

Dell x86 servers earn top overall customer satisfaction in 4Q14

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TECHNOLOGY BUSINESS RESEARCH, INC.

Dell users report higher levels of satisfaction than HP and IBM users

As IT needs continue to shift among enterprise users, customers are seeking x86-based servers that provide the needed performance at the right price and fit into increasingly complex IT environments. Enterprises use x86 servers to support mission-critical functions in the organization, emphasizing the need for strong performance, ongoing reliability and scalability to meet the fluctuating requirements of modern business environments. As the reliance on x86 servers continues to grow, enterprise customers seek out vendors that excel across sales, product and service attributes to create end-to-end value and drive overall customer satisfaction.

TBR conducts quarterly research of IT decision makers who purchase x86 servers to track the ongoing perceptions of customers, including 75 blade server and 75 rack server customers each of Dell, HP and IBM for a total of 450 x86 server responses per quarter. In TBR's *4Q14 Corporate IT Buying Behavior & Customer Satisfaction Study: x86-based Servers (4Q14 CSAT x86-based Servers Study)*, Dell customers reported the highest level of satisfaction compared to HP and IBM x86 server customers. Dell was the leader in 15 of the 22 customer satisfaction attributes measured in the 4Q14 study and held second place across the remaining seven attributes. Dell also received the highest scores among users for "will buy again" and "would recommend" metrics, evidence of loyalty in Dell's customer base.

| TBR Dell: 6-Mo. Server Performance Dashboard | | | |
|---|---------------------|---------------|-----------------------|
| Attribute | 4Q14 Satisfaction | Industry Rank | Satisfaction vs. 3Q14 |
| Purchase Price/Acquisition Cost | 5.2 | ▲ 1 | 0.2% |
| One-time Services and Setup | 5.1 | ▬ 2 | 0.6% |
| Delivery Time and Product Availability | 5.1 | ▬ 2 | -0.8% |
| Sales Responsiveness | 5.0 | ▲ 1 | -0.8% |
| Post-purchase Customer Care | 5.1 | ▲ 1 | 0.0% |
| Online Product Information | 5.1 | ▲ 1 | -1.0% |
| Initial Hardware Quality | 5.4 | ▲ 2 | 1.3% |
| Ongoing Hardware Reliability | 5.4 | ▲ 1 | 1.1% |
| Performance | 5.5 | ▲ 1 | 1.9% |
| Virtualization, Efficiency, Scalability | 5.4 | ▲ 2 | 1.3% |
| Total Cost of Ownership | 5.3 | ▬ 1 | 0.0% |
| Management Capabilities | 5.2 | ▲ 2 | 0.6% |
| Product Design/Features | 5.3 | ▬ 2 | -0.4% |
| Phone Support Availability | 5.2 | ▬ 1 | 1.0% |
| Phone Support Technical Expertise | 5.2 | ▲ 1 | 1.2% |
| On-site Response Time | 5.2 | ▲ 1 | 1.2% |
| On-site Technical Expertise | 5.2 | ▲ 1 | 1.2% |
| Online Technical Support | 5.2 | ▲ 1 | 0.8% |
| Ongoing Services and Maintenance | 5.3 | ▲ 1 | 1.0% |
| Replacement Parts Availability | 5.3 | ▲ 1 | 1.1% |
| Self-support/Automated Support | 5.1 | ▬ 1 | -0.6% |
| Social Media Support | 4.5 | ▬ 2 | -0.4% |
| Loyalty | 4Q14 Loyalty Metric | Industry Rank | Loyalty vs. 3Q14 |
| Will buy again | 87.4 | ▬ 1 | 1.0% |
| Would recommend | 85.2 | ▲ 1 | 1.2% |

SOURCE: TBR 4Q14

Key

- ▲ Industry ranking has improved from previous quarter
- ▬ Industry ranking has stayed the same from previous quarter

Note: Satisfaction measured on a 7-point scale with 7 being "extremely satisfied." Loyalty Metric refers to the percentage of customers who indicated they would buy again from Dell or recommend Dell to a peer.

Customer satisfaction is tied strongly to product-centric attributes

Enterprise customers are seeking to lower operational costs, improve workplace efficiency, and eliminate complex and over-engineered IT environments. Customers place great importance on server costs, performance, design and features that enable enterprises to achieve their goals.

TBR surveys x86-based server customers to determine the most critical sales, product and services attributes that contribute to overall customer satisfaction. In TBR's 4Q14 study, x86-based server customers rated ongoing hardware reliability; performance; virtualization, efficiency and scalability; total cost of ownership (TCO); product design/features; and purchase price/acquisition cost as the most critical attributes when evaluating and purchasing x86 servers. Generally, customers place greater value on product-centric attributes when determining which vendor to use and which x86 server to purchase.

