

Vodafone welcomes the opportunity to comment on the CMA's Cloud Investigations issue statement.

Vodafone's position in the market

Vodafone has contributed to the Ofcom's Cloud consultations <u>call for inputs</u> and <u>interim report</u>. Our interest in this market is threefold -

- we are a customer of public and private cloud services (laaS, PaaS and SaaS)
- we are a provider of professional advisory services, reselling cloud, for enterprises wanting to deploy cloud services,
- we offer some of our own services and certain value add services in competition with cloud service providers.

Our demand for public cloud services aligns with that of enterprises generally. Our relationship with Hyperscalers is more complex than a typical Enterprise Hyperscaler relationship. As well as being a consumer of cloud services we are a sales channel for the Hyperscaler, offering the advisory and resale of cloud via our professional services division. We are partners, developing the new edge services (MEC) marketplace. They are our supplier where we use cloud capability to develop services. They are also our customer for communications services, and we engage in other business situations for example retailing of their handsets. Increasingly Hyperscalers are becoming competitors for IoT, VoIP and private 5g connectivity services.

Further areas for investigation

Of com's market study did not consider the following which the CMA's investigation should:

- Address bundling behaviours. Cloud providers offer mobile device management and endpoint security software services in competition to Vodafone. Both parties must be able to compete fairly to provide these services with customers given the ability to choose provider without hinderance from bundling, or pricing policies.
- Consider the service experience and cost differences in the evaluation of interoperability of services.
- The benefits Cloud providers derive from lower regulatory burdens when they compete in adjacent markets.
- Factor the rise of AI services and functionality, that have increased in relevance and importance since Ofcom commenced its work programme.

It is important that this market investigation is as extensive as is feasible. The resources required to carry out a market study means that a further study into Cloud matters cannot be expected if issues are left out this time. This investigation has the advantage of being able to springboard from Ofcom's market study, bringing together a 12-month intensive market study with a further 18-month investigation.