



## **IDC India Reports revenue decline in India Server Market, reached \$350.2 million in 2Q19**

**NEW DELHI, 17<sup>th</sup> September 2019** – The overall server market in India witnessed a Year-over-Year (YoY) decline of 1.0% in terms of revenue to reach \$350.2 million in 2Q19 versus \$353.9 million in 2Q18, according to the latest [Asia/Pacific Quarterly Server Tracker](#) (excluding Japan), 2Q19. The x86 server market accounts for 89.9% of the overall server market in terms of revenue. The contribution to the x86 server market primarily came from professional services, telecommunication, and retail verticals. The market segment witnessed large deals from IT and ITeS customers, nationalized banks, telecom service providers, and e-retail in India during 2Q19.

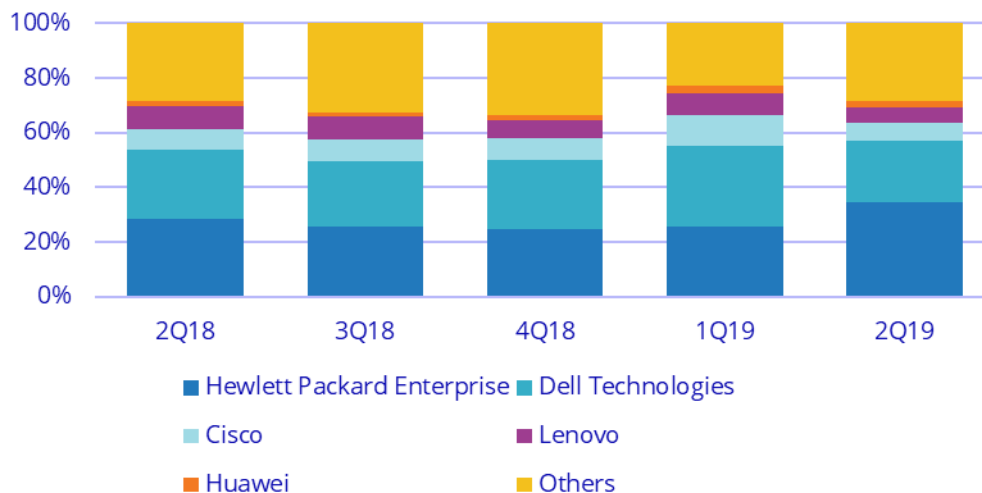
The overall x86 server market declined YoY by 4.9% in terms of revenue to be valued at \$314.8 million in 2Q19 from \$330.9 million in 2Q18. Despite the decline, verticals such as banking and telecommunications registered YoY growth of 66.6% and 20.9% respectively, whereas retail registered the highest YoY growth of 936.2% in the x86 market, during 2Q19.

The non-x86 server market increased YoY by 54.2% to reach \$35.5 million in revenue, in 2Q19. IBM tops the market with a revenue share of 75.9%, followed by Oracle with a share of 20.2% and Hewlett Packard Enterprise with 3.9% during 2Q19. Banking remained top vertical with 68.8% revenue share followed by manufacturing and professional services with 18.7%, and 8.0% respectively, during 2Q19.

### **Vendor Highlights:**

Figure 1

## India Top 5 x86 Server Companies, 2Q19 Revenue Market Share



Source: IDC 2019

Source: IDC Asia/Pacific Quarterly Server Tracker, 2Q19

In 2Q19, **Hewlett Packard Enterprise** regained its position as the leading player in the India x86 server market with revenue of \$108.4 million and revenue share of 34.4%. Hewlett Packard Enterprise grew YoY by 15.5% with major wins coming in from telecommunication vertical.

**Dell Technologies** was the second leading player with a revenue share of 22.8% at a revenue of \$71.7 million. Dell Technologies failed to register big wins in this quarter contributing to 13.8% YoY decline in their performance.

**Cisco** was ranked third with a revenue share of 6.6% followed by **Lenovo** which came in at the fourth position with a revenue share of 5.6%.

“Indian enterprises are transitioning from on-premise servers and virtual servers to cloud workloads. We have noticed spend on compute platforms shifting from traditional IT towards private cloud and public cloud,” says [Harshal Udatewar](#), Market Analyst, Server, IDC India.

### IDC India Forecast

Indian economy is at its slowest pace following a sharp dip in demand across sectors such as agriculture, manufacturing, utilities, and construction, but government spending looks positive towards bringing market growth back on track. From an enterprise standpoint, increased spending

is expected to be coming from the telecommunication vertical and local data center providers. Investments from telecommunication service providers would be driven by projects related to OSS, BSS, IMS stack for value-added services, VoLTE, VRAN, 5G testbed programs towards 5G development, while local cloud service providers would invest in expanding their infra capacity in the coming quarters. IDC expects banking tech refreshes towards the end of 2019. At present, IDC India x86 server market is expected to witness a QoQ decline of 12.9% during Q3 2019.

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