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## **United Network Equipment Dealer Association Announces Results of First Annual Survey Revealing Aggressive Growth in the Market for Pre-Owned Networking Gear**

*Survey Findings Show Continued Business Growth for Used Equipment Dealers with Repeat Customer Sales Fueled by Responsiveness, Product Availability and Rapid, Global Delivery*

**July 11, 2007** — The United Network Equipment Dealer Association (UNEDA), an alliance of more than 300 of the top pre-owned network equipment dealers worldwide, has released the findings of the first extensive survey focused on the thriving pre-owned networking equipment market. The survey reinforces several key buying trends and issues facing providers in the secondary market as they accelerate business growth and gain traction as trusted, alternate sources for affordable, highly available, best-of-class network switches and routers.

Nearly half of UNEDA's membership from around the world responded to the inaugural survey. The members represent a cross-section of small to large organizations with annual revenues of less than \$5 million to more than \$100 million. More than 86 percent of the respondents reported business growth in 2007. The survey tabulations also reveal the primary factors driving purchase decisions, the most popular gear sold in the alternate channel and the toughest hurdles UNEDA members must clear in combating negative OEM propaganda as well as eradicating counterfeit and fraudulent gear.

According to Mike Sheldon, president of UNEDA's board of directors as well as president and CEO of Network Hardware Resale, the findings validate the role of secondary providers in transforming the networking industry through greater equipment choices and lowered total cost of ownership (TCO). "This groundbreaking survey offers an insightful look into our multi-billion dollar market," he says. "The results of our survey illustrate the wellbeing of the market while also illuminating top challenges, such as the continued need to counter the fear, uncertainty and doubt OEMs use to dissuade companies from purchasing pre-owned gear."

Some of the significant trends and results revealed in the survey are:

- More than 95 percent of the survey respondents can deliver equipment within 24 to 48 hours—a sharp contrast to up to 10 weeks when buying from OEMs;
- While nearly 90 percent of the participants sell equipment to small and medium-sized businesses, nearly 72 percent sell to large companies with multiple locations;
- Telecommunications tops the list of vertical markets served by UNEDA members, according to 98 percent of those polled; high-tech companies are another major customer segment, based on a 71 percent response;

- 90 percent of those surveyed cited responsiveness as the major reason customers buy from them; followed closely by product availability (87 percent) and rapid delivery (86 percent). Savings over OEM pricing, which can reach as much as 90 percent off list prices, were cited as a major reason by 79 percent of the respondents;
- For nearly half of the respondents, business from existing customers represented between 51 and 74 percent of sales while one-third of the respondents calculated that at least 75 percent of their sales involved repeat customers;
- Network expansions led the list of uses for pre-owned products with 97 percent of those surveyed; followed by production networks (89 percent) and network sparing (78 percent); and
- Nearly 50 percent of the respondents joined UNEDA to more effectively fight the presence of counterfeit goods in the market; almost all of the survey participants also cited the ability to operate in a “safe, secure trading environment” as a major reason for becoming a member of the alliance.

“UNEDA has raised the bar for standards of excellence in the secondary networking industry, which is why 100 percent of those polled in this survey conduct business with other dependable alliance members,” says John Stafford, UNEDA vice president and chair of the membership committee as well as COO of Network Liquidators. “We have set a high level of expectations for our members and their businesses to ensure the quality and integrity of the products UNEDA companies buy, sell and support.”

When it comes to customer support, 61 percent of the survey participants offer 90-day warranties while 36 percent include one-year warranties on all equipment sold. Overnight delivery was available from 99 percent of the respondents. Providers of secondary network equipment answer a market need for quality products at reduced costs,” says Eric Goodness, research vice president at Gartner Inc. “As a result, this market is growing in size and legitimacy as network managers increasingly understand the viability of having an alternate procurement channel to meet a wide variety of production network, sparing and disaster recovery requirements. The secondary equipment market is also providing a strong challenge to OEM maintenance and support in terms of quality and cost.”

### **About UNEDA**

The United Network Equipment Dealer Association (UNEDA) is a worldwide alliance of more than 300 of the leading marketers of pre-owned networking equipment. Members represent the entire spectrum of the secondary market, from companies with hundreds of employees and millions of dollars in inventory to small, entrepreneurial organizations. Together their combined yearly buying clout exceeds \$1 billion, representing the sale of millions of pieces of equipment to tens of thousands of customers. UNEDA members must adhere to a strict code of ethics that includes a firm policy against selling any equipment that is not legitimate. For more information, visit [www.uneda.com](http://www.uneda.com).