FROST RADAR™:
GLOBAL WEB SECURITY
MARKET, 2020

BENCHMARKING FUTURE
GROWTH POTENTIAL

GLOBAL INFORMATION AND
COMMUNICATIONS
TECHNOLOGIES RESEARCH
TEAM AT FROST & SULLIVAN

MEFE-74
2020
STRATEGIC IMPERATIVE AND GROWTH ENVIRONMENT
Web security solutions are a major component of organizations' cyber defense. Their use cases range from phishing prevention to blocking undesirable web content, which makes them critical for organizations of any size in any industry vertical. The nearly universal demand for web security solutions represents a phenomenal market opportunity.

The most significant trend in the web security market is cloud migration. Enterprises are eager to transition to cloud-delivered solutions to reduce the cost and complexity of their digital defense. Cloud-based solutions allow organizations to seamlessly extend protection to mobile users and employees working from home, which has proven to be essential during the COVID-19 pandemic.

The 2020 outbreak of COVID-19 has set in motion a disruption of business practices across the world. The rapid adoption of work-from-home policies has made many organizations vulnerable to attacks and presented a lucrative opportunity for hackers. The pandemic unleashed a spike in phishing attacks that caught many organizations off-guard.

Organizations are increasingly looking for integrated solutions that enable them to optimize operations while gaining stronger, comprehensive security. Demand is growing for integrated web, CASB, and DLP technologies.

Frost & Sullivan predicts that vendors able to leverage the cloud migration trend, the demand for comprehensive security solutions, as well as the integration of CASB and DLP technologies with web security products will gain a frontrunner market position.

CASB = cloud access security broker
DLP = data loss prevention
Source: Frost & Sullivan
THE GROWTH ENVIRONMENT

• An escalating number of cyberattacks, the growing volume of web traffic, cloud migration, and the bring your own device (BYOD) trend are driving growth of the web security market. Traffic encryption is contributing to market growth because it requires ever-growing resources to inspect incoming data for potential malware.

• The global web security market has demonstrated strong growth for several years in response to the rise of malicious activity. Scams, fraud, ransomware, and targeted attacks still drive demand for web security solutions as cybercriminals have been deploying more sophisticated attack methods. Hackers have evolved their impersonation techniques and begun to leverage social media for social engineering campaigns.

• The increasing number of mobile and remote workers has led to growing demand for cloud-delivered web security services and additional controls for cloud applications.

• As a result, the global web security market accounted for $2.96 billion in 2019, a 12.1% increase from the previous year. In 2018, the market reached $2.64 billion, growing 11.9% over 2017.

• The global web security market is predicted to reach $4.17 billion by 2023, representing a CAGR (2018 to 2023) of 9.6%. Frost & Sullivan foresees slower growth in the upcoming years as companies deploy current purchases, and the competition is likely to lower average selling prices.

Source: Frost & Sullivan
FROST RADAR™

GLOBAL WEB SECURITY MARKET
In a field of more than 30 global industry participants, Frost & Sullivan independently plotted the **top 15** companies in this Frost Radar™ analysis. Parameters assessed in the analysis included:

- Innovation Scalability
- Research and Development
- Product Portfolio
- Mega Trends Leverage
- Customer Alignment
- Growth Pipeline
- Vision and Strategy
- Sales and Marketing

Frost & Sullivan studies related to this independent analysis:
- Global Web Security Market, Forecast to 2023

Source: Frost & Sullivan
COMPANIES TO ACTION
COMPANIES TO BE CONSIDERED FIRST FOR INVESTMENT, PARTNERSHIPS, OR BENCHMARKING
Fortinet exhibits one of the highest growth rates in the market.

The successful implementation of Fortinet’s vision, which is to deliver an integrated security infrastructure to its clients, was instrumental in increasing its market share. The company’s web security solution is integrated into the Fortinet Security Fabric.

Overall, Fortinet’s ability to leverage both the industry convergence trend as well as the cloud migration trend account for its success in this market segment.

