Global WAN Services: Competitive Landscape Assessment

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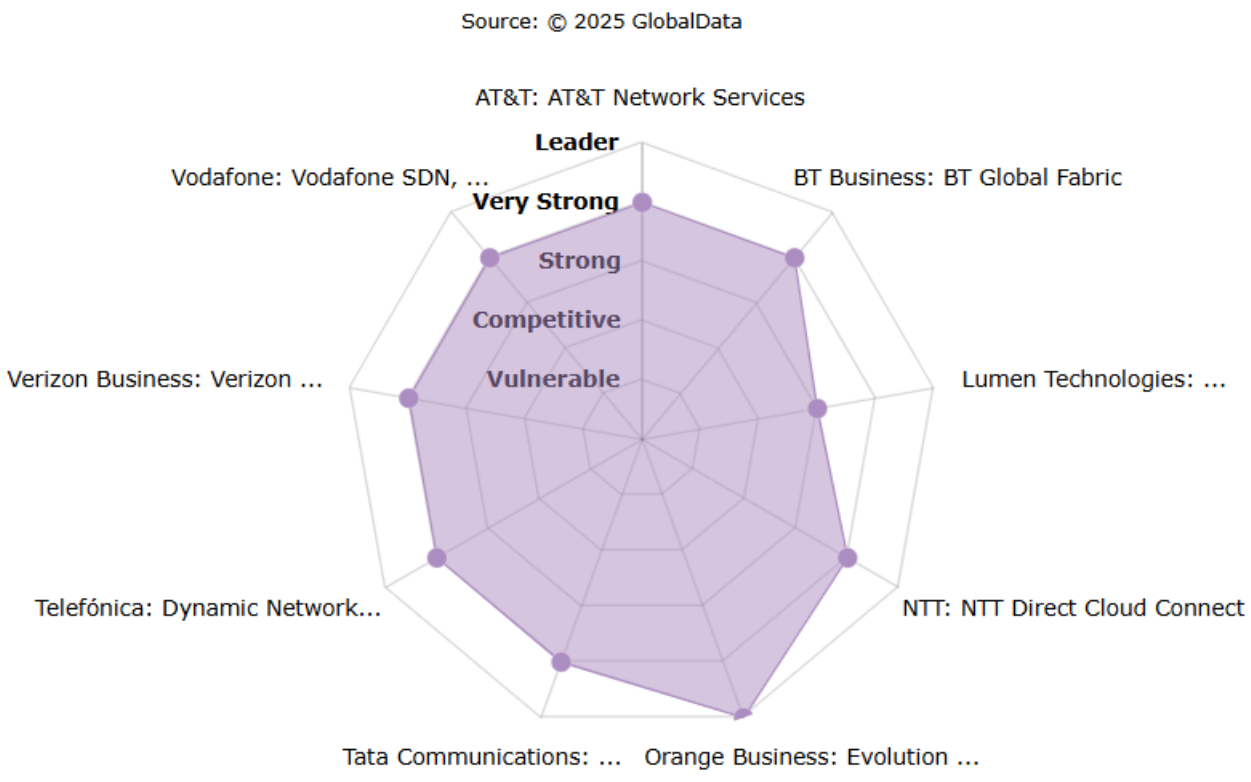
COMPETITIVE LANDSCAPE ASSESSMENT – GLOBAL WAN SERVICES

REPORT SUMMARY:

Network-as-a-service is redefining the WAN landscape as networks become more virtualized and dynamic. AI is also playing a greater role - both inside networks, and as a reason to buy network and connectivity services.

