

Content security market trends for 2014: small business

In 2014, the enterprise content security market grew by 9.9% according to Canalys estimates. For the small business segment, investment increased by 9.6% worldwide to reach a market value of \$2.6 billion. During the year, many of these small businesses increased their IT security spend after falling victim to some sort of threat. This reactive spending, combined with greater awareness of cyber threats and the clampdown on data privacy policies, were the main investment drivers.

Businesses today are faced with a volatile cybercrime environment. Threats are emerging from a wider array of bad actors ranging from common criminals, highly organized crime rings, hackers and nation-states. This has broadened the type and size of business of potential victims that have come under highly sophisticated and targeted attacks. As threats to small businesses have grown over the years, IT security budgets of most of these businesses have not increased fast enough. Many small businesses still lack the necessary resources to effectively combat threats, making them easy targets.

Competition amongst content security vendors escalated during the year. As a result, pricing for endpoint security solutions went down at an average of 15%, mainly in the anti-virus market. Other segments of the content security market, including web threat security and messaging security, grew as a result of vendors' marketing hosted service solutions.

Trend Micro retained its leading position, followed by Symantec, Intel Security and Kaspersky Lab.

Worldwide content security small business market 2014

| Vendor | End-user value (\$) | Market share 2014 |
|---------------------|----------------------|-------------------|
| Total market | 2,646,747,149 | 100.0% |
| Trend Micro | 413,421,432 | 15.6% |
| Symantec | 362,479,950 | 13.7% |
| Intel Security | 360,658,631 | 13.6% |
| Kaspersky Lab | 116,767,120 | 4.4% |
| Others | 1,393,420,016 | 52.6% |

Source: Canalys estimates, IT Security Analysis, March 2015

- **Trend Micro** maintained its lead with continued strength in its Worry-Free product range. It also encouraged uptake of its hosted services offerings which focus on easy implementation and simple licensing model, proving particularly attractive to SMB customers.

- **Symantec** aligned its Norton product line to the small business market and introduced promotions for bundled solutions, including its endpoint and mobile suites as well as backup. Having a dedicated product has helped it tap in to this burgeoning market, but the company's announced split at the end of 2014 could hinder its ability to focus until completion in November.
- **Intel Security** stepped up its marketing campaigns for its small business solutions, established a dedicated online store during the year and introduced channel promotions which helped it win competitive bids. Continuing this momentum in 2015 will be a priority.
- **Kaspersky Lab** increased the discounting levels of its endpoint solutions to win competitive bids and maintain its position in the market. It was challenged in the latter half of the year by the crisis in Russia, which Canalys also expects to impede the company through 2015.

Competition will only intensify in 2015 and vendors will try to differentiate by including more functionality in their solutions. As content security offerings become more complex, small businesses will look to their trusted channel partners for advice on which solutions will offer the best protection and scalability in the long-run.

Note: Canalys defines the content security market as including the following product categories: anti-malware, DLP, encryption, messaging security and web threat security.

Small businesses highlighted in this report are defined as those with fewer than 100 employees.

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