2016

PSIRA Direct User Survey Findings

(T:) 012 003 0487
420 Witch-Hazel Avenue
Block B
Eco Glades 2 Office Park
Highveld Ext 70
www.psira.co.za

PSiRA
Private Security Industry Regulatory Authority

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SECTION ONE: PROJECT BRIEF, COMPANY PROFILE AND METHODOLOGY

1.1 PROJECT BRIEF

Demacon Market studies were commissioned by **PSiRA (Private Security Industry Regulatory Authority)** to perform market research surveys with different sets of private security consumers.

The purpose of these surveys is to assist PSIRA to better understand the consumer's perception of private security service providers and their underlying knowledge of the authority's (PSIRA's) role in terms of regulating the private security industry.

The project brief:

In terms of the project brief it is understood that two sets of surveys had to be conducted as part of the study. These surveys had to be focused towards the following main categories of consumers:

- **Direct Consumers** – e.g. business owners, retail establishments, estate management companies, private healthcare, private education intuitions etc.
- **End-User Consumers** – e.g. homeowners and housing associations.

The findings and analysis of each of these consumer markets had to be captured in separate market research reports. This report captures the findings of the direct user consumer market survey.

1.2 PSIRA PROFILE

Before focus is turned towards the findings of the surveys a short overview is provided in terms of the mission, vision, objectives and values of PSIRA.

MISSION: To protect the constitutional rights of all people to life, safety and dignity through the effective promotion and regulation of the private security industry.

VISION: To be recognised as an excellent regulator of private security in South Africa by all our stakeholders.

OBJECTIVES: The primary objectives of the Authority are to regulate the private security industry and to exercise effective control over the practice of the occupation of a security service provider in the public and national interest and in the interest of the private security industry itself.

VALUES:
- Integrity: Ethical Conduct, Fairness, Transparency
- Excellence: Accountability, Professionalism, Performance, Accessibility
- Ubuntu: Accessibility, Respect, Compassion, Diversities.

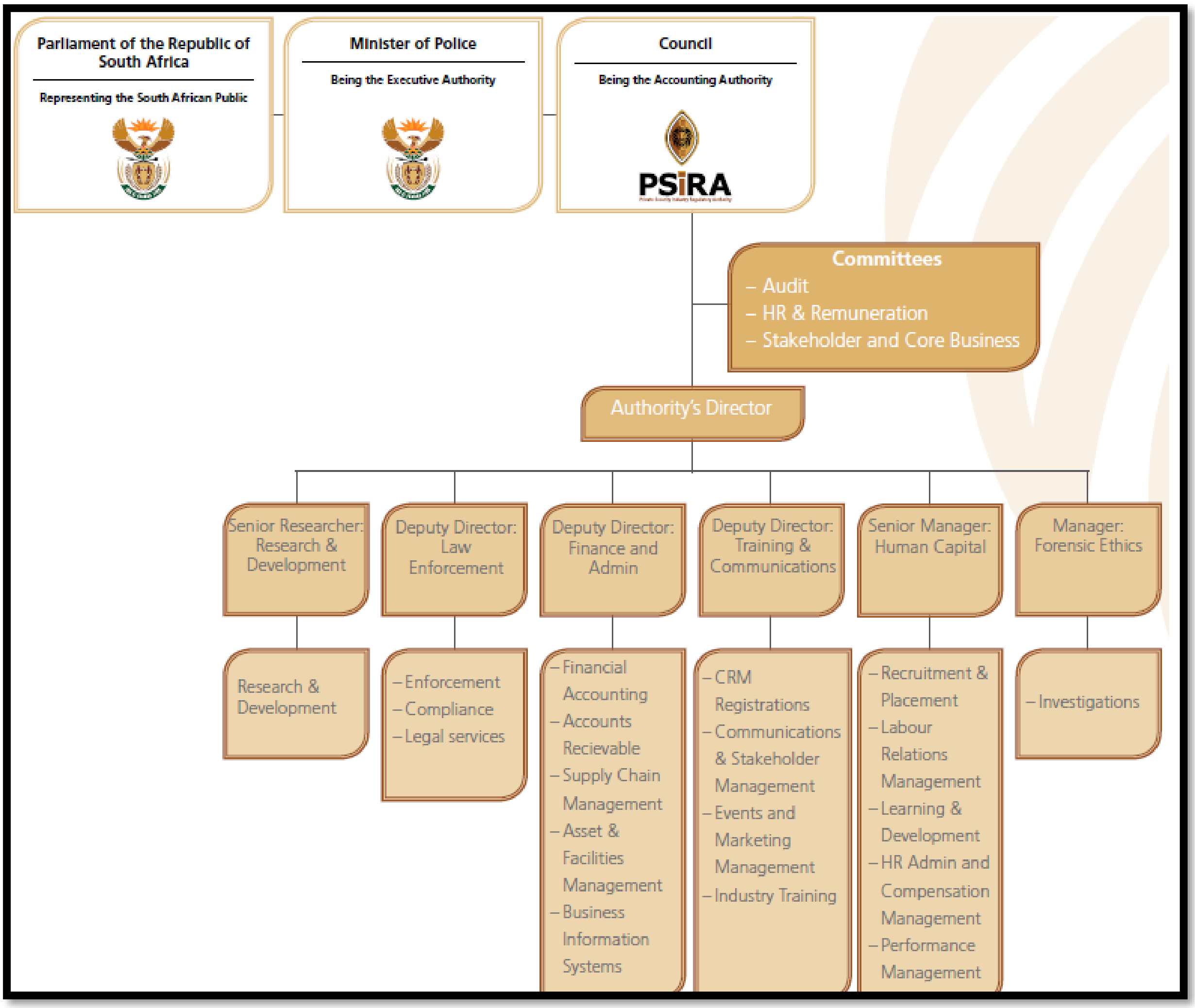
The Authority regulates and controls the Private Security Industry through:

- Registration of service providers

- Registration of security officers
- Ensuring compliance and adherence to PSIRA Act and all other laws applicable to security service providers
- Accredit training security service provider
- Process course report submitted to us
- Receive and investigate complaints against service providers
- Prosecute non-compliance by service providers
- Advise private security consumers about private security industry
- Advise state on all matters of private security.

The diagram below illustrates the organogram of the authority. It is evident that PSIRA falls under the minister of Police. There are six main levels within the organogram, under the management of the Authority's Director.

Diagram 1.1: PSIRA Organogram

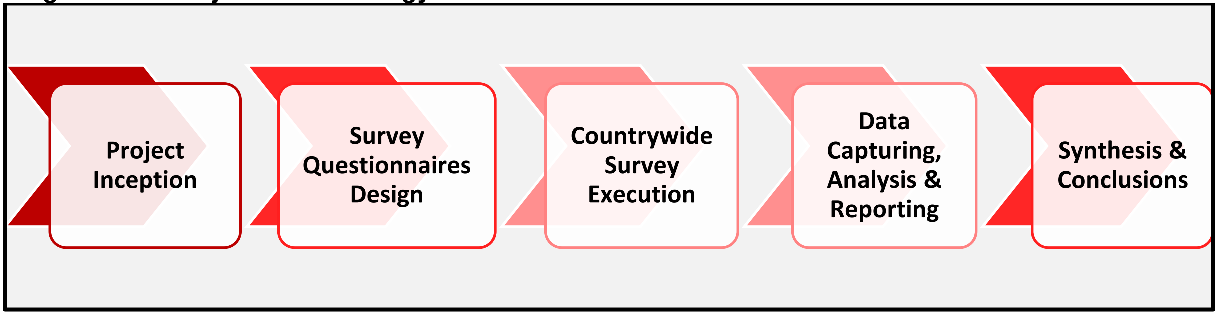


The following section provides a brief overview of the project methodology.

1.3 PROJECT METHODOLOGY

Diagram 1.2 indicates the various steps of the project methodology. Each of these steps are shortly discussed.

Diagram 1.2: Project Methodology



Step 1: Project Inception

This step included a discussion with the client to refine the project scope. As part of this discussion information was obtained in terms of the nature of deliverables required. In this step, it was emphasised that two separate reports were required for each of the sets of surveys.

Step 2: Survey Questionnaires Design

This step entailed the design and finalisation of the questionnaires. The Research and Development Unit of PSIRA sent through a list of potential questions that they wished to form part of the questionnaires. Making use of these questions as baseline, more comprehensive field orientated questionnaires were developed. The one questionnaire was developed with the direct consumer market in mind (e.g. companies, office parks etc.), and the other with the end-user consumer in mind (e.g. households and housing associations). These questionnaires were sent to the client for final comments, after which it was finalised.

Step 3: Countrywide Survey Execution

During this step the actual survey samples were estimated and broken down onto provincial levels. Detailed information is provided on the survey methodology in the next sub-section. After the sampling size were determined, in-house training was conducted with the surveyors executing the survey. Followed by the training was the actual execution of the two sets of surveys.

Step 4: Data Capturing, Analysis and Reporting

In this step, questionnaires were sorted based on the level of completion and usability. The completed surveys were then captured into a pre-set database (in excel format). The data was then analysed from which diagrams and tables were developed. This analysis was then captured into a report format, reflecting quantitative and qualitative information on the consumer market segments. Data analysis was conducted on a national aggregate level (and regarding the end-user consumer segment on a provincial level as well).

Step 5: Synthesis and Conclusion

The findings of the previous steps were integrated into a set of concluding remarks, ending of each of the individual reports.

1.4 SURVEY METHODOLOGY

This sub-section provides more in-depth information on the methodology followed during the direct user survey.

Direct User Survey Sample and Distribution Recommendations:

- There are 2.9 million registered tax-paying companies in SA;
- Of which 1.8 million companies potentially make use of private security services.

Based on the above estimation of market size three sample size options were considered (Refer to Table 1.1).

