

# SECURITY ANALYTICS MARKET

*GLOBAL FORECAST TO 2020*

# 1 MARKET OVERVIEW

## 1.1 INTRODUCTION

Security analytics is a convergence between big data and security intelligence. This provides analytics-driven threat intelligence on advanced threat ecosystem. Security analytics redefines SIEM by combining network monitoring, log management, compliance, incident forensics and big data analytics. It provides effective security for organizations by predicting potential threats better. To combat the advanced and sophisticated threats, enterprises deploy various security analytics solutions to application areas such as data and information security analytics, network security analytics, application security analytics, and endpoint security analytics.

The global security analytics market is driven by factors such as rise in the sophistication level of security breaches and growing regulations and standards imposed by the governments on enterprises, pertaining to cybersecurity. With the emergence of big data analytics integration with security intelligence to combat advanced persistent threats, the demand for security analytics solutions in emerging markets such as APAC and MEA is expected to grow rapidly. Lack of adequate security talent is one of the factors hampering the growth of the market.

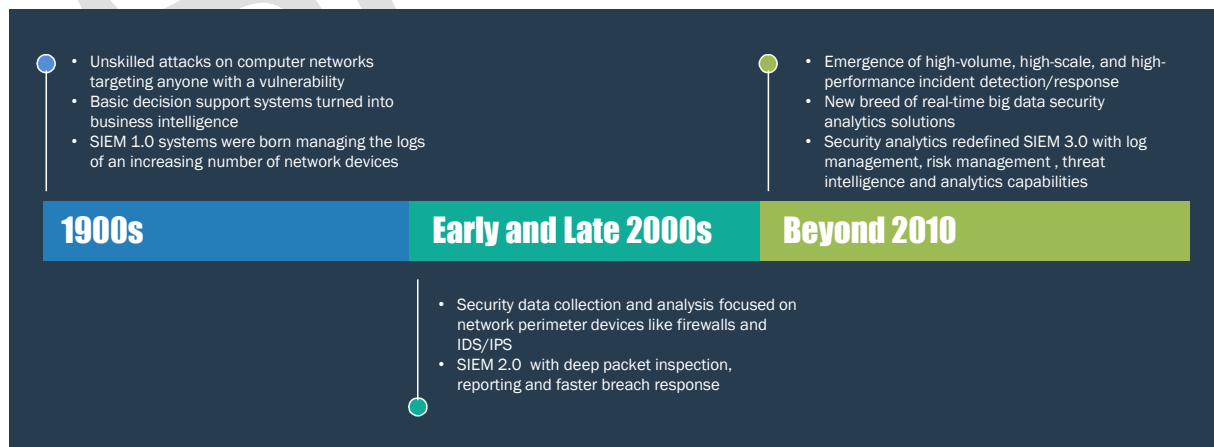
## 1.2 MARKET EVOLUTION

The evolution of security analytics started in the 1900s when the attacks on computer networks were not sophisticated in nature. To protect the networks from these low-intensity threats, the decision support systems turned into business intelligence systems. SIEM 1<sup>st</sup> generation solutions were introduced due to an increase in the number of network devices, to efficiently manage their logs.

During the early and late 2000s, as technology advanced, cyber-attacks grew more sophisticated in nature and security data collection and analysis focused more on network perimeter devices such as firewall and IDS/IPS. To solve these problems, SIEM technology underwent changes to perform deep packet inspection, centralized reporting, and monitoring.

After 2010 and in the present scenario, due to the emergence of high volume, high scale, and high performance incident response, a new breed of real-time big data security analytics came into existence. Security analytics has redefined SIEM by converging big data analytics with security intelligence which has led to enterprises being more prepared to mitigate any advanced threats which may affect the working of the enterprise.

