2019 CDN Market Report

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INTRODUCTION

The content delivery (CDN) market is undergoing substantial change. The consumer shift to mobile content and multi-platform viewing has created tremendous market opportunity for new CDN companies. This has led to considerable product and business model innovation among these companies as they expand and position in the market.

Which companies are growing or shrinking? Find out in the 2019 Intricately CDN Market Report. The report utilizes usage data collected by Intricately's Global Sensor network to answer these questions and more:

- **Who is winning (or losing) in the content delivery network market?**

- **Which trends are driving the most significant growth of CDN vendors?**

- **Which CDN providers collect the largest share of spend by company size?**

- **How is CDN usage changing for enterprises globally?**

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THE METHODOLOGY

Intricately monitors the adoption, usage, and spend on 21,000 distinct cloud products and analyzes the digital infrastructure of more than seven million companies worldwide. Using its proprietary Global Sensor Network, deployed in more than 150 points of presence (PoPs), Intricately has a comprehensive view into how organizations deploy, utilize, and invest in their digital products, applications, and ecosystems..

The Intricately data platform powers the go-to-market strategy for some of the world's leading cloud service providers. These organizations rely on Intricately to forecast market potential, prioritize ideal-fit companies, and engage prospects at the right time with the right message.

This report analyzes data from January 2018 through June 2019 on CDN product usage and spends by businesses worldwide.

Note: The data in this report has been collected via Intricately's proprietary Global Sensor Network.

7 million
companies evaluated

21,000
unique products monitored

DEFINITIONS
_____

Enterprise
1,000+ employees

Mid-Market
100-1,000 employees

SMB
10-100 employees

Tiny
Less than 10 employees

THE GLOBAL CLOUD MARKET: A PRIMER

Before exploring the CDN market, we must first look at the overall global cloud market to get a view of the complete picture.

There are a number of trends influencing the global cloud market today. Most notably:

Amazon Web Services dominates the cloud market.

With a 10-year head start on the competition, Amazon Web Services remains the undeniable leader in the cloud market. With its breadth of services, it has forced vendors entering the space to focus on niche solutions to gain a foothold in the market. Intricately collects digital product usage data on around 900k customers across a range of AWS products. Yet this still begs the question - is there room for more than one Amazon?

The explosion of software and cloud growth go hand-in-hand.

The sheer number of tools and platforms available make it easier than ever to quickly build and deploy high-performance applications. Cloud vendors benefit from a world with as many digital applications as possible, because those apps require the digital infrastructure those companies sell.

GLOBAL TRENDS INFLUENCING THE CLOUD MARKET

Rising Customer Expectations

Globalization

Niche Solutions

State of Content Delivery Networks in 2019

STATE OF CONTENT DELIVERY NETWORKS (CDNS) IN 2019

The growing demand for low-latency, seamless, and easily integrated content delivery across the internet has created opportunities for an increasing number of niche CDN providers.

The global annual CDN market size is projected to reach $22.1 billion by 2024.*

CDN demand has skyrocketed thanks to the rise of high-bandwidth content and data-hungry smartphones, which are part of a universe of increasingly pervasive (OTT) content, on-demand video/music streaming, and live-event streaming.

*Source: MarketsandMarkets

Consumers' expectations about persistent availability and access to content have continued to increase, making it essential that businesses deliver services to many devices at high velocity and increasing quantity. Rising expectations combined with the growth of SaaS and cloud computing result in tremendous demand for CDN providers continue to improve their content delivery and quality of service (QoS) offerings.

Amid this growth, two products have established themselves as the market leaders: Amazon CloudFront and Akamai CDN. While CloudFront has grown its customer count, Akamai has maintained its position as the dominant profit leader in the CDN space.

SMBs (10-100 employees) make up 70-80% of the entire CDN market.

2019 CDN TRENDS

Growing Pricing Pressure

The CDN market has become increasingly crowded. Base CDN pricing is on the decline year over year due to commoditization of core CDN services.