Table 1.1: Sample Survey Indicator

	Option A	Option B	Option C
Confidence Level	99%	95%	90%
Interval (Margin of Error)	5%	5%	5%
Survey Sample Requirement	664	385	271

Source: Demacon, 2016

It was proposed to the client that the survey should be commenced with speaking to **20 to 30 facility managers and business estate managers**. These managing companies are responsible for appointing security service providers for the numerous businesses located within their various estates. This process will assist in capturing larger portions of businesses at a time – instead of speaking to 271 individual businesses (as in Option C as agreed upon).

More than 300 potential companies were contacted to participate in the survey. The ultimate participation rate was 18.7 percent. In total 56 facility and business estate company's response (constituting ±560 buildings) could be analysed (completed surveys) – reflecting the following provincial distribution (Table 1.2).

Table 1.2: Provincial Distribution of Completed Surveys with Facility and Business Estate Management Companies

Province	Distribution of Companies Completing Surveys
Gauteng	33,9
KZN	25,0
Western Cape	25,0
North West	8,9
Free State	7,1
Total	**100,0**

Source: Demacon, 2016

1.5 REPORT OUTLINE

The remainder of the report is structured under the following Sections:

Section Two: Business Background and Location Characteristics
Section Three: Experience with Private Security Company (ies)
Section Four: Awareness of PSIRA and Associated Regulations
Section Five: Synthesis and Conclusions.

SECTION TWO: BUSINESS BACKGROUND AND LOCATION CHARACTERISTICS

2.1 INTRODUCTION

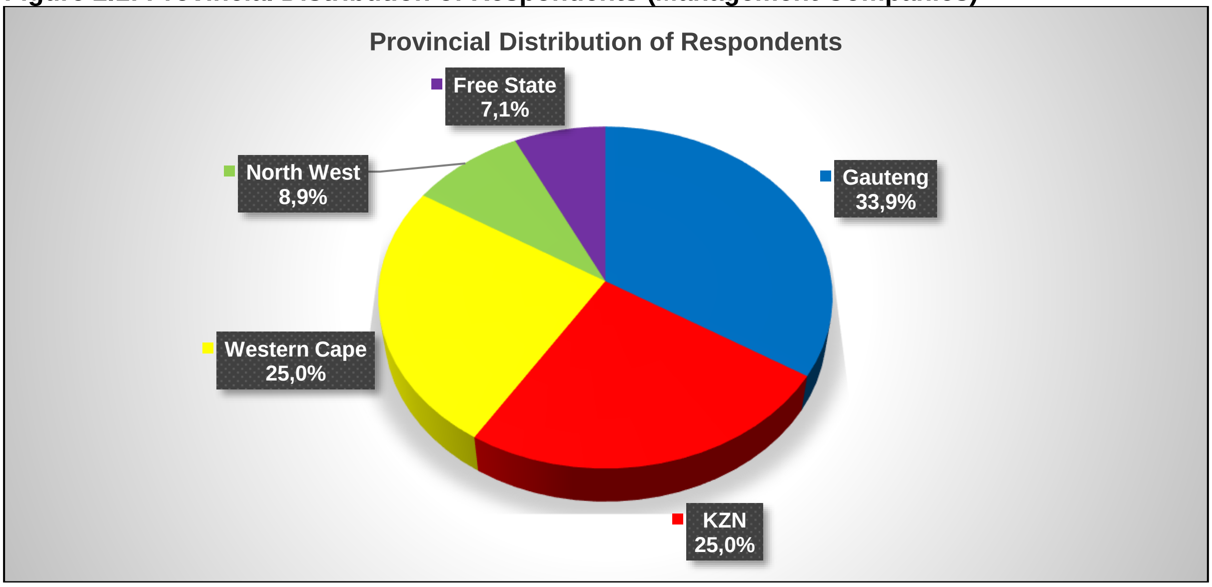
The purpose of this section is to reflect on the interviewed respondent's business background and location characteristics. The section focuses on the following aspects:

- General size of the business/ estate(s) that your company manage;
- Economic sectors the company (ies) within the estates are largely involved in;
- In terms of security – what measures are perceived most important for business and industrial estate(s).

2.2 LOCATION & SIZE OF ESTATES

Figure 2.1 indicates the provincial distribution of respondents. The management companies interviewed were primarily located within Gauteng (33.9%), KwaZulu Natal (25.0%) and the Western Cape (25.0%). A smaller segment of respondents was located within the North-West Province (8.9%) and the Free State (7.1%).

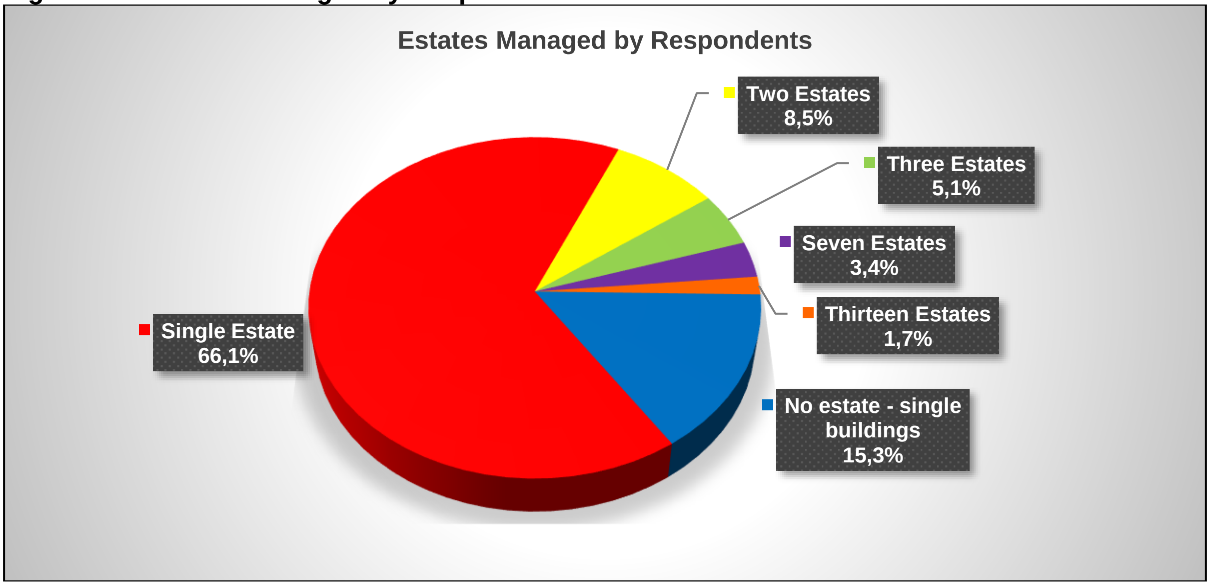
Figure 2.1: Provincial Distribution of Respondents (Management Companies)



Source: Demacon Direct User Survey, 2016

Figure 2.2 indicates the number of non-residential estates managed by the responding companies. The largest segment of respondents manages single business estates (66.1%), this is followed by 15.3% indicating that they do not manage estates but various loose standing commercial buildings. 8.5% of respondents manages two estates, 5.1% manages three estates, 3.4% manages seven estates and 1.7% manages up to 13 estates.

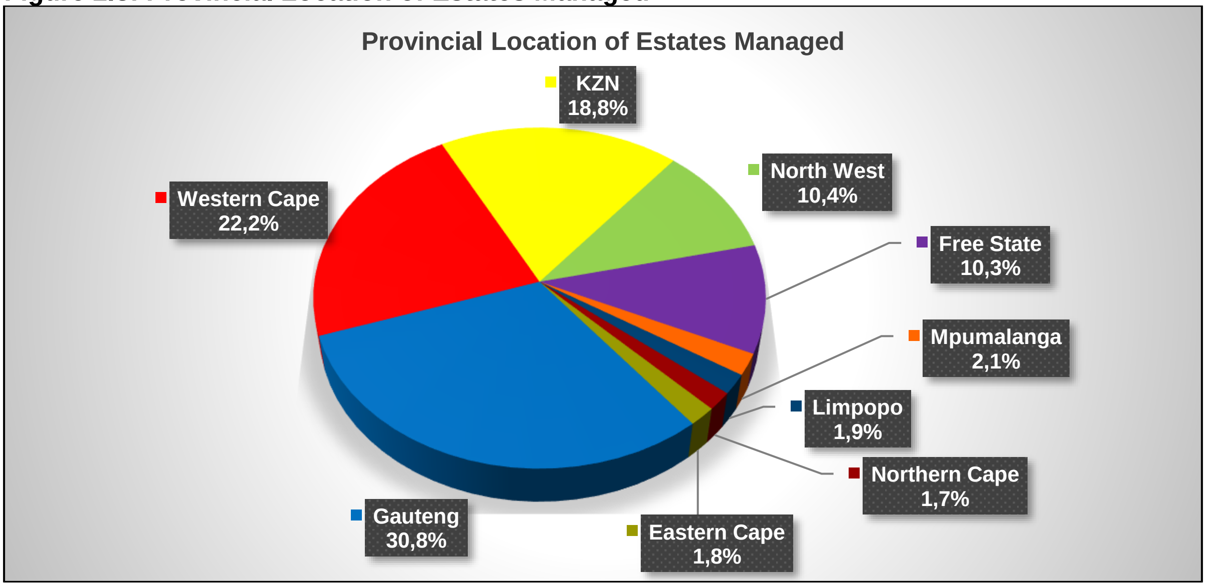
Figure 2.2: Estates Managed by Respondents



Source: Demacon Direct User Survey, 2016

Figure 2.3 reflects on the provincial location of estates managed by the respondents.

