

2019 U.S. SMB Cybersecurity Survey Analysis

Bundling Cybersecurity with Broadband

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About the Research

Principal Analyst, Matt Davis is the founder of Independence Research and the author of this report. Matt has 20 years of experience analyzing broadband deployment strategy and service provider competition.

Today's Presentation:

- Deep dive on SMB Cybersecurity preparedness and vendor selection criteria
- Role of Internet service providers as cybersecurity providers
- Cybersecurity bundling opportunities



Survey Methodology: This report highlights survey findings from over 500 SMB decision makers and technology influencers spanning the U.S. marketplace surveyed in late-December 2018.

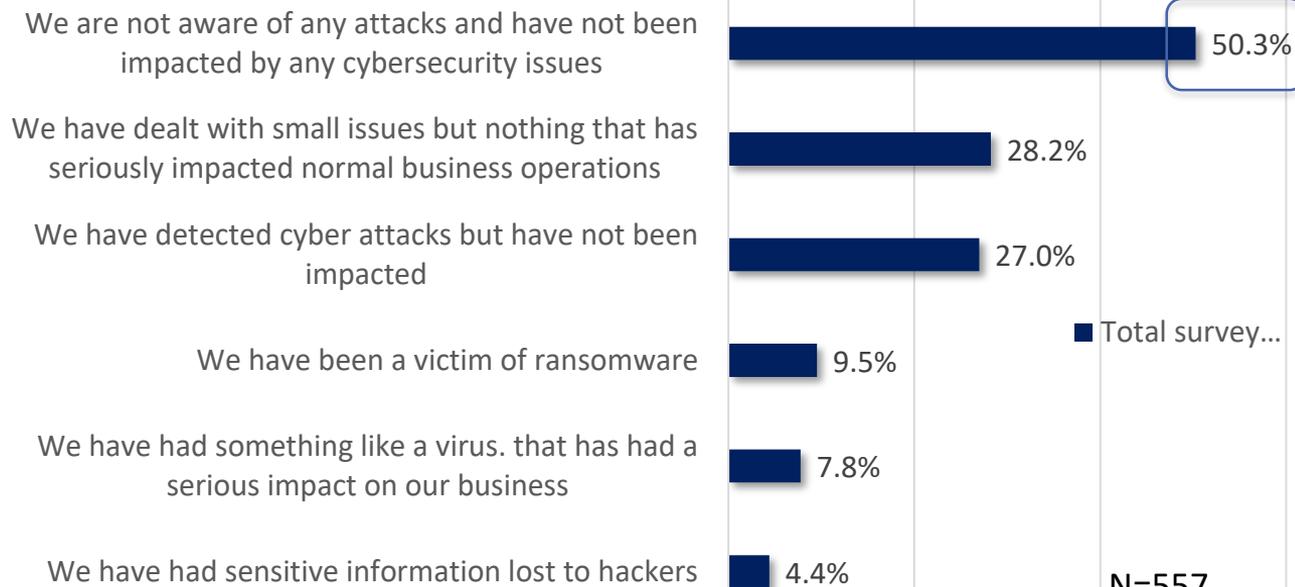
- Over 82% of the respondents were under 100 employees and 90% spend less than \$2000/month on communications related services

