Vendors Report Solid Growth in 2Q15 Worldwide Router and Switching Markets

Increases in fixed broadband traffic and mobile broadband traffic on 3G and LTE networks are driving infrastructure growth

GILBERT, ARIZONA, USA, August 24, 2015 /EINPresswire.com/ -- The Q215 total Worldwide Carrier Routing and Switching market increased 9.2 percent quarter over quarter and 3.1 percent year over year. The core routing segment had revenues of $638 million, increasing 11.1 percent q-q and up 12.5 percent y-y. The edge/switching segment posted revenue of $2.4 billion, up 8.7 percent q-q and up 0.9 percent y-y.

Worldwide Carrier Routing & Switching Markets 2Q15		
	Q-Q MS Points +/-	Y-Y MS Points +/-
ALU	0.3	-1.8
Brocade	0.0	0.5
Cisco	-2.8	0.3
Huawei	0.3	1.7
Juniper	1.5	-1.0

Worldwide Carrier Routing & Switching Markets 2Q15

New applications, increases in Internet data and video traffic continue to drive global router and switching markets. Cloud and content service providers have been rapidly expanding their data center capacities to handle the demand for new services. These drivers require flexible and scalable networks and vendors are seeing the benefits; the 2Q total Worldwide Carrier Routing and Switching market posted revenue of $3.0 billion.

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One trend that continues to gain traction is providers focusing on their networks that connect the data centers. Inter-data center networks are changing to support new services and network requirements for bandwidth scalability, low latency, security, virtualization and automation. It is anticipated that by 2019 there will be 60 percent more data centers in the world's metropolitan areas than there are today, and data center interconnect volumes will increase by more than 400 percent.

"Despite so many POCs in SDN and NFV being deployed, the overall market still needs scalable reliable routers for providers' critical services," states Ray Mota, CEO of ACG. "Routers aren't going away any time soon. What we will see is a variety of physical and virtual deployments with expanded TAM into Webscalers that need carrier-grade virtual routers and high-performance MPLS switching."

TREND and DRIVER HIGHLIGHTS
Increasingly, operators are turning to NFV as an enabler of new services, short service innovation cycles, and as a means to drastically reduce the operational cost of new and existing services.

Traditional architectures are not capable of delivering a sustainable business model because of long deployment times and the resulting complex manual and proprietary systems interfaces required to support. These factors have been identified as the major causes of high-cost, poor capacity scaling

and long innovation cycles. Traditional appliance-based solutions are unable to react quickly to new and changing service opportunities and requirements, thus limiting revenue opportunity and increasing customer churn. Deploying multiple technology silos to deliver a mixed portfolio of services plus the operational implications of multiple specialist teams, adds further opex expense.

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