

The Changing Landscape of Content Delivery

A 2026 perspective

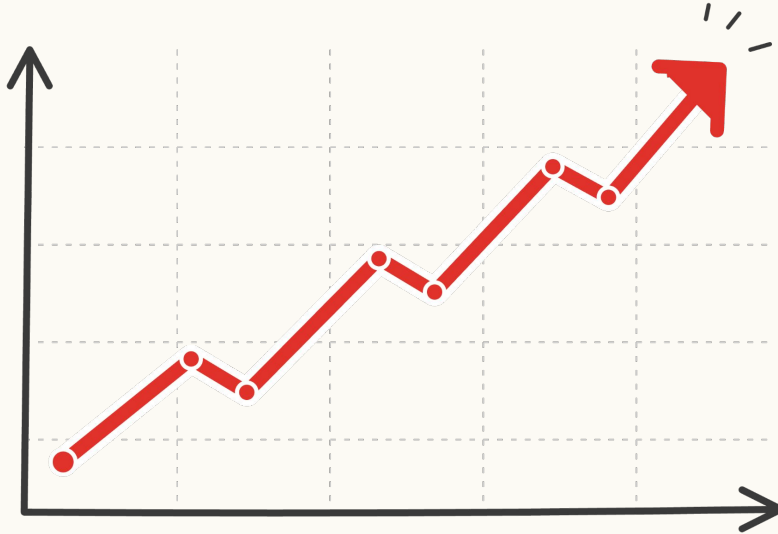
AUSNOG Brisbane

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Caveat

I'm not a CDN business analyst, I'm just a guy who stares at traffic charts for a living...



Introduction

At AUSNOG in 2023 I gave a presentation about Content Delivery networks. At that time we were discussing:

- **Who were the main players and which of them were offering embedded appliances**
- **How those caches were behaving (on-net vs. off net cache-fill)**
- **How each content type drove different traffic behavior and fill patterns**
- **A deep dive into Amazon Prime Video support of NFL Thursday night**

We looked at the time period from 2023 to present and noticed there have been some interesting changes that are worth reviewing.

What do we mean by CDN?

There are many kinds of Content Delivery Networks. We are focusing on general delivery services:

General Content Delivery

- Akamai
- Fastly
- AWS Cloudfront
- Azure CDN
- Google Cloud CDN

VS

Application Specific

- Netflix OCA
- Facebook
- Apple
- Google/Youtube

2023 CDN Perspective

CDN Market Leaders (Market Share)

Akamai

AWS Cloudfront

Cloudflare

Fastly

Lumen

Edgio (Formerly Limelight)

Stackpath

In the years leading up to 2023 the big news was Amazon adding the Cloudfront CDN service (2008) but seeing it finally gain traction in preparation for live streaming events.

2023 CDN Perspective - Embedded Caches

Embedded Cache Providers

- Akamai
 - Netflix
 - Google
 - AWS
 - Facebook
 - Apple
 - Cloudflare
 - CDN77
 - Qwilt
- AWS was very new (leading to official self-serve launch in 2024)
 - Nascent deployments of Cloudflare caches
 - CDN 77 was a new entrant

Kentik's perspective was that we were seeing an increase in embedded cache providers. It was looking like we would see a second wave of deployments....

Then it started....

August 2023 - Stackpath Exits the Market

- After I had already written and submitted my 2023 AusNOG presentation, just days before I presented...
- Akamai to purchase 100 customer contracts

StackPath quits CDN business, Akamai buys enterprise customer contracts

Edge company quietly leaves content delivery biz it founded the company on

August 29, 2023 By: Dan Swinhoe [Have your say](#)



StackPath is quitting the Content Delivery Network (CDN) business and moving to focus on security and compute from Stackpath.

Akamai this week announced that it has acquired assets including 100 enterprise customer contracts from StackPath, following StackPath's "decision to cease its content delivery network business."

StackPath Exits CDN Market, Akamai Acquires Top Customers, No Major Impact on the Industry

Dan Rayburn | Tuesday August 29, 2023 | 02:20 PM | [Comments \(0\)](#)

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STACKPATH™



StackPath, which has thousands of CDN customers, mostly in the SMB market, has notified customers of their intent to exit the content delivery business and cease CDN operations on November 22, 2023. As part of their exit from the space, Akamai **has acquired** "approximately" 100 enterprise CDN contracts from StackPath.

Akamai says these select customers represent at least \$50,000 in ARR with the potential to grow to a minimum \$100,000 ARR by cross-selling security and compute. Akamai says most of the customers are net-new for the company with very little overlap across their current customer base. Akamai anticipates this transaction will add approximately \$20 million in revenue for the full year in 2024.

Akamai is not acquiring any IP or patents from StackPath and is not taking on any of their debt.

October 2023 - Lumen Announcement

- A few weeks AFTER my presentation...
- Akamai to purchase 100 enterprise customer contracts
- CDN network to be dismantled starting in January 2024.

Lumen Offloads CDN Services To Akamai As Provider Sharpens Focus On NaaS, Fiber

BY GINA NARCISI

OCTOBER 10, 2023, 12:54 PM EDT

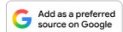
The telecom giant says that it will offload its content delivery network (CDN) services as it adjusts its core business focus to cloud-based services such as NaaS, SASE and fiber.

HOME > NEWS > EDGE & IOT

Lumen to wind down CDN business, sell customers to Akamai

Follows similar exit and acquisition of StackPath's CDN customers

October 10, 2023 By: Dan Swincoe Have your say



Lumen is to shut down its Content Delivery Network (CDN) business and has sold its customer contracts to Akamai.

Terms of the deal were not shared.

Lumen and Akamai will operate under a transition services agreement for 90 days, after which time Lumen plans to wind down its content delivery services.

"We are deep into our transformation of Lumen and much of our core work involves simplification of our business," said Bob McCarthy, Lumen SVP, business development.

"The sale of select Lumen CDN service contracts enables us to apply even more focus on disrupting the telecommunications industry by cloudifying our network, enhancing our Quantum Fiber offering, and bringing amazing new solutions to market."

In its own announcement, Akamai said it had acquired assets, including select content delivery customer contracts, from Lumen Technologies. The company said it anticipates the transaction will add approximately \$40-50 million in revenue.



