

## The Video Surveillance Industry – Market size



The video surveillance industry is made up of a complex ecosystem that includes cameras, storage, software, miscellaneous hardware, and professional services. There are different sources of information reporting a range of statistics regarding the current size and growth expectations for the industry as a whole and VSaaS (video Surveillance as a Service) specifically. This article is meant to provide some general insights into the size and trends of the industry as presented below.

### Industry Size

MarketsandMarkets ([www.marketsandmarkets.com](http://www.marketsandmarkets.com)) predicts the total video surveillance applications market to reach \$25.43 billion by 2016 at a CAGR of 19.35% from 2011 to 2016. The IP video surveillance market currently is estimated to be

\$5.15 billion in 2011 and is expected to reach \$15.89 billion at an estimated CAGR of 25.31% from 2011 to 2016. As of 2011, the analog video surveillance market is estimated to be \$5.36 billion and is expected to grow with CAGR of 12.24% to reach \$ 9.54 billion by the end of 2016.

### VSaaS Market

IPVM ([www.ipvm.com](http://www.ipvm.com)) rightly emphasizes that VSaaS means many things to different people and how you categorize VSaaS offerings has a BIG impact on the size of the market. They mention 3 commonly cited options:

- Plug & Play Live Video Access: No video is recorded off-site but users can remotely access their cameras without performing network setup
- Hosted Video/VSaaS: Video is recorded 'in the cloud' and not on-site (the traditional way).
- Managed Video/VSaaS: Video is recorded on-site (the traditional way) but plug n play remote access to video is provided.

Like IPVM, Cameramanager.com focuses on Hosted Video/VSaaS which we believe is the only true cloud surveillance solution.

There are currently an estimated 100 million surveillance cameras in use world-wide. IPVM estimated that about 250.000 cameras were connected via VSaaS in 2010 which represented about \$50-100mln global subscription revenue. IMS Research ([www.imsresearch.com](http://www.imsresearch.com)) estimates that the total world market for cloud based video surveillance, or VSaaS, was worth over \$500 million in 2011, an increase of 25% from 2010. According to MarketsandMarkets, the VSaaS market, on the whole, is expected to reach \$2,390.9 million by 2017 at a CAGR of 31.5% from 2012 to 2017. In terms of revenue generation, as of 2011, North America held the highest share, i.e. 37.5%, followed by Europe with 34.82%.



## Future (Growth) Potential

First of all IP camera sales and penetration are a key driver for VSaaS adoption. IP camera sales growth is strong with a 50% market penetration predicted for 2014. Furthermore IP camera sales are forecast to account for approximately 60 percent of total worldwide surveillance camera sales by 2016. This number is in line with the previously mentioned expected IP video market size of \$15.89 billion.

MarketsandMarkets says the key factors driving the VSaaS market include IT cost containment by major corporates, emergence of data centres, need for centralized data and application management, new features and technologies like IOT (Internet of Things) and field of view (FOV).

On the other side, bandwidth and corporate protocols, network security and high infrastructure cost restrain the market growth of video surveillance as a service (VSaaS) market.

IMS Research argues that while VSaaS solutions are clearly developing, a key inhibitor of the VSaaS market remains price. Sam Grinter, Market Analyst with IMS Research comments that, "For VSaaS to become more widely adopted, the market needs to resolve a number of barriers. For consumers and commercial users, the price per camera needs to drop significantly and installation must be simpler. Additional requirements for commercial users include new features and technologies, such as business intelligence functions, that increase the return on investment of using a VSaaS solution."

## Conclusion

Like IMS we agree that the VSaaS market has even stronger growth prospects than originally predicted. However, a key factor that will determine the success of the market will be the VSaaS providers ability to overcome the previously stated product barriers. As the market leader for video surveillance as a service (VSaaS) solutions, Cameramanager.com plans to make the most of these opportunities so please keep an eye on our news & articles section to find out how...

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