

Rackspace® Virtualization Survey

Key Findings

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Key Findings

Introduction

The purpose of this research was to gain insight into the perceptions that our business customers have regarding the adoption of virtualization. The study was developed to better understand the adoption rate of virtualization among customers as well as their perceptions of its benefits and challenges.

Methodology

The methodology for this research involved sending an email survey to 2,955 Rackspace customers. More than 12 percent of survey recipients responded to the questions. Respondents were from the Rackspace U.S. customer base and were informed and assured that the identity of individual responses would be kept confidential and only aggregate results would be published.

A few Rackspace Perspectives:

- Virtualization is a maturing technology – the first phase has consisted of enterprise server consolidation, resulting in power and cost savings. These benefits have attracted the attention of the market, and as the second phase approaches, Web 2.0 companies, Software-as-a-Service providers and other web-intensive businesses will be able to leverage a properly designed virtualization platform to help them with management and performance of their infrastructure including enhanced flexibility, scalability and disaster recovery.
 - The Rackspace survey reveals that 57 percent of survey respondents use virtualization internally; and 72 percent would host mission-critical applications on a virtualization platform
 - Flexibility followed by cost and scalability ranked among the top benefits of virtualization.
- Virtualization is a highly-complex technology. Although businesses can consolidate infrastructures consisting of hundreds of servers down to a few dozen, the management and administration is much more complicated. The management tools behind virtualization are still immature, leaving service providers like Rackspace to develop their own and customers to lean on their hosting providers for the technical expertise in the new era of provisioning, networking, monitoring and more.
 - Seventy-one percent of survey respondents prefer to host mission-critical applications on a virtualization platform in conjunction with a third-party hosting provider.
 - Sixty-four percent of respondents who had not yet used virtualization prefer to test it through a hosting provider.
 - Web applications and application servers ranked among those applications best suited for virtualization when hosted through a third-party hosting provider.
- Service providers are well positioned to make virtualization work because they have the benefits of scale and the skills to make it work. However, many providers' virtualization offerings include only shared virtual hosting, which splices physical servers with virtualization software, loading physical servers with multiple customers' environments. This shared virtualization offering, which is common among other hosting providers, threatens the performance and security of customers' infrastructure as each customer's use of computing resources fluctuates, often negatively impacting their virtual "neighbors".
 - Only 13 percent of survey respondents were certain they would be willing to share a physical server with other virtualization hosting customers.
 - Forty-six percent of respondents were concerned with sharing a physical server with other companies because of performance vulnerabilities; 30 percent prefer not to share a physical server because of security.

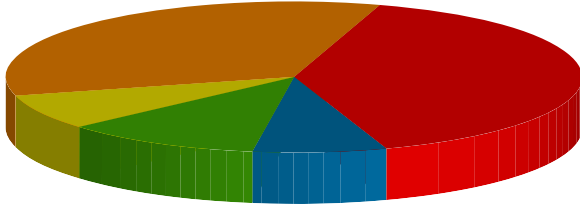
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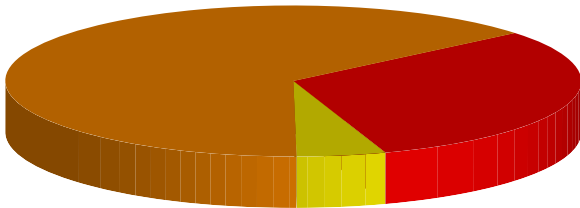


1. Have you ever used virtualization?



| | |
|---|------------|
| ■ Deep Use/Understanding | 40% |
| ■ Some Testing | 34% |
| ■ Not Yet - Intend to use within the Next 3 Years | 7.5% |
| ■ Not Yet - Unsure when I will use this Technology | 11% |
| ■ Never Heard of Virtualization | 7.5% |

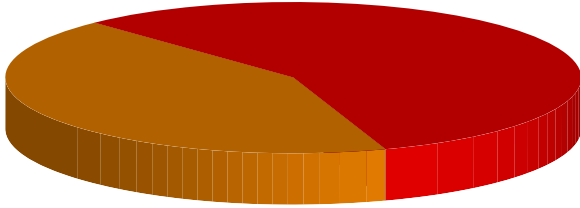
2. If you have not used virtualization yet, how would you prefer to test virtualization?



