# Cybersecurity Services State of the Market 2023: Cyber Secure to Cyber Resilient

June 2023: Complimentary Abstract / Table of Contents

EGR-2023-65-CA-5994

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# Background of the research

The 2023 State of the Market (SOTM) report on cybersecurity services provides a detailed analysis, highlighting the critical shift from cyber awareness to cyber resilience. While cyber awareness entails understanding the threats and vulnerabilities inherent in digital infrastructures, cyber resilience implies a more dynamic approach. It signifies the ability of an organization to prepare, respond, and recover from cyber threats, and even goes beyond to how well organizations can learn from their industry and geography peers and stay abreast with security implications of latest technologies.

The SOTM report delves deeper into how the C-suite fails to understand that being cyber secure implies having protective measures against potential threats but does not necessarily ensure resilience. The SOTM discusses this noticeable perception gap within the C-suite executives. While many understand the technicalities of cyber threats, the broader concept of resilience is often misunderstood or underestimated. This gap can hinder the implementation of effective strategies, hence, addressing it is paramount.

To fill this gap and promote cyber resilience, we have created the 5R Framework for cyber resilience. This framework will guide organizations on their journey to resilience, outlining key steps from resisting attacks to learning from them. Service providers too will have a crucial role to play in overcoming challenges in cyber resilience adoption and help the C-suite understand its importance, thereby fostering a more resilient digital ecosystem.
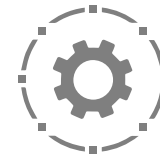
**Scope of this report**

**Geography**
Global

**Industry**
All industries

**Services**
Cybersecurity

# Overview and abbreviated summary of key messages

The cybersecurity services state of the market report analyzes the global cybersecurity services market, focusing specifically on North America and Europe. The report highlights key insights into cybersecurity market's size, growth, and challenges.

The report emphasizes the key difference between cybersecurity and cyber resilience, treating them as separate paradigms, and highlighting the significance of transitioning toward a more resilient security posture. It introduces the **5R Framework**, to facilitate the adoption of cyber resilience by enterprises and C-suite leaders, and to provide guidance to providers in enabling this adoption.

**The report presents several key findings, including:**

**Overall market**
- The overall size of the cybersecurity services market is projected to reach US$70-73 billion, with a CAGR of 16-18% from 2021-25
- The demand for cybersecurity services is expected to exceed US$100 billion by 2025. North America leads the cybersecurity services market, closely followed by Europe

**North America**
- In North America, the cybersecurity services market is primarily led by the US, driven by digitalization initiatives and proximity to providers
- North American enterprises actively seek providers who can offer bundled cybersecurity solutions with competitive value propositions
- The BFSI sector is the largest consumer of cybersecurity services, followed by retail, distribution, CPG, healthcare, and life sciences

**Europe**
- Western and Northern Europe are the most mature and dominant in terms of consuming cybersecurity services
- In Europe, the BFSI sector is the largest consumer, followed by retail, distribution, CPG, and the public sector
- European enterprises prefer standalone deals due to stricter regulations and compliance norms

**Cyber resilience**
- While enterprises recognize the importance of cybersecurity for business resilience, they often lack comprehensive strategies for overall cyber resilience
- The 5R Framework (Ready, Respond, Recover, Reinforce, and Revamp) facilitates a faster transition from cyber aware to cyber resilient. System Integrators (SIs) need to prioritize outcome-driven pricing models and deliver context-driven RoI for cyber resilience efforts