- Lumen Technologies

September 2024 - Edgio files Chapter 11

- Voluntary Chapter 11 filed in September
- November Akamai submits the winning bid for select customer assets plus non-exclusive patent licensing rights.
- January 2025 AS22822 goes dark

Edgio Files for Chapter 11 Relief, Enters Stalking Horse Agreement with and Secures DIP Financing from Lynrock

by Brianna Wilson — September 10, 2024 in News



Edgio and certain of its affiliates has voluntarily filed for Chapter 11 protection under the U.S. Bankruptcy Court for the District of Delaware to effectuate the continued operation of the company's businesses.

The company entered this process with the support of Lynrock, which has agreed to acquire assets of the company and anchor the sale process. Edgio has entered into a stalking horse agreement with Lynrock, which has agreed to acquire assets of the company and anchor the sale process. Edgio has entered into a stalking horse agreement with Lynrock, which has agreed to acquire assets of the company and anchor the sale process. Edgio has entered into a stalking horse agreement with Lynrock, which has agreed to acquire assets of the company and anchor the sale process.

Edgio: 23 Years of CDN History Ends in Piecemeal Liquidation

Edgio ch. 11 September 2024. Akamai acquired for \$125M, Lynrock Lake for \$51M. 23 years of CDN history ended.



ElevenFlo Editors

March 6, 2026 • 19 min read • Updated June 9, 2026

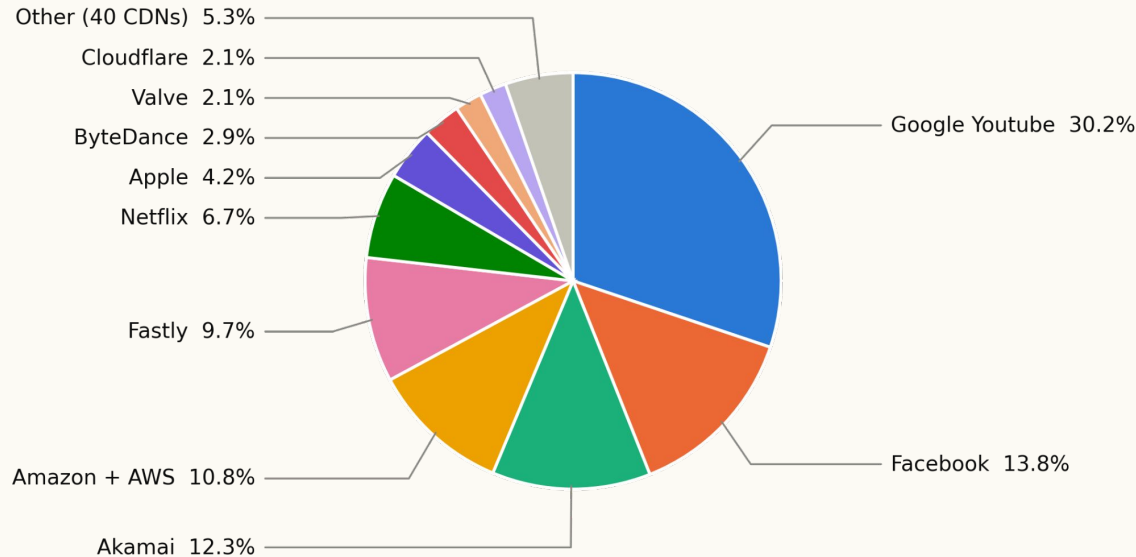


Edgio, Inc., the content delivery network and edge computing company formed through the 2022 merger of Limelight Networks and Yahoo's Edgecast business, [filed for chapter 11 bankruptcy](#) on September 9, 2024, according to the [First Day Declaration](#). The Delaware bankruptcy proceedings facilitated a piecemeal liquidation, with assets sold to multiple buyers: Akamai Technologies [acquired customer contracts for \\$125 million](#), Lynrock Lake Master Fund LP won the Uplynk streaming platform with a \$51 million credit bid, InterDigital subsidiary DRNC Holdings acquired the patent portfolio for \$4.25 million, and smaller buyers including Parler Cloud Technologies and Encore Technologies purchased the remaining CDN infrastructure.

The big get bigger?

- Those three networks had (very roughly) a 15% Market Share.....which mostly went to Akamai.
- Do They still have 15% more market share than their competitors?

2026 CDN Breakdown

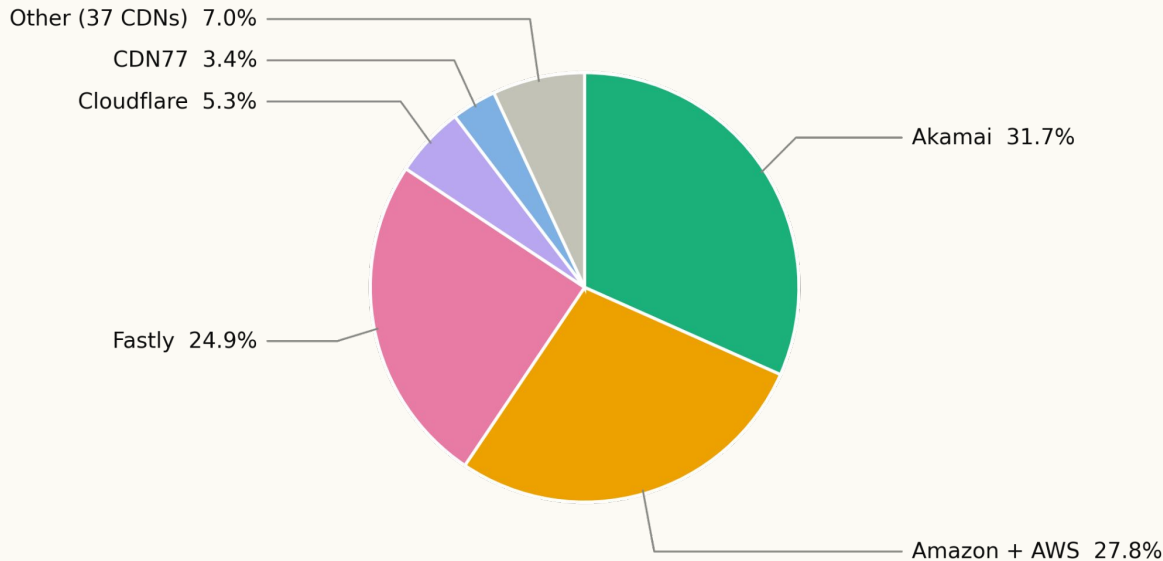


Let's look at the top CDNs that Kentik Measures.

