

DEFINING THE TAM FOR THE DEEP OBSERVABILITY PRODUCT LINE ALONG WITH COMPETITOR ANALYSIS

To provide an in-depth view of the market for the Gigamon Deep Observability product portfolio along with key competitors and market trends

EXECUTIVE SUMMARY

Presented to Gigamon
June 2024



KEY FINDINGS

MARKET OVERVIEW

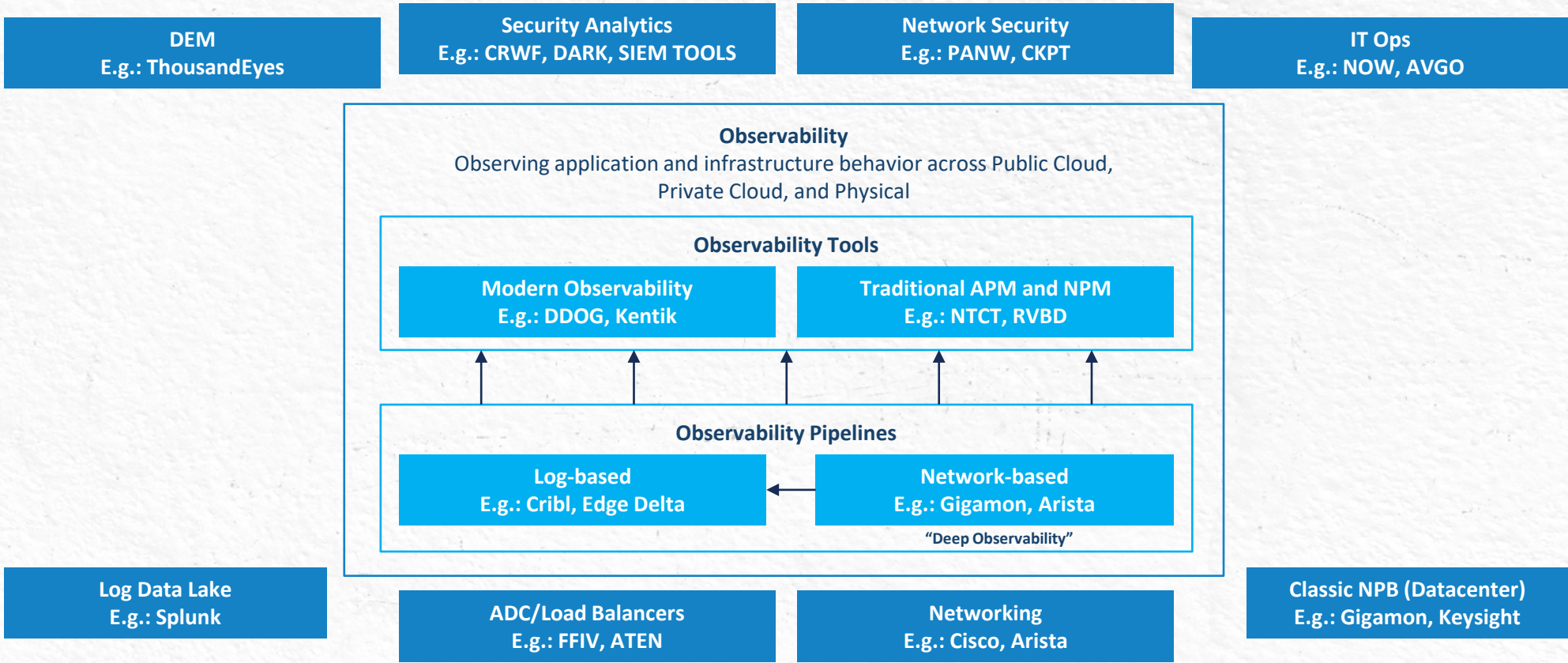
- The Deep Observability Market has emerged from the broader Observability market and has carved out a definitive need in large enterprises and government agencies seeking real time visibility into network traffic, going beyond traditional approaches that rely on metrics, events, logs and traces-based (MELT) data.
- The Deep Observability **market is expected to grow at close to 40% CAGR** in the next 4 years from **\$570 million in 2024 to \$2.1 billion in 2028**. This staggering growth rate is testament to the increasing awareness and adoption of the product in large enterprises, led by Communication Service Providers (CSPs) and Banking Financial Services Insurance (BFSI) verticals. The other major growth driver is the spending by Government agencies. The US Federal government is a leader globally in terms of adoption and spending on Deep Observability.
- **Gigamon is the market leader** in the deep observability market, followed by NETSCOUT, Keysight Technologies and Arista Networks (acquired Big Switch). Kentik and Cribl are new age players but have limited capabilities and presence in large enterprises.
- The key driver for the product adoption in enterprises is to improve the overall security posture of the organization by gaining better visibility into encrypted traffic of not only north-south but also lateral traffic across their hybrid cloud infrastructure, enabling them to more rapidly identify and respond to advanced threats.



