

## IDC: "Solid Growth Ahead" for Security

Written by Frederick Douglas  
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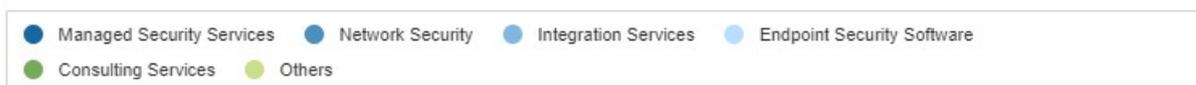
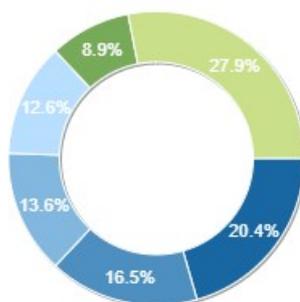
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Global spending on security products is to reach \$106.6 billion in 2019, a 10.7% increase over 2018, IDC reports, and such solid growth is set to continue over the next 5 years as organisations continue to invest in solutions to meet a wide range of security threats and requirements.

Spending should grow to \$151.2 billion by 2023 with a CAGR of 9.4% for the 2019-2023 forecast period.



Top Technology Category Based on 2019 Market Share (Value (Constant Annual))



Source: IDC Worldwide Semiannual Security Spending Guide 2018H2

"The market for cybersecurity products continues to grow, growth that is renewed and reinvigorated by a C-level focus on Trust. Today's new trust environment introduces new variables that go beyond the traditional ideas of security, risk and compliance, introducing concepts of privacy and ethical business operations," the analyst says. "Trust is addressed in consideration of the relationships (B2B, B2C, B2E and G2C) and the attributes of interaction (people, technology, organization, culture and process). Given the complexity of implementing Trust, cybersecurity vendors are the clear beneficiaries."

Services have the largest share of 2019 security spending, with over \$47bn going toward

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managed security services, integration services, consulting services and IT education and training. Services also have the fastest spending growth, with a 5-year CAGR of 11.2%. Software is the 2nd largest area of 2019 spending, with \$38bn going toward products such as endpoint security software, identity and digital trust software and security analytics, intelligence response and orchestration software. Hardware spending totals \$21bn in 2019, with most of the sum going to network security products.

Banking is the industry spending most on security throughout the forecast, followed by discrete manufacturing and federal/central government. The three industries account for nearly 30% of global security spending, and all three will devote over 35% of spending on managed security services and integration services. The industries seeing the fastest spending growth on the forecast are state/local government (12.5% CAGR), telecommunications (11.9% CAGR) and the resource industries (11%).

Managed security services are the largest technology category in 2019, with firms spending over \$21bn for around-the-clock security operations centre monitoring and management. Network security hardware, including unified threat management, firewalls and intrusion and prevention technologies, is the 2nd largest category. In 3rd and 4th place are integration services and endpoint security software. The categories seeing the fastest spending growth over the forecast are managed security services (13.9% CAGR), security analytics, intelligence, response and orchestration software (10.5% CAGR) and consulting services (9.3% CAGR).

Large (500-1000 employees) and very large (over 1000 employees) companies are responsible for over 66% of all 2019 security-related spending. The two segments also see the strongest spending growth over the 2019-2023 forecast period, with a CAGR of 11.4% for large businesses and 9.6% for very large businesses. Medium (100-499 employees) and small (10-99) businesses are set to spend a combined \$27bn on security solutions in 2019. Consumers are forecast to spend over \$5.8bn in 2019.

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