Customer Sentiment Analysis Deck

All the things customers are saying about the market, Azure and

its competitors analyzed to find that untapped opportunity

All findings are based purely on secondary research
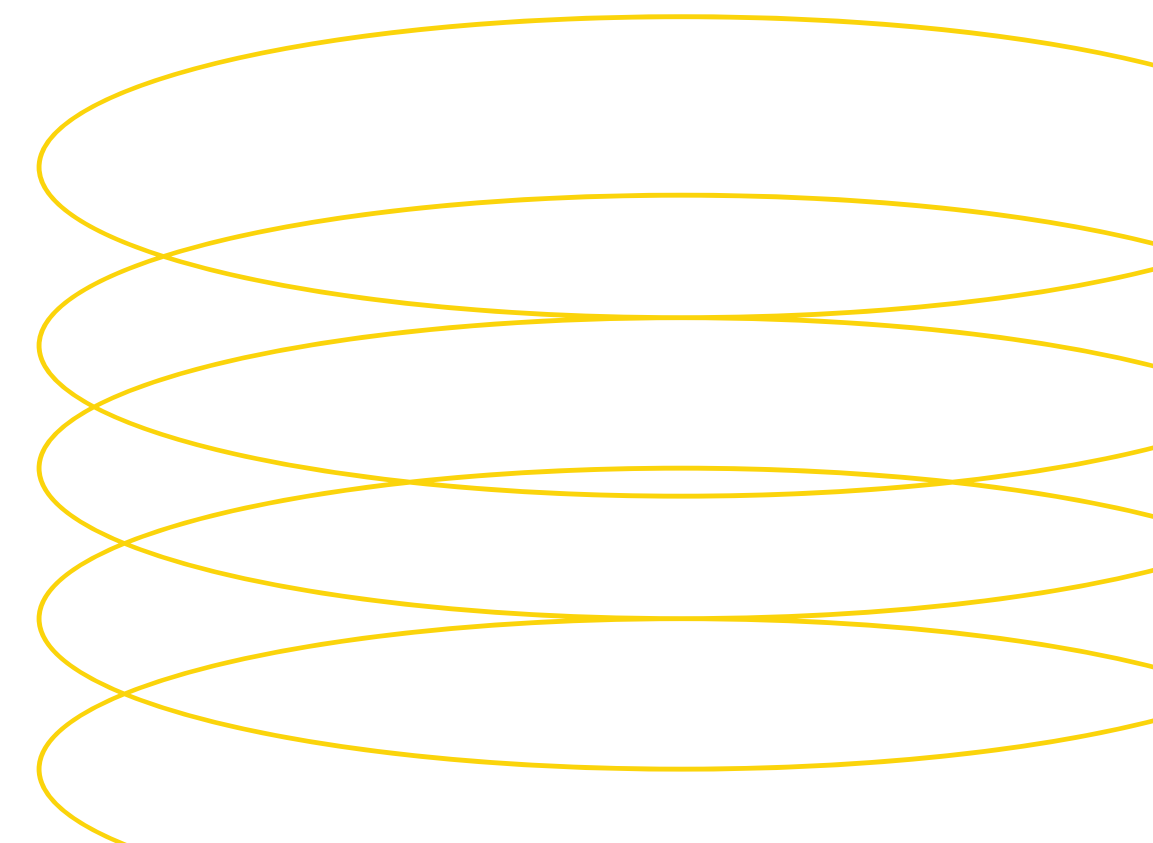
Index

The Cloud Computing Industry

A few highlights based on a PESTLE analysis and Porter's five forces analysis done from extensive online research of surveys, reports, and customer comments (ChatGPT was used lightly)

✓ Multi-Cloud Strategies (especially Hybrid Cloud) are on the rise

✓ The most popular cloud services used are data warehousing, DBaaS, and Push Notifications while organizations are looking forward to experimenting with AI, DRaaS, CaaS and FaaS

✓ The top challenges of shifting to cloud remain the spend, security, lack of expertise in migration, complexity of building cloud apps, and compliance

✓ The shift from one IaaS cloud provider to the next is a huge switching cost

Azure VMware Solution

Dealing with Microsoft Only

One of the unique attributes of the AVS solution is that customers deal with Microsoft only when they face bugs instead of having to go to Microsoft and VMware. This makes it easier for them to have fewer POCs but means so much more impetus on customer service for Microsoft.

