Gartner | **Press Release**

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Gartner Says Worldwide External Controller-Based Disk Storage Market Grew 11.6 Per Cent in Second Quarter of 2011

STAMFORD, Conn., September 8, 2011 — Despite gloomy macro conditions worldwide and geopolitical unrest in the Middle East, the worldwide external controller-based (ECB) disk storage market continued to grow at a record pace in the second quarter of 2011, according to Gartner, Inc. Worldwide ECB disk storage revenue totalled $5.1 billion in the second quarter of 2011, an 11.6 per cent increase from revenue of $4.6 billion in the second quarter of 2010.

In the second quarter of 2011, the Asia/Pacific and Latin America regions outpaced the overall market, growing 27.9 per cent and 22.4 per cent, respectively, followed by Europe, the Middle East and Africa (EMEA) at 12.2 per cent, North America at 7.5 per cent and Japan at 1.8 per cent. From a year-on-year perspective, the block-access market segment, which is dominated by storage area network (SAN) deployments, generally met Gartner's forecast expectations with 7.8 per cent growth, while the file-access network-attached storage (NAS) market segment came in stronger at 27 per cent growth.

"These results reflect the ongoing strength of initiatives associated with product refreshments, deployments of ECB disk storage to support virtualised server and virtualised desktop infrastructures, the transitioning of backup/recovery technology from tape to disk, and the implementation of new unstructured data applications on file-access disk storage platforms," said Roger Cox, research vice president at Gartner. "Client inquiries underpin the observation that IT executives remain willing to invest in modern ECB disk storage solutions to improve operational efficiency and minimize the impact of unabated terabyte growth."

EMC increased its worldwide ECB disk storage revenue market share to 31.5 per cent in the second quarter of 2011 (see Table 1). NetApp experienced the strongest growth among the top-tier vendors with a revenue increase of 28.9 per cent year-on-year.

Table 1
Worldwide ECB Disk Storage Vendor Revenue Estimates for 2Q11 (Millions of US Dollars)

Company	2Q11 Revenue	2Q11 Market Share (%)	2Q10 Revenue	2Q10 Market Share (%)	2Q10-2Q11 Change (%)
EMC[1]	1,619.4	31.5	1,279.0	27.8	26.6
IBM	772.7	15.0	681.7	14.8	13.3
NetApp[3]	666.1	13.0	516.6	11.2	28.9
HP	495.4	9.6	454.9	9.9	8.9
Hitachi/HDS[2]	467.4	9.1	377.6	8.2	23.8
Dell	377.8	7.3	387.9	8.4	-2.6
Oracle	92.7	1.8	152.5	3.3	-39.2
Fujitsu[4]	64.9	1.3	72.3	1.6	-10.2
Others	585.8	11.4	683.7	14.8	-14.3

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Total	**5,142.2**	**100.0**	**4,606.2**	**100.0**	**11.6**

Note 1: EMC revenue excludes OEM revenues from Dell and Fujitsu Technology Solutions.
Note 2: Hitachi/HDS revenue excludes OEM revenue from HP and Oracle.
Note 3: NetApp revenue excludes OEM revenue from IBM and Engenio OEM revenue.
Note 4: Fujitsu's branded revenue does not include products sold under the EMC and NetApp brands.
Source: Gartner (September 2011)

Four vendors achieved double-digit year-on-year growth in the second quarter of 2011, beating the overall market performance. EMC benefited from widespread refreshment of its large CLARiiON and Celerra installed base by its new VNX unified storage system, the positive effect of its Isilon acquisition, the continued growth of the market-leading Data Domain backup/recovery solutions and the high-end Symmetrix VMAX platform.

NetApp's performance reflects the value of its seamless unified storage architecture and its strong partnership with Fujitsu Technology Solutions, as well as its overall strength in the reseller channel. IBM regained its footing with solid performances from the established DS8000 and XIV storage systems, supported by the progressive growth of its new Storwize V7000, which offset a 16 per cent decline with the DS5000/3000 series sourced from NetApp. The high-end Virtual Storage Platform (VSP) is the engine driving Hitachi/HDS performance.

Even though HP's P2000 MSA series, P4000 SAN Solution series and 3PAR Storage Systems achieved above-market results, the decline in EVA revenue and anaemic performance in the NAS market continued to dampen HP's total ECB disk storage results.

The increase in Dell EqualLogic PS series and the PowerVault MD series in conjunction with the newly acquired Compellent Storage Centre platform were unable to offset the CLARiiON revenue drop-off associated with Dell's disengagement with EMC. Two-thirds of Oracle's year-on-year revenue decline was attributed to the severed reseller relationship with HDS for the high-end 9000 series, but it still struggled to gain momentum with its ZFS Storage Appliance and midrange 6000 series platforms. The decline in Other Vendor revenue was caused by the acquisition of 3PAR, Compellent and Isilon by HP, Dell and EMC, respectively.

EMC led the market for the first half of 2011, garnering 30 per cent of the market (see Table 2). Its closest competitors were IBM and NetApp with 13.4 per cent and 12.7 per cent market share, respectively.

Table 2
Worldwide External Controller-Based Disk Storage Vendor Revenue Estimates for First Half 2011 (Millions of US Dollars)

Company	1H11 Revenue	1H11 Market Share (%)	1H10 Revenue	1H10 Market Share (%)	1H10-1H11 Change (%)
EMC[1]	3,139.3	30.8	2,502.3	27.7	25.5
IBM	1,364.1	13.4	1209.0	13.4	12.8
NetApp[3]	1296.1	12.7	985.5	10.9	31.5
Hewlett Packard	978.8	9.6	871.3	9.6	12.3
Hitachi/HDS[2]	954.6	9.4	775.4	8.6	23.1
Dell	761.5	7.5	783.4	8.7	-2.8
Fujitsu[4]	243.8	2.4	215.8	2.4	13.0
Oracle	178.0	1.7	293	3.2	-39.2
Others	1,267.1	12.4	1,395.8	15.5	-9.2
Total	**10,183.2**	**100.0**	**9,031.2**	**100.0**	**12.8**

Note 1: EMC revenue excludes OEM revenues from Dell and Fujitsu Technology Solutions.
Note 2: Hitachi/HDS revenue excludes OEM revenue from HP and Oracle.
Note 3: NetApp revenue excludes OEM revenue from IBM and Engenio OEM revenue.
Note 4: Fujitsu's branded revenue does not include products sold under the EMC and NetApp brands.

Source: Gartner (September 2011)

Gartner ECB disk storage reports reflect hardware-only revenue, as well as hardware revenue associated with financial leases and managed services. Optional and separately priced storage software revenue and storage area network infrastructure components are excluded.

Additional information on the ECB disk storage market is available in the Gartner report "Quarterly Statistics: Disk Array Storage, All Regions, All Countries, 2Q11 Update." The report includes vendor market share by data access method, price band, sales channel and operating system segmentation. The report is available on Gartner's website at http://www.gartner.com/resId=1782714.

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