"They have always been very reliable, with low failure rates during expected server lifetimes. Performance is always exactly as expected for configurations chosen. Dell Open Manager is a great admin tool." — Dell Customer, Small IT Dept.

Initial quality and ongoing hardware reliability

As data center complexity rises along with increasingly varied IT requirements, quality and reliability are crucial to day-to-day business operations to ensure maximum uptime. TBR's *4Q14 CSAT x86-based Servers Study* demonstrates that customers value initial hardware quality and ongoing reliability as the most critical attributes to consider when evaluating x86 servers and making purchase decisions. Vendors that provide high-quality, reliable hardware can use this as a key differentiator when competing against x86 server peers.

Virtualization, efficiency, scalability

Virtualization, efficiency and scalability of servers play a critical role in how organizations cut operational costs. By transitioning to servers that are easily scaled, enterprise customers can reduce IT complexity and improve efficiency by leveraging capabilities to meet workload demands. Efficiency and scalability are key to managing costs when operating in virtualized workspaces and play a vital role in the purchasing decisions of enterprise customers.

Performance

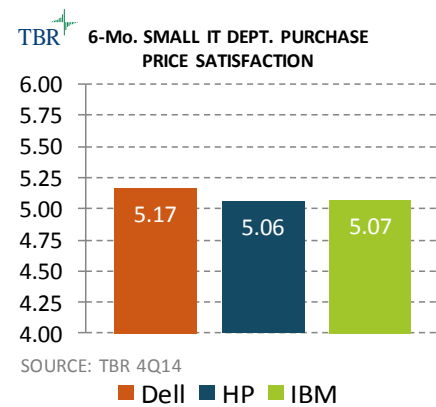
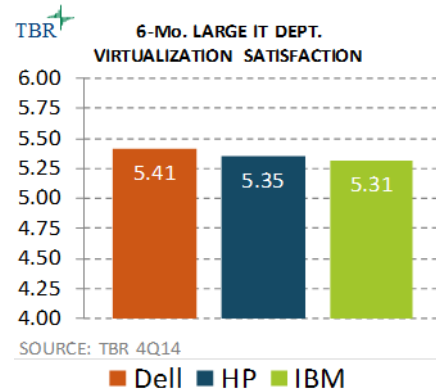
Enterprises demand x86 servers that provide peak performance amid increasing workloads to enable more efficiency within the workplace. Vendors that provide improved performance targeted at addressing common customer requirements will find success among IT decision makers as they seek to address organizational IT needs. As the reliance on applications continues to increase across enterprises, vendors may optimize their server products to bolster compute functions to improve performance when running application instances.

Purchase price and TCO

Based on results from TBR's *4Q14 CSAT x86-based Servers Study*, enterprise customers rate initial purchase price and TCO as critical when evaluating x86 servers. Customers realize value by purchasing their servers at a lower price and by maximizing their investment through long product life cycles and low maintenance costs. While purchase price still represents a key measurement that customers take into account during their purchase decisions, TCO is increasingly becoming the focus as enterprises analyze the long-term business impacts of their IT decisions. Vendors must strike a balance that affords low up-front costs while still providing hardware capable of meeting increasing workloads over the long term for customers to recognize the true value of their purchases.

Product design/features

The ability to meet shifting needs across organizations of varying size and verticals is critical as enterprise customers seek servers that possess the features they need to meet their business requirements. High-quality design and the availability of key server features enable vendors to improve value propositions for enterprise customers evaluating servers and making the purchase decision.



Dell registers high marks across critical customer satisfaction attributes

Through investments and improvements in its x86 server portfolio, Dell solidified its leadership position by registering strong performances across sales, product and service attributes. High satisfaction ratings in key attributes related to purchase price, reliability, performance and ownership costs enabled Dell to eclipse IBM and HP in overall customer satisfaction. Furthermore, TBR's *4Q14 CSAT x86-based Servers Study* shows Dell customers demonstrate a higher rate of loyalty and are more likely to recommend Dell servers to others.

Initial quality and ongoing hardware reliability

Dell builds its PowerEdge family of x86 servers to meet customer expectations for long-lasting, reliable hardware. In TBR's 4Q14 study, Dell customers touted the vendor's ability to deliver easy-to-use servers that meet initial demands through a blend of design features and strong performance.

Dell's PowerEdge server portfolio also received high marks for its reliability and durability, with customers stating Dell servers provide reliable performance well past their advertised life spans. This customer sentiment enabled Dell to place first among competing vendors for ongoing hardware reliability in TBR's *4Q14 CSAT x86-based Servers Study*.

