451 Research: Survey finds opportunity for cloud providers to help customers align IT transformation with business requirements

AWS earns top customer ratings for IaaS but Microsoft Azure emerging as a formidable challenger

NEW YORK — April 5, 2017 —Nearly 80% of the organizations polled in 451 Research’s latest Voice of the Enterprise (VotE): Cloud Transformation study report that their IT environments require moderate or significant transformation to meet business requirements over the next five years, involving migrating workloads to the cloud and keeping cloud spending on an upward trend.

The latest survey finds that 22% of enterprises have adopted a ‘cloud first’ approach and infrastructure as a service (IaaS)/public cloud is the fastest-growing cloud model. With organizations increasingly choosing IaaS for mission-critical applications, service provider selection is a critical part of digital transformation. However, the respondents indicate concern about service providers’ perceived ability to align IT and business requirements, noting that there is scope for a better understanding of the customers’ businesses to support IT service delivery.

“As organizations implement IT transformation in earnest, they are increasingly relying on strategic partners for operational assistance. Those IaaS service providers who position infrastructure and technological innovation alongside meeting business requirements will be best positioned to capitalize on this market opportunity,” said Melanie Posey, Research Vice President and lead analyst for 451’s Voice of the Enterprise: Cloud Transformation service.

Survey respondents rated their IaaS providers on a range of attributes prior to purchase (promise) and after implementation (fulfillment). IaaS providers received consistently high ratings on both the promise and fulfillment of service attributes such as uptime/performance, security and technical expertise. Although these are table stakes requirements, they are also make-or-break factors that can adversely affect brand reputation.

However, highlighting the importance of the overall customer experience, 451 Research’s survey found that organizations gave IaaS providers lower ratings on service-delivery factors such as understanding business requirements, multi-cloud/hybrid cloud support and enterprise-level customer support.

451 Research’s IaaS Vendor Window underscores AWS’s dominant market position because it outpaced competitors on multiple promise and fulfillment rating attributes, most notably breadth of services/features, brand/reputation, technical expertise and innovation. Of respondents surveyed, 55.8% are using AWS for IaaS.

However, for the first time, AWS’s customer ratings fell behind those of other IaaS providers on ‘value for money/cost,’ where Google Cloud Platform was rated highest, and ‘understands my business,’ where IBM/SoftLayer and Microsoft Azure obtained higher scores.

Many organizations use multiple IaaS providers and Microsoft Azure is emerging as a formidable challenger, closing the market adoption gap with AWS. While AWS remains the top pick as respondents’ most important IaaS provider (39%), nearly 35% of respondents named Microsoft their most important IaaS provider, up from 20.2% in the previous survey.

Microsoft is also closing the customer perceptions gap with AWS, posting slightly above-average scores for overall promise and fulfillment, as does Google Cloud Platform, which secured particularly strong marks for service reliability and value for money/cost. Google and Microsoft are seeing higher overall adoption rates since the previous survey in Q1 2015.

Commenting on Microsoft’s position, Posey added, “It will be interesting to assess the impact of Azure Stack
Among the European respondents surveyed, Microsoft emerged as the predominant primary IaaS provider, with 43.7% of European respondents citing it vs. 32% naming AWS. Microsoft’s efforts to address European customers’ data sovereignty concerns no doubt contributed to its elevated positioning in the region.

About the survey

Using a panel of more than 50,000 senior IT buyers, 451 Research’s The Voice of the Enterprise: Cloud Transformation Vendor Evaluations survey tracks and analyzes the disruption occurring in the market and exposes the opportunities for enterprises, IT vendors, suppliers and investors.

The latest study, published in Q1 2017, represents more than 700 web-based surveys completed by IT and cloud decision-makers worldwide, supplemented by 20 in-depth phone interviews. The sample is representative of small, medium, large and very large organizations in both the private and public sectors.

Subscribers can access the complete report here.

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