

Lenovo x86-based server customer satisfaction scores trend above competition

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Introduction

Organizations consistently turn to x86-based servers for their most demanding use cases due to the openness of the x86-based architecture and perception of higher uptime, lower latency and greater security compared to public cloud services. As a result, customers continue to report attributes such as performance, initial hardware quality, ongoing reliability and virtualization, efficiency and scalability as the most critical to their decision to purchase x86-based servers from a particular vendor. To uncover the trends in x86-based server customer satisfaction, TBR conducted over 300 surveys with IT decision makers responsible for purchasing servers to support its *2H16 Corporate IT Buying Behavior and Customer Satisfaction Study: x86-based Servers (CSAT x86-based Servers Study)*. This study, which measured 22 satisfaction attributes among Dell Technologies, Hewlett Packard Enterprise (HPE) and Lenovo customers, revealed Lenovo leads its competition in customer satisfaction scores for 21 of the 22 attributes, including a tie for the lead in one attribute, putting the vendor ahead of HPE and Dell Technologies in TBR's Weighted Satisfaction Index. Lenovo's overall TBR weighted satisfaction index score, which includes sales, product and service attributes as well as brand loyalty, was 82.8 out of a possible 100, compared to HPE and Dell Technologies, which scored 78.6 and 78.2, respectively. 2H16 marks the fourth consecutive TBR study in which Lenovo outperformed Dell Technologies and HPE in overall x86-based server customer satisfaction, which TBR believes reflects Lenovo's ability to meet customer expectations for high-quality hardware.

Meeting expectations in critical attributes is key to perceptions of high satisfaction

For each *CSAT x86-based Servers Study*, TBR determines the sales, product, and services and support attributes most important to customer satisfaction at that time. In TBR's 2H16 study, customers rated performance; initial hardware quality; ongoing hardware reliability; virtualization, efficiency and scalability; total cost of ownership; product design/features; on-site response time; and ongoing services and maintenance as the most critical attributes to overall satisfaction with their x86 servers.

TBR's 20-year history of surveying x86-based server customers revealed customers consistently rank product-related attributes as being critically important to their purchase decisions. While vendors typically generate high satisfaction in these attributes, in 2H16 Lenovo outperformed Dell Technologies and HPE to earn the No. 1 ranking in all seven product-related attributes, albeit tying HPE in ongoing hardware reliability. Due to commoditization in the x86-based server market, it has become increasingly difficult for vendors to rely solely on product-related attributes to differentiate themselves as performance, reliability and quality vary little from one brand to the next. Thus, vendors must focus on providing superior satisfaction in not only product-related attributes but also sales-related attributes and services- and support-related attributes. In the *2H16 CSAT x86-based Servers Study* customers reported two services and support-related attributes, on-site response time and ongoing services and maintenance, as being critically important to purchase decisions. TBR believes this demonstrates the need for server vendors to provide not only quality hardware but also the services and support necessary to keep the hardware functioning at optimal levels. The fact that Lenovo earned the highest mean x86-based server customer satisfaction scores in all the critically important service- and support-related attributes indicates the vendor is successfully providing an end-to-end experience to its customers.

Performance

As customers evaluate whether to use x86-based servers, proprietary servers or off-premises cloud-based solutions for their workloads, many customers turn to x86-based servers to balance cost efficiency and consistent performance to run mission-critical applications most effectively. Thus, performance was one of the top three reasons cited by surveyed customers of all three server brands as influencing their decision to purchase from their vendor again. Vendors that can provide x86-based servers that meet the performance requirements of their customers are most likely to build strong brand loyalty among customers.

Initial hardware quality and ongoing reliability

Organizations utilize x86-based servers for a wide variety of workloads, including performance-intensive and mission-critical applications that require on-premises x86-based servers to reduce latency and IT downtime. This has been demonstrated consistently in TBR's *CSAT x86-based Servers Study*, which has historically found initial hardware quality and ongoing hardware reliability to be two of the most critical aspects to overall customer satisfaction.

