The following document can also be found at http://www.bigwavesurfingbook.com/wp-content/uploads/2011/06/bigwavealert_6-07-11.pdf

BIG WAVE ALERT – iCloud – Reality or Flop?

This **big wave alert** will discuss the just announced iCloud capability from Apple Computer. We will examine the announced capabilities and provide a prediction on whether iCloud is a successful reality and/or potential flop

Rationale: iCloud provides new and important capabilities

June 7, 2011 - Apple made a set of significant announcements on June 6, 2011. But, in this big wave alert, we will concentrate only on iCloud. Also we will not debate the merits of cloud computing or discuss its history. We will concentrate on the aspects of the Apple announcement. Generally, we define cloud computing as a service that provides applications and storage on demand. This functionality is beneficial particularly to small businesses. It allows the small business to buy the right amount of services for their operation. The Apple idea is to make iCloud the hub of your digital life.

Functions announced for the iCloud include: 1 - iTunes in the Cloud, 2 - Photo Stream and 3 - Apps, books, documents, and backup.

iTunes in the Cloud is a set of functions that enables the music you purchase in iTunes to appear automatically on all your devices. You can also download your past iTunes purchases, where you want, when you want. Thus synchronization as a function will be a huge technology capability that must be provided. For example, iCloud automatically downloads any new music purchase to all your devices. Which means you can buy a song from iTunes on your iPad at home, and find it waiting for you on your iPhone during your morning commute. All without having to explicitly sync. You can also download music you've previously purchased to all your devices. You can store your entire collection, including music you've ripped from CDs or purchased somewhere other than iTunes. An interesting feature for music fans is iTunes match. This feature scans your music library and upgrades it to the 256kbps AAC file available in the iTunes store and costs $24.99 per year. Any music with a match is automatically added to your iCloud library for you to listen to anytime, on any device. Since there are more than 18 million songs in the iTunes Store, most of your music is probably already in iCloud. All you have to upload is what iTunes can't match. Note that Amazon and Google both have similar web based services as this trend to store music in clouds is accelerating because the iTunes store is one of, if not the largest seller of music today.

Photo Stream in the cloud allows you take a photo on one device and have it automatically appear on all your other devices. No syncing. No sending. Given a photo, iCloud automatically sends a copy of the photo to the Photos app on your iOS devices, iPhoto on your Mac, the Pictures Library on your PC, and the Photo Stream album on your Apple TV. The Photo Stream album holds a rolling collection of your last 1000 photos. Other features store the photos to your MAC or PC and to Apple TV.

Apps, books, documents, and backup are a set of functions that in essence provide synchronization services across all of your devices for all of your information so that you have access to all of your purchases and information no matter what devices you are currently using. Further, back up and restore functions are available to keep your information safe. The book app even keeps your current bookmark so if you move to another device you can start at the correct spot on the next device. However, document editing needs a native app so there does not appear to be any cloud editing capability.

The key to the iCloud strategy is that your information is stored on the Web and automatically pushed to iOS-based devices, PCs, and Macs

iCloud is made up of a total of nine applications and is free. Up to 10 devices are allowed to be connected to a single iCloud account. Users will receive 5GB of free storage for e-mail, documents, and backups. But, you can buy more storage if you need it. Music, books, and apps are not included in that storage limit. The Apple idea is to make the system low cost and not have you worry about your storage needs and costs.

At launch the product will be available in the US with other locations coming online later. It essentially replaces Mobile Me and will also sync your calendar and other apps. The idea is to have seamless apps across all your devices.

iCloud will become available in the fall, and will include the basic 5 gigabytes of storage per user.

Synchronization is the key to making the system work properly and is the key to the user experience. How well iCloud works will be totally dependent on the synchronization system's success. Watching the system eat up your network bandwidth as it moves items everywhere will be real interesting because many devices have a constrained bandwidth due to carrier contracts unless you are on Wi-Fi.

Prediction – Apple will meet its success goals with iCloud

The iCloud provides both new and copycat functionality.

What is new is the integration of a plethora of devices onto a cloud like platform. But, the platform that will be serving up the capabilities is a set of large computer systems where for fees ranging from free to "low cost" users can store and synchronize their data, apps, photos and songs. This is a good thing because the iCloud promises to provide a single seamless interface from "all" of your devices to your information.

The copycat is in the details. There are other offered services in the "cloud" that either provide similar functions or the capability to access similar functions. Thus, depending on the end devices that you use, you could have similar low price capabilities available to you without iCloud.

One of the technical problems that must be solved is the amount of bandwidth that is needed to synchronize all of these applications and push that data around in the cloud. A clear winner is the providers of 3g wireless services and a clear big wave opportunity is if communication system operators can make Wi-Fi even more ubiquitous than it is now.

A serious concern for users of the iCloud will be security and privacy, but we will have to wait for a while to see how big that issue will become.

Prediction – iCloud will solidify Apple's position as a vendor of smart phones and tablets. The increased functionality of both types of devices will continue to drive Apple's success. The MAC will continue to be a viable alternative to the PC. But, the success of the iCloud will depend on three factors: 1 – Can Apple make iCloud more than a new form of a music and photo sharing service? 2 – Can the 3g communication vendors cope with both the consumer cost demands and bandwidth demands so that users do not get frustrated by high costs and bad performance? 3 – Can the iCloud make Apple into a formidable force in the enterprise market or are we seeing a further fragmentation of the computer market into the consumer and enterprise segments? Our bet is that Apple will continue to dominate the consumer market but have little new success in the enterprise market!

The BIGWAVEALERT is provided by the book Big Wave Surfing: Extreme Technology Development, Management, Marketing and Investing
Check it out at: http://www.bigwavesurfingbook.com/
Connect with the book at:
http://www.facebook.com/pages/bigwavesurfingbookcom/130634580338793
Follow the book on Twitter: http://twitter.com/bigwavealert
Big Wave Surfing Newsletter and Book is located at 9977 Valley View Road, Eden Praire, MN 55344