced customer experience.

Sean McDevitt, Partner, Arthur D. Little, added that personal cloud represents a significant revenue opportunity for telecoms operators over the next five years. "The way we communicate, live, entertain, learn, stay healthy and work are changing and reinforcing this opportunity. Data generation continues to skyrocket, 'free' cloud storage offerings are full or nearly full, and consumers are having to make decisions about who they trust to safeguard their personal data and assets. With the right strategy, telecoms operators can make a strong play for the personal cloud market."

Miller concludes: "Telecoms operators should implement short- and long-term strategies to conquer the personal cloud market. In the short term, this means increasing personal cloud app visibility and interoperability, and positioning cloud as a 'hub app' to increase trial and subscription rates. Longer term, a cloud-first philosophy that drives consumers to use operator-provided personal cloud for various applications is critical. Taking photos through the app, playing games through the app, and other similar activities will drive high app usage and provide consumers with something more valuable than just storage. Recently, we've heard a lot of talk about ownership of the consumer and how operators are losing control. The right cloud strategy will allow operators to seize a sizable piece of the personal cloud market once and for all, and create billions of dollars in revenue."

#### About Synchronoss Technologies, Inc.

Synchronoss (NASDAQ: SNCR) transforms the way companies create new revenue, reduce costs and delight their subscribers with cloud, messaging, digital and IoT products and platforms supporting hundreds of millions of subscribers across the globe. Synchronoss' secure, scalable and groundbreaking new technologies, trusted partnerships and talented people change the way TMT customers grow their businesses. For more information, visit us at [www.synchronoss.com](http://www.synchronoss.com).

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