Figure 2.3: Provincial Location of Estates Managed



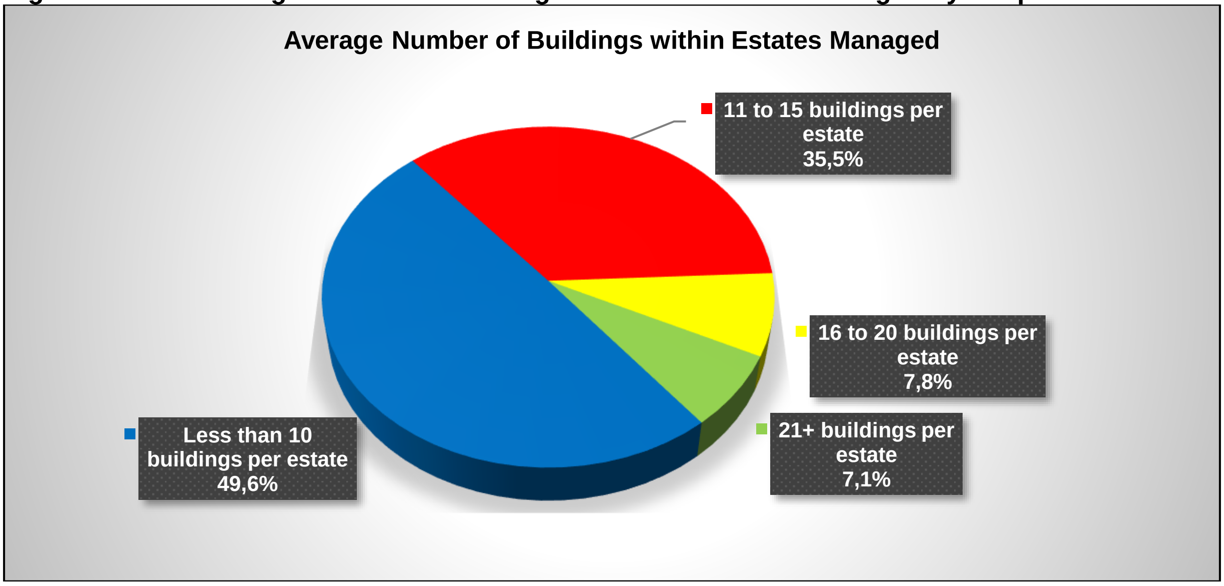
Source: Demacon Direct User Survey, 2016

Figure 2.3 indicates that the largest number of estates managed by the responding companies are located within Gauteng (30.8%), Western Cape (22.2%) and KZN (18.8%). This is followed by North West (10.4%), the Free State (10.3%), Mpumalanga (2.1%), Limpopo (1.9%), the Norther Cape (1.7%) and the Eastern Cape (1.8%).

Figure 2.4 reflects on the number of buildings within the respective estates managed by these companies. The respondents managing non-residential estates indicated the following in terms of the average number of buildings within the estates:

- 49.6% of managed estates have less than ten buildings
- 35.5% of the estates vary between 11 and 15 buildings per estate
- 7.8% of the estates vary between 16 and 20 buildings per estate
- 7.1% of estates consist of more than 21 buildings.

Figure 2.4: The average number of buildings within the Estates Managed by Respondents

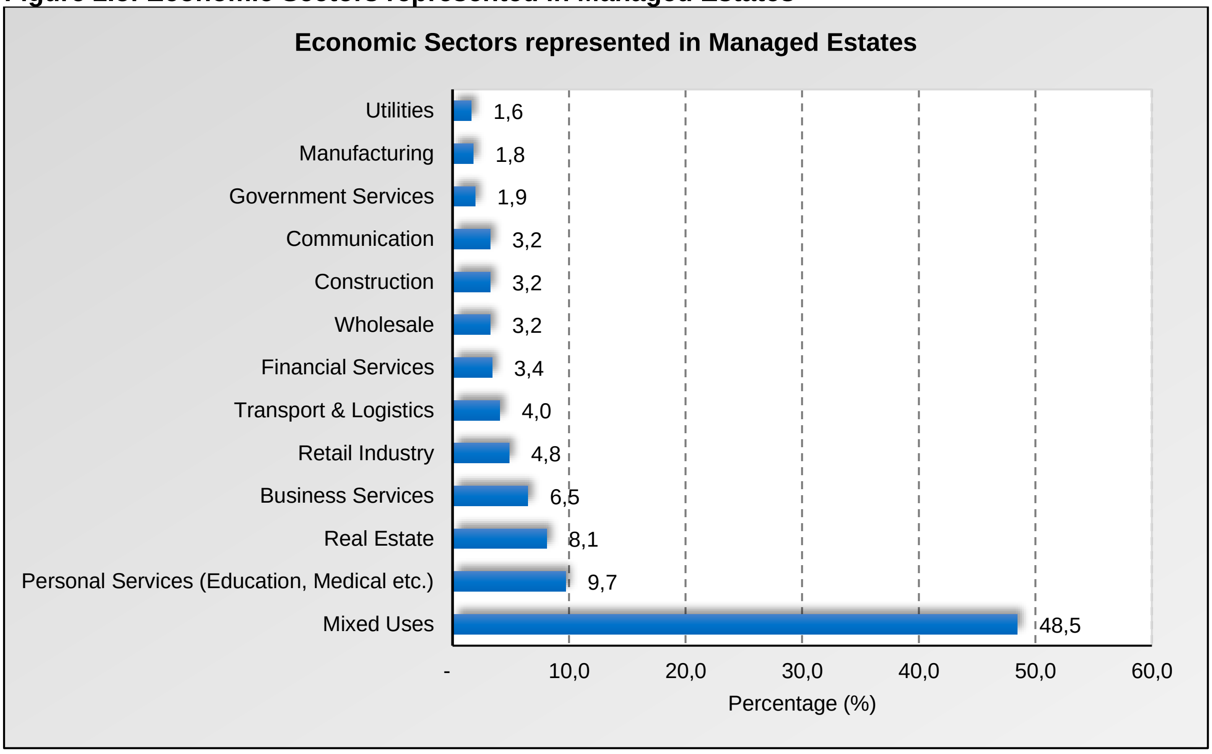


Source: Demacon Direct User Survey, 2016

2.3 ECONOMIC SECTORS

Figure 2.5 reflects on the economic sectors represented within the respondent's estates.

Figure 2.5: Economic Sectors represented in Managed Estates



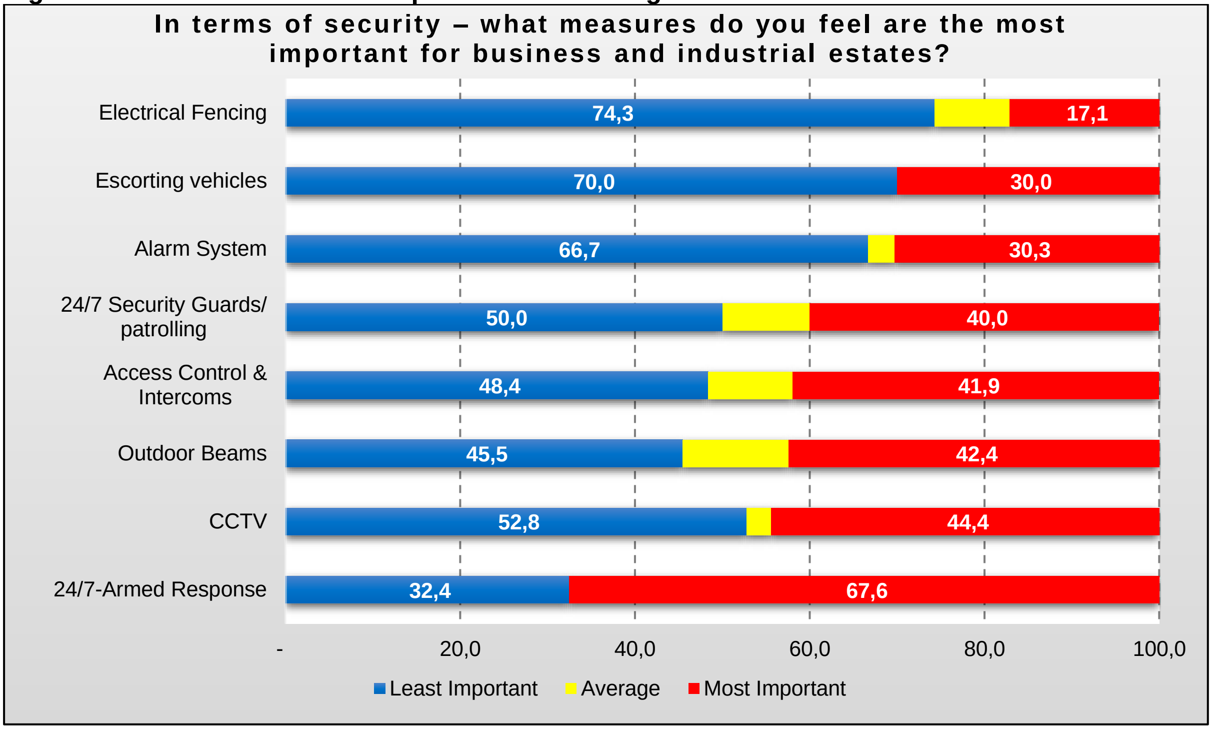
Source: Demacon Direct User Survey, 2016

Respondents indicates that the estates they managed are largely mixed use (diversified) estates (48.5%). Some of the respondents however, reflected on specific sectors represented in their estates, including personal services, real estate, business services, retail industry, transport and logistics, financial services, wholesale, construction, communication, government services, manufacturing and general utilities.

2.4 SECURITY SERVICES DEEMED MOST IMPORTANT

Figure 2.6 reflects the security measures that the respondents feel are the most important for business properties, and generally business and industrial estates.

Figure 2.6: Economic Sectors represented in Managed Estates



Source: Demacon Direct User Survey, 2016

The most important security considerations include:

- 24/7-Armed Response
- CCTV
- Outdoor Beams
- Access Control & Intercoms
- 24/7-Security Guards and Patrols
- Alarm Systems.