| | |
|--|------------|
| ■ In-House | 31% |
| ■ Partnership - Hosting Provider | 64% |
| ■ Other | 5% |

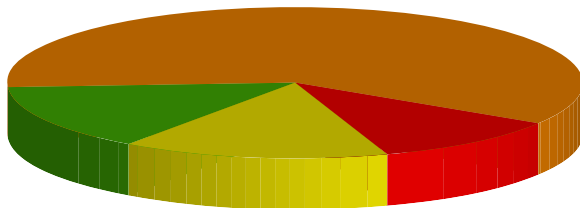
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3. Does your company use virtualization for internal infrastructure?



| | |
|---|-----|
|  Yes | 57% |
|  No | 43% |

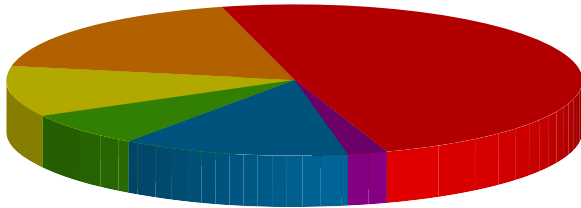
4. What virtualization vendor do you work with?



| | |
|--|-----|
|  Xen | 11% |
|  VMware | 60% |
|  Microsoft Virtual Server | 14% |
|  Other | 15% |

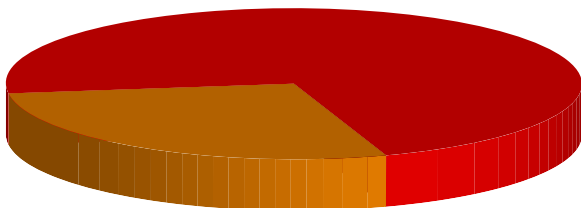
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5. How would you prefer to learn more about virtualization?



| | |
|--|------------|
| ■ Test It Myself | 49% |
| ■ Read Articles | 18% |
| ■ Listen to a Webinar | 11% |
| ■ Get an Update from My Technology Services Partner | 7% |
| ■ Discuss Options One-n-one with an Expert | 13% |
| ■ Other | 2% |

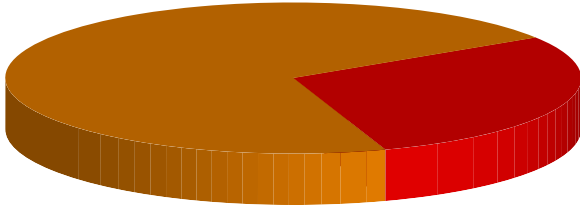
6. Would you host production, mission-critical applications using virtualization?



| | |
|--|------------|
| ■ Yes | 72% |
| ■ No | 28% |

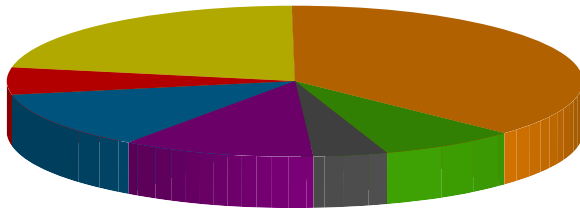
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7. How would you host these applications?



| | |
|--|------------|
| ■ In-House | 29% |
| ■ Third-Party Hosting | 71% |

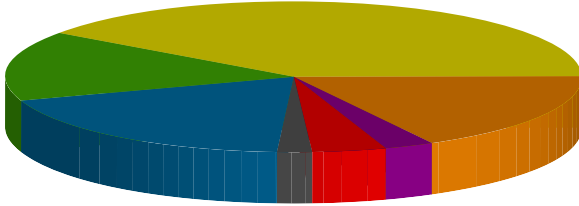
8. To your best of knowledge, what 2 applications are best-suited for virtualization when hosted internally?





| | |
|--|------------|
| ■ Traditional IT | 8% |
| ■ Testing/Development | 37% |
| ■ Web Applications | 22% |
| ■ Database | 6% |
| ■ App Server | 12% |
| ■ File/Print Server | 11% |
| ■ Other | 4% |

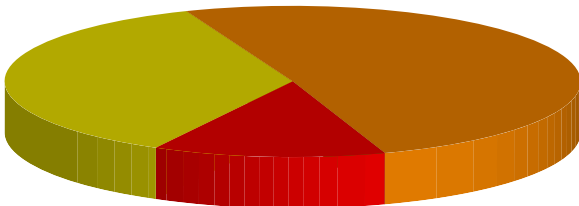
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9. To your best of knowledge, what 2 applications are best-suited for virtualization when hosted through a third-party hosting provider?



