

CUSTOMER EXPERIENCE REPORT

CUSTOMER CENTRICITY AND SIMPLICITY

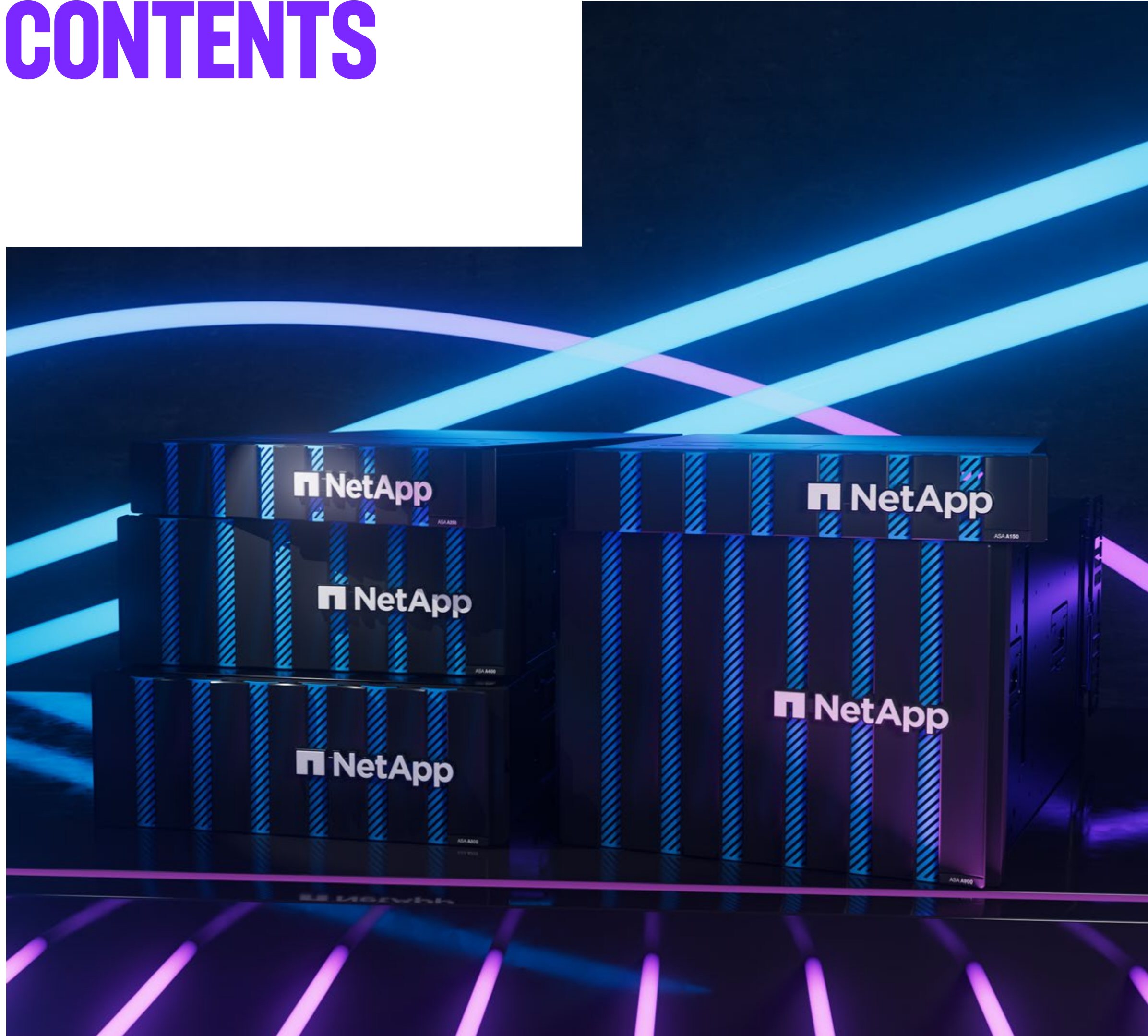
How NetApp delivers both

Spring | Summer 2024

 NetApp



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CUSTOMER EXPERIENCE IS AT THE CENTER OF EVERYTHING NETAPP DOES

The linchpin for enabling customer success.

With our 360-degree customer experience (CX) approach to managing your mission-critical business needs, we offer a simple and consistent data-driven experience—whether in the cloud, on premises, or in hybrid environments.

From evaluating vendor solutions to renewal, NetApp is committed to delivering an unparalleled and personalized customer experience across your entire journey. And it's all done with data.

This report is a summary of recent customer feedback and data gathered from various channels, emphasizing the need for data-driven decision making when crafting the customer experience.

We don't just rely on a single data point—we look at the experience our customers have with NetApp and examine that data from all our different listening vehicles and touchpoints along their journey. All of that feedback is taken into consideration when we summarize our performance while renewing our commitment to continuous improvement and strong outcomes for our customers.

This document is proof of NetApp's dedication to simplicity and customer loyalty. We're committed to building solutions that meet the evolving needs of our customer base.

Erica Moulton,
Senior Director, Customer and Partner Experience, NetApp



DEMOGRAPHICS AND INSIGHTS

NetApp combines innovation and simplicity to deliver the best customer experience.

