

Microsoft Must Transform, Not Threaten, the Antivirus Market

A new acquisition confirms that Microsoft plans to offer antivirus solutions. This could transform the antivirus market — but it could also reduce competition and innovation in this critical area.

Event: On 10 June 2003, Microsoft announced that it will acquire the intellectual property and technology assets of GeCAD Software, an antivirus technology provider based in Bucharest, Romania. Microsoft intends to use GeCAD's technology to help secure its own operating systems, applications and services, and to extend antivirus support to third-party antivirus providers.

First Take: Microsoft's recent acquisition of GeCAD and Pelican Security, which provides Windows-based behavioral protection software, confirms a recent Gartner prediction: Microsoft will build an antivirus engine into Windows and provide open application programming interfaces or Web services interfaces for signature updates. This approach, supported by GeCAD's and Pelican's technologies, could radically improve how viruses are prevented, controlled or stopped.

Such innovation from Microsoft could also transform the antivirus market by offering vendors a powerful incentive to detect viruses proactively and develop signature updates. However, if Microsoft simply decides to become another antivirus vendor, no vendor of antivirus software will be able to compete in the desktop market. As a result, enterprises would face inferior technology, high prices and greater long-term risk from malicious code.

Microsoft is a long way from turning GeCAD's technology into a viable antivirus product. Providing a high-quality set of enterprise-level products and services will prove particularly difficult. Enterprise antivirus products must support a heterogeneous set of platforms (including non-Windows platforms and a large number of users, which requires robust management and reporting capabilities). Enterprises should plan to use third-party antivirus products through the end of 2006 but should use Microsoft's announcement to pressure antivirus vendors to deliver more proactive products, with lower cost of ownership, by 2H04. Gartner believes that Microsoft should focus its newly acquired antivirus expertise on building malicious-code protection into all its products and services, and on developing standard, open interfaces that encourage third-party innovation.

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- “Signature-Based Virus Detection at the Desktop Is Dying” — The signature-based desktop antivirus software used by most companies has proved to have marginal — and decreasing — value. **By Arabella Hallawell and John Pescatore**
- “When to Buy Security Products from Microsoft” — Microsoft’s security unit will provide strong Windows-centric solutions, but companies with more heterogeneous environments should consider best-of-breed solutions. **By John Pescatore**

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