**FIGURE 1** EVOLUTION OF THE SECURITY ANALYTICS MARKET



Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

## 2 INDUSTRY TRENDS

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### 2.1 INTRODUCTION

The security analytics is a promising market and continues to evolve to combat new advanced persistent threats and zero-day vulnerabilities, with enterprises having to deal with large volumes of data. Security analytics plays an important role in this scenario to protect the enterprise against potential threats. With the rising sophistication levels of threats, governments around the world are strengthening the regulations and standards for data security and cyber security, which is fueling the growth of the market. In the next five years, the security analytics market is expected to evolve with the convergence of big data analytics and security intelligence. Currently, the security analytics market is highly competitive due to presence of top vendors such as Cisco Systems, IBM, and HP. Along with these players, the presence of small vendors such as LogRhythm, Click Security, and Blue Coat Systems have also increased the competition in the market. The major strategy followed by the top vendors is technology innovation where vendors are enhancing their products and services portfolio with new features aimed at increasing their customer base.

There are several established players such as IBM, Cisco, EMC RSA, Juniper Networks, Arbor Networks, and LogRhythm offering security analytics solutions to SMBs as well as large enterprises. To further strengthen their position in the market, the major vendors have strengthened their product portfolios by launching new products and services in the past five years.

### 2.2 VALUE CHAIN ANALYSIS

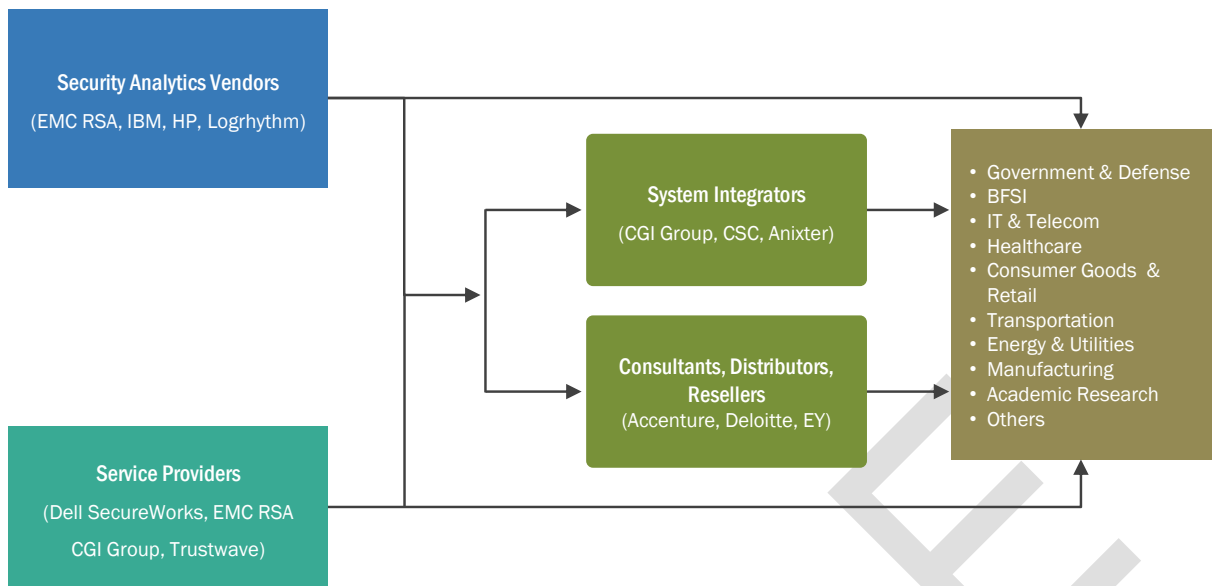
The figure given below provides the value chain for the security analytics market. The first stage of value chain begins with security analytics vendors such as IBM, EMC RSA, LogRhythm, and Juniper Networks, who provide security analytics platforms. These platforms have application in various areas such as network security analytics, application security analytics, data and information security analytics, and endpoint security analytics. These security vendors use their resources to create innovative and advanced security solutions for both SMBs and large enterprises, across various industries.

