IDC MarketScape: Asia/Pacific Communications SP Secure Virtual Network Services 2023 Vendor Assessment

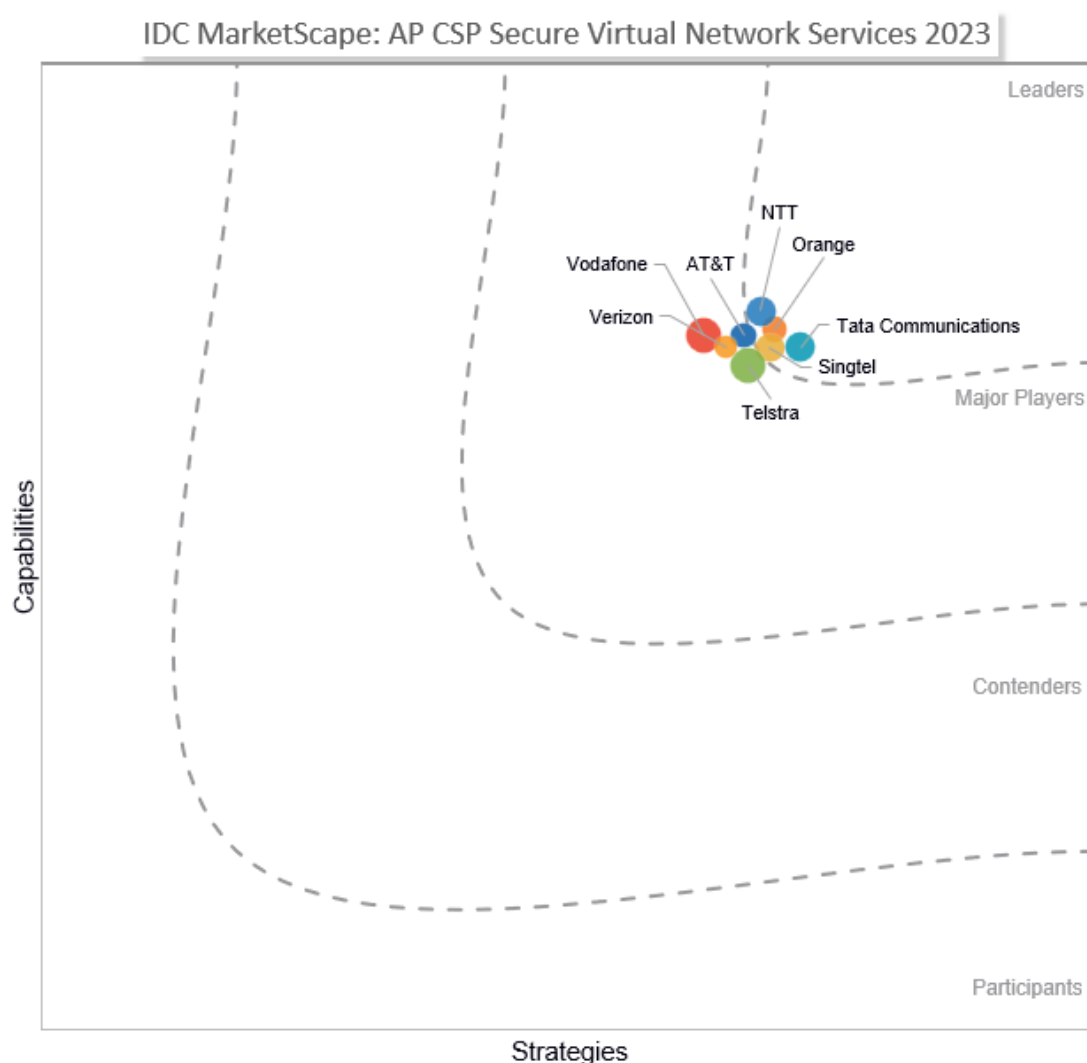Nikhil Batra   Hugh Ujhazy

THIS MARKETSCAPE EXCERPT FEATURES: TATA COMMUNICATIONS

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape: Asia/Pacific Communications SP Secure Virtual Network Services 2023

Source: IDC, 2023

Please see the Appendix for detailed methodology, market definition and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Asia/Pacific Communications SP Secure Virtual Network Services 2023 Vendor Assessment (Doc #AP49625122). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Advice for Technology Buyers, Featured Vendor Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study utilizes the IDC MarketScape methodology to evaluate regional and global communication service providers (SPs) offering managed secure virtual network services in Asia/Pacific.