Demographics

We regularly receive feedback from nearly 30,000 NetApp customers and partners annually. Our 2023 customer survey is just one example of several listening channels we leverage to gather feedback. We expanded this year's report to provide a more complete picture of the customer journey, including a cloud customer journey. We also included more questions to gather details on our customers' cloud plans.

Innovation

Survey results show that NetApp is seen as highly innovative in on-prem and hybrid cloud data storage:

91% of respondents say that NetApp is a company with innovative technology in on-premises data management and storage.

80% say NetApp is a company with innovative cloud technology.

NetApp improved by nine points in cloud innovation this year. This reflects our ongoing innovation in the cloud space while demonstrating our continued commitment to our customers' on-prem needs.

NetApp is shown as a proven, innovative company across the board with its holistic portfolio of storage and data management solutions for a wide variety of use cases, no matter where our customers' data resides.

Simplicity

To deliver the best customer experience and the greatest value, NetApp is committed to embracing simplicity. We have found that being "easy to do business with" has the biggest impact on our relationship with customers. And making it easy to resolve technical support cases has the biggest impact on being easy to do business with. Survey results indicate:

Customers find that **NetApp is easy to do business with**, especially cloud-focused users.

85% of respondents say NetApp is easy to do business with.

75% of respondents say doing business with NetApp in their own language is easy.

82% of enterprise customers feel that NetApp operates as one unified company.

WE LISTENED AND WE ACTED

Your feedback inspired the creation of new NetApp products.

We received extensive feedback from customers highlighting several challenges they regularly face in connecting and managing storage assets on multiple digital platforms.

Customers expressed a need to:

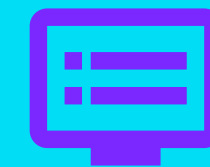
- Simplify management of storage and data services across multiple on-premises and cloud environments.
- Manage multiple environments through a single pane of glass.
- Make data more accessible.
- Have simplified storage options for cost-constrained budgets.

We listened and we created new products to directly address those challenges:



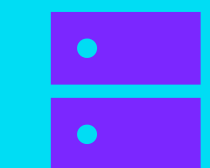
NetApp BlueXP

The NetApp® BlueXP® unified control plane simplifies hybrid multicloud management with an intuitive interface, insights, automation, flexible consumption control, and integrated data protection and security.



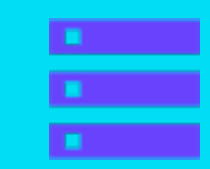
NetApp ONTAP One

NetApp ONTAP® One is a common platform managed through BlueXP that enables customers to manage on-premises and cloud storage environments with a single license.



NetApp AFF C-Series Systems

These systems offer lower-cost all-flash storage, without sacrificing simplicity or ease of use.



NetApp All-Flash SAN Arrays (ASA)

Our ASA systems provide continuous availability, simplified data protection and management, and nondisruptive scalability to support large-scale SAN environments.

What is loyalty?

Loyalty is defined as a customer's commitment to NetApp expressed in consistent behavior, a combination of behavioral loyalty (repeat purchases) and attitudinal loyalty (commitment to NetApp).

Simply put, customer loyalty is about practicality, value, and the quality of the customer's experience.



CUSTOMER LOYALTY

We emphasize customer loyalty a lot at NetApp. Putting the customer at the center of everything we do has been one of NetApp's core values since its founding in 1992.

Unlike our competitors, we look beyond the net promoter score (NPS) and customer satisfaction score (CSAT) to build a more holistic, 360-degree approach to the customer experience. In addition to NPS, we also measure satisfaction, simplicity, quality, and other attributes to cast a broader data net and deliver more accurate customer experience insights. But the most important benchmark that we measure our customer experience against is loyalty.

Building customer loyalty is no easy task. Loyalty is built on understanding the customer, requiring in-depth, data-backed decision making and a commitment to building strong relationships.

Companies need to be sure that their corporate commitment to delivering a stellar customer experience is significant enough to retain customer loyalty—especially as customers look for opportunities to cut spending and move away from companies that don't deliver in terms of value. People should feel the character of your company at every touchpoint throughout their customer journey, helping to foster positive customer relationships.

The most important benchmark that we measure our customer experience against is loyalty.

CUSTOMER EXPERIENCE ATTRIBUTES

Customers ranked NetApp high in seven key customer experience attributes.

Easy to do business with

NetApp is easy to do business with.

85%

Innovation in cloud and on-prem

NetApp is a company with innovative cloud technology.

80%

Strategic partnership

NetApp is a company with innovative technology in on-premises data management and storage.

91%

NetApp is a strategic partner in my business growth and success.

82%

One NetApp

NetApp feels like one company, no matter who I interact with.

78%

Outside in

NetApp uses customer feedback to improve my experience.

74%

Sustainability

NetApp is a strong partner in helping achieve corporate sustainability goals.

76%

WHY OUR CUSTOMERS CHOOSE NETAPP

Delivering solutions that meet a variety of customer needs is consistently the top reason customers work with NetApp. However, having a solid customer experience has risen in importance over time.