"Houston, we have a problem..."

Not all CDNs are built the same or offer the same services.

Reduced to General Delivery CDNs



Still not as accurate!

How do you classify Google/Youtube? It's not easy to separate Google Cloud CDN from Youtube services.

- There isn't a single method to ID CDN hostnames with google
- AWS uses cloudfront.net
- Akamai uses various specific domains akamaiedge.com, akamai.com, etc
- Fastly uses fastly.net

Commoditization of CDN services

CDN Commoditization

Market Dynamics:

- Constant downward price pressure (**transit pricing**)
- Lack of product differentiation
- Hyperscaler add-on services

Shift to Edge Compute

"If you aren't offering compute/edge services you aren't competitive."

Basic content delivery has become a baseline utility; survival requires moving further up the stack into edge computing.

Interconnection Floor

There is a practical floor of interconnectedness.

"You can't peer your way into a low cost basis."

Physical presence and capital scale dictate the ultimate cost efficiency limit.

CDNs transform to compute services

Akamai

Acquisition focused

- Edge workers in late 2010s
- Purchased Linode in 2022
- Ondat purchase 2023
- Geko initiative Feb 2024
- General Compute initiative 2025
- Inference Cloud 2025
- NVIDIA Blackwell deployment 2026

Cloudflare

More product led

- 2017 Workers launched
- 2020 Durable objects
- 2021 R2 Object storage announced
- 2024 Containers
- 2025 Cloudflare Data Platform
- 2026 Dynamic workers announced
- Common compute platform

Fastly

Started with edge compute in mind

- 2019 Compute@Edge launched
- 2020 Signal Sciences acquisition
- 2023 KV store available
- 2024 S3 compatible object store GA
- 2024 AI Accelerator GA
- 2025 MCP server released

GCore

Smaller, but worth noting

- 2024 Inference at the Edge launched
- GPU Cloud
- VM and bare metal on NVIDIA GPU platforms
- 2025 Everywhere AI announced

CDN becomes secondary to Compute

The Shift to Hyperscale

- HyperScalers natively offer competitive CDN services
- CDNs realize they must evolve to become Hyperscalers themselves

The Capital Disadvantage

CDNs face a massive hurdle compared to massive clouds:

- **Inability to spend capital at the scale required to build global infrastructure like hyperscalers**

The Egress Advantage

A crucial edge for independent network architecture:

- **CDNs completely eliminate egress traffic fees ("cloud tax")**

The Latency Question

Does physical proximity provide a true business moat?

Historically more theoretical than actual. We are basically as good as we get.

Who remains?

Akamai

- The clear dominant player, absorbing Lumen/Edgio/Hig hwind customers
- Has made the transition to edge/compute services
- Also has a DDoS business
- Roughly 70% of revenue comes from other business units

Cloudflare

- Has a strong edge/compute business
- Also has a DDoS business
- Security is where the revenue is

Fastly

- The last of the pure play
- Under pressure to expand their product portfolio to diversify

The Hyperscalers

- AWS is the dominant player in this space
- Google is hard to measure
- Azure is in the mix but not dominant amongst it's peers

New Entrants to the Market?

NetSkr

- **Niche focus:** extreme edge (Railroad, Airplanes, etc.)
- Very small number of embedded cache placements seen.

EdgeUno

- Not exactly new, established in 2019.
- **Latin America** regional focus.
- Slowly expanding security and DDoS offerings.

Vultr

- Added a CDN product on top of existing **32 locations**.
- Highly similar to other traditional hosting providers.

BytePlus

- Main CDN delivery platform for **ByteDance (TikTok)**.
- Massive footprint
- Offering enterprise services, but Kentik has not measured much market uptake yet.

Takeaway: The vast majority of the smaller players need to be regional or have a niche focus to be relevant.

Live Streaming

Live Streaming Events

I have questions!

- Are eyeball networks handling the increase and size of these large events?
- Has there been enough capacity?
- Are the content networks doing a good job of communicating the need for bandwidth?

Major live streaming events since 2023

???

FIFA Worldcup Final

Argentina vs. Spain (AWS Cloudfront)

72.5M users

T20 World Cup: India–New Zealand

March 2026 • Global streaming record

60M streams

Netflix: Paul vs. Tyson

Nov 2024 • Concurrent streams

60M streams

ICC Champions Trophy Final

March 2025 • Concurrent streams

59M viewers

Cricket World Cup 2023 Final

Nov 2023 • Concurrent viewers

53M viewers

ICC ODI World Cup Semi-final

Nov 2023 • India vs. NZ

53M viewers

T20 World Cup Final

June 2024 • India vs. South Africa

16.3M devices

NFL Wild Card

Jan 2024 • Chiefs vs. Dolphins

15.5M devices

Super Bowl 2025 on Tubi

Feb 2025 • Concurrent devices

Jake Paul vs. Mike Tyson - Netflix

USER EXPERIENCE

Users experienced buffering, disconnects, and performance issues.

NETWORK CAPACITY

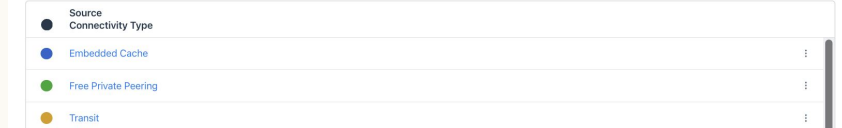
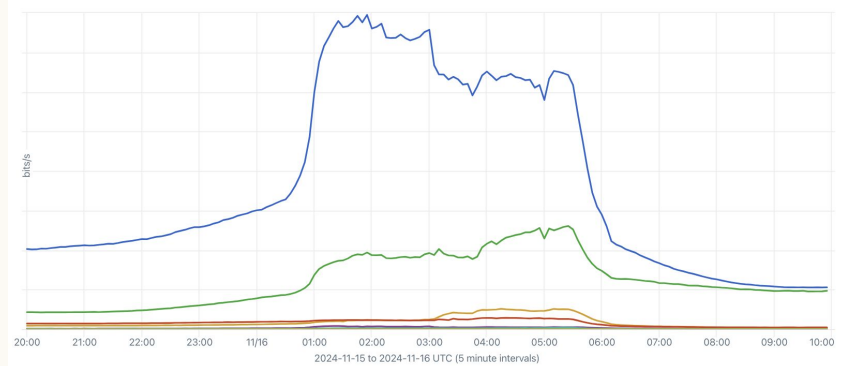
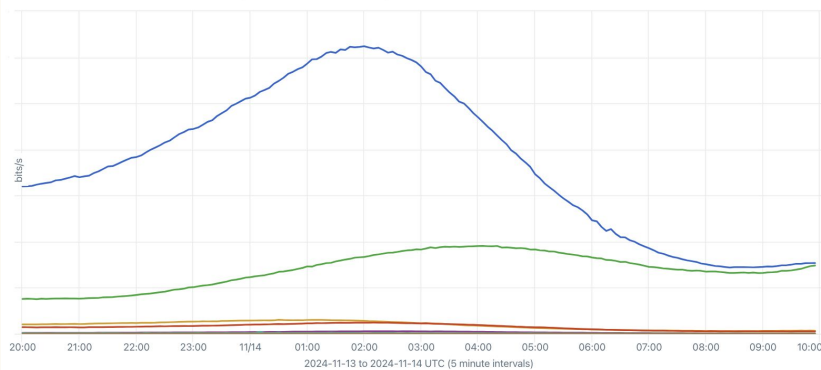
Most delivery networks reported plenty of available overhead.

