

THE CALIPSA VIDEO MONITORING REPORT 2020



EXECUTIVE SUMMARY

Calipsa works closely with different kinds of companies all working in the video monitoring sector. It was our aim to bring their insights together into one comprehensive report, and to provide detailed information on how this industry has fared in 2020.

While many reports look at video monitoring as a security measure, to our knowledge none specifically focus on the video monitoring industry and its businesses. In this report, we have discovered how these businesses perform, how their customers feel about them and the technologies they use.

2020 is without a doubt an unusual year in which to launch an industry report; only a few of the insights we gathered were not in some way influenced by the impact of the coronavirus pandemic. However, our results show that video monitoring businesses have been remarkably resilient since the initial spread of COVID-19 in March of this year.

**“
Video monitoring businesses have been remarkably
resilient since the initial spread of COVID-19”**

Inevitably, lockdown has had an operational impact on businesses, but for the video monitoring industry it has also stimulated growth: not only have our respondents seen an increase in monitoring hours and demand for 24/7 monitoring, they have also seen growth in their revenue and client numbers.

Technology has also played a significant role in helping video monitoring businesses work effectively. Our respondents have shared the technology brands and video management / monitoring platforms they use the most, as well as their adoption of video analytics and artificial intelligence.

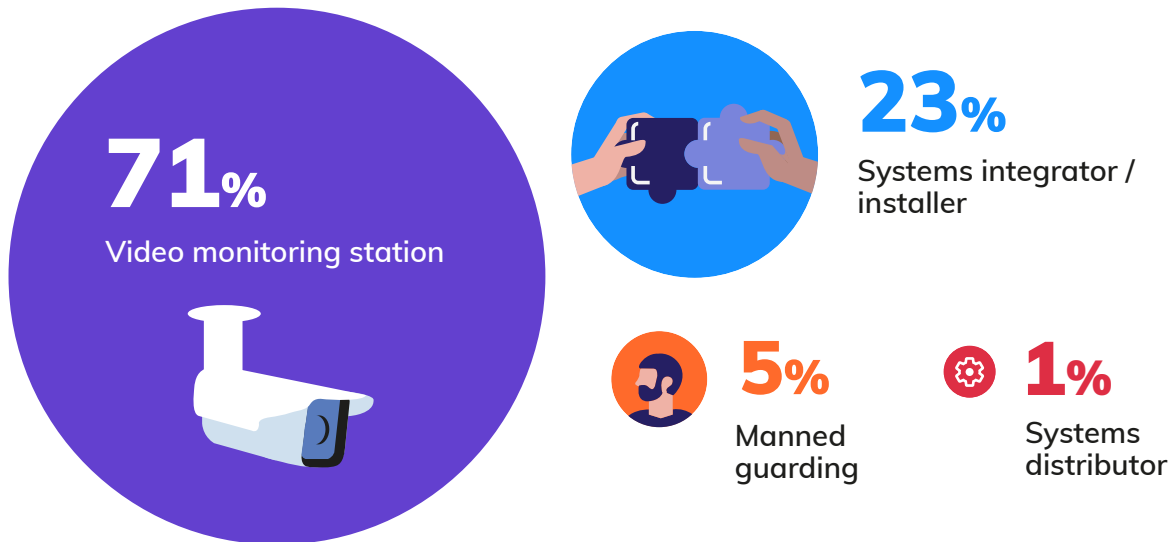
Many of the businesses we have spoken to are keen adopters of new technology, and our results indicate the economic and operational benefits that tools such as AI-powered video analytics can bring.

What is clear from our results is the potential of video monitoring for businesses looking to provide a remote, socially distanced value-add service to their customers. As well as being cost-effective, by using the latest technology it is possible to enhance speed and accuracy with relatively few operators.

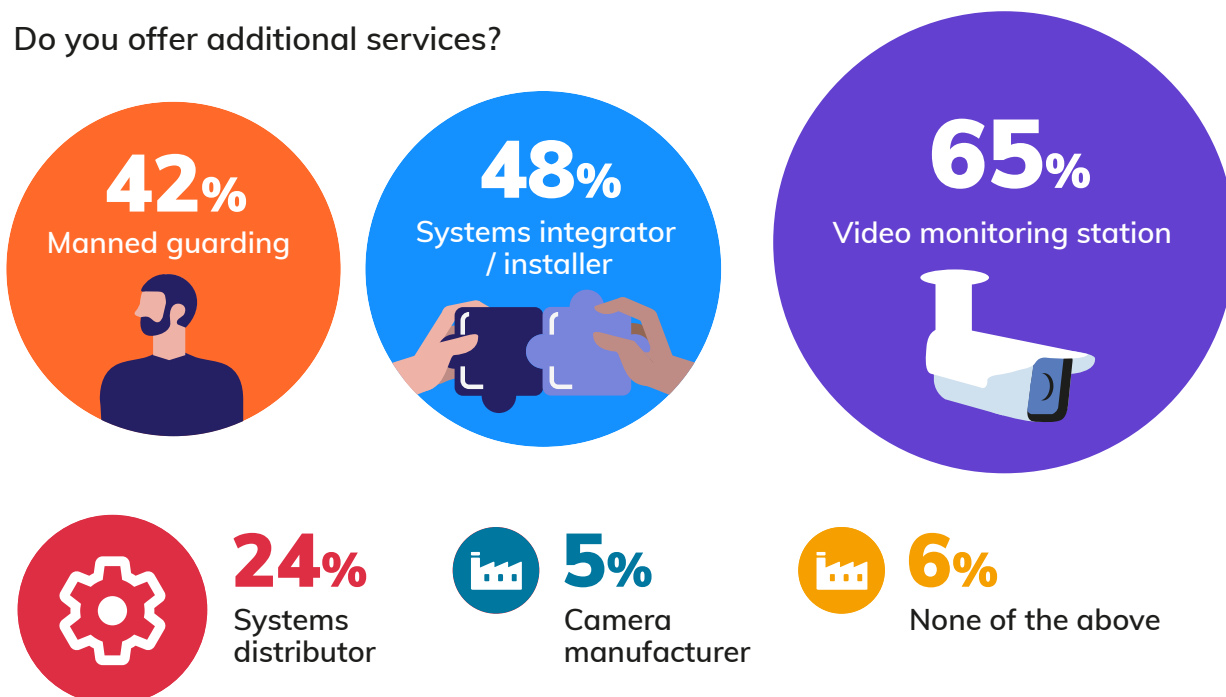
Overall, our results reveal that there is real demand for video monitoring and it has great potential; the vast majority of video monitoring businesses we spoke to are in a healthy state despite the difficulties of 2020.

ABOUT THE RESPONDENTS

Which of the following services does your company mainly provide ?

