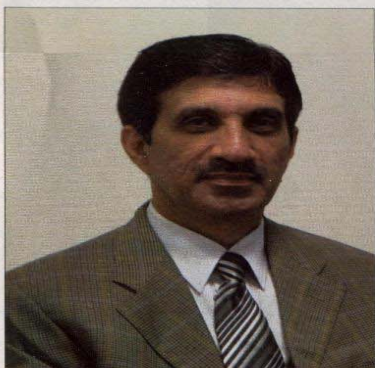


## Exciting times ahead for Networking industry

As the network industry is well on its way to becoming one of the most powerful growth engines in the coming years, more and more networking vendors are jockeying to make their presence felt in the space.

India's market for networking hardware continues to grow, driven by factors such as higher PC penetration and adoption of IT by the Indian Government. India is the fastest-growing IT networking products market in the Asia-Pacific region.

Companies in India continue to earmark a significant portion of their IT budgets on the networking equipments. According to a study by Springboard Research, titled "Epicenter of Growth – Indian Enterprise Networking Equipment Market Report", the enterprise



**Prabodh Vyas**  
Director - Sales & Marketing, DIGILINK

networking equipment market in India will grow at a five-year compound annual growth rate (CAGR) of 15 per cent, from US\$1 billion in 2008 to US\$1.7 billion in 2012.

"The networking market in India has seen a good growth rate recently owing to infrastructure development in the country," says Avinash Purwar, Senior Vice-President,

Borderless Network, Cisco.

According to Subhodeep Bhattacharya, Country Director, HP Networking (India), the sectors that will drive the networking market, are basically Government, followed by banking and finance.

"With customers demanding faster and more robust Internet & better access to wireless network – Wi-Fi computing & 3G is definitely going to gain great mileage in 2011. With more & more people availing internet connections & increase in popularity and usage of mobile devices like Laptop, Smart phone, gaming consoles etc, we foresee huge demand for Wireless networking products in consumer space," says Rajesh Sahore, Sales head – India & SAARC, D-Link India Ltd.

"Infact India is seeing a lot of investment in Infrastructure projects which is helping the growth of Networking Industry. Off late Consumer, Government and Education verticals have also been making significant investments in deployment of networking infrastructure, leading to increased demand for networking products, which is again a



**Subhodeep Bhattacharya**  
Country Director, HP Networking (India)

very good sign for the growth of networking industry," adds Rajesh.

Rajesh adds, "Off late Consumer, Government and Education verticals have also been making significant investments in deployment of networking infrastructure, leading to increased demand for networking

### Some Trends in Networking Market

1. Investment by verticals in their networking gear will be more application-based than pure-play connectivity-based.
2. Cloud computing will show signs of adoption in India with SMBs investing in it. However, this depends largely on huge investments in improving network infrastructure to provide seamless flow of large data traffic.
3. With telcos rolling out 3G, there is a push to upgrade their existing infrastructure that is built to meet 2G needs. Telcos will have to look at a unified platform or a converged system and provide different applications such as live video services from a single platform.
4. The growing number of new data centers is boosting the demand for storage & networking devices, modular power & cooling devices, and integration services. And companies are looking forward for innovative intelligent devices and networks, which are easy to implement.
5. IP networking is no longer only about routers and routing. It is about applying the right new packet transport (MPLS, WDM) technologies, wherever appropriate, to lower cost in the network, whilst adding new intelligence, such as policy control features, at the edge, closer to the user. Making the network more service-aware will open up avenues for operators to work with other members of the ecosystem, such as cloud players.



**Sudhindra Holla**  
Head Channels, India & SAARC,  
Juniper Networks

products, which is again a very good sign for the growth of networking industry.”

Today, enterprises have begun to look at networking as a strategic investment that reflects in the increasing size and complexity of the networking deals.

The current technology trends included a focus on virtualization, cloud computing, Green IT, VPN and application delivery, Integration of Voice, Video and Data, New Information Services and a renewed focus on integrated network security, while business trends included a continued, sustained focus on reducing IT costs and business costs using IT and pressure to deliver applications consistently in demanding and hostile end-user environments and resource consolidation to drive efficiency and scalability in the enterprise.

