Market Report

A Snapshot of your Market Sector

Security

This pack has been designed to provide information on setting up a business in the **Security** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **January 2024**. If you find the information contained in this document useful, tell us about it! Send us feedback here; we will use your comments to help improve our service.

What do I need to know about the Security market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

◆ The UK had the highest number of cybercrime victims per million internet users at 4,783 in 2022, representing an increase of 40% over 2020 figures. The country with the next highest number of victims per million internet users in 2022 was the US, with 1,494, a 13% reduction compared with 2020. The UK and US both have more victims of cybercrime per million internet users compared with other countries according to AAG. (Mintel, *Computer Security*, March 2023).

◆ Private security revenue is forecast to increase at a compound annual rate of 1% over the five years through 2028-29 to £9.2 billion. Private security services will continue to benefit from government efforts to integrate public and private sector security functions. The introduction of the Protect Duty, which is due to be implemented in 2023, is expected to provide an ample boost to private security requirements. (IBISWorld, *Private Security*, August 2023).

◆ Over the five years through 2023-24, revenue will increase at a compound annual rate of 1.8% to £1.3 billion. Demand for security services tends to be largely safeguarded from economic volatility due to the essential nature of security. Public concern over terrorism and crime has increased, supporting demand for security system services. Government authorities have outsourced security services to specialist contractors to ease the public's fears regarding security and improve efficiency. (IBISWorld, *Security Systems Services in the UK*, September 2025).

◆ Technological innovation will continue driving industry expansion and structural changes over the coming years as the Internet of Things and big data markets develop. On the other hand, developments in quantum computing may begin to pose a threat to standard industry operations. Growing competition and rising wage costs will likely hinder profit margin growth. (IBISWorld, *IT Security Consulting in the UK*, August 2023).

◆ The national organisation for this industry is the British Security Industry Association and the National Security Inspectorate. Other industry bodies include the Security Industry Authority, The National Cyber Security Centre and the Information Systems Security Association International.

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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel –** *Computer Security - UK* **(March 2023).** The DDCMS estimates there are 1,838 firms active within the UK providing cybersecurity products and services. In 2022 (though covering 2021 data), it also identifies an annual revenue for the sector of £10.1 billion, reflecting growth of 14% in the year.

- ◆ **IBISWorld –** *Cyber Security Software Development in the UK* **(November 2023).** Over the five years through 2023-24, cyber security software developers' revenue is set to climb at a compound annual rate of 7.7% to reach £1.1 billion. Revenue is anticipated to swell by 6.4% in 2023-24 as demand for cyber security continues to soar. A recurring revenue model has supported profit, although it's been held back by high wage costs and considerable investment in R&D.

- ◆ **IBISWorld –** *Private Security Services in the UK* **(August 2023).** The security sector grapples with shaky business confidence. Though security guard services are seeing a resurgence with the reopening of the economy, its revenue share may be curbed by low business confidence amid sluggish macroeconomic indicators and rising inflation.

- ◆ **IBISWorld –** *Security System Services in the UK* **(September 2023).** Demand for security system services is surging. This is driven by the popularity of remote monitoring as a substitute for traditional guard services, and the rise in demand for next-generation biometric security systems as consumers become more comfortable using fingerprints for identification.

There are also a number of online resources you may find helpful:

- ◆ Professional Security Magazine posts frequent articles on a variety of topics related to the UK security industry. On their news page you can find links to case studies, commercial and government related stories, press releases, training, and market reports.

- ◆ Cyber Scotland is a collaboration of key strategic stakeholders, brought together to focus efforts on improving cyber resilience across Scotland.

- ◆ **Splunk**, a digital security company, have published their The State of Security 2023 Report. "*Learn how leading organizations are getting ahead on threats, collaborating on resilience, and getting more budget in this global research report".* You can download this directly from their website, but you do need to input some details so please read all terms and conditions if you choose to do so.

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How can I find out about my competitors?

Business Gateway's online guide to *Competitor Analysis* explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

◆ General business directories such as Yell ,Thomson Local or Google Maps

◆ Trade specialists like EuroPages (European directory), The Wholesaler or Free Index

◆ Business to business (B2B) specialists such as Kompass

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the Scottish Chambers website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

◆ Look for articles or adverts in local newspapers, trade press and directories.

◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers

◆ Search for information on limited UK companies via the Companies House website

◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**

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What about suppliers?

Choosing and Managing Suppliers can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on _Market and customer research_ will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the National Records of Scotland (NRS). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.

- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the Census Area Profiles. Clicking on your area of interest will give the latest population figures, including estimates by age.

- ◆ Understanding Scottish Places has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.

- ◆ Scottish Government Statistics provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.

- ◆ The Scottish Household Survey provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.

- ◆ Office for National Statistics (ONS) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

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How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "Find a Chartered Accountant" tool

Funding

Practical information on finance and funding for starting and growing your business

Insurance

Business insurance guide

Legal Help

Gov.uk "Licence Finder" tool
Law Society of Scotland's "Find a Solicitor" tool

Pricing

Business Companion Pricing & payment guide.
Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

BG guides to *Marketing*

Training

Skills Development Scotland's My World of Work
Funding for training
Small Business Bonus Scheme (Scotland)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback **here**.

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