# Data Center Fabric - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

Market Report | 2024-02-17 | 120 pages | Mordor Intelligence

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**Report description:**

 The Data Center Fabric Market size is estimated at USD 2.31 billion in 2024, and is expected to reach USD 8.21 billion by 2029, growing at a CAGR of 28.90% during the forecast period (2024-2029).

 The growing usage of complex interactive applications, the expansion of internet services and activities, and the constant advancement of technology have highlighted the need for faster data rates, more computing resources, and increased storage capacity to manage the volume of data being generated. Additionally, automated smart data center networks are required to adapt to the dynamic processing requirements of distributed applications. The data center fabric concept has been foreshadowed by grid computing and hinted at by switch fabric.

 Key Highlights
-While the latest and highest-performing data center hardware and software are still essential for high-speed critical transaction processing, trends such as security, software-defined networks (SDN), hybrid cloud, and big data are crucial to delivering higher levels of financial services to clients while reducing risks and saving costs.
-The virtualization of physical resources into logical pools with the help of data center fabrics optimizes IT resource utilization by enabling applications to fetch required resources from these pools.
-The market value will face challenges due to the expansion of infrastructure, particularly in emerging economies like China and India, the growing use of high-speed data transmission technologies, and increased research and development expertise in relation to complex interactive applications. Nevertheless, the continued expansion of organizational data volumes and the semiconductor sector, especially in emerging nations, will pave the way for further market growth.
-Cloud-based applications are experiencing significant growth, driven by the use of new technologies such as AI, machine learning, and AR/VR. The current large and growing community of cloud builders requires a unique level of customization and

flexibility from networking components to operate and monitor sprawling data centers.

-The COVID-19 pandemic had an unanticipated and undetermined impact on people's lives, groups, means of subsistence, and economies. The likelihood of a global economic downturn and employment losses increased. Given that businesses are now employing strategies to optimize profits despite market fluctuations, it has become necessary to forecast the degree of uncertainty. The financial ramifications of lockdown measures have significantly impacted the data center fabric industry, with frequent disruptions in the supply chain hindering its development.

## Data Center Fabric Market Trends

### Increasing Demand of Fabric Switches is Driving the Market

- Fabric switches play a critical role in reducing infrastructure costs by consolidating data centers. Ethernet switches and fiber channels serve as the foundation for bringing together server and storage networking in data centers that share a common infrastructure.
- The fabric infrastructure is highly scalable, allowing data centers to grow with the organization's increasing demands in the future. Compared to traditional networks, flattened networks' operational costs for networking decrease significantly, making fabric products an attractive option for organizations looking to reduce overall data center operation costs while increasing capacity.
- The rising cost of electricity, the adoption of cloud services, and the need for big data storage are motivating factors for organizations to install fabric products in their data centers. By doing so, they can reduce the overhead cost of power and cooling facilities by a considerable margin. As businesses increasingly seek to improve their performance by providing real-time application solutions to customers, flat network architecture becomes crucial for analyzing information stored in servers.
- Additionally, spending on networks by cloud and content service providers is expected to increase from core to edge data centers. On-premise migration to colocation facilities will decrease spending on 1/10GbE switches in developing nations and result in a significant increase in 25/100GbE switches in modern data center systems.

### North America is Expected to Hold a Significant Market Share

- North America has experienced remarkable growth in data center infrastructure solutions due to the expansion of mobile broadband, the growth in big data analytics, and cloud computing. This growth is driving the demand for new data center infrastructures in the region.
- North America makes significant investments in research and development, which will result in the creation of next-generation facilities that are more technologically sophisticated and effective in terms of information management. Furthermore, the area is home to a number of data center infrastructure providers, which has greatly aided its quick growth and market share.
- However, the increase in data center infrastructures has led to high demand for the data center fabric market. The increased deployment of multi-core processor-based servers, the growing demand for virtualized servers that aid in running multiple applications on a single server, and the need for high-speed data transfer systems have led to an increased need for the high-bandwidth networking fabric market.
- The United States currently has the highest number of data centers globally and is witnessing robust growth in terms of the volume of big data and traffic due to the increase in the number of hyperscale data centers.

## Data Center Fabric Industry Overview

The market for data center fabric is semi-consolidated and comprises several major players with moderate concentration. These companies are competing against each other to capture the growing market, particularly that of mega data centers. To increase their market share and profitability, they are employing strategic collaborative initiatives. Some of the significant players in the market are Cisco Systems Inc., Oracle Corporation, and Hewlett-Packard Enterprise Company, among others.

In August 2023, Cyxtera has announced its collaboration with (HPE) to help customers simplify their IT operations, improve agility, and realize significant cost savings, With HPE ProLiant servers on Cyxtera Enterprise Bare Metal, customers can benefit from the operational flexibility of the cloud with the performance, control, cost-predictability, and security of dedicated infrastructure running in Cyxtera's global data centers.

In July 2022, Digital Realty launched ServiceFabric, an interconnectivity solution and orchestration platform designed to support the industry's wider shift to a hybrid, data-centric architecture. This step is part of the company's plan to help customers unlock trapped value from their data.

In May 2022, NTT Ltd. in India announced the opening of its new hyperscale data center facility in Navi Mumbai, starting with the NAV1A data center. This announcement follows the opening of a new data center at its Chandivali facility, which is India's first operational hyperscale data center campus.

Additional Benefits:

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

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