

Currency Impact and Price Pressure Mutes Growth in the Western European Disk Storage Systems Market, says IDC

**London/Munich, October 8, 2012** — Enterprise-grade external disk storage systems (EDSS) factory revenues in Western Europe declined 0.3% to \$1.26 billion in the second quarter of 2012 over the same period last year, according to IDC's EMEA Quarterly Disk Storage Systems Tracker. When accounting for changes in currency exchange rates, quarterly growth reached 2.7% for the region, while moving four-quarter trending shows a pace of 2.8%.

"The economic environment remained challenging for the quarter, putting stress on markets and suppressing overall growth," said Donna Taylor, research director for IDC's European Storage Group. "Out of the major markets, Italy was the worst impacted by budget cuts, while France cooled off a bit after several quarters of strong rallying. On the bright side, Germany and the United Kingdom, alongside with most of the Western European markets, expanded in real terms for the quarter."

Hard disk drive pricing and supply substantially improved, helping new capacity shipments to accelerate, while still below historical averages. Newly deployed enterprise disk storage systems capacity in Western Europe grew by nearly 15% in the quarter over last year, exceeding the 1 exabyte barrier.

### **Top Market and Vendor Highlights**

In a tough comparison against out of band strong sales last year, high-end storage deployments, or systems with an average selling price of over \$250,000, declined in local currency value by about 10% for the quarter. EMC managed to edge up its share of the high-end segment as large VNX installations offset the eroding positions of Symmetrix under competitive pressure. Hitachi Data Systems overtook IBM as the second biggest vendor of high-end storage disk systems in Western Europe, punctuating the competitiveness of its VSP platform. HP penetrated the space further with 3PAR, but offset by lower XP sales.

Midrange, or systems selling between \$25,000 and 250,000, once again enjoyed some very strong uptake for the quarter compared to the previous year. This was largely driven by product strengths, execution, and competitive ASP pressure. NetApp lost share as the company transitioned over to a new OS release which prolonged sales cycles temporarily, but still maintained its top spot in the segment. EMC closed in on NetApp, helped by additional Isilon and Data Domain sales. IBM gained mostly on the back of a strong Storwize V7000 sales traction, while growth in midrange 3PAR sales offset EVA's managed fall at HP. Dell successfully migrated its fibre channel business onto Compellent from EMC's technology. However, EqualLogic had a tough time in a highly competitive environment after a series of strong quarters, resulting in loss of quarterly share for the company.

"Overall, top rankings haven't changed since the first quarter. Dollar revenue growth slowed down for most players as the dollar gained versus local currencies, some major product refreshes temporarily lengthened sales cycles and the competitive environment put pressure on ASPs," said Daniel Bizo, senior storage research analyst for IDC.

## Factory Revenue Growth, EDSS Sales, 1Q12, Western Europe

Vendor	YoY	QoQ
#1 EMC	1.9%	-2.4%
#2 NetApp	- 4.6%	- 19.3%
#3 HP	2.0%	-4.0%
#4 IBM	- 2.4%	13.9%
#5 Dell	1.9%	- 18.6%
#6 HDS	- 7.0%	- 13.1%

For more information on IDC's EMEA Quarterly Disk Storage Systems Tracker or other IDC storage research services, contact Research Director Donna Taylor on +49 (89) 36086 9113 or at [dtaylor@idc.com](mailto:dtaylor@idc.com). Alternatively, contact your local IDC office or visit [www.idc.com](http://www.idc.com).

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