

Cybersecurity Investment to Reach \$400 Million Due to Internet of Things Threats



The cybersecurity industry could see a boost in venture capital, thanks to new threats the Internet of Things (IoT) provide to smart homes, autonomous cars, and future factories.

Investment in cybersecurity rose by 78 percent in 2015 to \$228 million and Lux Research expects it to reach \$400 million this year, in part because of the rapid adoption of IoT devices.

“Connected consumer and business products have begun flooding the market, but security has been an afterthought. The world now has to figure out how to secure the multitude of things that have recently become connected,” said Lux Research Vice President, Mark Bünger.

Security for IoT systems is critical, especially in situations where an entire grid of devices could be turned offline. Security services are cropping up all across the globe to tackle the issues raised from IoT and a growing reliance on computers handling product management and logistics.

Most of the startups want to create a horizontal platform, capable of securing multiple IoT devices within a network. Behavioral analysis and IoT authentication are also high up there on the list of priorities for the security startups mentioned, to make environments safer for customers and companies.

Lux calls better cybersecurity “a necessity”

Lux Research notes that most of the security startups are headquartered in the United States, though a third are based in Israel. Over \$800 million has been raised since 2000 for the 77 startups assessed in the research and advisory firm's report.

Better security is a necessity as we move toward a connected age, where our cars, homes, and money are all controlled by computers. The stakes are much higher, as hackers will be able to attack not just our PayPal and Facebook accounts but our cars and homes.

Analysts suspect on the hacker's side that [ransomware](#), a hacker's favorite that invades your system and forces you to pay to take back control, might become more prevalent as hackers attempt to compromise your electricity or smart car.

Governments have already shown some worry towards the capabilities of hackers in the connected age, with Michigan Senators pushing a [bill](#) that would punish car hackers with a life sentence. While we find that extreme, it shows that people are worried about the possibilities of everything being hackable.

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