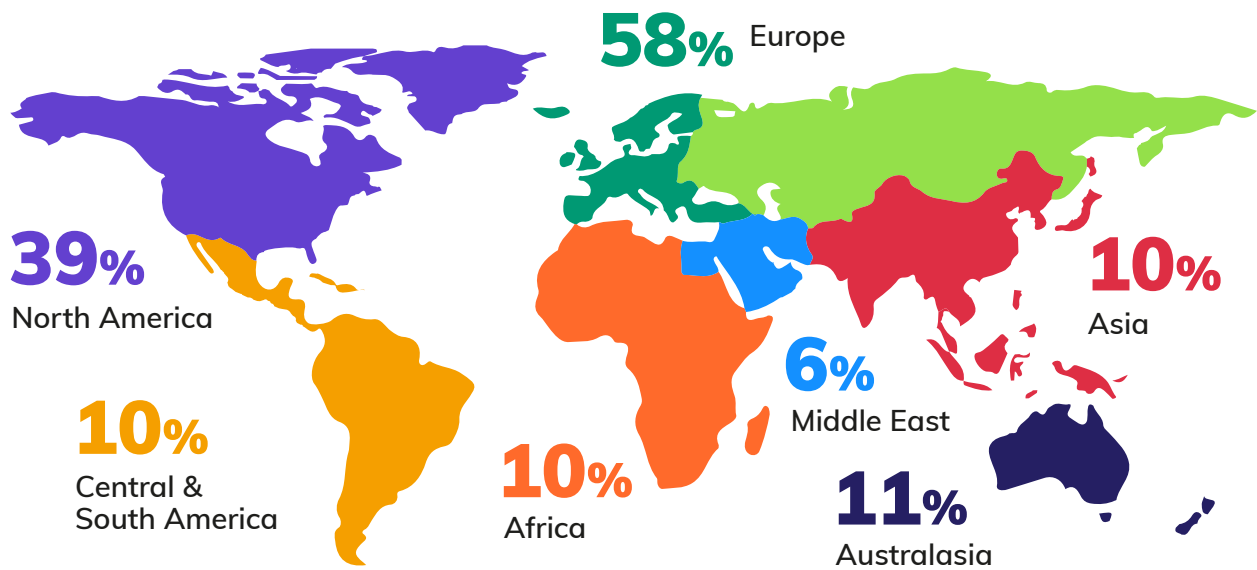


Do you offer additional services?



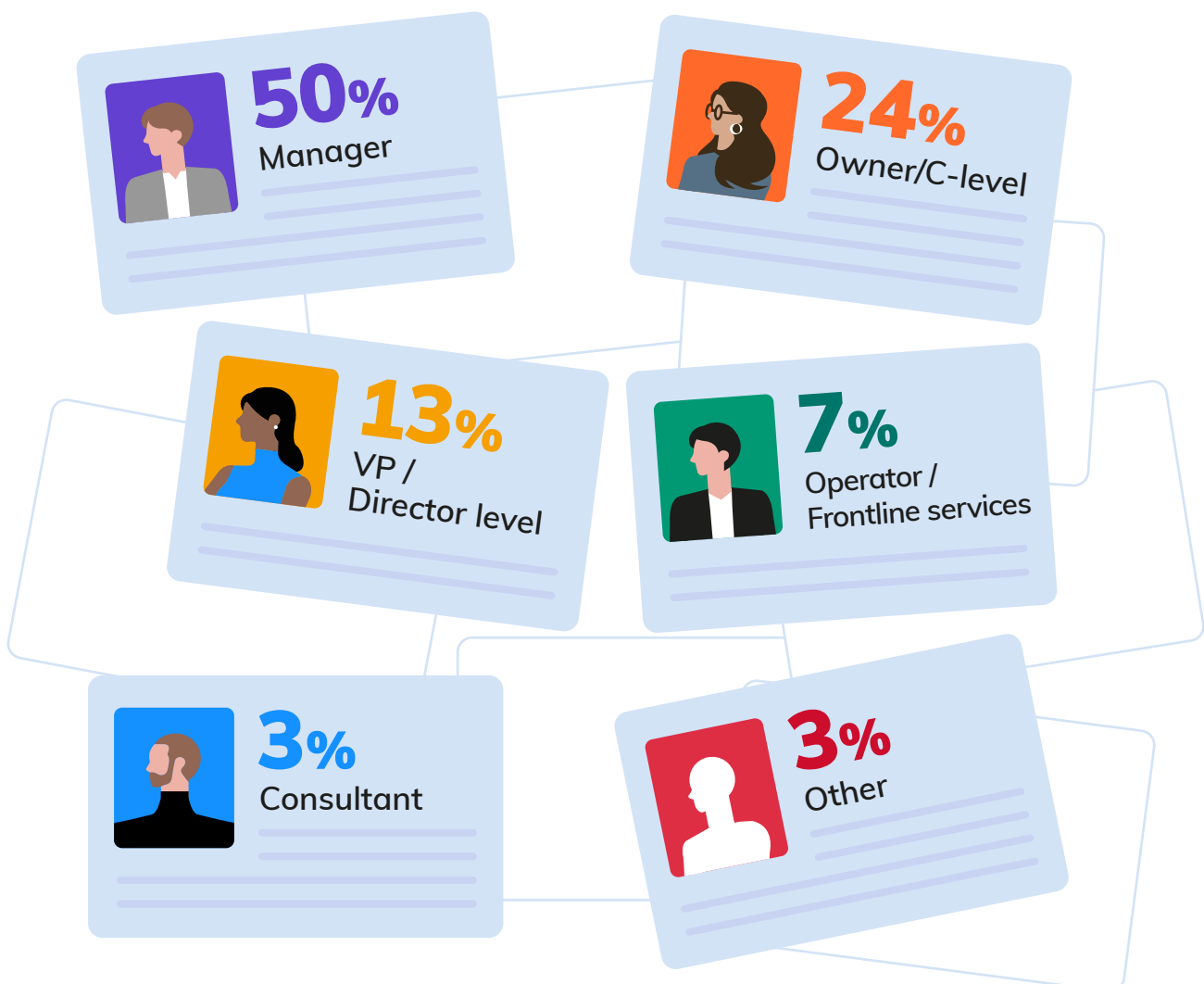
Methodology: online survey of 62 individuals from 59 security businesses between 11th August and 13th October 2020.

In which regions does your company operate?

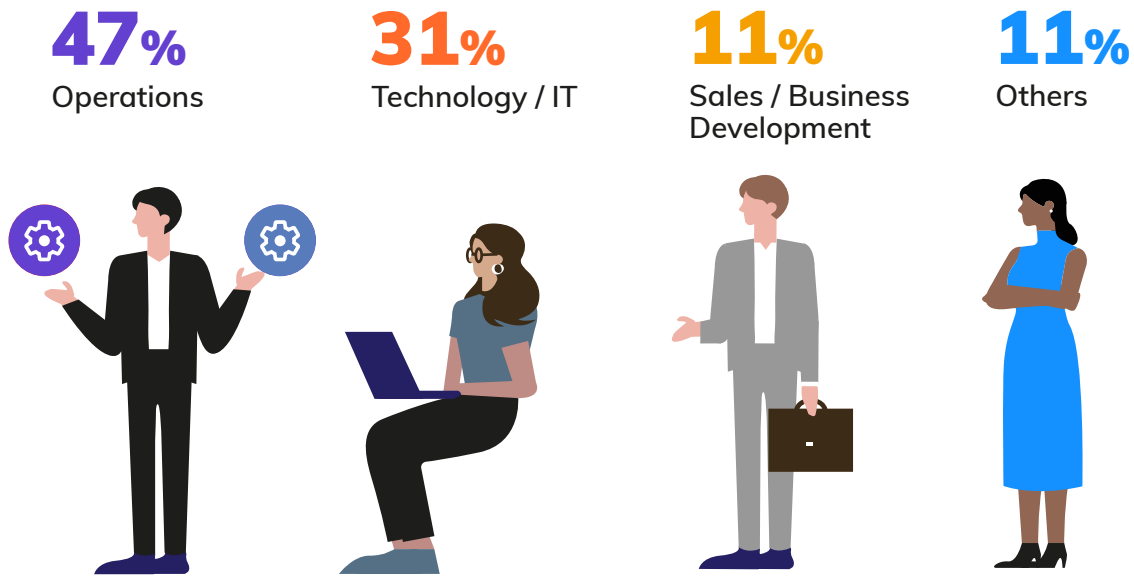


Our respondents' businesses were headquartered in 15 countries: Australia, Canada, Denmark, France, Germany, India, Ireland, Romania, Singapore, South Africa, South Korea, Spain, Sweden, UK, USA.