# This study offers four distinct chapters providing a deep dive into key aspects of cybersecurity services market; below are four charts to illustrate the depth of the report
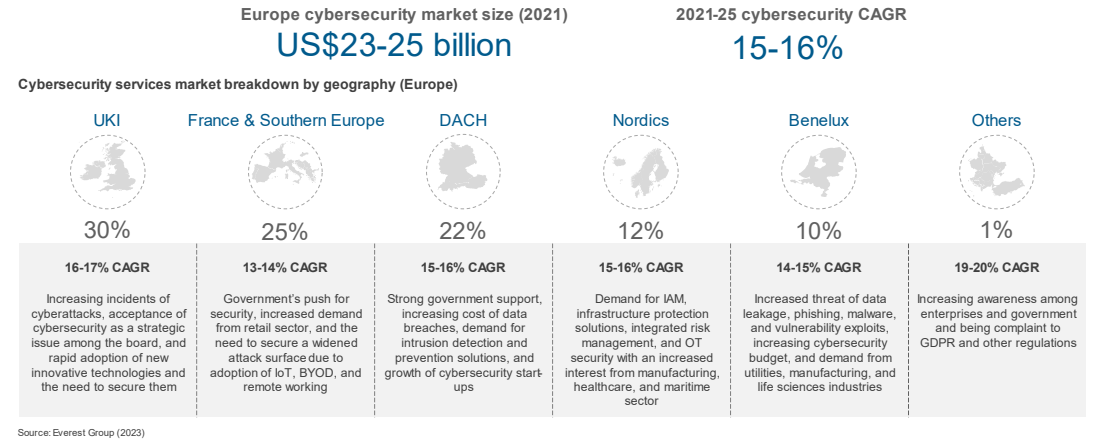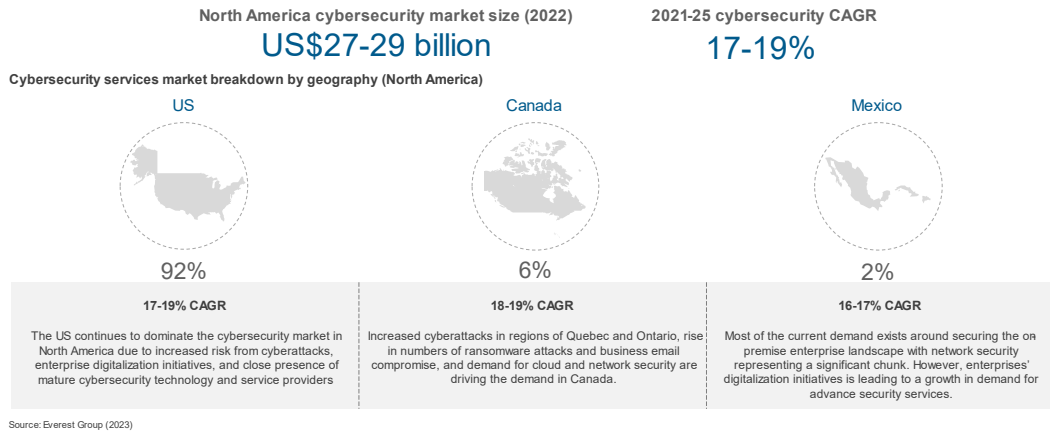
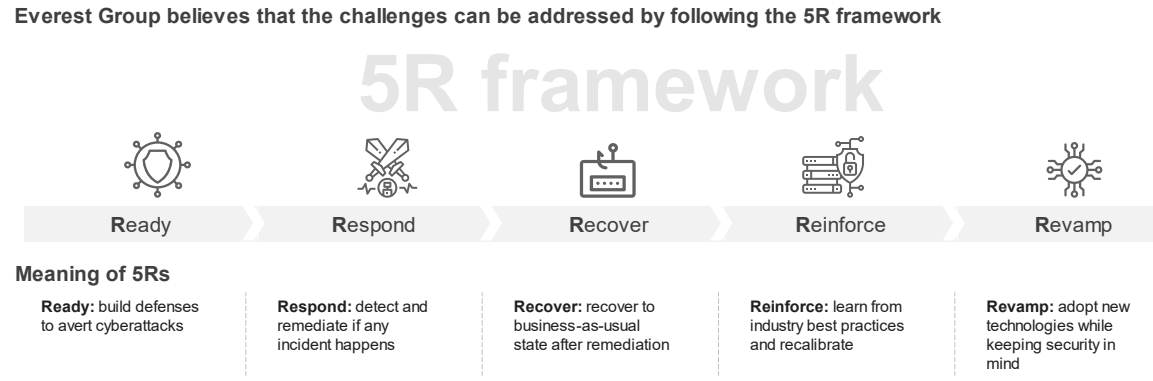## Cybersecurity services market size and growth along with demand drivers

**Global cybersecurity services market size (2022)**
US$70-73 billion

**Cybersecurity services CAGR (2021-25)**
16-18%

**Global cybersecurity services market**
US$ billion

~16-18%

| 2021 | 2022 | 2023 E | 2024 E | 2025 E |
|------|------|--------|--------|--------|
| 60-64 | 69-73 | 78-82 | 93-97 | 110-114 |

Source: Everest Group (2023)

**Cybersecurity demand drivers**

**Increased incidents of cyberattacks and threats**
Multi-fold rise in number and severity of cyberattacks, such as phishing, malware, social engineering, DDoS, and ransomware, making organization realize the importance of having robust security

**Enterprises' digitalization mandates**
Enterprise digitalization initiatives further fueled by the COVID-19 pandemic leading to an increased adoption of cloud, AI/ML, 5G, edge, IoT, and other next-generation technologies resulting in broadening of attack surfaces

**Government initiatives**
Government regulations, support, and enforcement initiatives to reduce the risk associated with cyberattacks, cyber espionage, cyber warfare, and data privacy have led to an increased focus on cybersecurity