ROOT CAUSE SUSPECT

Scale issues on streaming & replication side are suspected.

TRAFFIC SURGE

2.5–3X of normal peak Netflix traffic.



Jake Paul vs. Mike Tyson - Netflix



VERDICT

**IT WASN'T THE
NETWORK!**

No Post Mortem available from Netflix

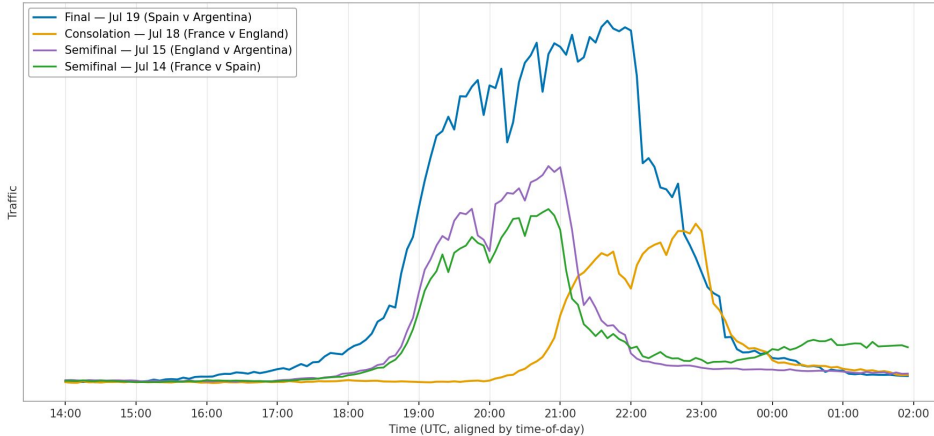
Interconnect and Cache capacity did not appear to be the issue

Single CDN scaling issue?

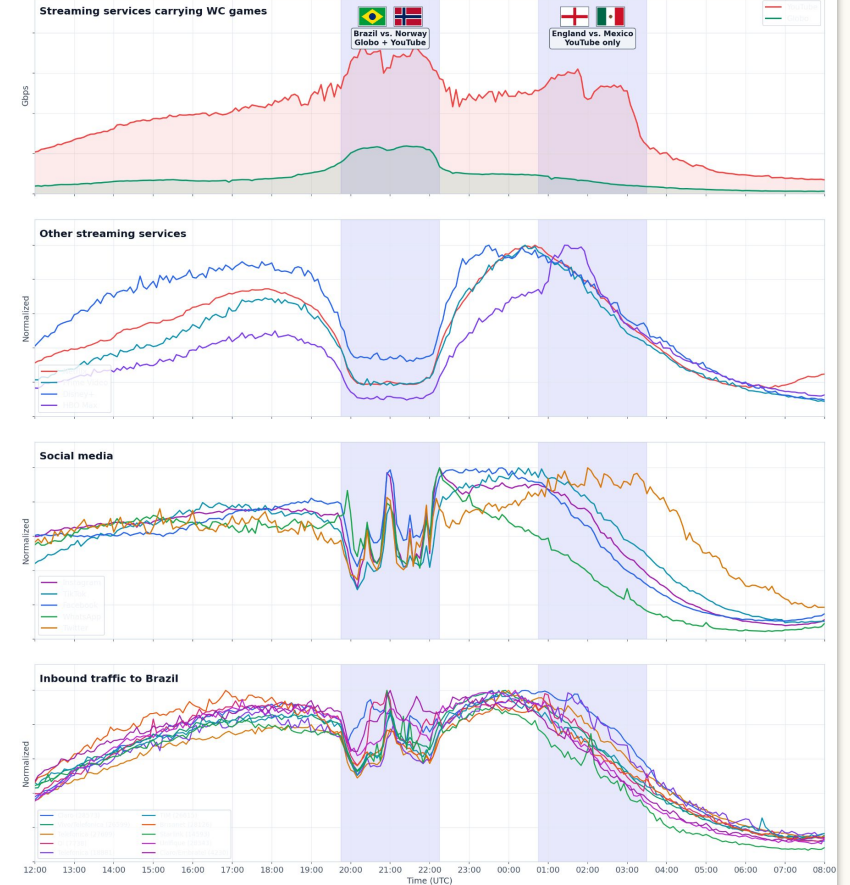
FIFA World Cup

- No real issues reported?
- Capture effect: When an event is large enough other services will decrease in traffic.

Fox Sports Traffic: World Cup Knockout Stage Comparison



World Cup streaming vs. everything else - Brazil, July 5-6 (UTC)



How are service providers handling this?

Informal Survey of our customers and other eyeball providers

- CDN consolidation has reduced the number of interconnections to manage
- Eyeball networks are de-aggregating and getting caches closer to the eyeballs
- 400g/800g starting to make an appearance
- Covid buildouts had a positive short-term effect **

Multiple, Simultaneous, events are still an issue.....

Grand Theft Auto downloads overlapping with large streaming sports events.....

How Covid helped.....

