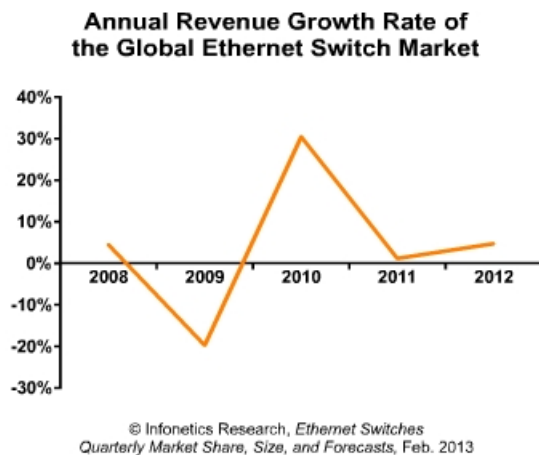# Infonetics: "Solid" Times for Ethernet Switches

Written by Marco Attard
07 March 2013

Infonetics Research describes the 2012 global ethernet switch market as "solid" as revenues reach $19.8 billion with 4.7% growth (or up by nearly $1bn over 2011) despite European weakness and lower public sector spending.

During Q4 2012 the market grew by 5% Q-o-Q to $5.1bn.

"Signs are pointing to a healthier road ahead as discounting returns to normal levels and buyers seek higher-value products like layer 3 switches and higher-speed ports," the analyst remarks.

According to Infonetics all top 5 vendors (Cisco, HP, Juniper, Dell and Brocade) see revenue growth in 2012. Smaller vendors also manage to gain share, even if Cisco and HP combined own over 75% of the WW ethernet switch market.
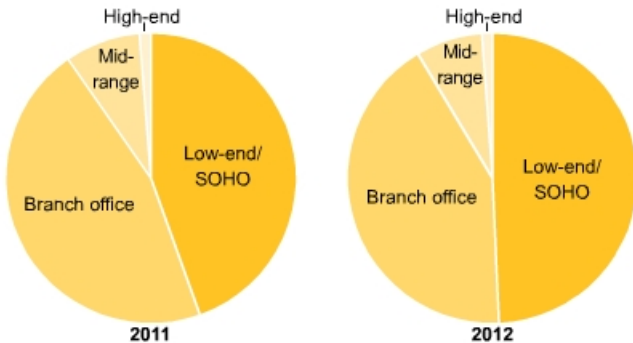
10G accounts for "almost all" revenue growth, with 2012 10G port shipments growing by 66% thanks to data centre upgrades, 10G server adoption, server virtualisation and core network buildouts.

40G ethernet also shows rapid growth-- 2012 port volumes are up by 10x, if from a small base.

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Low-end routers became the largest enterprise router segment by unit shipments in 2012

© Infonetics Research, Enterprise Routers
Quarterly Market Share, Size, and Forecasts, Feb. 2013

Meanwhile global enterprise router revenues totals $3.5bn in 2012 with a -3% decline. Unit shipments however grow by 5%, with low-end routers representing the largest segment in unit contributions with 20% growth.

Mid-range routers show 8% Q-o-Q growth in Q4 2012, possibly an "early indicator of a turning point" according to Infonetics.

The analyst does have one piece of good news-- ASPs are steady, dropping by less than -1% in 2012 in some cases and growing in others.

When it comes to vendors, market share changes are minimal. Top router maker Cisco gains 0.2% share to 71.5%, and the top revenue share gainers are Huawei, Yamaha and NEC.

Go Infonetics Ethernet Switches Report

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