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EXCERPT

Worldwide Security and Vulnerability Management 2010–2014 Forecast and 2009 Vendor Shares

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IN THIS EXCERPT

In this excerpt IDC examines the security and vulnerability management market for the 2009–2014 period, with vendor revenue trends and market growth forecasts. Worldwide market sizes and vendor revenue and market shares of the leading vendors are provided for 2009, and a five-year growth forecast for this market is shown for 2010–2014. This excerpt concludes with market trends and IDC guidance for future success.

IDC OPINION

2009 wasn't a very good year for most organizations as the world was recovering from recession. Even as worldwide economic growth and IT spending were primarily flat, enterprises and organizations continued to deploy technologies to improve their management of security operations. To respond to increasing threats and government regulatory oversight, organizations turned to security and vulnerability management (SVM) solutions to provide the intelligence and management tools that can make security more effective, in terms of cost and security. The SVM market provides a window into an organization's risk posture and allows for that risk position to be monitored and improved. Security and vulnerability management market revenue grew at a rate of 9.2% in 2009. This was down from the 17% in 2008 but considerably higher than the rate forecast. Revenue in the market was $2.9 billion in 2009 compared with $2.6 billion in 2008. IDC believes the SVM market will remain on a positive growth trajectory in 2010, with revenue anticipated to be $3.2 billion, which is a 9.8% increase. By the end of the forecast period (2014), the market should exceed revenue of $5.2 billion with a climbing annual growth rate, resulting in a compound annual growth rate of (CAGR) of 12.4%. Highlights are as follows:

- The growing body of disclosure law governing security breaches and data loss incidents will result in ever-increasing usage of products that can create and enforce security policy and provide information required by auditors. It also requires that products that aggregate data and event management have the ability to identify and remediate internal threats based on user privileges.
- Security consists of products, people, and policy. SVM vendors are able to provide many policy solutions, which are used to supplement and validate other security defenses.
- The SVM market continues to be extremely diverse with no vendor having even an 8% share. IDC does not see this market becoming one dominated by a few players, so IDC would not expect any one company to exceed 12% in market

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share during this period. The market is too diverse for such a consolidation even following the high number of acquisitions that have been occurring in the market.

- SVM products will continue to benefit from increasing government regulations. To maintain compliance, vendors will require products that can automate compliance functions.

SITUATION OVERVIEW

Security and Vulnerability Management Market in 2009

Products that fall within the security and vulnerability management market remain in high demand. The SVM market covers a wide area of solutions that are designed to provide the brains of the security organization. Organizations are looking for solutions to proactively mitigate risk, handle establishing and auditing security policy, consolidate risk management information, and, ultimately, provide some security peace of mind. As a result, the market had a 9.2% growth rate in 2009 compared with 2008's results. The total market in 2009 was $2.9 billion. With over 60 named vendors, even following all of the mergers and acquisitions (M&A) activity, the SVM market is large and competitive. Unlike some other security markets that are dominated by a handful of vendors, the leading vendors in this space do not exceed 8% market share. Interestingly, it takes 15 different vendors to accumulate 52.3% of the total market. This is up one vendor from what was required in 2008 to reach the same number.

To illustrate the complexity and competitiveness of this market, Table 1 provides a collection of top 25 vendors and their products as they fit into the market subcategories. Please understand this is a representative list and does not include every product.

TABLE 1

Representative SVM Vendor Products for Top 25 Vendors

Company	Proactive Endpoint Risk Management	Forensics and Incident Investigation	Policy and Compliance	Security Intelligence and Event Management	Security Device Systems Management	Vulnerability Assessment
ArcSight (bought by HP)				ArcSight Enterprise Security Manager; ArcSight Express		
CA Technologies			CA Security Compliance Manager	CA Enterprise Log Manager	CA Configuration Automation	
Check Point				SmartEvent; SmartReporter	SmartProvisioning; Network Policy Management	
Cisco					Adaptive Security Device Manager; IPS Manager Express	
EMC		enVision	EMC Ionix Configuration Analytics Manager	enVision		
Enterasys Networks				Enterasys Security Information and Event Manager; Enterasys NMS Automated Security Manager	Enterasys NMS Inventory Manager; Enterasys NMS Console	
Fujitsu	Systemwalker Desktop Patrol	glovia G2 Audit Manager; ETERNUS AS500 Archive Storage	CentraSite; glovia G2 Security Manager		ServerView	Interstage Software Quality Analyzer
GFI	GFI EndPointSecurity		GFI Network Server Monitor	GFI EventsManager		GFI LANguard
Guidance Software	EnCase Cybersecurity	EnCase Forensic	EnCase Enterprise			