- March 2020 the world found itself working remote
- At the same time we were all stuck at home
- Huge network traffic growth in a very short period of time
 - <https://www.kentik.com/blog/network-traffic-trends-covid19/>

Eyeball Networks responded by applying as much capital as possible:

- Large last-mile buildouts
- Backbone Interconnect capacity
- Embedded cache upgrades

"We turned up 2 years of capacity in 6 months..."

AI and CDNs



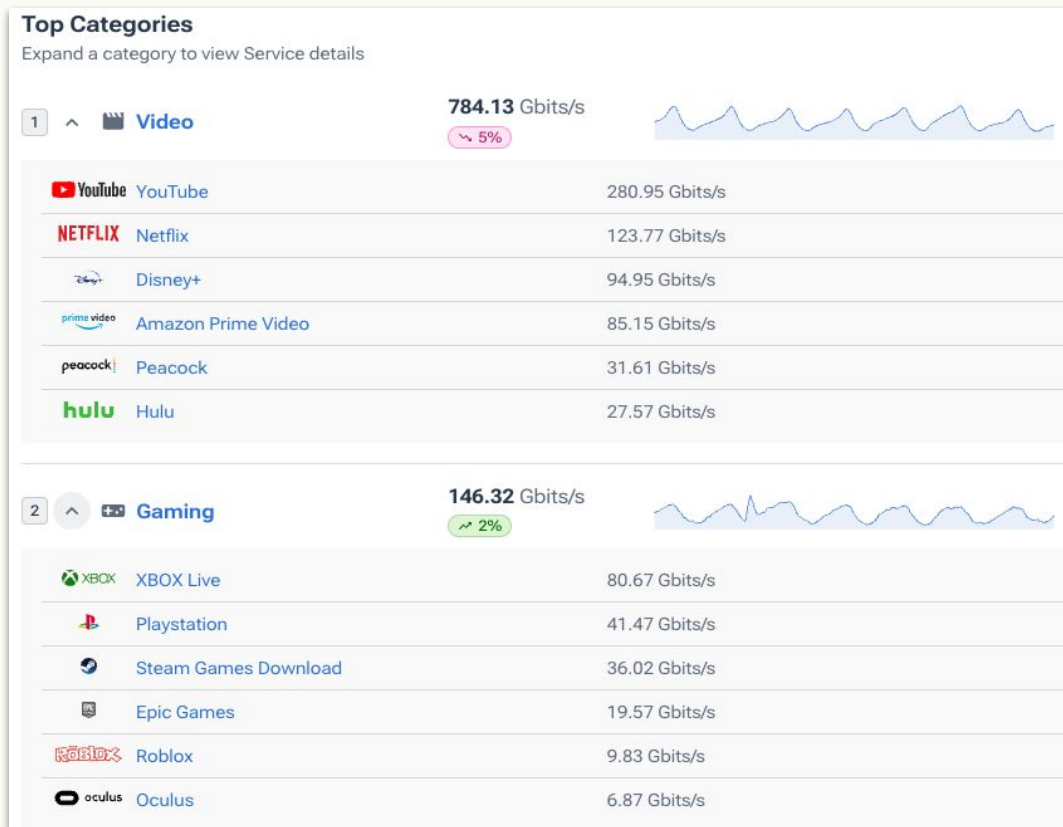
2025 AI and Traffic

- In 2025 we started to get a lot of interest from our customer base regarding AI traffic
 - Much of the interest was coming from the C-level execs
 - More curiosity than any operational concern
 - Artifact of the AI Hype cycle

Kentik OTT Mapping

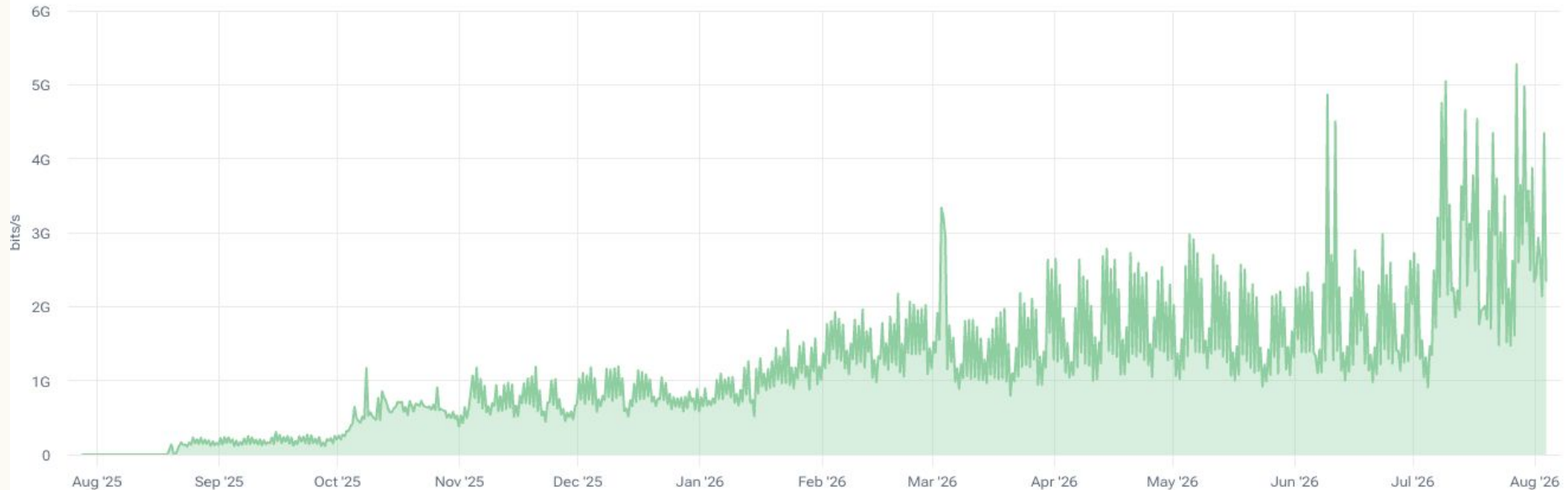
- Matches DNS queries with Flow data
- Pattern matches Service Category, Provider and OTT service
- Is useful for IDing 80+% of a SP traffic profile

Not unique to Kentik, there are several other products on the market that accomplish this

