IDC: 2018 SDN Market to Reach $8 Billion

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According to IDC the global software-defined networking (SDN) market for the enterprise and cloud service provider segments will grow from $960 million in 2014 to over $8 billion in 2018 with a CAGR of 89.4%.

The SDN ecosystem the forecast covers includes in-use physical network infrastructure, controller and network-virtualisation software, SN network and security services, and SDN-related professional services.

SDN use cases include web scaling for hosting/public cloud providers, private/hybrid cloud deployments, network programmability and customisation, and security applications.

"SDN is taking center stage among innovative approaches to some of the networking challenges brought about by the rise of the 3rd Platform, particularly virtualisation and cloud computing," the analyst says. "With SDN's growing traction in the datacenter for cloud deployments, enterprise IT is beginning to see the value in potentially extending SDN to the WAN and into the campus to meet the demand for more agile approaches to network architecture, provisioning, and operations."

IDC adds that "significant" near-term use case opportunities for SDN are on the horizon in both cloud service provider rollouts and enterprise deployments. Enterprises are still testing the SDN waters, but the analyst predicts the segment will be a "major" market driver over the next few years.

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"The 2014 through 2016 period will be a significant launch point for SDN in the enterprise, with significant growth opportunities for both enterprise-focused SDN infrastructure and cloud

service providers," IDC concludes.

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