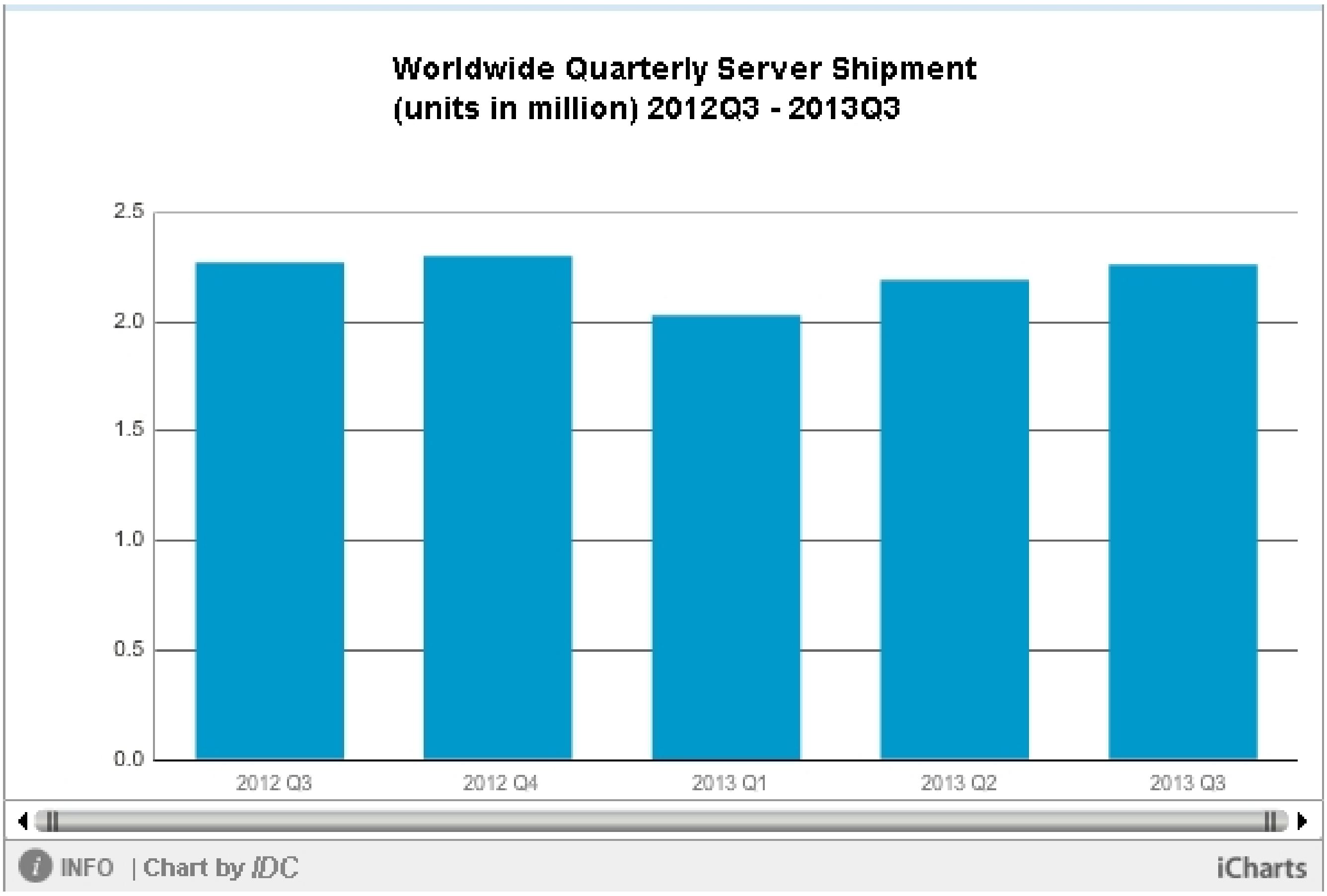
Global server factory revenues drop by -3.7% Y-o-Y to $12.1 billion in Q3 2013 IDC reports-- a 3rd consecutive quarter of Y-o-Y declines due to still soft server demand ahead of the refresh cycle set to emerge during Q1 2014.

Shipments for the quarter remain flat (after modest Q2 2013 growth) at 2.3 million units.



Volume systems see 3.5% Y-o-Y revenue growth, while midrange and high-end system demand sees Y-o-Y drops of -17.8% and -22.5% respectively due to difficult Y-o-Y compares and weak Unix demand.

Worldwide server revenue declined in all major geographic regions including EMEA," IDC says. "The market was impacted by a steady transition from 2nd Platform to 3rd Platform workload demand coupled with particularly weak sales of Unix servers, which served to further dampen the market."

According to the analyst 2nd Platform workloads are a "healthy consolidation opportunity" across the market, and an integrated system demand driver. On the other hand 3rd Platform applications are shifting more server demand into cloud provider data centres, opening an opportunity for ODMs (such as Quanta, Wistron and Compal) and Chinese OEMs.

IBM System z mainframes running z/OS see 6.3% Y-o-Y revenue growth to $827m, making 6.8% of all Q3 2013 server revenue. Cloud deployments positively affect Linux server demand, with Q3 hardware revenues growing to $3.4bn at 5.6% Y-o-Y.

According to the analyst Linux servers represent 28% of all server revenue.

Windows server demand drops by -1.3% Y-o-Y, with Q3 2013 revenue reaching $6.1bn to make 50.3% of overall factory revenue. Meanwhile, as mentioned earlier, Unix servers drop by -31.3% Y-o-Y in revenues reaching $1.3bn, the lowest quarterly Unix server revenue reported by IDC yet.

In the vendor rankings HP remains on top with 28.1% Q3 2013 factory revenue share and 1.5% Y-o-Y revenue growth thanks to improved x86-based ProLiant server demand. IBM follows with 23.4% factory revenue share and a -19.4% Y-o-Y revenue decline due to soft System x and Power System demand.

Dell remains in 3rd place with 16.2% factory revenue share, while 4th place sees Cisco and Oracle sharing a statistical tie with 5% and 4.1% factory revenue share respectively.

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