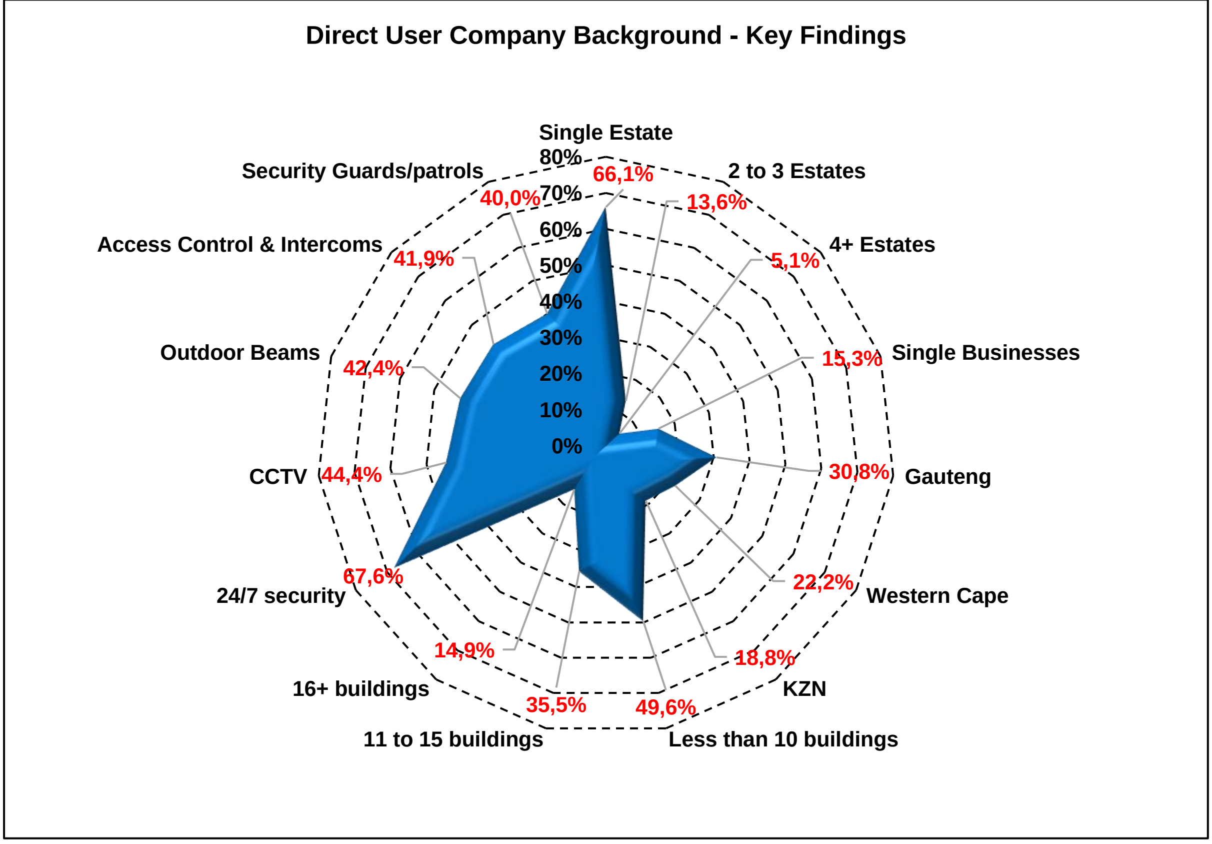
2.5 SYNTHESIS

Diagram 2.1 provides a summary of key findings within a spider diagram. The key findings reflected in the diagram include:

- The largest segment of respondents manages *single business estates* (66.1%), 13.6% manages two to three estates, 5.1% manages more than four estates. Just more than 15.3% also indicated that they do not manage estates but single business properties.
- The largest number of estates managed by the responding companies are located within *Gauteng* (30.8%), *Western Cape* (22.2%) and *KZN* (18.8%).
- The respondents managing non-residential estates indicated the following in terms of the average number of buildings within the estates:
  - 49.6% of managed estates have *less than ten buildings*
  - 35.5% of the estates vary between *11 and 15 buildings per estate*
  - 14.9% of the estates include more than 16 *buildings per estate.*

- The most important security considerations related to non-residential estates are viewed as:
  - *24/7-Armed Response*
  - *CCTV*
  - *Outdoor Beams*
  - *Access Control & Intercoms*
  - 24/7-Security Guards and Patrols.

Diagram 2.1: Business Background & Location



Source: Demacon, 2016

SECTION THREE: EXPERIENCE WITH PRIVATE SECURITY COMPANIES

3.1 INTRODUCTION

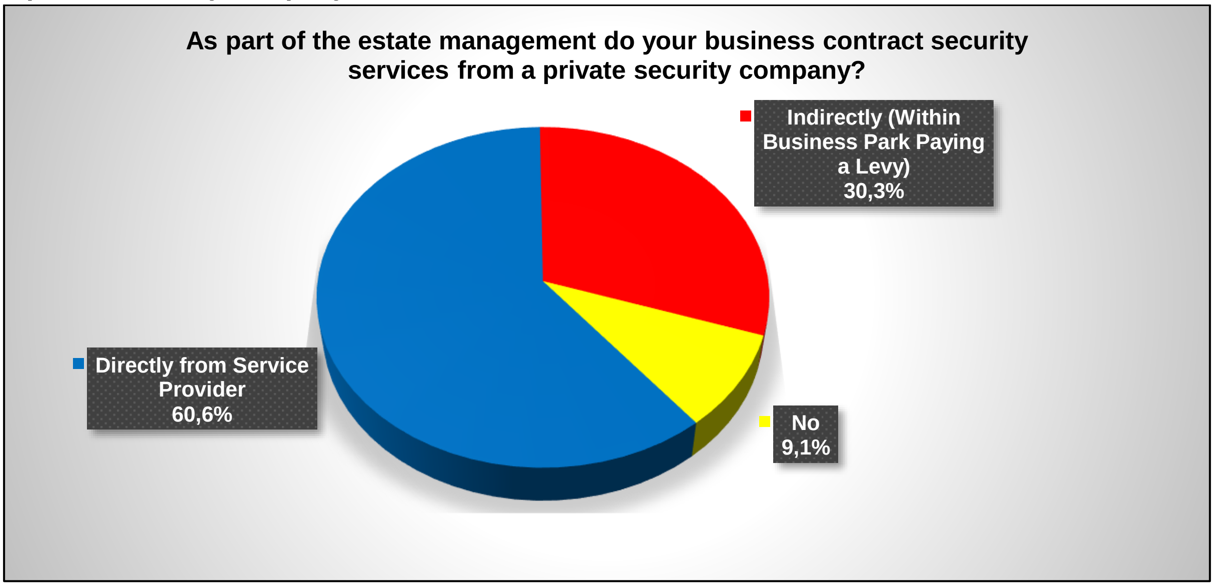
The purpose of this section is to reflect on the interviewed respondent's experience with private security companies. The section is structured in terms of the following aspects:

- Contracting of security services from a private security company;
- Method of deciding which Private Security Company to appoint;
- Level of satisfaction with current security provider;
- Challenges with the security service provider;
- Instances of criminal activity within the last 12 months;
- Criminal activity most prevalent in the area;
- List specialized security services acquired from the private security company;
- Additional security services required, not currently provided;
- Affordability of private security services;
- Stance on the price paid when choosing a private security company;
- Total estimated cost for the installation of the security systems;
- Average monthly costs.

3.2 DO YOU CONTRACT SECURITY SERVICES FROM A PRIVATE SECURITY COMPANY?

Figure 3.1 indicates the segment of respondents that acquire the services from private security companies, either directly or indirectly.

Figure 3.1: As part of the estate management do your business contract security services from a private security company?

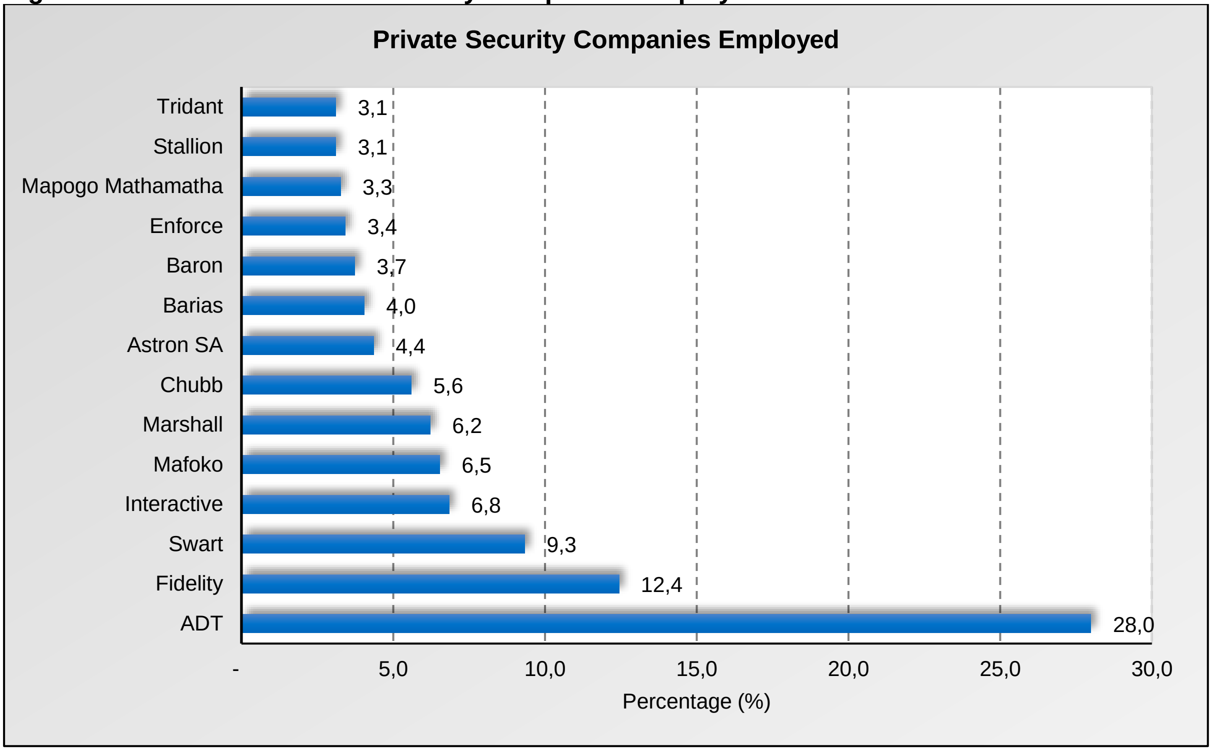


Source: Demacon Direct User Survey, 2016

Respondents indicated that 60.6% directly contract security services from a private security company. 30.3% indicated that they indirectly contract private security services (through paying a business levy within an estates). A total of 9.1% indicated that they do not contract security services from a private security company.

