MSPs in 2023:

A deep dive into managed service providers' needs, priorities, goals and more

Welcome to 2023. As a channel driven company, when we began to think about the new year and the challenges that lie ahead, we set our sights on a vital part of the cyber security industry: Managed Service Providers or MSPs.

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This niche group of individuals play
a key role in businesses that seek outside help to remotely
manage their critical IT infrastructure.

Introduction

MSPs are responsible for the daily management of a variety of services like network and infrastructure management, security and monitoring, etc. While this may seem like a standard IT security role, the ever-changing and increasingly complex cyber threat landscape is putting added pressure on MSPs to manage a volume of cyber incidents that they have never experienced before.

With this in mind, it comes as no surprise that the needs of MSPs are changing, and it is important for cybersecurity vendors to be agile and pivot as needed. To better serve our managed service providers, Kaspersky commissioned a survey of 500 decision makers for MSPs in the U.S. and Canada for a comprehensive view of how we can better serve them in the year ahead.
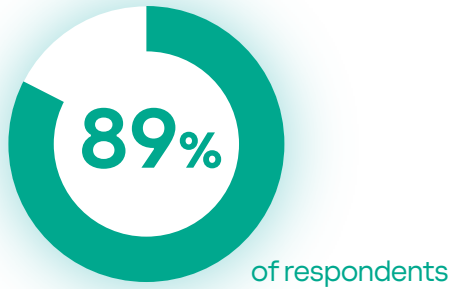
Methodology

The quantitative study was conducted by research firm Opinion Matters via an online survey in October 2022.
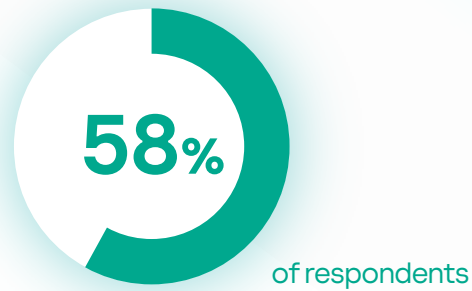
The survey targeted 500 MSP decision makers in the U.S. (250) and Canada (250).
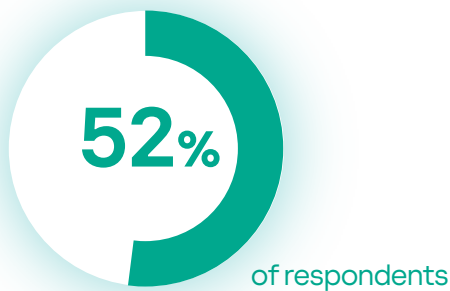
Key findings

The most important characteristic MSPs look for in vendors is price

89% of respondents

24x7 availability ranked the highest when asking MSPs what level of technical support they consider most when looking at security vendors

58% of respondents

The top vertical MSPs are seeing growth in is IT

52% of respondents

Further, respondents would be willing to spend 11-15% of their product cost on extended technical support
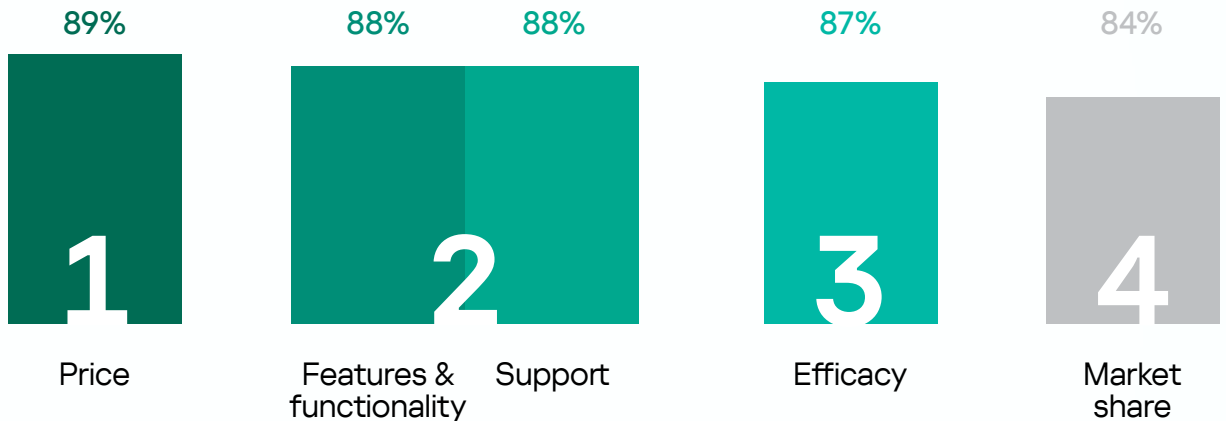
42% of respondents
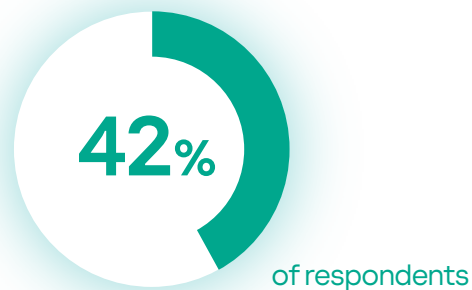
Research findings

What MSPs look for when choosing a vendor

As a cybersecurity vendor, questions about what MSPs are looking for when it comes to choosing the vendors they work with was a top priority.

