CrosB2B
Takeaways

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Organizations pivoted to the cloud in near real time last year, a forced migration to maintain business continuity during an unprecedented disruption. Data center capabilities were immediately tested by the need to provide critical service infrastructure that would equip people to effectively work, learn, shop, or be entertained, all from home. Here’s a look at what we’re watching this year ... and what’s ahead.

Q1 2021: DATA CENTER ECOSYSTEM PERFORMANCE

Data center ecosystem sales were virtually flat vs. 2020 and 2019.

Networking and security were the only growth areas, up a combined 7%. This represents almost 50% of total revenue for the category in the quarter.

Combined data center hardware sales fell by more than 5% year over year. This was driven declines in

-15% SOLID STATE DRIVES  
-11% HYPERCONVERGED SYSTEMS  
-14% RACKS, MOUNTS, AND CHASSIS

Data center ecosystem software revenue grew 5% year over year and was up 15% vs. Q1 2019.

Software growth was again driven primarily by networking (+24%) and security (+8%).

Looking Ahead: Data Center Ecosystem

As businesses return to full strength and digital transformation efforts keep accelerating, data center expansion is poised for strong growth in the second half of the year.

Early indicators include:

- Improving category performance across the broader ecosystem
- New hyperscale and co-location data center construction projects underway
- Expanded edge solutions to mitigate the significant amount of data now generated outside data centers
- Emerging technologies driving change due to real-time data processing and monitoring needs

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