Gartner

Press Release

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Gartner Says by 2015, 10 Per Cent of Overall IT Security Enterprise Product Capabilities Will Be Delivered in the Cloud

Analysts to Discuss Cloud Security at Gartner Security & Risk Management Summits 2013, 10-13 June in National Harbor, Maryland, and 18-20 September in London

STAMFORD, Conn., 15 April, 2013 — By 2015, 10 per cent of overall IT security enterprise product capabilities will be delivered in the cloud, according to Gartner, Inc. The services are also driving changes in the market landscape, particularly around a number of key security technology areas, such as secure email and secure Web gateways, remote vulnerability assessment, and Identity and Access Management (IAM). Gartner expects the cloud-based security services market to reach $4.2 billion by 2016.

"Demand remains high from buyers looking to cloud-based security services to address a lack of staff or skills, reduce costs, or comply with security regulations quickly," said Eric Ahlm, research director at Gartner. "This shift in buying behaviour from the more traditional on-premises equipment toward cloud-based delivery models offers good opportunities for technology and service providers with cloud delivery capabilities, but those without such capabilities need to act quickly to adapt to this competitive threat."

A January 2013 Gartner survey on security spending shows high demand from security buyers for cloud-based security service offerings. Security buyers from the US and Europe, representing a cross section of industries and company sizes, stated that they plan to increase the consumption of several common cloud services during the next 12 months. The highest-consumed cloud-based security service is email security services, with 74 per cent of respondents rating this as the top service.

Furthermore, 27 per cent of the respondents indicated they were considering deploying tokenisation as a cloud service. Gartner believes regulatory compliance measures to comply with the Payment Card Industry Data Security Standard (PCI DSS), for example, are driving much of the growth of interest in tokenisation as a service. As a service, tokenisation allows security buyers to avoid having to house personally identifiable information (PII) or other confidential information. The service allows organisations to remove tokenised systems from being considered "in scope" for PCI compliance, thus removing the burden of regulating the environment.

Another area that is likely to experience high growth is security information and event management (SIEM) as a service. Much of the interest is attributed to regulatory compliance concerns and security buyers' need to reduce costs in the area of log management, compliance reporting and security event monitoring. However, many customers in the enterprise segment will remain cautious about sending sensitive log information to cloud services, and this will continue to be an important aspect for security-as-a-service providers to address.

"The overall customer demand for numerous cloud security services presents an opportunity for creating or partnering with cloud services brokers," said Mr Ahlm. "The customer demand for a brokerage becomes apparent as organisations move more assets to the cloud and require multiple security services to span multiple clouds and/or mixtures of clouds and on-premises."

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Gartner is advising value-added resellers (VARs) to supplement product implementations with cloud-based alternatives that offer large customers reduced operational cost and thereby increase the likelihood of customer retention in this market segment. VARs that fail to offer cloud-based alternatives might experience a decline in implementation revenue from customers seeking cloud-based solutions in certain market segments.

Ease of deployment and relief from technology maintenance offer buyers of cloud-based controls direct cost savings. Based on the value that cloud security brings, security buyers may purchase less hardware or software and require fewer implementation services. They can budget through operating expenditure, rather than through capital expenditure. In addition, cloud-based controls can provide more-current protection, sometimes avoiding complex and costly upgrades.

"The value that cloud services bring to security buyers is measurable in terms of capital and operational cost reduction," said Mr Ahlm. "Security providers that currently offer only a hardware/software-based solution requiring implementation should build product road maps that allow customers to move to the cloud at their pace."

More detailed analysis is available in the report "Demand for Cloud-Based Offerings Impacts Security Service Spending". The report is available on Gartner's website at http://www.gartner.com/resId=2408215.

Gartner analysts will take a deeper look at the outlook for security solutions at the Gartner Security & Risk Management Summit taking place 10-13 June in National Harbor, Maryland and 18-20 September in London, UK. More information on the US event can be found at www.gartner.com/us/security. Details on the UK event are at http://www.gartner.com/technology/summits/emea/security/.

Members of the media can register for press passes to the Summits by contacting christy.pettey@gartner.com (US), or laurence.goasduff@gartner.com (UK).

Information from the Gartner Security & Risk Management Summits 2013 will be shared on Twitter at http://twitter.com/Gartner_inc using #GartnerSEC.

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