Gartner Says Worldwide External Controller-Based Disk Storage Market Grew 8 Percent in First Quarter of 2012

STAMFORD, Conn - Worldwide externalcontroller-based (ECB) disk storage vendor revenue totaled US$5.4 billion inthe first quarter of 2012, an 8 percent increase from revenue of $5 billion inthe first quarter of 2011, according to Gartner, Inc. The first quarter of 2012was the 10th consecutive quarter of revenue growth, and its results metGartner's expectations of an 8 percent year-over-year increase."Revenue by host interface protocol andregional geography varied from Gartner's 4Q11 forecast update," said RogerCox, research vice president at Gartner. "Block-access host interfacenotably associated with SAN infrastructures came in at 4 percent year-over-yeargrowth in vendor revenue against a forecast of 5.2 percent, while file-accessbeat the Gartner forecast with 22.9 percent year-over-year growth, fourpercentage points higher than Gartner's forecast."
While there may have been occasions when theECB disk storage vendors were unable to secure a specific hard-disk drive (HDD)capacity, the issues presented by the October 2011 Thailand flood are largelybehind them. HDD pricing for ECB disk storage systems remains above prefloodlevels on a per-terabyte basis.

With a 2.4 percent market share increase in1Q12, EMC continued to dominate the market. Observing that 21.9 percent of itstotal ECB disk storage revenue came from recent acquisitions (Data Domain,Avamar and Isilon), EMC was No. 1 in the worldwide ECB disk storage market (seeTable 1).
Table 1 Worldwide ECB Disk Storage Vendor RevenueEstimates for 1Q12 (Millions of U.S. Dollars)

Company
1Q12
Revenue
1Q12 Market Share (%)
1Q11
Revenue
1Q11 Market Share (%)
1Q11-1Q12
Change (%)
EMC1
1,770.2
32.5
1,519.9
30.1
16.5
NetApp3
691.5
12.7
630.0
12.5
9.8
IBM
600.4
11.0
591.5
11.7
1.5
Hitachi/HDS2
518.3
9.5
487.1
9.7

6.4
HP
491.5
9.0
483.4
9.6
1.7
Dell
431.4
7.9
383.7
7.6
12.4
Fujitsu4
143.9
2.6
178.9
3.5
-19.6
Oracle
70.4
1.3
85.3
1.7
-17.5
Others
724.7
13.3
681.3
13.5
6.4
Total
5,442.1
100.0
5,041.0
100
8.0

Note 1: EMCrevenue excludes OEM revenue from Dell and Fujitsu Technology Solutions.

Note 2:Hitachi/HDS revenue excludes OEM revenue from HP.

Note 3:NetApp revenue excludes ONTAP OEM revenue from IBM and Engenio OEM revenue.

Note 4:Fujitsu's branded revenue does not include products sold under the EMC andNetApp brands.

Source:Gartner (June 2012)

Both NetApp and Dell also gained share in thefirst quarter of 2012. Dell's ECB disk storage acquisition strategy isbeginning to pay off for it, with 73.5 percent of its ECB disk storage revenuebeing produced by its EqualLogic PS series and by the Dell Compellent StorageCentre platform. Relying on the proven value propositions of its core DataONTAP technology, NetApp was one of three vendors to achieve share gains in thefirst quarter of 2012. Hitachi/HDS increased its VSP platform revenueby 24.5 percent in the first quarter of 2012 compared with the same period ayear earlier, increasing its high-end enterprise (aka monolithic frame-based)market share by 6.3 percentage points. With a 42.9 percent year-over-yearincrease in revenue, Oracle's ZFS storage appliance was just one of two vendorsto gain share in the network attached storage (NAS) market in the firstquarter. Although it lost 0.7 percentage points of market share, IBM increasedits percentage of internally developed ECB disk storage platforms to 70.4percent of its total first-quarter 2012 revenue, up 9 percentage points overthe first quarter of 2011. HP's 3PAR, which grew 137.4 percent year over year,was HP's lone first-quarter 2012 highlight as EVA, P4000 LeftHand, and theP2000 MSA series continued to decline.

With 17.1 and 14.1 year-over-year vendorrevenue growth, the Latin America and North America regions did exceptionallywell compared with Gartner forecast expectations, while the Asia/Pacificregion, at only 4.1 percent year-over-year growth, and Japan, with a 12.3percent decline, fell far short.

Gartner ECB disk storage reports reflectrevenue from new vendor-branded hardware only, as well as hardware revenueassociated with financial leases and managed services. Optional and separatelypriced storage software revenue and storage area network infrastructurecomponents and used ECB disk storage systems are excluded.

Additional information on the ECB disk storagemarket is available in Gartner's "Quarterly Statistics: Disk ArrayStorage, All Regions, All Countries, 1Q12 Update." The report includesvendor market share by data access method, price band, sales channel andoperating-system segmentation. The report is available on Gartner's website at http://www.gartner.com/resId=2035115.

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