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Private Security Services

US Industry Study with Forecasts for **2014 & 2019**

Study #2675 | November 2010 | \$4900 | 354 pages

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Technological innovations will help boost spending on security services as improved reliability and user-friendliness encourage investment in alarm services and systems integration.

US sales to increase 4.9% annually through 2014

Sales of private contractual security services in the US will increase nearly five percent annually to \$63 billion in 2014. Growth will be fueled by a cyclical recovery in construction and business expansion from a depressed 2009 base. Technological innovations will also boost spending as improved reliability and user-friendliness encourage investment in alarm services and systems integration. Also, some businesses, institutions and agencies will continue to shift toward outsourcing security services.

Pre-employment screening to be fastest growing type

Guarding is the largest security service segment, accounting for 40 percent of total industry revenue and 67 percent of employment in 2009. Although this segment is relatively mature, demand will be supported by increasing specialization and outsourcing. The second largest service segment is alarm monitoring, which accounted for 30 percent of total industry revenue and ten percent of employment in 2009. Through 2014, above-average demand for alarm monitoring will be fueled by a recovery in residential construction.

The fastest-growing service segment will be pre-employment screening, which will advance nearly ten percent annually from a low 2009 base. Between 2009 and 2014, a net employment gain of 11.2

US Private Security Service Revenues, 2009 (\$49.8 billion)



Guarding 40%
Alarm Monitoring 30%
Private Investigations 8%
Correctional Facilities Management 7%
Other Services 15%

photo: Eagle Security & Sound

million is forecast for the US, compared with only 0.5 million between 2004 and 2009. As the economy recovers, there will also be increased job turnover. Employers will turn increasingly to outside screening service providers, because hiring-related liability concerns have increased and the technology and regulations surrounding pre-employment screening have grown more complex.

Other fast-growing service segments include systems integration and security consulting. These services will benefit from rapid advances in electronic technology, which will encourage investment in new security and building technology systems, which will in turn require experienced service providers to

maximize benefits and avoid potential security breaches. Revenues in these security segments were especially low in 2009, as businesses deferred non-essential spending.

Mountain states to be fastest growing region

In 2009, the Pacific states represented the largest subregional market for private security services, accounting for 22 percent of US revenues (excluding correctional facilities management). The Mountain states will show the fastest growth through 2014, as this subregion is home to one-third of the fastest growing metropolitan areas in the US.

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Sample Text, Table & Chart

SECURITY SERVICES

Alarm Monitoring Services

In 2009, central station alarm monitoring services accounted for 60 percent of total US private security service revenues. Alarm monitoring firms provide service to residential and nonresidential customers for burglary and fire protection, and also personal emergency response (PERS) to individuals who carry personal alarms for medical reasons.

US alarm monitoring service revenues are projected to increase to \$10.5 billion in 2014. Growth will be fueled by residential construction from a low 2009 base and new contracts are most commonly purchased for a significant renovation. Advances are being made in growth factors such as ongoing technological improvements in monitored systems more dependable, and new technology also enables service providers to enhance revenue by promoting more features such as event-triggered alerts dispatched over the Internet to computers and mobile devices. Additionally, the aging of the American population contributes to demand for PERS and residential monitoring services.

The residential market, which accounts for more than three-fourths of alarm monitoring service revenues, is more price-sensitive than the nonresidential market. For this reason, margins in the residential sector were especially compressed during the recession that began in December 2007, and pricing has more potential to increase as demand recovers in the future.

Growth is restrained by the maturing of demand for both residential and nonresidential alarm monitoring because there is only a small portion of the population that considers a monitored alarm worth the monthly cost. Also, many local ordinances have been -- and

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TABLE V-15

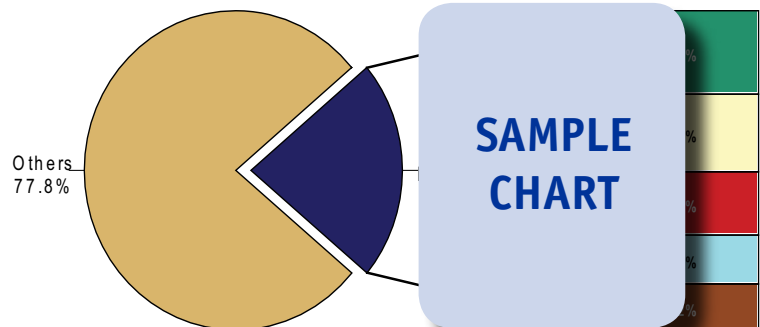
WEST SECURITY SERVICE REVENUES BY SUBREGION (million dollars)

Item	1999	2004	2009	2014	2019
West Population (mil persons)	29	30	31	32	33
West GDP (bil \$)	17	18	19	20	21
\$ security/capita	7	8	9	10	11
\$ security/000\$ GDP	5	6	7	8	9
West Security Service Revenue*	20	22	24	26	28
Mountain	10	11	12	13	14
Pacific	10	11	12	13	14

