



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 **October 2020**. 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:

- ◆ According to the ONS, total crime has increased both of the two years through December 2018, before **falling 5%** in the year through December 2019. The UK's terror threat level fluctuated between 'severe' and 'critical' over the past five years. The government, businesses and households are expected to raise expenditure on security measures over the next period in light of alarming crime statistics, while concerns over terrorism are expected to induce spending by local and national government bodies on surveillance systems in public spaces. (IBISWorld, *Security System Services in the UK*, August 2020).
- ◆ MBD estimates the value of the security equipment market as **£1.1 billion in 2019**, an increase of 7% on 2018. The rate of growth was down from 2018 but marked a second year of consecutive growth after a reversal in 2017 following the 2016 referendum. Between 2015 and 2019, market value **rose by 20%** and maintained momentum whilst the wider economic climate deteriorated due to slowing global growth and uncertainty over Brexit. (Mintel, *Security Equipment, Access Control and CCTV - UK*, February 2020).
- ◆ The UK computer security market is widely seen as one of the largest in Europe and remains in strong growth, with **13% growth** estimated in 2019 taking sales to almost **£5.9 billion**. There is strong evidence that growth was based in the enterprise sector of the market in the year. At the same time, the 2019 Cyber Security Breaches Survey found that **33%** of all companies still spend nothing on cyber security. This figure is considerably expanded by the inclusion of small and micro businesses, but 18% of medium sized businesses and **16%** of large businesses still report no spending on cyber security. An even greater 59% of charities also report no cyber security spend, though this was strongly reduced compared with 68% in the 2018 report. (Mintel, *Computer Security - UK*, January 2020).
- ◆ The manned security market held steady in 2019, with value growing by **2.1%** to reach **£4 billion**. This growth was underpinned by the growth of the leisure sector, where manned guarding is necessary to manage venues and events. The market is forecast to grow by **10.1% between 2019 and 2024** to reach a value of over **£4.4 billion**. (Mintel, *Manned Security - UK*, November 2019).
- ◆ 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 UK](#).

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 - The Connected Home: Inc Impact of COVID-19 – UK** (June 2020). Following on from last year, consumers have shown more interest in buying smart security (41%) than other smart home devices. Despite this, ownership of the devices has stayed level in this time. The COVID-19 lockdown is likely to reduce the demand for smart security due to people spending more time at home and the upcoming recession reducing how much people are going to spend.
- ◆ **Mintel – Security Equipment, Access Control and CCTV – UK** (February 2020). Mintel thinks that Brexit has had a significant impact on the UK economy, most noticeably in the slow decline in growth and stagnation of business investment observed since 2017. Despite this, growth in the number of businesses and outlets in the security equipment sector has been resilient and has generally improved year-on year between 2015 and 2019.
- ◆ **Mintel - Manned Security – UK** (November 2019) The proliferation of contactless technology has substantially reduced the need for cash in the UK. The maturity of this trend was reflected in by the British Retail Consortium's 2018 Payments Survey, which found that cards accounted for over 75% of all retail transactions by volume. The adoption of contactless payment technology has therefore reduced the need for ATMs. Statistics from LINK (the network to which effectively every UK cash machine is connected) indicate that the number of ATMs peaked in 2015 at 70,588 and has fallen steadily since to reach 61,961 in Q1 2019.

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

- ◆ **The Scottish Government's Cyber Resilience Economic Opportunity** action plan sets out the steps planned to help grow Scotland's cyber security industry over the period of 2018-2021. (Scottish Government, Cyber resilience economic opportunity: key actions 2018-2021, September 2018. Accessible here: tinyurl.com/yyz5qvlv).
- ◆ **Professional Security Magazine Online** 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 (tinyurl.com/y363mu9v).
- ◆ **Barclay Simpson** published **Security Market Report 2019: Data Demands Spur Robust Recruitment** which reveals key security trends in the UK. (tinyurl.com/y38te52b)

Disclaimer: This report has been updated in October 2020, and we have included Post COVID-19 market material where available. Please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.



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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**

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.

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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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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