India is the fastest-growing IT networking products market in the Asia-Pacific region. “Most of the prominent global as well as local vendors are operating in the competitive Indian market. This is perceived to be the greatest opportunity for the future by the hardware vendor community. Additionally, the Indian software and BPO industry is also creating a great potential for employment. All of these make India one of the most exciting markets for IT hardware vendors,” says Subhashini Prabhakar, Chief Technology Manager, Dax Networks.

“The market for networking equipment continues to gain momentum as an increasing number of companies have resumed buying and selling gear to support various business requirements, including network upgrades, expansions and alternative maintenance,” says Sudhindra Holla, Head Channels, India & SAARC, Juniper Networks.

The banking, financial services and insurance (BFSI) industry, together with the public sector, are the main drivers for enterprise networking expenditure. “Some of the largest spenders in this market will continue to be the telecom and government sectors. Banking is another vertical which will look at regular expansions for offering better access to their customers and employees. The ITes vertical will also be a key buyer of networking equipments,” says Sudhindra.

As the network industry is well on its way to becoming one of the most powerful growth engines in the coming years, more and more networking vendors are jockeying to make their presence felt in the space.

Cisco’s roadmap for India has been to drive growth by adopting the role of a trusted, strategic advisor to Indian businesses offering relevant solutions for business transformation, and in the current environment, we worked towards this with renewed vigor.

In today’s constantly changing markets, companies feel the only way to maintain and grow sales is by selling at competitive prices. Products have become commoditized over time as alternative products become available or the number of suppliers offering the same product increases.

Cisco’s prime technology focus areas for the future continue to be Video, Collaboration, Data Centre and Virtualization. Cisco will continue extending its existing leadership in products into systems, solutions, architectures and platforms.

According to Subhashini, Dax’s solution-oriented products will help our partners to proactively address the potential customers. Our networking products and solutions are customized and would cater to their unique requirements and applications. Customers are more prone to deploy solution-based offering than mere a product.

Juniper’s solutions offer a significantly lower cost of ownership. “We achieve this in many ways. The most important reason why the total cost of ownership of Juniper equipment is lower is that we have the operating system – JUNOS – that runs on all our products. Independent studies have shown that this results in savings in operating costs of up to 40% lower than our competition. And you know that when running a decent sized network – operating expense can be up to three times of cost of equipment.”

Sudhindra adds, “Our products have a much more modern and open architecture, again resulting in lower total cost of ownership for end-users.”

The third, and very important USP for Juniper equipment is that security is part of the design philosophy of all our products – and not an afterthought or a bolt on. “Nowadays, security and communication go hand in hand, and the way we engineer our products, we are able to offer very high security yet with a negligible impact on performance,” says Sudhindra.

#### The Upcountry Market Factor

The upcountry market is one of the fastest-growing ones. This market is considered to be the growth drivers for many IT companies. Networking companies are all set to tap the upcountry market with their networking solutions.

The upcountry market continues to be a significant focus area, and the vendors are approaching this market with a consolidated presence.

“The landscape is changing over the last two years for Juniper and we are making a dent in the market. We stacked our product



**Avinash Purwar**  
Senior VP, Borderless Network, Cisco

portfolio and our price points with that of the rivals. Clearly, we have a stronger proposition both in terms of technology and in terms of total cost of ownership. The response from India to our value propositions, technology and product portfolio has been tremendously positive and we have won many strategic contracts across market segments. India has played a vital role in driving growth for Juniper Networks worldwide.

“Upcountry market is equally important to us. With our strong network of channel distribution network spread across the country we are able to penetrate in most of the B&C class cities,” says Prabodh Vyas, Director - Sales & Marketing, DIGILINK.

#### Channel’s Role

Channel partners are central to Cisco’s go-to-market strategy. And with every step towards Cisco’s growth, they only become more vital. “Our partners are strategic collaborators in the business. They play an important role in helping us deliver solutions that are optimized for rapid implementation, superior performance, and maximum RoI,” says Avinash.

Cisco delivers almost 100% of our products through partners. In addition, certain services such as Cisco Smart Care Services is sold and delivered exclusively through partners. Partners will also play increasingly central roles in delivering Cisco consulting services, especially to smaller and mid-sized customers.

