Amazon Web Services and VMware are Market Leaders in IaaS and On-Premises Cloud Platforms, Respectively, According to 451 Research’s Vendor Window

OpenStack and Microsoft Azure Are Pressuring Market Leaders; Rackspace Leads in the Hosted Private Cloud Market With Enterprise IT Organizations

NEW YORK, April 15, 2015 – According to the latest 451 Research Vendor Window, Amazon Web Services (AWS) remains the leader in Infrastructure-as-a-Service (IaaS) adoption among enterprise IT buyers. These findings are based on responses from over 1,500 global IT professionals, including 1,000 unique vendor evaluations. The 451 Research Vendor Window assessment is based on both overall enterprise adoption rates and customer ratings of vendor performance.

AWS is used by the majority of enterprise IaaS customers in the study (57%) and is also cited as the most important IaaS provider by 35% of these current IaaS customers. Additionally, AWS received some of the highest ratings overall for its ability to fulfill customer needs, particularly in terms of Experience and Technical Innovation.

Other important findings from the 451 Research Vendor Window for IaaS include:

- Microsoft Azure has been adopted by 42% of enterprises surveyed and is listed most often as the vendor that enterprises will likely evaluate for their next IaaS supplier. Overall, Microsoft Azure is cited as the most important IaaS provider by 20% of IaaS customers. However, current users of Microsoft Azure rate it lower than other vendors on the metrics of Experience and Support for Open-Source Software.

- Rackspace is on par with AWS for its ability to fulfill customer IaaS needs and is the highest-rated IaaS provider for Guaranteed SLAs, consistent with Rackspace’s new managed cloud positioning.

"While the 2015 Vendor Window for IaaS shows Amazon Web Services as the clear leader based on multiple metrics, Microsoft Azure, Rackspace and VMware’s vCloud Air are becoming competitive challengers," said Michelle Bailey, Senior Vice President, Digital Infrastructure and Data Strategy. "As more mainstream customers move business-critical workloads to cloud environments, the decision criteria for evaluating potential vendors change relative to early cloud adopters, and in turn so do the vendors under consideration."
On-premises private cloud continues to be a major investment for IT organizations, and is often the default cloud environment for many enterprises. Cloud suppliers offering SaaS, IaaS and Hosted Private Cloud solutions are increasingly competing and cooperating with on-premises private cloud environments. Not surprisingly, the 451 Research Vendor Window for On-Premises Private Cloud indicates that VMware dominates with its ESX and vCloud offerings, with adoption by 70% of surveyed enterprises. Additionally VMware and its partner solution, Cisco UCS, received the highest ratings in terms of Promise and Fulfillment, particularly on the attributes of Company Brand and Platform Reliability. "While VMware’s market dominance continues, and they have excellent ratings from existing customers, the survey results indicate that over 70% of VMware customers have also deployed an alternative cloud platform such as OpenStack, CloudStack or Microsoft Cloud OS," said Dr. Scott Ottaway, Vice President of Cloud Services and Data Research. "As open-source-based solutions continue to receive investment from major hardware and software vendors such as HP, IBM, Red Hat and Citrix, VMware’s dominance is under pressure, especially for mobile and cloud-native applications."
Other Highlights from the Voice of the Enterprise: Cloud Computing include:

- Hosted Private Cloud is now adopted by 34% of organizations, but it is a highly fragmented market; cloud providers with less than 3% market share account for 52% of all currently used vendors. Rackspace is the number-one vendor in this market with 20% market share, consistent with 451 Research’s Market Monitor Cloud Computing revenue tracking of major cloud service providers. Verizon, CenturyLink, AT&T and VMware vCloud Air are also frequently mentioned providers by existing enterprise customers of hosted private cloud offerings.

- Mission-critical applications are more likely to be deployed on a hosted private cloud than on a multi-tenant IaaS platform, suggesting a long-term growth opportunity for hosted private cloud offerings as mainstream buyers prioritize security, customization and performance over low cost.

- About 30% of organizations expect to increase IT spend in the next 90 days, and the majority of organizations expect to increase spend with their existing cloud platform providers, suggesting continued cloud investment and substantial opportunity for growth for all the named vendors in this space.

Webinar
Learn more about the Voice of the Enterprise: Cloud Computing research findings on April 22, at 2PM EST, during the 'Voice of the Enterprise: Cloud Computing Trends and Vendor Window' webinar. Register Now.
Voice of the Enterprise: Cloud Computing
Published quarterly, 451 Research’s Voice of the Enterprise: Cloud Computing provides a demand-side view of cloud computing adoption, both on-premises and off-premises at CSPs. These survey-driven reports are derived from 800-1,500 customer surveys and 25 in-depth interviews with senior IT professionals each quarter. Learn more about Voice of the Enterprise: Cloud Computing, as well as other Voice of the Enterprise products that cover Information Security, Software-Defined Datacenters, Storage, Datacenter Facilities, and Integrated & Converged Platforms.

About 451 Research’s Vendor Window Methodology
The Vendor Window plots enterprise adoption and Promise and Fulfillment Indices, and is typically based on 300+ unique vendor ratings per market. Only existing customers of each vendor complete the vendor evaluations. Vendors with larger circles have greater adoption in the marketplace. The Promise and Fulfillment Indices compare vendors’ effectiveness at marketing and execution. A vendor located in the upper right quadrant – under-promising and over-delivering – is rated highly for both its promise and the ability to fulfill its promise relative to its peers. Conversely, a vendor in the lower left quadrant rates lower than its peers on the same criteria.

About 451 Research
451 Research is a preeminent information technology research and advisory company. With a core focus on technology innovation and market disruption, we provide essential insight for leaders of the digital economy. More than 100 analysts and consultants deliver that insight via syndicated research, quarterly market surveys of over 3000 industry professionals, advisory services and live events to more than 1,000 client organizations in North America, Europe and around the world. Founded in 2000 and headquartered in New York, 451 Research is a division of The 451 Group. Learn more.

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