TABLE 1

Representative SVM Vendor Products for Top 25 Vendors

Company	Proactive Endpoint Risk Management	Forensics and Incident Investigation	Policy and Compliance	Security Intelligence and Event Management	Security Device Systems Management	Vulnerability Assessment
HP						Assessment Management Platform (AMP); WebInspect, DevInspect, QAInspect
IBM	Proventia Desktop; IBM-BigFix; Guardium Configuration Audit System for Database Servers		Tivoli Security Compliance Manager; Tivoli Security Policy Manager; Guardium Database Activity Monitoring	Tivoli Security Information and Event Manager		Proventia Network Enterprise Scanner; Rational AppScan; zSecure Audit; Guardium Database Vulnerability Assessment
Imperva			SecureSphere Database Activity Monitoring; File Activity Monitoring			SecureSphere Discovery and Assessment Server
LogLogic		LogLogic Open Log Management platform		LogLogic Security Event Manager		
Lumension Security	Lumension Patch and Remediation; Lumension Security Configuration Management; Lumension Application Control					Lumension Scan; Lumension Risk Manager
McAfee	McAfee Total Protection for Compliance; McAfee Configuration Control		Policy Auditor; ePolicy Orchestrator; Risk Advisor			Vulnerability Manager

TABLE 1

Representative SVM Vendor Products for Top 25 Vendors

Company	Proactive Endpoint Risk Management	Forensics and Incident Investigation	Policy and Compliance	Security Intelligence and Event Management	Security Device Systems Management	Vulnerability Assessment
Microsoft	Windows Server Update Services		Systems Center Configuration Manager			Baseline Security Analyzer; SCCM Vulnerability Assessment Configuration Pack
NetIQ			VigilEnt Policy Center	NetIQ Security Manager; NetIQ Aegis		NetIQ Secure Configuration Manager
NIKSUN		NetDetector		NetTrident		
Novell	ZENworks Endpoint Security Management; ZENworks Patch Management			Sentinel		
Q1Labs				QRadar		
Qualys						QualysGuard Suite
SecureWorks					TeraGuard	
Shavlik Technologies	Shavlik NetChk Configure, Shavlik Security Suite					NetChk Protect
Symantec Corp.	Symantec Critical System Protection; Altiris Client Management Suite		Control Compliance Suite; Altiris SecurityExpressions	Security Information Manager; DeepSight Early Warning		Risk Automation Suite
Tripwire Inc.	Tripwire Enterprise		Tripwire Enterprise	Tripwire Log Center		

Source: IDC, 2010

Performance of Leading Vendors in 2009

The leading vendors for 2009 are pulled from both the security management and the vulnerability assessment ranks. Refer to Table 2 for the worldwide SVM revenue and market shares. Top vendors include:

- **IBM** is the leader of the market, being the only vendor to exceed $200 million in vendor revenue. Its revenue grew 2.1% in 2009 compared with 2008, capturing a 7.4% share of this market.
- **Symantec** had revenue of $195 million in 2009, which is an increase of 5.4% compared with its 2008 revenue. It has a 6.8% share of the market.
- **ArcSight,** which was purchased by HP in 2010, continued to be a growth leader, with revenue growth of 31% in 2009. Its revenue was $165.4 million, which is also a 5.8% market share.
- **NetIQ,** an Attachmate business, was recorded as the fourth-largest SVM vendor in 2009, with a 4.7% market share on $136.4 million in revenue.
- **EMC** moved into the fifth-place position because of its 20.6% revenue growth in 2009. Revenue for the year was $96.4 million for a market share of 3.4%.

Table 4 displays 2009 worldwide revenue and market shares for vulnerability assessment vendors.

