WHITE PAPER

IDC Study: The True Cost of Spam and the Value of Antispam Solutions, 2004

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EXECUTIVE SUMMARY

Spam is the latest scourge of the Internet, second only to viruses and other malicious code in the anger and frustration that it evokes. Filling networks, servers, and inboxes with unwanted and often offensive content, spammers continue to wreak havoc by frequently changing spam's appearance and masking its source to avoid having spam be identified and blocked before reaching its target: email inboxes. Since 2001, IDC has tracked a remarkable surge in spam volume and the resulting lower line of business (LOB) worker and information technology (IT) staff productivity, as well as higher IT infrastructure and other costs. As the cost of spam rises along with the increase in the volume of spam, businesses, service providers, governments, and individual email users are only beginning to realize the need to take action against spam by separating spam and other types of unwanted email from legitimate and mission-critical inbound email and shifting the costs of spam to the spammers in ways that protect the future of email as an effective and efficient form of online communication.

To measure the cost of spam and the value of antispam solutions, IDC surveyed 1,000 LOB and IT managers representing organizations of various sizes and industries in North America in Fall 2003. IDC also interviewed 30 senior IT executives at organizations with more than 1,000 employees in various industries.

Key Findings

The following are key findings from IDC's surveys and analysis:

Spam is a growing threat. IDC estimates the number of spam being sent on an average day worldwide will jump from 4 billion in 2001 to 17 billion in 2004. Spam is quickly becoming both a potential legal liability and a major productivity and resource drain for corporate IT departments and corporate users alike. Moreover, spam is viewed as a security threat, because it can carry viruses, malicious code, and fraudulent solicitations for privacy information. Nearly 70% of organizations surveyed have already deployed antispam solutions to address this growing threat. Organizations without such solutions are behind the times and putting themselves at unnecessary risk.

Spam causes lost productivity. Organizations view lost productivity due to spam as a major issue for both email users and IT staffs. With no antispam solution, the average time spent each day dealing with spam is 10 minutes for email users and 43

minutes for IT staffers. With an antispam solution, the average time spent each day drops to 5 minutes for email users and 19 minutes for IT staffers (see table).   First and second generation antispam solutions have reduced the time spent dealing with spam for email users. Customers should look for solutions that further reduce the administrative burden for IT staff.

Spending on antispam solutions is rising. Companies with antispam solutions in place spent an average of $56,000 or $11.20 each for 5000 email users to fight spam in 2003. In 2004, spending is expected to increase by 22%, with large enterprises increasing spending and small and mid-sized organizations either reducing or maintaining spending on antispam solutions. Ongoing spending will be required for the frequent updates needed to keep antispam solutions effective against the latest threats, similar to the effectiveness of antivirus solutions being only as good as their last update.

Insourced and outsourced antispam solutions meet different needs. Most organizations surveyed (80%) are currently fighting the spam battle with inhouse software and appliance solutions. The 20% of companies outsourcing spam filtering to a service provider either lack the resources or prefer to rely on third party experts for implementing and managing antispam detection. Organization size, industry, and IT environment should all play a role in determining which option is best.

Spam problem will get worse before it gets better. More than two-thirds of IT respondents feel the spam problem will get worse in the next two years. Moreover, IT executives feel strongly that government legislation will have little to no effect on it. Most email users surveyed (70%) without antispam solutions reported increases in the number of spam messages received in 2003 over the prior. IDC estimates that the number of spam messages sent daily will continue to grow, reaching 23 billion worldwide in 2007. With the help of antispam solutions, spam is expected to become a problem that is more manageable, often as part of comprehensive messaging security solutions.

Essential Guidance

In choosing antispam solutions, organizations should look for the following:

Effectiveness over time. The primary purpose of antispam solutions is to identify spam on an ongoing basis. This means that as the number spam messages sent continues to rise, effectiveness must also rise so that the absolute number of spam reaching email user inboxes drops rather than rises. Combinations of technologies and frequent updates will be necessary to stay ahead of spammers.

Easy administration.   In addition maximizing effectiveness, antispam solutions should be minimizing the time needed by IT staffers to keep the solutions up and running. Automating updates and having antispam solutions share management tools with and be part of broader messaging security solutions will help accomplish this.

Flexibility.   Unlike viruses, spam is an area in which there can be legitimate disagreements about what constitutes spam. Antispam solutions should support both

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the deletion and quarantining of suspected spam to give organizations the flexibility of choosing how much involvement email users should have in the process.

TABLE 1

Average Productivity Cost of Spam and Savings of Anti-Spam Solutions for Average Firm with 5,000 Email Users

	Without Anti-Spam Solution	With Anti-Spam Solution
Email Users		
Daily time spent by each user	10 minutes	5 minutes
Average annual (cost)/savings to firm	($4.1 million)	$783,000
IT Staff		
Daily time spent by each staffer	43 minutes	19 minutes
Average annual (cost)/savings to firm	($85,800)	$13,000

Source: IDC, 2004

Note: Other costs and benefits unrelated to productivity are not included here

Source: IDC's The True Cost of SPAM and Value of Anti-SPAM Solutions Study, 2004