

## Global enterprise security market to grow 13.8% in 2010

- Security appliances will lead much of the growth

Palo Alto, Singapore and Reading (UK) - Thursday, 15 July 2010

For immediate release

Canalys expects the global enterprise security market to grow by 13.8% in 2010, with end-user value forecast to reach \$15 billion. The security market had a strong start to 2010, with total year-on-year end-user value growth of 15.2% in the first quarter of the year. There is renewed confidence in the industry as budgets that were held back during the recession were released in the fourth quarter of 2009, much of which carried on into 2010. 2011 will see growth of 9.2%, pushing end-user value to \$16.3 billion, and the compound annual growth rate (CAGR) for 2010 to 2014 is forecast to be 6.1%.

<b>Worldwide total enterprise security market</b>					
<b>Market share forecasts 2010, 2009</b>					
<b>Vendor</b>	<b>2010 forecast value (\$m)</b>	<b>2009 shipment value (\$m)</b>	<b>Growth 2010/2009</b>	<b>% share</b>	<b>% share</b>
<b>Total</b>	<b>15,003.1</b>	<b>13,181.0</b>	<b>13.8%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Asia Pacific</b>	2,435.1	2,142.1	13.7%	16.2%	16.3%
<b>Europe, Middle East &amp; Africa</b>	5,040.7	4,374.1	15.2%	33.6%	33.2%
<b>Latin America</b>	567.0	530.5	6.9%	3.8%	4.0%
<b>North America</b>	6,960.2	6,134.5	13.5%	46.4%	46.5%

**Source:** Canalys estimates, © Canalys 2010

Infrastructure security appliances are expected to lead much of the growth in 2010 and are predicted to generate over 48.7% of total security end-user value. 'Investments have returned to security appliances as many businesses invest in much overdue hardware upgrades,' said Canalys Analyst Alex Smith.

Client security software will see more modest growth, after its strong performance in 2009. It is expected to grow 6.9% worldwide and will account for 16.9% of the total security market in 2010. Vendors are now developing security-as-a-service capabilities for endpoint security and this will drive much of the client security business in the next three years. Hosted security is forecast to reach \$1.2 billion by 2014.

**Worldwide total enterprise security market**
**Market share forecasts 2010, 2009**

Vendor	2010 forecast value (\$m)	2009		% share	Growth 2010/2009
		shipment value (\$m)	% share		
<b>Total</b>	<b>15,003.1</b>	<b>13,181.0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>13.8%</b>
<b>Client security software</b>	2,541.8	2,378.7	16.9%	18.0%	6.9%
<b>Hosted security services</b>	893.0	748.8	6.0%	5.7%	19.3%
<b>Infrastructure security appliance</b>	7,301.0	6,296.3	48.7%	47.8%	16.0%
<b>Infrastructure security module</b>	512.3	468.5	3.4%	3.6%	9.4%
<b>Infrastructure security software</b>	3,755.1	3,288.9	25.0%	25.0%	14.2%

Source: Canalys estimates, © Canalys 2010

The economic uncertainty in Europe is unlikely to affect security in the most important quarter of the year, Q4. But the instability seen in recent months and the debt crisis in Europe will slow down sales in a number of countries, including Spain, Italy and Greece, in the second and third quarters. More payment days will be demanded in these countries and public sector investment will decline significantly. ‘But certain security technology areas will remain buoyant as the need to invest far outweighs the cost of deployment,’ said Canalys Analyst Nikki Babatola. ‘Growth will be driven by data protection, SSL VPN remote security and ITM devices as customers demand more integration and mobility.’ Acquisitions are expected to continue as a result of the demand for end-to-end solutions that are fully integrated and managed by one console. Symantec, McAfee and Check Point kicked off the acquisition trend in the first half of the year and Canalys expects other vendors to follow suit to remain relevant in more advanced security implementations.

### About the service

The shipment estimates and research results discussed in this release come from the Canalys Enterprise Security Analysis service. Canalys’ market data is used by vendors the world over to provide a coherent view of the enterprise infrastructure markets. Canalys advises vendors on the best approaches for different markets, delivers forecasts and analysis of market trends through regular reports and presentations, and provides quarterly estimates of enterprise security shipments by vendor, technology, size and channel. Clients also receive direct access to Canalys analysts in order to answer their specific enquiries about market development.

## About Canalys

Canalys specializes in delivering high-quality market data, analysis and advice to the world's leading technology vendors. It is recognized as a key provider of continuous advisory services and confidential custom projects for marketing managers and strategists within blue-chip IT, telecoms, navigation and consumer electronics companies. It has unrivalled expertise in routes to market for all kinds of high-technology products and services and provides worldwide market data and trends analysis.

## Receiving updates

To receive press releases directly, or for more information about our services or custom research and consulting capabilities, please complete the contact form on the Canalys web site.

Americas: Suite 316, Town & Country Village, 855 El Camino Real, Palo Alto, CA 94301, US | t: +1 650 681 4488

APAC: 137 Telok Ayer Street, #04-08, Singapore 068602 | t: +65 3106 2330

EMEA: Diddenham Court, Lambwood Hill, Grazeley, Reading, Berkshire RG7 1JS, UK | t: +44 118 984 0520

[www.canalys.com](http://www.canalys.com)