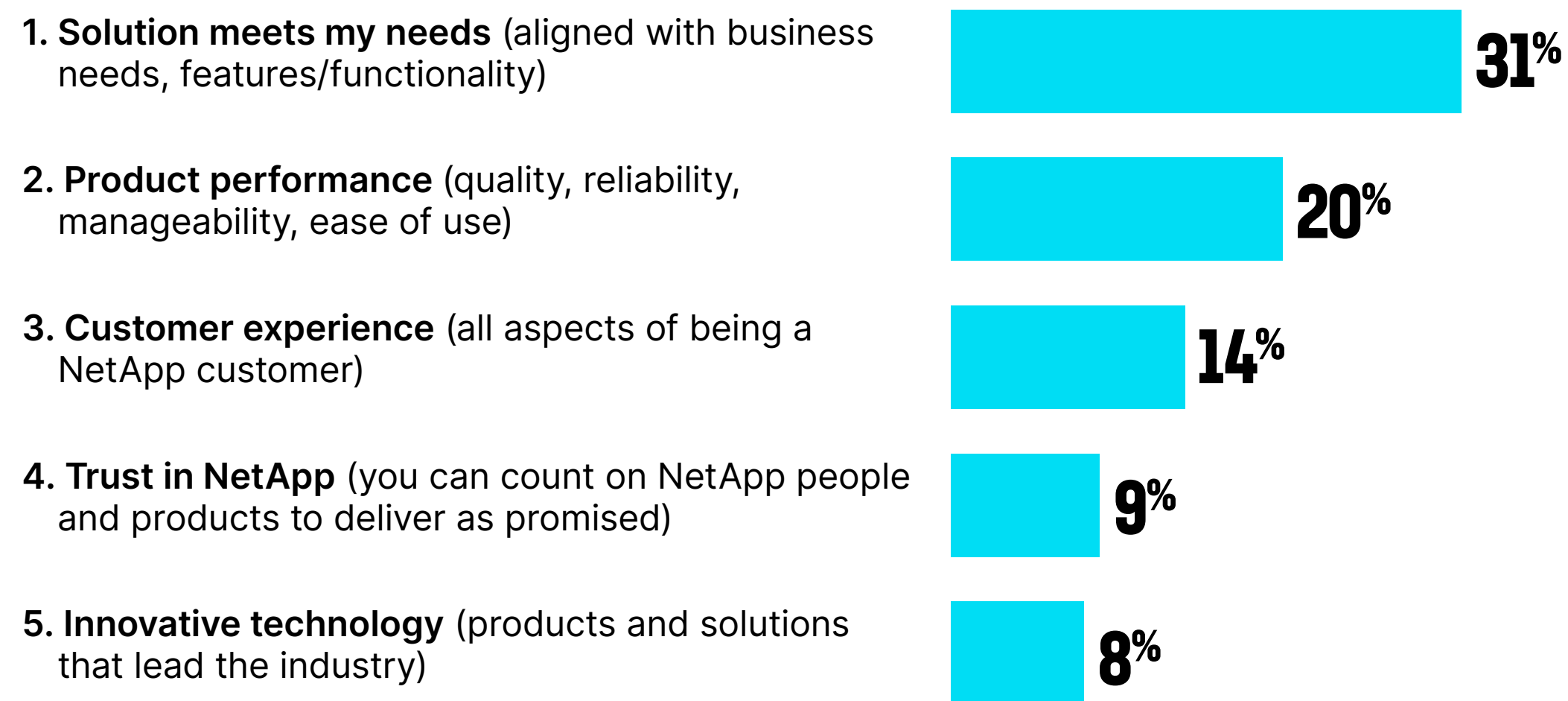


Figure 1: Reasons for being a NetApp customer.

When it comes to selecting a cloud service or solution, customers' primary considerations are functionality and capabilities. Cost is a distant second. NetApp's strength is hybrid cloud data management, an area where NetApp leads the competition in helping our customers choose the location and media where their data provides the most value.