The Microsoft Bundle

Organizations working with Windows and SQL servers get a bundle deal on Azure. Even though AVS is an additional cost, it seems worth it having everything at one place, being managed by one vendor.

Meeting Trends in the Market

Azure is one of the leading cloud providers known for security protocols and protection of customer's data, for its AI and ML capabilities, and hybrid cloud support.

Comparing with Competitors

AWS VMware Integration

Cloud Regions: 17

Maximum Hosts: 300 (20 Clusters)

Cost: $8.368 monthly/hr

What's unique: AWS has the first-mover advantage and given high switching costs, it is difficult to switch cloud providers. It was also the first one to get the VMware integration

Customer Voice: It seems while a lot of organizations are on AWS already, fewer new customers are opting for or experimenting (10%) on AWS.*

GCP VMware Engine

Cloud Regions: 10

Maximum Hosts: 64 (21 clusters)

Cost: $9.29-$13.10 monthly/hr

What's unique: GCP acquired CloudSimple in 2019 which Azure was using to connect VMware environments to its cloud. It also has AI and ML capabilities.

Customer Voice: The true competition for new customers is here since a lot of customers (19%) are opting to experiment and planning to use GCP.*

Azure VMware Solution

Cloud Regions: 9

Maximum Hosts: 64

Cost: $9.21-$10.80 monthly/hr

What's unique: The Azure Resource Manager Integration and compatibility with Windows and SQL servers reduces certain costs. It also has new AI and ML capabilities.

Customer Voice: Azure is doing slightly better with new customers. It caught up well with AWS and now 13% of new customers are experimenting on it currently.*

*Figures from a survey by Flexera that asked 750 IT decision makers about their company's cloud strategies

Customer Perception and Experience: The Good News

After going through reddit, capterra, gartner, and many more review sites, here is what customers are saying about Azure VMware Solution and its competitors

"What I like most is the native integration of our vmware vpshere service."

"Disaster recovery is another great aspect of Azure VMware solution"

"Azure reduces the overall cost as the VMware workload is moved from on premises network to the cloud so maintenance will be less"

Customer Perception and Experience: The Good News

After going through reddit, capterra, gartner, and many more review sites, here is what customers are saying about Azure VMware Solution and its competitors

Several customers have sited their review of the solution and following are the common categories that come up:

Ease of use with VMware environment

Robust security

Easy to scale

Greater control of VMs

Hybrid cloud capabilities

Customer Perception and Experience:
The Bad News

After going through reddit, capterra, gartner, and many more review sites, here is what customers are saying about Azure VMware Solution and its competitors

"It seems the only reason people implement this is the skilset (or lack thereof) ."

"AVS is insanely expensive."

"AVS should be considered a short term solution while you migrate to Azure and modernize to PaaS."

Customer Perception and Experience: The Bad News

After going through reddit, capterra, gartner, and many more review sites, here is what customers are saying about Azure VMware Solution and its competitors

These are comments just from one thread on reddit. Several other customers have sited their review of the solution and following are the common categories that come up:

Cost Concerns

Loss of information

Long turnover times for customer support

Speed of implementation

Difficult to set up

What drives Purchase Decisions (the most important factors)

Vendor Relations

Ecosystem Integration

Cost

Support

Global Reach

Compliance

Customer Perception Map

Cost

Integrated with VMware

Map made based on reviews and qualitative data from comments and blogs. This is not a quantitative representation. Further analysis and data is needed to do the same.

- There are quite a few similarities in all the three solutions from app modernization to security and compliance features. Feature-wise, for customers all three seem on par with each other.

- Since Azure is developed in close collaboration with VMware and hosts VMware environments on its platform, it is considered quite integrated while AWS offers integration with its services such as EC2, S3, and RDS. GCP on the other hand offers a dedicated VMware stack on its platform such as vSphere, vCenter, and vSAN.

- However, the cost of Azure seems to pinch customers the most given that it is a service provided outside of current Azure packages. According to a techtarget blog, when calculated, AWS is 9% cheaper for on-demand usage and 3% less over a 3 year reserved pricing model. GCP appears to provide the most value since it provides 72C instances, on-demand prices, and double the cores for only 11% more cost than AWS.