DEEP OBSERVABILITY: PRODUCT DEFINITION AND MARKET CONTEXT

Observability, which refers to inspection of telemetry and log data covering applications and infrastructure behavior across public and private cloud, physical and on-premises infrastructure runs on **observability pipeline solutions** feeding network and log-based telemetry data to **observability and SIEM tools**. This provides a unified view into the health and performance of each layer of an organization’s technology stack. The observability pipeline solutions which have the capability to deliver **network-based telemetry*** from multiple networks such as public and private cloud, datacenters, and colocation deployments by going beyond traditional MELT data and enhancing the organization’s security posture can be classified as **Deep Observability** solutions. This is crucial because it eliminates blind spots by providing real-time network telemetry into lateral East-West and encrypted traffic to detect threats and performance anomalies, enabling organizations to deliver defense in depth and establish a solid foundation for Zero Trust framework implementation.

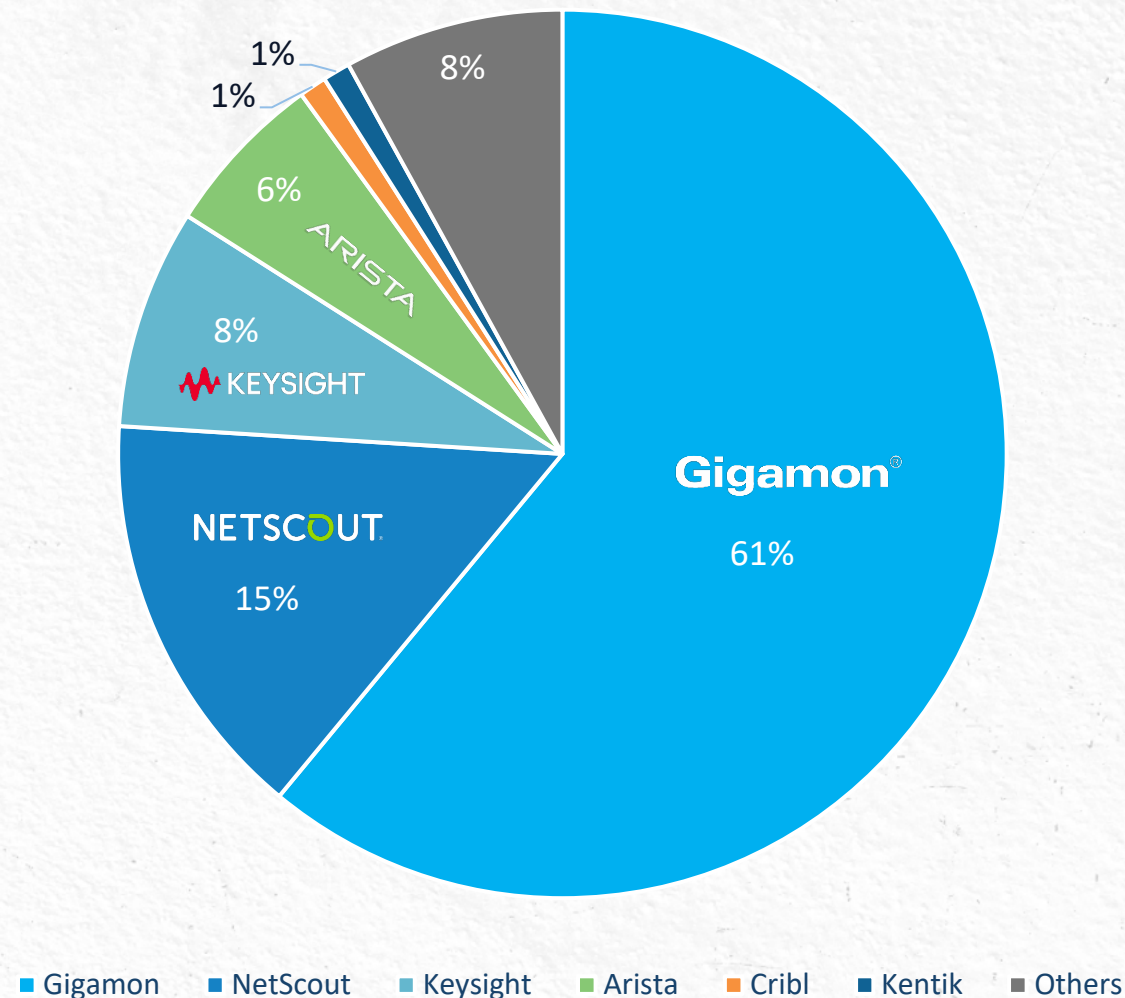
There are different products that sit alongside Observability solutions which analyse network and application data to enhance an organization’s security posture. These are monitoring solutions e.g. Digital Experience Monitoring (DEM), Alert and log management solutions e.g. IT Ops, Metrics and Event Management solutions e.g. Data Lakes, SIEMs, Security Analytics and traffic brokering solutions e.g. load balancers. But none of these solutions have the capability to aggregate the entire network’s telemetry data independently and provide deep observability capabilities.



*Network telemetry includes packet capture, flow records, enhanced network-derived metadata

KEY PLAYERS IN DEEP OBSERVABILITY

