

Mobile security investment to climb 44% each year through 2015

- **News from the Canalys Channels Forum, EMEA's largest gathering of channel partners, distributors and IT vendors**

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Canalys today announced its updated worldwide mobile security forecast, estimating an average investment growth of 44.2% per year, reaching \$759.8 million by the end of 2011 and turning into a \$3 billion market opportunity in 2015.¹

According to Canalys figures, only 4% of smart phones and pads shipped in 2010 had some form of mobile security downloaded and installed, highlighting a low end-user awareness level and the relative infancy of the market. Mobile security uptake is anticipated to rise rapidly over the next four years, as enterprises conform more strictly to data protection and compliance practices, and consumers begin to understand the impending security threat to their personal data. Canalys forecasts that by 2015 over 20% of smart phones and pads will have mobile security software installed.

Over the next two years, Canalys expects device management to drive adoption of mobile security-related products, with businesses deploying solutions to track, monitor and authorize corporate data access, as consumers bring their devices into the workplace. These solutions will increasingly be tied to enterprise app stores, so that only approved apps can be downloaded and only devices with approved apps installed can access corporate resources.

After that period, the threat landscape is predicted to become extremely volatile, as more hackers target mobile devices as a means to financial gain. Enterprises and consumers alike will increasingly implement mobile security solutions to remove problems that have already infected their devices. This will turn mobile client security into the main driver, with device management a required layer in a more complete solution. Canalys expects mobile client security, which includes anti-virus, firewall, messaging security, web threat security, VPN functionality and encryption, to grow on average by 54.6% each year to 2015.

Until now, North America has led mobile security adoption, primarily due to enterprises adhering to data compliance regulations. Investment in the more mature Western European markets is poised to accelerate though, as enterprise mobility and consumerization trends pick up speed. Developing countries in Latin America, Asia, Africa and the Middle East will experience a sharp rise in mobile security investment from 2013 to 2015, as Android continues to gain headway as the preferred operating system in more price-sensitive markets. Canalys expects a strong parallel to emerge between Android operating system growth and the volume of mobile malware threats, as the potential for more people to download compromised applications rises.

¹ Canalys Mobile Security Forecast Update, September 2011.

‘We’re encouraging enterprises to build a framework for mobile security that encompasses people, policies, processes and technologies,’ said Canalys Research Analyst Nushin Hernandez. ‘This vision will also create the most opportunity for channel partners, if they can step in and act as the main point of strategic consulting across multivendor product offerings.’

Today, enterprises around the world are struggling to manage a growing mobile workforce, using multiple devices and operating systems and increased data consumption. Mobility multiplies the number of attack vectors open to cyber-criminals and renders corporate data more vulnerable through physical loss of devices. Users, meanwhile, have a tendency to treat smart phones and pads as low risk, without understanding the security implications of using these devices to access corporate data and networks.

‘Enterprises must adopt a holistic view of mobile security, as there is no single solution that provides complete protection,’ said Hernandez. ‘A more robust approach, even compared to that used to protect typical notebooks and desktops, is needed.’

Operators must also ensure that their customers’ data is protected along with their own information, assets, intellectual property and brand. Mobile operators globally are experiencing increasing mobile malware attacks and are spending more time and money on recovery. Canalys anticipates attack sophistication levels to rise with time. Providing service providers with a high-level of security from a network perspective, regardless of device or operating system type, will be a key differentiator from a security vendor perspective.

Canalys expects channel-led deals to work best with vendors that offer value-add services, such as management and installation support. ‘Vendors will have to equip channel partners with the necessary technical training and tools, especially specialization programs, to enable them to advise on the best mobility security practices, policies and solutions,’ said Hernandez. ‘Channel partners in turn are advised to build up their portfolios and explore the possibility of acquiring or joining forces with resellers that sell device management solutions.’

About the Canalys Mobile Security Analysis Service

Designed specifically for security vendors, this service combines our leading market intelligence in the mobility field with our expertise across a variety of key IT industries, such as networking, enterprise security and channels, to advise vendors competing for consumer and enterprise customers in the mobile security market. Our thorough approach examines the players in the field, the driving forces behind customer purchasing decisions, and the role of mobile device security in an organization’s overall strategy. As such, we integrate both quantitative and qualitative analysis across many influential factors, such as smart phone trends, app stores and consumer download behaviors, security awareness and adoption levels, data protection regulations and go-to-market challenges.

About the Canalys Channels Forum

The Canalys Channels Forum is the only independent event that unites senior managers from leading technology vendors, distributors and channel partners to discuss industry trends, forge new business relationships and create sales opportunities. In addition to vendor keynotes, the event features best-practice workshops, more than 2,000 senior one-to-one meetings and a prestigious gala dinner, among

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other networking activities. More information about the event can be found at www.canalyschannelsforum.com or on Twitter at @cloudtoclarity.

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