Figure 6 displays 2009 market shares for the top 5 device vulnerability assessment vendors and application vulnerability assessment vendors, respectively.

TABLE 2

Worldwide Security and Vulnerability Management Revenue by Vendor, 2008 and 2009 ($M)

	2008	2009	2009 Share (%)	2008–2009 Growth (%)
IBM	208.1	212.4	7.4	2.1
Symantec	185.0	195.0	6.8	5.4
ArcSight (bought by HP)	126.3	165.4	5.8	31.0
NetIQ	127.1	136.4	4.7	7.3
EMC	80.0	96.4	3.4	20.6
Cisco	95.0	94.4	3.3	-0.7
McAfee	72.0	93.2	3.2	29.4

TABLE 2

Worldwide Security and Vulnerability Management Revenue by Vendor, 2008 and 2009 ($M)

	2008	2009	2009 Share (%)	2008–2009 Growth (%)
Microsoft	88.3	90.0	3.1	1.9
Lumension Security	65.0	71.4	2.5	9.8
Guidance	78.0	65.9	2.3	-15.6
Enterasys Networks	64.0	64.4	2.2	0.7
Tripwire Inc.	39.9	60.0	2.1	50.4
Qualys	50.3	57.6	2.0	14.5
Imperva	40.0	52.0	1.8	30.0
Q1Labs	34.1	48.5	1.7	42.1
Shavlik	42.7	46.1	1.6	8.0
LogLogic	32.0	41.0	1.4	28.1
NIKSUN	35.0	39.4	1.4	12.6
HP	29.0	34.5	1.2	19.1
GFI	28.0	34.0	1.2	21.4
Fujitsu	33.4	33.9	1.2	1.5
Check Point	26.3	32.3	1.1	22.7
SecureWorks	27.7	31.8	1.1	14.8
Novell	26.5	29.9	1.0	12.9
CA Technologies	35.5	29.4	1.0	-17.1
Hitachi	26.7	29.0	1.0	8.7
Archer Technologies (bought by EMC)	23.0	29.0	1.0	26.1
Sun Microsystems (bought by Oracle)	25.9	27.4	1.0	5.7
SenSage	17.5	26.0	0.9	48.6
Application Security	22.5	25.4	0.9	12.9
LANDesk	19.0	23.1	0.8	21.6

TABLE 2

Worldwide Security and Vulnerability Management Revenue by Vendor, 2008 and 2009 ($M)

	2008	2009	2009 Share (%)	2008–2009 Growth (%)
eIQnetworks Inc.	20.4	22.5	0.8	10.4
BigFix (bought by IBM)	23.5	22.5	0.8	-4.2
nCircle	18.1	21.9	0.8	21.0
Klocwork	18.8	21.0	0.7	11.5
Core Security	15.6	20.0	0.7	28.5
NetWitness	9.0	19.7	0.7	118.9
Fortify (bought by HP)	14.8	19.5	0.7	32.2
netForensics	25.0	19.5	0.7	-22.0
Vanguard Integrity Professionals	15.0	18.0	0.6	20.0
Cenzic	12.5	18.0	0.6	44.2
Tenable Network Security	6.1	18.0	0.6	197.5
Intellitactics (bought by Trustwave)	18.0	17.2	0.6	-4.4
NitroSecurity	8.8	16.8	0.6	90.9
Skybox Security	11.9	14.4	0.5	21.0
StillSecure	10.0	14.0	0.5	40.0
NEC	11.7	13.1	0.5	11.4
Tufin	9.0	12.7	0.4	41.1
Secunia	7.5	11.9	0.4	57.7
Rapid7	8.5	11.2	0.4	31.7
TriGeo	7.6	11.0	0.4	44.7
LogRhythm	7.0	11.0	0.4	57.1
Secerno (bought by Oracle)	5.0	10.0	0.3	100.0
Beyond Security	11.5	9.0	0.3	-21.7
eEye	6.0	8.0	0.3	33.3

TABLE 2

Worldwide Security and Vulnerability Management Revenue by Vendor, 2008 and 2009 ($M)

