

IDC: Security Spending to Reach \$120bn in 2021

Written by Alice Marshal
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According to IDC global spending on security-related hardware, software and services will reach \$119.9 billion in 2021 with a CAGR of 9.6% over the 2016-2021 forecast period.



As for 2017, spending on security products and services is to reach \$83.5bn, a 10.3% increase over 2016.

"Three overarching trends are driving security spending-- a dynamic threat landscape, increasing regulatory pressures, and architectural changes spurred by digital transformation initiatives," the analyst remarks. "While IDC expects spending to continue growing, organisations are actively searching for product and service efficiencies that maximize spend in order to fully address such complex challenges."

Spending should be evenly spread across 4 industry sectors in 2017-- distribution and services (\$19.7bn), public sector (\$18.6bn), manufacturing and resources (\$16.4bn) and financial (\$16.3bn). However the financial sector is set to grow ahead of manufacturing and resources by 2021 with a 2016-2021 CAGR of 10.2%, while the public sector will pull even with distribution and services by 2021 with a CAGR of 10.3%. The fastest growing sector for the 5-year period is infrastructure, with a CAGR of 11.8%.

Driving such spending are ever-changing security threats, fear of data breaches and regulatory compliance demands. Over 80% of 2017 security spending will be on services and software, with services spending divided between managed security services (\$15.25bn) and integration services (\$12.5bn). Software spending is focused on 3 categories accounting for over 75% of the total, specifically endpoint security, identity and access management and vulnerability management.

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Hardware spending is "significantly" smaller throughout the forecast, dominated by network security solutions (\$13.7bn). Managed security services and network security will also be the fastest growing categories during the 2016-2021 period, with respective CAGRs of 14.3% and 114%.

On a geographic basis, the largest market remains N. America, followed by EMEA with 2017 spending reaching \$26.2bn. As for company sizes, large and very large businesses (with over 500 employees) are responsible for over 60% of spending throughout the forecast, with very large businesses (over 1000) employees passing the \$50bn spending level in 2019. SMBs will be a "significant" contributor to BDA spending, since the remaining revenues come from companies with less than 500 employees.

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