Which of the following best describes your seniority?



Which of the following best describes your business area?



How many employees are there in your company?

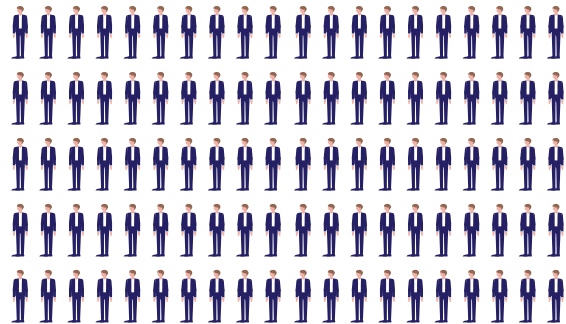
34%

Small - up to 50 employees



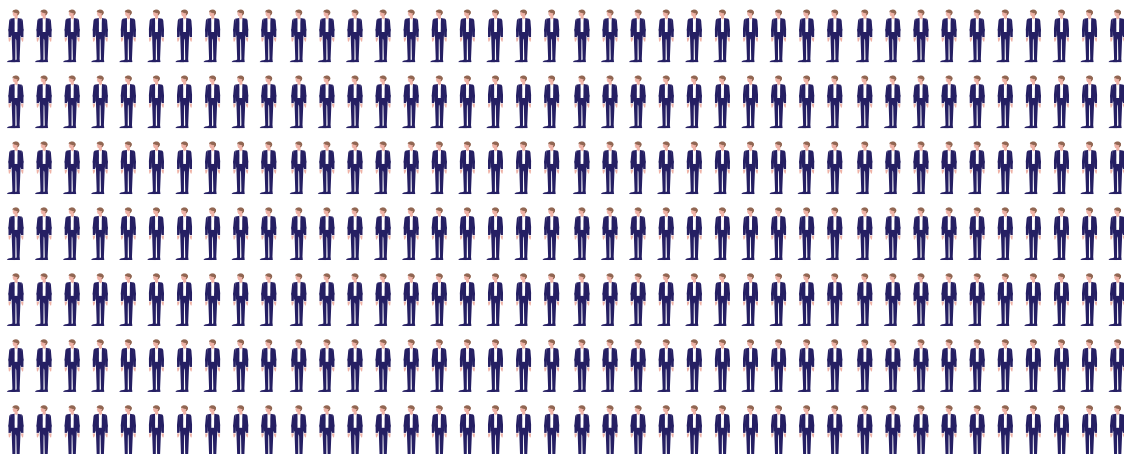
42%

Mid sized - 51-250 employees

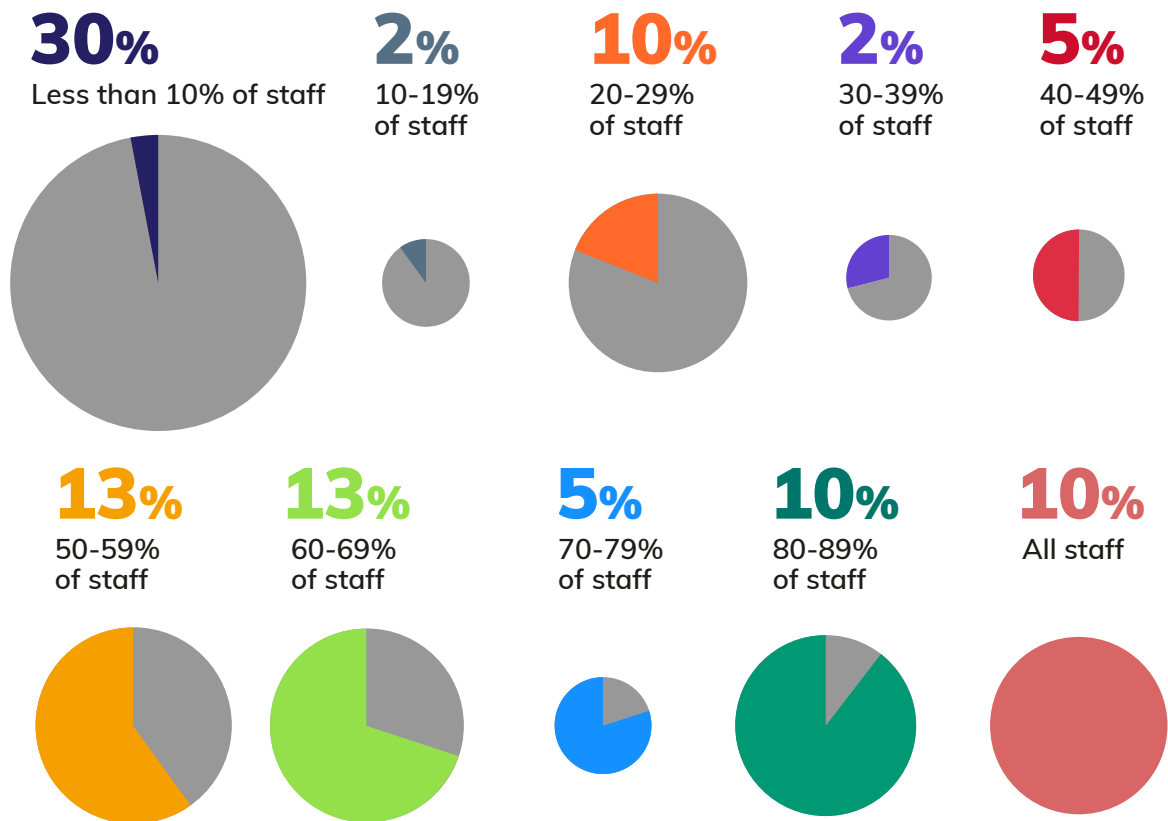


24%

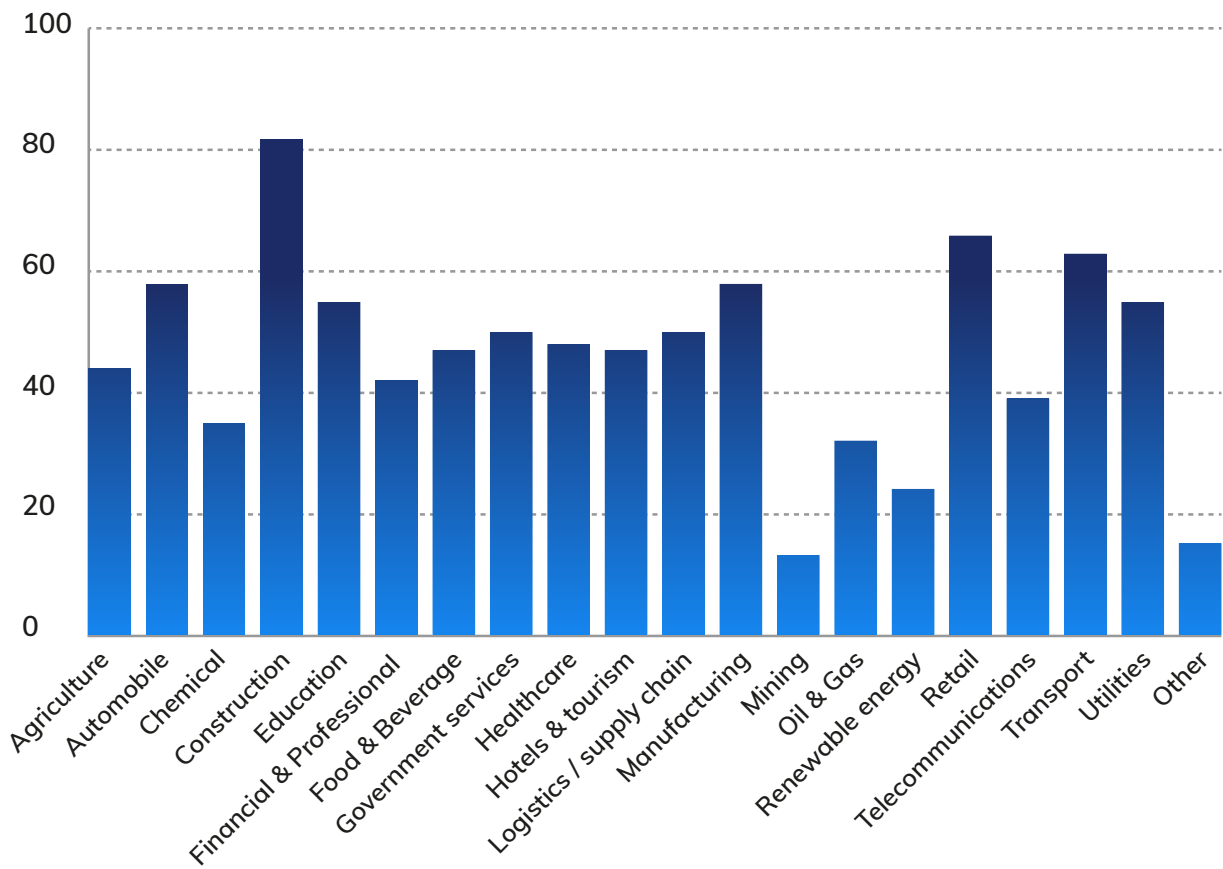
Enterprise/corporate - 250+ employees



What proportion of your staff works in video monitoring?



Which sector(s) do you provide services for?



BUSINESS PERFORMANCE & GROWTH

2020 has been a challenging year for many business owners. According to the UK's Business Impact of Coronavirus (COVID-19) survey, "nearly half (47%) of currently trading UK businesses reported that their turnover had decreased below what is normally expected for this time of year."¹

When we turn our focus to the security industry, the story appears to be quite the opposite: 47% of the businesses we surveyed said that the pandemic has actually stimulated business growth. On average, our respondents reported a 30% growth in revenue and a 33% increase in clients.

There was a very high correlation (0.94) between businesses who have experienced growth during the pandemic and businesses whose client numbers have grown; for some companies, the pandemic has brought in new business.

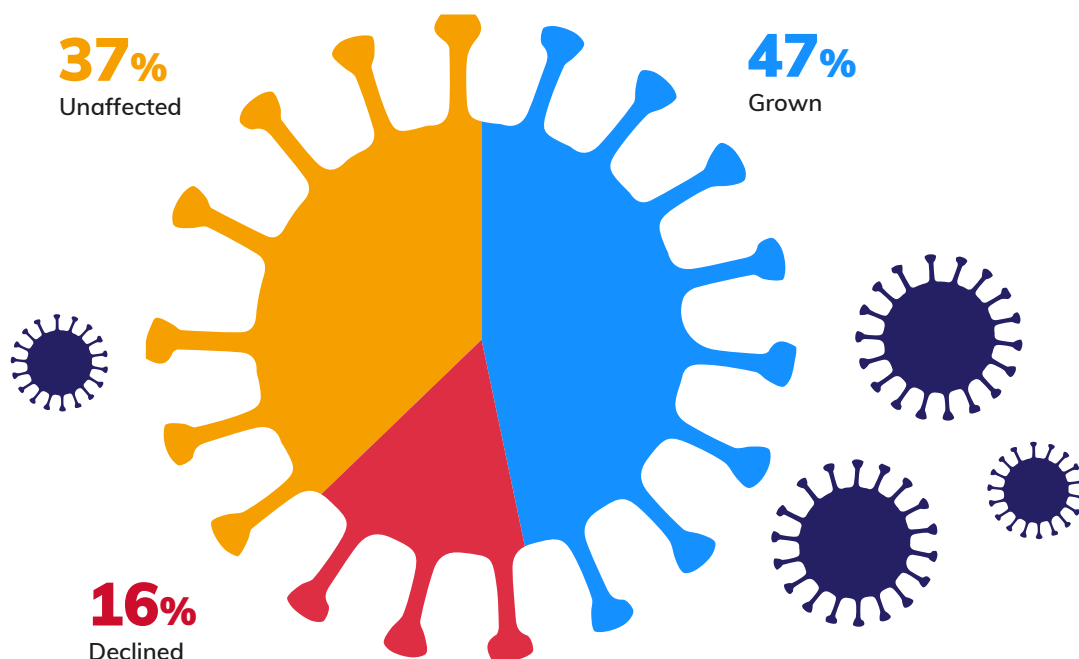
Financially, most of the businesses we surveyed seem not to have been adversely unaffected by COVID-19; 37% said there has been no change to their business performance, and just 16% said that their business has declined.

“When asked what the biggest challenge to business growth was, over half cited the pandemic.”