The next phase of system integration is the most crucial phase in the value chain; this is also where the major value addition occurs—the stage where the security analytics solutions are customized to cater to the enterprises' demands. The role of system/technology integrators is to integrate solutions from different vendors and provide end-to-end solutions to the end users. Seamless integration with existing industrial applications is likely to ensure the proper functioning of the security solutions. Some of the major security system integrators are CGI Group, Anixter, and Computer Sciences Corporation (CSC).

Security service providers such as Dell SecureWorks, EMC RSA, and CGI Group provide these security solutions to end users on a subscription basis, deployed over cloud, together with training and support functions. The security services comprise managed services as well as professional services, including consulting and training & support. Solution optimization and upgradation services by service providers ensure optimal usage of resources at a minimum cost. The maximum value addition take places at the system integrator stage where the solutions are integrated and customized according to the enterprise demands and are than integrated into the enterprise network.

Consulting firms such as Accenture, Deloitte, and Ernst & Young also sell these security analytics solutions to end users to cater to their unique business requirements and security needs.

**FIGURE 2** SECURITY ANALYTICS MARKET: VALUE CHAIN



Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

SAMPLE

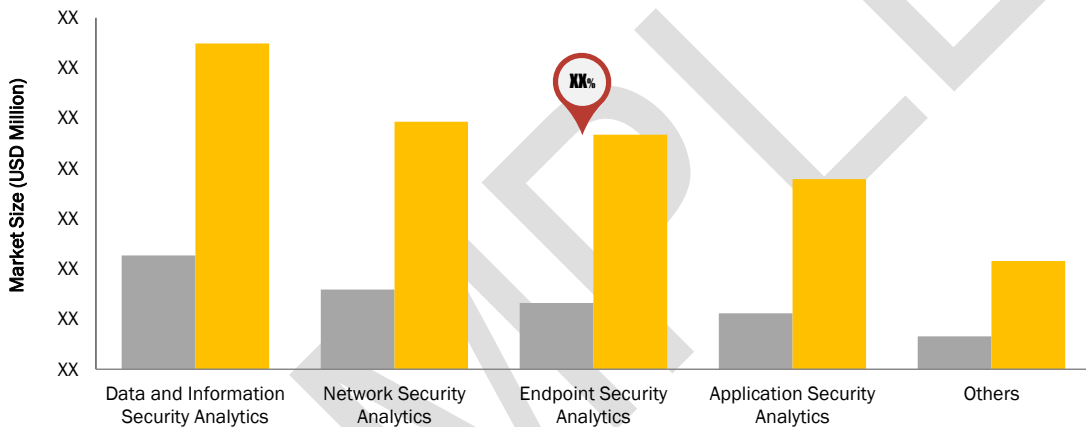
### 3 SECURITY ANALYTICS MARKET ANALYSIS, BY APPLICATION

#### 3.1 INTRODUCTION

Security analytics includes a variety of applications such as data and information security analytics, network security analytics, endpoint security analytics, application security analytics, and others. These solutions help organizations discover security vulnerabilities, analyze their behavior, add context, and support the prioritization of remediation and mitigation activities to defend enterprise networks against advanced persistent threats, zero-day malwares, and other vulnerabilities. The major trend in the market is the increasing use of endpoints security analytics solutions to cater to the rising security concerns by the increasing use of personal devices to access enterprise data.

IBM, Cisco Systems, LogRhythm, HP, EMC RSA, and Blue Coat Systems are some of the key market players in the security analytics market.