As businesses look ahead to 2023 and beyond, they now face added impacts of inflation and economic uncertainty, regional conflicts, supply chain constraints, and a shortage of workers and staffing that align to a needed skillset. While these additional forces now play a role in impacting ICT investment decisions, organizations are prioritizing future of connectedness programs, with 67% of Asia/Pacific organizations indicating their plans to increase spending in secure virtual network services over the course of 2023 (*IDC AP Enterprise Connectivity and Collaboration Survey 2022*).

The complex enterprise environment poses a significant challenge for organizations in maintaining reliable and secure network performance while keeping networking costs under control. Although software-defined WAN (SD-WAN) has become crucial to enterprise network transformation, organizations are now seeking a comprehensive transformation approach that includes software-defined underlay, integrated security, virtual network services, and managed and professional services. They are evaluating multiple deployment and consumption models for these network transformation services to suit their diverse business needs.

As a result, communication SPs (comms SPs) are adapting their service portfolios to keep up with the evolving needs of enterprise customers. This study captures some key takeaways for comms SPs, technology vendors, and enterprises.

The key takeaways from this IDC MarketScape assessment are as follows:

- **Consider a platform-based approach to software-defined network (SDN) services.** SD-WAN is now table stakes, and it has evolved to become a foundation for providing integrated network and security services. While SD-WAN has traditionally been delivered through a vendor-proprietary hardware, the option to host the solution as a virtual network function (VNF) on a universal CPE (uCPE)/virtual CPE (vCPE) allows SPs to address the enterprise need for flexibility, agility, and operational simplicity at the enterprise edge. Comms SPs that can cultivate a broad ecosystem of virtual networking functions such as firewalls, intrusion detection system (IDS)/intrusion prevention system (IPS), visibility and analytics, WAN optimization, and session border controllers (SBCs), are most likely to succeed in a crowded market.

- **Offer consumption-based engagement models.** Organizations are increasingly seeking cloud-like, subscription-based consumption models for their network services. Although there has been an evolution to apply flexible consumption models to enterprise network infrastructure and services, the concept of network as a service (NaaS) means different things to different people. Comms SPs that take a lead and create NaaS framework to bring together a full stack of secure, software-defined underlay and overlay solutions and services, in a consumption-based engagement model, will have better traction with enterprise customers.

- **Differentiate by providing diverse network functions with flexible deployment models.** Enterprises operate in diverse network environments that require tailored solutions rather than

a one-size-fits-all approach. Difference in areas such as the mix of site size, application workloads, performance requirements, and compliance and regulatory frameworks, dictate where specific VNFs can/cannot be deployed and who can manage them. Communication SPs that act as strategic partners to help customers in managing the complex paradigm of software-defined networking, and meet their needs with a broad range of VNFs from a diverse ecosystem of partners and deployment models, will distinguish themselves from their peers and competitors.

- **Automate deployment and operations.** The ability to automate operations is a critical requirement for enterprises and the more assistance that a managed SP (MSP) can offer, the more competitive it will be in the market. Typically, enterprises will want the MSP to not only provide artificial intelligence (AI)–based automation functionality, but also provide the flexibility to access end-to-end engineering support through a single help desk.

- **Articulating business value of connectedness.** While connectivity may appear to be a resolved issue for organizations, more than 60% of Asia/Pacific (including Japan) (APJ) enterprises believe that their networks are unprepared for advanced solutions such as Internet of Things (IoT), edge computing, and cloud-based workloads. Marketing strategies that link technological capabilities and use cases to financial and business outcomes have a greater impact on technology buyers.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This IDC MarketScape included communication SPs from the Asia/Pacific region that meet the following criteria:

- Regional and global SPs that have the ability to serve small and medium-sized business (SMB), large enterprise, and multinational corporations (MNCs)
- SPs that are offering managed secure virtual network services in the region
- SPs that demonstrate commitment to further development of secure virtual network services portfolio
- SPs that are driving innovation in secure virtual network services

ADVICE FOR TECHNOLOGY BUYERS

- **Be adaptable.** SD-WAN is not just a technology for the branch office but also for home (increasingly with work-at-home scenarios), campus, datacenters, and cloud. Further, with the proliferation of applications, enterprises will demand an ever-growing need for resiliency, latency, and bandwidth. A conferencing application may require a packet loss of less than 2% and a packet latency of less than 50ms for an acceptable quality of experience. But a file transfer application can afford higher latency with no packet losses.

