

Channel Best-Sellers: Networking That Pays Off

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By **CRN Staff**

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Enterprise Wireless Networking

Nortel Networks is continuing to close the gap against Cisco Systems in enterprise wireless networking, according to data from the NPD Group/Distributor Track for the six-month period ended June 2007.

Nortel had the highest growth among the five top sellers of enterprise wireless networking products through distribution, according to data for January to June 2007 compared with the year-ago period. Nortel posted a 9.6 percent increase in market share to 22.87 percent. In contrast, Cisco, whose market share stood at 74.2 percent at the end of 2006, dropped 14.6 points to 54.78 percent.

Stuart Chandler, president and CEO of Optivor Technologies, a Nortel Elite Advantage partner in Ellicott City, Md., said he is seeing market-share gains for Nortel in both federal and commercial markets. He said Nortel is light years ahead of Cisco in both converged voice/data networks and unified communications.

"The joint development with Microsoft and the whole innovative [communications](#) alliance that has come out of that is compelling customers to move forward with a Nortel-Microsoft strategy," Chandler said.

Optivor is benefiting from the Nortel market-share gains, Chandler said, adding that Optivor has grown 1,012 percent over the past five years and is one of only 22 Nortel Elite Advantage partners in North America.

According to Chandler, Nortel's voice network legacy has given the company a huge competitive advantage when going head to head against Cisco. "When voice communication really counts, Cisco is nowhere to be found," he said. "Nortel has been doing [voice networking] for 111 years. Cisco has been doing it for 11. Most large call centers rely on Nortel."

-- [Steven Burke](#)

Enterprise Wireless Networking

	1st half 2007 Market Share	Market Share Change 1st half '07 vs. 1st half '06
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Cisco Systems	54.78%	-14.6
Nortel Networks	22.87%	+9.6
Motorola	8.46%	+1.7
D-Link Systems	3.97%	-0.2
Hewlett-Packard	1.62%	+1.1

* Ranking based on 1st half 2007 share of sales dollar volume. Highlighted vendor gained greatest share from 1st half 2006 to 1st half 2007
Source: The NPD Group/Distributor Track (Includes GTDC Data),
www.npd.com/lps/distributortrack

SMB Routers

Cisco Systems' recent channel push into the low end of the market is paying dividends as the vendor dominated sales of SMB routers through distribution and posted the highest rate of growth compared to its rivals.

For the first half of 2007, Cisco came out as the best-selling vendor for routers sold through distribution that are priced below \$1,500 with a 49.2-percent share, according to data from the NPD Group/Distributor Track. Cisco's shadow over its rivals in the space becomes even darker when its market position is combined with its Linksys division, which finished in the No. 2 spot with 25.8 percent, giving the vendor a combined share of 75 percent. Netgear placed third with 10.2 percent, followed by D-Link Systems at 3.6 percent and Adtran at 2.7 percent.

Cisco also topped its rivals by turning in market share growth of 8.6 for the first half of 2007 compared to the same period a year ago, the highest among the top five networking vendors charted in the category.

"Cisco's routers are versatile and can be adapted to do many things, including running [VoIP]," said Chris Wilson, president of Sidium Solutions in Stevens, Pa., of the vendor's Integrated Services Router family. "We can sell a barebones [router](#) all the way up to one with a voice bundle on it."

Cisco in recent months has upped its channel focus on the SMB market with a new certification specifically aimed at solution providers selling into smaller customers. The new [Select certification](#) opens new tools, support and financial incentives to SMB-focused partners.

In addition to the channel push, Cisco has been aggressively pursuing the market with attractively priced products and its ever-present marketing dominance, said Jeffrey Goldberg, president of Washington Computer Services, a solution provider in New York.

"Cisco has an overwhelming marketing advantage over everyone else," Goldberg said. "Cisco is accepted by a large part of the SMB space as the most desirable manufacturer to have at the [edge](#) of the network, so if there is an opportunity to get the equipment at an acceptable price, many people will select Cisco instead of one of its competitors."

-- [Jennifer Hagendorf Follett](#)

SMB Routers

	1st half 2007 Market Share	Market Share Change 1st half '07 vs. 1st half '06
Cisco Systems	49.20%	+8.6
Linksys Group	25.80%	-2.9
Netgear Inc.	10.19%	-6.8
D-Link Systems	3.62%	-1.2
Adtran	2.70%	+0.8

* Ranking based on 1st half 2007 share of sales dollar volume. Highlighted vendor gained greatest share from 1st half 2006 to 1st half 2007
Source: The NPD Group/Distribution Track (Includes GTDC Data),
www.npd.com/lps/distributortrack

Enterprise Routers

Cisco Systems continued to dominate the enterprise router market capturing 92 percent market share for routers priced above \$1,500, according to data from the NPD Group/Distributor Track for the six-month period ending June 2007.

IBM, which finished fourth, achieved the highest growth rate for the period, albeit from a small base. IBM's share was up 0.35 percent to 0.56 percent.

Overall, Cisco's share declined 2.31 percent from the comparable 2006 period when it captured an amazing 94.07 percent of the enterprise router sales through the channel, according to the NPD Group/Distributor Track.

The closest competitor was Nortel Networks which finished the six-month 2007 period with an 0.3 percent increase in share to 1.74. Hewlett-Packard finished third with an 0.8 percent decline in share to 1.62 percent.

Adtran closed out the pack of the top five with a 0 percent increase in share to 0.25 percent.

Phil Mogavero, president and CEO of Data Systems Worldwide, a Woodland Hills, Calif., Cisco partner, said Cisco remains the "gold standard" for all things networking.

"Cisco has recognized that applications drive the value of a network and [has invested] in unified communications, [video](#) surveillance and a full suite of offerings to drive up the value of the network," said Mogavero. What separates Cisco from Nortel, IBM and all others is Cisco "provides a complete solution," he said.

Mogavero expects Data Systems Worldwide's Cisco business to be up 40 percent this year. He said Data Systems Worldwide has invested heavily in unified communications and video surveillance. The Data Systems intelligent facilities solutions practice, which brings together unified communications and video surveillance, is being well received in the hospitality and real estate vertical markets.

As for IBM, the company's increased share in the enterprise router market is a sign of the computer giant's technology prowess, said Jay Tipton, vice president, Technology Specialists, a Fort Wayne, Ind., IBM partner.

Enterprise Routers

	1st half 2007 Market Share	Market Share Change 1st half '07 vs. 1st half '06
Cisco Systems	91.76%	-2.3
Nortel Networks	1.74%	+0.3
Hewlett-Packard	1.62%	-0.8
IBM	0.56%	+0.4
Adtran	0.25%	+0.0

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