

Service Provider Router and Switching Market Affected by Digital Transformation

Market forces driving SPs to transform their networks & infrastructures to increase the velocity and breadth of service offerings & to reduce capex and opex

GILBERT, ARIZONA, USA, March 19, 2018 /EINPresswire.com/ -- ACG Research has released its 4Q 2017 worldwide [Routing](#) and Switching market share and forecast reports. The worldwide Routing and Switching market decreased 8.9% quarter over quarter and decreased 11.9% year over year; revenue \$3 billion. The core routing segment decreased in q-q revenue for a total of \$571 million. The edge/switching segment declined slightly, posting revenue of \$2.5 billion. Regionally, APAC decreased revenue 3.3% q-q but was up slightly 0.3 y-y. The EMEA region grew 1.3% q-q but was down 2.1% y-y. The Americas were down 8.9% q-q and 11.9% y-y.

“

Operators are upgrading to key technologies, building comprehensive plans for transformation & working with the right partner throughout the process to achieve agility and their financial goals.”

Ray Mota

Market forces are driving service providers to transform their networks and infrastructures to enable them to increase the velocity and breadth of service offerings and to reduce capital expenditures and operating costs. The drivers of digital transformation are competition, maturing businesses, and obsolete infrastructure. Several key technologies, virtualization, automation and orchestration, 5G, analytics and machine learning, edge computing, and migration to an all IP infrastructure are now mature enough for network introductions that will underpin service providers' digital transformation.

“Operators recognize that to succeed they must modernize their networks to gain agility to effectively compete and remain relevant in a highly dynamic market,” says [Ray Mota](#), CEO. “To this end they are upgrading to key technologies, building comprehensive plans for transformation and working with the right partner throughout the process to achieve their agility as well as their financial goals. These fundamentals are a requirement and failing to operate and incorporate them will significantly add to the complexity of the process and increase the probability of failure.”

TREND and DRIVER HIGHLIGHTS

Segment routing is a technology that can be seamlessly deployed in MPLS and IPV6 networks. Owners have only two options related to their networks: continue to grow with the complexities of their current networks and lose more on capex and opex or think outside of the box to solve these issues. The versatility of the technology in terms of deployment, network types, and use cases makes it a solid option for WAN or DC network.

Operators are modernizing their networks and implementing key technologies to gain agility to compete and remain relevant in a dynamic market. To enable digital transformation the following are key capabilities that the vendor should offer: SDN/NFV, Cloud services, Security, 5G, Edge computing, IP enablement, and Data analytics.

Providers need to understand that digital transformation is far reaching because it impacts all parts of their organization and requires major changes in operations, product development and management, and in business modeling and planning. Furthermore, these are not one-time events but a continuum of transformation that can take years and meaningfully impact the entire business.

For more information about ACG's routing and switching services contact sales@acgcc.com.

sales@acgcc.com
ACG Research
408-200-0967
[email us here](#)

This press release can be viewed online at: <http://www.einpresswire.com>

Disclaimer: If you have any questions regarding information in this press release please contact the company listed in the press release. Please do not contact EIN Presswire. We will be unable to assist you with your inquiry. EIN Presswire disclaims any content contained in these releases.

© 1995-2018 IPD Group, Inc. All Right Reserved.