PRODUCT CLASS SCORECARD



MARKET OVERVIEW

Product Class	Global WAN Services
Market Definition	Wide area network (WAN) services support physical connectivity between branch sites, headquarters, data center, and private/hybrid clouds. As services become increasingly software-defined, SD-WAN/SASE services implement overlay networks between branch offices, data centers, and cloud services. WAN connectivity can also deliver IP/cloud gateways as well as cloud-, edge-, and CPE-based managed switches/routers and other gear. WAN services support physical connectivity between branch sites, headquarters, public cloud and software-as-a-service (SaaS) locations, data centers, and private/hybrid clouds. Edge is slowly establishing itself in the network theater with more providers building new network platforms hosted in 'near edge' (i.e., near to the provider) locations such as hyperscaler or co-location sites. The importance of 'super PoP' infrastructure (i.e., combining cloud, internet, and SD-WAN/SASE gateways in single locations) is also growing. This report focuses on solutions from service providers.
Rated Competitors	• AT&T: AT&T Network Services • BT Business: BT Global Fabric • Lumen Technologies: Adaptive Networking • NTT: NTT Direct Cloud Connect • Orange Business: Evolution Platform, Orange Galerie • Tata Communications: Network Fabric, Izo • Telefónica: Dynamic Network (NaaS), Enhanced Internet, Cloud Connect, flexWAN, , Global SD-WAN, Enterprise VSAT • Verizon Business: Verizon Network-as-a-Service • Vodafone: Vodafone SDN, Vodafone Business Connectivity
Additional Competitors	• Colt • Comcast • Cox Business • Deutsche Telekom • GTT • Singtel • Telstra
Changes Since Last Update	• **February 2025:** BT announced that the BT Global Fabric network-as-a-service (NaaS) platform is now fully open to its enterprise customers. • **February 2025:** BT and Equinix announced an expansion of their partnership that will see BT Global Fabric infrastructure deployed in 40 Equinix data centers - up from the current 30. • **February 2025:** BT announced that it has reached an agreement for the sale of its Irish wholesale and enterprise business unit to Speed Fibre Group. • **January 2025:** Verizon was selected by the US military to deliver network and 5G upgrades at 35 locations. • **January 2025:** Vodafone completed the sale of its Italian operations to Swisscom for EUR8 billion. • **December 2024:** Vodafone UK's proposed merger with 3 UK was given approval by the UK regulator. • **October 2024:** Lumen announced an agreement to deliver data center connectivity services for Amazon Web Services (AWS). • **September 2024:** Telefónica announced that it is joining Cisco's AEGIS (Awareness, Education, Advice, and Information Sharing) cyber security program. • **September 2024:** Verizon Communications Inc. and Frontier Communications Parent, Inc.

announced they have entered into a definitive agreement for Verizon to acquire Frontier in an all-cash transaction valued at $20 billion.

- **June 2024:** Orange announced a multinational win for Orange Evolution Platform with Haier Europe. The deal includes SD-WAN and IoT services.
- **April 2024:** AT&T announced an international network services contract win with Tenaris.

MARKET ASSESSMENT

Network operating telecommunications service providers (telcos/service providers) are under more pressure than any point in history. Inflation and energy costs are putting pressure on already vulnerable margins and increasing the need to reduce costs. These same forces are also making it more expensive for telcos to roll out next-generation connectivity services like 5G and full-fiber broadband a situation made worse by the difficulty in achieving a return on those investments. They also need to contend with alternative providers such as hyperscalers, data center providers, system integrators, NaaS specialists (e.g., Megaport, Packet Fabric, and Console Connect).

NaaS has emerged as a methodology for providers to increase the level of automation within their networks with a view both to reducing costs and improving the enterprise customer experience when it comes to service provisioning and operation. It is also hoped that through APIs and marketplaces, NaaS will create new routes to market for network services.

NaaS is ill-defined, but it encompasses technologies such as virtualization, cloud, and AI. Providers such as BT, Lumen, and Orange have favored a rip-and-replace methodology, whiles others such as Verizon and NTT see NaaS as more of an evolutionary process of updating existing network platforms while also developing new capabilities in areas such as observability.

Cloud connectivity is already a well-established battlefield for providers - all are investing in peering agreements with the major cloud and data center vendors and are keen to highlight how much hyperscaler/SaaS traffic they carry. Cloud is also driving significant growth in internet traffic and causing vendors to invest in developing their DIA portfolios and internet peering relationships.

GlobalData has rated Orange as leader in the global WAN market. The provider has established one of the most ambitious NaaS strategies with Orange Evolution Platform, which seeks to include both its underlay platforms and assets and its overlay SD-WAN/SASE portfolio. The provider has delivered update at a regular cadence, and it is making impressive progress. Orange also continues to demonstrate strong momentum for managed SD-WAN and SASE sales and backs up its network services with compelling security and integration capabilities.

Many providers in the chasing pack are hot on Orange's heals. NTT remains a powerful provider combining and strong global footprint with integration capabilities within the NTT group that arguably exceed Orange's. NTT is less strong in terms of its NaaS vision, however, and its complex corporate structure and at times unwieldy portfolio are negative factors.

US giants AT&T and Verizon both have a strong claim to be rated in the 'leader' category for traditional networking capabilities and SD-WAN. Each provider also offers strong multi-access edge computing (MEC) capabilities and can point to large and complex SD-WAN solutions delivered for some of the world's largest multinational corporations (MNCs), and both offer strong global footprints with powerful presence in the Americas, although with less differentiation in areas such as Europe, the Middle East, Africa (EMEA) and Asia-Pacific (APAC). AT&T's divestment of its security capabilities is a complicating factor within its portfolio, but it can point to innovation in terms of its global internet capabilities.