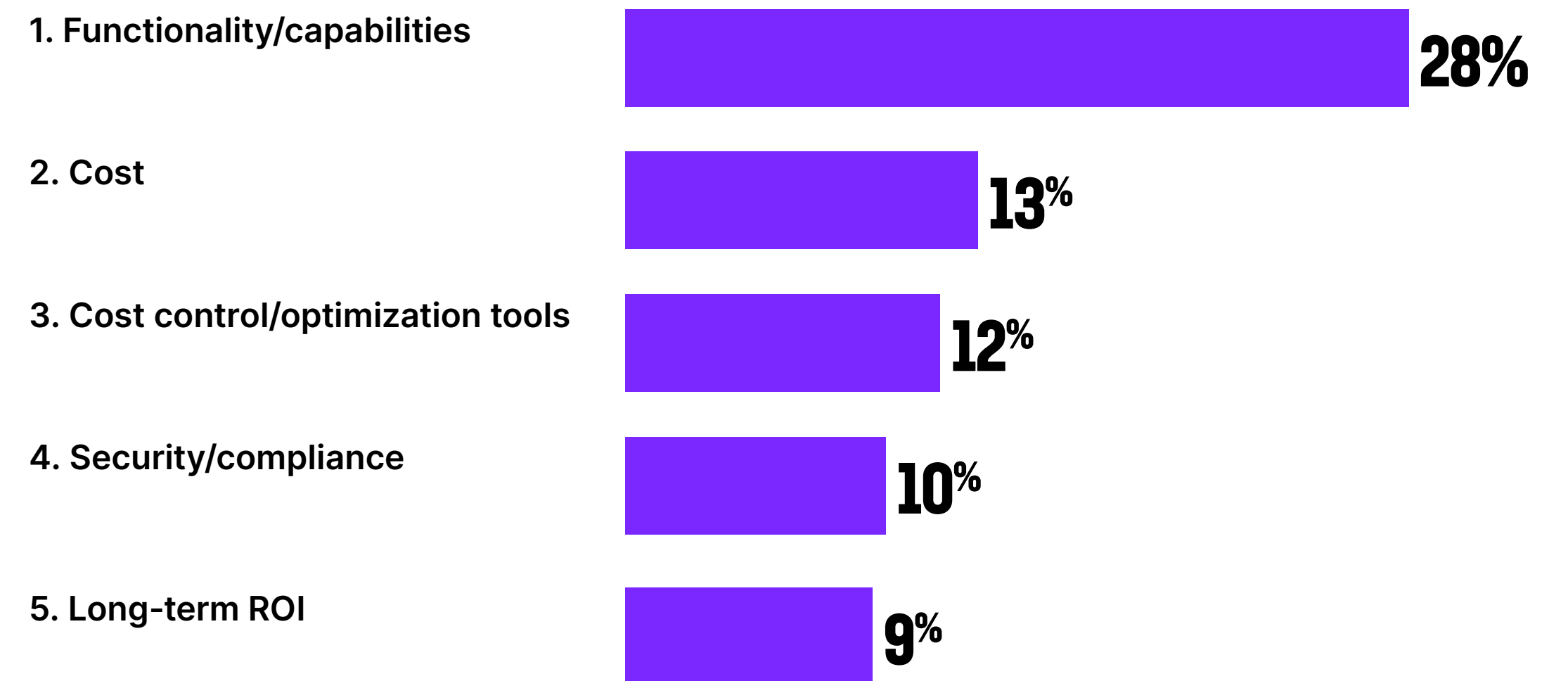


Figure 2: Primary considerations when selecting a cloud service or solution.

WHAT OUR CUSTOMERS DO WITH NETAPP

For specific workloads that our customers choose NetApp for, backup and migration continue to be #1. Disaster recovery is a close second. As workloads become more complex and data requirements become more diversified, we expect to see this list fluctuate as customers change how they use NetApp in their environments.

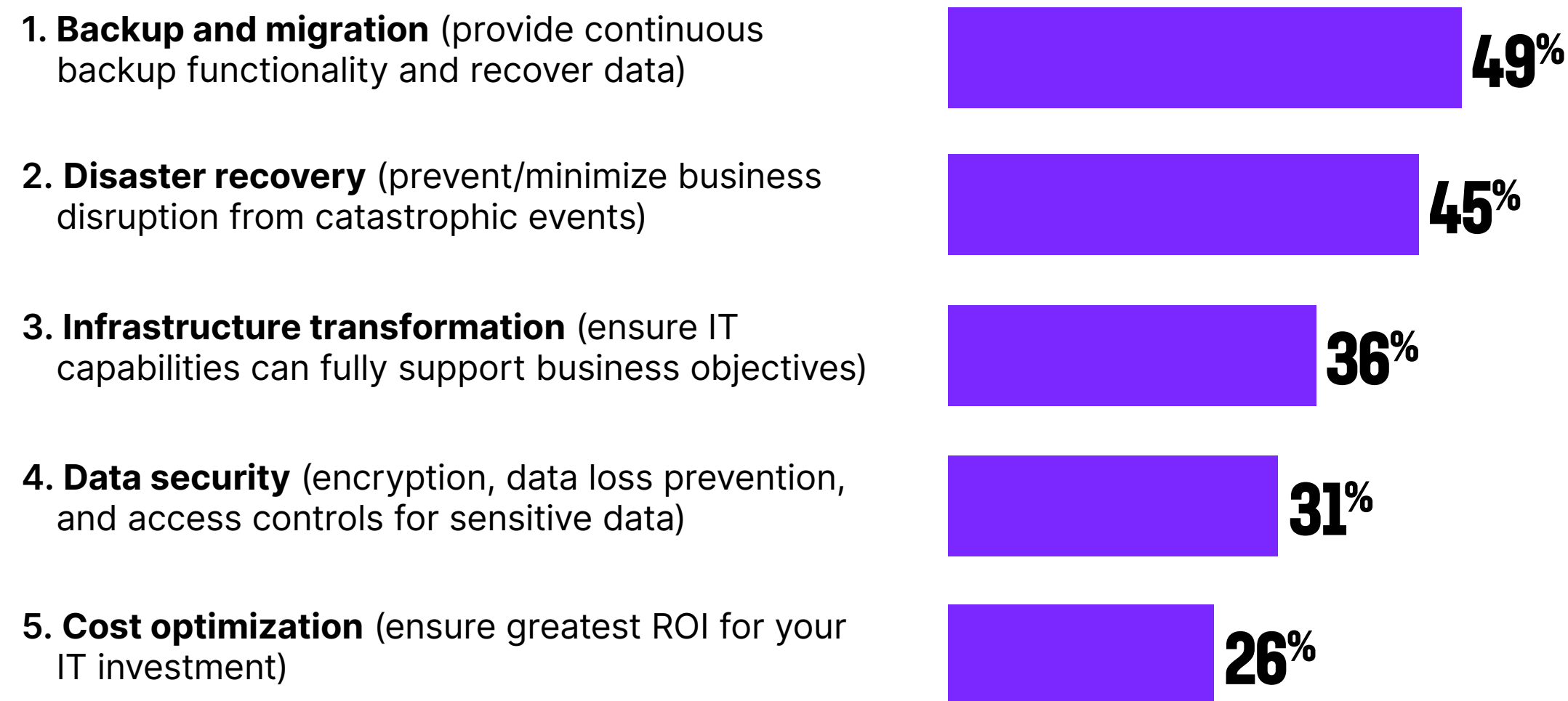


Figure 3: Most important business objectives that customers use NetApp for.

