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Gartner Says Worldwide Security Service Spending on Pace to Reach \$35.1 Billion in 2011

STAMFORD, Conn., November 9, 2011 — Worldwide security services spending is on pace to reach \$35.1 billion in 2011, up from \$31.1 billion in 2010, according to Gartner, Inc. The market is forecast to total \$38.3 billion in 2012, and surpass \$49.1 billion in 2015.

"The security services market has changed rapidly over the last several years with a growing number of security technology providers offering their technologies as services, and customers often preferring services to save on operational costs while they consolidate resources to more strategic security related initiatives," said Lawrence Pingree, research director at Gartner.

The IT management segment of security services is forecast to grow from \$8 billion to \$14.9 billion in 2015 (see Table 1), almost doubling the size of the security services market for managed security using the outsourced management model.

"This is largely driven by organizations looking at managed security services (MSS) providers as a way to maximise resources and lower ongoing operating expenditures on security," Mr Pingree said. "Demand in the small and medium business segments is also high as businesses continue looking to external parties to provide them with additional security expertise and resources that they may be lacking organisationally to help them make the right security decisions or provide security functions externally."

Table 1: Worldwide Security Service Spending by Subsegment (Millions of US Dollars)

| Segment | 2010 | 2011 | 2012 | 2015 |
|--------------------------------|---------------|---------------|---------------|---------------|
| Consulting | 8,598 | 9,644 | 10,274 | 12,152 |
| Development and Integration | 10,257 | 11,316 | 11,943 | 13,743 |
| IT Management | 6,872 | 8,032 | 9,361 | 14,891 |
| Software Support | 4,407 | 5,010 | 5,490 | 6,940 |
| Hardware Maintenance & Support | 996 | 1,115 | 1,201 | 1,415 |
| Grand Total | 31,129 | 35,117 | 38,269 | 49,140 |

Source: Gartner (November 2011)

North America is the largest market for security services spending, with revenue forecast to surpass \$14.6 billion in 2012, and grow to \$19 billion in 2015. In Western Europe, spending is expected to reach \$11.9 billion in 2012 and total \$14.4 billion in 2015. Security services spending in Japan is projected to grow from \$5.1 billion in 2012 to \$5.9 billion in 2015. In Asia/Pacific, spending will total \$4.7 billion in 2012 and total \$7 billion in 2015.

"It is still very advantageous for smaller emerging vendors to maintain significant focus on North America, where there is a larger number of dollars at stake, and there is still positive growth," Mr Pingree said. "We are encouraging these vendors to continue to invest in strategies to stay relevant in other emerging high growth markets as well. For the larger, more-established security services providers that already have an extensive North American presence, it may make the most sense to focus efforts on regions with higher growth rates and less overall services market revenue penetration."

Additional information is available in the Gartner report "Forecast: Security Service Market, Worldwide, 2011." The report is available on Gartner's website at <http://www.gartner.com/resId=1828315>.

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