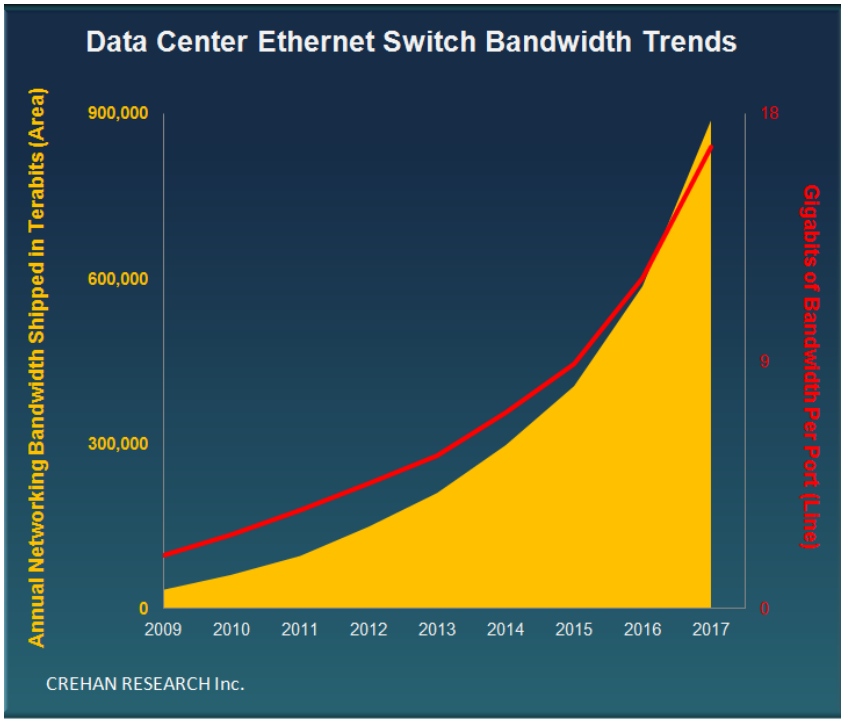
CREHAN RESEARCH Inc.

data center networking: statistics analysis insights

Branded Data Center Ethernet Switch Bandwidth Deployments Surged More Than Fifty Percent in 2017, According to Crehan Research

Dollar-per-Gigabit Price Decline Drove Significant Increase in Average Network Connection Speed

SAN FRANCISCO, CA, March 14, 2018 — Customer deployments of branded data center Ethernet switch bandwidth increased by more than fifty percent in 2017, according to the latest report from Crehan Research Inc. The cost of a gigabit of bandwidth also saw its steepest decline in six years during 2017 according to the report, resulting in a significant increase in the average bandwidth per data center switch port connection: almost 17 gigabits in 2017, versus 12 gigabits in 2016 (see accompanying figure). The overall market-level average price per data center Ethernet switch port remained stable, as higher bandwidth per port offset lower bandwidth cost.



"Public, private, and hybrid cloud providers are looking to deploy much faster networks within and between data centers in order to handle the myriad of new and existing applications that their customers need," said Seamus Crehan, president of Crehan Research. "In turn, the data center switch vendors are responding by offering significantly more bandwidth at little or no additional cost," he explained. "The net result is a year of dramatic bandwidth growth, record port shipments, and record revenue in the branded data center Ethernet switch market."

Other noteworthy results from Crehan's data center switch report include:

- 25 gigabit Ethernet (GbE) combined with 100GbE yielded an increase of close to $2 billion in 2017, with 100GbE as the major contributor.
- Branded data center switch revenue increased ten percent in 2017, the strongest annual growth in four years.

- 40GbE shipments started to decline in 2017, however this decline was very moderate with shipments only falling five percentage points for the year.
- 10GBASE-T saw robust annual growth of 34%, comprising almost 30% of all 10GbE shipments in 2017.
- Branded data center switch bandwidth deployments in the past two years exceeded deployments in the prior eight years combined.
- In 2017, 100GbE surpassed 10GbE to become the largest single contributor to overall data center Ethernet switch network bandwidth.

The rapid adoption of 100GbE – where port shipments went from an annual run-rate of less than a hundred thousand ports to over four million ports in only two years – bodes well for the upcoming introduction of 400GbE data center switches which offer the same compelling economics against the backdrop of strong cloud demand for higher network speeds. In its recently published Data Center Switch Long-Range Forecast Report, Crehan Research predicted that 400GbE switches would drive the majority of data center Ethernet switch bandwidth within five years.

About Crehan Research Inc.
Crehan Research Inc. produces reports with very detailed statistics and information on the data center switch and server-class adapter & LOM/controller markets. The company's reports are supported with rich insights and context to deliver increased value. For more information about Crehan Research Inc. email info@CrehanResearch.com, phone 650-273-8400, or visit www.CrehanResearch.com.

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