



Networking, Security Brings Vast Opportunities for Partners

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Networking has become crucial element for the growth of any business, imparting education or personal interaction. Also securing this business driving tool has become the biggest challenge for the entire organisations. IT VAR News brings you the entire networking and its security market growth and the enormous potential ahead.

Market Potential

Networking market has attained unprecedented growth since it has become the backbone of organisations and it helped to grow and expand their business. Apart from business growth, this technology has definitely paved a path for the growth of economy for the nation as well. With the government commitment to bring down the digital divide at zero level, PC penetration has been continuously growing. Subashini Prabhakar, CTO, DAX Networks, agrees the vast potential lies in this market. She says, "The Indian market is moving toward adopting a high performance network as business demand more from IT. Today, performance of a network has matured more than ever before and the criterion for buying and operating has changed dramatically. The Indian market is booming with high PC penetration, helping to buy out the IT, ITeS, and BPO segments. Convergence of voice, video and applications is drawing up huge investments in high performance networks."

Cyberoam, which provides the networking security solution, acknowledges the tremendous growth in the networking market. Tushar Sighat, VP, Operation, Cyberoam, says, "The network markets continue to grow, as Internet is a necessity for communicating with customers, vendors, partners and others via e-mail, researching industry-specific, legal, general business issues and advertising business in the Cyber world."

From the past few years there has been tremendous consumption of networking and security products in various verticals catering to domestic need. Jitendra Gupta, Country Manager, India&SAARC, Extreme Networks, agrees on the same and says, "we see India as the fastest growing market and can foresee good investment and growth in verticals like Telecom, Healthcare, Hospitality, Public Infrastructure, Government and Education."

Expecting Growth in 2009

We saw global meltdown worldwide as a result of economic crisis in few sectors which has threatened the growth retardation in IT selling also. But the Indian industry has been observing less impact than the developed country which gives a hope for better time ahead. Talking about the market expectation in 2009, Jitendra Gupta said, "The growth in the LAN switching space would be around 10% and around 6-7% in the WLAN segment. The year 2009 will see many changes in the networking market. There would be a migration from IPv4 to IPv6, adoption of 802.11n in wireless connectivity. The demand for high bandwidth due to converged services will

drive the growth for 10GbE and it will be accelerated with the significant (as much as 2x to 3x) reduction in price of 10GbE optical transceivers, 10G compatible copper cables as well as low cost 10GbE NIC on servers. The XML Application Programming Interface (API) functionality that allows for third party applications to securely integrate business process with the network infrastructure will also come into the big picture."

Where as, awareness regarding networking security in SMBs is also pushing the growth in this market. "Year 2009 is predicted to propel the growth forward, especially, in a situation when, security awareness among Indian SMBs is increasing and providing the push for rising popularity of UTM's. Small organizations are increasingly deploying gateway security solutions and are showing great interest in the UTM concept of all-in-one security," informs Tushar.

Emphasizing the growth in rural sector, Sujai Karampuri, CEO of Sloka Telecom said, "The focus is shifting to wireless networking and most of the activity is expected in the rural markets. Networking using wire line is not a viable option over varied geographies and large distances. With a wireless link, a distance of over 20-30km can be linked in a matter of 1-2 days. The ease of deployment of wireless links facilitates inter-connecting of remote regions, thus enabling telephony, internet access and even video based applications (hospitals, schools) to rural India and an economically viable cost."

Sanjay Aggarwal, DGM-Rashi Peripherals, a leading distributor says, "Networking market is ever growing in India, but slowdown in economy has impacted on percentage and areas of growth. Overall in 2009, the market for networking is going to grow for sure. And further we are very hopeful to grow in 2009 taking the advantage of growth in overall networking segment." He further adds, "Networking storage and security are 2 verticals, which are in trend right now. Today an average home user is also storage hungry and demand is increasing from SMB/SME and Corporate too. They all have large applications and files to store and then share it on network. Security is coming up as fastest growing segment at this moment, every user today wants there network to be secured from hackers and virus."

Trends and Technology

With each passing day, there has been great transition in the technology and the trend thriving the networking market. Here the market leaders are talking about the technology and trend we are observing in the current scenario or we are about to adopt it. Let's check out with vendor's insight to the trends and technology in networking market:

Extreme Networks Forecast:

>Migration from IPv4 to IPv6 Increasing number of IP devices translates to the requirement of IPv6 by customers looking for enhanced mobility and scalability. A major catalyst for the migration is limited number of addresses available in the IPv4 system and the increasing number of devices requiring access to the "new" Internet. Currently, the world at large runs on IPv4, while it is noteworthy, that many governmental organizations have received mandates to migrate their systems and help drive the worldwide adoption of IPv6.

>Achieving more with less Customers will have to opt for products which are next generation and can assure them of investment protection for next immediate years to come. For instance, in case of Giga bit connectivity, 10 Gig is suitable for better connectivity with the core, easily manageable and has no extra cost attached for up gradation.