When asking MSPs to rank what characteristics a vendor should have by importance to their business, price point was the most important factor they looked at (**89%**). Features and functionality, as well as support, tied for second place (**88%**), with efficacy (**87%**) coming in next, followed by market share (**84%**).

Please rate the following characteristics that a vendor should have by importance to your business

89%	88%	88%	87%	84%
1	**2**		**3**	**4**
Price	Features & functionality	Support	Efficacy	Market share

Further, MSPs were able to offer insight into the top factors they consider regarding technical support. **58%** of respondents said they look at 24x7 availability when looking at security vendors, followed by telephone support (56%), regular business hours (55%) and support via email (**54%**). When it comes to the price they're willing to pay for technical support, **42%** said they would be willing to spend **11-15%** of their product cost on extended technical support.

What do these findings tell us? Without question, time and money remain the top priorities for MSPs. This comes as no surprise as the global managed services market size stood at $239.71 billion in 2021 and is expected to expand at a CAGR rate of **13.4%** from 2022 to 2030 as a result of the growing threat landscape and the mass shift in the remote workforce following the COVID-19 pandemic.

Mature security solutions remain at the forefront

While traditional Endpoint Protection (EPP) will always be an essential first line of defense for any end user, mature security solutions like Endpoint Detection and Response (EDR) and Managed Detection and Response (MDR) are becoming more commonplace due to the complexities of advanced persistent threats (APTs). Here's what MSPs had to say regarding mature solutions and services.

The top four services respondents are currently selling or plan to sell in the next 12 months include MDR (**50%**), threat detection (**47%**), EDR (**46%**) and Endpoint Protection (**45%**). Further, when considering more mature solutions like EDR, the most important factors MSPs cited were ease of use (**62%**), employee skillsets (**54%**), cost (**52%**) and feature set (**50%**).

Which of these services, if any, do you currently sell or plan to sell in the next 12 months

% of respondents

Service	%
MDR	50
EDR	47
Threat detection	46
Endpoint Protection	45

Factor	%
Ease of use	62
Employee skillsets	54
Cost	52
Feature set	50

For enterprise organizations (250-500+ employees), **57%** of MSPs currently sell or plan to EDR within the next year, whereas **33%** of respondents who sell to very small businesses (1-50) employees said the same. For services like MDR, just over half (**51%**) of MSPs said if their standard EPP cost was $3 per node per month, their customers would be willing to pay $11-$15 per node per month for 24-hour x 7 days a week MDR solution.

"It comes as no surprise that MSPs are looking for a competitively priced solution. However, almost neck and neck are the requirements for features/functionality and efficacy. This data highlights that while MSPs that serve the SMB market need to be competitive from a pricing standpoint, they understand that providing resilient layers of security and effective solutions is just as important. Further, the survey found up to 50% of the respondents are selling or are plan to sell EDR/MDR within the next 12 months. This greatly aligns with the MSPs I speak to daily about these mature solutions as they know offering customers early detection and robust security is a crucial differentiator for MSPs going into 2023." — Trevor Serebro, MSP and Distribution Territory Channel Manager for Kaspersky North America

# Industry growth and the importance of cyber insurance

Considering the vast number of industries MSPs sell into, it was important to know what verticals they are seeing the most growth in.

Predictably, IT came in first at **52%**, followed by finance (**32%**), healthcare (**27%**), transportation (**27%**), retail (**26%**) and manufacturing (**26%**).

With cyber insurance becoming more widely accepted, MSPs were asked if they require their customers to have cyber insurance. An overwhelming **90%** of total respondents said they require customers to have cyber insurance. However, according to the data, this number changes dependent on the size of the company MSPs sell into. **97%** of respondents who sell to companies with 101-250 employees said they require customers to have cyber insurance, compared to **84%** who sell to companies with 1-50 employees who said the same.

97%
101-250 employees
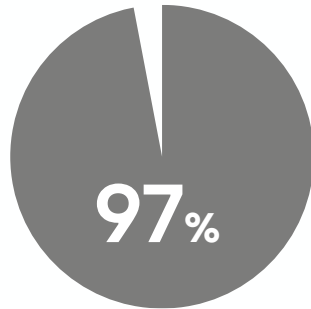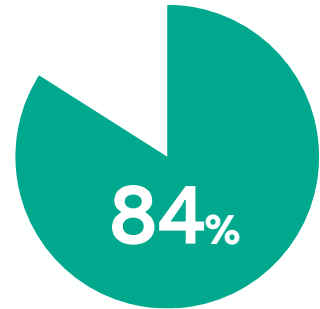
84%
1-50 employees

Conclusion

As cybersecurity vendors begin to map out the year ahead, it will be important to consider the aforementioned research when tailoring their approach to working with MSPs. While features such as time, money, unlimited availability, support, etc. all seem like standard practice offerings, the expanding and complex threat landscape will only enhance the need for vendors to be sure their solutions and services are functioning at their highest level.

About Kaspersky

Kaspersky is a global cybersecurity company founded in 1997. Kaspersky's deep threat intelligence and security expertise is constantly transforming into innovative security solutions and services to protect businesses, critical infrastructure, governments and consumers around the globe. The company's comprehensive security portfolio includes leading endpoint protection and a number of specialized security solutions and services to fight sophisticated and evolving digital threats.

Over 400 million users are protected by Kaspersky technologies and we help 240,000 corporate clients protect what matters most to them.

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