

LIGHT READING **insider**

TARGETED ANALYSIS OF THE TELECOM INDUSTRY

Shrinking Margins Bring Big Changes to the CDN Market

TABLE OF CONTENTS

- I. Introduction: CDN Market Shakeout Ahead
- II. The Entry of the Telcos
 - Telcos as CDNs
 - Telcos as Channel Partners
- III. The Evolving Nature of "Content"
 - Video, Web 2.0 & Uncacheable Dynamic Content
 - CDN Investment & Technology
- IV. The Struggle to Differentiate
 - Scale, Reach, Architecture & Performance
 - Building a Solution Portfolio
- V. Market Segmentation & Supplier Positioning
- VI. Supplier Profiles
 - Akamai Technologies
 - AT&T
 - BitGravity
 - CDNetworks
 - Deutsche Telekom ICSS
 - EdgeCast Networks
 - Internap Services
 - Level 3 Communications
 - Limelight Networks
 - Tata Communications
 - Velocix
- VII. Conclusion

Report Highlights

Falling prices for basic CDN services, along with overcapacity and the global economic slump, is speeding a shakeout in the sector; we expect several casualties

Carrier entry into the retail CDN market, particularly as resellers, is a growing trend, highlighting the overlap in service offerings between telcos and traditional CDNs

CDNs are struggling to differentiate and are rapidly building value-added service portfolios to capture more of their clients' IT spending

CDN performance is still a differentiator, but is difficult to measure; a mix of network metrics and user-experience measurement is important

Weaker players in the CDN market that fail to innovate quickly enough will be under serious pressure throughout the rest of 2009

Only CDNs with scale, low cost bases, and innovative business models will survive

Use of this PDF file is governed by the terms and conditions stated in the Subscriber License Agreement included in this file. Any violation of the terms of this Agreement, including unauthorized distribution of this file to third parties, is considered a breach of copyright. Light Reading Inc. will pursue such breaches to the full extent of the law. Such acts are punishable in court by fines of up to \$100,000 for each infringement.