Fortinet’s commitment to innovation is reflected in its continuous investment in product development. The company has 641 global patents.

Fortinet’s web security solution is powered by FortiGuard Labs, a leading research and analyst team that brings together human expertise, machine learning, and AI capabilities to tackle the cybersecurity challenges of tomorrow.

FortiGuard Labs employ more than 215 experts. FortiGuard Labs is part of an integrated threat intelligence community comprised of more than 200 members.

In light of the increasing expectation of CISOs to use a unified solution, Frost & Sullivan recommends Fortinet further leverage the Fortinet Security Fabric to increase its market share in the web security segment.

With phishing attacks being one of the greatest challenges that enterprises are facing today, Fortinet should build on its network expertise to pioneer new approaches to web security.

The company will benefit from investing further in innovation, acquisitions, and research and development initiatives to maintain a competitive edge.

Source: Frost & Sullivan
The industry convergence trend, along with the growing expectation of customers to use integrated solutions that can be managed from a single console, is likely to benefit vendors that continuously expand their product portfolio as a result of successful NPD initiatives, as well as acquisitions and partnerships with other security companies.

Vendors must ensure that their web security solution is powered by real-time and historical threat intelligence. Companies that can collect and operationalize large volumes of threat data are better positioned to protect their customers.

Cloud migration is one of the major trends that is reshaping the web security market. Vendors that are prioritizing cloud-based and hybrid solutions are likely remain at the forefront of innovation. A vendor’s ability to identify previously unknown threats is likely to become a key differentiator for the most successful web security solutions.

Source: Frost & Sullivan
IMPACTS ON KEY INDUSTRY PARTICIPANTS
SIGNIFICANCE OF BEING ON THE FROST RADAR™

Companies plotted on the Frost Radar™ are the leaders in the industry for growth, innovation, or both. They are instrumental in advancing the industry into the future.

GROWTH POTENTIAL
Your organization has significant future growth potential, which makes it a Company to Action.

BEST PRACTICES
Your organization is well positioned to shape Growth Pipeline™ best practices in your industry.

COMPETITIVE INTENSITY
Your organization is one of the key drivers of competitive intensity in the growth environment.

CUSTOMER VALUE
Your organization has demonstrated the ability to significantly enhance its customer value proposition.

PARTNER POTENTIAL
Your organization is top of mind for customers, investors, value chain partners, and future talent as a significant value provider.

Source: Frost & Sullivan
FROST RADAR™ EMPOWERS THE CEO’S GROWTH TEAM

**STRATEGIC IMPERATIVE**

- Growth is increasingly difficult to achieve.
- Competitive intensity is high.
- More collaboration, teamwork, and focus are needed.
- The growth environment is complex.

**LEVERAGING THE FROST RADAR™**

- The Growth Team has the tools needed to foster a collaborative environment among the entire management team to drive best practices.
- The Growth Team has a measurement platform to assess future growth potential.
- The Growth Team has the ability to support the CEO with a powerful Growth Pipeline™.

**NEXT STEPS**

- Growth Pipeline Audit™
- Growth Pipeline™ Experience
- Growth Pipeline™ Dialogue with Team Frost

Source: Frost & Sullivan
FROST RADAR™ EMPOWERS INVESTORS

**STRATEGIC IMPERATIVE**

- Deal flow is low and competition is high.
- Due diligence is hampered by industry complexity.
- Portfolio management is not effective.

**LEVERAGING THE FROST RADAR™**

- Investors can focus on future growth potential by creating a powerful pipeline of Companies to Action for high-potential investments.
- Investors can perform due diligence that improves accuracy and accelerates the deal process.
- Investors can realize the maximum internal rate of return and ensure long-term success for shareholders.
- Investors can continually benchmark performance with best practices for optimal portfolio management.

