

Content Delivery Network (CDN) - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The Content Delivery Network Market size is estimated at USD 19.96 billion in 2024, and is expected to reach USD 42.46 billion by 2029, growing at a CAGR of 16.30% during the forecast period (2024-2029).

Growing demand for rich video content, increasing online users, and digitization trends in organizations across the end-user verticals boost the overall CDN market demand.

Key Highlights

-A CDN is an online network of connected computers that distributes web content quickly to many users by copying or caching the content on various servers and sending it to consumers remotely. High availability and high-performance content delivery to end users are achieved through the use of CDN. Web objects (text, graphics, and scripts), downloadable objects (media files, software, documents), applications (eCommerce, portals), real-time streaming data, on-demand streaming media, and social networks all make use of CDNs nowadays.

-Over-the-top (OTT) video consumption is quickly evolving due to continual digital infrastructure improvements and initiatives OTT platforms take to produce engaging content for customers at reasonable costs while providing significant value. Additionally, consumption is being boosted by the rising use of mobile devices, the appeal of big screens, and investments in creating original content. Demand for CDN solutions is rising as OTT and VoD consumers grow in number. According to Cisco's visual networking index, IP video is projected to have 79% of the online traffic by 2024. This suggests the growing trend of online video services.

-The popularity of online gaming is skyrocketing as new technologies like 4K and Ultra HD become available, which drives the market. Gaming companies are increasingly investing in CDN to deliver high-quality content to ensure a better user experience. CDN provides gaming firms to provide essential files and patches for players to download quickly. Additionally, server crashes and download failures are also avoided. All of these features enhance the pre-gaming process. Furthermore, CDN offers scalability,

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allowing players to keep playing even if the game's download size increases due to its high-quality visuals and other capabilities.

- With an increase in usage of the internet and smart devices, an enormous amount of data is being generated daily, which needs to be smartly managed. Web-performance optimization solutions are aimed at reducing latency. The success of these solutions will increase the demand from major retailers and the media and entertainment industry.
- Companies are facing challenges due to bandwidth and network allotment, particularly in rural areas. The company needs to attract enough clients to pay its annual running costs, which include debt payments, replacement capital on a regular basis, and operating expenses. Debt payments rank among the most difficult expenses to cover in rural areas. However, in recent years, significant growth has been observed in rural areas due to rising rural networks from 60% to over 90%. Considering penetration rates that vary widely because of demographics (incomes, ages, and the proportion of seasonal residents) and the amount of grant support companies are targeting developing and underdeveloped regions.
- COVID-19 had a direct impact on the market since the vendors of content delivery networks rely on several economic elements for their revenue, including vibrant financial markets, the movement of liquidity, and financing from financial institutions. Despite these obstacles, the CDN market is anticipated to expand steadily throughout the forecast period due to the rising data exchange rates on the Internet and the ongoing deployment of high-speed networks.

Content Delivery Network (CDN) Market Trends

Media Delivery is Expected to Have a Significant Market Share

- The world population using the internet stands at 56.3%, which is responsible for the growing online content. The advent of 4K/UHD televisions, high-definition content supporting smart gadgets, and improving connectivity raise viewers' expectations for high-quality content.
- Many media organizations are making a transition toward a digital distribution model. This distribution model avoids buffering and stream crashes by putting copies of media files close to viewers. This caching functionality makes a significant difference, even for live broadcasts. Additionally, it reduces the load on the origin server resulting in a more reliable experience. These transitions present a great market opportunity for CDN vendors.
- CDN vendors are increasingly focusing on techniques for web performance optimization to cater to mobile and dynamic content requirements. For instance, in April 2022, Google launched Media CDN to compete in web and API acceleration content delivery.
- According to the Global Internet Phenomena Report, streaming video accounted for 53.7% of internet bandwidth traffic, up by 4.8% from a year ago. Companies that sell access to content delivery networks (CDNs), which are collections of servers made to accelerate the transmission of web material, gained greatly. The data volume of CDN is increasing due to the advent of peer-to-peer technology (p2p), 5G, wearable devices, IoT, virtual reality, augmented reality, and advancing technological innovation.
- Mobile traffic for media-related services accounted for about 45%, which is expected to increase. The need for content to be mobile-compatible is expected to increase, owing to the expected growth of consumed data to about 4.5 GB per month, which is currently at 1.5 GB on average. Media CDN is built with AI/ML, giving viewers more control over how they see, experience, and interact with content. For example, sports fans watching a game can obtain real-time stats and analytics, viewers can purchase items from virtual billboards, etc.

North America Holds the Largest Share in Content Delivery Network Market

- North America has a high internet penetration rate, which is anticipated to support content expansion. North America held the leading regional market position and is expected to maintain its dominance throughout the projection period due to the presence

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of market leaders and early adoption of technologies across various end-user verticals.

- The growing demand for enhanced video content and latency-free online gaming, falling data costs, increasing accessibility and affordability of mobile and broadband networks, and increasing adoption of cutting-edge technologies like Augmented Reality (AR) and Artificial Intelligence (AI) are all contributing to North America's digitalization trend, further aiding the regional expansion of CDN.

- According to Omdia TV and Online Video Intelligence Service, North America accounted for 52% of the total CDN revenue. Much of this would be fueled by the region's robust economic growth and ongoing IT and telecom industry expansion. The development and investment in CDNs would be driven by additional factors such as the move toward digital transformation, an increase in cloud deployment, and technological developments.

- Pay TV consumption has decreased in the United States as well. More consumers have been found to favor online media content over pay television. Recently, cord-cutting has been growing, and in the upcoming years, 22.2 million cord-cutters are anticipated, emphasizing the trend toward on-demand entertainment.

- Phishing and DDoS attacks are majorly faced in this market. For example, according to RCDevs estimates, fraud-related cyberattacks contribute to an average of 43% of occurrences, 34% of data breaches, and 23% of interruptions in the finance industry. In response, numerous American banks proposed purchasing CDN services to reduce suspicious web traffic and stop illegal actors.

- Additionally, some of the region's well-known e-commerce businesses quickly implemented CDN solutions to increase network traffic and reduce latency which also helped the regional market to maintain its prominent share. By providing the clients with the necessary content, the application of these solutions plays a significant part in distributing digital content to end users.

Content Delivery Network (CDN) Industry Overview

The content delivery network is highly fragmented because companies have benefits, such as improved accessibility to increase mobile content delivery, storage, and accessibility. With new technological innovations, the scope of entering the CDN market is exciting. Some key players in the market are Amazon Web Services Inc., Akamai Technologies Inc., Google LLC, Verizon Digital Media Services (Oath Inc.), Limelight Networks Inc., and Tata Communications. These players constantly innovate and upgrade their product offerings to cater to the increasing market demand.

In September 2022, Bharti Airtel launched Edge CDN as part of its Edge Cloud Portfolio, making its entry into the content delivery network (CDN) market. To implement Edge CDN, the telecom business has teamed up with CDN enabler Qwilt.

In August 2022, Amazon's cloud arm Amazon Web Services (AWS), expanded its presence in Vietnam with two new Edge locations for its Amazon Cloud Front and AWS Direct Connect offerings in Hanoi and Ho Chi Minh City.

In March 2022, Akamai Technologies completed the acquisition of Linode to give companies a massively distributed platform that is friendly to developers for building, running, and securing applications.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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