Figure 3.2 provides a list of private security companies from which respondents acquire private security services.

Figure 3.2: Dominant Private Security Companies Employed

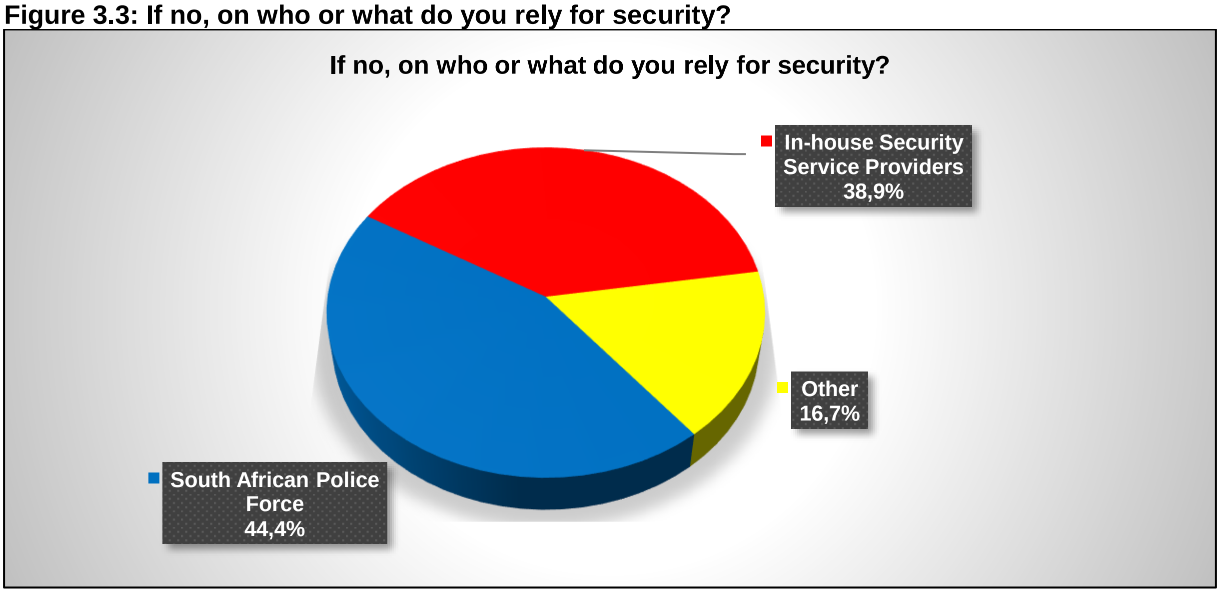


Source: Demacon Direct User Survey, 2016

Respondents indicated that the dominant private security companies employed include *ADT, Fidelity, Swart Security, Interactive Security, Mafoko Security, Marshall Security, Chubb, Astron*, Barias, Baron, Enforce, Mapogo Mathamatha, Stallian and Trident.

Figure 3.3 provides input on what the 9.1% (Refer to Figure 3.1) of companies that do not make use of private security services, rely on for security purposes.

Figure 3.3: If no, on who or what do you rely for security?



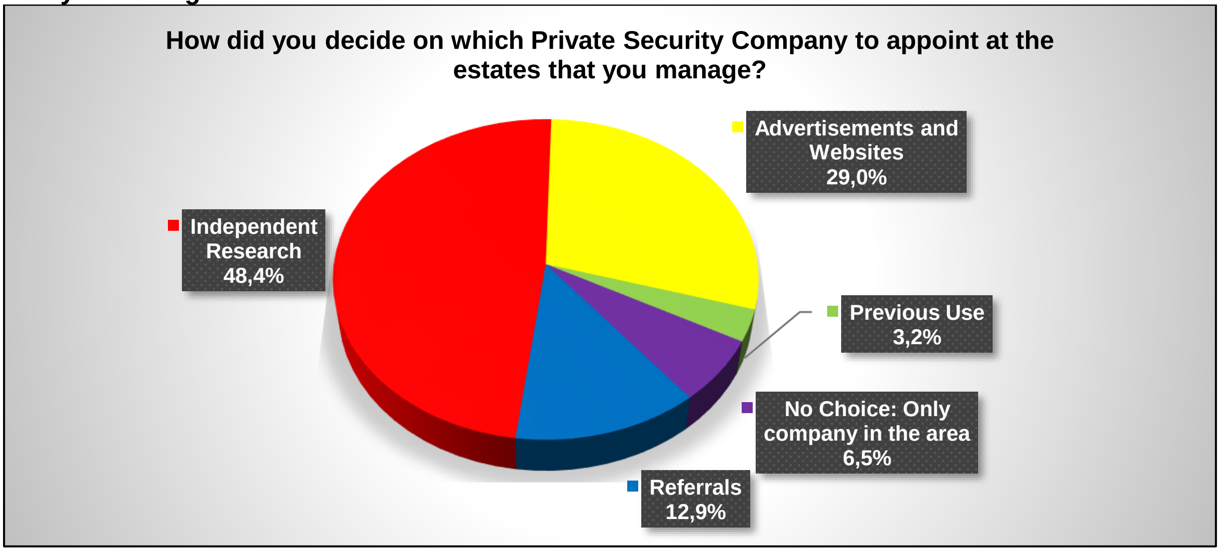
Source: Demacon Direct User Survey, 2016

The segment of respondents indicating that they do not contract security services from private security firms indicated that they are reliant on the South African Police Force (44.4%) and In-house Security providers (38.9%) for security.

3.3 HOW DID YOU DECIDE ON WHICH PRIVATE SECURITY COMPANY TO APPOINT AT THE ESTATES YOU MANAGE?

Figure 3.4 indicates the information utilised to decide on which private security company to appoint.

Figure 3.4: How did you decide on which Private Security Company to appoint at the estates that you manage?



Source: Demacon Direct User Survey, 2016

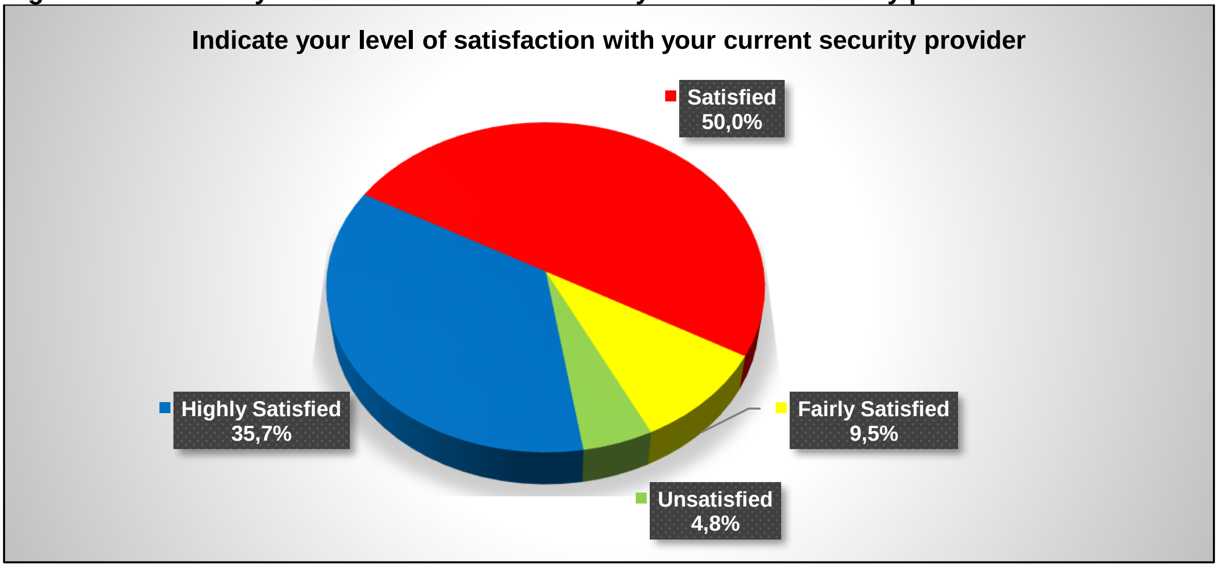
The choice of which private security company to appoint, was based on:

- Independent research – 48.4%
- Advertisements and websites – 29.0%
- Referrals – 12.9%
- No choice – only company in the area – 6.5%
- Previous use – 3.2%.

3.4 INDICATE YOUR LEVEL OF SATISFACTION WITH YOUR CURRENT SECURITY PROVIDER

Figure 3.5 indicates the level of satisfaction with respondent's current security provider. Generally, respondents are satisfied to highly satisfied with their security providers (85.7%). A total of 14.3% of respondents indicated that they are fairly satisfied to unsatisfied.

