

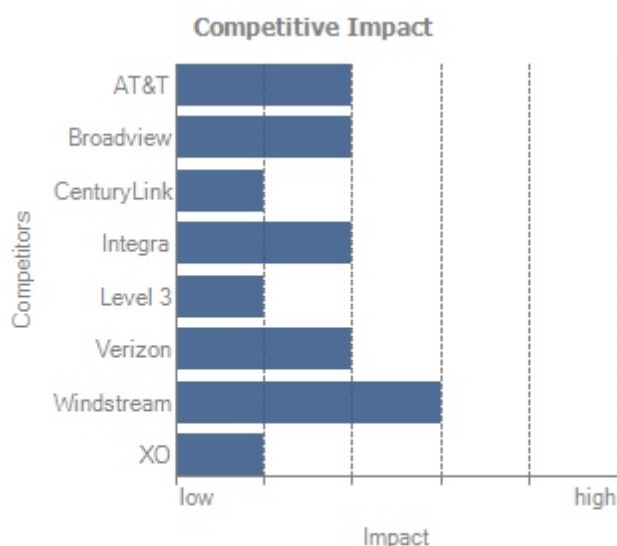
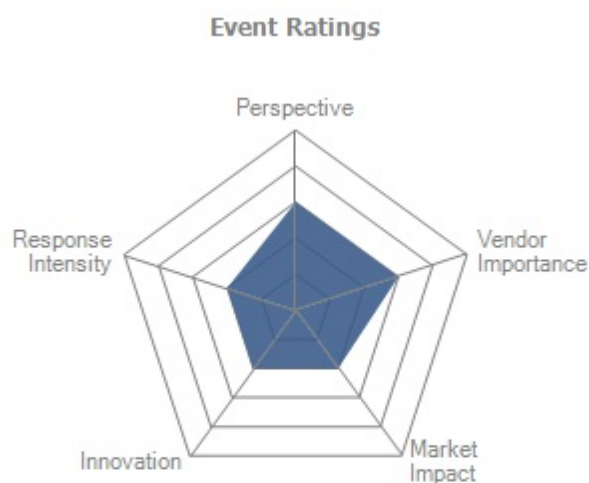
EarthLink Adds Managed IPsec VPN Option: A Flexible, Economic Private WAN Alternative

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Intelligence Alert

Quick Take



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Competitive Positives

- IPsec VPNs using managed CPE routers are quick to ship and self-install, flexible in connecting via most types of Internet access; IP/MPLS is more static.
- Since managed IPsec VPN connects to almost any Internet connection and supports self-install, it avoids technician dispatch costs, and may result in lower monthly service costs.
- EarthLink makes pricing simple: A feature charge and an aggregated port price: Customers optionally can hub to their own IPsec router instead of an EarthLink gateway.

Competitive Concerns

- Managed router/IPsec VPNs are well-established technology. Feature details have improved over the years but EarthLink breaks little new ground.
- Very large, deeply established competitor services such as AT&T AVTS/ANIRA and Verizon Secure Gateway are joined by Cisco Meraki, and technology vendor-supplied, cloud-based CPE management.
- EarthLink customers may migrate from private IP to Managed IPsec VPN: Better than losing clients, but a decrease in revenues and customer engagement level.

Event Summary

April 13, 2015 – EarthLink launches managed IPsec VPN, which it adds to existing private and hybrid networking options. Managed IPsec VPN customers can select the most economical Internet services for each site, including bring your own access (BYOA). The service's managed CPE routers support wireless backup; the service is managed and controlled through a centralized portal. Managed IPsec VPN complies with PCI-DSS standards for retail transactions; the service also targets verticals including healthcare, financial and professional services.

Analytical Summary

Perspective



- Moderate on EarthLink's release of managed IPsec VPN, because the underlying managed CPE router services (which enable IPsec VPNs) are well-established and straightforward. As a WAN provider, EarthLink historically charted success through attractively priced MPLS-based private IP-VPN services, often combined with broadband connecting up to thousands of locations. IPsec-based VPNs have recently staged a comeback with enterprises because they can pair with any Internet access; they can be fast and flexible to set up or move, and less expensive to operate. EarthLink's managed IPsec VPN is a highly practical solution for its installed base.

Vendor Importance



- Moderate to EarthLink, because the company needs to adapt to customers' changing needs: The provider has recognized and addressed the shift in interest away from more static IP/MPLS VPNs, back toward IPsec-based VPNs, and responded with an offer that meets its existing customers' and prospects' needs. EarthLink delivers a modern CPE-based managed service: Features include self-installed CPE; off-net (bring your own access); centralized management and control of CPE router and firewall features. Options include wireless failover, and compatibility with complementary EarthLink services such as IP/MPLS VPNs and centralized firewall.

Market Impact



- Low to competing WAN services providers in the U.S., because EarthLink launches a service where large rivals already have well-established entries such as AT&T AVTS and ANIRA, or Verizon Secure Gateway and Managed WAN. Cisco Meraki provides yet another angle to router CPE-based, managed IPsec VPNs. EarthLink managed IPsec VPN is not a major threat to these competitors. But EarthLink can draw on its service to carve out a space with mid-market and smaller enterprises, and appeal to its strong presence in the retail vertical – combining a right-sized offer with personal attention.

This report is tagged to the following vendor(s):

EarthLink

This report is tagged to the following content areas:

Service: Business Network and IT Services

Market: Business Network and IT Services - US Region

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