Big players like AWS offer CDN services at a low price as an on-ramp to sell more lucrative products. As major service providers offer dedicated CDN options, smaller providers' revenues will continue to be impacted.
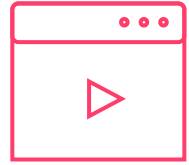
Growing Popularity of Multi-CDN Strategies

More companies are seeing the benefits of using multiple CDNs for geographic specialization, cost optimization, and redundancy.

Historically, only large companies could justify multiple CDNs. Cloud technology and lower prices are making multi-CDN a reality for smaller organizations.
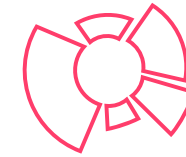
2019 CDN TRENDS

Video & OTT Popularity

Thanks to media giants like YouTube, Netflix, and Amazon Prime, the rise of OTT is spurring enormous traffic growth. CDN providers are feeling the pressure to deliver faster speeds and greater security.

Diversification

The market is seeing a rise in hyper-local CDNs supplemented with additional features and functions like web application firewalls (WAFs), DDoS protection, and bot mitigation.

Vendors are moving away from basic media traffic delivery and are offering value-added CDN services, such as enhanced security or sophisticated capabilities that streamline deployments.

WHO ARE THE KEY PLAYERS?

Akamai

Considered the largest global CDN, Akamai is the overwhelming market leader (measured by profit) — with more than 60% of market share by revenue. Akamai has "servers everywhere" and a wide range of products and services for targeted segments of buyers that need specialized, high-powered media and software delivery. Akamai is one of the original CDN providers that still dominates the market.

amazon web services™

CloudFront is the CDN product from Amazon Web Services. It leads the CDN market in total customer count and is popular among SMBs due to ease of use and quick deployment.

CloudFront's APIs and out-of-the-box integration with AWS make it a natural choice for developers.

To learn more about our platform, head to intricately.com/learnmore

WHO ARE THE KEY PLAYERS?

CLOUDFLARE

Cloudflare is a niche cloud provider that specializes in CDN and security solutions.

Cloudflare is known for being user-friendly while also offering expert-level features and functionality. They've experienced incredible growth in recent years, from 2018-2019, Cloudflare's enterprise customer base grew 23%.