**FIGURE 3** ENDPOINT SECURITY ANALYTICS EXPECTED TO GROW AT THE HIGHEST RATE DURING THE FORECAST PERIOD



Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

**TABLE 1** SECURITY ANALYTICS MARKET SIZE, BY APPLICATION, 2013-2020 (USD MILLION)

Application	2013	2014	2015-e	2020-p	CAGR (2015-2020)
Data and Information Security Analytics	XX	XX	XX	XX	XX
Network Security Analytics	XX	XX	XX	XX	XX
Endpoint Security Analytics	XX	XX	XX	XX	XX
Application Security Analytics	XX	XX	XX	XX	XX
Others	XX	XX	XX	XX	XX
<b>Total</b>	XX	XX	XX	XX	XX

Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

The table given above highlights the security analytics market size by application. The security analytics market by application is estimated to grow from USD XX million in 2015 to USD XX million by 2020, at a CAGR of XX% from 2015 to 2020. Data information and security analytics is estimated to have the largest market size of USD XX million in 2015. As data collection becomes complex and from a wide variety of

channels, the demand for data information and security analytics applications is likely to increase during the forecast period. Endpoint security analytics is estimated to grow at the highest CAGR of XX% from 2015 to 2020. The major reason for the growth of endpoint security analytics is the increasing use of personal devices to access enterprise network, which has led to an increase in the demand for security analytics applications. These applications can enable the devices to access the enterprise networks in a safer manner and protect these devices from malware attacks.

### 3.2 DATA AND INFORMATION SECURITY ANALYTICS

With increasing data being generated by the end users, enterprises are finding it difficult to maintain this big data. The growing use of online channels by the end users has introduced new security challenges which the existing security solutions are unable to handle. In addition to this, these enterprises need to analyze the big data to effectively manage any type of threat that may exist. Advanced big data security analytics solutions enable enterprises to categorize the threats according to their diverse nature, which is extremely essential for the security of data.

Major data and information security analytics solution providers include Cisco Systems, EMC RSA, and IBM.

**TABLE 2 DATA AND INFORMATION SECURITY ANALYTICS: SECURITY ANALYTICS MARKET SIZE, BY REGION, 2013-2020 (USD MILLION)**

Region	2013	2014	2015-e	2020-p	CAGR (2015-2020)
North America	XX	XX	XX	XX	XX
Europe	XX	XX	XX	XX	XX
Asia-Pacific	XX	XX	XX	XX	XX
Middle East & Africa	XX	XX	XX	XX	XX
Latin America	XX	XX	XX	XX	XX
<b>Total</b>	XX	XX	XX	XX	XX

Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

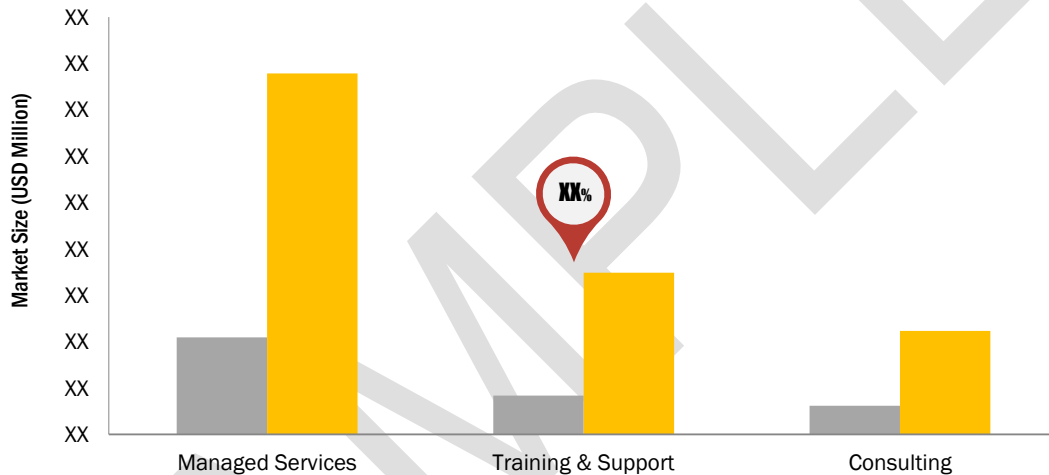
The table given above highlights the market size of data and information security analytics by region. The total market for data and information security analytics by region is expected to grow from USD XX million in 2015 to USD XX million by 2020, at a CAGR of XX% during the forecast period. North America is expected to dominate this segment with the market size of USD XX million in 2015, as the market continues to be highly compliance regulated. APAC is expected to grow at the highest CAGR of XX% during the forecasted period. The market for data and information security analytics in APAC is estimated to rise from USD XX million in 2015 to USD XX million by 2020.

