

Data Center Switch Market Keeps Growing, according to Crehan Research

Cisco Has Strong Revenue and Shipment Lead on Strength of Nexus Switches

SOUTH SAN FRANCISCO, CA, December 11, 2012 — In its most recently published 3Q12 Data Center Switch report, [Crehan Research Inc.](#) indicated that the Data Center Switch market posted quarter-over-quarter and year-over-year gains, despite economic weakness in many regions.

“While no segment of the networking market is immune to the pressures of a weak economy, trends such as exponential growth in network traffic and storage, convergence, virtualization, and large Cloud and Web 2.0 data center models, as well as the mission critical and strategic nature of the data center, have resulted in continued investment and growth for data center switches,” said Seamus Crehan, president of Crehan Research.

Crehan Research noted that in terms of out-performing segments, both the Data Center Modular/Chassis 10 Gigabit Ethernet (GbE) and Fixed/Top-of-Rack 10GbE segments posted stellar shipment results. “For example, the Fixed/Top-of-Rack segment had sequential growth of almost 20 percent and year-over-year growth in excess of 70 percent,” Crehan said.

The report shows, that despite an onslaught of competitive threats from new entrants, server OEMs, and some custom switch building by massively scalable data center players, Cisco still has a large revenue and port share lead. This lead is indicative of broad data center adoption of its Nexus 7000 Modular/Chassis switch as well as its Fixed/Top-of-Rack Nexus 5000 and 2000 lines, bolstered by a strong ramp from the Nexus 3000 switch in larger financial services and Cloud environments.

In line with the quarter’s Fixed/Top-of-Rack 10GbE strength, the Others category which includes Arista Networks, enjoyed robust growth within this segment. Driven by its Summit X670 switch, Extreme Networks also experienced a strong share gain in this segment, more than doubling its shipments during the quarter.

The strong year-over-year growth in Fixed/Top-of-Rack 10GbE switch shipments, which are often deployed for server access, was consistent with the strong 10GbE year-over-year growth shown in the Crehan Research 3Q12 Server-class Adapter and LAN-on-Motherboard (LOM) report. Here growth rates exceeded 50 percent, consistent with prior quarters.

In the Blade/Embedded Switch segment, IBM saw strong growth – and numerous associated share gains – in the GbE, 10GbE and 40GbE segments helped by the ramp of its PureSystems integrated server, storage and networking solutions.

In the Fibre Channel Switch market segment, revenues declined sequentially as port growth was offset by price declines, despite a mix shift to the more-expensive Director-class Fibre Channel switches, namely, Brocade's DCX and Cisco's MDS 9500 product lines. However, Crehan said that Fibre Channel switch revenue is on track for full-year 2012 growth exceeding that of 2011. During the quarter, Brocade gained Fibre Channel switch revenue share, while Cisco gained port shipment share, according to the Crehan Research report.

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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