Figure 3.5: Indicate your level of satisfaction with your current security provider

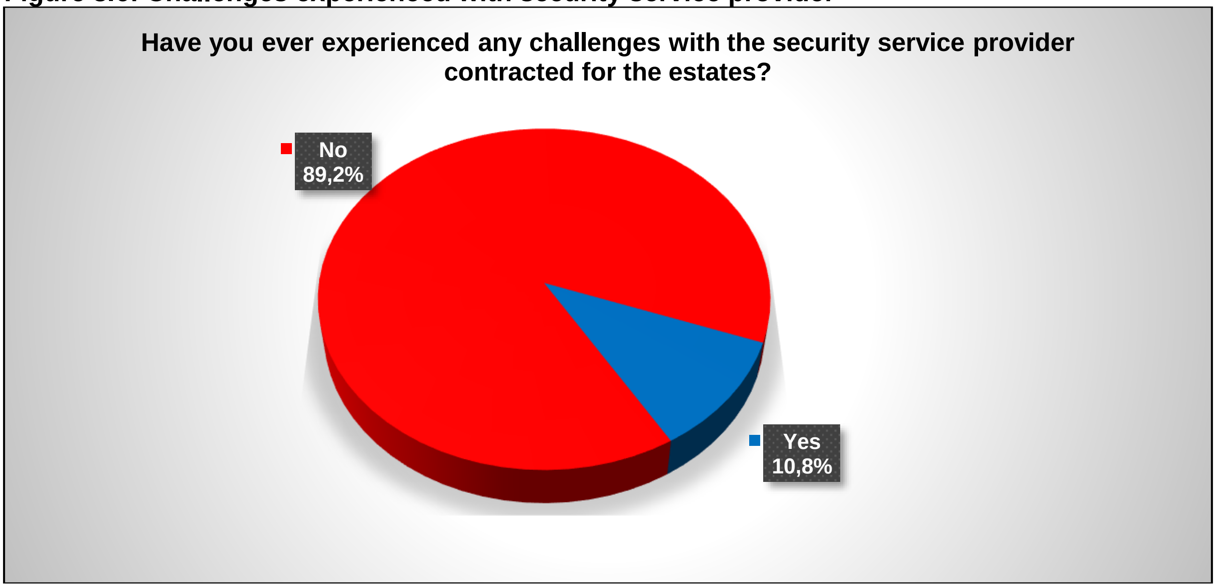


Source: Demacon Direct User Survey, 2016

3.5 CHALLENGES EXPERIENCED WITH SECURITY SERVICE PROVIDER

Figure 3.6 reflects on whether respondents have had any challenges with their private security service providers.

Figure 3.6: Challenges experienced with security service provider

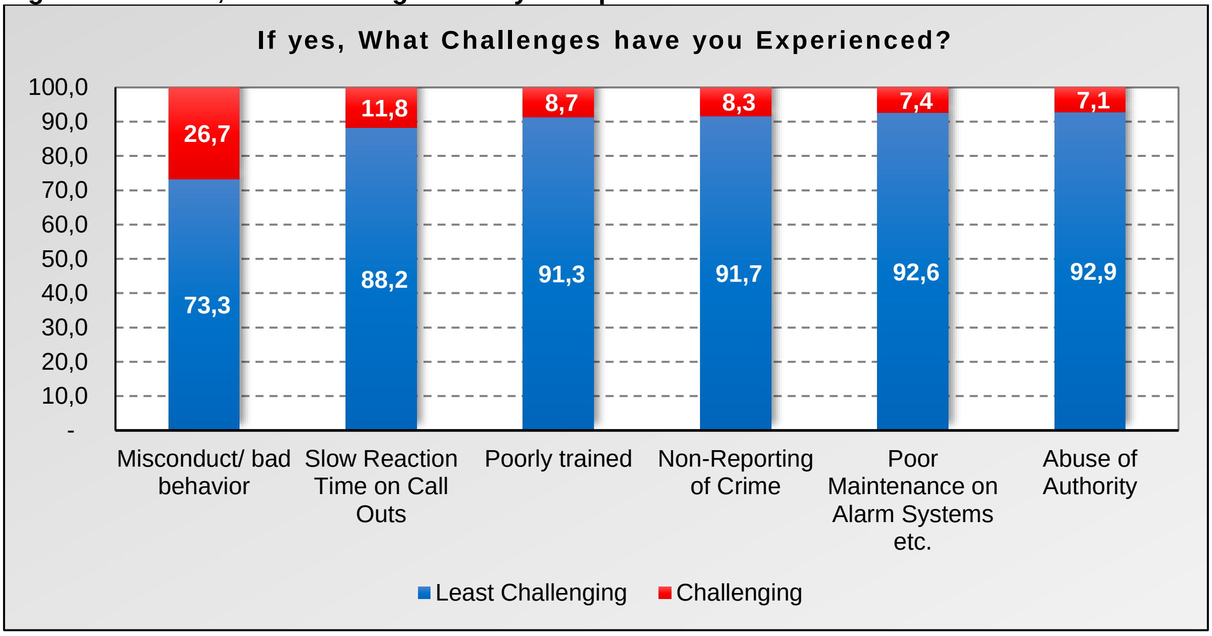


Source: Demacon Direct User Survey, 2016

Of the respondents, 10.8% indicated that they have experienced certain challenges with the security service provider contracted, compared to 89.2% indicating that they have not experienced any challenges.

Figure 3.7 reflect on the type of challenges experienced by the 10.8% of respondents reflected in Figure 3.6.

Figure 3.7: If Yes, what challenges have you experienced?



Source: Demacon Direct User Survey, 2016

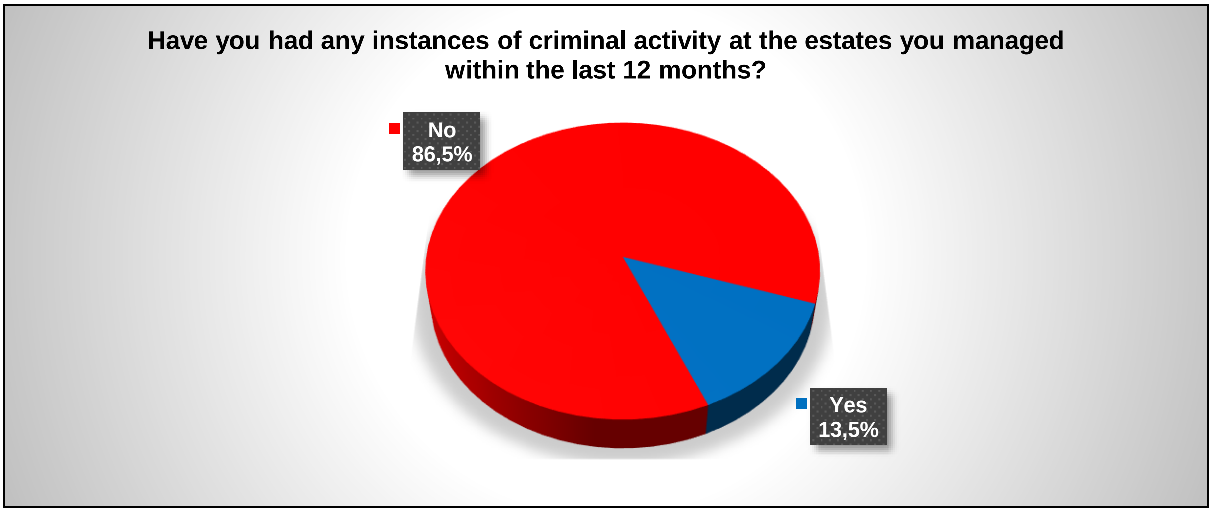
The main type of challenges experienced, included:

- *Misconduct / bad behaviour*
- *Slow reaction time on call outs*
- Poorly trained staff
- Non-reporting of crime
- Poor maintenance of security systems and infrastructure
- Abuse of authority.

3.6 INSTANCES OF CRIMINAL ACTIVITY AT ESTATES – LAST 12 MONTHS?

Figure 3.8 indicates whether respondents experienced any instances of criminal activity at their estates over the past 12 months.

Figure 3.8: Have you had any instances of criminal activity at the estates that you managed within the last 12 months?



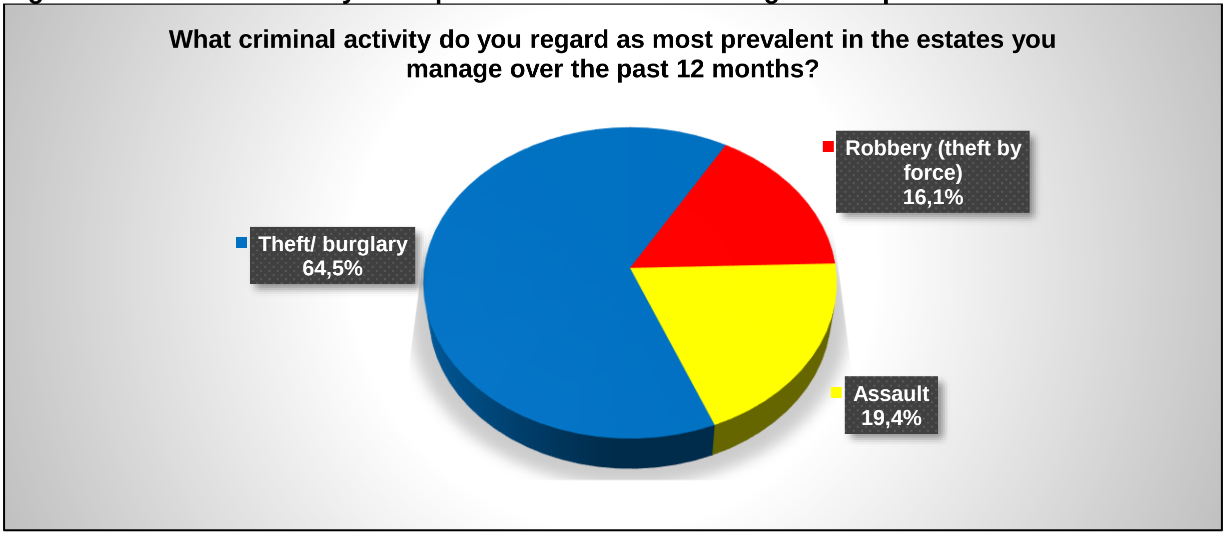
Source: Demacon Direct User Survey, 2016

Over the last 12 months, 13.5% of respondents indicated that they have experienced criminal activity within the estates that they manage.

