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America Leads Cloud Computing Sales

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The United States leads sales for Web-based business software for 2009 accounting for 74% of the $13.2 billion market. While Europe, Africa, and the Middle East were a distant second accounting for 13% of total sales for software-as-a-service ("SaaS"). The difference between the United States and the rest of the world is dramatic, but understandable when you consider that SaaS business applications require a broadband connection.

The term "broadband" refers to a telecommunications signal of greater bandwidth than another standard or usual signal (and the broader the band, the greater the capacity for traffic). In the data context, pieces of data are transmitted over a fiber optic cable. The larger the fiber optic cable, the more data can be transmitted. The United States is actively investing in its broadband infrastructure having enacted a $7.2 billion broadband stimulus program. The greater the availability of broadband, the more mainstream cloud computing will become. Moreover, the larger the fiber optic cable used, will allow more businesses to utilize cloud computing. The amount of information transmitted by a company to the cloud or the rate at which it needs to access the information, is directly affected by the bandwidth and network speeds of the cloud computing provider. These are two items that purchasers of cloud computing need to be concerned with and aware of. Not only can they have a significant impact on a businesses satisfaction with the cloud computing provider, but also some cloud computing providers tie the cost of their service to these elements.