Q3 Data Center Trends
About The NPD Group

Channel insights, market trends, scorecards, sales opportunities and pricing optimization

Data from more than 2000 brands across 250+ categories in the B2B tech space

Distribution sales information in Canada, U.S. and Mexico and Reseller Tracking Service information in the U.S.
Data Center Category Performance

After a decline of 5% during Q2, Networking revenue (HW and SW combined) through the indirect distribution channel increased more than 4% during Q3.

Q3 Data Center Category (Hardware and Software combined) Performance
Dollar Percent Change from YA

- Networking: 4.3%
- Security: 2.1%
- Power: -6%
- Storage: -9.3%
- Compute: -12.3%

Source: The NPD Group/Data Center Report Q3
Growth in Q3 Networking Driven by Software

Software Q3 growth hit 27.5% vs. Hardware at -10.1%.

Source: The NPD Group/Data Center Report Q3

Q3 2020 saw highest dollar growth over the last 5 quarters

Source: The NPD Group/Data Center Report Q3
Google and Cradlepoint Drove Significant Q3 Growth within Networking Software

- Cisco +23.1%
- Cradlepoint +221.1%
- F5 -4.6%
- Google +134.2%
- HPE +8.8%
- IBM +4.6%
- Riverbed +5.6%
- Solarwinds -18.9%

Source: The NPD Group/Data Center Report Q3
Growth in Security Software tapered from Q2

Q3 Software Security +4.3% vs. Hardware Security -6.3%. This compares with Q2 software security +22%, hardware security -12%.

Source: The NPD Group/Data Center Report Q3

Security Software Dollar Growth Trend by Quarter

- Q3 2019: 20.0%
- Q4 2019: 5.0%
- Q1 2020: 10.0%
- Q2 2020: 15.0%
- Q3 2020: 20.0%

Lowest growth over the last five quarters
Security Trends by Brand

Q3 Growth drivers include Palo Alto and Checkpoint

RSA, McAfee, and Symantec were down significantly

On the hardware side, Cisco, Sonicwall, F5, Watchguard and Check Point saw YOY growth.

Q3 Security Software - % Change

- Checkpoint +17.5%
- Cisco -6.5%
- IBM +4.8%
- McAfee -46.1%
- Palo Alto +9.8%
- RSA -39.6%
- Sophos +4.3%
- Symantec -54.8%
NPD is your Sales-out data resource in the U.S. channel coupled with the industry expertise to help grow your business and navigate the B2B Tech landscape.
QUESTIONS?

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