In terms of employment, our respondents' businesses grew by an average of 5 people. When asked whether the COVID-19 pandemic had caused a significant change in staff numbers, 40% said their numbers hadn't changed, while 39% reported an increase in staff. 21% reported a decrease in staff numbers, but overall, as with the financials, these businesses are in the minority.

This is not to say that our respondents have not found this year a challenge; when asked what the biggest challenge to business growth was, over half cited the pandemic. However, almost a quarter (24%) said hiring qualified staff was their greatest challenge, a sign that the businesses we surveyed are looking to grow.

How has the Covid pandemic affected your business?



¹ Office for National Statistics website, "Coronavirus (COVID-19) roundup", <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/coronaviruscovid19roundup/2020-03-26> Date accessed: Monday 2nd November 2020.

Customer satisfaction

One of the key measures of success for any business is customer satisfaction. We asked our respondents how their customer service and service level agreements (SLAs) have fared in 2020.

98% of our respondents reported that their customers were satisfied with their service; 63% said their customers were very satisfied. No businesses reported any dissatisfied customers - only 2% said their customers felt neutral about their service.

Keeping customers satisfied has been no mean feat this year; when asked what the biggest challenge to customer service was, 44% cited the COVID-19 pandemic. In spite of this, the majority of our respondents (73%) said that maintaining SLAs has not been a challenge.

For the remaining 27% who have found it challenging to maintain SLAs, nearly half (47%) attributed this to staff shortages and/or sickness. The second-biggest operational challenge was an overwhelming demand for increased monitoring (29%).

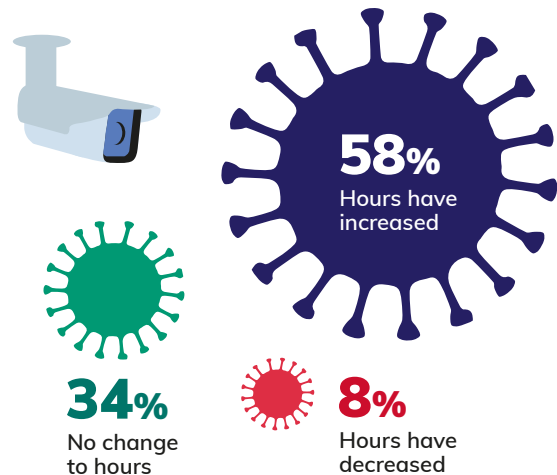
“98% reported that their customers were satisfied with their service.”