Customers stated that virtualization workloads such as VMware and HyperV are the most important on-premises workloads they are running today and expect them to remain so in the future. Database workloads are a distant second.

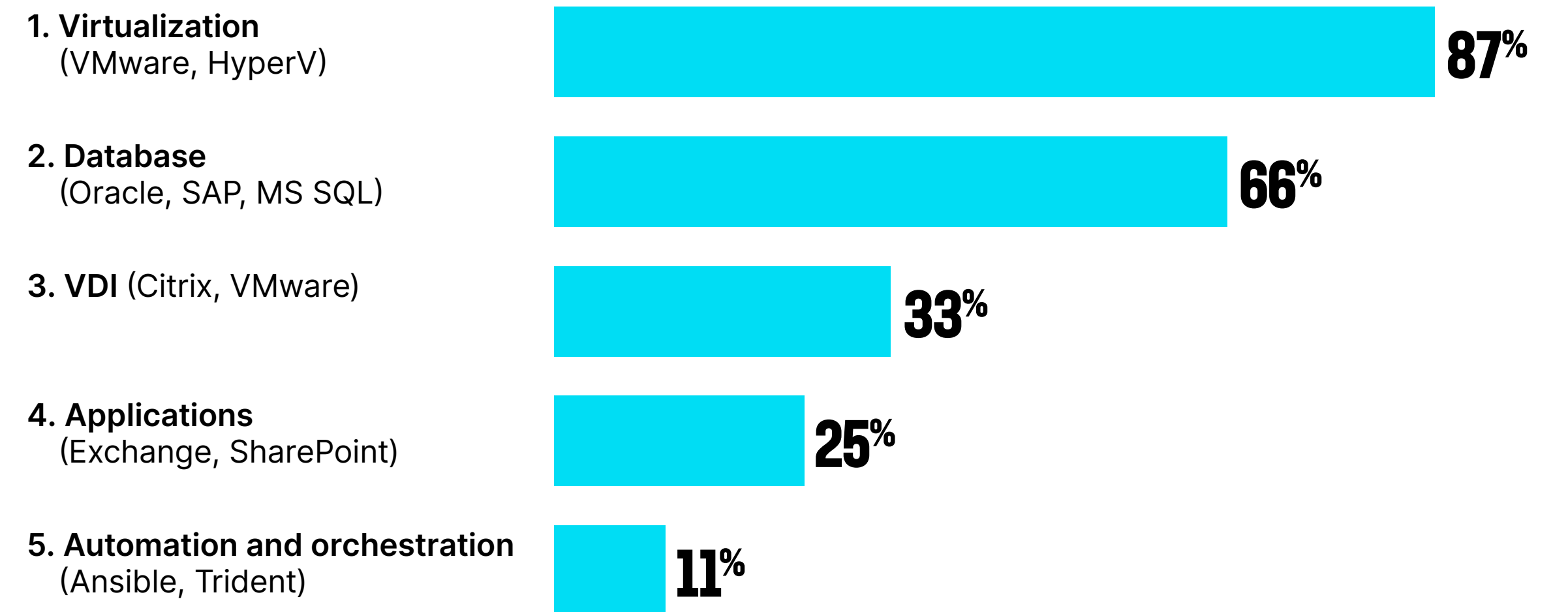


Figure 4: Most important data workloads in storage environments today.

THE CUSTOMER'S JOURNEY WITH NETAPP

We asked our customers to rate their NetApp experience at each stage of the customer journey. As the stages progress from **Discover and Evaluate** to **Onboard**, and then **Use**, this framework strikes the right balance between experience and expectations.

