Enterprise WLAN market grew 22.4% year-over-year in 2Q21

NEEDHAM, Mass., September 8, 2021 – Growth rates remained strong in the enterprise segment of the wireless local area networking (WLAN) market in the second quarter of 2021 (2Q21) as the market increased 22.4% on a year-over-year basis to $1.7 billion, according to the International Data Corporation (IDC) Worldwide Quarterly Wireless LAN Tracker. In the consumer segment of the WLAN market, revenues declined 5.7% in the quarter to $2.3 billion, giving the combined enterprise and consumer WLAN markets year-over-year growth of 4.6% in 2Q21.

The growth in the enterprise-class segment of the market builds on a strong first quarter of 2021 when revenues increased 24.6% year over year. For the first half of 2021, the market increased 23.5% compared to first two quarters of 2020. Compared to the second quarter of 2019, 2Q21 revenues increased 10.8%, indicating that demand in the enterprise WLAN is strong.

Growth in the enterprise WLAN market continues to be driven by the latest Wi-Fi standard, known as Wi-Fi 6 or 802.11ax. Wi-Fi 6 access points made up 56.7% of the revenues in the Dependent Access Point (AP) segment and accounted for 45.0% of unit shipments within the segment. Wi-Fi 5 products, also known as 802.11ac, made up the balance of remaining Dependent AP sales.

Meanwhile, the consumer-class WLAN market declined 5.7% on a year-over-year basis. During the COVID-19 pandemic, the consumer WLAN market enjoyed robust growth as consumers upgraded their wireless connectivity at home. Compared to the second quarter of 2019 the market grew 10.1%, indicating that the market's fundamentals remain
strong. Wi-Fi 6 products continued to grow in the consumer market, rising to make up 24.5% of the consumer segment's total revenue, up from 20.3% in 1Q21. Wi-Fi 5 APs still make up the majority of revenues (64.1%) and unit shipments (64.0%).

"The enterprise WLAN market showed strong growth in the second quarter of 2021. On a macro level, economies around the globe continue to re-open as vaccines are rolled out, causing organizations to consider their enterprise connectivity needs," says Brandon Butler, research manager, Network Infrastructure. "Wireless local area networking remains one of the most important technologies for enterprises to provide seamless connectivity, with enterprise-grade security, management, and assurance."

From a geographic perspective, the enterprise WLAN market saw growth across all regions of the world. Growth was particularly strong in Asia: the market in the People's Republic of China grew 57.9% year over year, while Japan's market increased 21.9%. Across the broader Asia/Pacific region, excluding Japan and China, growth was 11.1% year over year with Australia recording an annual increase of 19.6%. Growth was also strong in the Americas where the U.S. market increased 14.3%, Canada's market
grew 18.0%, and the Latin America region increased 19.1%.

In Western Europe, the market grew 21.0% year over year with strength from Germany, which grew 26.0%. Central and Eastern Europe increased 18.7% while the Middle East and Africa region was up 18.6% year over year.

"Growth in the second quarter of 2021 was widespread across all regions of the world," noted Petr Jirovsky, research director, Worldwide Networking Trackers. "While year-over-year comparisons in the second quarter of 2021 coincide with the height of the COVID-19 pandemic in 2020, sequential growth for many vendors and growth in 2Q21 compared to the second quarter of 2019 indicate positive underlying trends for the enterprise WLAN market's future growth."

Key Enterprise WLAN Vendor Updates

- Cisco's enterprise WLAN revenues increased 6.1% year over year in 2Q21. Cisco is the market share leader with 38.4% share, down from 44.3% share in 2Q20.
- HPE-Aruba revenues rose 16.5% annually in 2Q21. The company's market share was 12.2%, down from 12.8% in the quarter one year ago.
- Ubiquiti enterprise WLAN revenues increased 49.7% year over year in 2Q21, giving the company 8.7% market share, up from 7.1% in 2Q20.
- Huawei enterprise WLAN revenues rose 72.6% year over year in 2Q21. The company's market share rose to 8.6%, up from 6.1% in the same quarter last year.
- H3C enterprise WLAN revenues grew 16.2% annually in 2Q21, accounting for 4.8% of the market.
- CommScope (formerly Ruckus) revenues increased 18.8% in 2Q21, giving the company 4.8% market share, on par with the 4.9% share last year.

The IDC Worldwide Quarterly WLAN Tracker provides total market size and vendor share data in an easy-to-use Excel pivot table format. The geographic coverage includes nine major regions (USA, Canada, Latin America, Asia/Pacific excluding Japan and China, Japan, People's Republic of China, Western Europe, Central and Eastern Europe, and the Middle East and Africa) and 58 countries. The WLAN market is further segmented by product class, product type, product, standard, and location. Measurement for the WLAN market is provided
in factory revenue, customer revenue, and unit shipments.

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For more information contact:
Michael Shirer
press@idc.com
508-935-4200
Brandon Butler
bbutler@idc.com
508-935-4325
Petr Jirovsky
pjirovsky@idc.com
413-313-6112