Research Report

Abstract:

The Shifting Cybersecurity Landscape

Rise of Enterprise-class Vendors

By Jon Oltsik, ESG Senior Principal Analyst; Doug Cahill, Senior Analyst; and Bill Lundell, Director of Syndicated Research

April 2017

Introduction

The cybersecurity industry is populated with a plethora of vendors offering discrete solutions representing a fragmented market, historically absent of dominant leaders. The influx of venture capital funding, and, more recently, the participation of private equity firms, have contributed to a growing number of players vying for buyer mindshare and budget. However, notable M&A activity, including Symantec's acquisition of BlueCoat, and the TPG Capital-led spinout of Intel Security, coupled with anecdotal customer feedback about point tool fatigue, indicate the cybersecurity market is at a tipping point, one that could lead to centers of power, vendor-centric ecosystems, and the emergence of a small group of enterprise-class cybersecurity vendors. These dynamics were the impetus for ESG to conduct research on both the rise of enterprise-class cybersecurity vendors and the requirements of enterprise-ready cybersecurity platforms.

Research Objectives

In order to further investigate and assess these trends, ESG surveyed 176 IT and cybersecurity professionals representing large midmarket (i.e., 500 to 999 employees) and enterprise (i.e., 1,000 or more employees) organizations in North America, though it is worth noting that more than 90% of respondents are employed at organizations with at least 1,000 employees. The survey was designed to provide insight into the following questions:

- How are IT decision makers approaching cybersecurity product purchasing decisions when it comes to best of breed, integrations, and single sourcing?
- What do IT and security professionals view as the most important characteristics of an enterprise-class cybersecurity vendor?
- Which vendors are perceived to be "enterprise-class" cybersecurity vendors?
- What changes have organizations undergone in regards to their cybersecurity processes and product selection decisions?
- Are vendors succeeding in messaging their platforms to customers and prospects?
- Are organizations opting for cybersecurity vendor consolidation initiatives?
- How do IT decision makers view "enterprise-class" cybersecurity vendors? What defines them? Who are the leaders?
- How will vendor consolidation affect the CISO's influence in product purchasing decisions?
- How have integration requirements altered the evaluation, the purchase, and the deployment process for cybersecurity technologies?
- How do organizations view SIEM technology? How important is SIEM technology to their overall strategy and operations?

Survey participants represented a wide range of industries including financial services, manufacturing, health care, and retail. For more details, please see the *Research Methodology* and *Respondent Demographics* sections of this report.

Research Methodology

To gather data for this report, ESG conducted a comprehensive online survey of IT/information security professionals responsible for/familiar with their organization's cybersecurity environment and strategy, and with purchase authority or influence for cybersecurity products and services in North America (United States and Canada) between October 3, 2016 and October 13, 2016. All respondents were provided an incentive to complete the survey in the form of cash awards and/or cash equivalents.

After filtering out unqualified respondents, removing duplicate responses, and screening the remaining completed responses (on a number of criteria) for data integrity, we were left with a final total sample of 176 IT/information security professionals.

Please see the Respondent Demographics section of this report for more information on these respondents.

Note: Totals in figures and tables throughout this report may not add up to 100% due to rounding.

