

Top content security market trends in the small business segment

According to Canalys estimates, enterprise content security investment increased 3.5% worldwide between 2011 and 2012. Within this market segment, small business investment represented 28.4% of the total market (\$2.3 billion) in 2012. This equates to an increase of 5.4% over 2011, with the fastest growing segment being companies with between 50 and 100 employees.

The main investment driver was the increased IT complexity that many businesses face. As the bring-your-own-technology trend gains momentum, and the use of social media and cloud service adoption continues to grow, businesses today are faced with new challenges. These trends are more acutely felt by small businesses, which often do not have enough IT resources, in terms of finance and headcount. They also do not have the policies that typically govern the introduction of new technologies in larger enterprises. In 2012, many small businesses were affected by tough economic conditions and shrinking IT budgets, which restricted their ability to invest in security. There was, however, a notable shift toward hosted security offerings, which accounted for approximately 15.0% of total spend. More businesses are attracted to the lower-cost options and have become more open to outsourcing some of their security needs. Vendors reacted by providing tailored solutions with greater functionality with hosted options at more competitive price points, adding to an already price-aggressive market. Canalys forecasts this market will continue to grow over the next four years, at a compound annual growth rate of 7.4%. The market is expected to reach \$2.5 billion in value by the end of 2013, a rise of 10.4% on 2012.

Worldwide small business content security market

Vendor	2011 market share %	2012 market share %	Growth 2012/2011
Total market value (\$m)	2,182.1	2,299.9	5.4%
Trend Micro	18.9%	18.2%	1.5%
McAfee	17.2%	16.2%	-0.6%
Symantec	16.5%	15.6%	-0.3%
Kaspersky Lab	4.4%	4.7%	13.1%
Others	43.0%	45.3%	1.2%

Source: Canalys estimates, © Canalys 2013

The competitive landscape for the small business content security market remains fragmented, with the top three vendors accounting for 50.0%. Trend Micro retained its leading position, followed by McAfee and Symantec. All three vendors launched dedicated small business solutions during the year, which intensified competition.

- **Trend Micro** maintained its global lead in this market segment with its Worry-Free product range.
- **McAfee** introduced its SaaS Endpoint Protection Suite, which performed particularly well in EMEA.
- **Symantec** did well with its Symantec Endpoint Protection suite, especially among micro-businesses.

From a market share perspective, the top three experienced slight declines as emerging vendors, such as Kaspersky Lab, increased their share of the market. These smaller vendors tend to be more agile and can react quickly to pricing changes and discounts in this crowded market.

McAfee and Symantec both introduced small business channel specializations during the year and invested heavily to regain share in this market segment.

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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