BT's launch of the BT Cloud Fabric platform has strengthened the competitiveness of its overall portfolio and given the provider a boost to its cloud network messaging. The strength of its platform is balanced against ongoing uncertainty about BT's medium-to-long-term commitment to the global WAN market. Tata Communications is another strong contender, which has constantly evolved its portfolio to meet client requirements. It was ahead of the pack in supporting customers to deploy internet-based and hybrid WAN. The company has also adopted a platform approach to drive convergence of networking (LAN and WAN) and security. Tata Communications' Izo Multi Cloud Connect, CloudLyte (edge solution), and hosted SASE are some new capabilities that it has taken to market. However, unlike Orange and NTT, it does not have systems integration capabilities to drive transformation beyond the WAN.

Vodafone is a provider that has similar uncertainties about the future shape of its business following multiple sell-offs, including most recently in Italy and Spain and the ongoing merger of its UK operations with 3 UK. However, the provider is strengthening its security capabilities and has demonstrated noteworthy momentum in the SD-WAN and SASE markets.

Lumen has perhaps endured the most stark reduction to its global ambitions with the now completed sell-off of its Latin America and EMEA assets. On the plus side for the provider, it is now well along its NaaS journey with further enhancements due in 2025. The provider has strengthened and its dedicated internet access capabilities and is also starting to take fuller advantage of its Black Lotus Labs division as it sells SD-WAN and SASE solutions.

Telefónica is at an earlier stage in its NaaS journey than BT, but it retains a convincing overall next-generation networking story with unique regional presence in Europe and the Americas and is aided by strengths in areas such as AI and supported by innovation from the Telefonica Tech division. Lumen by contrast is well into its NaaS process.

MARKET DRIVERS

- **NaaS:** NaaS is long-term play for the service providers that are hoping that AI, automation, and the use of APIs to improve the ease of consumption of their network services will close the experience gap between SaaS/cloud services and networking. NaaS is also critical in reducing costs and maintaining margins, and it has the potential to open new revenue streams and models for service providers, although with the potential risk of further commoditizing network services.
- **SASE and Zero Trust:** SASE has matured from being primarily a discussion point to a tangible part of service provider portfolios. While SD-WAN dominates, interest in SASE solutions is strong and providers' ability to sell both single-vendor and multi-vendor solutions is vital. GlobalData's research highlights that enterprises see SASE as part of a wider drive toward zero trust, and providers that can offer the security consulting and professional services capabilities to help enterprises develop zero trust policy frameworks will be at an advantage.
- **Cloud Networking:** Connectivity to cloud services (e.g., public cloud, SaaS, co-location, collaboration platforms) is mission-critical for enterprises. Service providers are responding to this by building out more and more global interconnects with the major cloud/SaaS providers. Global cloud/internet/SD-WAN gateways also play a key role in delivering cloud networking. In addition, providers are working to enhance their multi-cloud aggregation and management capabilities as a way of differentiating themselves versus hyperscalers.
- **AI:** AI plays a dual role in the global WAN market by being both an enabler of advanced network solution features and the reason for enterprises investing in advanced network solutions. In terms of network features, AI is driving the automation of fault detection, trouble ticket generation, root cause analysis and next step recommendations, and advanced network security capabilities. Connectivity to AI vendors is now as important as interconnects with cloud/SaaS providers for WAN

providers. Providers also need to be able to demonstrate how their investment in NaaS will help enterprises to meet their AI needs.

- **Edge Networking:** Edge networking solutions have so far had relatively muted traction, but there are signs of growing interest from enterprises. Providers are building out new network platforms into near edge locations and developing use cases for near and far edge (i.e., customer premises) edge deployments. Private 5G and legacy app migration are notable drivers to edge adoption.

