

## Report: Consumers More Likely to Purchase Stand-Alone Security Product Than Pro System

**The Parks Associates report also says only 28% of security intenders plan to subscribe to long-term professional monitoring.**

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DALLAS — Here’s something that should wake up the residential security world. According to Parks Associates, twice as many consumers intend to purchase a standalone security product than a professionally monitored system.

Parks’ **360 Deep Dive: Pricing Strategies for Residential Security** reports 16% of U.S. broadband households plan to buy a security-related smart home product, such as video door bells, cameras, or door locks, in the next 12 months.

Eight percent of U.S. broadband households plan to buy professionally monitored service, while the remaining intenders are planning to buy security systems with self-monitoring or ad-hoc monitoring.

“These smart products address the same core needs of consumers — to feel safe and secure in their home, having peace of mind that all is well and knowing they will be alerted of potential dangers,” says Dina Abdelrazik, senior analyst, Parks Associates. “Only 28% of security intenders plan to subscribe to long-term professional monitoring, illustrating competition from alternative business models and standalone security products that have entered the market.”

The report evaluates price sensitivity to upfront fees, monthly fees and contract lengths for both security systems and security systems with access control.



It also assesses consumer interest in financing add-on home control products, revealing that 61% of those intending to purchase security prefer to finance the hardware than to pay cash up front, which would alleviate the financial burden of adding multiple smart products and cameras to a system.

“Price sensitivity is likely the major reason that intentions to buy additional control devices are unfulfilled,” Abdelrazik says. “The lack of interest in the smart home bundle also indicates that pricing is an obstacle. Therefore, dealers need to consider a strategy that offers the most desired products at the point-of-sale and then provides upgrade options over the life of the customer.”

Additional research includes:

- 67% of those intending to purchase a security system in the next year want video alerts when someone is approaching the home.
- On average, consumers report paying an additional \$8.91 for interactive services and an additional \$15.51 for home controls.
- Only 8% of intenders state a preference for a security system with no add-on products.

Security dealers **need to offer more than** just professional monitoring to compete with smart home and DIY products. Additional solutions could include **video verification** services, or aging-in-place/independent living solutions