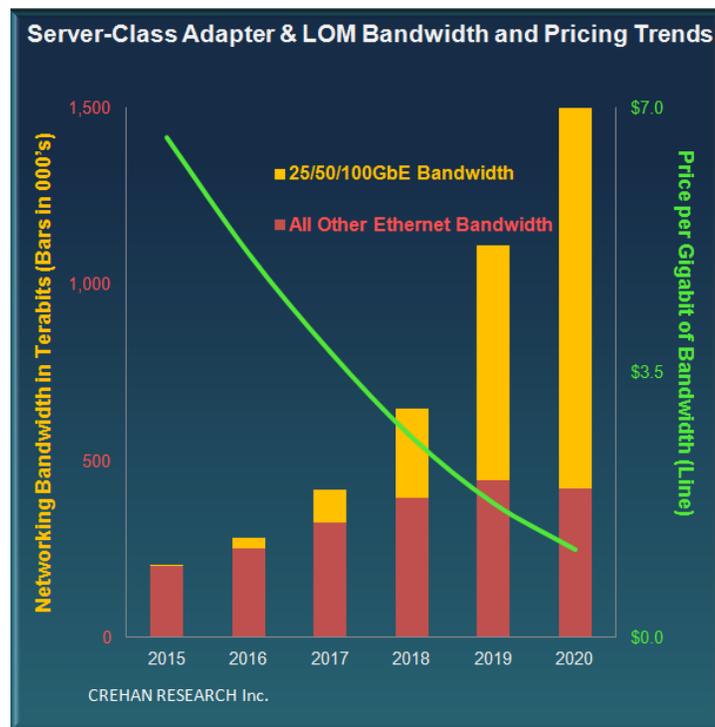


Steeper Price Declines to Drive Seven-Fold Increase in Server-Class Ethernet Networking Bandwidth by 2020, According to Crehan Research

Dollar-per-Gigabit Bandwidth Prices to Fall Below One-Fifth of Current Levels, Largely Enabled by 25, 50 and 100 Gigabit Ethernet

SAN FRANCISCO, CA, July. 26, 2016 — In its most recent Server-Class Adapter & LAN-on-Motherboard (LOM) Long-Range Forecast Report, [Crehan Research Inc.](#) projects that much steeper server-class Ethernet networking price declines will result in a significant increase in bandwidth deployed, enabling the next phase of cloud services. The firm forecasts that the dollar-per-gigabit cost of server-class Ethernet networking bandwidth will fall to less than one-fifth of its current level within five years, and that the related bandwidth deployed will correspondingly increase more than seven-fold during that same time period (see accompanying figure).

“Over the past five years, server-class Ethernet networking bandwidth has seen a robust increase of about thirty percent per year, in conjunction with ever-increasing data center network traffic and an annual dollar-per-gigabit price decline in the ten to fifteen percent range,” said Seamus Crehan, president of Crehan Research. “With the arrival of 25 gigabit Ethernet (GbE), 50GbE and 100GbE, we expect an



inflection change in this trend, with total bandwidth increasing close to fifty percent annually and the cost-per-gigabit of that bandwidth declining by close to thirty percent annually.” He added, “In fact, we are already seeing examples where 25GbE, 50GbE and 100GbE data center Ethernet products have very small – and sometimes no – price premium over the comparable lower speed offering.”

Despite its projection of a very strong ramp in the adoption of 25GbE, 50GbE and 100GbE, Crehan Research expects 10GbE to remain a very important server-class Ethernet networking technology through 2020, especially in enterprise data centers. “Although there is a lot of excitement around 25GbE, 50GbE and 100GbE, and justifiably so,” Crehan said, “many enterprise data centers are still using 1GbE for

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server networking attach. A lot of these customers will likely see 10GbE, and especially 10GBASE-T, as their next network upgrade path.” In a prior long-range forecast report, the firm noted that in contrast to the past, many high-speed Ethernet networking speeds would coexist simultaneously, [as the diverse segments of the market looked for more targeted solutions to meet their specific needs.](#)

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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