SAMPLE TABLE

CHART VI-1

US PRIVATE SECURITY SERVICE MARKET SHARE (\$49.8 billion, 2009)



SAMPLE CHART

Sample Profile, Table & Forecast

TABLE IV-3
COMMERCIAL SECURITY SERVICE REVENUES
BY SERVICE & SECTOR
(million dollars)

Item	1999	2004	2009	2014	2019
Gross Domestic Product (bil \$)					
\$ security/000\$ GDP					
Commercial Security Services					
By Service:					
Guarding					
Alarm Monitoring					
Armored Transport					
Other Security Services					
By Sector:					
Offices & Office Buildings					
Financial					
Retail					
Other					
% commercial					
Nonresidential Security Services Market					



COMPANY PROFILES

Vector Security Incorporated
 3400 McKnight East Drive
 Pittsburgh, PA 15237
 412-364-2600
<http://www.vectorsecurity.com>

Annual Sales: [SAMPLE PROFILE]
 Employment: [SAMPLE PROFILE]

Key Services: [SAMPLE PROFILE] monitoring of security systems; and [SAMPLE PROFILE] security services

Vector Security [SAMPLE PROFILE] emergency response, monitoring and [SAMPLE PROFILE] services privately held.

The Company is involved in the US private security services industry through the design, installation, maintenance and monitoring of intrusion, smoke, fire and carbon monoxide; and video surveillance and access control systems for residential and commercial customers. Electronic security systems provided by Vector Security are produced by a range of third party manufacturers, including the NOTIFIER (Northford, Connecticut) and System Sensor (St. Charles, Illinois) subsidiaries of Honeywell International Incorporated (Morristown, New Jersey); the Pelco subsidiary (Clovis, California) of Schneider Electric SA (France); Robert Bosch GmbH (Germany); and Panasonic Corporation (Japan). Vector Security also uses its SECURE TRAC technology, which utilizes a specialized wireless transmitter that is installed in the customer's location and interfaced to the system's main control panel in order to maintain the transmission of an alarm signal even if the phone lines are cut. SECURE TRAC monitoring services are designed to provide two independent methods of monitoring customers' security systems

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"Demand for private security services in commercial offices and office buildings is forecast to increase 4.6 percent annually to \$9.4 billion in 2014. This rate is an improvement over the gains of the 2004-2009 period since 2009 reflects a low base in light of the recession. Advances will be driven by construction of new office buildings, creation of new businesses and improving cash flow."

--Section IV, pg. 149

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OTHER STUDIES

World Security Services

The global market for private contract security services is forecast to advance 7.4 percent per year through 2014. The strongest market gains will be posted in developing parts of Asia, Eastern Europe, Africa and the Middle East where security markets are relatively underdeveloped. The US will remain the largest single consumer. This study analyzes the \$153 billion world security service industry, with forecasts for 2014 and 2019 by service type, market, world region and for 27 countries. It also evaluates company market share and profiles industry participants.

#2711 February 2011 \$4900

Advanced Flat Glass

US advanced flat glass demand will rise 11.6% annually through 2014, driven by a rebound in residential construction and motor vehicle production. Consumption will also benefit from increasing market penetration of low-emissivity glass, heads-up display windshields, electrochromic mirrors, smart glass and other products. This study analyzes the \$4.1 billion US advanced flat glass industry, with forecasts for 2014 and 2019 by type and market. It also evaluates company market share and profiles industry players.

#2674 December 2010 \$4800

World Security Equipment

The global security equipment market is analyzed in this study. It presents historical demand data (1999, 2004, 2009) and forecasts for 2014 and 2019 by product (e.g., access controls and surveillance systems, alarms, locks), end-use market (commercial and industrial, institutional, residential, government), world regional market and major national market. The study also considers market environment factors, details industry composition, evaluates company market share and profiles industry participants.

#2669 November 2010 \$6100

Electronic Security Systems

Sales of electronic security products and systems in the US are expected to increase 9.3% annually through 2014. Access controls will remain the largest and fastest growing segment, followed by alarms and automotive security. The financial and office/lodging sectors will be the fastest growing markets. This study analyzes the \$10.9 billion US electronic security system industry, with forecasts for 2014 and 2019 by product and market. It also evaluates company market share and profiles industry competitors.

#2639 July 2010 \$4900

Commercial & Residential Cleaning Services

Revenues for contract commercial and residential cleaning services are forecast to advance 4.5% yearly through 2013. Exterior building cleaning will be one of the fastest growing services, while interior cleaning remains dominant. Residential and institutional buildings will see the biggest market gains. This study analyzes the \$53.6 billion US commercial and residential cleaning service industry, with forecasts for 2013 and 2018 by service, market and US region. It also evaluates company market share and profiles industry players.

#2581 January 2010 \$4700

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