Virtualization, efficiency, scalability

In TBR's 4Q14 Study, Dell PowerEdge servers finished in second place for virtualization, efficiency and scalability customer satisfaction, behind HP. Dell customers highlighted that Dell PowerEdge servers are easy to set up, with low power and space requirements, and provide the processing power enterprise IT environments require.

"Dell servers perform well past their publicized life expectancy. They are extremely reliable and easy to maintain." — Dell Customer, Small IT Dept.

Survey respondents also acknowledge how Dell servers provide easy and affordable scalability, a critical aspect as enterprises scale organizational IT requirements to accommodate growing workloads.

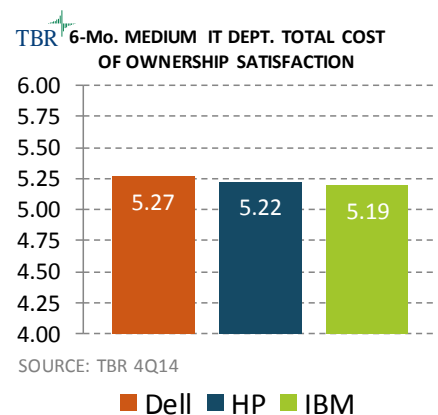
Performance

In 4Q14 x86 server customers ranked Dell ahead of IBM and HP for performance. Dell customers highlight the performance of the servers in managing workloads as well as the low amount of downtime and required maintenance that their deployments require. Customers also highlight the low failure rates for Dell servers, as they meet performance expectations and demonstrate superior reliability during their product life cycles.

Purchase price and TCO

Purchase price plays a critical role in the evaluation process, as it sets the stage for IT investments from prospective enterprise customers. Dell achieved the top spot in TBR's *4Q14 CSAT x86-based Servers Study*, as customers state Dell offers some of the most competitive prices for the required performance. Dell customers state PowerEdge servers provide the best initial value due to their high performance and low up-front costs.

Due to the long-term impacts of IT investments, TCO of x86 servers plays a critical role during the evaluation and purchasing process. Dell maintained sole possession of first place for TCO, as respondents indicate Dell servers provide the lowest TCO among the three examined vendors due to their low purchase prices and maintenance needs paired with easy scalability.



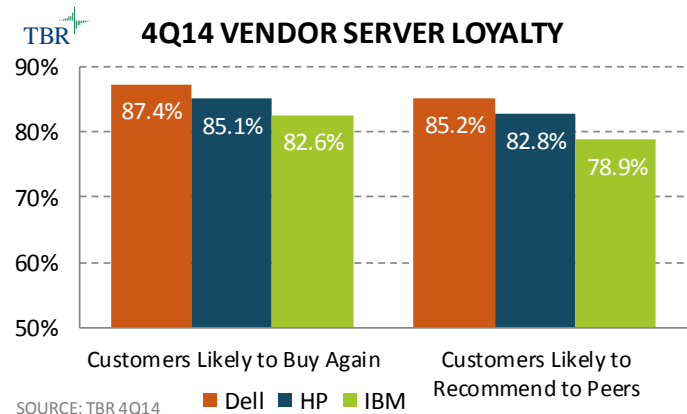
Product design/features

Customers in TBR's 4Q14 CSAT x86-based Servers Study ranked Dell second for satisfaction across product design and features, slightly behind HP. Customers indicate the uptime that Dell servers provide paired with the availability of spare parts enables users to minimize downtime and realize significant cost benefits.

Dell customers also highlight the ease of managing Dell PowerEdge environments and strong processing capabilities as key drivers of satisfaction with product design and features. Through a blend of high performance, ease of management, reliability and uptime, Dell provides the features enterprise customers require.

Conclusion

Dell's PowerEdge servers are built to meet enterprise business demands through low TCO, high-performance hardware, comprehensive product design, easy scalability and proven reliability. Enterprise customers ranked Dell first in overall customer satisfaction in TBR's 4Q14 CSAT x86-based Servers Study, highlighting Dell's commitment to providing leading enterprise server solutions. Dell not only provides server solutions that drive leading customer satisfaction, but also earns the highest scores in "will buy again" and "would recommend" metrics, demonstrating the quality of Dell x86 server products also drives greater customer loyalty and promotion.



About TBR's Quarterly Customer Satisfaction (CSAT) Studies

Technology Business Research Inc. (TBR) measures the expectations, satisfaction and loyalty of enterprise customers in its quarterly CSAT studies. TBR surveys more than 1,200 individuals responsible for the purchasing of x86 servers, desktop PCs and notebooks at North America-based enterprises with more than 500 employees on a quarterly basis. TBR ranks major vendors in each form factor area through a series of 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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