

# Executive Summary

Security appliances are an integral part of the noisy and crowded network security market. Two trends are starting to impact this market: the integration of security into underlying equipment and infrastructure; and the anticipated adoption of managed security services to reduce cost and complexity.

To discover what businesses are currently deploying and planning to purchase, In-Stat conducted an end-user survey in March 2007. Key findings include:

- Deployments of integrated security appliances in small companies grew from 9.7% in 2005 to 30.5% in 2006.
- 20% of the respondents from mid-sized companies report managing security appliances with physical or site security.
- Companies that manage voice and data networks together have a shorter replacement cycle than companies that manage data networks separately.

The overall security appliance market is poised for steady growth during the forecast period, reaching over \$5.5 billion by 2011, as shown in Figure 1.

### HIGHLIGHTS

- 2006 saw unprecedented consolidation in the network security market.
- Infrastructure vendors are aiming to provide end-to-end security functionality across platforms.
- There is still opportunity for security specialists to provide strategic, gap-filling technologies.

**Figure 1. Worldwide Security Appliance Forecast 2006–2011**

