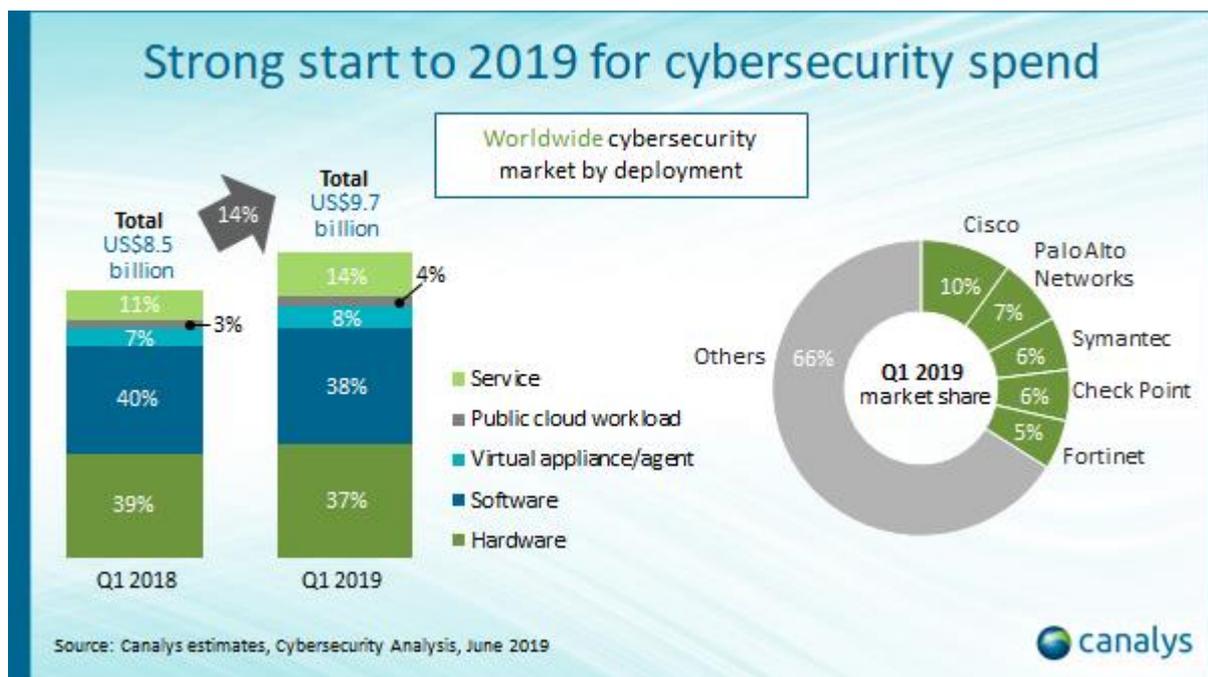


Canalys: Cybersecurity for public cloud and “as a service” up 46% in Q1 2019

Shanghai (China), Bengaluru (India), Singapore, Reading (UK) and Portland (US) – Tuesday, 2 July 2019

The latest research from Canalys’ Cybersecurity Analysis service shows cybersecurity solutions for public cloud and “as a service” accelerated in Q1 2019. These deployment models collectively grew 46.0% year on year. These types of solutions accounted for 17.6% of total cybersecurity market value, up from 13.8% in the same period a year ago. Virtual security appliances and agent solutions also grew strongly, up 18.2% on an annual basis. Traditional hardware and software deployments still dominate, representing almost 75% of the total. Both models continued to grow but at a slower rate of just over 8%. This highlights the ongoing transition in cybersecurity solutions as organizations look to protect more data assets and workloads based in the public cloud. Vendors have introduced new ways of doing business with channels and enterprise customers in terms of purchasing, consumption and servicing, as well as helping simplify operations in increasingly complex IT environments.

The worldwide cybersecurity market reached US\$9.7 billion in terms of shipments in the latest quarter, up 14.2% from US\$8.5 billion in Q1 2018.



“Investment in cybersecurity shows no sign of slowing down as it remains a priority for all organizations. The security industry will be immune to the increasingly challenging macro-economic and political environment,” said Canalys Principal Analyst Matthew Ball. “Recent high-profile ransomware attacks have resulted in organizations paying large sums to regain access to critical IT systems and data. Strengthening security strategies across devices, infrastructure, perimeters and applications will continue to be critical. Increasing employee training and gaining more comprehensive cybersecurity insurance will also be important to counter these threats.”

The top five cybersecurity market leaders in Q1 2019 were Cisco, Palo Alto Networks, Symantec, Check Point and Fortinet, which collectively accounted for 34.0% of the total. Cisco extended its lead in network security, though Palo Alto Networks and Fortinet continued to grow faster as all three took share. McAfee, Symantec and Trend Micro remained the market leaders in endpoint security, but competition is increasing, with CrowdStrike, Carbon Black and Cylance making most gains. Symantec was the leader in web and email security. In terms of the newer deployment models, Trend Micro stands out for simplifying its licensing to enable customers to buy across different types. “It will remain difficult for vendors to grow market share without significant investment or acquisitions, due to the current number of vendors active and increasing levels of competition,” said Canalys Research Analyst Claudio Stahnke. “As new threats appear, more startups will emerge, adding to an already crowded market. Differentiation will be key, but also offering customers a choice of deployment and simplified licensing will be vital.”

“The challenge for organizations in both the public and private sectors is to maintain pace with the evolving and diverse range of threats,” added Stahnke. “Many will think they are too small or not high-profile enough to be targets, but hackers will seek to exploit any vulnerabilities. This is creating opportunities for channel partners to expand their capabilities to provide more holistic cybersecurity offerings to assess, recommend, deploy, integrate and manage multi-vendor solutions and services incorporating multiple deployment models.” Overall, the channel represented 92.3% of shipment value in the first quarter.

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