BUYING CRITERIA

- **Core Network and Footprint:** MNCs continue to value the global footprint of their network providers. Most enterprises are seeking either a lead global provider, or regional best-in-class providers based both on their footprint, and their ability to interconnect with and manage networks from multiple provider partners. Similarly, the ability to offer business grade internet solutions, both dedicated and public, and to interconnect with multiple internet service provider partners is critical. Core network improvements such as automation and cloud-hosted infrastructure are also becoming key differentiators.
- **SD-WAN, SASE, and Cloud Networking:** Fragmentation in the SD-WAN market requires providers to be able to offer SD-WAN solutions from at least three providers. For SASE, the newness of the technology means that fewer vendors are likely to be supported and multi-vendor integration is at least as important as single-vendor choice depth at the moment. Longer-term, having at least two or three integrated single-vendor SASE options will be a minimum. Providers need to support their overlay solutions with global gateway infrastructure and strong peering agreements with key cloud providers.
- **MPLS and Ethernet:** While SD-WAN and SASE grab the headlines, multiprotocol label switching (MPLS) and Ethernet remain highly trusted and much used technologies. There are signs of migration away from MPLS, but it remains an important technology while Ethernet continues to be a go-to technology for certain situations with requirements such as ultra-low latency, high data volume, or stringent security.
- **Service-Level Agreements (SLAs) and Customer Portal:** SLAs can be a point of disconnect between enterprises and service providers with KPIs often rooted in technology terms rather than business needs. However, they remain of high importance, and the use of AI and automation is beginning to deliver a new generation of SLAs. Customer portals are also critical, with customers wishing both to monitor performance of the network and applications running over it. Service providers have been developing new capabilities including observability, insights into network carbon footprint, and APIs for further customization and integration.

VENDOR RECOMMENDATIONS

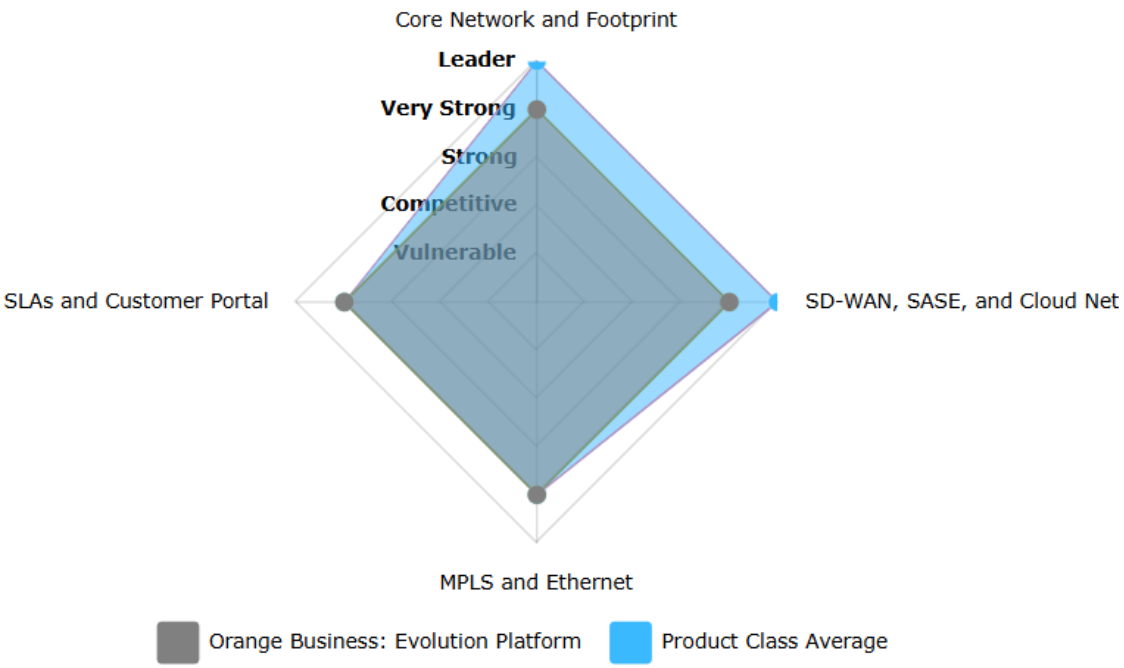
- **Automation and AI:** AI and automation technologies are at a formative stage in network platforms, but providers need to able to demonstrate how they are already implementing the technologies and developing roadmaps for greater usage. It is also important to develop ways of demonstrating the benefits of AI-powered automation to customers as much of the value is achieved without customers being directly aware.
- **Cloud Aggregator:** Service providers can achieve differentiation from the hyperscalers by positioning themselves as neutral cloud aggregators. Most enterprises operate multi-cloud environments and are increasingly aware that oversite, management, integration, and cost control of these various cloud

deployments is lacking. Interconnects with cloud providers is the first move, but, longer-term, cloud management platforms will offer greater business value.