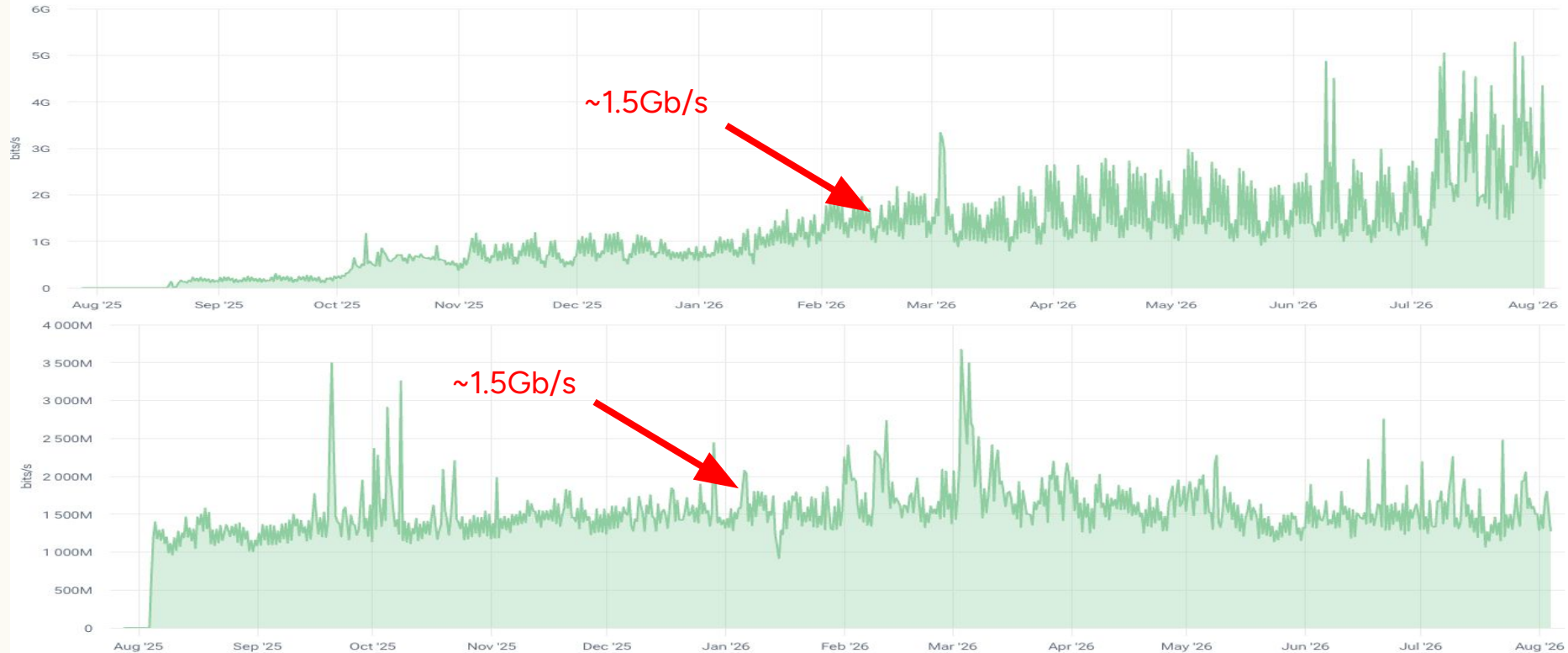


2025 AI and Traffic

- Is something wrong, this traffic is tiny!
 - For a large SP network in the US, video traffic is measured in Tb/s
 - AI in August of 2025 was measured in hundreds of Mb/s!!!



2026 AI vs. DNS



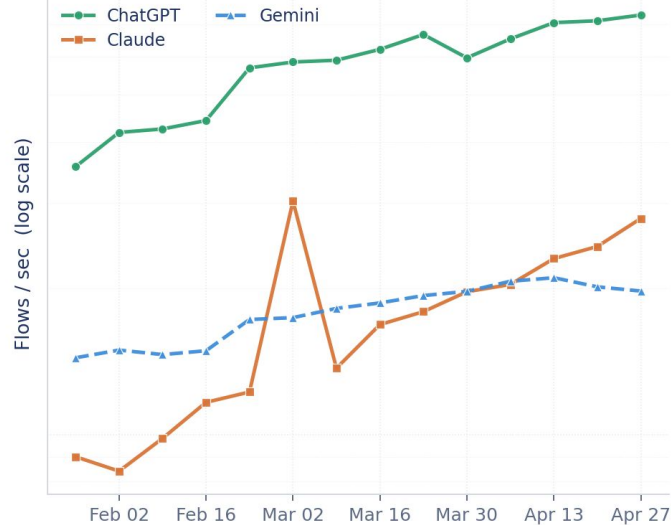
AI Traffic growth - flows/s

Is traffic the
right metric to
measure
growth?

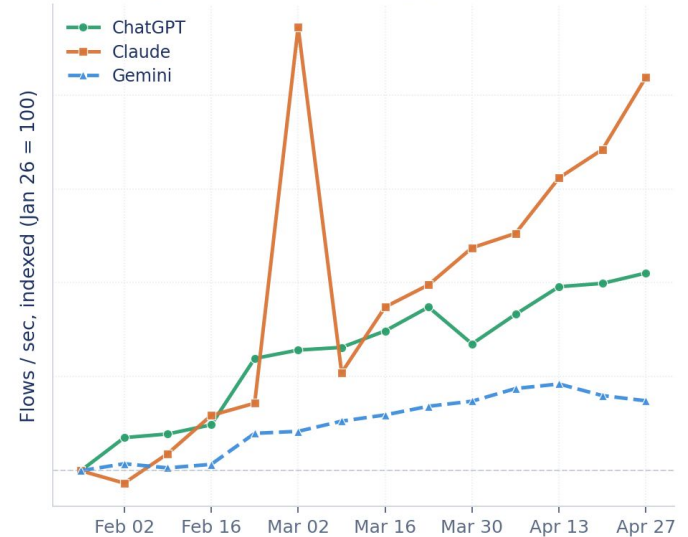
AI platform growth, 2026 - flows / sec

Weekly mean for ChatGPT, Claude, and Gemini · Week of Jan 26 through May 2, 2026

Absolute traffic (log scale)



Relative growth, common starting point



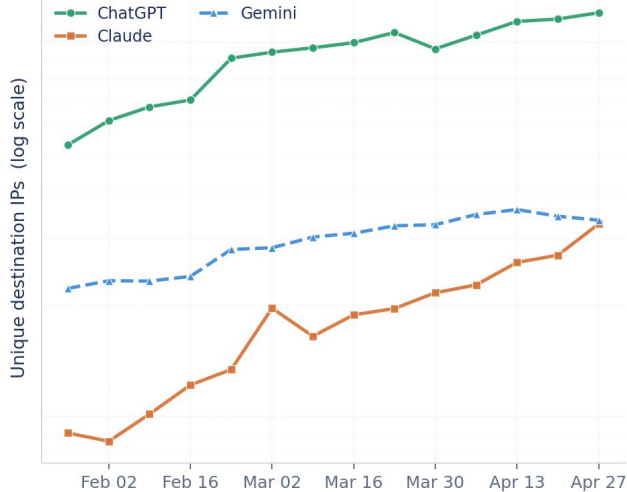
AI Traffic growth - Unique dest IP

Dest IP is a rough approximation of number of users (households?)

