Data Center Switch Market Hits $12B in 2015, Reports Crehan Research
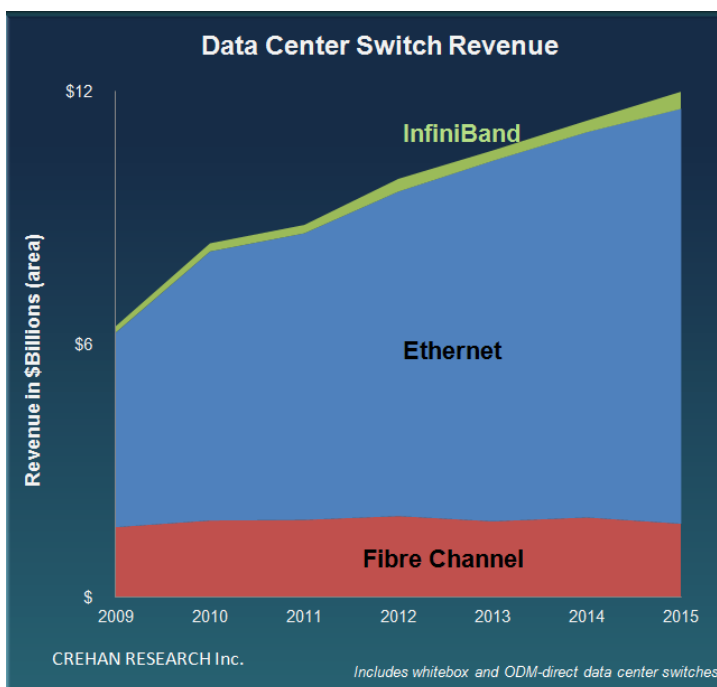
Ethernet and InfiniBand Drive Growth

SAN FRANCISCO, CA, March 7, 2016 — 2015 was another year of growth for the data center switch market, according to the most recent report from Crehan Research Inc. The firm reported that Ethernet, which accounts for the majority of data center switch revenues, grew 7% in 2015, and that InfiniBand revenues surged to a record year, surpassing its prior record of 2012. In contrast with Ethernet and InfiniBand, Fibre Channel switch revenues declined slightly following growth in 2014 – see accompanying figure.

"Ethernet remained by far the dominant data center switch technology during 2015," said Seamus Crehan, president of Crehan Research. "With the recent introductions of attractively priced 25 gigabit Ethernet (GbE), 50GbE, and 100GbE switches, we expect this to continue," he said, adding, "InfiniBand is also enjoying a strong resurgence, in conjunction with the adoption of Intel's higher performing Grantley-based server platforms and ever-expanding high performance computing applications."

In addition to the top-level performance of Ethernet, Fibre Channel and InfiniBand, notable results from Crehan's data center switch report include:

- 10GBASE-T and 40GbE were the main data center Ethernet switch growth drivers in 2015, with both technologies seeing an approximate doubling of annual shipments
- Modular data center Ethernet switch shipments returned to growth after two consecutive years of decline

- 25GbE/50GbE/100GbE data center switches saw initial shipments in 4Q15, along with the server adapters to connect to these switches. These products are expected to ramp strongly in the second half of 2016

- Cisco accounted for 60% of total data center Ethernet switch revenue in 2015

- Arista's total data center Ethernet switch revenue increased more than 40% in 2015, resulting in a two-point share gain

- Huawei's 4Q15 data center Ethernet switch revenue more than doubled year-over-year, as data center upgrades and build-outs continued to be strong in China despite macro-economic volatility

- For full-year 2015, 16Gbps Fibre Channel became a solid majority of total Fibre Channel switch shipments, laying the foundation for the ramp of recently introduced 32Gbps Fibre Channel products

- White box and ODM-direct data center Ethernet switching accounted for 4% of total 2015 data center switch revenue

"2015 was an exciting year in the data center market, as customers demonstrated strong demand for higher-speed switches to keep pace with the relentless increase in network traffic," Crehan said. "This was broad-based, with 40GbE, 100GbE, 16Gbps Fibre Channel, FDR (56 Gbps) InfiniBand and EDR (100 Gbps) InfiniBand all showing strong growth."

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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