	2008	2009	2009 Share (%)	2008–2009 Growth (%)
VeriSign Inc.	13.6	7.9	0.3	-41.5
CSC	7.0	7.0	0.2	NA
KACE Networks (bought by Dell)	4.3	6.4	0.2	47.9
Veracode	2.2	6.4	0.2	190.0
WhiteHat	4.0	6.1	0.2	52.5
Layer 7 Technologies	4.3	6.1	0.2	42.4
RedSeal	6.0	6.0	0.2	NA
MANDIANT	2.0	5.0	0.2	150.0
Intrusion.com	3.0	4.9	0.2	63.3
Solera Networks	2.0	4.0	0.1	100.0
Blue Lance	5.0	4.0	0.1	-20.0
Subtotal	2,158.5	2,460.0	85.5	14.0
Other	476.1	415.8	14.5	-12.7
Total	2,634.5	2,875.8	100.0	9.2

Source: IDC, 2010

TABLE 4

Worldwide Vulnerability Assessment Revenue by Vendor, 2009 ($M)

	Revenue ($M)	Share (%)
IBM	74.3	10.7
Qualys	57.6	8.3
HP	34.5	5.0
McAfee	32.3	4.7

TABLE 4

Worldwide Vulnerability Assessment Revenue by Vendor, 2009 ($M)

	Revenue ($M)	Share (%)
NetIQ	27.3	3.9
Symantec	25.3	3.7
Imperva	23.4	3.4
Microsoft	22.5	3.3
GFI	22.1	3.2
nCircle	21.9	3.2
Klocwork	21.0	3.0
Core Security	20.0	2.9
Fortify	19.5	2.8
Cenzic	18.0	2.6
Lumension Security	17.9	2.6
Tenable Network Security	16.2	2.3
StillSecure	12.6	1.8
Secunia	11.9	1.7
Application Security	11.4	1.7
Rapid7	11.2	1.6
Shavlik	9.2	1.3
Beyond Security	9.0	1.3
eEye	8.0	1.2
CA Technologies	7.4	1.1
CSC	7.0	1.0
BigFix (bought by IBM)	6.7	1.0
Veracode	6.4	0.9
WhiteHat	6.1	0.9
LANDesk	5.8	0.8

TABLE 4

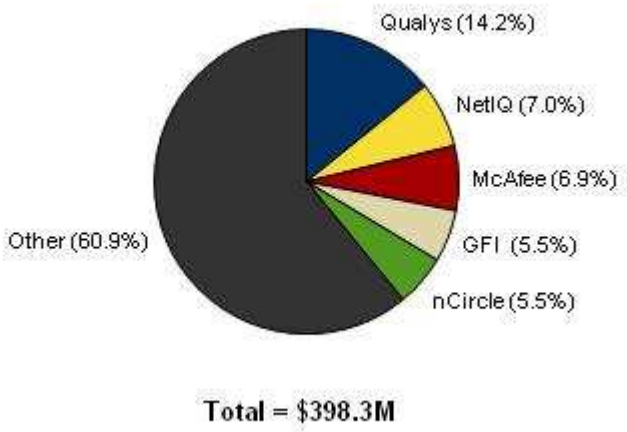
Worldwide Vulnerability Assessment Revenue by Vendor, 2009 ($M)

	Revenue ($M)	Share (%)
Vanguard Integrity Professionals	4.5	0.7
Secerno (bought by Oracle)	4.0	0.6
Fujitsu	3.4	0.5
Blue Lance	0.4	0.1
Subtotal	578.9	83.7
Other	113.1	16.3
Total	691.9	100.0

Source: IDC, 2010

FIGURE 6

Worldwide Device Vulnerability Assessment Revenue Share by Vendor, 2009



Source: IDC, 2010

FUTURE OUTLOOK

Forecast and Assumptions

Worldwide revenue for the SVM market reached $2.9 billion in 2009, representing 9.2% growth over 2008. IDC currently forecasts that the SVM market will increase at a 12.4% CAGR and reach $5.2 billion in 2014, as shown in Table 5.

Figure 8 provides a visual illustration of the growth rates associated with the security and vulnerability management submarkets.

Figure 9 illustrates the revenue attributed to three regions — Americas; Europe, the Middle East, and Africa (EMEA); and Asia.