Service and support

Organizations typically rely on in-house IT support staff to keep their x86-based servers up and running; however, these organizations often turn to their server vendor to augment their internal capabilities with the vendor's services and support offerings. While product-related attributes are often the most critical, services and support attributes such as on-site response time and ongoing services and maintenance are also critical to customers as they provide the tools necessary to maximize uptime and extend the product life cycle. Server vendors can benefit from focusing on delivering services and support that ensure a high level of availability and quick response times. Research from TBR's *2H16 CSAT x86-based Servers Study* suggests x86-based server vendors can differentiate their offerings by providing quality services and support.

"The contract we have includes on-site maintenance and tech support. We have everything we need to succeed with our company thanks to Lenovo." — IT Director, Banking/Financial Services

Total cost of ownership

According to TBR's *2H16 CSAT x86-based Servers Study*, total cost of ownership (TCO) is one of the most critically important factors in customers' purchase decisions for x86-based servers. TBR attributes this to the shifting market as cloud diminished the value proposition of on-premises data centers, including x86-based servers. Thus, customers focus on the server TCO and not just the initial purchase price. This makes it critical for server vendors to design x86-based servers that are energy efficient and highly reliable, to reduce energy, maintenance and repair costs for customers. Additionally, TBR research shows dissatisfaction with TCO is one of the top reasons customers consider purchasing x86-based servers from one vendor over another, demonstrating the impact perceived value can have not only on acquiring new customers but also on ensuring strong brand loyalty.

Lenovo outperformed its competition in 21 of 22 attributes

In TBR's *2H16 CSAT x86-based Servers Study*, Lenovo outscored both Dell Technologies and HPE in 20 of 22 attributes while also tying HPE for the top spot in ongoing hardware reliability, for 21 total No. 1 rankings. Lenovo's ongoing development of its x86-based server portfolio through investments in research and development and partnerships provides the momentum necessary to meet customer expectations consistently and improve customer satisfaction. During 2H16 Lenovo experienced the largest increases in satisfaction compared to 1H16 among services and support attributes with online technical support and social media support, which increased 2.2% and 1.1%, respectively. With customers placing more importance on services and support attributes due to the commoditization of x86-based servers, thus reducing the differentiation available through product-related attributes, TBR believes Lenovo is well positioned to continue to meet its customers' expectations and grow its customer base.

Initial hardware quality and ongoing reliability

While initial hardware quality and ongoing hardware reliability are table stakes for x86-based server vendors, Lenovo consistently achieves the highest level of satisfaction for these two attributes, which ranked second and third in critical importance to customers' purchase decisions in the 2H16 study. Lenovo's consistent leadership in initial hardware quality gives the vendor an advantage TBR believes will positively influence customer purchase decisions,

"We've tried a few other companies and [Lenovo's] servers have by far the highest sheer processing power and uptime." — IT Director, Computer Services/IT Consulting

especially as customers increasingly turn to x86-based servers to limit downtime for mission-critical and business-critical applications.

Virtualization, efficiency, scalability

In TBR's 2H16 study, Lenovo received the No. 1 ranking in rolling six-month virtualization, efficiency and scalability satisfaction. Server virtualization allows customer to quickly add workloads to existing servers without needing to purchase additional servers, helping organizations generate cost savings and make their IT environments simpler from a physical footprint as well as a management standpoint. While Lenovo messages the virtualization, efficiency and scalability of its x86-based servers, TBR's 2H16 study ranks Lenovo ahead of Dell Technologies and HPE in satisfaction, lending credence to the ability of Lenovo servers to help organizations generate cost savings and improve server efficiency.