fastly

Fastly's edge cloud platform delivers fast, safe, and scalable sites and apps to customers. They work with a broad range of of companies and industries providing solutions across CDN, security, and edge computing. Media companies like The New York Times use Fastly to serve media to readers in as quickly as 20-30 milliseconds.
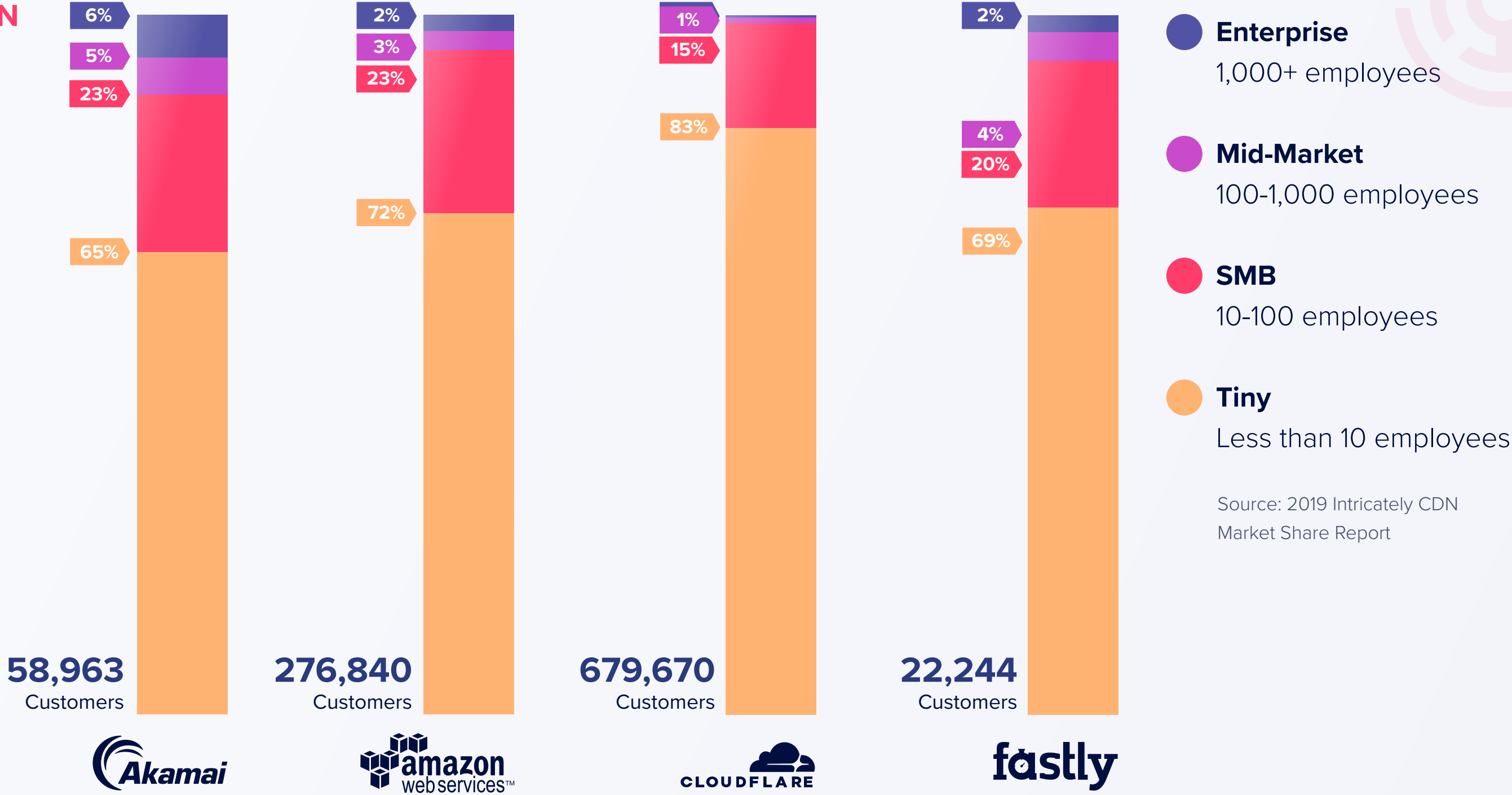
Fastly IPO'd in May 2019 on the New York Stock Exchange under the symbol FSLY.

REGIONAL DISTRIBUTION: WHERE ARE CDN BUYERS LOCATED?

CDN products are popular in regions that are heavily reliant on OTT content and streaming services. North American companies spend approximately $8.6B annually on CDN services, which represents 59% of the total global spend on CDN

North America	430k	Latin America	44k	Europe, the Middle East & Africa	418k	Asia-Pacific	238k

*CDN buyers are defined as companies that spend money on CDN products monthly. This map only includes CDN buyers Intricately has location data for. Source: 2019 Intricately CDN Market Share Report