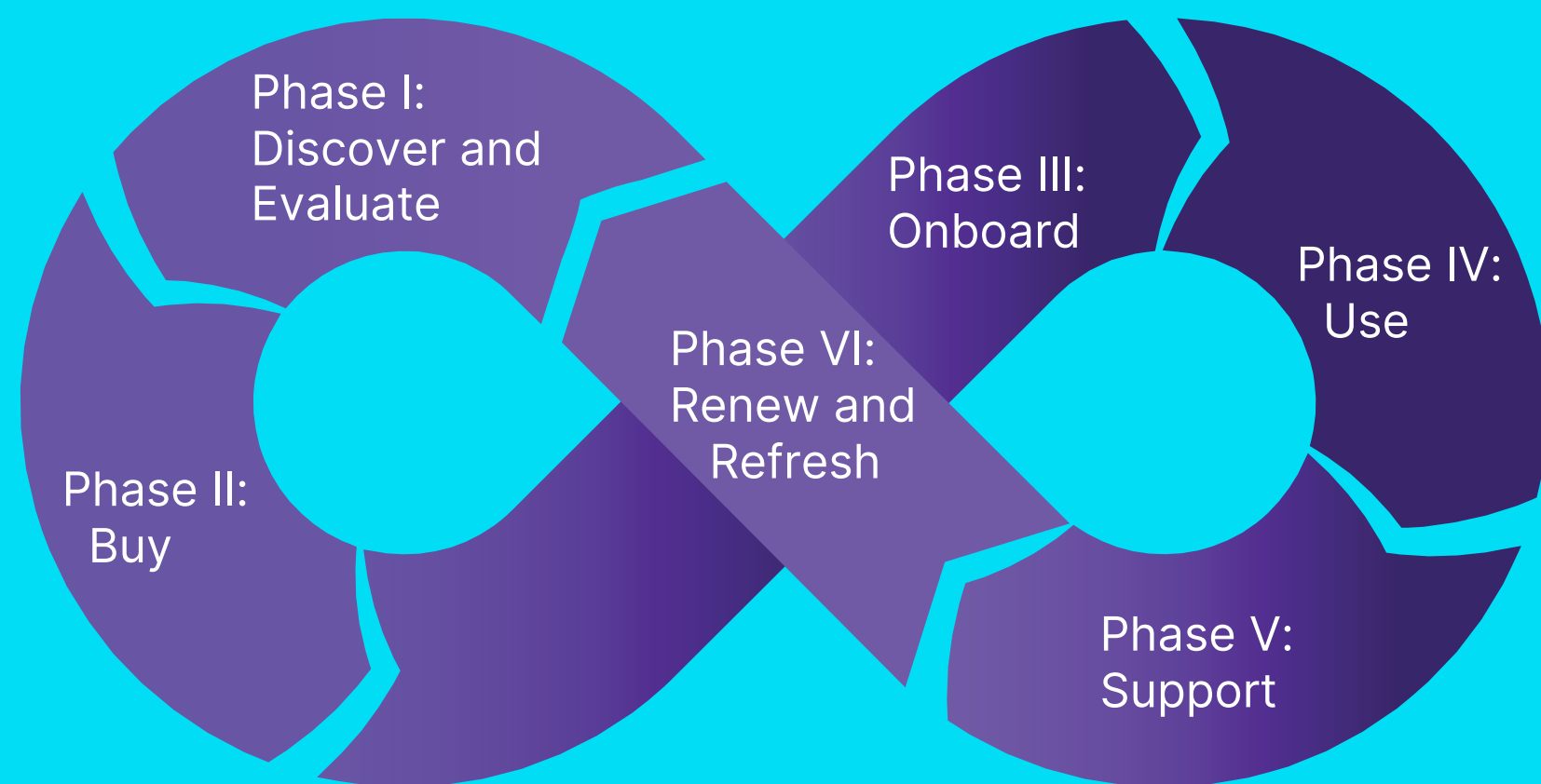


Figure 5: Phases of the customer's journey.

KEY TAKEAWAYS

Here are some important takeaways from our customer feedback, broken down by each phase of the customer journey.

DISCOVER AND EVALUATE 83% satisfaction	Account reps, NetApp.com, and partners are the top sources of information for customers. NetApp gets high marks for providing potential customers with information about services, options, and benefits.
BUY 81% satisfaction	Customers purchase NetApp both through partners and directly from NetApp. Multiple efforts have been made to simplify our purchasing processes for customers—both with NetApp and through our channel partners around the world.
ONBOARD 86% satisfaction	NetApp's installation process continues to be highly rated. 88% of respondents say NetApp's products are easy to set up. Having the right level of expertise is important for customers during installation.
USE 86% satisfaction	Customers say that NetApp's hybrid cloud and on-premises products are easy to use and manage. NetApp StorageGRID® and EF-Series customers have the highest product satisfaction (93% and 100% respectively).
SUPPORT 82% satisfaction	Customers find it easy to resolve technical support cases.
RENEW AND REFRESH 77% satisfaction	Support contract value is a key driver of loyalty.

PURCHASING DECISIONS AND FUTURE PLANS

We asked customers to share how they plan to make IT purchasing decisions in the future. Here are some of the most important insights.

Cloud

Customers are slowly migrating to the cloud.

- 42% of respondents who are “all on premises” today plan to use cloud in the next 12 months.
- The percentage of respondents who are “all on premises” decreased from 43% in 2022 to 29% in 2023.
- Respondents who are “mostly on premises” increased to 51% from 40%.

