Worldwide Server Market Revenue Grew 7.5% Year Over Year in the Fourth Quarter of 2019, According to IDC

FRAMINGHAM, Mass., March 12, 2020 – According to the International Data Corporation (IDC) Worldwide Quarterly Server Tracker, vendor revenue in the worldwide server market grew 7.5% year over year to $25.4 billion during the fourth quarter of 2019 (4Q19). Worldwide server shipments grew 14.0% year over year to just over 3.4 million units in 4Q19.

In terms of server class, volume server revenue was up 12.1% to $19.7 billion, while midrange server revenue declined 14.1% to $3.3 billion and high-end systems grew by 8.9% to $2.4 billion.

"While the server market recaptured growth during the fourth quarter, it was a bit of a mixed bag as robust hyperscaler demand benefited the ODM Direct vendor group, which combined with strong non-x86 server purchases to drive the broader market," said Sebastian Lagana, research manager, Infrastructure Platforms and Technologies at IDC. "While the OEM x86 market was tepid, it's worth noting that 4Q18 was one of the most challenging comparison periods in history, during which many OEMs generated double-digit growth and large revenue bases."

Overall Server Market Standings, by Company

The number one position in the worldwide server market in 4Q19 was shared* by the combined HPE/New H3C Group and Dell Technologies with revenue shares of 16.3% and 15.7% respectively. HPE/New H3C Group revenues were down 3.4% year over year while Dell Technologies declined 9.9%. The third ranking server supplier during the quarter was IBM, generating 9.1% revenue share on growth of 17.6%. Inspur/Inspur Power Systems was fourth with 6.8% revenue share and year-over-year growth of 12.1%. Lenovo and Huawei were statistically tied* for the fifth position in the market with market shares of 5.6% and 5.1% respectively. Lenovo's revenues were down 2.6% year over year while Huawei grew its revenues 1.8% in 4Q19. The ODM Direct group of vendors accounted for 25.5% of total revenue and was up 37.9% year over year to $6.47 billion. Dell Technologies led the worldwide server market in terms of unit shipments, accounting for 16.1% of all units shipped during the quarter.

Top 5 Companies, Worldwide Server Vendor Revenue, Market Share, and Growth, Fourth Quarter of 2019 (Revenues are in US$ Millions)

Company	4Q19 Revenue	4Q19 Market Share	4Q18 Revenue	4Q18 Market Share	4Q19/4Q18 Revenue Growth
T1. HPE/ New H3C Group[a]*	$4,137	16.3%	$4,281	18.2%	-3.4%
T1. Dell Technologies*	$3,986	15.7%	$4,426	18.8%	-9.9%
3. IBM	$2,295	9.1%	$1,951	8.3%	17.6%
4. Inspur/ Inspur	$1,736	6.8%	$1,548	6.6%	12.1%

Power Systems[b]					
T5. Lenovo*	$1,417	5.6%	$1,455	6.2%	-2.6%
T5. Huawei*	$1,284	5.1%	$1,262	5.4%	1.8%
ODM Direct	$6,470	25.5%	$4,691	19.9%	37.9%
Rest of Market	$4,023	15.9%	$3,963	16.8%	1.5%
Total	$25,351	100.0%	$23,582	100.0%	7.5%
Source: IDC Worldwide Quarterly Server Tracker, March 12, 2020					

Notes:

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

[a] Due to the existing joint venture between HPE and the New H3C Group, IDC is reporting external market share on a global level for HPE and New H3C Group as "HPE/New H3C Group" starting from 2Q 2016.

[b] Due to the existing joint venture between IBM and Inspur, IDC is reporting external market share on a global level for Inspur and Inspur Power Systems as "Inspur/Inspur Power Systems" starting from 3Q 2018.

Top 5 Companies, Worldwide Server Unit Shipments, Market

Share, and Growth, Fourth Quarter of 2019					
Company	4Q19 Unit Shipments	4Q19 Market Share	4Q18 Unit Shipments	4Q18 Market Share	4Q19/4Q18 Unit Growth
1. Dell Technologies	549,418	16.1%	580,579	19.4%	-5.4%
2. HPE/ New H3C Group[a]	507,224	14.9%	484,668	16.2%	4.7%
3. Inspur/ Inspur Power Systems[b]	270,567	8.0%	247,600	8.3%	9.3%
T4. Lenovo*	233,896	6.9%	190,721	6.4%	22.6%
T4. Huawei*	216,734	6.4%	211,618	7.1%	2.4%
ODM Direct	1,054,714	31.0%	689,394	23.1%	53.0%
Rest of Market	570,667	16.8%	582,079	19.5%	-2.0%
Total	3,403,323	100%	2,986,651	100%	14.0%
Source: IDC Worldwide Quarterly Server Tracker, March 12, 2020					

Notes:

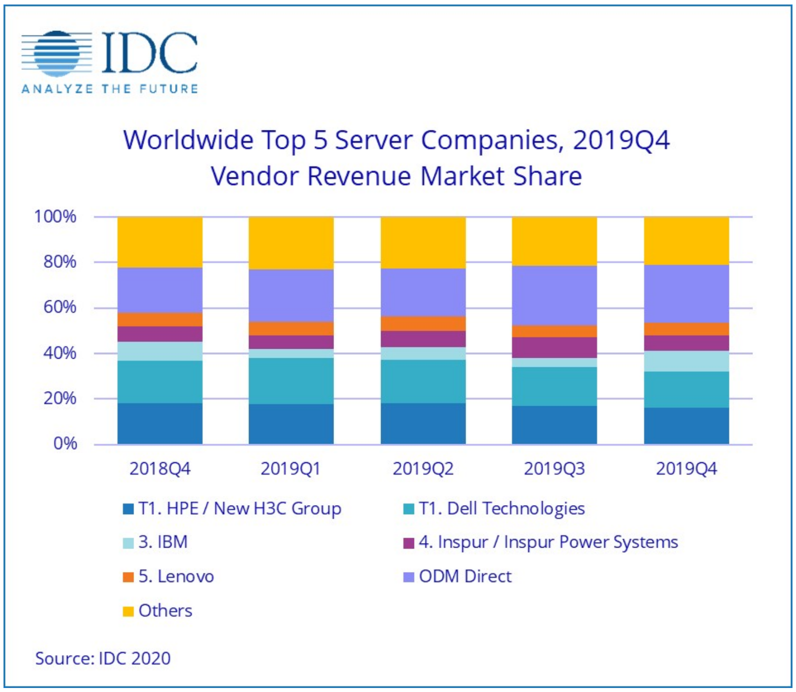
* IDC declares a statistical tie in the worldwide server market when there is a difference of one percent or less in the share of revenues or shipments among two or more vendors.

[a] Due to the existing joint venture between HPE and the New H3C

Group, IDC is reporting external market share on a global level for HPE and New H3C Group as "HPE/New H3C Group" starting from 2Q 2016.

[b] Due to the existing joint venture between IBM and Inspur, IDC is reporting external market share on a global level for Inspur and Inspur Power Systems as "Inspur/Inspur Power Systems" starting from 3Q 2018.

Figure 1



Top Server Market Findings

On a geographic basis, Canada, Latin America, and the USA all saw double-digit year-over-year growth in 4Q19, up 19.3%, 19.0%, and 15.5% respectively. Japan (5.2%) and Asia/Pacific (excluding Japan) (APeJ) (4.2%) also saw year-over-year growth, albeit at a slower pace than the Americas. China saw its 4Q19 vendor revenues grow at a faster pace than APeJ in aggregate, up 6.7% year over year. Europe, the Middle East and Africa (EMEA) declined 5.2% year over year.

Revenue generated from x86 servers increased 6.3% in 4Q19 to $22.4 billion. Non-x86 servers grew 17.7% year over year to just under $3.0 billion.

IDC's Server Taxonomy

IDC's Server Taxonomy maps the eleven price bands within the server market into three price ranges: volume servers, midrange servers and high-end servers. The revenue data presented in this release is stated as vendor revenue for a server system. IDC presents data in vendor revenue to determine market share position. Vendor revenue represents those dollars recognized by multi-user system and server vendors for ISS (initial server shipment) and upgrade units sold through direct and indirect channels and includes the following embedded server components: Frame or cabinet and all cables, processors, memory, communications boards, operating system software, other bundled software and initial internal and external disk shipments.

IDC's Quarterly Server Tracker is a quantitative tool for analyzing the global server market on a quarterly basis. The Tracker includes quarterly unit shipments and revenues (both vendor revenue and value of shipments), segmented by vendor, family, model, region, operating system, price band, CPU type, and architecture. This Tracker is part of the Worldwide Quarterly Enterprise Infrastructure Tracker, which provides a holistic total addressable market view of the five key enabling infrastructure technologies for the datacenter (servers, external enterprise storage systems, purpose-built appliances: HCI and PBBA, and datacenter switches).

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

About IDC Trackers

IDC Tracker products provide accurate and timely market size, vendor share, and forecasts for hundreds of technology markets from more than 100 countries around the globe. Using proprietary tools and research processes, IDC's Trackers are updated on a semiannual, quarterly, and monthly basis. Tracker results are delivered to clients in user-friendly excel deliverables and on-line query tools.

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

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,100 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly-owned subsidiary of International Data Group (IDG), the world's leading tech media, data and marketing services company. To learn more about IDC, please visit www.idc.com. Follow IDC on Twitter at @IDC and LinkedIn. Subscribe to the IDC Blog for industry news and insights: http://bit.ly/IDCBlog_Subscribe.

IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. Additional information can be found at www.idc.com. All product and company names may be trademarks or registered trademarks of their respective holders.

For more information contact:

Greg Macatee
gmacatee@idc.com
508-935-4707
Sebastian Lagana
slagana@idc.com
508-935-4585
Paul Maguranis
pmaguranis@idc.com
508-988-6711
Michael Shirer
press@idc.com
508-935-4200