

Gartner Says Worldwide Security Software Revenue Grew 18.6 Per Cent in 2008 Appliance-Based Products Saw Fastest Growth

Egham, UK, 22 June, 2009 — Worldwide security software market revenue totalled \$13.5 billion in 2008, an increase of 18.6 per cent from 2007 revenue of \$11.3 billion, according to Gartner, Inc. Analysts said there was an increasing demand for appliance-based products, particularly within certain segments such as, e-mail security and secure web gateway markets.

“In 2008, the security market did not show any noticeable impact from the economic downturn,” said Ruggero Contu, principal research analyst at Gartner. “A double-digit growth in a challenging economic climate shows that security remains a key priority for CIOs and IT security leaders.”

Globally, data security and privacy, along with the need to protect IT infrastructure from the ever increasing sophisticated and targeted attacks, are among the key drivers fuelling the growth of IT security software spending. For organisations operating in North America and Western Europe, compliance was among the major drivers.

The combined top five vendors’ market share is gradually falling in favour of smaller players, a sign that security remains a dynamic market where smaller players, new entrants and specialist vendors provide an effective challenge to the established leaders.

Symantec continued to be the market leader, as it accounted for 22 per cent of worldwide security software in 2008 (see Table 1). However, the company’s market share was down from 2007 when it accounted for 24.4 per cent of the market. McAfee experienced the strongest growth rate among the top five vendors, as its revenue increased 20.5 per cent in 2008.

Table 1
Worldwide: Security Software Vendor Revenue, 2008 (Millions of US Dollars)

Company	2008 Revenue	2008 Market Share (%)	2007 Revenue	2007 Market Share (%)	2008-2007 Growth (%)
Symantec	2,968.7	22.0	2,768.5	24.4	7.2
McAfee	1,475.7	10.9	1,225.2	10.8	20.5
Trend Micro	938.5	7.0	809.2	7.1	16.0
IBM	693.0	5.1	607.9	5.4	14.0
EMC	537.6	4.0	494.9	4.4	8.6
Others	6,866.0	50.9	5,456.0	48.0	25.9
Total	13,479.7	100.0	11,361.3	100.0	18.6

All software segment types, including appliances
Source: Gartner (June 2009)

The segments in the appliance-based products that recorded the fastest growth in 2008 were, security information and event management (SIEM), e-mail security boundary, and secure web gateway appliance with 50 per cent, 37.7 per cent and 29.9 per cent increases respectively.

Web access management (WAM) and endpoint protection platform (EPP) were the slowest performing segments. Web access management (WAM) technologies have reached maturity and few vendors experienced strong customer-base growth, with the majority experiencing mid-to-low single digit growth.

The low growth of the EPP suite was impacted by the mature and slow growing antivirus component, which is the largest product component in terms of revenue.

From a region perspective, Eastern Europe was the fastest region with 35 per cent growth in 2008. The growth in the region was significantly influenced by the strengthening of the euro against the dollar. It was followed by Middle East and Africa, Latin America and Asia/Pacific regions which saw growth increasing of around 30 per cent. "Although North America and Western Europe continued to lead the market with market shares of 46.4 per cent and 29.9 per cent respectively, their share of the market has been decreasing in the last few years in favour of emerging regions.

"During times of economic uncertainty and budget restrictions, IT security leaders increasingly need to show business value and cost-effectiveness for security measures, and this has impacted and slowed sales cycles," concluded Mr Contu. "However, new product delivery methods, such as software as a service (SaaS) and host based offerings, and expected increasing interest from the small and midsize business (SMB) sector will sustain growth in the market in 2009."

In 2009, Gartner predicts that the security software market will show signs of slowdown but will continue to grow at around 9 per cent.

Note to editors:

In the reporting of 2008 security software market, Gartner updated the market segmentation in order to keep up with product offering and purchasing trends changes and technology evolution. As a result end point security platform and consumer security segments replace enterprise and consumer security antivirus and secure web Gateway replaces URL filtering.

Additional detail is available in the Gartner report "Market Share: Security Market, Worldwide 2008." The report is available on Gartner's website at

http://www.gartner.com/DisplayDocument?ref=g_search&id=1006715&subref=simplesearch.

Gartner analysts will further discuss security trends at Gartner Information Security Summit 2009, taking place 21-22 September in London. Additional information on the Summit is available at www.europe.gartner.com/security. Members of the media can register for the Summit by contacting Holly Stevens at Gartner on + 44 (0) 1784 267 738 or by e-mailing at holly.stevens@gartner.com.

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