| | | |
|---|---------------------------|------------|
|  | Traditional IT | 3% |
|  | Testing/Development | 17% |
|  | Web Applications | 40% |
|  | Database | 15% |
|  | App Server | 19% |
|  | File/Print Server | 2% |
|  | Other | 4% |

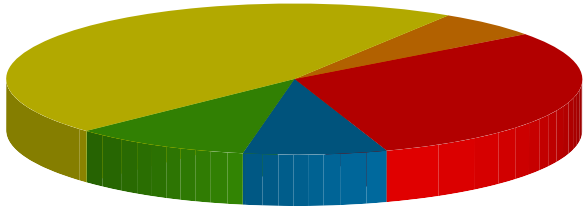
10. If your environment was hosted using virtualization through a third party, would you be willing to share the physical server with other hosting customers?





| | | |
|---|-------------|-----|
|  | Yes | 13% |
|  | No | 51% |
|  | Maybe | 36% |

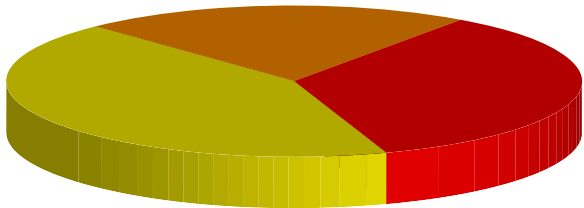
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11. What is the top concern that would discourage you from sharing a physical server with other customers?



| | | |
|---|----------------------|------------|
|  | Security | 30% |
|  | Uptime | 6% |
|  | Performance | 46% |
|  | Scaling Issues | 10% |
|  | Other | 8% |

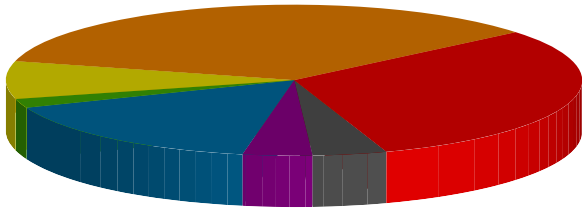
12. Would you prefer open source or proprietary virtualization products?



| | | |
|---|---------------------|------------|
|  | Open Source | 35% |
|  | Proprietary | 22% |
|  | No Preference | 43% |

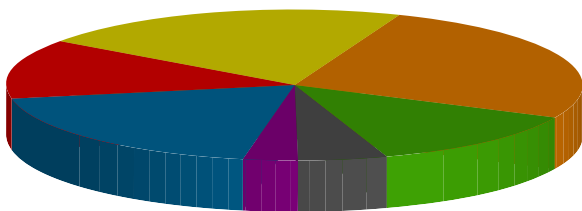
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13. To your best of knowledge, what are the 2 key benefits of virtualization?



| | |
|--|------------|
| ■ Lower Cost | 31% |
| ■ Flexibility | 35% |
| ■ Uptime/High Availability | 8% |
| ■ Performance | 2% |
| ■ Scalability | 16% |
| ■ Not Sure | 4% |
| ■ Other | 4% |

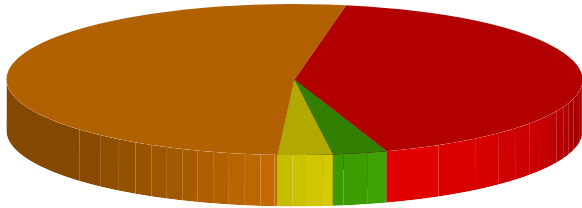
14. To your best of knowledge, what are the top 2 obstacles of virtualization?







| | |
|---|------------|
| ■ Security | 13% |
| ■ Lack of Expertise | 26% |
| ■ Immature Technology | 21% |
| ■ Scaling Issues | 13% |
| ■ Management/Administration | 19% |
| ■ Cost | 3% |
| ■ Other | 5% |

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15. How would you characterize the future impact of virtualization?



| | | |
|---|--|------------|
|  | Fundamental Change to Information Technology | 42% |
|  | Another Tool with Incremental Value | 52% |
|  | All Hype that will Blow Over | 3% |
|  | Other | 3% |

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