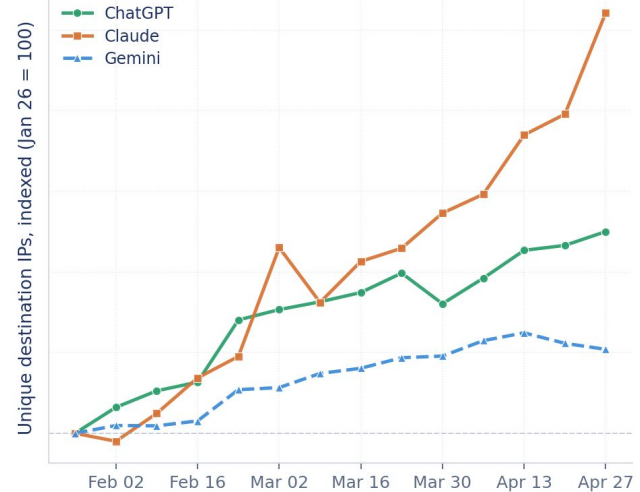
AI platform growth, 2026 · unique destination IPs

Weekly mean for ChatGPT, Claude, and Gemini · Week of Jan 26 through May 2, 2026

Customer reach (log scale)



Relative growth, common starting point

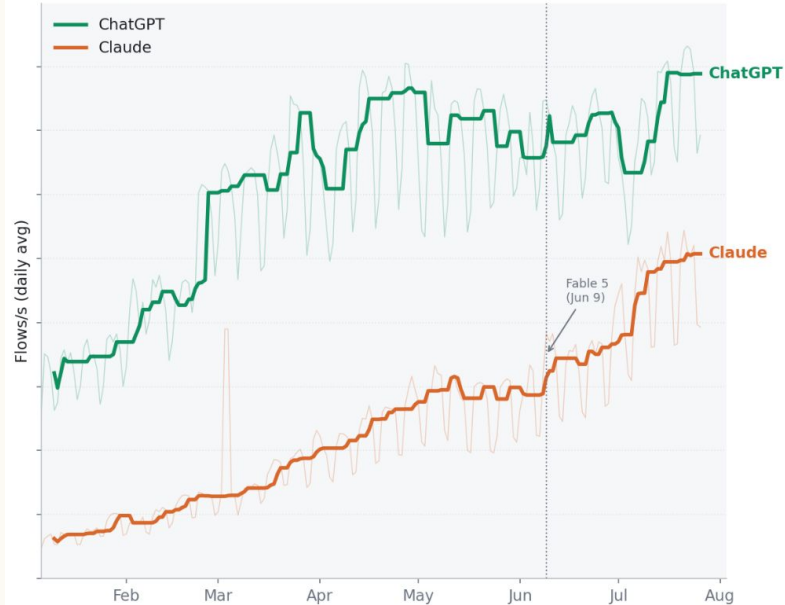


AI Traffic growth - ChatGPT vs. Claude

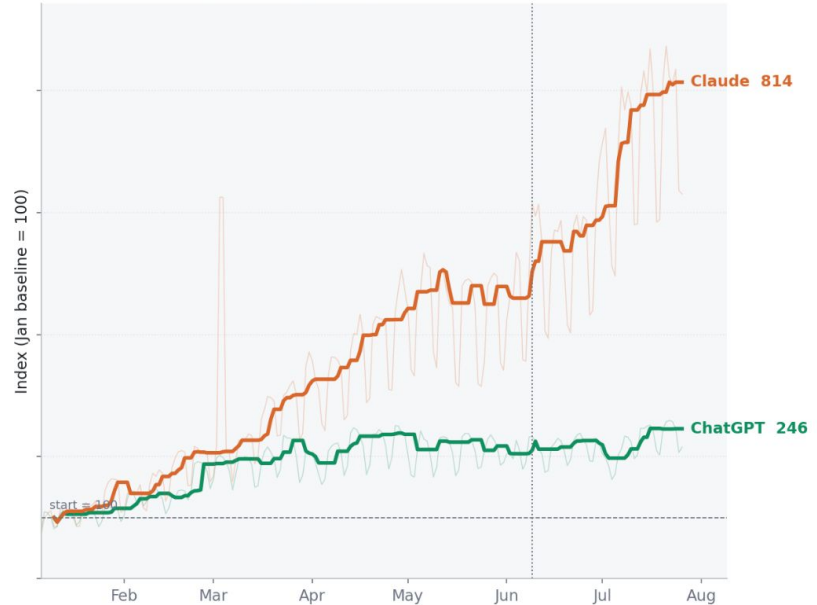
Growth of AI Platform Traffic — ChatGPT vs Claude

Daily-average flows/s, 7-day rolling median. Jan 6 – Jul 26 2026 (US Eastern). Left: absolute traffic. Right: indexed to 100 at start (relative growth).

