Enterprise Routers - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The Enterprise Routers Market was valued at USD 15.76 billion in the current year and is anticipated to reach USD 24.03 billion by the end of the forecast period, registering a CAGR of 7.49% during the forecast period. Enterprise routers are essential products for any enterprise or organisation that uses them on a regular basis. By connecting computers and the Internet, they contribute to enterprises in a major way. Routers are capable of performing many functions, including enterprise routing which allows businesses to have greater CPU capacity for the management of placement tasks. Furthermore, it will enable enterprises to increase their network interface bandwidth for both wireless and wired circuits as well as use NetflowsFlow, MPLS, Quality of Service or any additional security features. It is equipped with features to integrate deep packet inspection and Wide Area Network acceleration. Enterprise routers are helping maximise productivity in the office, requiring an engineer's skill and experience to install them. An Enterprise Router can assist in maximising efficiency at your office, while an engineer's skills and experience are required to install the enterprise router.

Key Highlights
-Huawei's Global Industry Vision predicts that by 2025, 85% of enterprise applications would be moved to the cloud, resulting in significant traffic growth at the part of egress of enterprise WANs. This development will be an exciting opportunity for market growth in the study area.
-Further, according to Cisco, the Internet of Things (IoT) has become a prevalent system in which people, data, processes, and things connect to the Internet and each other. Globally, M2M connections are estimated to grow 2.4-fold, from where 6.1 billion in 2018 to 14.7 billion by 2023. There would be 1.8 M2M connections for each member of the global population by the end of 2023. The increasing number of M2M connections are likely to boost the penetration of enterprise routers.
-Enterprise networking systems improve productivity at the workplace, but they require an engineering professional's expertise and training to install them. Private links are capable of several Mbit per second but they tend to be congested in the network, so

service quality cannot be guaranteed. Adefined software wide area networks, which make use of flexible and efficient network management with applications, are the best solution.
-Moreover, in order to meet enterprises' growing demand for enhanced performance and better user experiences, the service providers are rapidly updating their networks. However, these services providers are still being hampered by inspection methods that need to be reviewed because of the adoption of virtualisation and SDN capabilities. New challenges have arisen in the area of migration to cloud computing for enterprises and an increased reliance on software applications from service providers, This has driven service providers to adopt NFV, SDN, and cloud-native computing technologies.
-To cater to the complex requirements of consumers, several companies are striving to launch new products and solutions. For instance, in June 2023, IP-COM announced the launch of its new enterprise routers M80 & M50. The M80 is a Gigabit enterprise router developed for high-requirement users, including hotels, enterprises, and community bandwidth operations. The router is furnished with a dual-core special 1.4GHz dual-core network processor with 4GB of high-speed DDR3 RAM. It embraces IP-COM enterprise system firmware utilizing a built-in intelligent AP management system, which can automatically distribute and maintain automatic AP configuration. It helps WEB account password authentication, PPPoE Server access authentication mode, WEB key authentication, and a few other securities which can satisfy the access authentication requirements under different scenarios.
-Moreover, due to the increasing disposable income, increasing penetration of smartphones and internet, shift in consumer behavior and changing lifestyles, the retail sector is witnessing robust growth. For instance, According to IBEF, India's retail industry is projected to grow by 9% from 2019-2030, from approximately USD 779 billion in 2019 to about USD 1,407 billion by 2026 and more than USD 1.8 trillion by 2030. The growth in the retail industry would aid the penetration of enterprise routers.

Enterprise Routers Market Trends

Wireless Connectivity is Expected to Hold Major Share

- There are only about 10 to 20 users that can be supported by an ordinary wireless router. In contrast, the enterprise wireless access router point allows over 50 or even hundreds of users' access, with the potential to send and receive signals.
- According to Cisco Systems, the business internet data traffic volume in the United States is estimated to increase from 178.21 billion gigabytes in 2022 to 224.08 billion gigabytes in 2023. Such robust increase in IP traffic is anticipated to significantly drive the growth of the studied market.
- As a result of increased internet traffic and devices, the forecast period is also expected to see an increase in average fixed broadband speeds and internet users. To respond to the growing consumer demand, several market participants are developing and introducing cutting edge products. For instance, in November 2022, TPLink, the world leader in consumer and business networking products, launched an epochal product launch of WiFi 7 to communicate its solution for this network. TP-Link launched its latest WiFi 7 routers, Omada EAPs, Deco products, and Aginet products for ISP markets to cover all usage scenarios. TP-Link's new HomeShield 3.0 is claim to provide more reliable and smarter network solutions.
- In October 2022, chip maker MediaTek, a prominent player in IoT platforms and cloud computing solutions, announced a strategic collaboration to roll out 5G and Wi-Fi router solutions. The collaboration will make it easier for a broad range of solutions and significant manufacturing capabilities in India to be developed. The new Silboa product line improves the INvendis business and industry communication solution portfolio to consist of 4G/5G SDW radios with WiFI standards that support multiWAN 4/5, VPN/6, NMWAN 5/6, etc. from a variety of different types of businesses across various industries.
- In addition, there are only a few dozen meters in the range of signal transmission on an Wireless Router. Further distances of up to 100300m, enabling users to operate freely on the network, shall be covered by a wireless access router. In addition, the wireless router's networking model is quite easy and does not allow for much flexibility. In contrast, a wireless access point is equipped with different modes of operation including simplex AP, Wireless Client, Wireless Bridge Multipoint and so forth. A centralised management system, involving cooperation, is possible.
- Moreover, The M2M connectivity provides a broad range of 4G/3G Wireless Routers, Satellite and Shortrange RFWLAN Bluetooth

