

# Security Appliances: Trends and Spending Plans

## Executive Summary

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Security appliances continue to be a popular means to protect organizations from a variety of network-borne threats. Historically, the security appliance market has been dominated by firewall/VPN products. However, these standalone appliances are quickly being subsumed by appliances that combine multiple security functions in a single box.

In addition to dedicated security appliances, more security functions are being embedded into traditional networking equipment. Also, new equipment categories are emerging that will enable carriers and Managed Security Service Providers (MSSPs) to provide security services via network- or premise-based equipment. In-Stat anticipates that managed network services, including security functions, will impact shipments of security appliance, once mass cost reduction makes it a compelling offering.

To discover trends in product usage and plans for future purchases in the security appliance market, In-Stat conducted an end-user survey in April 2006.

Key findings include:

- 51.9% plan to purchase security appliance to replace out-of-date equipment, as compared to 22.1% in 2004.
- Less than 10% of the respondents in companies with less than 100 employees have deployed integrated security appliances.
- IPSs are increasingly become distributed at critical segments instead of concentrated at network perimeters. Only 44% are using IPS technology inline at the perimeter; as compared to 74% in 2004.
- By a high percentage, reliability is the most important criteria for the purchase of new security appliance products.

The security appliance market is poised for steady growth during the forecast period, reaching \$5.4 billion by 2010, as shown in Figure 1.

**Figure 1. Security Appliance Forecast**

