

Gartner Says Worldwide Unified Threat Management Market Surpassed the \$1 Billion Mark in 2011

Analysts to Examine Key Security Issues at the Gartner Security and Risk Management Summits 2012, 11-14 June in National Harbor, Md., and 19-20 September in London

STAMFORD, Conn., April 23, 2012 — Worldwide unified threat management (UTM) revenue reached \$1.2 billion in 2011, a 19.6 per cent increase from 2010 revenue of \$972 million, according to Gartner, Inc.

"The UTM market is in the midst of a transition of its customers from older technologies, such as stateful firewall inspection, to the latest next-generation firewall technology supporting application control capabilities," said Lawrence Pingree, research director at Gartner. "Many UTM vendors delivered new products during the last several years with some vendors performing product refresh efforts to their UTM portfolios while others worked to expand their small or midsize business (SMB) offerings and wireless UTM offerings."

Fortinet remained the No. 1 vendor in revenue in 2011, accounting for 19.6 per cent of the market (see Table 1). SECUI showed the strongest growth, increasing its revenue 59 per cent year-on-year. SECUI predominately focuses its sales in the Asia/Pacific market, and it has goals of expanding globally with initiatives emerging to target the US market.

**Table 1
Top 10 Worldwide Unified Threat Management (SMB Multifunction Firewalls) Vendors' Revenue for 2011 (Millions of US Dollars)**

Company	2011 Revenue	2011 Market Share (%)	2010 Revenue	2010 Market Share (%)	2010-2011 Growth (%)
Fortinet	228	19.6	172	17.6	33.0
SonicWALL	154	13.3	133	13.7	16.1
Juniper Networks	138	11.8	128	13.2	7.7
CheckPoint Software Technologies LTD	127	10.9	110	11.3	15.7
WatchGuard Technologies	127	10.9	112	11.5	13.5
Cisco	107	9.2	100	10.3	7.1
Sophos (Astaro)	73	6.3	54	5.6	35.5
SECUI	52	4.4	33	3.3	58.8
Cyberoam	47	4.0	35	3.6	32.5
Barracuda Networks	40	3.4	36	3.7	10.8
Other Vendors	71	6.1	60	6.0	18.3
Total	1,163	100.0	972	100.0	19.6

Source: Gartner (March 2012)

North America was the largest market for UTM products, totalling \$431 million in 2011, an increase of 15.5 per cent from 2010 revenue of \$373 million. North America was driven by strong payment card industry demand requiring both firewalls and intrusion prevention technologies in midsize businesses with higher credit card transaction volumes and greater interest to protect against network-based attacks.

Western Europe was the second-largest market for UTM products with revenue reaching \$310 million in 2011, up 16.7 per cent from 2010 revenue of \$266 million. The growth was driven by the same macro

consolidation and regulatory and threat-based product acquisition themes as in North America, but with an emphasis on EU data protection mandates. Consolidation into virtualised environments, as well as IT cost-savings measures related to regional recessionary forces, also drove stronger growth in the combined UTM appliances in 2011.

Eastern Europe UTM revenue totalled \$113 million in 2011, a 28.1 per cent increase from 2010 revenue of \$88 million. Eastern Europe's broad array of SMBs provided relatively strong growth for UTM products. One driver for this growth is the adoption of UTM for many managed security services in Europe and the use of UTM to support growing managed security services providers' business models.

Middle East and Africa UTM revenue reached \$28 million in 2011, up 13.5 per cent from 2010 revenue of \$25 million. Growth in this region was driven by a mixture of transformational government projects, high-speed internet connectivity adoption and a heavier reliance of regional SMBs using internet access to conduct business.

In Japan, significant UTM market impacts were seen in 2011 after the earthquake and tsunami events. UTM revenue in Japan totalled \$32 million in 2011, a 4.7 per cent increase from 2010 revenue of \$30 million. Government debt increases and tax reform concerns further dampened spending in the region as organisations continued to assess the Japanese economic situation. However, the region is still growing and this slow growth is believed to be a temporary condition.

Asia/Pacific had the strongest growth of any region in 2011, growing 31.8 per cent in 2011. UTM revenue reached \$204 million in 2011, up from \$155 million in 2010. This growth was driven by SECUI, a Korean UTM technology provider focused on the Asia/Pacific region, as well as managed security companies in this region focusing on monitoring and maintenance of UTM products as part of its overall security service portfolio.

Latin America grew 28.2 per cent in 2011 with UTM revenue of \$45 million, up from \$35 million in 2010, making it the second-fastest-growing region. The primary target for UTM products were SMBs. Latin America is believed to have a large number of SMBs and therefore supports stronger growth for products that target this segment.

Additional details are available in the Gartner report "Market Share Analysis: Unified Threat Management (SMB Multifunction Firewalls), Worldwide, 2012." The report is available on Gartner's web site at <http://www.gartner.com/resId=1967515>.

Unified threat management will be discussed further at the Gartner Security and Risk Management Summits taking place 11-14 June at the Gaylord National in National Harbor, Maryland, and 19-20 September, at the Lancaster London, in London. Additional information on the US event is available at www.gartner.com/us/itsecurity. Members of the media can register by contacting Christy Pettey at christy.pettey@gartner.com.

For details of the Gartner Security & Risk Management Summit 2012 in London, please visit www.gartner.com/eu/security. Members of the media can register by contacting Laurence Goasduff at laurence.goasduff@gartner.com.

Additional information from the event will be shared on Twitter at http://twitter.com/Gartner_inc and using #GartnerSEC.

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