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E-mail Security Market, 2010-2014

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SCOPE

This study provides an analysis of the E-mail Security market in 2010 and its potential growth over the next four years. It provides a detailed analysis of worldwide market trends, spam and virus figures, market size and growth forecasts, market share by vendor, vendor products and strategies, and more.

This report looks only at products and services targeted to business organizations rather than consumers. Business organizations include government and educational institutions.

This report does not focus on e-mail security solutions at the desktop, which tend to be deployed primarily by consumers.

While many vendors in this market offer suite solutions that may include archiving, encryption, and other features, installed base and revenue numbers in this study do not include these additional services.

All market numbers, such as market size, forecasts, installed base, and any financial information presented in this study represent worldwide figures, unless otherwise indicated. All pricing numbers are expressed in \$USD.

METHODOLOGY

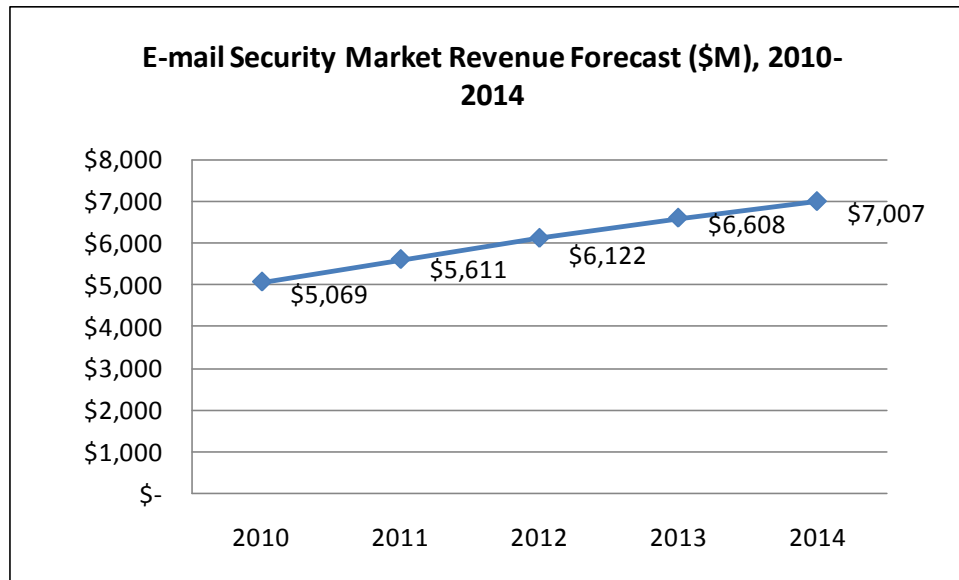
The information and analysis in this report is based on primary research conducted by The Radicati Group, Inc. It consists of information collected from vendors, and users within global corporations via interviews and surveys.

Secondary research sources have also been used, where appropriate, to cross-check the information collected. These include company annual reports and market size information from various market segments of the computer industry.

EXECUTIVE SUMMARY

- E-mail security is defined as any software, appliance, hosted, or hybrid service that protects organizations against e-mail related threats by filtering out e-mail junk and malicious messages. Some of the major threats that e-mail security solutions are designed to protect against include: spam, viruses, directory harvest attacks and denial of service attacks.
- Besides malware and spam, many organizations are also concerned about the security of data travelling over their electronic channels. As a result, over the past two years, vendors and service providers have added two key capabilities to their security suites: content filtering and Data Loss Prevention (DLP). These help organizations control, document and manage potential loss of sensitive information.
- Despite the improvements in anti-spam technology, about 18% of e-mail delivered to user inboxes is still spam, and this is expected to grow to 19% by 2014.
- Organizations poorly protected against e-mail threats pay a high price, losing millions of dollars in extra IT costs, productivity costs, network downtime, bandwidth costs, and more.
 - According to our research, a typical 1,000-user organization spends over \$3.2 million annually to manage spam, and about \$150,000 to manage virus attacks.
- This study looks at the e-mail security market as comprising four segments: E-mail Security Software, E-mail Security Appliances, Hosted E-mail Security Services, and E-mail Security for Service Providers products and services.

- E-mail security appliances is the fastest growing segment of the e-mail security market. While a few years ago appliances were mostly deployed by small and mid-size organizations, today they are designed for companies of all sizes, handling thousands of users, and offering flexible architectures.
- Hybrid solutions continue to be a hot topic, however we haven't yet seen many actual deployments. Hybrid solutions are designed to offer stronger protection against malicious content by combining an outsourced service with an in-house solution. The idea is to filter out all the obvious junk and malicious messages before they even reach a company's gateway, and do a more granular scanning of content on-premises. We do expect to see more deployments once the prices come down, and solutions are offered more or less "out of the box."
- A new anti-spam trend that is gaining popularity is filtering outgoing messages, rather than focusing only on incoming e-mails. Today, close to 90% of all spam is distributed via botnets, using compromised machines of unsuspecting organizations. The new outbound anti-spam solutions are designed to quickly block outbound e-mail and Web spam, as well as identify the spam source.
- In terms of viruses, we are definitely seeing a rise in blended attacks. To bypass e-mail virus filters, malware writers send an e-mail that contains a link to an infected website. Traditional e-mail virus filters are often incapable of blocking these messages, as the message itself is not infected. Over the past 12 months, the majority of top security vendors have added capabilities to offer protection against blended attacks. Usually, these are vendors who are also active in the Web security space.
- While Data Loss Prevention (DLP) capabilities today seem to be available with most security solutions, customers shouldn't expect anything overly sophisticated. Most are home-grown add-ons, providing only basic protection by blocking specific applications from being used and lexical content filtering, rather than offering deep content inspection. For full DLP protection, organizations still need to deploy a full-feature DLP solution (from such vendors as *Code Green*, *Fidelis Security Systems*, etc.) on top of their e-mail security suite.
- Revenue in the e-mail security market for all four segments we analyze in depth in this report (Software, Appliances, Hosted Services, and E-mail Security for Service Providers) is forecasted to grow from over \$5 billion in 2010, to over \$7 billion in 2014.



E-mail Security Market Revenue Forecast, 2010 - 2014

***To view the complete Table of Contents for this report,
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