Figure 3.9 indicates the type of criminal activity most prevalent in the estates that they manage. This included:

- Theft/ burglary – 64.5%
- Assault – 19.4%
- Robbery (theft by force) – 16.1%

Figure 3.9: Criminal Activity most prevalent in Estates managed over past 12 months

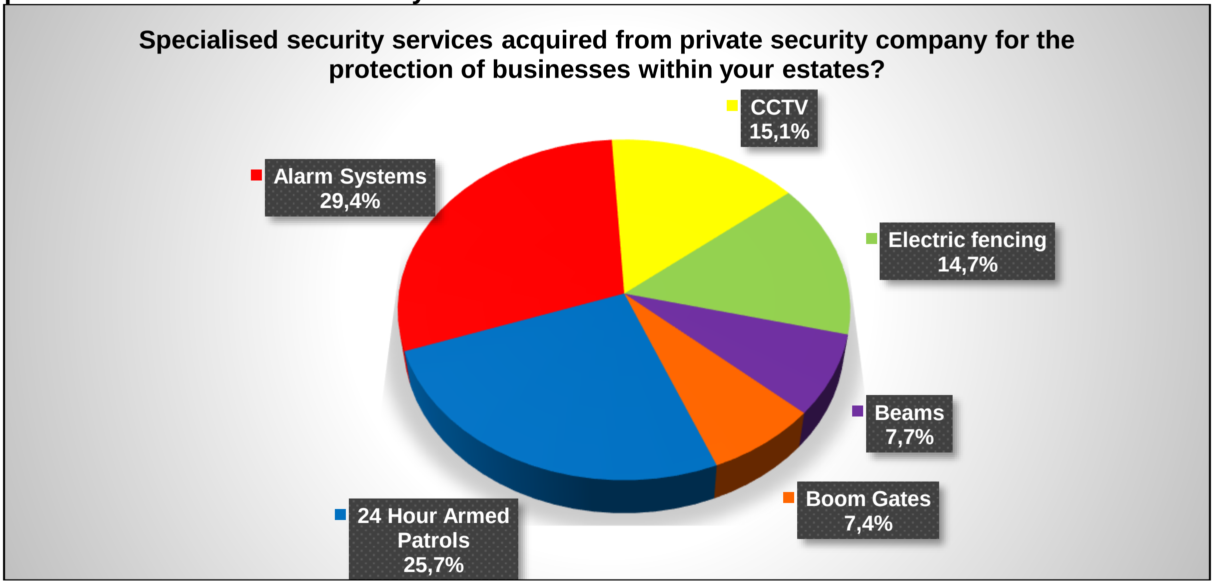


Source: Demacon Direct User Survey, 2016

3.7 SPECIALISED SECURITY SERVICES ACQUIRED FROM PRIVATE SECURITY COMPANIES?

Figure 3.10 indicates the specialised security services acquired from private security companies for the protection of business properties.

Figure 3.10: Specialised security services acquired from private security company for the protection of businesses within your estates?



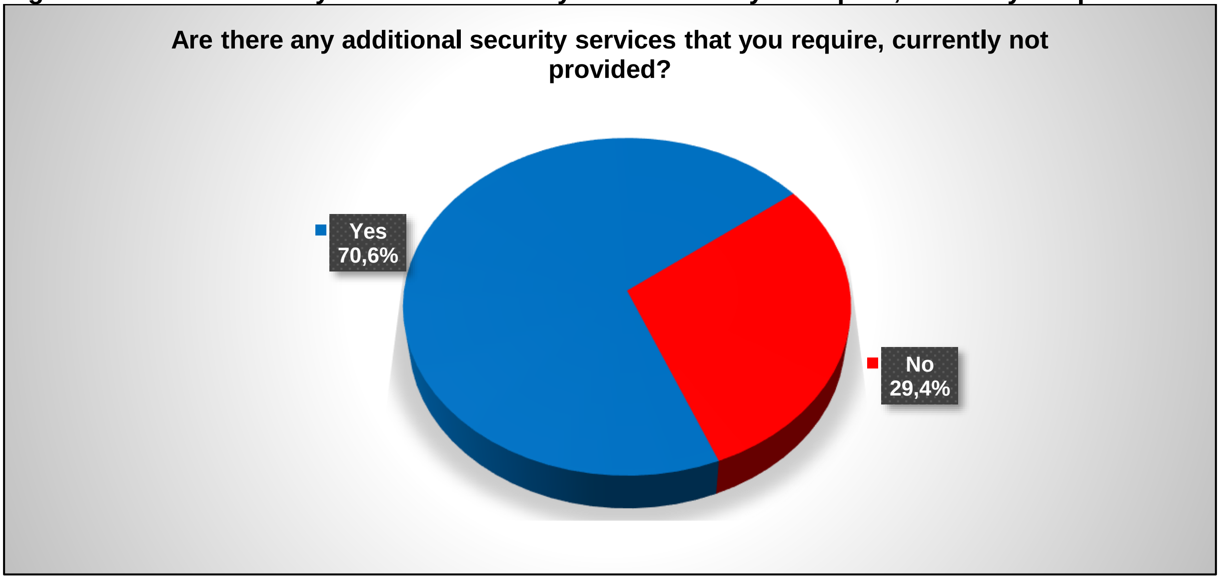
Source: Demacon Direct User Survey, 2016

Security measures mostly acquired by respondents for their business estates, included:

- Alarm Systems – 29.4%
- 24-hour Armed Patrols – 25.7%
- CCTV – 15.1%
- Electric Fencing – 14.7%
- Beams – 7.7%
- Boom Gates – 7.4%.

Figure 3.11 indicates whether the respondents have any additional security service requirements not currently provided by the security company they make use of.

Figure 3.11: Are there any additional security services that you require, currently not provided?



Source: Demacon Direct User Survey, 2016

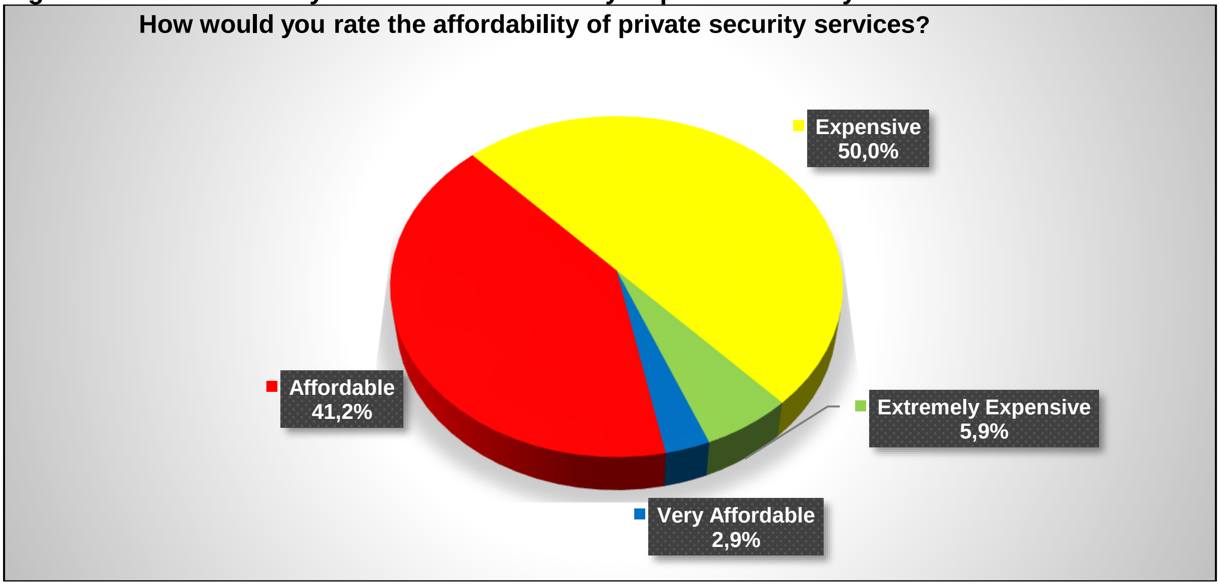
Additional security services are required by 70.6% of respondents, not currently provided by the private security company contracted.

3.8 AFFORDABILITY OF PRIVATE SECURITY SERVICES?

Figure 3.12 provide information on the perceived levels of affordability of private security services.

Market response to the affordability of private security services were largely split between two market segments, 55.9% of respondents rated it as expensive to extremely expensive, opposed to, 44.1% rating it as affordable to very affordable.

