

# State of Indian IT

As you know, VARINDIA is a firm believer in the pivotal role the channel plays in the IT ecosystem. It has, in the past, demonstrated this strong belief from time to time by taking new, innovative initiatives meant to help the channel community.

We thought one of the best possible ways to achieve that is by assessing what they want, what they see as opportunities, as well as challenges, which principals are they satisfied/dissatisfied with, and over what kind of issues. While we do that through our stories and events through the year, we thought a formal measurement, once a year, will make it easier for channel community and the principals to have some kind of benchmark.

With 15 years' experience of the ICT market, VARINDIA's research method is built on a unique combination of specialist industry knowledge and in-house research (Channel Leadership Survey) recently conducted in our website (www.varindia.com).

This approach is what enables us to achieve our goal of building a market consensus view of different category.



Saurabh Grover, Director AOC Monitor & Tablet Business, India

## PC Market

The overall India PC shipments for Q2 2013 stood at 3.53 million units, representing a substantial year-on-year growth of 24.0% over Q2 2012 and a quarter-on-quarter surge of about 30.2% over Q1 2013.

The overall India PC shipments for Q1 2013 stood at 2.71 million units i.e. a year-on-year growth of roughly 3% over Q1 2012 and a quarter-on quarter growth of about 7.5% over Q4 2012.

The branded desktops witnessed execution of a few large deals, primarily in BSFI, IT and Government sectors. The consumer market remained largely flat with a marginal quarter-on-quarter growth of 1.5% noted over Q4 2012.

	2011 (in millions)	2012 (in millions)	Percentage growth
Global PC shipments	364	352.4	-3%
India PC shipments	10.8	11.2	3.5%
India PC shipments excluding Elcot order	10.8	10.3	-5%

Source: Gartner India

"Experts say that PC sales this year would be 12.1 million units with a growth rate of 8% from last year." - Saurabh Grover, Director AOC Monitor & Tablet Business, India.

Key vendors: Hewlett-Packard, Dell, Acer and Lenovo are driving the change.

## Mobile Handsets

According to CMR's India Monthly Mobile Handsets Market Review, April 2013, June 2013 release, India registered 73.5 million mobile handset shipments for the period January-April 2013, registering a growth of 11.1% year-on-year. During the same period, 9.4 million smartphones were shipped in the country, a growth of 167.3% on an annual basis.

Table 1: India Mobile Handsets Market: Jan-Apr 2013 versus Jan-Apr 2012

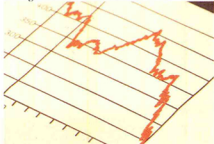
Form Factor	Unit Shipments Jan-Apr 13 (million)	Growth (YoY) Jan-Apr 13 over Jan- Apr 12	Unit Shipments Apr 13 (million)	Growth (YoY) Apr 13 over Apr 12
Mobile Handsets	73.5	11.1%	19.4	22.1%
Featurephones	64.1	2.4%	16.6	10.3%
Smartphones	9.4	167.3%	2.8	233.1%

Source: CMR India Monthly Mobile Handsets Market Review, April 2013

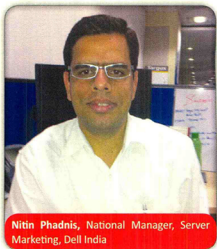
According to Faisal Kawoosa, Lead Analyst, CMR Telecoms Practice, the feature phones market in India has matured, whereas the smartphones category is showing promising growth. This is attracting relatively new entrants such as Micromax and Karbonn to start offering smartphones, particularly for entry level users who would like to migrate to a more sophisticated mobile experience.

## Server

Though the worldwide server market remains in a relatively weak state, in India the market has done well to an extent. It stood at \$707.4 million in 2012 and is forecast to reach \$962.3 million in 2017. HP, IBM, Fujitsu and HCL have a strong presence in the Indian server marketplace. This strong presence due to strong server unit shipments and the revenue generated through channel and direct sales across India.



The overall Server Market in India witnessed a growth of 10% year on year, with x86 being a key contributor of growth in terms of units in the market. In contrast, the Non-x86 market saw a decline of 35%.



Nitin Phadnis, National Manager, Server Marketing, Dell India

"Multinode servers are the latest to have emerged in server technology. Multinode

(skinless) servers, which, like blades, utilize common system components, such as shared power supplies and cooling fans, and enable easy hardware provisioning. Unlike blades, multinode servers are usually deployed horizontally in trays that fit into the rack, but connectivity is equally proprietary." - Nitin Phadnis, National Manager, Server Marketing, Dell India.

Key Vendors: Dell, HCL, HP, IBM, Oracle

## Tablet

As consumers continue to drive the adoption of tablets, the market for mobile computing solutions has never been better. The rapid growth of Tablet has got most regional channel players to focus on this sector, with many unveiling mobility strategies and new business divisions. Tablet PC witnessed a massive growth figure of 424%. The sales for 2012-13 stood at 1.9 million units as against 0.36 million units in 2011-12.

The dramatic surge stemmed mainly from the home segment, aided by steady expansion in the business sector. The main challenge that resellers face is identifying the right mobility and security solution for their customers, as the requirements for each business can differ greatly. Resellers need to work closely with technology vendors to be educated on the vast array of mobility solutions available and the specific benefits that they can bring for their customers.

The consumerisation of IT and the rise of BYOD in the country have compelled