Gabriel CONSULTING GROUP

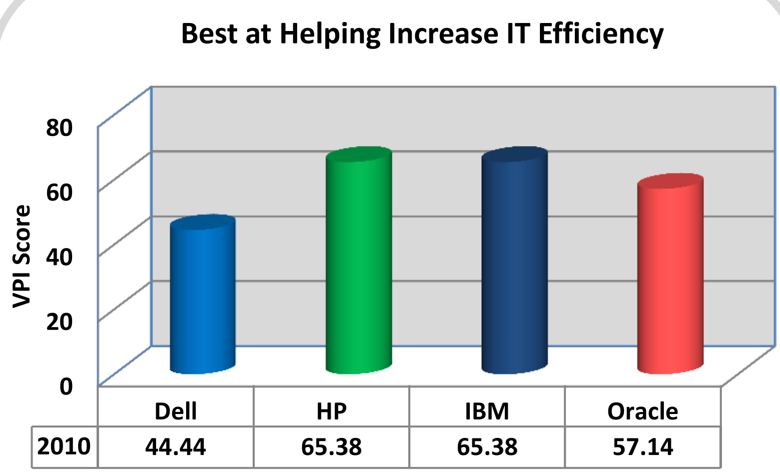
2010 x86 Survey: Mixed Bag on Data Center Value

A major part of the **2010 GCG x86 Server Vendor Preference** survey is the Vendor Face-Off section. This is where we ask real-world data center personnel to rate the major x86 server vendors (Dell, HP, IBM, and Oracle) on a wide variety of technical, vendor support, and customer satisfaction criteria.

Vendors are rated in terms of their VPI score – a simple normalization technique we use to ensure that results aren't skewed. (For more details on the survey and methodology, click here.) In simple terms, a VPI score of 100 is 'par'. Scores above 100 are good, and scores less than 100 – well, they're not so good.

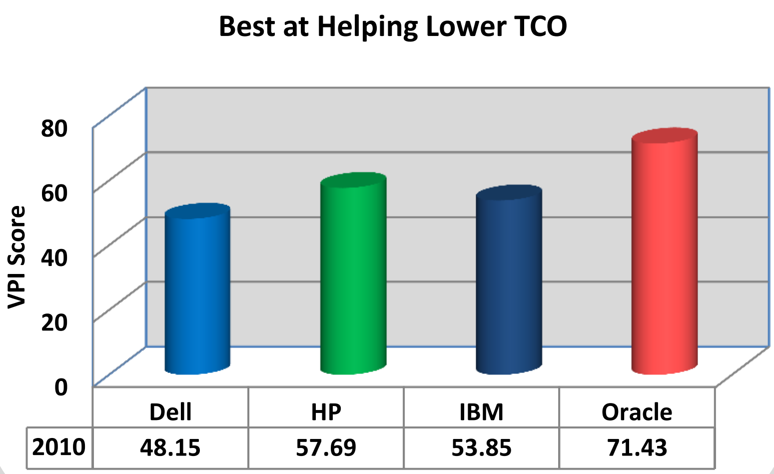
It's also important to point out that there isn't an overall 'winner' or 'loser' in these surveys. We ask a lot of questions and cover a wide range of topics, some of which are more important to particular customers than to others. For example, some customers would value manageability more highly than performance, while others want high availability most of all. Are all x86 servers alike on these characteristics? According to the people who purchase, manage, and rely on them day-to-day, the answer is a resounding "No!"

In the survey we ask a lot of very specific questions about vendors and their offerings. These next three questions are more general, but hit on issues that are at the heart of the data center/vendor relationship. The major result here, coupled with other data from the survey, is that none of the major x86 server vendors have a clear lead in the market in terms of customer perceptions. Close to half of our respondents answered "Not sure right now" or "No difference between vendors" on the next three questions – telling us that when it comes to value-add outside the box, no vendor has much of an advantage over their competitors.



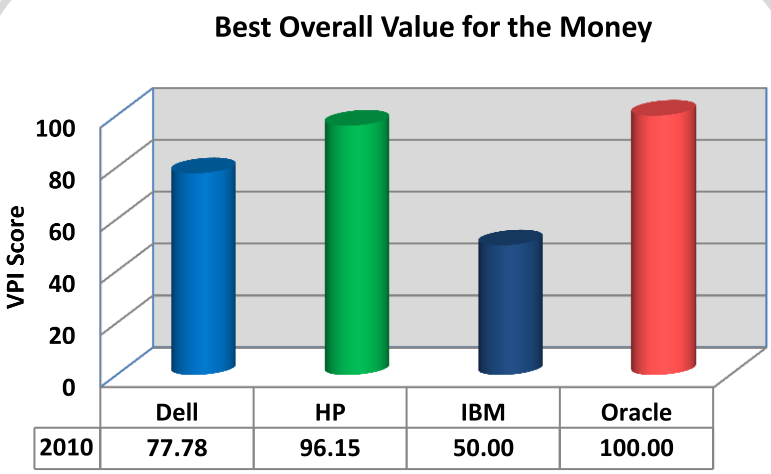
Among customers who had an opinion, IBM and HP tied on the question of which vendor best helps customers streamline IT operations.

This is essentially the same result as last year, but more customers in 2010 said that they weren't sure, or that the vendors are pretty much the same. Oracle and Dell both drew closer to the HP/IBM results in 2010 as well.



So which vendor helps customers reduce costs the most? Oracle gets the nod in 2010, coming up from behind to overtake both IBM and HP. Since buying Sun, Oracle has been aggressively pitching low-cost hardware deals in a bid to hold and possibly expand the former Sun x86 installed base.

This is the first time Oracle/Sun has won this category. In the past, IBM and HP have traded the lead, with Dell typically coming in third.



Oracle, as an x86 server vendor, takes first place on our "Best Overall Value for the Money" question in 2010. Previously, HP had held serve in this category with strong competition from IBM, while Dell and Sun fought to stay out of last place.

While HP's scores stayed stable, IBM dropped considerably from 2009, as did Dell. It's difficult to pinpoint exact reasons. We tend to see this as Oracle being particularly aggressive in 2010 and HP responding faster and better to it than IBM and Dell.

The above results are a good news/bad news story for vendors and customers alike. For customers, the good news is that the vendors are closely matched in terms of how well they're helping customers aside from basic hardware and support. The bad news is that, as a customer, you should probably get pitches from all four vendors in order to make sure you're getting the best combination of gear, support, and ancillary benefits.

Each vendor can take heart that no one of their competitors is viewed as being head and shoulders ahead of them, but they also need to be concerned that they haven't distinguished themselves as the leader on these issues. If you're interested in finding out more about this survey (demographics, expanded results, detailed GCG analysis), click here.

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