Models. These Ethernet switches allow users to access and communicate with devices and assets, such as Remote Control Units, Data Loggers or Microcontrollers. The market in this sector has been growing as more and more users are using these solutions.

North America is Expected to Hold Major Share

- The market for enterprise router equipment is estimated to have a significant share in North America. The region has a strong foothold among vendors of network routers. Some of the companies that help to drive growth on this market are: Cisco Systems, Inc., Dell EMC Corporation and Juniper Networks, Inc.
- In the US, the growth of the network hardware industry is driven by the growing demand for hyperscale data centers. According to Jones Lang LaSalle IP, Inc., over the last decade, several companies have been scrutinizing the cloud to accelerate the digital shift but were held back by inescapable change barriers that come with business transformation. The pandemic served as a wake-up call for numerous organizations to take their IT infrastructure to unexplored heights and accelerate their timelines to become completely transformed enterprises.
- As per JLL, the United States is seeing a strong appetite than regions and accounts for approximately 52% of all data center transactions from 2018 to 2022. Additionally, the United States had 1,633 megawatts of absorption in 2022 for the six United States primary markets - Dallas-Fort Worth, Chicago, New Jersey, Northern Virginia, Northern California, and Phoenix. In addition, there are 1,939 megawatts being built in these markets.
- As the demand for digital IT infrastructure persists to increase, hyperscalers and edge are anticipated to be the fastest-growing segments of the data center industry. The North American region is witnessing significant investments in data centers. For instance, in April 2022, Google spent USD 9.5 billion on new Google data centers and offices and unveiled a new USD 750 million data center in Nebraska. The massive new Google campus in Omaha, would consist of four buildings totaling over 1.4 million square feet as the demand for Google Cloud services and infrastructure is soaring. This would create increased high-speed IP traffic, which would spike the demand for enterprise routers.
- Further, in recent years, especially after the COVID-19 pandemic, the US government has started focusing on boosting its local manufacturing industries with initiatives like "Make in America," which is expected to drive the growth of the market studied. For instance, in March 2022, the US government announced that for the products to qualify as Made in America for federal procurement, 60% of the value of their parts should be manufactured in the country, which earlier accounted for 55%. The government plans to enhance it further to 65% in 2024 and 75% in 2029. Such initiatives would offer more opportunities for the penetration of smart manufacturing practices in the region, thereby driving the growth for the studied market.

Enterprise Routers Industry Overview

The enterprise router market is fragmented as the global players invest in R&D for the latest innovations in the product for several small to medium-sized companies. Key players are Cisco Systems, Inc., Juniper Networks, Inc., Hewlett Packard Enterprise, etc. The companies operating in the market continuously strive to launch new solutions to help service providers achieve a holistic approach to infrastructure transformation and gain new orders in that course for strategic aim.

- May 2022 - Huawei Consumer Business Group India launched the latest Huawei Wi-Fi AX3 dual-core router with support for the Wi-Fi 6 standards. The router is claiming, using its own patented Gigahome WiFi chipsets, that it has combined networking technology with the company's proprietary chip collaboration technologies., the Wi-Fi AX3 router features financial-level Huawei HomeSec security safeguards, supplying users with an intuitive, fast, stable, and secure Wi-Fi 6 connection at all times as As the connecting hub for Huawei's 1+8+N all-scenario smart life strategy
- May 2022 - Nokia today announced the deployment of its 7750 Service Routers (SR) for team.blue Denmark, part of team.blue

Group, a prominent provider of hosting and cloud services to small and medium enterprises across Europe. The deployment would facilitate team.blue to scale its network infrastructure to aid rapidly growing services for its 250,000 customers in Denmark.
- March 2022 - International approval has been granted for the IRG 7440 5G Router and Gateways by Perle Systems, a provider of networking hardware. IoT/M2M network access applications like IP digital signag, video surveillance systems, processing IoT data or smart lockers, The excellent candidates for IRG7440 routers are at the edge, by connecting industrial machines, remote data loggers or sensing devices.

Additional Benefits:

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

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