> Automation Framework This shall be a key requirement trend to be acknowledged by companies in order to save deployment cost of equipments complemented with lower OPEX.

> Enhanced Service and Power efficiency- Further to this, power efficiency and quality of service will help in the growth of networking. Also the adoption of 802.11n in wireless connectivity will provide high performance and reliable wireless control and tracking solutions in 10 Gig. The demand for high bandwidth due to converged services will drive the growth for 10GbE and it will be accelerated with the significant (as much as 2x to 3x) reduction in price of 10GbE optical transceivers, 10G compatible copper cables as well as low cost 10GbE NIC on servers.

Cyberoam Forecast:

The market trends continue to shift in favour of integrated approach to security and can be detailed as follows.

>Continued expansion of the UTM security appliance: There are two distinct trends in the market in the UTM space. The first is the growing number of vendors that are offering products in this space. The second is the increasing number of applications that are being added to UTM security appliances. For example, many vendors are adding SSL-VPN to their appliances, which was not the case a couple of years back. UTM security appliances continue to provide customers with considerable deployment flexibility while at the same time offering a standard management platform.

>Opportunities in small and medium-sized enterprises: The number of small and medium-sized business is huge and growing. This potential market is huge because it has a low penetration rate for IT security. Even the vendors that have historically been geared toward the large enterprise are now developing product offerings geared to the small to medium-sized enterprise and finding success in this market segment. Even start-up vendors are vying for this space.

>Technology enhancement against threats in evolving IT environment: Security appliance vendors continue to improve the technology to address the growing threats in new and emerging environments replete with applications like VoIP, XML, application protection, and storage. This capability is required because as these infrastructure components grow in popularity, they will soon become targets of attacks.

>Wireless (WLAN) security: Cyber criminals are now focused on the unsecured WLAN environments. As it is, hackers can gain access to the internal network through Wi-Fi networks leading to data loss and theft through eavesdropping, interception and modification of data in transit, spoofed e-mail messages for social engineering and malware insertion attacks, service disruption and bandwidth loss etc.

Upcountry Market Opportunities

The upcountry markets have been the key target from past few years for almost all vendors not only selling PCs and other products but the networking and security products demand has been also increased drastically. The credit goes to government initiatives for e-governance and the vast potential lie in the SMBs segment which are mushrooming in these cities. "Dax plans to adopt a solution based approach to meet the challenges in this competitive market. We are shifting focus from products to end-to-end Networking Infrastructure Solutions. Dax new SMB portfolio of NI Solutions includes Core NI Solutions, Structured Cabling NI Solutions, Voice NI Solutions, Convergence NI Solutions and Data Acquisition & Device Management solutions. We

desire to tap the huge SMB market through ADSP network. The networking solutions will help ADSPs to proactively address potential SMB customers," says, Sudha Jagdish, COO, DAX Networks.

Understanding the potential in these cities, Extreme Networks has already strengthened their upcountry reach and trying to tape more customer base. Jitendra Gupta, says, "We have customer base across all Indian cities like Jaipur, Jalandhar, Srinagar, Rourekela, Ranchi, Silchar, Guwahati, Raipur, Jorhat, Ahmedabad beside Bangalore, Chennai, Kolkata, Pune, Delhi and Mumbai. We approach these cities through our local partners and alliance partners."

Where as the leading distributor, Rashi is already consuming the vast need of networking products there. Sanjay says, "In this global slowdown which is in some ways also affecting India, but the effect is not that high in smaller cities as market continues to grow in upcountry. So upcountry market is growing at its own pace which is helping us too. We have a network of 53 branches spread throughout India which helps us in reaching partners faster and offer them support within the time line. We are making more efforts in approaching partners in smaller cities and towns who have given us good result in last two quarters."

Growth Inertia :

No doubt there has been tremendous growth in the past few years in the networking security market. But the few challenges are there which need to address by the market leaders. Sudha Jagdish, COO, DAX Networks points out few challenges:

- >Meeting customer expectations in a single product
- >Remote management in telecom infrastructure networks
- >Establishing unmanned kiosks,
- >PoE dependent nodes,
- >No backup termination on switches in the last mile links resulting in low uptime
- >Pricing factor

Where as Cyberoam also talks about few big challenges in the networking security market. As per Tushar:

- >Granularity of control and performance are the two biggest challenges for network marketing that will emerge as deciding factor in the market share of an UTM. Å
- >High performance at a competitive price that fulfills security needs is yet another factor that will determine the market share of a UTM.

When it comes to sell the entire networking and security solution, channel awareness becomes the biggest challenges for the partners. For Rashi, it's on the priority to educate the channel through various programs. Sajnay says, "The only challenge is channel education and awareness. Since networking is a solution based products line we have to be in regular touch with partner updating them and educating them. Our priority is to educate partners, who can offer solution to their customers, which will not only give them customer confidence but also earn extra revenue and margins."