IDC says Growth of Hybrid-Cloud is Driving Increased Security-Related IT Services Spending

SYDNEY, 10th December 2019: Australian IT services revenue is forecasted to grow from approximately AUD$20 billion in 2019 to AUD$24 billion in 2023, according to IDC Australia/ New Zealand's recently released Australian IT services tracker.

Australian security-related IT services revenue is predicted to grow at a five-year compound annual growth rate (CAGR) of 19% to 2023, reaching 20% of total IT services revenue share. In contrast, the Australian non-security IT services market is forecasted to grow at a five-year CAGR of 2% to 2023.

Chayse Gorton, A/NZ market analyst for IT services, says, "The growth in hybrid-cloud adoption is a key driver making Australian organisations aware they must tackle security from a holistic perspective, moving beyond perimeter-based security strategies to data-centric ones."

Gorton adds, "the challenge of attracting and retaining security talent contributes to many organisations outsourcing security operations. However, Australian organisations are evolving from a total security outsourcing strategy towards strategic security sourcing, including co-sourcing for security."

With the business criticality of security and digital trust rising, IDC expects organisations to utilise security vendors for security consulting and professional services. In particular, Australian organisations, as they tend to understand the importance of security by design and trust by design.

Figure 1

Australia IT Services Revenue Forecast, Non-security vs Security-related IT Services 2019-2023
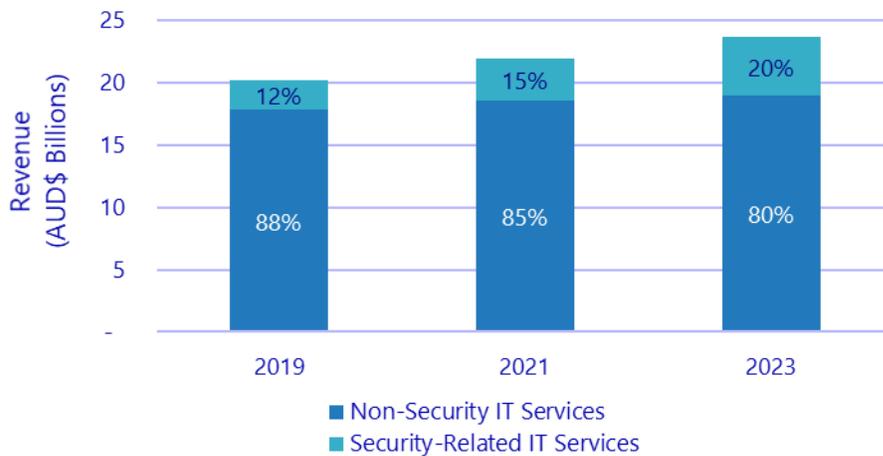
Source: IDC 2019

IDC identifies that security services are amongst the top services organisations expected to adopt from an external services provider in the near-term; matched only by data analytics services.

Recent IDC research indicates Australian organisations are generally satisfied with security services providers. Having said that, "it is important for security services vendors to communicate their differentiators. This includes risk mitigation capabilities, detection capabilities, and responsiveness, as a way to stand out from competitors," says Gorton.

Note:

IDC defines security-related IT services as involving a holistic view of all activities necessary to plan, design, build, enhance, and manage security product environments and operations programs. These can span business processes, application, and IT infrastructure, and are either purchased standalone or embedded with other services. For example, the primary drivers for Australian organisations utilising a third party to manage applications not only relates to reducing cost and improving performance, but also improving application security.

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