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DDoS Prevention Appliances

Market Report Excerpts

An Infonetics Research Report
Written by Jeff Wilson

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Purchases of cloud and hybrid cloud/CPE services for DDoS mitigation will help drive growth in the appliance market—buildout of infrastructure for cloud services requires new appliance purchases.

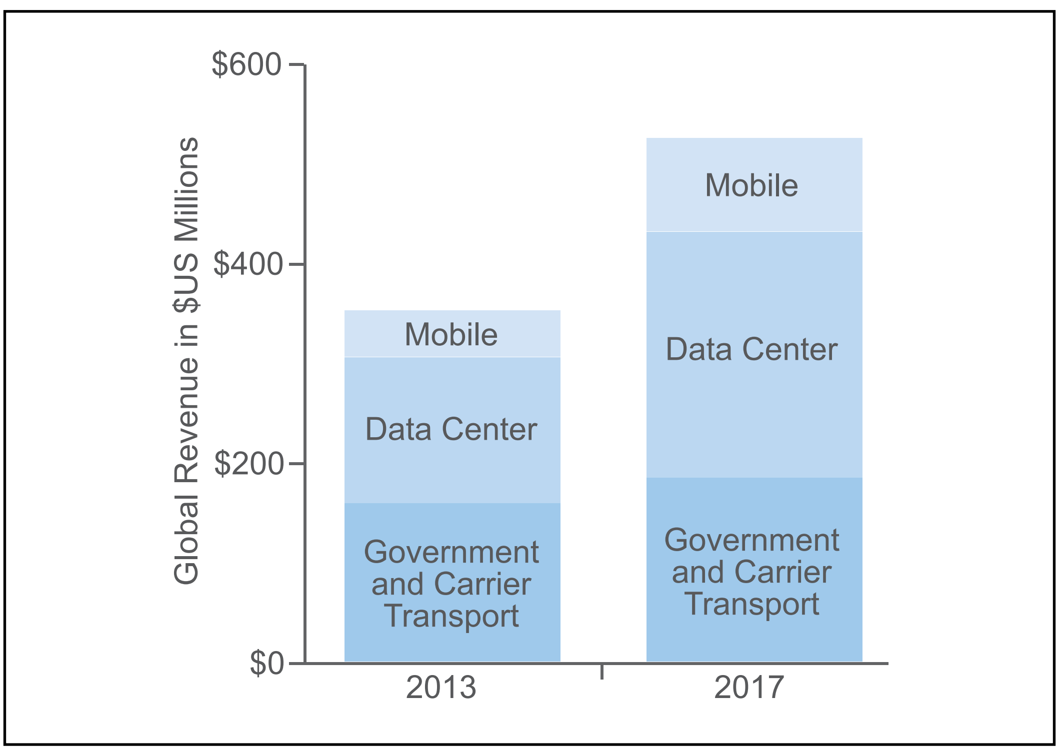
DDoS Prevention Market Growth Nears 30% in 2013

Distributed Denial of Service prevention appliances are the first line of defense for service providers and enterprises looking to protect themselves from brute-force attacks on network or resource availability and sophisticated application-layer attacks. A never-ending stream of attacks has translated to strong revenue growth for vendors building DDoS prevention solutions; 2013 revenue is expected to be up nearly 30% over 2012.

Until 2011, traditional carrier transport deployments of DDoS prevention solutions (which Arbor has dominated for nearly a decade) generated the largest portion of DDoS prevention revenue, but for the first time ever, data center deployments generated more revenue than carrier transport in 2012. That trend continued in 2013, where data center deployments accounted for about 40% of all DDoS prevention appliance revenue.

Mobile deployments show the most explosive growth (25.8% CAGR from 2012 to 2017) as they ride the compound wave of a transition to IP and data, massive increases in capacity, and a new role as a juicy and highly visible target for attacks. Mobile carriers are interested in protecting their networks as well as understanding what's flowing across them, driving many to look at a combination of DDoS and standalone deep packet inspection (DPI) solutions.