For this document, IDC is estimating the SVM forecast based on how the products will be delivered to the customer. The delivery platforms are software, hardware, virtualized, and software as a service (SaaS). Hardware generally represents appliances that are used for many of the submarkets. The most pronounced use of appliances is in the SIEM market where many products can now store logs. For virtualization, this delivery mechanism is for software appliances and products that reside on a hypervisor. The greatest use of SaaS is in the vulnerability assessment market but it is growing in usage in many markets including policy and compliance, SIEM, and PERM. Table 6 provides worldwide security and vulnerability management revenue forecast by platform.

The forecasts are based on the assumptions listed in Table 7.

TABLE 5

Worldwide Security and Vulnerability Management Revenue by Segment, 2008–2014 ($M)

	2008	2009	2010	2011	2012	2013	2014	2009–2014 CAGR (%)
Security management								
Security intelligence and event management	636.4	826.2	1,033.8	1,278.0	1,560.8	1,872.5	2,227.8	21.9
Proactive endpoint risk management	367.7	384.5	399.1	424.2	455.2	500.3	556.1	7.7
Forensics and incident investigation	104.9	142.0	172.7	203.3	234.8	267.2	298.3	16.0
Policy and compliance	474.7	536.1	597.7	663.0	732.4	804.3	878.9	10.4
Security device systems management	349.9	295.1	263.6	245.6	232.1	223.9	221.6	-5.6

TABLE 5

Worldwide Security and Vulnerability Management Revenue by Segment, 2008–2014 ($M)

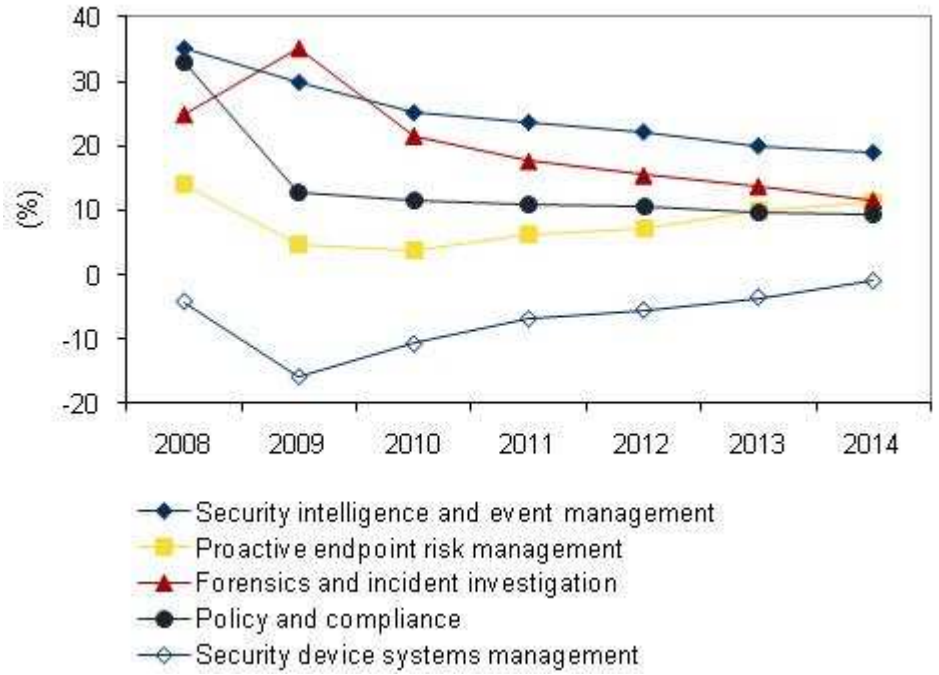
	2008	2009	2010	2011	2012	2013	2014	2009–2014 CAGR (%)
Subtotal	1,933.6	2,183.9	2,466.9	2,814.1	3,215.2	3,668.3	4,182.7	13.9
Vulnerability assessment								
Device	465.5	398.3	342.4	331.2	344.4	369.7	417.3	0.9
Application	235.4	293.6	349.5	408.2	461.1	516.2	568.5	14.1
Subtotal	700.9	691.9	692.0	739.5	805.5	885.9	985.8	7.3
Total	2,634.5	2,875.8	3,158.9	3,553.6	4,020.7	4,554.2	5,168.5	12.4

Note: See Table 7 for key forecast assumptions.