SMB cybersecurity experience & threats

Q. What is your company's experience with cyber threat activity over the past year or two? (Select all that apply)

Half of SMB respondents are unaware of any cybersecurity breach activity

- Almost 10% have been a victim of ransomware



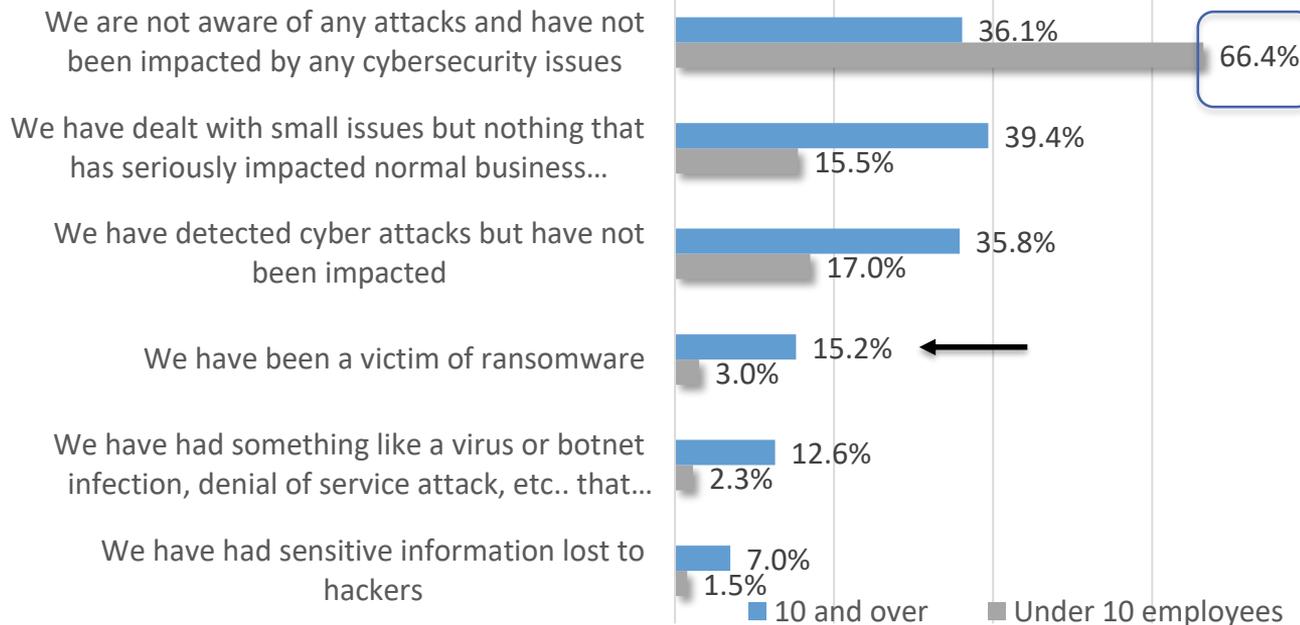
Cybersecurity experience and threats – By company size

Q. Cybersecurity is among the top tech challenges for small businesses - which of the following best describes your company's approach to online security?

66% of very small businesses are either relatively safe or blissfully unaware

15% ransomware impact for larger SMBs is startling

Cyberattacks



N=263 (Under 10)

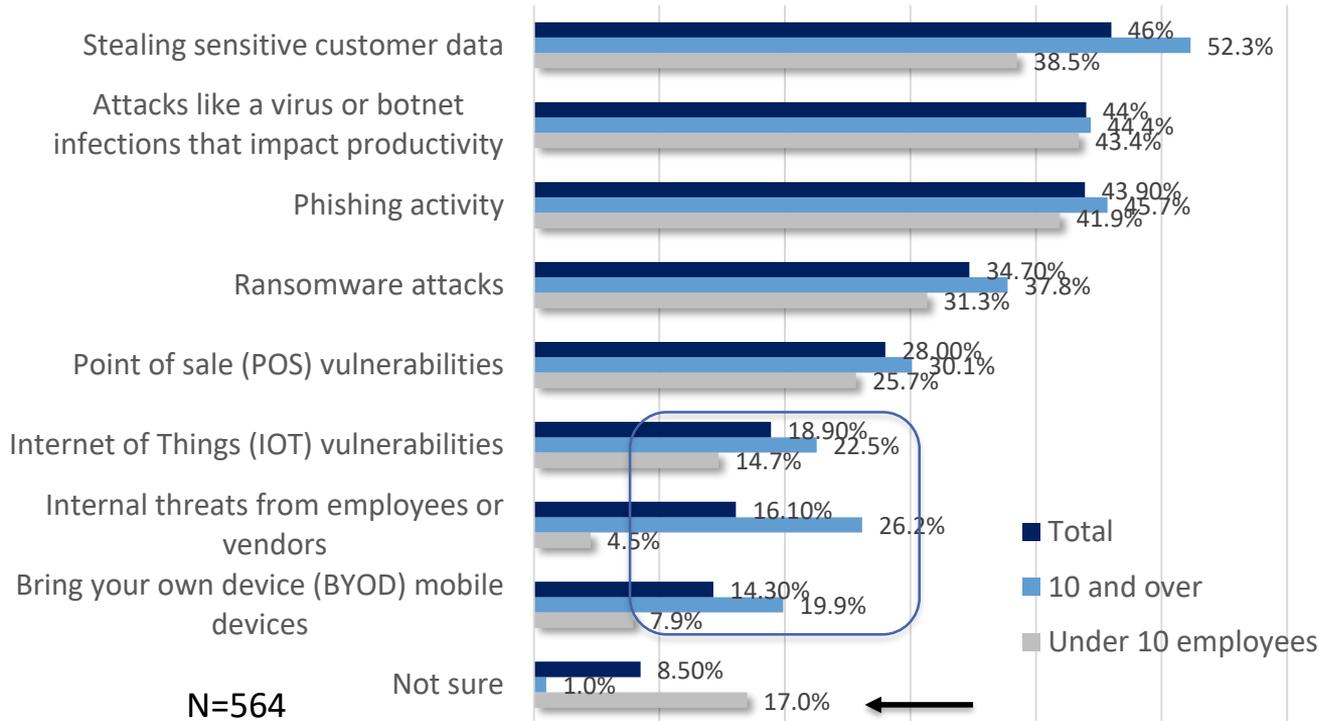
N= 302 (10 and over)