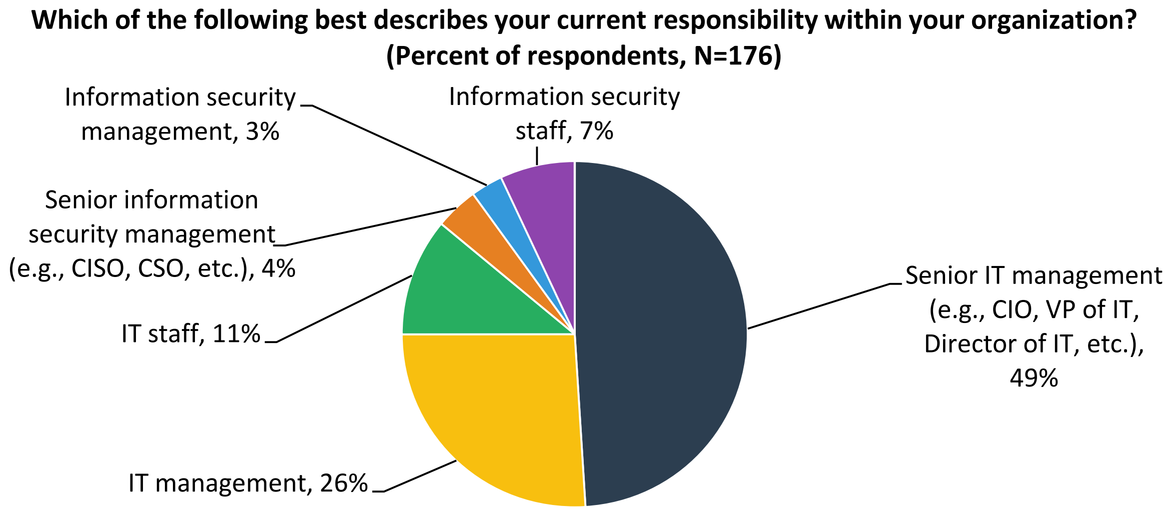
Respondent Demographics

The data presented in this report is based on a survey of 176 qualified respondents. Figures 14-17 detail the demographics of the respondent base.

Respondents by Current Responsibility

Respondents' current responsibility in shown in Figure 1.

Figure 1. Respondents by Role

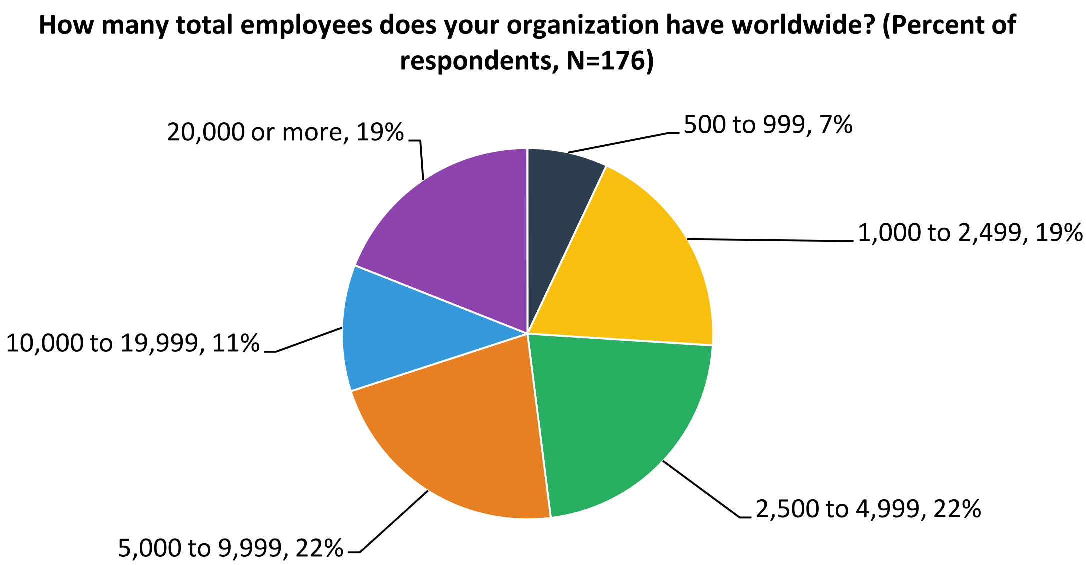


Source: Enterprise Strategy Group, 2017

Respondents by Number of Employees

The number of employees in respondents' organizations is shown in Figure 2.