TOP CDN PROVIDERS BY CUSTOMER COUNT

1 Cloudflare — CLOUDFLARE — **679,670** Customers

2 Amazon CloudFront — amazon web services™ — **276,840** Customers

3 Akamai — Akamai — **58,963** Customers

4 Imperva — imperva — **29,480** Customers

5 Fastly, Inc — fastly — **22,244** Customers

6 Verizon — verizon✓ digital media services — **8,881** Customers

7 ChinaNetCenter — **3,911** Customers

8 Microsoft Azure — **3,911** Customers

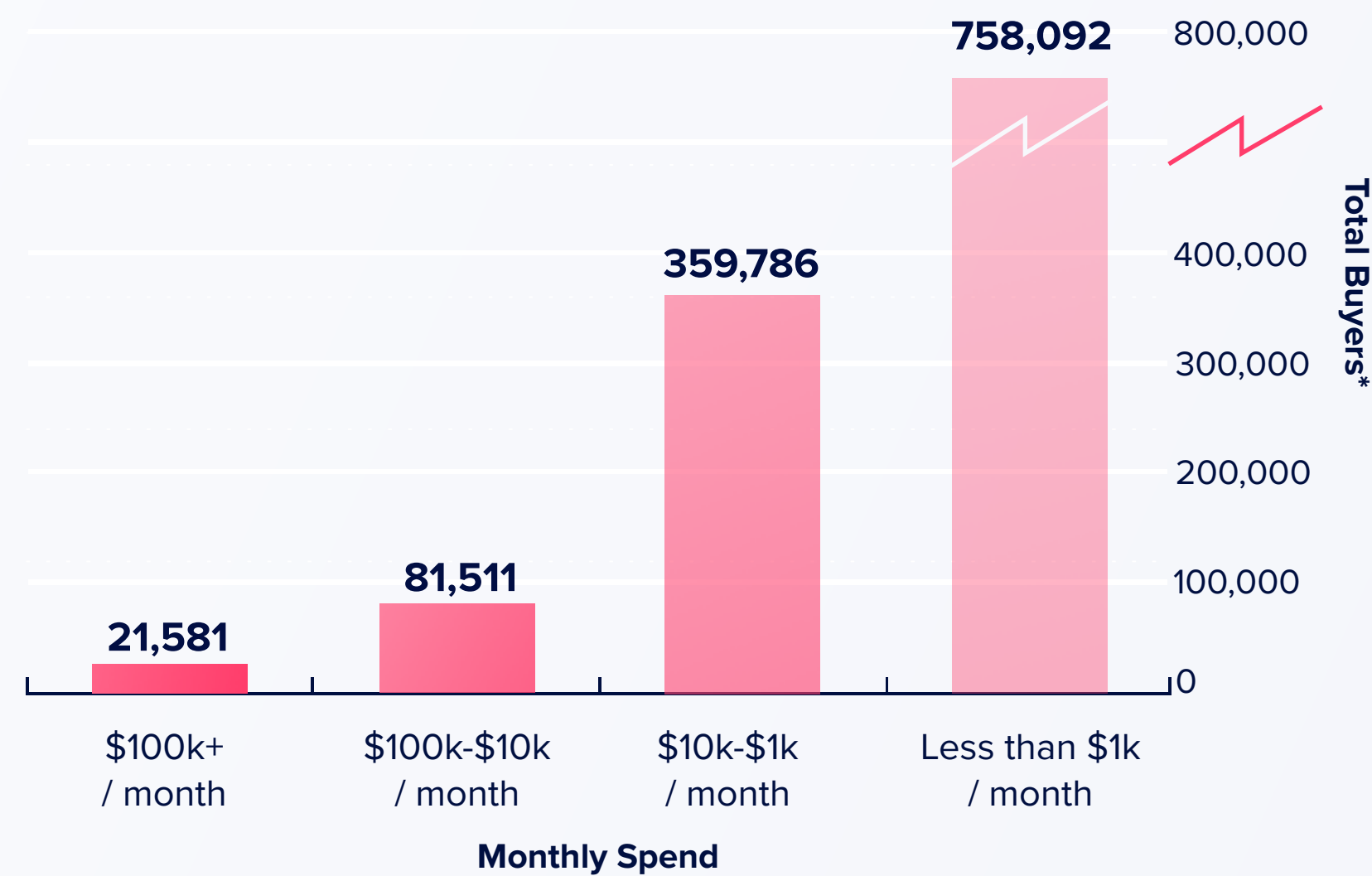**9** StackPath — SP// — **2,901** Customers

10 Google Cloud — **2,670** Customers

Source: 2019 Intricately CDN Market Share Report

CDN CUSTOMER SPEND

How Much Do Companies Spend on CDN Products?
CDN Buyers by Spend

Total Buyers*

Monthly Spend	Total Buyers*
$100k+ / month	21,581
$100k-$10k / month	81,511
$10k-$1k / month	359,786
Less than $1k / month	758,092

800,000
400,000
300,000
200,000
100,000
0

Monthly Spend

Amazon offers CloudFront at a low price point as a gateway to selling other lucrative products. While Amazon's CDN strategy is focused on customer adoption, Akamai has been far more effective at targeting the higher profit CDN use cases.

