Migration of Services to the Data Center Driving Optical DCI Growth

Worldwide Optical Data Center Interconnect market projected to grow to $4.7 billion in 2019

PHOENIX, ARIZONA, USA, November 6, 2015 /EINPresswire.com/ -- ACG Research has released its Q2/2015 worldwide Optical Data Center Interconnect (DCI) market share analysis as well as its 2014–2019 worldwide forecast for Optical infrastructure platforms purchased by service providers for use in data center interconnect applications. Optical DCI product segmentation includes products designed for both long-haul and metro deployments, as well as a parallel view of the market based on large-scale multi-slot chassis platforms and small-form factor (SFF) optical appliances. The top three optical DCI suppliers worldwide in Q2/2015 are Ciena, Infinera and Alcatel-Lucent, respectively.

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Purchases of Optical DCI equipment are expected to grow at a compound annual growth rate (CAGR) of 44.9% during the forecast period from just over $1.1 billion in 2014 to $4.7 billion in 2019. Sales of metro DCI platforms (supporting DCI connections up to 150 km) will continue to dominate over long-haul; both metro and long-haul will experience considerable growth at 51.5% and 24.6% CAGRs, respectively. Throughout the forecast period, the Americas and specifically North America remain the dominant geographical location for Optical DCI. EMEA and APAC regions demonstrate considerable optical DCI growth, but each remains about half the size of the Americas market.

Although the majority of Optical DCI deployments to date have been with multi-slotted chassis products, small-form factor Optical DCI appliances are entering the market at a rapid pace, led by Infinera's two rack-unit (2RU) Cloud Xpress, which debuted in late 2014. Recent announcements from other vendors in the optical appliance category include Ciena's Waveserver™ and Fujitsu's 1Finity™ platforms. Adva also recently debuted its FSP3000 CloudConnect™ platform, though Adva is espousing a modular, 4RU chassis as "right-sized" for Optical DCI applications. Expect to see more product announcements in the future for this fast-growing product segment as revenue is projected to approach parity with large multi-slot chassis solutions in the last year of the forecast period.

"Uptake of Optical DCI is being driven by the migration of services to data centers and the cloud as service providers simplify deployment models and accelerate delivery of new and differentiated services," says Tim Doiron, practice lead for Intelligent Transport Networking at ACG. "New and expanded data center deployments are being driven by a variety of service providers including Internet content providers (ICPs), network service providers (NSPs) and interexchange providers (IXPs) as well as enterprises themselves. As more functions become automated and virtualized, the need to interconnect data centers for capacity, resiliency and versatility will continue to grow and increase the need for reliable, cost-effective, high-speed data center interconnections."

ACG Research provides market share and forecast analysis in the service provider equipment space,

business modeling and key performance indicators consulting services, service creation, strategic messaging and go-to-market strategies in all aspects of the networking industry.

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