Strengths

- Full VMware integration with VMware environment on Azure
- Good vendor relations with customers using Microsoft products and easy implementation with Windows and SQL server
- Reduced confusion with only one source of technical support, i.e., Microsoft
- Wide global reach

Weaknesses

- Since the Azure VMware solution is offered as an add-on, especially with the Pay-as-you-go plan, decision makers find it extremely expensive and would rather use Azure VMs and PaaS services and keep the VMware infrastructure separate on prem
- A relatively new entrant as compared to AWS
- It is considered a short-term solution while apps are being migrated to the cloud and modernized
- Support seems to be lacking and implementation difficult to understand

Opportunities

- Offering an innovative pricing plan (packaging is already quite innovative since it is bundled with Microsoft and Azure services)
- Creating more engaging and interactive content for the Developer community in partnership with VMware
- Focus on ease of implementing market trends such as disaster recovery as a service with VMware integration

Threats

- Competitors are massive corporations with a lot of resources to invest in this industry and quickly catch up to or invent features, reducing the competitive edge
- Since Microsoft is the main point of contact with the customers, any bad experience with customer service can cost two businesses, Microsoft and VMware
- GCP is catching up quite quickly with Azure in terms of popularity with customers

Recommendations

Based on insights gathered so far, there are three recommendations I would suggest. These are subject to change based on internal Microsoft data and quantitative data that I do not currently have access to and further research may reveal different recommendations.

01

Monthly Office Hours

One of the biggest issues developers face with the Azure VMware solution is the implementation. In addition to the documentation and demos, if there is a regular platform common to developers to ask questions about certain issues they are facing, it is informative and pre-emptive for many other developers and improves service turnarouns time as well.

02

### A Course in Collaboration with VMware

According to research by Accenture, 70% of developers would prefer to work with an ecosystem that is differentiated and meaningful. That means talking to customer success reps about most common grievances and making learning content different than our competitors. One way to do so which follows developers' solution-oriented mindset is to create a Azure VMware Solution learning course in collaboration with VMware that covers frequently asked questions and biggest technical roadblocks so developers have one place to learn and revise instead of looking at a very fragmented content landscape and finding it hard to get their questions answered without talking to Microsoft rep.

03

Justify Costs

This is already being done to some extent. However, for many cloud architects and IT decision makers, it is unclear how the Azure VMware Solution is cost-saving over just the Azure Cloud and VMware environment managed separately. Perhaps an exact cost breakdown done by sales reps while upselling on the VMware and Microsoft end would help.

FAQs
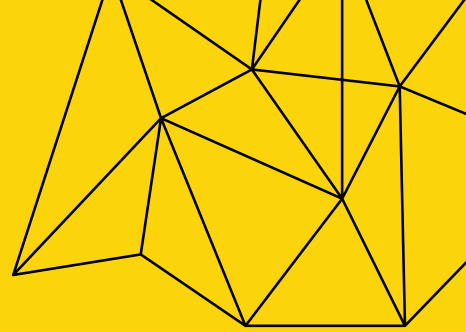
What was your research methodology?

I looked at multiple sources to gather customer data: review sites, the azure developer platform, comments on reddit and other social media, webinars and the q&a portions, and popular blogs with competitor comparisons. I also relied on ChatGPT to answer some questions and found validation for its claims on the above mentioned platforms. To gather industry data, I read multiple studies and also looked at Azure's and its competitor's websites.

Why isn't this presentation in Microsoft colours?

The rich, dark blue, and the darker shade of yellow represent my personal brand and personality. If you visit my website, you will find the same colours! The blue represents my reliability and resilience while the yellow represents my optimism and curiosity.

What kind of prompts did you give to ChatGPT?

The prompts started out basic such as 'Can you explain Azure VMware Solution as you were explaining it to a 10 year old?', and became much more specific such as 'What are some cloud computing trends Azure can capitalize on?', 'How is Azure unique as compared to its competitors?', 'Among all the trends that we discussed, which ones does Azure stand out in and which ones do its competitors stand out in?', 'How can Azure differentiate itself in the developer community?', and so on.

## If you had to take this research further what steps would you take?

This is just a starting point. Following are the next steps:
- Conduct surveys and interviews with customers
- Observe and analyze internal KPIs such as win-loss data, MQLs, SQLs, NPS scores, and more.
- Bring customer success and data science teams into the conversation to gather more qualitative data points to correlate with quantitative data observations.

Why did you make this project?