> **We estimate that 32% of Akamai CDN customers spend more than $100K per month on their services. Only 21% of AWS CDN customers spend more than $100K/mo.**
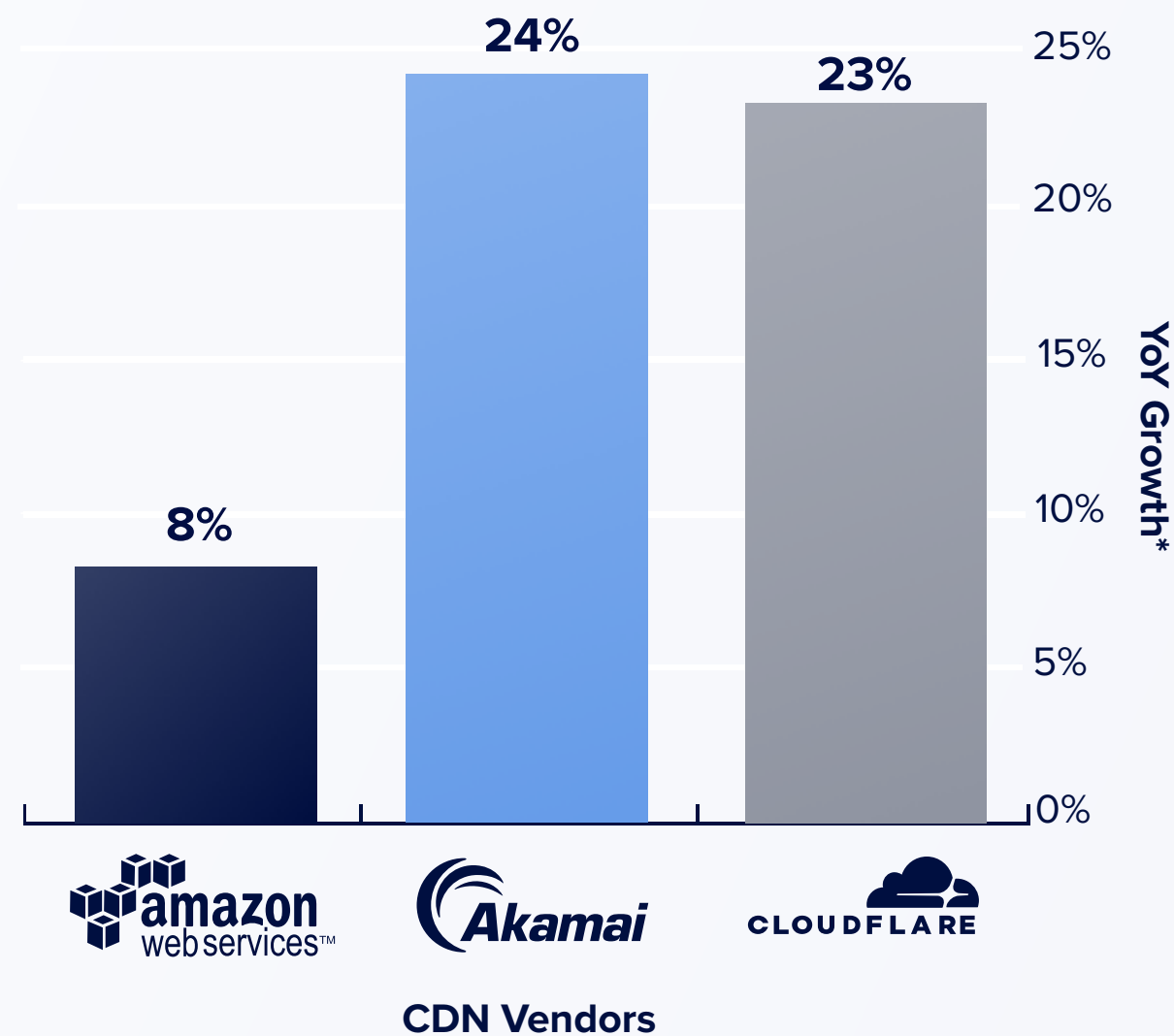
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*Companies utilizing CDN products between January 2018-June 2019.
Source: 2019 Intricately CDN Market Share Report