Growing demand for video monitoring

While not unanimously considered a challenge, a marked uptick in monitoring hours was reflected in the survey data, with over half (58%) of respondents reporting that their active monitoring hours had increased. Of those businesses, 89% said their customers had requested 24/7 monitoring.

Making the most of video monitoring opportunities was clearly on the agenda for the majority of the businesses we surveyed: when asked what has been their company's key security focus this year, 60% of respondents said video (CCTV) monitoring.

How has the pandemic affected customer monitoring hours?



For security companies who provide video monitoring as an additional service (i.e. not part of their core service offering) it contributed 50% of revenue growth and 47% of client growth. For small businesses, these figures rise to 79% and 73% respectively.

Looking at customer satisfaction for the same companies, they report that customers are 90% satisfied with their video monitoring service, and 58% are very satisfied. The remaining 10% said their customers felt neutral.

Despite some very positive results, video monitoring has its own set of difficulties. Returning to the biggest challenge to customer service this year, 29% of respondents said a high number of false activations.

This could be due in part to growing customer demand for increased monitoring hours and 24/7 monitoring. In the Calipsa webinar *How to Reduce the Strain on Monitoring Operators*, held in April 2020, panellist Ed Essad of Cougar Monitoring described this spike:

“The types of alarms haven’t changed, but initially we saw an increase in alarm traffic because of more sites being monitored. Now, we’re back down to pre-pandemic numbers, even lower in some cases... [Video analytics technology] has been instrumental in managing the sudden increase in alarms.”

THE COVID EFFECT

It would be remiss of a report published in 2020 not to acknowledge the seismic effect of the coronavirus pandemic; 79% of the firms we surveyed said it has been challenging to operate their business since it began.

Despite the growth in revenue and clients, respondents also consistently cited the virus as the greatest challenge to business growth and customer service (see previous chapter).

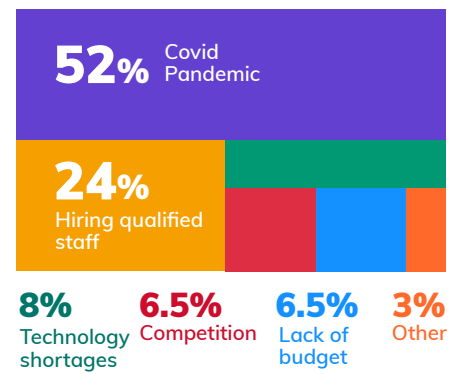
73% of respondents said that their workplace has been impacted by COVID-19, with nearly a quarter (24%) saying the impact was significant. Video monitoring stations felt the effects most strongly, with 82% stating that their workplace was impacted.

Changing operations

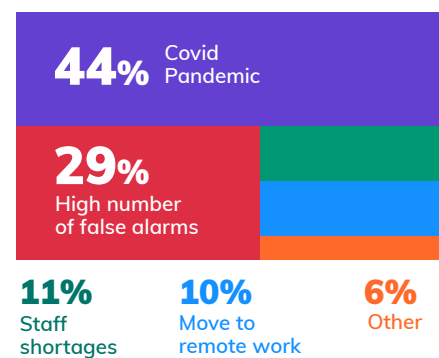
The majority of security businesses (71%) responded by making changes to their monitoring operations; of these firms, 63% made minor changes and 8% made significant changes. This could be partly a response to customer requests for increased monitoring hours (which 58% reported) and in particular for 24/7 monitoring.

Surprisingly, business operations did not seem to be affected as badly by changed monitoring hours, with 54% saying changed hours have affected operations, and 46% saying they have not. When asked about the main difficulties, those affected said that needing more operators was the greatest (73%), followed by changing shift patterns (45%).

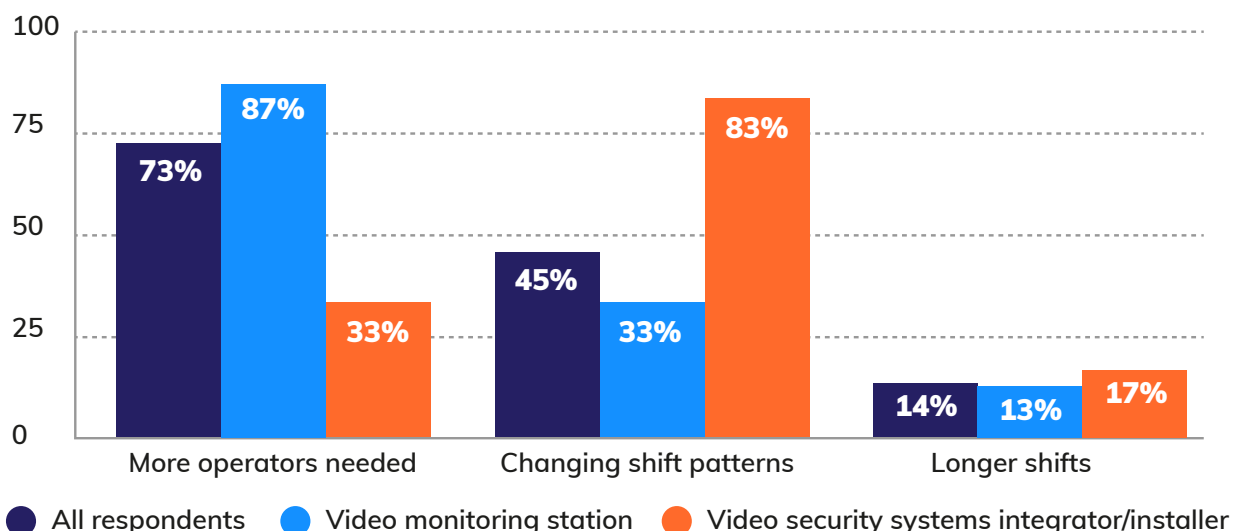
What has been the biggest challenge to your business growth this year?



What has been the biggest challenge to your customer service this year?



In what ways has this change in hours affected your business operations?



The workplace impact

Earlier this year, many security businesses found themselves at the centre of the debate around key workers - namely, whether their employees counted as frontline staff. When we asked our respondents, 84% replied that their employees were classed as key workers.

Looking at the proportion of key workers in a business, a third (33%) of respondents said all their staff were key workers. On average, monitoring stations had 75% key workers, and integrators / installers had 62% key workers.

In terms of business size, corporates had the least amount of key workers, at 55%; given that very large companies have administrative departments (e.g. HR, finance) a larger proportion of their employees would not count as frontline workers. Small and medium sized businesses had 78% and 76% key workers respectively.

“84% said their employees were classed as key workers.”

Many companies opted to furlough some of their employees when it was not financially possible to keep their entire workforce in full employment. Preliminary figures from UK HMRC show that the number of furloughed jobs peaked at 8.9 million on 8th May, falling to 3.3 million on 31st August.²

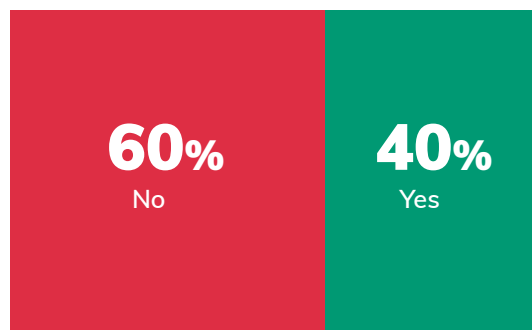
Although the UK's lockdown measures eased over the summer months, not all companies returned to business as usual: at the end of August, 207,200 employers were using flexible furlough for at least one job.

