

# ACG Research Forecasts Sales of SDN Products for SPs Will Reach \$15.6 Billion for Live Deployments by 2018

*ACG Research announces the release of its SDN forecast, the first report from ACG Research's new service provider network virtualization practice*

GILBERT, ARIZONA, USA, January 21, 2014 /EINPresswire.com/ -- [ACG Research](#), an analysis and



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*Paul Parker-Johnson*

consulting company focused on the service provider networking and telecom space, announced today that it has released its Software-defined Networking forecast for 2013 through 2018 for SDN products in [service provider deployments](#). The forecast includes the three major categories of SDN deployment: cloud and application data centers, advanced IP services, and multilayer transport. The forecast is divided into SDN software and SDN enabled hardware sold within data center, IP edge, metro, and core,

the four major domains for deployment of SDN in service provider networks.

The market for SDN enabled hardware in live deployments across all four domains is projected to top \$707 million in 2014 and to reach \$13.3 billion in 2018. For SDN software in SP deployments the market will reach \$2.3 billion in live SDN deployments by 2018. The total annual sales of SDN products that have the potential of being used in live SP SDN deployments represents the total available opportunity and will reach \$29.5 billion per year by 2018. "The market for SDN software will be worth approximately 20 percent of the opportunity at stake with SPs by 2018," states [Paul Parker-Johnson](#), ACG's practice lead for network virtualization. "Cloud and application data centers will be the busiest of the four domains until 2016, representing over 50 percent of SDN sales into live deployment efforts in that period."

By the end of the forecast period, ACG predicts that the SP edge and metro areas will each become larger than the data center domain by a small percentage with uptake of SDN in advanced transport and IP services gaining significant traction in parallel with deployments in the cloud. "The transition of SP networks into increasingly virtualized models will accelerate after early proof of concept and trial deployments have been completed during the next one to two years," said Ray Mota, CEO of ACG Research. "The continued adoption of media and entertainment, social networking, IoT and cloud IT/applications will stimulate significant upgrades in both agility and capacity across the SP landscape, fueling the uptake for SDN."

## TREND and DRIVER HIGHLIGHTS

Total Sales of SDN enabled products to SPs, including products with SDN inside but not yet activated for live operations, will reach \$29.5 billion by 2018.

Top revenue services for SDN deployments: cloud-based IT, cloud-based applications, content and entertainment delivery, machine-to-machine applications, and managed services for business and

individual users in all SP segments

Top use cases in SDN deployments: automated service provisioning, traffic steering, custom applications/services, application-driven service chains, transport path optimization, SLA monitoring and enforcement, operations simplification and CapEx minimization.

Of the SDN software that will be sold, the split early in the period will be 50% SDN controller and 50% SDN service control applications. By 2018 the SDN service control applications will exceed pure SDN controller sales and the division will be 60% applications and 40% controllers averaged across all domains.

Karen Grenier  
ACG Research  
408-200-0967  
email us here

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