Top SMB Cyber-threat concerns

Q. What are the top cybersecurity threats you think are the biggest concerns for your company? (All that apply)

While some threats cause similar concern to all small businesses, mobile/IOT is much more of an issue for larger SMBs

Very small businesses reveal they need guidance (17% not sure)



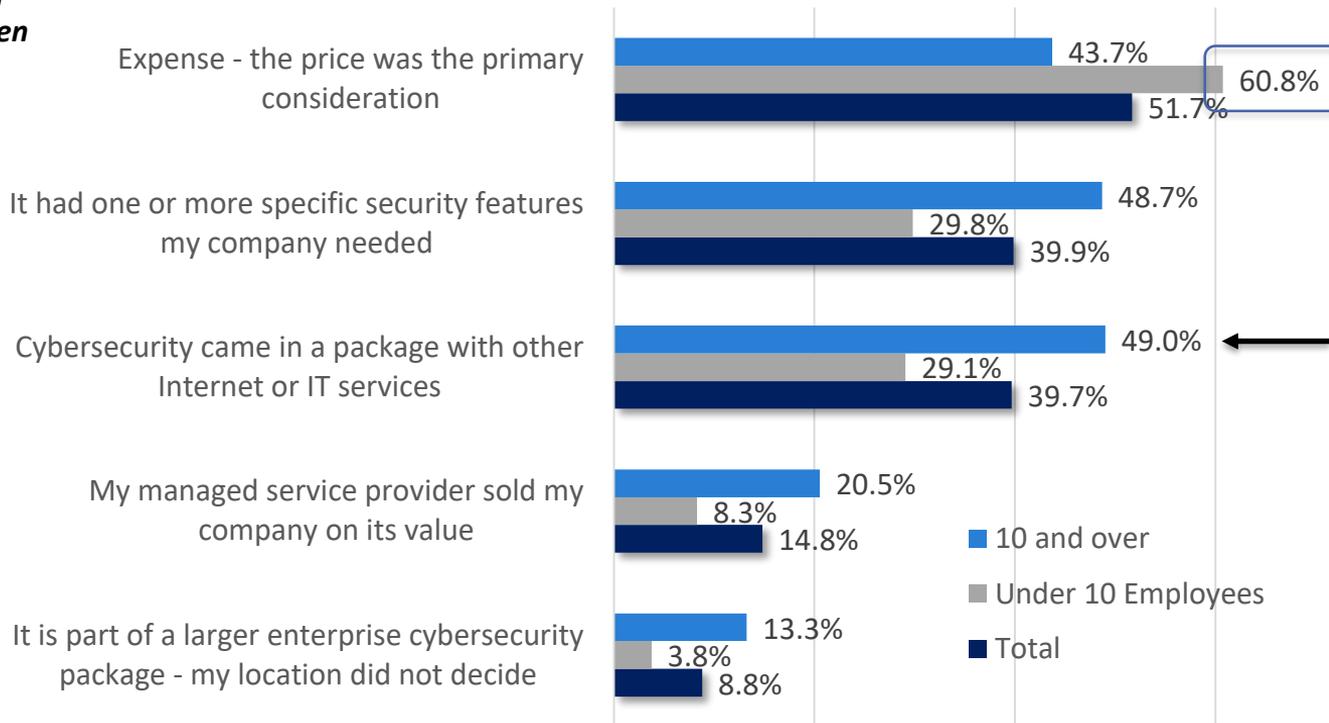
Cybersecurity services selection criteria

Q. When considering which cybersecurity solution to use - which of the following considerations are most important when making a decision?