There are three reasons for creating this project:
- I admire Microsoft greatly and having worked with VMware and some of its partners, I believe I would be a great fit for therole. However, since I do not have a technical background, I wanted to showcase my ability to learn quickly and find the untapped opportunities the job description touched upon.
- I wanted to make sure my personality comes across as someone who has a growth mindset, provides value and believes in being customer-oriented.
- I am also a huge fan of DEI efforts and while Microsoft is doing a lot in this space, I want to represent women of colour in some of the more technical roles. After all, representation matters!
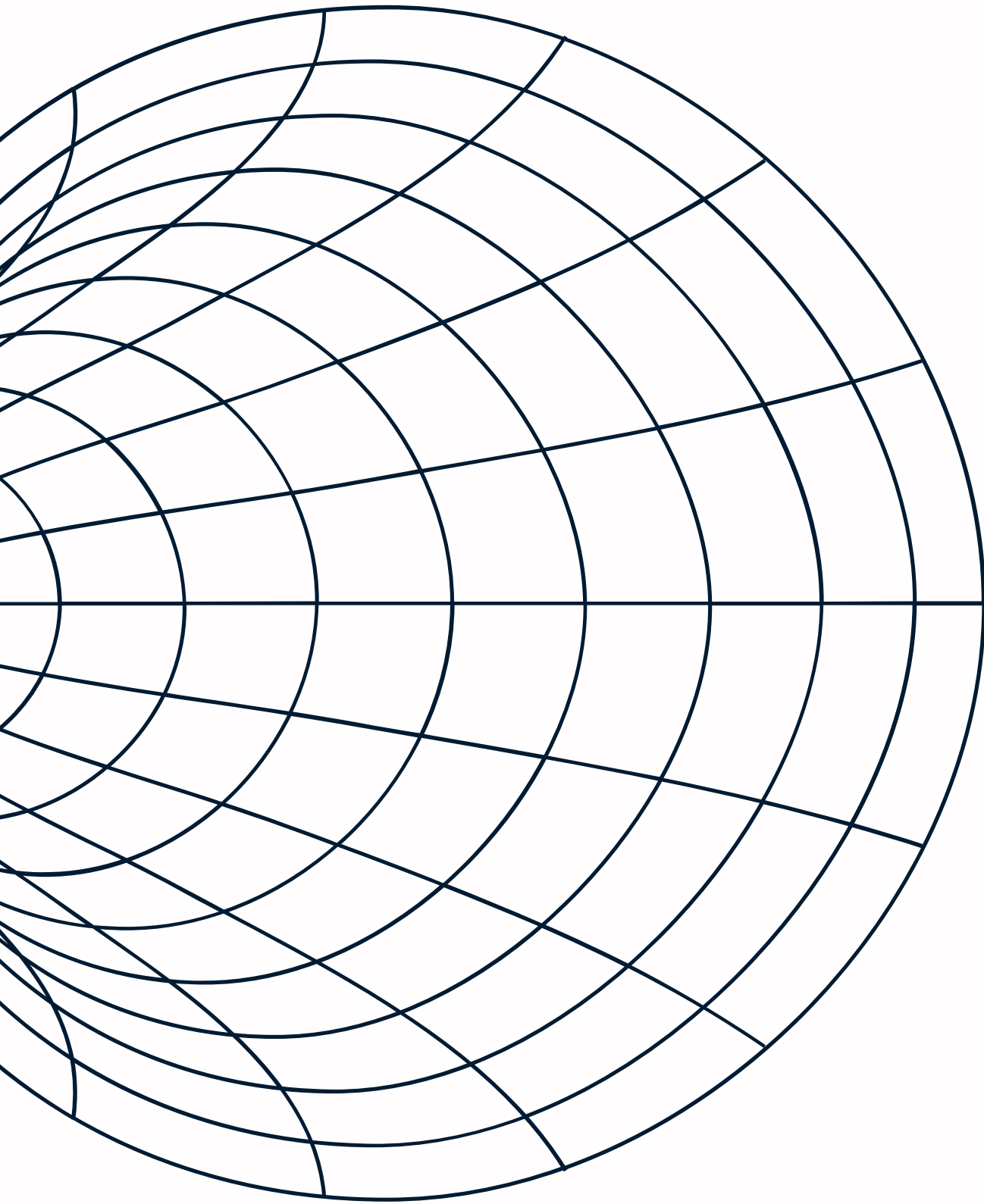
Thank You for Reading till the end!

If you have more questions, I would love to answer them over email or even better, an interview!

Endnotes

- https://azure.microsoft.com/en-us/products/azure-vmware
- https://www.reddit.com/r/AZURE/comments/11wncmj/azure_vmware_solution_whats_the_point/
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