**Changing end-user behavior**
Remote working, increased internet penetration, and growth of e-commerce, tele-health, digital payments, and OTT have increased the technology footprint of both individual and enterprise, necessitating taking adequate steps to secure it

## Cybersecurity services Europe market size with growth

**Europe cybersecurity market size (2021)**
US$23-25 billion

**2021-25 cybersecurity CAGR**
15-16%

**Cybersecurity services market breakdown by geography (Europe)**

| UKI | France & Southern Europe | DACH | Nordics | Benelux | Others |
|-----|--------------------------|------|---------|---------|--------|
| 30% | 25% | 22% | 12% | 10% | 1% |
| **16-17% CAGR** | **13-14% CAGR** | **15-16% CAGR** | **15-16% CAGR** | **14-15% CAGR** | **19-20% CAGR** |
| Increasing incidents of cyberattacks, acceptance of cybersecurity as a strategic issue among the board, and rapid adoption of new innovative technologies and the need to secure them | Government's push for security, increased demand from retail sector, and the need to secure a widened attack surface due to adoption of IoT, BYOD, and remote working | Strong government support, increasing cost of data breaches, demand for intrusion detection and prevention solutions, and growth of cybersecurity start-ups | Demand for IAM, infrastructure protection solutions, integrated risk management, and OT security with an increased interest from manufacturing, healthcare, and maritime sector | Increased threat of data leakage, phishing, malware, and vulnerability exploits, increasing cybersecurity budget, and demand from utilities, manufacturing, and life sciences industries | Increasing awareness among enterprises and government and being complaint to GDPR and other regulations |

Source: Everest Group (2023)

## Cybersecurity services North America market size with growth

**North America cybersecurity market size (2022)**
US$27-29 billion

**2021-25 cybersecurity CAGR**
17-19%

**Cybersecurity services market breakdown by geography (North America)**

| US | Canada | Mexico |
|----|--------|--------|
| 92% | 6% | 2% |
| **17-19% CAGR** | **18-19% CAGR** | **16-17% CAGR** |
| The US continues to dominate the cybersecurity market in North America due to increased risk from cyberattacks, enterprise digitalization initiatives, and close presence of mature cybersecurity technology and service providers | Increased cyberattacks in regions of Quebec and Ontario, rise in numbers of ransomware attacks and business email compromise, and demand for cloud and network security are driving the demand in Canada. | Most of the current demand exists around securing the on premise enterprise landscape with network security representing a significant chunk. However, enterprises' digitalization initiatives is leading to a growth in demand for advance security services. |

Source: Everest Group (2023)

## Everest Group's 5R Framework for cyber resilience adoption

**Everest Group believes that the challenges can be addressed by following the 5R framework**

5R framework

| Ready | Respond | Recover | Reinforce | Revamp |

**Meaning of 5Rs**

**Ready:** build defenses to avert cyberattacks

**Respond:** detect and remediate if any incident happens

**Recover:** recover to business-as-usual state after remediation

**Reinforce:** learn from industry best practices and recalibrate

**Revamp:** adopt new technologies while keeping security in mind

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# Research calendar
## Cybersecurity

| Reports title | Release date |
|---|---|
| Managed Detection and Response (MDR) Services PEAK Matrix® Assessment 2023 | December 2022 |
| Managed Detection and Response (MDR) Services Provider Compendium 2023 | February 2023 |
| Cautious Optimism Amid Disruption – 2023 Key Issues, Enterprise IT Perspective | March 2023 |
| Enterprise Pulse for Technology Services 2023: Sharp Decline in Customer Satisfaction | April 2023 |
| Talent Demand Trends \| India IT Services – H2 2022 | May 2023 |
| Cyber without Perimeters: Starting Your Zero-trust Journey with Identity | May 2023 |
| **Cybersecurity Services State of the Market 2023: Cyber Secure to Cyber Resilient** | **June 2023** |
| From Risk Mitigation to ESG Leadership: The Untapped Potential of Managed Detection and Response (MDR) | Q3 2023 |
| Identity and Access Management (IAM) Services PEAK Matrix® Assessment 2023 | Q3 2023 |
| Cloud Security Services PEAK Matrix® Assessment 2023 | Q3 2023 |
| Identity and Access Management Services Provider Compendium 2023 | Q3 2023 |
| Cloud Security Services Compendium 2023 | Q3 2023 |
| Operational Technology (OT) Security Providers PEAK Matrix Assessment | Q3 2023 |
| Network Security and Security at the Edge | Q4 2023 |
| Managed Security Services Specialists PEAK Matrix® Assessment 2023 | Q4 2023 |
| Identity and Access Management (IAM) Tech Provider Report | Q4 2023 |

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