In keeping with the positive business growth and performance signs we have seen in the first chapter, 60% of businesses we surveyed said they had not furloughed their employees.

However, whether or not employees were furloughed appears to have no bearing on business performance; in both cases, we saw more growing businesses than static/declining businesses.

For those businesses that were forced to furlough their employees, the average proportion of furloughed staff was almost one in four (23%). However, the adoption of furloughing and the proportion of furloughed employees varies by business size and type:

Were any of your employees furloughed?



Were any of your employees furloughed? (Business size)



Small - up to 50 employees



Mid sized - 51-250 employees



Enterprise/corporate - 250+ employees

Not many small businesses opted to furlough their employees, but those that did furloughed a significant proportion (43%). Conversely, more mid-sized businesses chose to furlough, but it appears to have had less of an impact, affecting only 11% of staff.

² UK Government website, "HMRC coronavirus (COVID-19) statistics", <https://www.gov.uk/government/collections/hmrc-coronavirus-covid-19-statistics> Date accessed: Monday 2nd November 2020.

Remote working

Since March, many companies have adopted remote working in order to implement social distancing; overall 71% of our respondents said they have adopted remote working, with 1 in 3 employees (33%) working from home.

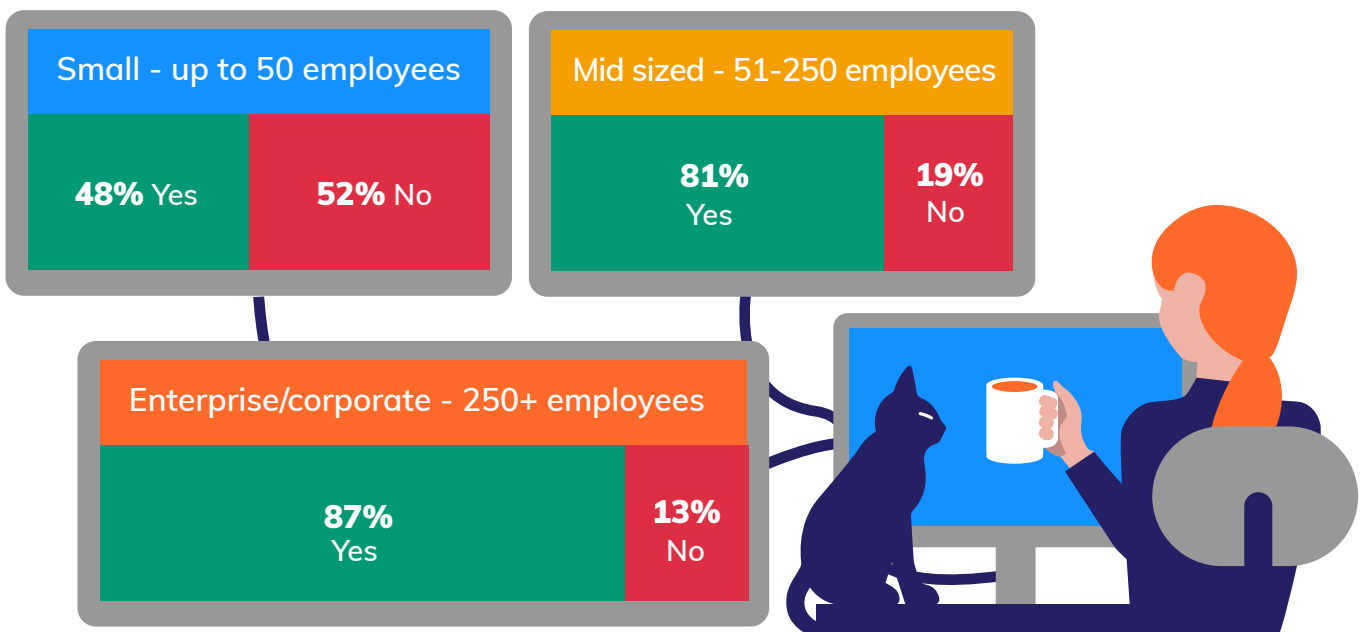
Three quarters (75%) of monitoring stations said they had adopted remote working, with an average of 32% employees working from home. Half of integrators / installers adopted remote working (50%) with an average of 42% of staff working from home.

It seems that business size has an impact on how extensively remote working is adopted, as we can see from the graph below:

For companies who have the scale and IT infrastructure in place, it appears that remote working is a much more viable option. As we also saw above, when the proportion of non-frontline staff is greater, it is much more likely that these people will work from home.

“
Three quarters of
monitoring stations
adopted remote
working.”

Did any of your employees have to work remotely?



Proportion of employees working remotely:



TECHNOLOGY ADOPTION

Remote working is just one of the ways that technology has helped security businesses this year. We asked our respondents about their current usage and adoption of new security technologies, to gauge the impact it has had on their business.

60% said their key security focus for this year was video (CCTV) monitoring, a service gaining a great deal of traction among respondents. On average, the monitoring stations we surveyed monitored 5,420 cameras each.

Cameras and video management

The top three cameras brands favoured by our respondents are Hikvision (28%), Axis (23%) and Avigilon (20%). One in three monitoring stations use Hikvision cameras (33%).

When we look at the video management systems (VMS) that our respondents use, the results are less clear-cut and no one supplier has an overwhelming market share. While Avigilon got 16% of the vote, followed by Milestone with 8%, 63% of our respondents selected Other.

Security businesses appear to have different approaches to how they manage their many camera feeds; some choose not to use a VMS at all, while others use several, and some others develop their own in-house solutions.

Moving on to video monitoring platforms, the clear front runners are Immix (48%) and Sentinel (31%). As with respondents' VMS choices above, some use a combination of monitoring platforms.

Alarm response and false activations

On average, the businesses we surveyed reported an alarm response time of 33 seconds, and the majority responded to alarms in under 60 seconds. Small businesses had the fastest average response time of 20 seconds.

Top 5 camera brands	Top 10 video management systems	Top 5 video alarm monitoring platforms
Hikvision - 28%	Avigilon - 16%	Immix - 48%
Axis - 20%	None - 11%	Sentinel - 31%
Avigilon - 20%	Milestone - 8%	Other - 16%*
Dahua - 13%	Immix - 8%	Sureview - 5%
Panasonic - 3%	Sentinel - 8%	Various: 3%
Uniview - 3%	Digital Watchdog - 5%	*Other included: Alarm.com ESI Fenix iSPY ivms None Webeye
Videofied - 3%	Genetec - 5%	
	Sureview - 5%	
	Various - 6%	
	In house - 2%	

One of the greatest barriers to a rapid response time is false activations; that is, when a camera or sensor sends through a false alarm. When false alarms come through in large volumes, they can have a detrimental effect on response rates and subsequently on customer service. In fact, 29% of businesses said a high number of false activations was their biggest challenge to customer service.

On average, our respondents reported that almost half (49%) of the alarms they receive are false. This means that for every genuine alarm that needs urgent attention, there is also likely to be a false one taking up valuable time.

Video analytics

One of the most cost-effective ways to combat false alarms is video analytics. Intelligent analytics technology can identify false alarms and intercept them, preventing them from clogging up a human monitoring operators' workflow.

Our respondents agree: 87% of businesses use video analytics, a figure that rises to 98% amongst video monitoring stations. When asked about their reasons for using video analytics, the majority of businesses said reducing false alarms (69%).

When asked whether video analytics has helped to improve response times, 85% of businesses said yes, rising to 93% for video monitoring stations. On average, businesses reported a reduction in response time of 28 seconds after using video analytics.

