

HEAVY READING Insider

40/100G Ethernet Service Update: Slow but Steady Progress

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Report Highlights

100GE adoption is picking up in 2014 but remains relatively modest, hampered by high router (and other equipment) prices

6:1 to 7:1 are typical cost ratios between 100GE and 10GE – incrementally lower than a year ago

Cost ratios remain higher for equipment, especially routers, slowing adoption; 100GE switches have declined more in price than routers, and core network equipment more than end-user termination gear

100GE router prices will fall over the next few years, but timing remains unpredictable

100GE services sales in the U.S. will reach \$150 million in 2016 and \$275 million in 2017, increasing 15-fold from 2014 levels

The market dilemma is that vendors wait for more buyers before lowering prices, while buyers wait for lower prices before buying

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