



Worldwide Converged Systems Market Grows 3.5% Year Over Year During the Third Quarter of 2019, According to IDC

FRAMINGHAM, Mass., December 12, 2019 – According to the International Data Corporation (IDC) [Worldwide Quarterly Converged Systems Tracker](#), worldwide converged systems market revenue increased 3.5% year over year to \$3.75 billion during the third quarter of 2019 (3Q19).

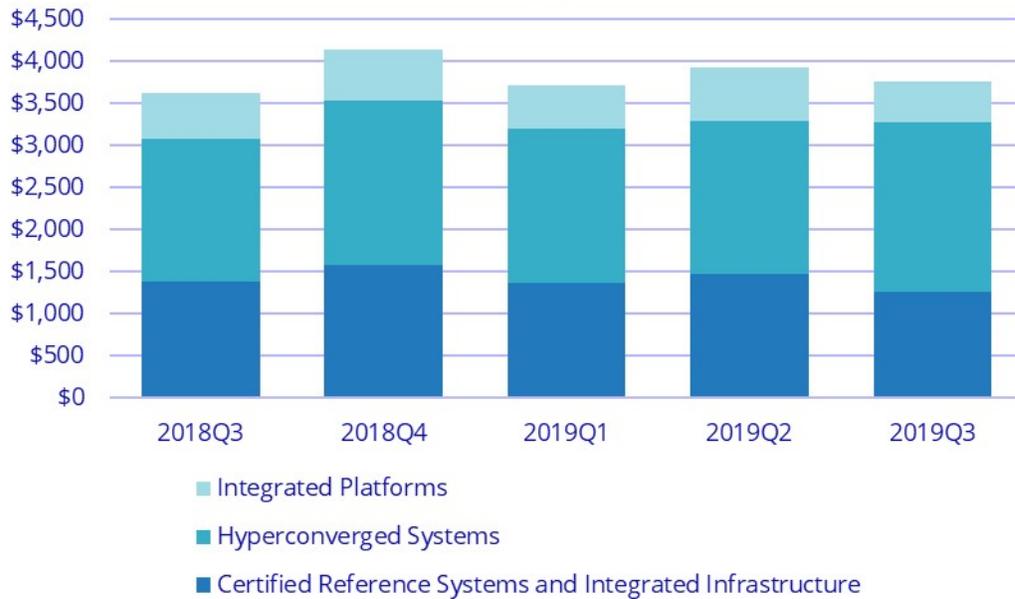
"The converged systems market continues to grow despite a challenging overall datacenter infrastructure environment," said [Sebastian Lagana](#), research manager, Infrastructure Platforms and Technologies at IDC. "In particular, hyperconverged solutions remain in demand as vendors do an excellent job positioning the solutions as an ideal framework for hybrid, multi-cloud environments due to their software-defined nature and ease of integration into premises-agnostic environments."

Converged Systems Segments

IDC's converged systems market view offers three segments: certified reference systems & integrated infrastructure, integrated platforms, and hyperconverged systems. The certified reference systems & integrated infrastructure market generated roughly \$1.26 billion in revenue during the third quarter, which represents a contraction of 8.4% year over year and 33.7% of all converged systems revenue. Integrated platforms sales declined 13.9% year over year in 3Q19, generating \$475 million worth of sales. This amounted to 12.6% of the total converged systems market revenue. Revenue from hyperconverged systems sales grew 18.7% year over year during the third quarter of 2019, generating nearly \$2.02 billion worth of sales. This amounted to 53.7% of the total converged systems market.

Figure 1

Worldwide Converged Systems Market by Product Category, 2019Q3



Source: IDC 2019

IDC offers two ways to rank technology suppliers within the hyperconverged systems market: by the brand of the hyperconverged solution or by the owner of the software providing the core hyperconverged capabilities. Rankings based on a branded view of the market can be found in the first table of this press release and rankings based on the owner of the hyperconverged software can be found in the second table within this press release. Both tables include all the same software and hardware, summing to the same market size.

As it relates to the branded view of the hyperconverged systems market, Dell Technologies was the largest supplier with \$708.4 million in revenue and a 35.1% share. Nutanix generated \$262.2 million in branded hardware revenue, representing 13.0% of the total HCI market during the quarter. There was a 3-way tie* for third between Cisco, Hewlett Packard Enterprise, and Lenovo, generating \$109.0 million, \$91.9 million, and \$91.5 million in revenue each, which represents 5.4%, 4.6%, and 4.5% share of the market share respectively.