The top video analytics brand favoured by our respondents was Calipsa, with 50% of the vote, followed by Avigilon and VCA with 11% and 7% respectively. The remaining 32% of our respondents were split across a wide range of other providers, which includes Umbo, Evolon, Agent VI, Axis and Intuvision.

Top 3 video analytics platforms

Calipsa - 50%
Avigilon - 11%
VCA - 7%
Others - 32%

Video analytics comes in a variety of forms, but more than half of the businesses we surveyed used software-based analytics (55%). Some analytics platforms combine on-site hardware and software to work: 67% of the businesses using a combination said their platform uses cloud technology to operate.

The minority of businesses that do not use video analytics said the main reason was compatibility (25%), followed by installation time and privacy concerns (both 13%). However, none of the respondents cited cost as a deterrent.

How does Calipsa compare?

Of those businesses who saw revenue growth due to video monitoring:

- Calipsa users saw growth with an average of **27.3%.**
- Non-Calipsa users saw growth with an average of **12.5%.**

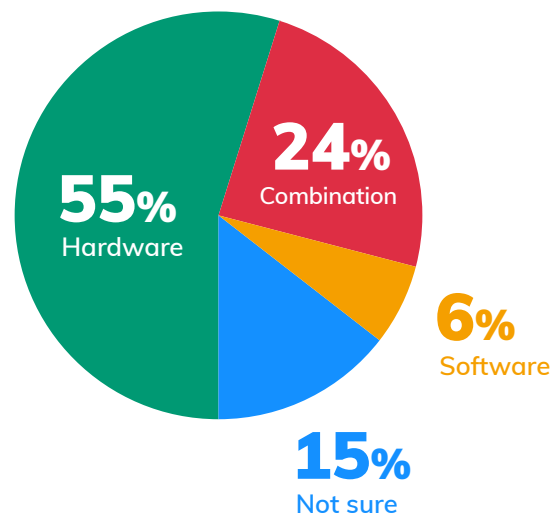
Of those businesses who saw a reduction in false alarms due to the use of AI:

- Calipsa users saw an average reduction rate of **60.2%.**
- Non-Calipsa users saw an average reduction rate of **48.5%.**

Of those businesses who saw an average reduction in alarm response time:

- Calipsa users saw an average reduction of **40.5s.**
- Non-Calipsa users saw an average reduction of **16.2s.**

Is your analytics platform hardware or software based?



“

With all these benefits, many AI adopters are now also AI advocates. When asked if they would recommend AI video analytics to clients or colleagues, 71% of businesses said they would.

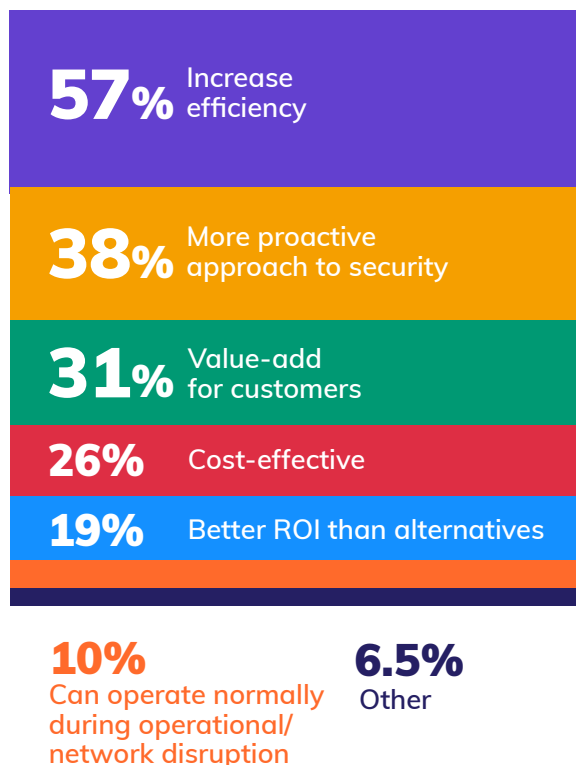
”

Intelligent technology

Artificial intelligence (AI) is used in all kinds of technology platforms and services that we interact with every day, and video analytics is no exception. When we asked businesses whether their video analytics platform used AI, 68% said yes.

The graph below details our respondents' reasons for choosing an AI solution. More than half (57%) said that more proactive approach to security was the most important.

Why did you choose an AI solution?



Those businesses that have not adopted AI analytics yet gave two reasons: 80% said they have not found the right product yet, while the remaining 20% said that training operators on new technologies was a deterrent.

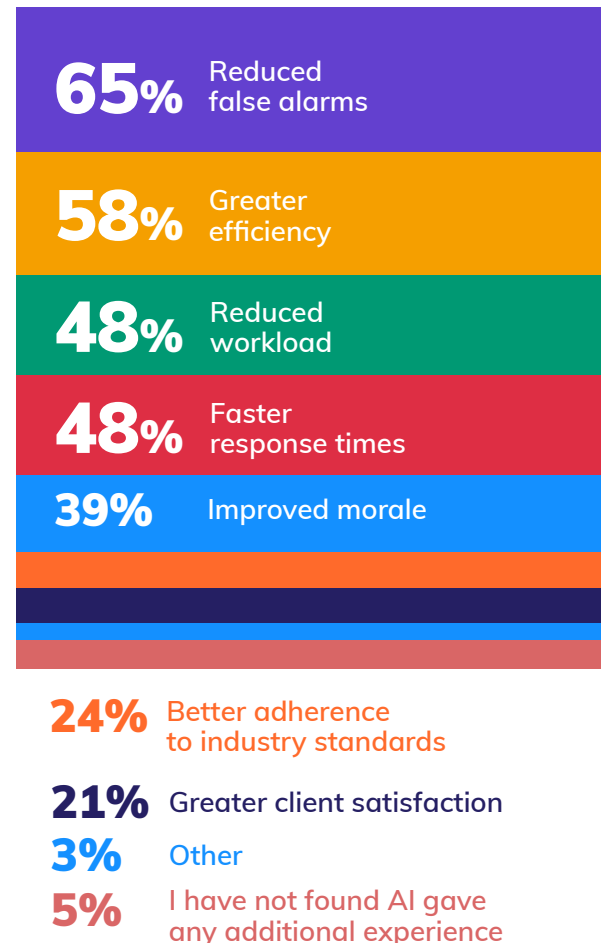
However, the results show that AI adopters are reaping the rewards that new technology has to offer; the vast majority (98%) said that since using AI video analytics, their false alarm rate had reduced. On average, AI adopters saw a 52% reduction in false alarms thanks to intelligent video

“
98% said AI video analytics reduced their false alarm rate.”

analytics. Several of the benefits that respondents gave fulfil their reasons for initially choosing AI, such as greater efficiency (58%) and greater client satisfaction (21%).

With all these benefits, many AI adopters are now also AI advocates. When asked if they would recommend AI video analytics to clients or colleagues, 71% of businesses said they would.

Which benefits have you experienced since using AI video analytics?



FUTURE FOCUS

While 2020 has been undeniably difficult, the results of our survey indicate that the security industry has shown remarkable resilience - even growth. Video monitoring appears to be one of the key services enabling security businesses to continue trading and growing, as demand has increased.

The coronavirus pandemic has forced all businesses to make changes - so how do our respondents feel about this? Will they affect how their businesses are run in the future? 89% of security businesses said they would take the current changes forward, with 1 in 5 (20%) video monitoring stations planning to make big changes to how they run their business in future.