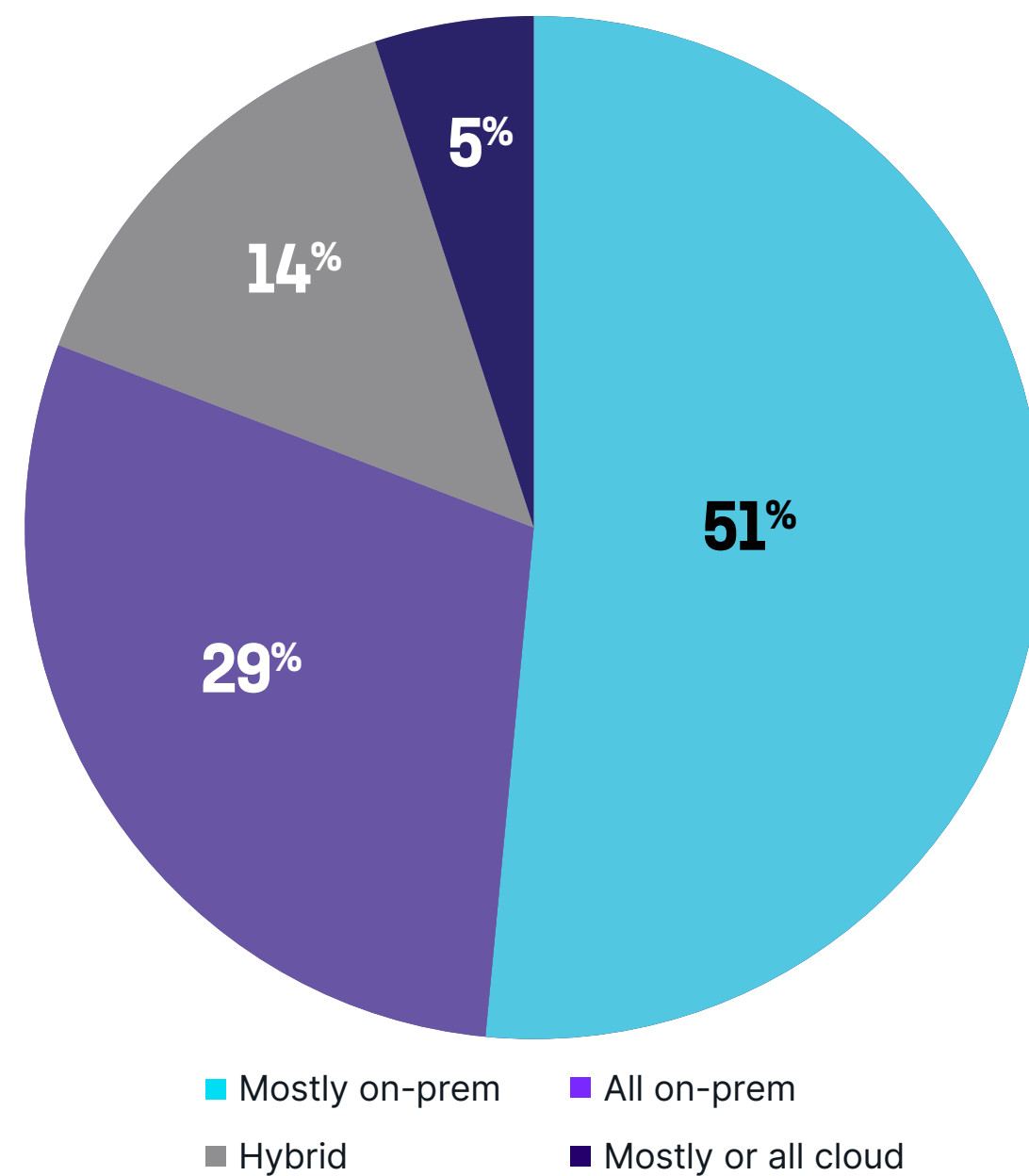


Figure 6: Current cloud utilization.

Factors in future purchasing decisions

Given the current economic climate, customers are more cost sensitive than in the past. They are being asked to do more with less. Making it easy for them to manage their data estate while adhering to budget restrictions is paramount.