Top 3 Companies, Worldwide Hyperconverged Systems as Branded, Q3 2019 (revenue in \$M)					
Company	3Q19 Revenue	3Q19 Market Share	3Q18 Revenue	3Q18 Market Share	3Q19/3Q18 Revenue Growth
1. Dell Technologies ^a	\$708.4	35.1%	\$496.8	29.3%	42.6%
2. Nutanix	\$262.2	13.0%	\$281.2	16.6%	-6.8%
T3. Cisco*	\$109.0	5.4%	\$78.1	4.6%	39.5%
T3. Hewlett Packard Enterprise*	\$91.9	4.6%	\$80.3	4.7%	14.4%
T3. Lenovo*	\$91.5	4.5%	\$58.8	3.5%	55.6%
Rest of Market	\$753.0	37.4%	\$703.0	41.4%	7.1%
Total	\$2,016.1	100.0%	\$1,698.3	100.0%	18.7%
Source: IDC Worldwide Quarterly Converged Systems Tracker, December 12, 2019					

Table Notes:

^a Dell Technologies represents the combined revenues for Dell and EMC sales for all quarters shown.

* IDC declares a statistical tie in the worldwide converged systems market when there is a difference of one percent or less in the share of revenues or unit shipments among two or more vendors.

From the software ownership view of the market, new systems running VMware hyperconverged software represented \$766.2 million in total 3Q19 vendor revenue, or 38.0% of the total market. Systems running Nutanix hyperconverged software represented \$549.2 million in third quarter vendor revenue or 27.2% of the total market. Both amounts represent the value of all HCI hardware, HCI software, and system infrastructure software sold, regardless of how it was branded at the hardware level.

Top 3 Companies, Worldwide Hyperconverged Systems Revenue Attributed to Owner of HCI Software, Q3 2019 (revenue in \$M)					
Company	3Q19 Revenue	3Q19 Market Share	3Q18 Revenue	3Q18 Market Share	3Q19/3Q18 Revenue Growth
1. VMware	\$766.2	38.0%	\$591.6	34.8%	29.5%
2. Nutanix	\$549.2	27.2%	\$572.3	33.7%	-4.0%
T3. Dell Technologies ^{a*}	\$118.8	5.9%	\$71.8	4.2%	65.5%
T3. Cisco*	\$109.0	5.4%	\$78.1	4.6%	39.5%
Rest of Market	\$472.9	23.5%	\$384.5	22.6%	23.0%
Total	\$2,016.1	100.0%	\$1,698.3	100.0%	18.7%
Source: IDC Worldwide Quarterly Converged Systems Tracker, December 12, 2019					

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Taxonomy Notes

Beginning with the release of 2019 results, IDC has expanded its definition of the hyperconverged systems market segment to include a new breed of systems called Disaggregated HCI (hyperconverged infrastructure). Such systems are designed from the ground up to only support distinct/separate compute and storage nodes. An example of such a system in the market today is NetApp's HCI solution. They offer non-linear scaling of the hyperconverged cluster to make it easier to scale compute and storage resources independent of each other while offering crucial functions such as quality of service. For these disaggregated HCI solutions, the storage nodes may not have a hypervisor at all, since they don't have to run VMs or applications.

IDC defines converged systems as pre-integrated, vendor-certified systems containing server hardware, disk storage systems, networking equipment, and basic element/systems management software. Systems not sold with all four of these components are not counted within this tracker. Specific to management software, IDC includes embedded or integrated management and control software optimized for the auto discovery, provisioning and pooling of physical and virtual

compute, storage and networking resources shipped as part of the core, standard integrated system. Numbers in this press release may not sum due to rounding.

Certified reference systems & integrated infrastructure are pre-integrated, vendor-certified systems containing server hardware, disk storage systems, networking equipment, and basic element/systems management software. Integrated platforms are integrated systems that are sold with additional pre-integrated packaged software and customized system engineering optimized to enable such functions as application development software, databases, testing, and integration tools. Hyperconverged systems collapse core storage and compute functionality into a single, highly virtualized solution. A key characteristic of hyperconverged systems that differentiate these solutions from other integrated systems is their scale-out architecture and their ability to provide all compute and storage functions through the same x86 server-based resources. Market values for all three segments includes hardware and software but excludes services and support.

IDC considers a unit to be a full system including server, storage, and networking. Individual server, storage, or networking "nodes" are not counted as units. Hyperconverged system units are counted at the appliance (aka chassis) level. Many hyperconverged appliances are deployed on multinode servers. IDC will count each appliance, not each node, as a single system.

For more information about IDC's Worldwide Quarterly Converged Systems Tracker, please contact Lidice Fernandez at 305-351-3057 or lfernandez@idc.com.

[Click here](#) to learn about IDC's full suite of data products and how you can leverage them to grow your business.

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