



38% of Western European Service Providers' Server Infrastructure Purchased Outside Western Europe, Says IDC

FRANKFURT/LONDON, November 30, 2017 — According to a new EMEA xSP Market Model from International Data Corporation (IDC), 38% of all servers that landed in Western European service providers' datacenters in 2016 were purchased outside the region, mainly from the U.S. and Asian headquarters of multinational service providers with datacenters in Western Europe. IDC's Market Model looks at how EMEA service providers are consuming infrastructure, starting with servers.

"Infrastructure spending shifts from enterprises to service providers and we decided to take a closer look at how exactly service providers consume it," said Kamil Gregor, IDC European Infrastructure Group, and a lead analyst in the Market Model project. "For example, we broke consumed infrastructure down not only by country where server units land, as we do in our standard infrastructure trackers, but also by purchasing center — the country where the decision to purchase those units was made."

The real total addressable markets of several large Western European countries shrink significantly when the purchasing center is taken into account, said Gregor, and some countries such as Ireland disappear from the map almost completely. "Understanding where business decisions are made is crucial to all players selling infrastructure and infrastructure-dependent solutions to the growing service provider market," he said.

Apart from the purchasing center, the new service provider data model also breaks down infrastructure consumption by service provider type. Managed service providers combined with system integrators accounted for the largest share of 2016 server consumption in Western Europe, at 29%, followed by hyperscale providers such as Google, Amazon Web Services, and Facebook, which accounted for 22%.

The service provider data model also breaks server revenue down by original design manufacturer (ODM) and original equipment manufacturer (OEM). ODMs dominate the hyperscale market, but a tail of smaller Western European service providers that also consume ODM servers is getting longer. Notable non-hyperscale Western European ODM consumers include OVH, the French cloud provider with a strong web hosting legacy.

The service provider data model also splits Western European service providers into three tiers by newly purchased server units in 2016 — under 2,000, 2,000 to 10,000, and more than 10,000

— with tier 1 accounting for 63% of server consumption. This better captures the very long tail of hundreds of smaller Western European service providers, ranging from telecommunication providers to web and consumer companies such as DailyMotion and Booking.com.

The model is built bottom-up from a list of over 11,000 individual service providers that consume infrastructure in Western Europe. The IDC EMEA xSP Index of the top 1,000 service providers with data on their 2016 server consumption was also made available to IDC customers in the same research project.

For more information, please contact Mathew Heath, EMEA Marketing Director, at mheath@idc.com or +44 (0) 20 8987 7107, or visit www.idc.com.

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. IDC helps IT professionals, business executives, and the investment community to make fact-based decisions on technology purchases and business strategy. More than 1,000 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For more than 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. You can learn more about IDC by visiting www.idc.com.

About IDC

IDC is the premier global provider of market intelligence, advisory services, and events for the information technology and telecommunications industries. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. Over 775 IDC analysts in 50 countries provide global, regional, and local expertise on technology and industry opportunities and trends. For more than 40 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. You can learn more about IDC by visiting <http://www.idc.com/>.

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:

Kamil Gregor
kgregor@idc.com
+420221423250