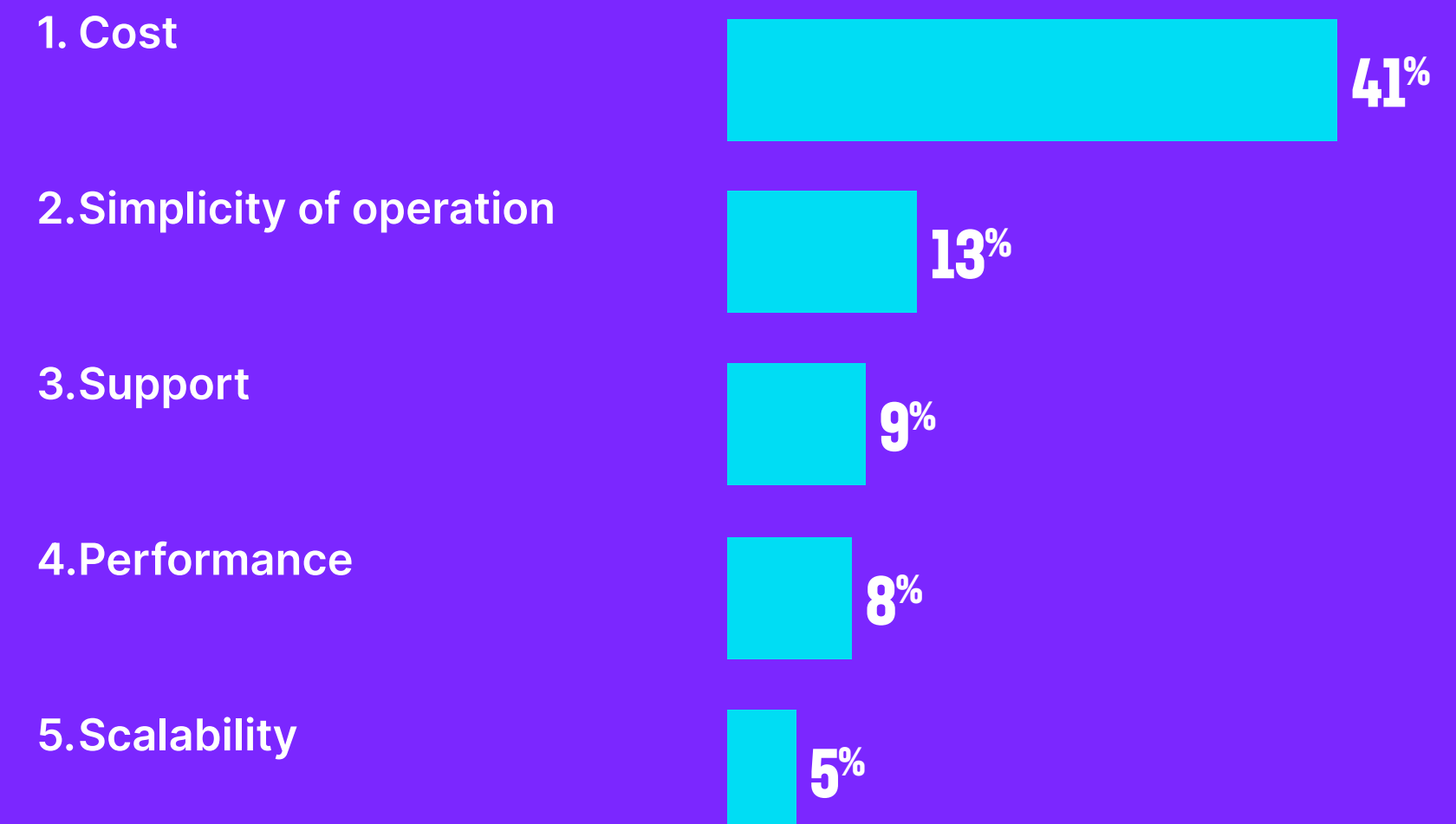


Figure 7: Biggest impact on future purchasing decisions.

PURCHASING DECISIONS AND FUTURE PLANS

Despite the industry's current attention on cloud, for the foreseeable future, customers will likely always be looking for a mix of cloud and on-prem solutions. Striking the right balance for customers based on costs, simplicity, performance and security will be critical for future success.

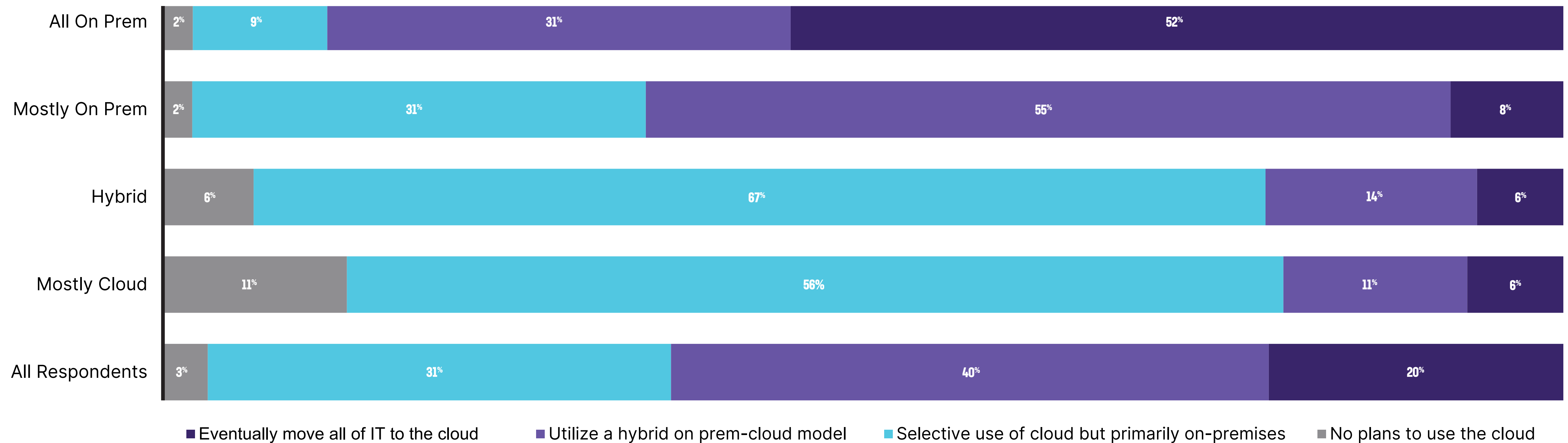


Figure 8: Future expectations for cloud utilization over the next 12 months.

LEARN MORE

As we continue to invest in the success of our customers and partners, we will lean on the power of data to inform our business decisions and help us provide the services and solutions that make a difference for our users.

→ Learn more at www.netapp.com/customer-experience



About NetApp

NetApp is the intelligent data infrastructure company, combining unified data storage, integrated data services, and CloudOps solutions to turn a world of disruption into opportunity for every customer. NetApp creates silo-free infrastructure, harnessing observability and AI to enable the industry's best data management. As the only enterprise-grade storage service natively embedded in the world's biggest clouds, our data storage delivers seamless flexibility. In addition, our data services create a data advantage through superior cyber resilience, governance, and application agility. Our CloudOps solutions provide continuous optimization of performance and efficiency through observability and AI. No matter the data type, workload, or environment, with NetApp you can transform your data infrastructure to realize your business possibilities. www.netapp.com



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