Forecast: Global DDoS Prevention Appliance Revenue by Deployment Location



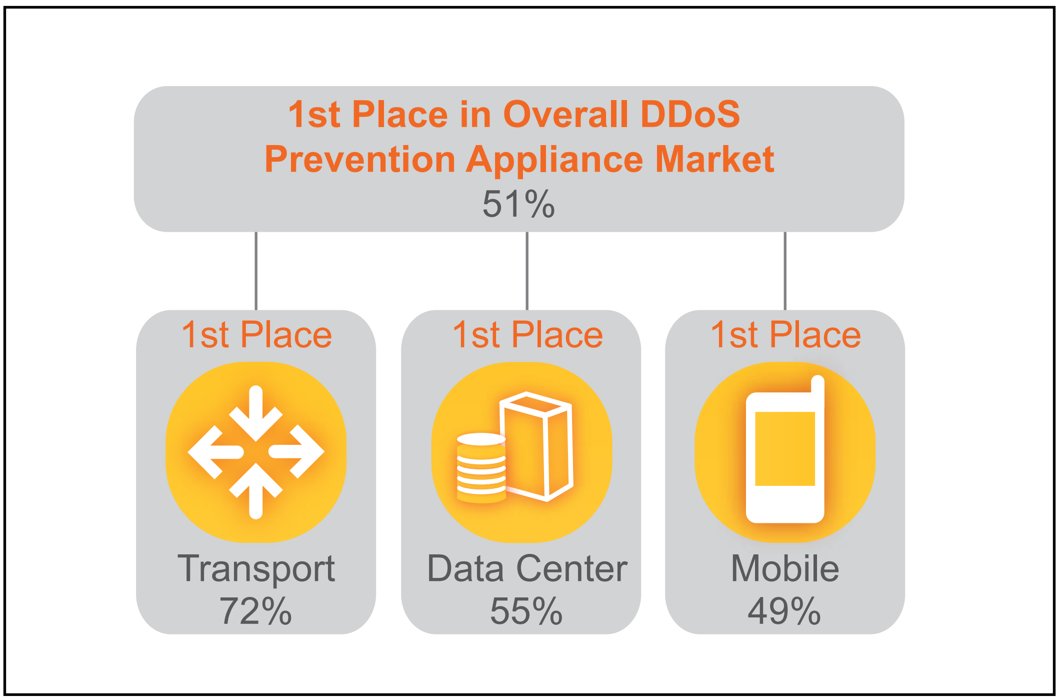
Source: Infonetics Research, *DDoS Prevention Appliances*, December 2013

Arbor Networks continues to lead 3 of the 4 DDoS segments Infonetics tracks, including the most explosive markets: data center and mobile.

Arbor Leads Overall DDoS Appliance Market and High-Growth Segments

In total 3Q13 DDoS prevention appliance revenue, Arbor ranks first with 51.0%, with the next closest vendor far behind them with 9.0% of revenue. Their overall leadership carries in to 3 of the 4 sub-segments we track, and their second-place share in government deployments is only 2.5 points behind the leading vendor.

Arbor Networks Global DDoS Appliance Revenue Share by Segment, 3Q13



With a dominant share in the traditional carrier transport market and strong growing share in the fastest growing segments, Arbor is in a strong position to maintain its share position, and with all the major data center and mobile security projects happening in 2014, and the launch of Arbor Cloud at the end of 2013, Arbor has an opportunity to exceed our growth expectations in 2014.

DDoS Appliance Market: Long-Term Drivers

We expect the DDoS appliance market to remain vital for at least the next 5 years; though there's talk of DDoS being integrated into other infrastructure products and cloud-based or hosted DDoS prevention services, the sheer scale of the problem will necessitate a high performance, dedicated, appliance-based solution. We believe the following drivers will help push the market to top $530 million annually in 2017:

- The increasing volume of **highly visible attacks**, including a mix of politically motivated attacks, state-sponsored electronic warfare, social activism, organized crime, and good old fashioned pointless mischief and mayhem, are driven by the easy availability of bots and botnets for hire and easily distributed crowd-sourced attack tools (like LOIC, originally created by Anonymous to attack the Church of Scientology).
- The increasing number of **sophisticated application-layer attacks** like R.U.D.Y and Slowloris that some DDoS detection and mitigation infrastructure can't identify and block is forcing companies to make new investments in DDoS solutions.
- **Internet traffic growth**, which has driven major carriers to upgrade their backbone infrastructure to increase capacity, is driving a need for increased-capacity DDoS prevention solutions. Global IP traffic is expected to reach the zettabyte threshold by 2015, and to top 1.4 zettabytes by 2014.
- **Enterprise demand for on-premise solutions** is growing every day even though conventional wisdom says that many large enterprise customers are looking at cloud-based solutions for DDoS mitigation. There are many enterprise environments where data simply cannot leave privately-owned networks and data centers to be scrubbed in the cloud (mostly for compliance reasons), and many vendors are reporting sharp growth in direct sales to enterprises.
- **Data center consolidation**, data center upgrades, and the rollout of the cloud infrastructure will underpin the next generation of cloud services. Large data centers and cloud providers are highly visible targets that must protect their own infrastructure and the customers who trust them to host data and applications. In the last 5 years the scale and architecture of most medium and large data centers have changed significantly, and large enterprises and hosting/ cloud providers need DDoS solutions with improved performance, faster physical interfaces, and advanced detection and mitigation technologies.
- **Mobile network upgrades**—which many mobile providers are making to deliver 3G and 4G services and meet the demand for broadband data for mobile devices—are forcing providers to add new layers of network protection and increase their overall security processing capacity. Backhaul networks alone are adding orders of magnitude more capacity, driving the need for new DDoS solutions.
- **Managed DDoS mitigation service rollouts** drive providers around the globe to purchase customer-facing DDoS mitigation products as well as products that protect their own infrastructure. In addition, specialized hosted DDoS service providers (like Prolexic) are gaining popularity with enterprise customers looking for DDoS prevention but lacking the expertise or capital to deploy their own.

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Commissioned by Arbor Networks to educate the industry about DDoS market trends, this report was written autonomously by analyst Jeff Wilson and is based on Infonetics' December 2013 report, *DDoS Prevention Appliances Worldwide and Regional Market Share, Size, and Forecasts*.

About Infonetics Research

Infonetics Research is an international market research and consulting analyst firm serving the communications industry since 1990. A leader in defining and tracking emerging and established technologies in all world regions, Infonetics helps clients plan, strategize, and compete more effectively.

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