

Endpoint security up 4% in Q2 2018 as new vendors gain share

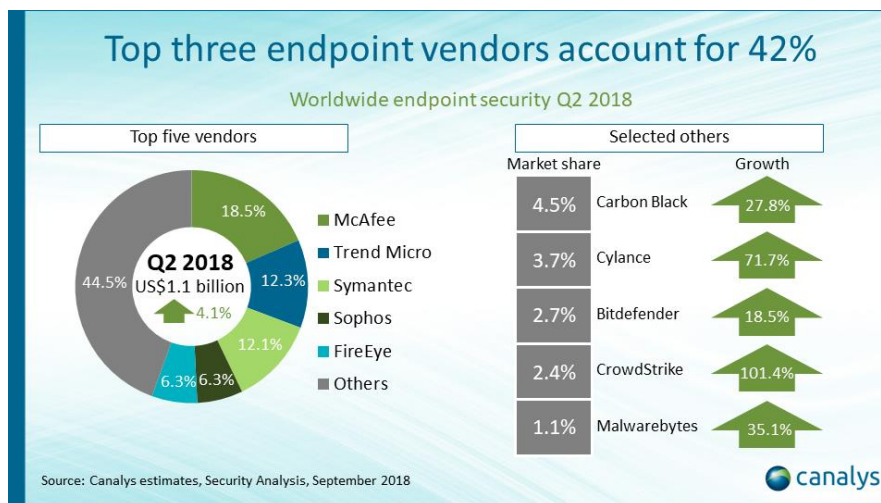
Palo Alto, Shanghai, Singapore and Reading (UK) – Monday, 17 September 2018



Endpoint #security increases 4% in Q2 018, as a wave of new vendors gain share - via @Canalys <https://tinyurl.com/y9jddsh8>

Canalys estimates show the [global enterprise endpoint security market grew 4.2% in the second quarter of 2018](#). Overall, total investment reached US\$1.2 billion. Most investment is still focused on protecting PCs, but virtual and physical servers, as well as cloud workloads and

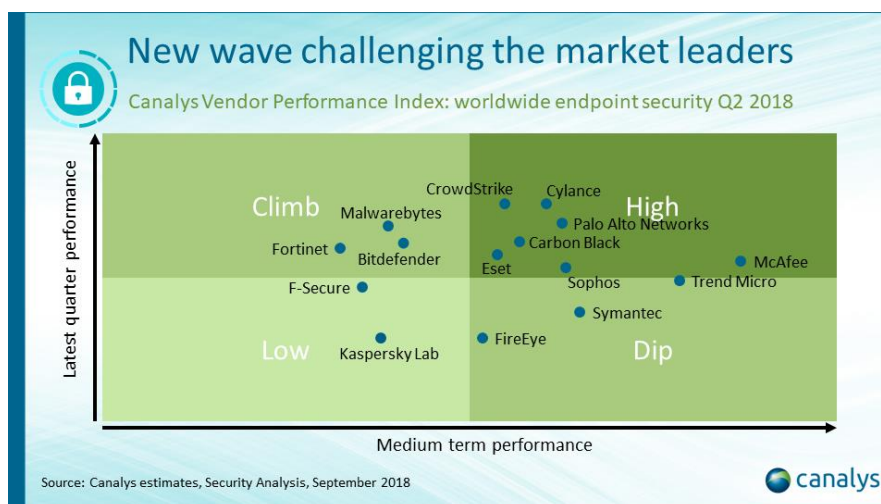
IoT are presenting new growth opportunities. Competition is intensifying, but also fragmenting, as a new wave of vendors, including Bitdefender, Carbon Black, CrowdStrike, Cylance and Malwarebytes, challenges the dominance of the big three: McAfee, Symantec and Trend Micro.



Endpoint security has evolved from basic signature-based malware scanning, detection and blocking to more advanced capabilities incorporating machine learning, behavioral analytics, real-time forensics, sandboxing for application isolation and APIs for integration into a customer's security operations. "It remains a critical sensor in providing vendors with a view of the complex threat landscape," said Alex Smith, Senior Director, Channels at Canalys. "The large number of vendors that have emerged over the last five years has driven innovation in key areas, especially

around machine learning. Most have developed cloud-based management systems, allowing for a single lightweight agent to be deployed across any device, as well as physical and virtual servers. This allows for less complex deployment and, crucially, simpler ongoing management.”

In Q2 2018, McAfee, Symantec and Trend Micro accounted for 41.7% of the worldwide endpoint security market, down from 44.7% last year. McAfee remained the market leader, growing 3.6% to account for 18.0%. Trend Micro moved into second place with 11.9%. Symantec was down 12.8% due to longer than expected sales cycles in large complex multi-product deals. Its share fell 11.8%. Endpoint security is an increasingly crowded market, with over 50 active vendors vying for customer attention and investment, and each with specific strengths and weaknesses. CrowdStrike was the fastest growing of the new wave of vendors, up over 100%, followed by Cylance, which grew 71.4%. Malwarebytes grew 35.1%, albeit from a small base, while Carbon Black increased 27.8%.



“The challenge for the big three is to ensure customers are up to date and on the latest versions of their endpoint security software to ensure feature parity with the newer vendors,” said Matthew Ball, Principal Analyst at Canalys. “Each has comprehensive portfolios that have largely kept pace with innovation in the sector through internal development and acquisitions. But the challenge is to drive partners to migrate customers to reduce the threat of competitive displacement,” Ball added. “But displacement of the incumbents will only be done by using the reach, skills and customer engagement of the channel. Many of the newer vendors have not figured out how to run and automate the processes needed to drive their indirect business at scale.”

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