- **Hyperscaler WAN:** Service providers can differentiate themselves from hyperscaler WAN solutions by highlighting that these solutions have limited scope and are essentially restricted to the 'middle-third' of the network - i.e., between that hyperscaler's data centers. Providers can position themselves as end-to-end providers and underline the concomitant benefits of this approach. However, providers should also consider how they can offer managed service offerings that include managing hyperscaler WAN deployments for enterprises as part of an integrated network solution.
- **Security:** Service providers should put security front and center when selling network solutions. SASE is a good starting point for this, but it does not cover all bases, and SASE is often seen as more of a WAN solution rather than a security solution by enterprises. Accompanying SASE with strong messaging on zero trust and wider cybersecurity consulting is vital for achieving differentiation.
- **Business Grade Internet:** Service providers should be aware that there is a renewed opportunity to sell 'business-grade internet.' This means internet services with SLAs for key collaboration/SaaS services and with features such as 4G/5G failover when bandwidth limits are reached. Service providers should also consider a managed internet service approach utilizing their internet installation engineers to roll out enhanced internet services for enterprises that would find the process too challenging to manage internally.

Rated Competitors

Product Name	Orange Business: Evolution Platform, Orange Galerie
Current Perspective	Orange is a leader in the managed network space because it combines compelling global network presence with a strong set of SD-WAN and SASE expertise, and it offers differentiation through its integration capabilities. Orange's NaaS strategy is one of the most ambitious in the market and is centered on the Orange Evolution Platform, which has been built to support a more automated and dynamic service delivery model. Orange intends that eventually the majority, if not all, of its products and services will be migrated to Orange Evolution Platform. Orange Evolution Platform will offer a new graphical user interface for enterprises to be able to buy, configure and manage services - including buying professional services. It will also act as the service performance and customer support portal for all of Orange's services and include single sign-in connections to external service management portals (e.g., for SASE or next-generation firewall). Orange Business and Orange Cyberdefence work closely in executing a well-thought-out sales strategy that utilizes proprietary SASE maturity and roadmap frameworks that assist enterprises in their SASE journey. This stems across operationalization of network and security convergence, transition to zero trust as well as in implementing an intelligence-led approach to threat management combined with SASE. Orange's SASE capabilities extend further across key productized areas supporting digital transformation for MNCs across Europe. This includes naalytics and AI (end-to-end solution to augment the experience) through partners like Snowflake, Microsoft Azure, AWS, Google Cloud, Tableau.
Buying Criteria Rating	**Core Network and Footprint** Leader **MPLS and Ethernet** Very Strong **SD-WAN, SASE, and Cloud Networking:** Leader **SLAs and Customer Portal** Very Strong
Product Scores	**Leader**



Strengths

- Orange operates one the largest global WAN networks with physical presence in 166 countries and particular strengths in EMEA and APAC (including presence in China). Orange operates 75 global 'Super PoPs' with a target of 100 by end-2025.
- Orange has consistently been one of the most successful providers in the global SD-WAN and SASE markets with multiple very-large MNC clients as reference customers. While Europe, and particularly France, is Orange's home territory, it has enjoyed consistent success in the Middle East and North Africa regions.
- Orange offers a combination of inhouse software/API development capabilities and developer platforms and API libraries. It operates on 'continuous software integration' and 'continuous code quality analysis' methodologies.
- Orange's CyberDefense managed security services (MSS) are available in 220 countries and territories with over 3,000 security experts including over 100 CISSP-certified security consultants on five continents and 200+ ethical hackers. Orange CyberDefense has more than 8,000 enterprise clients.
- Orange's cloud connectivity portfolio includes connections with AWS, Cisco Webex, Google Cloud, IBM Cloud, Microsoft Azure/Office 365, Alibaba Cloud, Oracle Cloud, Salesforce, and SAP.

Limitations

- Orange Evolution Platform includes a positive roadmap for NaaS services, but the provider has delivered a slower than initially promised cadence for development of the platform. The pace of progress is increasing, but provider has struggled to develop and articulate a clear go-to-market message for its proposition.
- Orange can point to multiple POCs and high-profile deployments for edge solutions, but its edge and MEC services are not yet fully productized. Its MEC rollout in particular has been delayed due to its partnership with Google, although it is now deploying MEC sites in France.
- While Orange remains more global in its outlook than the majority of services providers, its focus on its domestic French market has increased at the cost of its global ambitions. Similarly, while Orange's professional services and consulting resources are impressive, they are heavily concentrated in France.
- Orange has five next-generation hubs locations in the US and plans to roll out new PoPs, but its network presence and brand awareness in the Americas remains limited.