Price sensitivity is very high with the smallest companies

Bundling is one of the keys to appealing to larger SMBs

N=556



Bundling cybersecurity with broadband

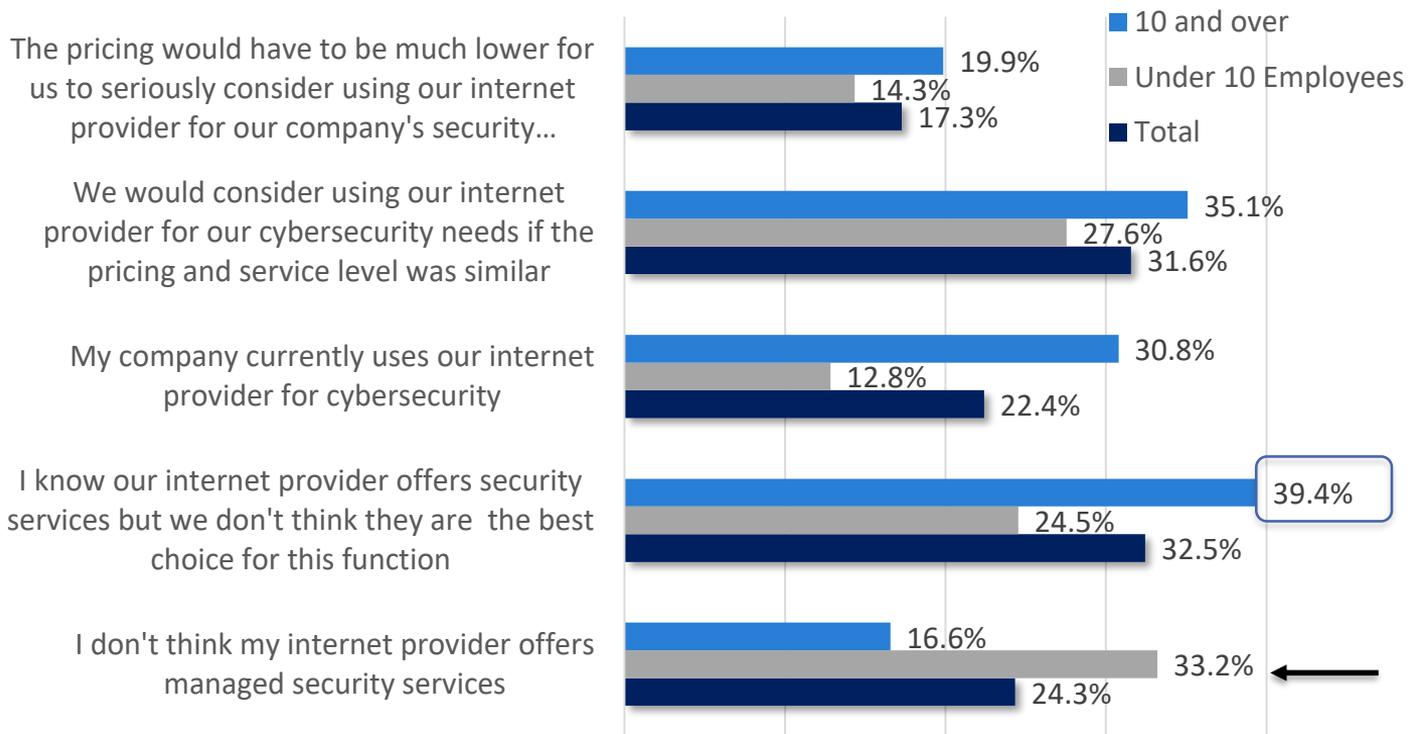
Considering ISPs for Cybersecurity

Q. What is your company's position on using your internet service provider to provide/managed cybersecurity for your business?