**NEXT STEPS**

- Growth Pipeline™ Dialogue
- Opportunity Universe Workshop
- Growth Pipeline Audit™ as Mandated Due Diligence

Source: Frost & Sullivan
FROST RADAR™ EMPOWERS CUSTOMERS

STRATEGIC IMPERATIVE

• Solutions are increasingly complex and have long-term implications.
• Vendor solutions can be confusing.
• Vendor volatility adds to the uncertainty.

LEVERAGING THE FROST RADAR™

• Customers have an analytical framework to benchmark potential vendors and identify partners that will provide powerful, long-term solutions.
• Customers can evaluate the most innovative solutions and understand how different solutions would meet their needs.
• Customers gain a long-term perspective on vendor partnerships.

NEXT STEPS

• Growth Pipeline™ Dialogue
• Growth Pipeline™ Diagnostic
• Frost Radar™ Benchmarking System

Source: Frost & Sullivan
FROST RADAR™ EMPOWERS THE BOARD OF DIRECTORS

**STRATEGIC IMPERATIVE**

- Growth is increasingly difficult; CEOs require guidance.
- The Growth Environment requires complex navigational skills.
- The customer value chain is changing.

**LEVERAGING THE FROST RADAR™**

- The Board of Directors has a unique measurement system to ensure oversight of the company’s long-term success.
- The Board of Directors has a discussion platform that centers on the driving issues, benchmarks, and best practices that will protect shareholder investment.
- The Board of Directors can ensure skillful mentoring, support, and governance of the CEO to maximize future growth potential.

**NEXT STEPS**

- Growth Pipeline Audit™
- Join Growth Pipeline as a Service™

Source: Frost & Sullivan
FROST RADAR™: BENCHMARKING FUTURE GROWTH POTENTIAL
2 MAJOR INDICES, 10 ANALYTICAL INGREDIENTS, 1 PLATFORM

GROWTH INDEX ELEMENTS

**VERTICAL AXIS**

Growth Index (GI) is a measure of a company’s growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline system; and effective market, competitor, and end-user focused sales and marketing strategies.

- **GI1: MARKET SHARE (PREVIOUS 3 YEARS)**
  This is a comparison of a company’s market share relative to its competitors in a given market space for the previous 3 years.

- **GI2: REVENUE GROWTH (PREVIOUS 3 YEARS)**
  This is a look at a company’s revenue growth rate for the previous 3 years in the market/industry/category that forms the context for the given Frost Radar™.

- **GI3: GROWTH PIPELINE**
  This is an evaluation of the strength and leverage of a company’s growth pipeline system to continuously capture, analyze, and prioritize its universe of growth opportunities.

- **GI4: VISION AND STRATEGY**
  This is an assessment of how well a company’s growth strategy is aligned with its vision. Are the investments that a company is making in new products and markets consistent with the stated vision?

- **GI5: SALES AND MARKETING**
  This is a measure of the effectiveness of a company’s sales and marketing efforts in helping it drive demand and achieve its growth objectives.

Source: Frost & Sullivan
INNOVATION INDEX ELEMENTS

- **II1: INNOVATION SCALABILITY**
  This determines whether an organization’s innovations are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.

- **II2: RESEARCH AND DEVELOPMENT**
  This is a measure of the efficacy of a company’s R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.

- **II3: PRODUCT PORTFOLIO**
  This is a measure of a company’s product portfolio, focusing on the relative contribution of new products to its annual revenue.

- **II4: MEGA TRENDS LEVERAGE**
  This is an assessment of a company’s proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline. An explanation of Mega Trends can be found [here](#).

- **II5: CUSTOMER ALIGNMENT**
  This evaluates the applicability of a company’s products/services/solutions to current and potential customers, as well as how its innovation strategy is influenced by evolving customer needs.

**HORIZONTAL AXIS**

Innovation Index (II) is a measure of a company’s ability to develop products/services/solutions (with a clear understanding of disruptive Mega Trends) that are globally applicable, are able to evolve and expand to serve multiple markets, and are aligned to customers’ changing needs.

Source: Frost & Sullivan
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Frost & Sullivan
3211 Scott Blvd., Suite 203
Santa Clara, CA 95054