## 4 SECURITY ANALYTICS MARKET ANALYSIS, BY SERVICE

### 4.1 INTRODUCTION

The market for security analytics applications is growing, leading to the growth of the services associated with them. To ensure a robust enterprise security, security analytics applications and services are evolving to deal with advance persistent threats, zero day malwares, and other vulnerabilities. The services are classified into three broad categories, namely, managed services, training and support, and consulting services. Managed security services are network security services that have been outsourced to a service provider, deployed through a cloud-based platform. They include advanced threat monitoring as well as intelligence security data feeds. The security vendors offer subscription services to data feeds for real-time threat intelligence. One of the major trends in the security analytics market is the increasing use of training and support services by end users to effectively deploy security analytics solutions and the easy integration of these solutions with the existing ones.

**FIGURE 4 TRAINING AND SUPPORT SERVICES EXPECTED TO GROW AT THE HIGHEST CAGR DURING THE FORECAST PERIOD**



Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

**TABLE 3 SECURITY ANALYTICS MARKET SIZE, BY SERVICE, 2013-2020 (USD MILLION)**

Service	2013	2014	2015-e	2020-p	CAGR (2015-2020)
Managed Services	XX	XX	XX	XX	XX
Training & Support	XX	XX	XX	XX	XX
Consulting	XX	XX	XX	XX	XX
<b>Total</b>	XX	XX	XX	XX	XX

Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

The table given above highlights the security analytics market size by service. The total security analytics market by service is estimated to grow from USD XX million in 2015 to USD XX million by 2020, at a CAGR of XX% during the forecast period. The managed services segment of the security analytics market is estimated to grow from USD XX million in 2015 to USD XX million by 2020, at a CAGR of XX% from 2015 to 2020. However, training and support services are expected to grow at the highest CAGR of XX% during the

forecast period. The major reason for the high growth rate of training and support services is the increased adoption of these services by end users to effectively deploy security analytics solutions in their enterprises.

## 4.2 MANAGED SERVICES

Managed services are network security services in which an enterprise entirely outsources security management to a third-party vendor who manages the security on the behalf of the enterprises. One of the main reasons for the increasing use of managed services is that an enterprise does not have the necessary skillset and the infrastructure to protect itself from sophisticated cyber-attacks. Outsourcing also enables enterprises to focus on its core functions.

Some of the leading vendors providing managed security services are EMC RSA, Cisco Systems, Bit 9, and HP.

**TABLE 4** MANAGED SERVICES: SECURITY ANALYTICS MARKET SIZE, BY REGION, 2013-2020 (USD MILLION)

Region	2013	2014	2015-e	2020-p	CAGR (2015-2020)
North America	XX	XX	XX	XX	XX
Europe	XX	XX	XX	XX	XX
Asia-Pacific	XX	XX	XX	XX	XX
Middle East & Africa	XX	XX	XX	XX	XX
Latin America	XX	XX	XX	XX	XX
<b>Total</b>	XX	XX	XX	XX	XX

Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

The table given above highlights the market size of managed services by region. North America is expected to dominate the managed services segment with the market size of USD XX million in 2015. The market for managed services in APAC is expected to grow at the highest CAGR of XX% from 2015 to 2020. As the adoption of cloud-based services is growing in the APAC region, the market for managed services is likely to witness huge growth during the forecast period.