CDN ENTERPRISE CUSTOMER INSIGHTS

How Fast Are They Gaining Market Share?

YoY Growth Rate by Enterprise Customer Count

CDN Vendors

*From 2017 to 2018 for companies estimated to have 1,000+ employees
Source: 2019 Intricately CDN Market Share Report

Enterprise companies make up 6% of Akamai CDN's total customers, compared to 1.5% of Amazon CDN's total customers. The enterprise may be Akamai's traditional territory, but given the growth of other providers, their market position is the most at risk.

While Akamai continues to control a significant portion of the market share today, Amazon's low-cost CDN strategy poses a long-term threat. If Amazon is able to grow its share of wallet among the big CDN spenders of the future, Akamai has the most to lose.

THE CDN BUYER UNIVERSE

Intricately provides a detailed view into more than 1.3MM CDN buyers. We monitor how they're using CDN (i.e. image hosting, low latency video, security, and more). Below are the number of companies within each tier of CDN spend.

5K	Greater than $500K/mo
16K	$100-$500K/mo
85K	$10-$100K/mo
1.2M	Less than $10k/mo

Intricately monitors the digital infrastructure for over 7M companies worldwide. Visit **intricately.com** to learn more about how our customers utilize our adoption, spend, and usage data to power their prospecting and opportunity prioritization efforts.

CONTENT DELIVERY NETWORKS IN 2019 AND BEYOND

It's no secret Amazon CloudFront and Akamai are winning in the CDN space. But there is clearly room for another market leader — will it be CloudFlare or the latest IPO, Fastly?

Cloud computing is a critical tool for modernizing applications, making sense of big data, and pioneering new technologies. And digital transformation is fueling enterprise cloud adoption and spend faster than ever before.

To capitalize on this growth, modern cloud services provider need to focus on high-ROI customers and niche market opportunities.
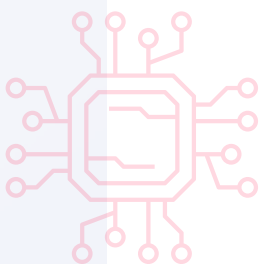
KNOW WHERE YOU ARE IN THE CDN MARKET

Want to know where your biggest opportunities to grow are in the CDN market?

Intricately specializes in helping cloud vendors accelerate and target their sales and marketing efforts. By leveraging the Intricately data platform, you can:

- **Prospect companies that can use your product immediately**

- **Identify markets with the largest growth opportunity**

- **Forecast and plan territories**

- **Assess performance against competitors**

- **Prioritize your marketing and sales efforts on the most qualified opportunities with the ability to sort and target by spend potential, contract expiration, and use cases your product supports**

Contact us to learn how our product can help your team engage more prospects, prioritize opportunities, monitor your competition, and more:

650-600-1834

learnmore@intricately.com

ABOUT INTRICATELY

Intricately gives cloud sales and marketing teams an unfair advantage in finding and acquiring new customers, building advanced scoring models, getting proactive notification of sales cycles, spotting churn before it happens, and more

Our sophisticated data platform provides a detailed picture of your prospects' cloud products and technology contracts so you can target your ideal buyers when they're ready to purchase.

We show you the true spending potential of your target customers.

Some Of Our Customers