Branded Systems Regain Market Edge; IBM Shines In Unix Servers

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A sharp jump in the percentage of solution providers citing IBM as their best-selling Unix server vendor highlights the results from *CRN*'s March Solution Provider survey.

Last month, 36 percent of solution providers cited IBM as their best-selling vendor in this category, more than double the figure in February. The increase came at the expense of the vendor's competitors, especially custom systems, which saw its best-selling percentage fall to its lowest level since *CRN* began collecting data many years ago.

Interestingly, Hewlett-Packard saw a similarly large jump in its best-selling percentage in the Unix server category in February. The vendor gave back some of this gain in March, but still managed to hold onto most of the increase. But it is too early to determine whether this data indicates the SMB Unix server market is consolidating around IBM, Sun and HP, leaving custom systems out in the cold.

Custom systems lost ground in the desktop and PC server markets as well, breaking a recent upward trend. Unlike in many past instances, the losses cannot be attributed to component availability, as the data show component shortages eased significantly in March vs. February in all major categories.

Coupled with a decline in the percentage of solution providers building white boxes, the fact that branded desktops, notebooks and servers appear on the top 10 list of products that VARs plan to recommend to their customers over the next three months seems to show that solution providers are

favoring branded systems when it comes to PC hardware sales. It is too early to tell, however, if this is the start of a longer-term trend.

Acer stalled in its recent upward streak in the percentage of solution providers citing its notebooks as best selling. Nonetheless, the vendor's presence in the small- and midsize-company notebook market has increased over the past year. In the first quarter of 2006, an average of 5.1 percent of VARs cited Acer notebooks as their best selling, compared to 4.3 percent in the first quarter of 2005. The numbers may look small, but this represents a 19 percent increase in Acer's best-selling percentage.

Dell's position in the PC hardware market stabilized in March, following declines in January and February. The vendor saw slight gains in the percentage of solution providers citing its desktops and PC servers as their best selling, and a more substantial gain in the notebook market.

Despite weakness in Unix servers, Hewlett-Packard's overall performance in March was positive. Solid gains were recorded in the desktop and PC server markets, while the vendor's notebook percentage increased slightly. However, HP still lags significantly behind Dell in both the desktop and notebook PC markets, though the vendor enjoys a substantial edge over Dell in the PC server arena.

For the second straight month, Lenovo saw a slight increase in the percentage of solution providers citing its desktop and notebook PCs as their best selling. However, Lenovo has once again fallen behind custom systems in the notebook market, though it remains ahead of rival Toshiba.

CHART 8
BEST-SELLING HARDWARE BRANDS
PERCENTAGE OF VARS CITING EACH AS TOP-SELLING UNIT, IN MONTH LISTED

DESKTOPS	Mar. '06	Feb. '06	Mar. '05
Dell	37%	36%	31%
HP	29	20	25
Custom systems	24	31	26
Lenovo	4	3	8

NOTEBOOKS	Mar. '06	Feb. '06	Mar. '05
Dell	32%	28%	24%
HP	23	22	21
Custom systems	12	9	14
Lenovo	11	10	18
Toshiba	9	9	8

PC SERVERS	Mar. '06	Feb. '06	Mar. '05
HP	33	30	32
Dell	26	25	21
Custom systems	18	25	25
IBM	14	12	13

UNIX-BASED SERVERS	Mar. '06	Feb. '06	Mar. '05
IBM	36	16	17
HP	29	37	20
Sun Microsystems	21	24	18
Custom systems	5	10	24

BASE: 193 responding solution providers in March 2006
SOURCE: *CRN* Monthly Solution Provider Survey