- **Align with enterprise DX initiatives.** A directional dependence on 3rd Platform technologies such as mobility, cloud, IoT, and AI/machine learning (ML) should be visible to align them with the SD-WAN MSP's current capabilities and future innovation set. The growth of IoT networks and the rise of 5G will also have profound implications going forward. SD-WAN and edge computing are key drivers for hybrid WAN connectivity. Further, as secured perimeter with cloud-based edge grows, SD-WAN will extend the next phase of growth with hybrid- and multi-WAN.

- **Focus on frugal innovation with cost savings as a business outcome.** In a post-pandemic world, as enterprises focus on cost optimization, security, and business continuity with improved WAN/application performance on cloud or otherwise, technology buyers should focus on application centric architectures which combine performance, security, and reliability. To that end, troubleshooting applications and flow-based reporting with better network visibility is the need for enterprises.

- **Virtualization journey with AI/ML.** The technology buyer's business and IT need to bake in network virtualization with hardware-based appliances under the overarching network function virtualization (NFV)/SDN theme. This enables virtual customer premises equipment (CPE) offerings with firewall, gateway, IPS, and all L4 to L7 controls.

FEATURED VENDOR PROFILE

This section briefly explains IDC's key observations resulting in Tata Communications' position in the IDC MarketScape. The description here provides a summary of the vendor's strengths and opportunities.

Tata Communications

Tata Communications is positioned in the Leaders category in the 2023 *IDC MarketScape for Asia/Pacific Communications Service Provider Secure Virtual Network Services*.

Tata Communications is a global provider of managed ICT solutions and services to enterprise customers, encompassing fixed, mobile, cloud, IoT, and other offerings. Its portfolio of integrated security and software-defined networking solutions allows it to offer comprehensive virtual network services to organizations across various industries, with major clients in verticals such as banking, retail, and manufacturing in the Asia/Pacific region.

Tata Communications has stated that a majority of its enterprise customers, over 50%, are located in the Asia/Pacific region and the carrier has seen remarkable growth in secure virtual network services, which has emerged as one of its fastest-growing areas during the 2021–2022 period. With network infrastructure at the core of these offerings, Tata Communications continues to invest further to increase the backbone capacity of its 210,000km submarine cable systems and build new routes within Asia and beyond. This also allows the service provider to offer network services such as IZO Internet WAN, with an aim to provide predictable internet performance with deterministic routing and end-to-end network performance SLAs in more than 150 countries.

Looking ahead to 2022–2023, Tata Communications has recognized SASE as a key area for expansion and has made it a focus under the banner of "Secure Network Transformation." This initiative combines its IZO SDWAN portfolio with security solutions like Secure Web Gateway, CASB, and Firewall, all delivered via the cloud and offered on a consumption-based model. SD-WAN is an integral part of Tata Communications' IZO portfolio and the carrier offers multiple variants to suit customer needs, including solutions from Cisco, HPE Aruba (previously Silverpeak), Fortinet, and Versa. The carrier also plans to add VMWare and Palo Alto to its growing list of virtual network solutions in 2023. This is augmented by TCx, Tata Communications' customer experience platform, which enables unified management for these solutions along with other parts of the Tata Communications portfolio.

Strengths

Building on Its Network Heritage to Deliver End-to-End Secure Network Transformation

Tata Communications is drawing on its strong network heritage to offer solutions that emphasize secure network transformation, utilizing the SASE framework. The carrier has expanded its core networking and IZO connectivity portfolio by integrating IZO SDWAN and security offerings, with an aim to provide comprehensive network solutions to meet the evolving needs of its customers while maintaining a distinguished focus on security.

Delivering to address the enterprise need to navigate complex decisions around the network design, migration, and operation, IZO SDWAN is a platform-based, fully managed service, enabling the entire network transformation life cycle from design to delivery, including support for ongoing management and day-to-day operations.

Intending to address key customer pain points, Tata Communications has broken down the secure network transformation journey into three phases, providing its customers with a well-defined, process-oriented framework with clear goals and benefits for each stage. This enables continuous tracking and ensures the success of these transformation initiatives.

