Enterprise Infrastructure Hardware Market View, 2020-2021

Amit Goyal

Initiatives: Technology Market Essentials

> Enterprise infrastructure hardware market revenue is expected to grow by 7.8% to reach $184.4 billion in 2021, led by the server and integrated system markets with growth rates of 11.2% and 10%, respectively.

Overview

Enterprise infrastructure hardware includes servers, enterprise network equipment (ENE), external controller-based (ECB) storage and integrated systems. Each segment has its own unique characteristics. Technology and service providers should leverage growth opportunities by evaluating the rapidly evolving market dynamics and trends.

Enterprise Network Equipment

Global end-user spending in the enterprise network equipment market is forecast to grow by 4.4% in 2021, and is estimated to reach $81.8 billion by 2025, which reflects a five-year CAGR of 4.3%. SD-WAN is expected to grow at the fastest rate (among all ENE segments) through 2025, with a compound annual growth rate (CAGR) of 18.0%. Demand in data center Ethernet switches is expected to grow to support cloud and edge infrastructures for digital requirements. With COVID-19, there is increased priority among organizations to get ready for enabling contactless transactions, new communication channels and new business models.

Storage

The external controller-based storage market revenue is estimated to increase by 2.5% to reach $21.7 billion in 2021, with a CAGR of 1.9% through 2025. Greater China adoption of solid-state array (SSA) and hybrid storage throughout the forecast period is the main contributor toward the shift to a more positive market outlook. The rest of the world (all regions excluding Greater China) displays flat-to-down ECB revenue growth.

Server

Server market end-user spending is projected to grow at 11.3% to reach $94.4 billion in 2021, with a CAGR of 5.7% for 2020 through 2025, as a result of strong demand by hyperscale data centers and continued shift to cloud. Global supply chain constraints led by the COVID-19 pandemic and other geopolitical events (i.e., the U.S.-China trade dispute) will increase the prices of server components, which will lead to server average selling price (ASP) increase through 2020.

Integrated System

Integrated system market revenue is projected to grow at a five-year CAGR of 9.7% through 2025 to $19 billion, reflecting growth in hyperconverged integrated systems (projected to grow at a five-year CAGR of 17.0% through 2025 to $9.5 billion) and reference architecture systems (projected to grow at a five-year CAGR of 9.4% through 2025 to $8 billion). These two segments are projected to account for 93% of integrated system demand in 2025.

This document will help you understand the market trends, competitive landscape and growth opportunities within the enterprise infrastructure hardware marketplace.

The attached presentation includes excerpts from Gartner research published within the last 12 months to highlight the market trends, competitive landscape and growth opportunities within the enterprise infrastructure hardware market.

Recommended by the Authors

Market Share Analysis: External Controller-Based Disk Storage, Worldwide, 2020

Market Share Analysis: Enterprise Network Equipment, Worldwide, 2020

Market Share Analysis: Data Center Hardware Integrated Systems, Worldwide, 2H20

Competitive Landscape: Enterprise Data Center and Cloud Backup and Recovery Market

Competitive Landscape: Hyperconverged Infrastructure Software

Forecast Analysis: Integrated Systems, Worldwide

Market Guide for Consumption-Based Pricing for Data Center Infrastructure

Market Trends: Arm in the Data Center: Act Now to Develop Plans to Address This Shifting Market

Forecast Analysis: Enterprise Network Equipment, Worldwide

Forecast Analysis: Servers, Worldwide

Document Revision History

Scenarios for the Enterprise Infrastructure Hardware Market, 2020 - 23 September 2020

Scenarios for Enterprise Infrastructure Hardware Market 2019 - 27 January 2020