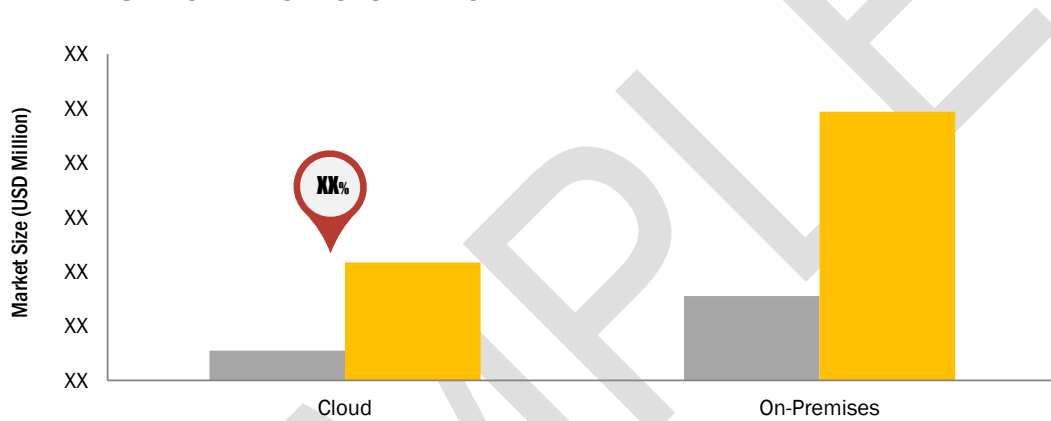


## 5 SECURITY ANALYTICS MARKET ANALYSIS, BY DEPLOYMENT TYPE

### 5.1 INTRODUCTION

Security analytics applications and services can be deployed both on-premises as well as on cloud, whichever suits the business needs best. On-premises deployment gives organizations complete control over all their systems and data, but they also incur the cost for hardware, software, and resources utilized for its maintenance. It also limits the storage capacity that is needed to keep up with new functionalities and technologies. Cloud-based security deployment, on the other hand, benefits organizations with increased scalability, speed, 24/7 service, and enhanced IT security. The growing adoption of SaaS applications by enterprises is bringing huge growth prospects for cloud-based security solutions. Cloud-based security analytics solutions are increasing as enterprises, especially SMBs, are opting for these solutions as they are easier to deploy and maintain compared to on-premises solutions.

**FIGURE 5** CLOUD-BASED DEPLOYMENT EXPECTED TO GROW AT THE HIGHEST CAGR DURING THE FORECAST PERIOD



Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

**TABLE 5** SECURITY ANALYTICS MARKET SIZE, BY DEPLOYMENT TYPE, 2013-2020 (USD MILLION)

Deployment Type	2013	2014	2015-e	2020-p	CAGR (2015-2020)
Cloud	XX	XX	XX	XX	XX
On-Premises	XX	XX	XX	XX	XX
<b>Total</b>	XX	XX	XX	XX	XX

Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

The table given above highlights the security analytics market size by deployment. The market for cloud-based security analytics is estimated to grow from USD XX million in 2015 to USD XX million by 2020, at a CAGR of XX% from 2015 to 2020. Cloud deployment significantly reduces the capital investment that is required to implement a security analytics solution, which is one of the major reasons for increased demand of these solutions from SMBs as well as large enterprises. The market for on-premises security analytics is estimated to grow from USD XX million in 2015 to USD XX million by 2020, at a CAGR of XX% during the forecast period.

## 5.2 CLOUD

Cloud deployment is the fastest-growing deployment model in the security analytics market. SMBs, in particular, have implemented cloud deployment as it enables them to focus on their core competencies, instead of spending their capital on security infrastructure. By using cloud-based security solutions, organizations can avoid costs pertaining to hardware, software, storage, and technical staff.