Service and support

With customers increasingly focused on service and support, TBR's 2H16 CSAT x86-based Servers Study surveyed IT decision makers on nine attributes related to the services and support of their organizations' x86 servers. Lenovo leads Dell Technologies and HPE in eight of nine attributes including phone support, on-site support, online support, social media support and self-support, with the vendor only trailing its competitors in replacement parts availability. Lenovo's strength in services- and support-related attributes allows the vendor to differentiate from the competition, especially in social media support in which the vendor's mean satisfaction score of 5.39 (based on a 7-point Likert scale with 5.00 corresponding to "satisfied") is significantly higher than both its competitors that failed to exceed a mean satisfaction score of 4.75.

Lenovo's support services provide the tools and resources necessary for customers to meet the requirements of their businesses such as minimizing server downtime, deploying additional x86-based solutions, and troubleshooting issues quickly and cost effectively. Lenovo's x86-based servers enable organizations to focus on supporting mission-critical workloads, as Lenovo provides support services to manage the server infrastructure. While Lenovo outperformed its rivals in most attributes, Dell Technologies' and HPE's improvements to their replacement parts availability satisfaction score compared to 1H16 helped the vendors challenge Lenovo and take the No. 1 spot from the vendor. TBR believes all three vendors are committed to providing customers with top-of-the-line services and support and will focus on providing services that deliver a high level of availability and quick response times to ensure customer satisfaction.

"Lenovo does a good job of communicating and keeping us up to speed on all changes, updates and new products, and [providing] help we might need to make our company work better and more efficiently." — IT Director, Retail

Performance

Lenovo's x86-based servers have consistently outscored Dell Technologies and HPE in mean satisfaction with server performance. In 2H16 Lenovo again achieved the highest mean satisfaction score to rank No. 1, a position the vendor has held since 1H15. While Dell Technologies and HPE have eroded Lenovo's once significant lead in performance satisfaction over the past year, Lenovo's competitors remain unable to provide the same level of satisfaction-inducing performance in their x86-based servers. TBR believes Lenovo's System x brand enjoys an advantage targeting enterprise and midsize businesses given its reputation for high quality.

Purchase price and TCO

Lenovo has sustained a lead in both purchase price/acquisition cost satisfaction and TCO satisfaction since 1H15. In 2H16 Lenovo continued this trend, taking the No. 1 industry ranking in both attributes. Lenovo scored significantly higher than HPE in purchase price/acquisition cost and significantly higher than Dell Technologies in TCO satisfaction, demonstrating the vendor's ability to provide x86-based hardware that meets customers' expectations not only for the initial purchase price but also the associated costs during the server's life cycle.

Conclusion

Lenovo's x86-based servers have unfailingly exceeded the expectations of its customers for the past two years, outperforming the competition in nearly every attribute featured in TBR's semiannual *CSAT x86-based Servers Study*. Lenovo's portfolio of x86-based servers, including System x and ThinkServer, consistently delivers a high level of customer satisfaction in the attributes considered most important by customers such as performance, initial hardware quality and ongoing hardware reliability. Earning the overall No. 1 ranking again in 2H16 demonstrates Lenovo's commitment to its customers, as well as adaptation of its server business model to drive hardware quality and support that meets global customer needs.

About TBR's Customer Satisfaction (CSAT) Studies

Technology Business Research, Inc. (TBR) measures the expectations, satisfaction and loyalty of enterprise customers in its quarterly CSAT studies. TBR measures satisfaction on a 7-point Likert scale with 1.00 being extremely dissatisfied, 4.00 being neutral and 7.00 being extremely satisfied. TBR surveys 300 individuals responsible for purchasing x86-based servers at U.S.-based enterprises with more than 500 employees on a semi-annual basis. TBR ranks major vendors in each form factor area through indices including sales satisfaction, product satisfaction, service satisfaction and loyalty.

About TBR

Technology Business Research, Inc. is a leading independent technology market research and consulting firm specializing in the business and financial analyses of hardware, software, professional services, telecom and enterprise network vendors, and operators.

Serving a global clientele, TBR provides timely and actionable market research and business intelligence in formats that are tailored to clients' needs. Our analysts are available to further address client-specific issues or information needs on an inquiry or proprietary consulting basis.

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