

Small businesses to spend US\$3.3 billion on content security in 2017

➤ Vendors focus on providing tailored solutions and hosted security services gain favor

Shanghai, Palo Alto, Singapore and Reading - Thursday, 1 May 2014

Canalys today announced its forecasts for small business investment worldwide in content security, highlighting an expected compound annual growth rate of 7.8% between 2014 and 2017. The global market grew 5.0% in 2013, reaching US\$2.4 billion in value. This represented 28% of all content security market spend during the year.

‘In 2013, IT security became more important to small businesses, driving overall security budgets upwards,’ said Canalys Senior Analyst, Nushin Vaiani. ‘Small businesses are beginning to understand the need to demonstrate to customers that their information is being handled securely, especially in light of numerous data breaches and the NSA scandal.’

Vendors have also concentrated more on providing tailored products to suit small businesses. ‘These solutions focus on simple deployment, a combination of data protection features and ease of management,’ added Canalys Research Analyst, Karissa Chua.

As a result, competition within the market has intensified and during the last year vendors reduced their average selling prices while at the same time increasing the number of features available in their products. This has provided small businesses, whose IT investment decisions are highly price-sensitive, greater choice and better value for their investment.

Worldwide small business content security market (under 100 users)					
Market shares 2013, 2012					
Vendor	2013 shipment value (\$m)	% share	2012 shipment value (\$m)	% share	Value growth 2013/2012
Total	2,414	100.0%	2,300	100.0%	5.0%
Trend Micro	414	17.2%	419	18.2%	-1.1%
Symantec	368	15.3%	373	16.2%	-1.3%
McAfee	354	14.6%	358	15.6%	-1.3%
Kaspersky Lab	122	5.0%	109	4.7%	11.8%
Others	1,156	47.9%	1,041	45.3%	11.0%

Source: Canalys estimates, © Canalys 2014

Trend Micro maintained its lead in the market in 2013 by focusing on its Worry-Free product range and expanding its marketing campaigns to grow brand awareness. In second place, Symantec has successfully leveraged its Norton solutions to expand small business sales. Following closely, McAfee gained traction with hosted security services targeted at this particular segment of the market. Kaspersky, which remains

a high-growth vendor, has adopted an aggressive pricing strategy and has also increased the number of licenses available to purchase through its online store, from 50 to 250, in order to increase its market reach.

‘Hosted services have grown in favor as they provide a financial shift to OPEX rather than CAPEX and can be remotely managed by a third party. This market remains small today, but will accelerate over the coming year as many more vendors shift to providing services in order to differentiate themselves and become more price-competitive,’ said Vaiani.

Canalys forecasts small business investment in hosted security services will grow at a compound annual growth rate of 36% to 2017.

Note: Canalys defines the content security market as including the following product categories: anti-malware, DLP, encryption, messaging security and web threat security.

Small businesses highlighted in this report are defined as those with fewer than 100 employees.

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