Absolute Traffic



Indexed to 100 (relative growth)

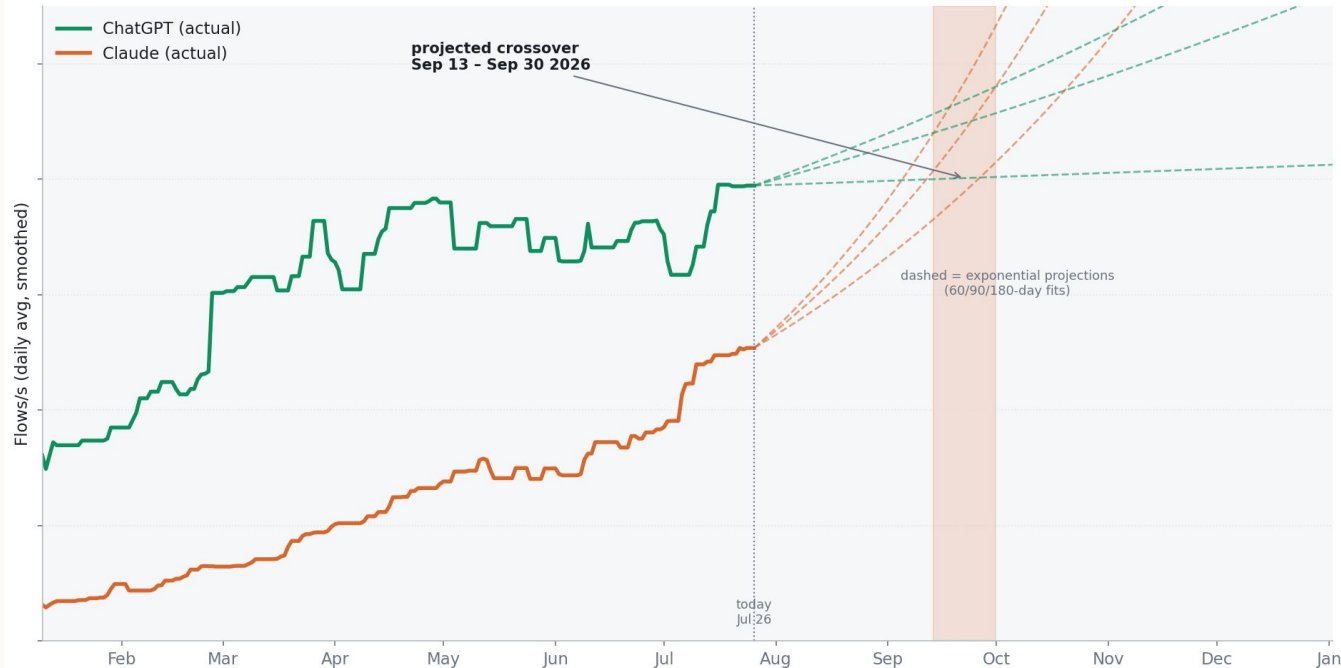


Source: Kentik OTT service traffic (flows/s), Jan-Jul 2026. US Eastern; partial days excluded, 2-day outliers damped. Thin = daily avg; thick = 7-day rolling median.

AI Traffic growth - ChatGPT vs. Claude

When Might Claude Surpass ChatGPT in Flows/s?

Trend extrapolation of flows/s (daily avg, 7-day rolling median). Projection = exponential fit to recent growth. Speculative — see caveats.



Source: Kentik OTT flows/s. Naïve trend extrapolation assuming current momentum persists; real adoption curves saturate. Not a prediction.

AI Inference and CDNs

Anthropic

- Google Cloud
- Direct from Anthropic's ASN

OpenAI

- Cloudflare

Gemini

- Google Cloud/CDN

DeepSeek

- Amazon

Perplexity

- Cloudflare

xAI / Grok

- Cloudflare

Mistral AI

- Cloudflare

Cursor

- Cloudflare
- Amazon

Akamai and Anthropic

- \$1.8B over 7 years
- The hardware referenced points towards inference vs. training
- Not clear if this means claude runs in their core regions or at the edge.

Latency may not be a factor in AI as we're getting used to the AI client "thinking" while we're waiting for a response

Anthropic signs \$1.8 billion AI cloud deal with Akamai, Bloomberg News reports

By Reuters

May 8, 2026 2:52 PM EDT · Updated May 8, 2026

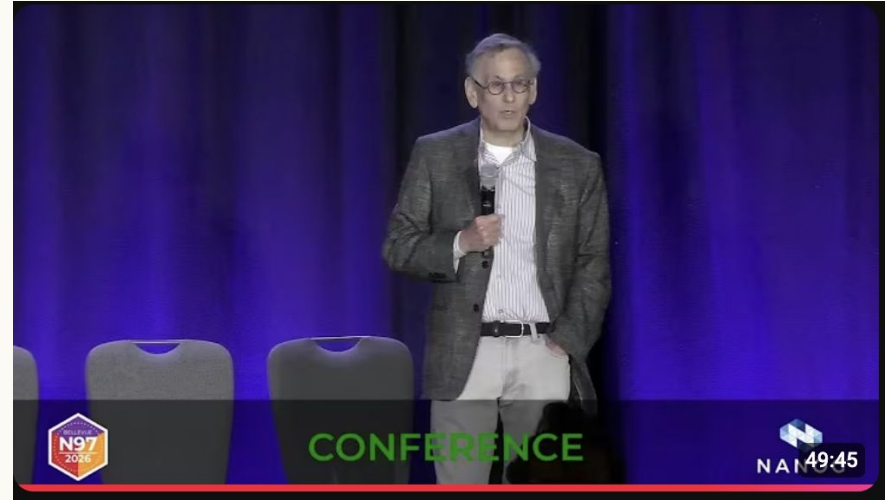


Anthropic logo is seen in this illustration taken May 20, 2024. REUTERS/Dado Ruvic/Illustration/File Photo [Purchase Licensing Rights](#)

May 8 (Reuters) - Artificial intelligence startup Anthropic has signed a \$1.8 billion computing deal with Akamai Technologies ([AKAM.Q](#)) to meet surging demand for its AI software, Bloomberg News reported on Friday, citing people familiar with the matter.

AI Traffic growth - All Hype?

- AI Hype cycle is real
- Dave Schaeffer's keynote at NANOG
 - Next phase: inference phase
 - Change the directionality of the network. Access networks to produce more than consume
 - Much of the growth will be from agents vs. eyeballs
 - Connecting caches to main AI datacenters will use public internet, which accounts for major traffic growth



[Dave Schaeffer Keynote - NANOG 97](#)

Conclusions

- **The CDN Market has been commoditized**
 - Survivors are re-tooling for GPU and edge compute services
 - CDN services aren't driving revenue growth
- **Operators have generally handled the large streaming events without issue**
 - Covid build outs in 2020/2021 placed them in position to handle growth.
 - Multiple, simultaneous events still an issue...
- **AI (inference) is not a traffic concern..... yet**
 - The AI Inference services themselves are growing fast, but not enough to be concerning
 - The unknown is what traffic growth the agents themselves drive. Seems like hype, we're not seeing it in the traffic data.



Thank you!

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