“We have been fortunate in getting a strong acceptance from partners and customers and consequently grown rapidly. Our vision is to provide our partners and customers, reliability and value,” says Subhohdeep.

Juniper Networks is committed to supporting the financial health of partners beyond pricing and gross margins. “We find innovative ways to expand the financial opportunity that span product access via specializations, value-add pricing, investment protection for industry certifications earned, and flexible service programs,” says Sudhindra.

“We have enhanced our Partner programme to enable partners to go to market effectively with Junos, products, solutions and



**Rajesh Sahore**  
Sales head – India & SAARC, D-Link India Ltd.

an ecosystem to help engage customers to win opportunities in the markets they serve. This, in turn, allows to deliver quantifiable performance, business advantages, and strategic long-term value to customers. At the heart of each customer engagement, we demonstrate the following to maximize the success of our partners,” says Sudhindra.

“We regularly introduce different channel incentive schemes for its channel partners on time to time basis. DIGILINK supports its channel partners with strong advertisement campaigns and publicity material. Apart from this we regularly conducts Technical Trainings, Seminars, Road Shows and Trade shows to keep its channel abreast with latest technological trends and market,” says Prabodh.

D-link says, “Last 2 years have been very crucial to D-Link, as we revamped our distribution strategy & appointed 2 new National Distributors. With this we have successfully ensured ready availability of D-Link products across the length & breathe of the country. Further we have also worked towards strengthening D-Link’s product offering. So on technology & product front we have successfully launched some innovative products in 2010 like the N standard storage router (3-in-1 router with digital photo frame), first Green managed switch (DGS-3200-24, 24-port Managed Gigabit Switch) & the revolutionary 3.5G router (DIR-457).”

“In 2010 we have also been actively working towards increasing D-Link’s channel & customer interaction. Our multi-city road-show ‘bits2009’ proved to be an ideal platform, as it focused on end-consumers primarily Government, Education & Corporate sectors. And with bits we managed to create more awareness on networking products in end-user space. So overall 2010 was great year for D-Link & 2011 looks equally promising,” adds D-Link

“Our partners play a major role in the deployment of products and services. We have our local technical pre sales team to drive the partners sales team for all marketing related issues. In addition to the front end support, we also provide real-time backoffice support to our customers. Our timely networking and non-networking leads directed to our partners also play a vital role in driving our partners sales force. We are a technology advanced here-to-stay player in the Indian networking market. Importantly, we pursue a clear channel policy to ensure good profits for all partners,” says Subhashini.

Subhashini adds, “To empower our channels to deliver value add to their portfolio, we are offering our extensive ‘Solution-based’ approach, which can be tailor-made to suit the specific customer’s main business line and we are also consolidating their market position through new offerings, intensive trainings and lead generations. This gives an edge to our partners in providing solutions which can turn as business enabler.”

#### Broadband Stimulus

The current scenario for Internet and broadband penetration in India is dismal. India had 12.85 million Internet subscribers at the end of 2008 which is equivalent to just 1.1% of the country’s population. And Internet penetration in rural India is abysmally low. While India is the recognized global leader in mobile Internet additions, its broadband growth has been questioned on many occasions.

The success of broadband in India will not solely be based on sociological trend, but on the co-creation of an entire conducive ecosystem. Some of the recent consumer drivers of broadband buying decisions have been rapid technology evolution, intense competition, and



**Ms Subhashini Prabhakar**  
Chief Technology Manager, Dax Networks

interactivity and personalization. Broadband is increasingly becoming synonymous with basic connectivity – as a commodity – in many parts of India.

The mantra is to offer enhanced communication to consumers and businesses to ensure they fully understand the features and benefits.

#### Future Trends

India’s market for networking hardware continues to grow. India is one of the most exciting markets for IT hardware vendors. As more and more international companies set up office in India, the demand for hardware will increase. In future, wireless market will grow to a massive scale. At the same time, security would be the major concern in future too.

“Year 2011 would bring in huge excitement in product offerings, while there would be focus on Data Centre Products, Products suitable for FTTH environment, we would still achieve our numbers from Cat6 range big way. With good investment in in-house automation and product quality we feel the year would fetch big leap in the figures,” says Prabodh. ■

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