

## **ASP Use, Satisfaction Continue to Increase**

### ***ASP Industry Consortium Releases Second of Quarterly Tracking Studies***

More business are turning to application service providers (ASPs) for their computing needs and are increasingly satisfied with the service they receive, according to the results of the most recent customer tracking survey. The survey, the second in a quarterly series, was commissioned by the ASP Industry Consortium, an international advocacy group of companies formed to promote the application service provider industry by sponsoring research, fostering best practices and articulating the measurable benefits of the ASP delivery model. It was performed by Zona Research, Inc., of Redwood City, Calif., at the direction of the consortium's research committee, which is chaired by Sheila Boughner of Hewlett-Packard.

At the same time that ASP usage is on the rise, customer service continues to improve, based upon the respondents' satisfaction with their ASP contracts and the average time it took ASPs to respond to customer support issues.

And, among the reasons for using an ASP, cost savings, the ability to focus on business objectives and speed of application implementation continue to be the most frequently cited factors influencing the ASP purchase decision.

"Given the relative youth of the ASP industry, these quarterly tracking studies are important because they allow us to gauge customer attitudes and receptiveness on an ongoing basis," noted Boughner. "The ASP Industry Consortium is very focused on end users and staying abreast of their feelings gives our members the ability to act accordingly in providing the best service possible."

The sampling was done of 131 senior and executive level managers and IT professionals in the U.S. who have purchasing authority for or involvement with general office productivity or software.

Among the key findings of the study are:

- Of respondents meeting the survey criteria, 63.4-percent said their companies currently access applications that are paid for on a rental or as-needed basis through an ASP, up from 52.4-percent of respondents who answered in the affirmative during the first quarter survey.
- Most respondents who are using an ASP model indicated that they are currently purchasing between two and six applications from an ASP. That number is consistent with responses seen in the first quarter survey.
- An overwhelming majority - 90-percent - said their service level agreement provided by their ASP meets their needs, up from 81-percent in the first quarter survey. Of the 10-percent answering in the negative, the answer most commonly given as to what changes could be made to their current SLA to meet their standards continues to be "greater guaranteed availability," followed by "better responsiveness to SLA violations."
- In the second quarter survey, 53.1-percent of respondents using an ASP said the average response time to customer support issues was less than one hour. That figure was up from 43.6-percent in the first quarter survey. In addition, only 6-percent of the ASP customers said that response time to customer support issues was over 24 hours, as compared to 8-percent who answered in that fashion in the first quarter survey.
- Respondents continue to rank "security of my data may be compromised" as the most important potential issue that could arise from using an ASP.

The most important factors in influencing the ASP purchase decision among the second quarter survey respondents were the ability to focus on achieving strategic business objectives; a reduction in the total

cost of application ownership; and the ability to more quickly implement new applications. The ranking of these factors shifted somewhat from those cited in the first quarter survey.

The Consortium's Research Committee this year will commission more than a dozen studies and/or survey's covering a variety of markets and topics relating to application service provisioning. Results are available free of charge to all ASP Industry Consortium members through the Consortium's Web site, [www.allaboutasp.org](http://www.allaboutasp.org).

Importance of Factors Influencing the ASP Purchase Decision (Mean) Ranked on a Scale of 1 (Not Important at All) to 5 (Extremely Important):

<b>Business Factor</b>	<b>First Quarter '00</b>	<b>Second Quarter '00</b>
Reduces Total Cost of Ownership	4.3	4.2
Enables you to Focus on Achieving Strategic Business	4.2	4.3
Frees IT Resources to Focus on Internal Mission Critical Applications	4.1	4.0
Enables the Organization to More Quickly Implement New Applications	4.1	4.1
Reduces or Eliminates Application Admin. Tasks	4.0	4.0
Better Allocates Costs by Paying Monthly Fees vs. Large Up-Front Purchase Costs for Applications	3.8	3.8
Enables Seamless Access to Applications from Remote Offices and Locations	3.8	4.0
Compensates for Lack of Internal IT Resources	3.8	3.8
Provides the Ability to Have Fixed, Predictable Application Costs	3.8	3.6

Enables Access to Applications the Organization Would Not Otherwise Be Able to Afford 3.8 3.8

Reduces Time-to-Market 3.6 3.5

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