Lack of awareness is a hurdle when selling to smaller businesses

– those with 10+ employees are more aware – but need to be convinced

N=551

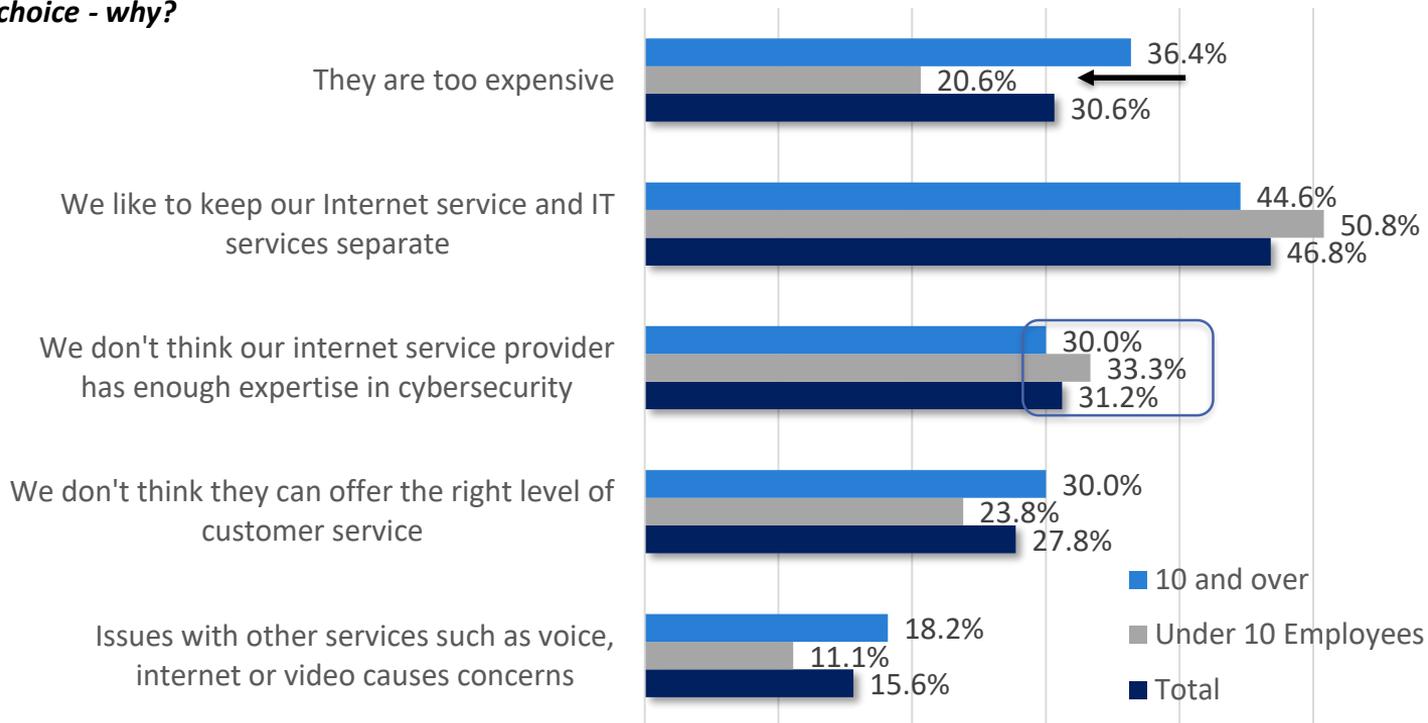


Why not your ISP?

Q. You indicated that you know your Internet provider offers additional cybersecurity services but they are not the best choice - why?

Proving expertise is a key issue for all sizes of SMBs

Pricing is less of a concern for smaller businesses



Under 10 employees N=63, 10 & over N=110

Key Findings – Cybersecurity insights



- Cyberthreat awareness is particularly low for businesses with less than 10 employees (66% indicate they have not had any form of cyberattack)
- 25% of very small businesses admit to having a very basic cybersecurity protection package
- Mobile-oriented vulnerabilities such as IOT and BYOD scored very low when SMBs ranked their security concerns
- Anti-malware technology is the top product for both the smallest and larger SMBs
- 15% of larger SMBs report being a victim of malware – yet only 32% invest in cybersecurity insurance
- Price sensitivity is the #1 concern when very small business considers cybersecurity vendor selection – ***bundling cybersecurity with other services is one of the top drivers for larger SMBs***

***For full survey results and source Excel data –
please contact me at...***

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