- **Day 0 — IZO SDWAN — Define Services:** This helps organizations assess, design, and validate their network architecture and security posture to ensure it aligns with their specific requirements before embarking on the transformation journey.
- **Day 1 — IZO SDWAN — Deliver Services:** The second phase involves a risk-mitigated approach to transition, leveraging frameworks, capabilities, and tools to facilitate seamless migration and ecosystem integration.
- **Day 2 — IZO SDWAN — Operate and Optimize Services:** Once the migration, integration, and deployment of solutions have been completed, the focus shifts to maintaining operational consistency and network uptime with granular visibility and analytics through customized self-service portals. This phase aims to optimize network performance and identify opportunities for further improvement.

As part of the above, Tata Communications provides a range of deployment options, such as fully managed, co-managed, and DIY, to accommodate changing customer requirements. By leveraging application-aware routing, network services, and integrated network security offerings, Tata Communications tries to strike a balance between cost, performance, and security for its customers, assisting them in their secure network transformation journey.

Challenges

Overcoming Competition and Expanding Market Share

Tata Communications has made significant strides in closing the gap in capabilities and scale between itself and other major comms SPs in the region. However, despite being recognized for its network heritage, Tata Comms faces the challenge of distinguishing itself in a crowded Asia/Pacific market, where, in addition to the comms SPs, there are plenty of over-the-top SASE framework-based solution providers. However, IDC believes that Tata Communications can draw on its experience and lessons learned from its success in the intensely competitive India market as it seeks to expand further in the region.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here, and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis or strategies axis indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represent the market share of each individual vendor within the specific market segment being assessed.

This document gives equal weight to the strategies and the capabilities criteria using 50:50 ratio. Secure Virtual Network Services is a dynamic market that's still shaping up and hence will be equally defined by current capabilities and more defined in the longer term by factors that drive growth and differentiation.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

Initially introduced in 2015 as a networking revolution to address the branch's needs for flexibility, cloud adoption, and dynamic bandwidth allocation, SD-WAN was intended to provide a cost-effective solution to meet the increasing demand for traffic at the edge. However, the past two to three years have seen the market and technology evolve toward a complete software-defined and virtualized network architecture, with integrated security.

Secure Virtual Network services combine software-defined networking (such as SD-WAN, SD-LAN, and flexible network core), virtual network services (such as vRouter, and vLoad balancer), and integrated security (such as firewall as a service [FWaaS], zero trust network access [ZTNA], and CASB) as key tenets of the solution. While comms SPs have been offering these solutions in some form and combinations already, organizations are increasingly demanding integrated offerings that cover all these three areas and are provided as a managed service.

LEARN MORE

Related Research

- *Asia/Pacific (Excluding Japan) Software-Defined WAN Managed Network Services Forecast, 2022-2026* (IDC #AP47761622, March 2023)
- *Asia/Pacific (Excluding Japan and China) Software-Defined WAN Infrastructure Market, 2020-2021, and 2022-2026 Forecast* (IDC #AP47761722, February 2023)
- *IDC FutureScape: Worldwide Future of Connectedness 2023 Predictions - APEJ Implications: Positioning for Success - Opportunities for Tech Sales and Marketing Leaders* (IDC #AP50031822, January 2023)

Synopsis

This IDC study presents an assessment of eight communications SPs that provide secure virtual network services in the Asia/Pacific region. The assessment is based on their current capabilities, go-to-market (GTM) strategies, growth, innovation, and plans for delivering secure virtual network services. This is an evolution of the IDC Asia/Pacific Comms SP managed SD-WAN IDC MarketScape in 2021, and the first comprehensive analysis by IDC in a rapidly evolving market and provides insights to enterprises deciding on the adoption of secure virtual network services.

"The Asia/Pacific region has witnessed a significant shift in software-defined networking, moving from SD-WAN to a more comprehensive range of secure virtual network services. This evolution is driven by the growing enterprise demand for flexible, reliable, and secure access to cloud-native applications

and distributed workloads and address broader enterprise digital transformation initiatives. To this end, comms SPs are offering a broader range of services, including SASE framework driven solutions that combine networking and security capabilities. However, not all offerings are created equal, and various SPs are positioning themselves in different ways to stand out in a highly competitive market," says Nikhil Batra, research director, IDC Asia/Pacific Telecom Practice.

About IDC

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