Source: IDC, 2010

FIGURE 8

Worldwide Security and Vulnerability Management Revenue Growth by Segment, 2008–2014



Source: IDC, 2010

TABLE 6

Worldwide Security and Vulnerability Management Revenue by Platform, 2008–2014 ($M)

	2008	2009	2010	2011	2012	2013	2014	2009–2014 CAGR (%)
Software	2,165.6	2,292.0	2,448.2	2,665.2	2,850.7	3,055.9	3,297.5	7.5
Hardware	287.2	353.7	404.3	493.9	607.1	728.7	858.0	19.4
Virtualized	26.3	37.4	56.9	71.1	132.7	204.9	310.1	52.7
SaaS	155.4	192.7	249.6	323.4	430.2	564.7	702.9	29.5
Total	2,634.5	2,875.8	3,158.9	3,553.6	4,020.7	4,554.2	5,168.5	12.4

Source: IDC, 2010

ESSENTIAL GUIDANCE

Security is a value-add, not just a necessary evil or the purview of the paranoid. Companies understand that their systems, storage operations, network connectivity, and endpoints need to be inherently secure. Customers demand security management that is well integrated with the IT infrastructure, effective, usable, and affordable. Security and vulnerability management is very important to meeting risk management goals because it provides policy and compliance context, vulnerability information, remediation, and, ultimately, a comprehensive view of enterprise risk management. It offers organizations better ways to cost effectively provide risk management and automate the rising cost of compliance activities. SVM solutions can simplify the complexity associated with managing multiple security solutions while at the same time increasing the automation, effectiveness, and proactive nature of security. Vendors are growing the capabilities to provide comprehensive coverage within their security management offerings. The key to success in this space will be the ability to provide proactive security protection and the knowledge and intelligence to provide comprehensive security assessment data.

IDC believes vendors should develop tools that bring together event records, efficiently prioritize incidents, separate real security violations from false alarms, and aggregate security events from different locations, devices, and manufacturers. Moreover, vulnerabilities must be viewed as part of an overall security management infrastructure that takes into account security policy, compliance, and risk

management. SVM solutions should tell the enterprise why the vulnerability is a concern, its risk ranking, and how to remediate. SVM offerings must be able to provide a more aggressive, positive security model and not just respond to events in a chaotic manner. In many cases, SVM solutions, especially in the proactive endpoint risk management category, are moving to the point where the product will automatically remediate any security problems that should develop. Over time, SVM vendors need to combine their SVM agent with their own endpoint security solutions to provide all endpoint security capabilities, or the SVM vendor will need to partner with an endpoint security vendor that does not have SVM capabilities itself.

Going forward, for the SVM market to maintain its strong growth rates, vendors must continue to make security smart. This includes providing proper policy management to automatically enforce the security policy. IDC sees the PERM market as a market that can bring considerable positive security value to enterprises. Another area where SVM makes security smart is in the SIEM market, where an ever-growing set of security data has to be processed to find the critical information among a huge set of data and to put that intelligence into its proper context. The SIEM market is important for providing audit information and ensuring proper utilization of security technologies. IDC also believes that vulnerability scanning, be it device or application based, white box or black box, credential or hacker view, provides critical information that allows organizations to adjust their security position to meet real security threats. IDC believes that products that can do real-time penetration testing will see considerable success over the next few years because they can pinpoint specific security gaps.

One area for the SVM market that has been underutilized is for solutions that handle small to medium-sized businesses. This group has been overlooked because the cost associated with vulnerability assessment and other SVM segments has been high in terms of both direct cost and overhead. However, as government requirements for security and privacy proliferate, all-sized organizations are beginning to be concerned about their ability to measure their compliance with security requirements. As these companies expand their use of additional security products and services, they will also be looking for ways to measure their risk. Vendors that can provide small and medium-sized enterprises with simple, easy-to-use, and affordable products for policy compliance and risk management should have considerable success.