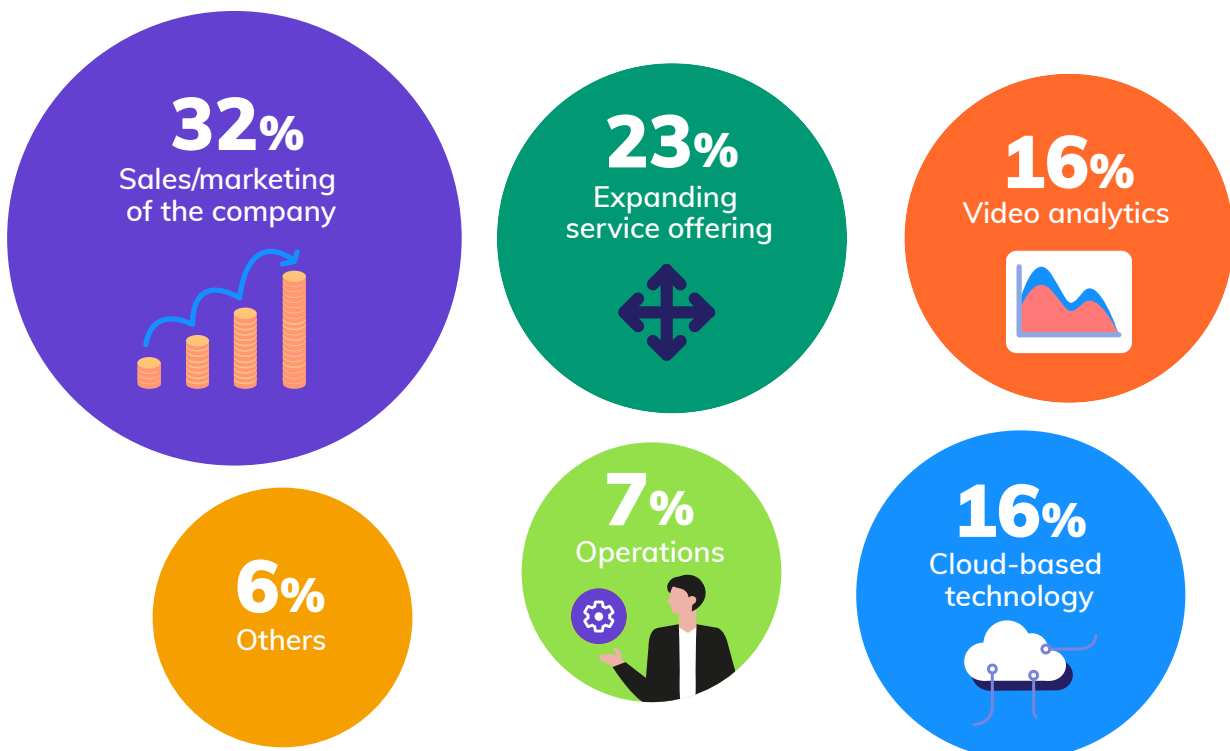
“The security industry has shown remarkable resilience - even growth.”

Technology has played a vital role in keeping individuals and businesses connected this year. As we have seen in the previous chapter, many adopters of new technologies, like AI, are seeing marked improvements in efficiency and workload.

“1 in 5 video monitoring stations plan to make big operational changes.”

When asked which areas they planned to invest in moving forward, a combined 32% planned to invest in a form of technology; 16% planned to invest in video analytics, and another 16% planned to invest in cloud-based technology.

Which areas of your business will you be investing into in future?



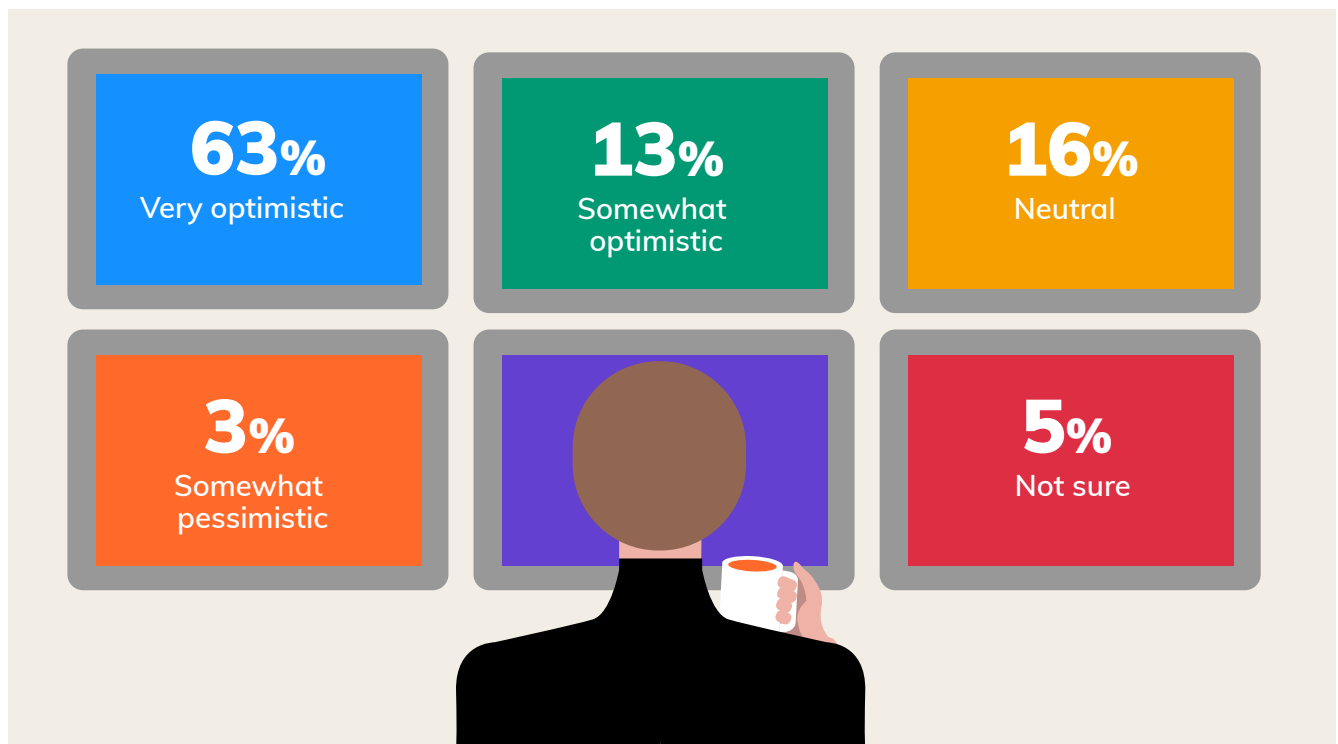
Businesses of all sizes appear to see the potential of video analytics: nearly a quarter (24%) of small businesses and 1 in 5 (20%) of corporates plan to invest in this area.

Some respondents plan to invest in other areas to help their business' future success: 32% plan to invest in sales and marketing, while 23% plan to expand their service offering.

“
**76% of businesses
felt optimistic.**”

So how do our businesses feel about the future of the control room? Overall, 76% of businesses felt optimistic.

How do you feel about the future of the control room?



Looking at our survey results in their entirety, we are inclined to agree with our respondents. The businesses in our survey have weathered the storm by providing vital services, and by employing the latest technology to get the job done better and quicker than before. The outlook looks positive for security services - and particularly video monitoring services - in 2021.



www.calipsa.io
hello@calipsa.io

Find out how we can improve your video monitoring efficiency with our False Alarm Filtering Platform.