Deep Observability, Revenue Market Share of Top Participants, 2023



Others include Cisco, APCON, Broadcom etc.

Commentary

- **Gigamon** has the most comprehensive deep observability pipeline and the highest revenues in the industry attributable to the deep observability pipeline offering. It has more than 4000+ customers globally with strong revenue base enabling it to capture a substantial 61% market share.
- **NetScout** is the 2nd biggest player with estimated 15% market share with its “Visibility Without Borders” platform, enhancing visibility across cloud, network, enterprise applications, and services. This builds on their well-established reputation in wireless network monitoring and service assurance, particularly for Communication Service Providers (CSPs).
- Historically, **Keysight** has been a market leader in measurement instrumentation and software. Keysight established itself as a player in the deep observability market by acquiring Ixia in 2017. Keysight has a vast global clientele, presenting numerous up-sell opportunities for its observability solutions, especially as customers upgrade their existing infrastructure. It is estimated to have about 8% of the overall market share in 2023.
- **Arista**’s market share is predominantly due to its Big Switch acquisition in 2020. Its flanking and upselling strategy focuses on existing customer base rather than heavily engaging in direct competition for observability market share.
- Additionally, start-ups like **Cribl** and **Kentik** are making inroads into the deep observability market with their targeted solutions, aiming to capture a share of this growing sector. They remain focused on the mid-market and lower end of the spectrum and hence have limited market share in the large enterprises. Their average deal size remains lower than the other bigger players in the market.

