

# Home Security: Channel Insights

### **TABLE OF CONTENTS**

By Dina Abdelrazik, Research Analyst, Parks Associates

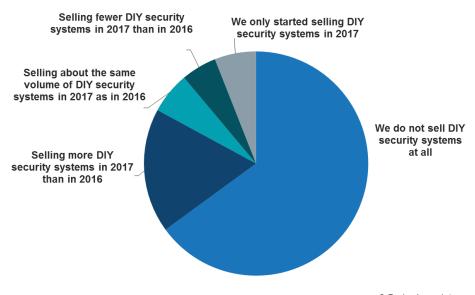
# Synopsis

The home security market continues to evolve, and interactive services give dealers additional value propositions. However, competitive pressure is intensifying from standalone device options, self-installed security systems, and market saturation at the dealer level. This report leverages findings from a Parks Associates survey of residential security dealers, as well as briefings with industry executives, to share the view of the market from those on the front lines.

### **DIY Security Sales**

# Sales of DIY Security Systems in 2017

**U.S. Security Dealers** 



© Parks Associates

Publish Date: 2Q 18

"The security dealer landscape is characterized by a high volume of small dealers. This reflects industry history which includes local and state licensing requirements, the ability to start a security company with little investment financing, a history of builders starting sideline security businesses and so forth. While conditions have evolved over decades, the professional security industry dealer channel remains fragmented," said Dina Abdelrazik, Research Analyst, Parks Associates.

#### Contents

# 1.0 Report Summary

- 1.1 Purpose of Report
- 1.2 Scope of Report
- 1.3 Research Approach/Sources/Methodology

#### 2.0 The Security Dealer Landscape

#### 3.0 The Security Offering

- 3.1 Types of Residential Security Interactive Service Offered
- 3.2 Security Systems with At Least Basic Interactivity
- 3.3 Pricing of Security Systems: Upfront Fees and RMR
- 3.4 Approach to DIY/Self-Installed Security

#### 4.0 Business Models, Operations, and Infrastructure

- 4.1 Contract Terms for Professional Monitoring
- 4.2 Lead Generation for New System Sales
- 4.3 Business Drivers for Security Dealers
- 4.4 Important Factors in Central Monitoring Station Selection



# Home Security: Channel Insights

## TABLE OF CONTENTS

<ul><li>4.5 Hardware and Panel Vendor Considerations</li><li>4.6 Interactive Service Provider Considerations</li></ul>
<ul><li>5.0 Future Outlook: Challenges and Opportunities</li><li>5.1 Business Challenges</li><li>5.2 Market Opportunities: Embracing Smart Home and DIY</li></ul>
6.0 Appendix 6.1 Glossary 6.2 Index

Figures	
	Security Dealers Profile
	Types of Residential Security Services Offered
	Security System Installations with Basic Interactivity
	Average Upfront Price for Security Systems
	Statement True for Sales of DIY Security Systems in 2017
	Contract Terms for Professional Monitoring Services
	Leading Methods of Acquiring Sales Leads by Dealer Size
	Reason for Customers to Choose a Security Dealer by Dealer Size
	Importance of Factors in Selecting a Central Monitoring Station
	Types of Residential Security System Panels
	Most Commonly-Used Interactive Service Providers (2013-2017)
	Biggest Business Challenges
	Likelihood to Start Offering DIY/Self-Installed Security Systems
	Reasons for Security Dealers to Offer Smart Home Services

List of Companies			
	ADT	Nest	
	Assa Abloy	Ring	
	EMC Security	Samsung	
	MONI/Brinks	· ·	

# **Attributes**

Parks Associates 5080 Spectrum Drive Suite 1000W Addison, TX 75001

800.727.5711 toll free 972.490.1113 phone 972.490.1133 fax

parksassociates.com sales@ parksassociates.com Authored by Dina Abdelrazik Executive Editor: Tricia Parks Published by Parks Associates

© May 2018 Parks Associates

Dallas, Texas 75001

All rights reserved. No part of this book may be reproduced, in any form or by any means, without permission in writing from the publisher.

Printed in the United States of America.

Disclaimer

Parks Associates has made every reasonable effort to ensure that all information in this report is correct. We assume no responsibility for any inadvertent errors.