Figure 2. Respondents by Number of Employees Worldwide

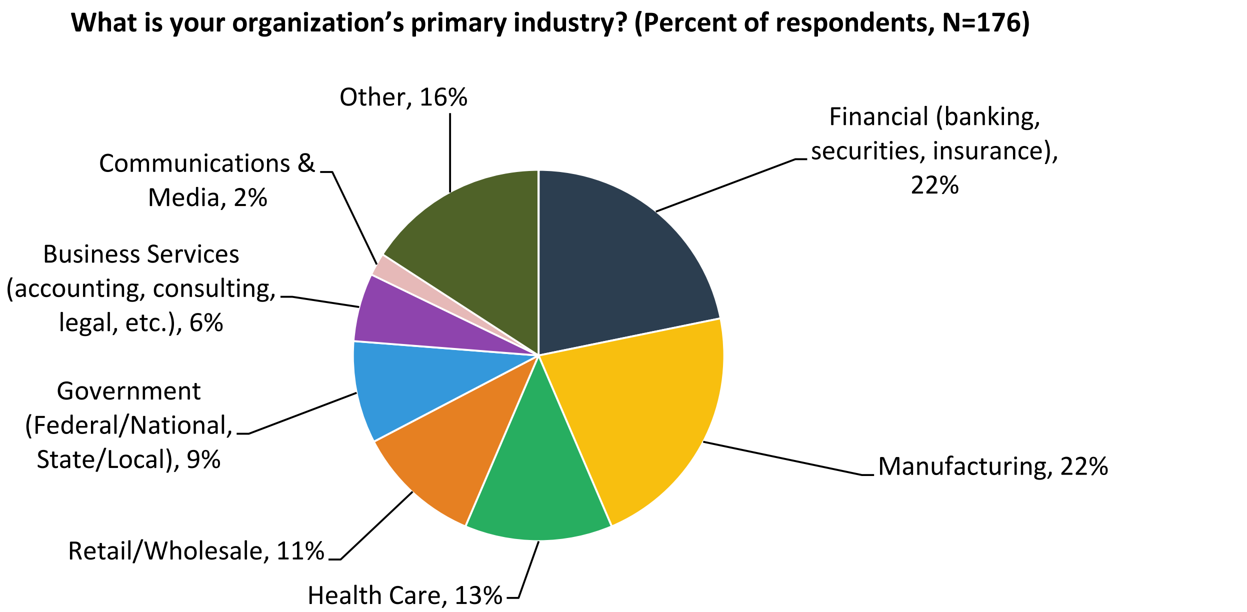


Source: Enterprise Strategy Group, 2017

Respondents by Industry

Respondents were asked to identify their organization's primary industry. In total, ESG received completed, qualified respondents from individuals in 19 distinct vertical industries, plus an "Other" category. Respondents were then grouped into the broader categories shown in Figure 3.

Figure 3. Respondents by Industry

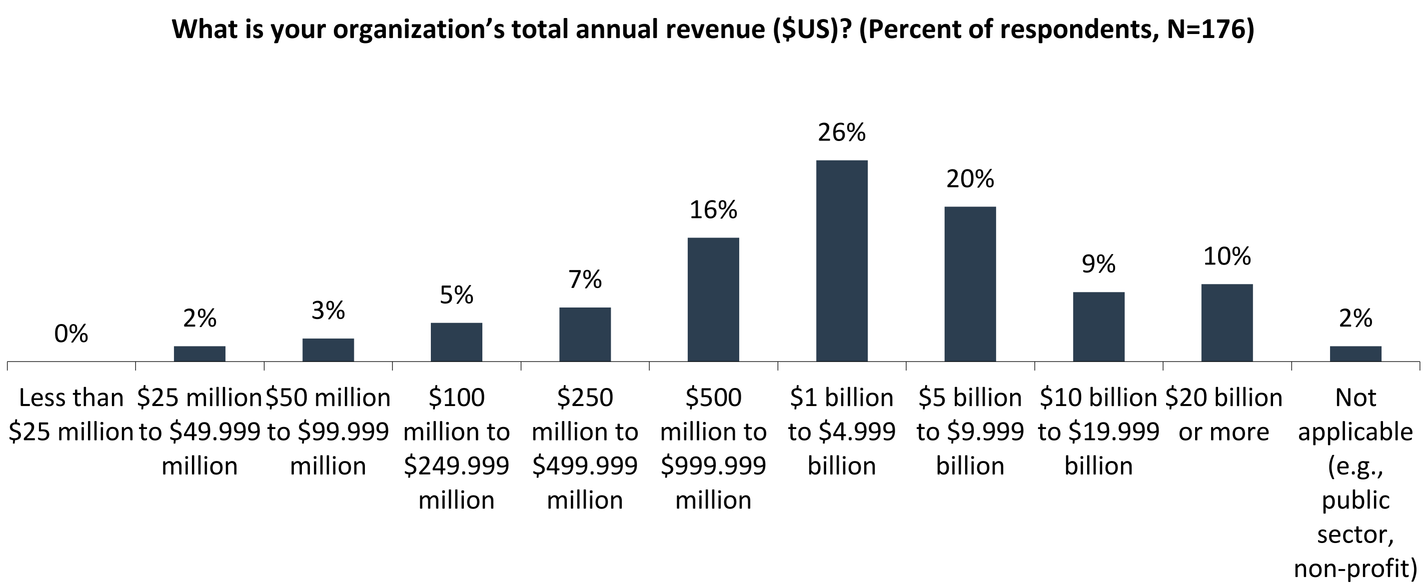


Source: Enterprise Strategy Group, 2017

Respondents by Annual Revenue

Respondent organizations' annual revenue is shown in Figure 4.

Figure 4. Respondents by Annual Revenue



Source: Enterprise Strategy Group, 2017

Contents

List of Figures