**TABLE 6 CLOUD: SECURITY ANALYTICS MARKET SIZE, BY REGION, 2013-2020 (USD MILLION)**

Region	2013	2014	2015-e	2020-p	CAGR (2015-2020)
North America	XX	XX	XX	XX	XX
Europe	XX	XX	XX	XX	XX
Asia-Pacific	XX	XX	XX	XX	XX
Middle East & Africa	XX	XX	XX	XX	XX
Latin America	XX	XX	XX	XX	XX
<b>Total</b>	XX	XX	XX	XX	XX

Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

The table given above highlights the market size of cloud deployment by region. North America is estimated to dominate this segment with the market size of USD XX million in 2015, as the enterprises in the region have the maximum adoption of SaaS applications that is driving the security analytics cloud market. The market in APAC is estimated to grow at the highest CAGR of XX% during the forecast period. Low deployment and maintenance cost in cloud-based deployment is one of the major drivers for the growth of cloud security analytics market in the APAC region.

## 6 SECURITY ANALYTICS MARKET ANALYSIS, BY ORGANIZATION SIZE

### 6.1 INTRODUCTION

Security analytics solutions facilitate informed decision making and risk assessment in both SMBs and large enterprises, to prevent sophisticated attacks in the form of advanced persistent threats, zero day attacks, and other vulnerabilities. The penetration rate for security analytics is high in large enterprises and is anticipated to grow for SMBs during the forecast period. With the growing number of cyber-attacks, organizations are utilizing actionable security analytics solutions for a robust network security to prevent security breaches. SMBs are expected to grow at a higher rate compared to enterprises as SMBs are increasingly adopting security analytics solutions to protect their devices from any type of cyber-attacks.

**FIGURE 6** SMBs EXPECTED TO GROW AT THE HIGHEST CAGR DURING THE FORECAST PERIOD



Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

**TABLE 7** SECURITY ANALYTICS MARKET SIZE, BY ORGANIZATION SIZE, 2013-2020 (USD MILLION)

Organization size	2013	2014	2015-e	2020-p	CAGR (2015-2020)
SMBs	XX	XX	XX	XX	XX
Enterprise	XX	XX	XX	XX	XX
<b>Total</b>	XX	XX	XX	XX	XX

Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

The table given above highlights the security analytics market size by organization size. The market for large enterprises is expected to dominate with the market size of USD XX million in 2015, as these are more receptive towards implementing security analytics solutions to protect critical information from cyber-attacks. The market for SMBs is estimated to grow from USD XX million in 2015 to USD XX million by 2020, at a CAGR of XX% from 2015 to 2020. An increase in the adoption of cloud deployment of security analytics solutions is the main driver for the growth of the SMBs segment during the forecast period.

## 6.2 SMALL AND MEDIUM BUSINESSES (SMBS)

SMBs are rapidly adopting security analytics solutions to combat the rising number of advanced persistent attacks. These attacks target specific endpoints which may result in compromise of secure data such as customer information, debit card numbers, and working capital, which can severely affect the reputation of any SMB and lead to customer dissatisfaction. Due to limited amount of capital, SMBs are turning to cloud-based security solutions, which provide easy implementation and maintenance, scalability, and a cost-effective way of securing their networks. A few trends for SMBs include increased awareness of cyber security threats, implementation of more comprehensive threat protection solutions, and rapid adoption of cloud-based security solutions.

**TABLE 8 SMBS: SECURITY ANALYTICS MARKET SIZE, BY REGION, 2013-2020 (USD MILLION)**

Region	2013	2014	2015-e	2020-p	CAGR (2015-2020)
North America	XX	XX	XX	XX	XX
Europe	XX	XX	XX	XX	XX
Asia-Pacific	XX	XX	XX	XX	XX
Middle East & Africa	XX	XX	XX	XX	XX
Latin America	XX	XX	XX	XX	XX
<b>Total</b>	XX	XX	XX	XX	XX

Source: Secondary Literature, Expert Interviews, and MarketsandMarkets Analysis

The table given above highlights the market size of SMBs by region. North America is estimated to dominate the segment with the market size of USD XX million in 2015, as the SMBs in the region have increased threat awareness and are adopting more comprehensive security solutions to protect their IT infrastructure. The market in APAC is estimated to grow at the highest CAGR of XX% from 2015 to 2020.

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