

**SECURITY SALES[®]
& INTEGRATION**

GOLD BOOK 2017

>> A-Z Vendor Listings
400+ Manufacturers & Distributors

>> Industry Insights
15 Pages of Security Market Research

>> Expert Predictions
Analyst Trio Taps Top Trends Ahead

>> Supplier Spotlight
Corporate Profiles of 23 Providers

PLUS

- Industry Associations
- 2017 Events Calendar
- Year in Quotes & Photos



JOHN BRADY
TRG ASSOCIATES INC.

TRENDS IN 2016

1. Personal emergency response systems (PERS) market demand grew as the deployment of mobile PERS (mPERS) devices continued to supplant in-home technology.
2. Security apps continued to expand the customer experience and system utilization.
3. Residential net attrition held steady versus 2015 results.
4. Implementation of new federal overtime wage rules created demand for part-time employees.
5. DIY offerings became a new market channel for traditional security companies.

INDUSTRY CHALLENGES

1. Continued expansion of local governmental false alarm fee programs increases operating costs.
2. Growing HR complexity forces the need for more frontline supervision training.
3. Consolidation of larger security companies increases customer price shopping.
4. Shorter cellular communication pathway lifespan increases costs to maintain existing customer base.
5. Demand for IP and video technology solutions creates new level of technical and customer support staffing.



PETER GIACALONE
GIACALONE ASSOCIATES

TRENDS IN 2016

1. Largescale mergers and acquisitions as the electronic security sector remained compelling to private equity with security investment experience, as well as first-time investors in the industry.
2. New entrants offered aggressively-priced and structured DIY products and systems. This included professional-type systems scaled for DIY, as well as new, organic products, systems and platforms from new players.
3. Full-service security dealers providing in-house central station monitoring services partnered or outsourced their back-end monitoring services to larger third-party providers. The advancement of technology seems to have had an impact of allowing for seamless integration.
4. Continued adoption, development and growth in the Video as a Service (VaaS) sector with great expectations of continued growth.
5. Mobile systems and services such as mobile personal emergency response systems (mPERS). Location-based services and mobile video gained traction and growth.

INDUSTRY CHALLENGES

1. As the industry continues to evolve to a predominately digital world, the challenges to educate traditional analog technicians and supplement human resources with IT-centric, focused and educated technicians remains an ongoing hurdle.
2. Addressing cybersecurity and defending against vulnerabilities that could stem from connected systems of all types continue to grow at a rapid pace.
3. Balancing the historically increasing health-care cost while maintaining a growing organization.
4. Multistate dealers and central monitoring centers having to continue to deal with the evolving and changing world of licensing, permitting and fines.
5. Maintaining a committed traditional security subscriber base as it continues to be challenged with the expansion in consumer advertising of a variety of systems, including DIY where certain propositions are a bit misleading.



BLAKE KOZAK
IHS

TRENDS IN 2016

1. Due to the proliferation of cloud storage and services in the consumer video industry, the adoption rate from homeowners skyrocketed during the past two years as IP camera providers such as Nest and Arlo continue to grow their market share.
2. Self-install smart home security systems began to offer ad hoc professional remote monitoring services, which is a source of recurring monthly revenue (RMR) for dealers.
3. Voice, the new user interface (VUI), changed the way consumers interact with the smart home.
4. Mobile credentials used in access control is gained traction, with about 4.5 million added to the global market in 2016.
5. The professional video surveillance market continued to experience aggressive price competition. The average global price of a network video surveillance camera has gradually fallen from almost \$500 in 2010 to less than \$110 in 2016.

INDUSTRY CHALLENGES

1. In the fire alarm industry, concerns surrounding wireless alarm systems continues; however, uptake is improving as more systems become certified.
2. The demand for higher-resolution consumer video cameras is growing as the price of equipment falls, but the cameras place more strain on home networks.
3. For professional video surveillance, vendors face the challenge of ensuring their solutions continue to have unique features versus the competition. They don't want to compete on price alone.
4. Finding additional revenue streams with DIY smart home systems. Since many DIY systems are already free, adding services and paywalls will create an ROI for the consumer with much needed revenue for the vendor to offset ongoing maintenance costs.
5. For the EMEA and APAC regions, security systems are not an offering service providers and cable companies can rely on to attract and maintain a customer base. As a result, convincing customers to pay for home automation and energy control is a unique challenge.