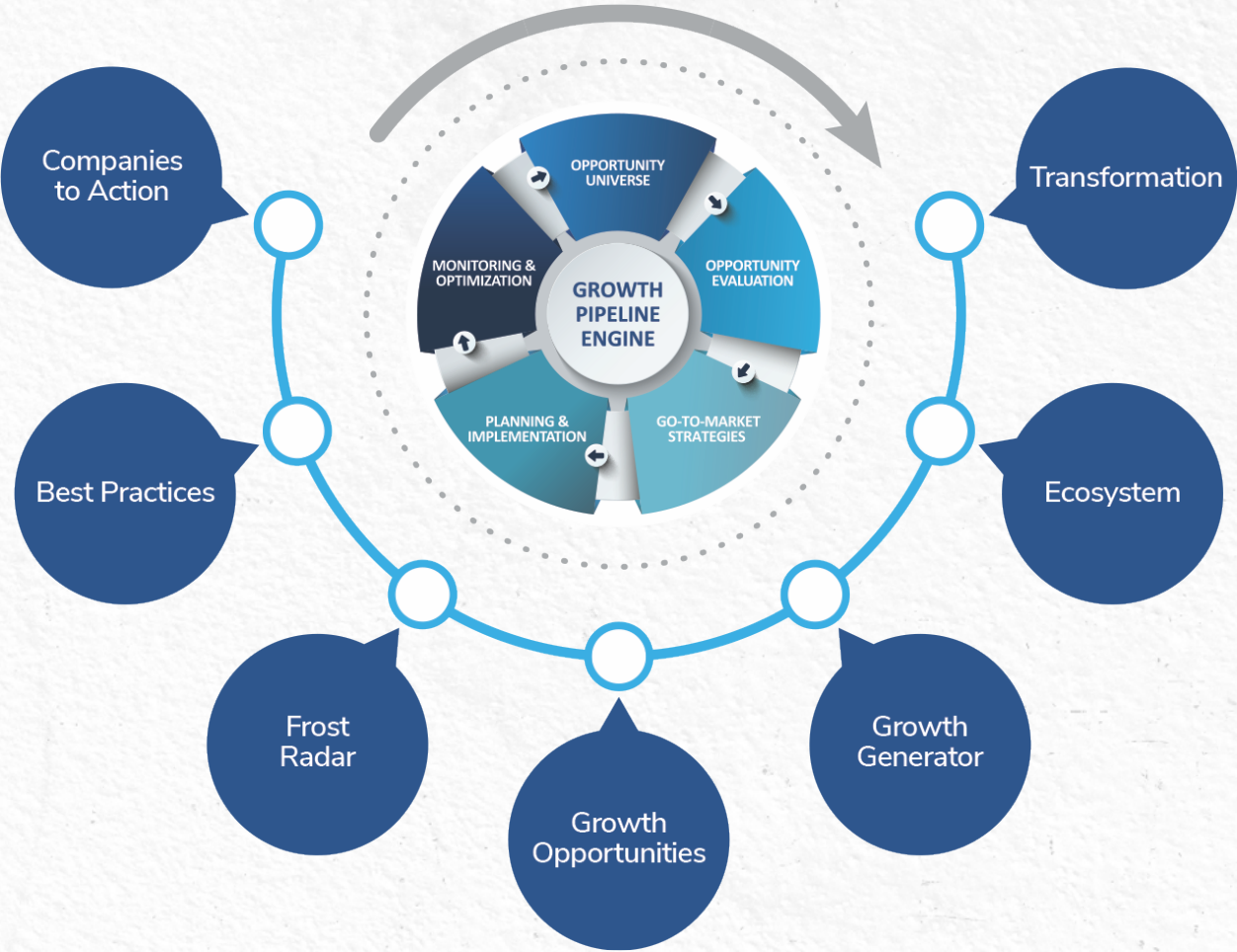
WHY ADOPT DEEP OBSERVABILITY?



Read full report here 

TRANSFORMATIONAL GROWTH JOURNEY

“Powered by the Growth Pipeline Engine”



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