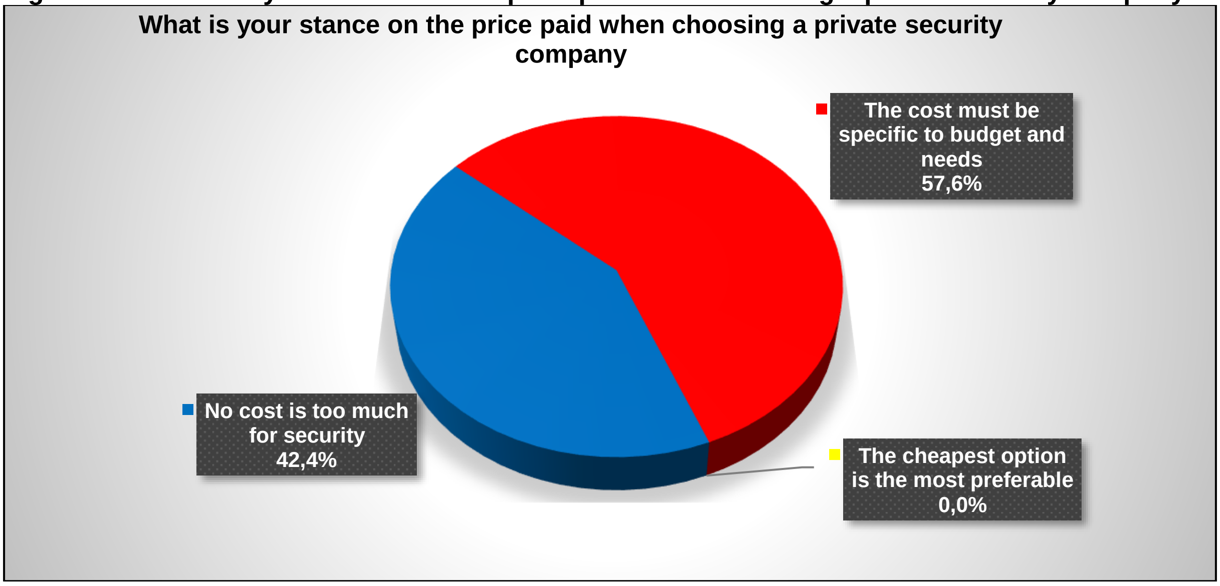
Figure 3.12: How would you rate the affordability of private security services?



Source: Demacon Direct User Survey, 2016

Figure 3.13 reflect on the respondent's stance on the price paid when choosing a private security company.

Figure 3.13: What is your stance on the price paid when choosing a private security company?

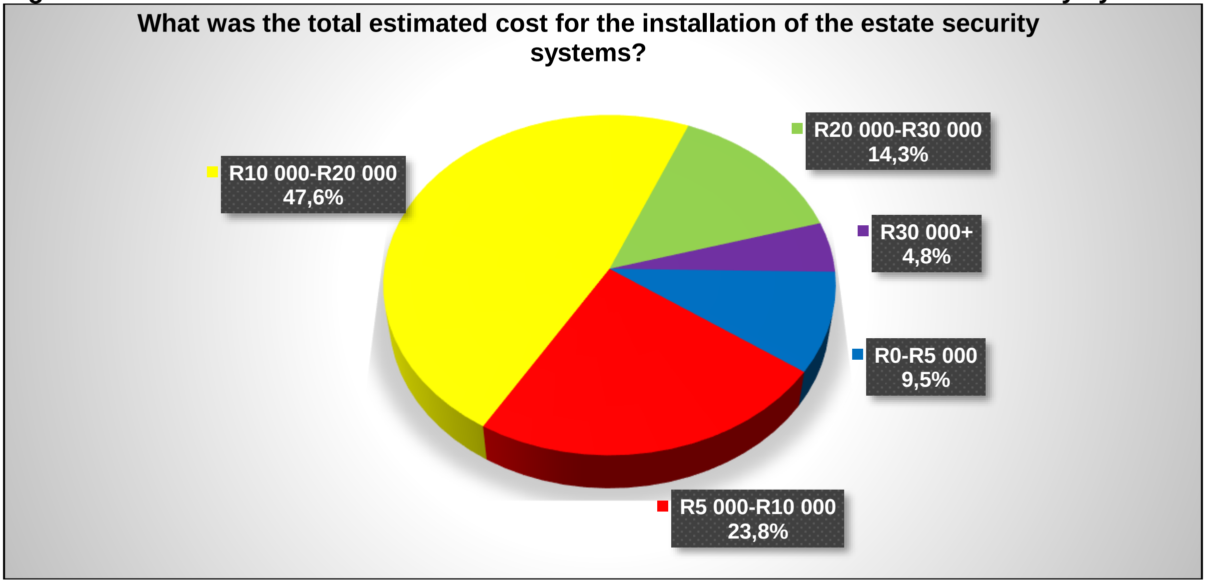


Source: Demacon Direct User Survey, 2016

The general stance on the price paid when choosing a private security company was that it had to be specific to the budge and business needs – 57.6%. Other respondents (42.4%) indicated that no cost is too much for security. None has selected the option that the cheapest option is the most preferable.

Figure 3.14 reflects on the estimated costs of installing security systems at their estates. Most of the companies indicated that the estimated cost of installing the security system within the estates as between R10k and R20k (47.6%), followed by 23.8% indicating that it had cost less than R10k. Other respondents reflected higher values of R20 to R30k (14.3%) and higher than R30k (4.8%).

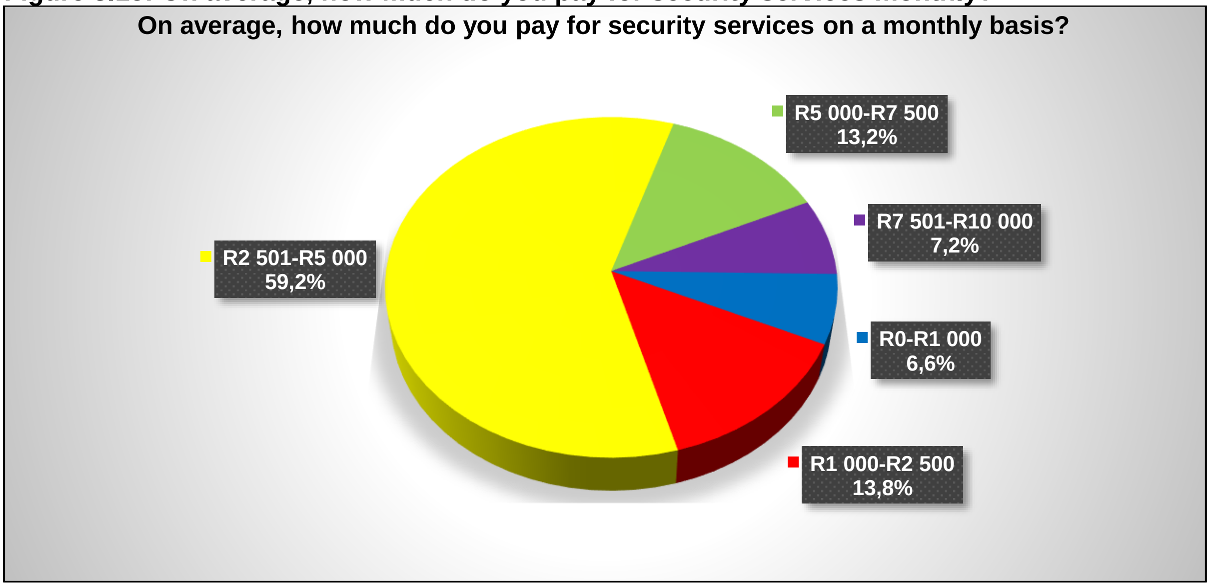
Figure 3.14: What as the total estimated cost for the installation of the estate security systems?



Source: Demacon Direct User Survey, 2016

Figure 3.15 reflects on the average monthly costs associated with security services.

Figure 3.15: On average, how much do you pay for security services monthly?

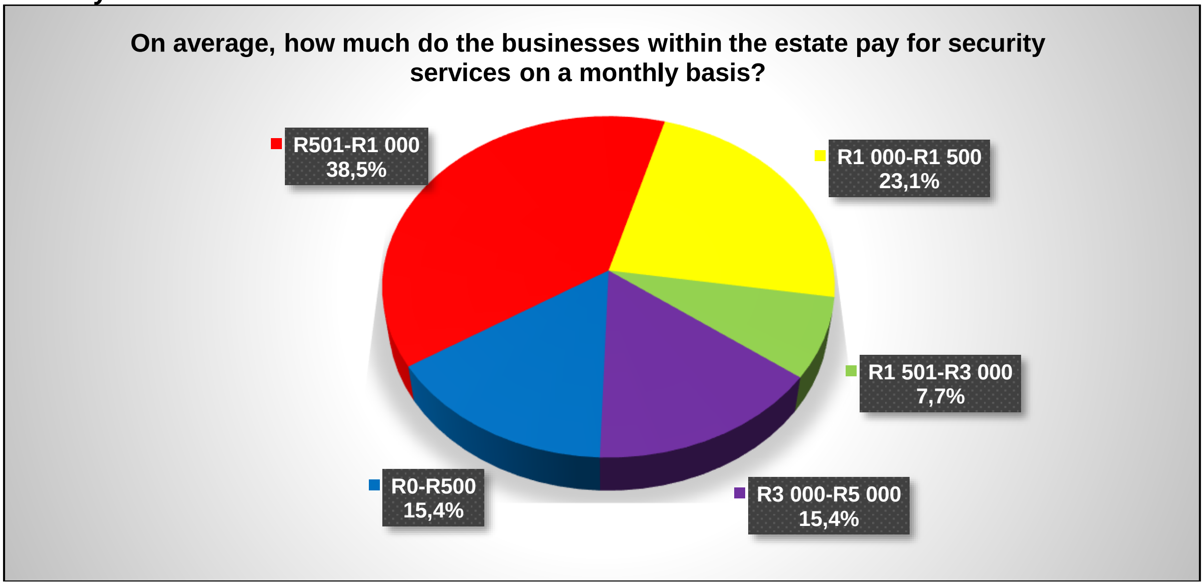


Source: Demacon Direct User Survey, 2016

Management companies largely pay up to R5k per month for security services at their estates that they manage, whereas 20.4% indicated monthly payments of between R5k and R10k per month.

Figure 3.16 reflects on the monthly amount that businesses within the estates pay for security services. They largely pay up to R1 500 per month for security services (76.9%), the remainder reflected that the businesses must pay R1 501 to R5 000 per month (23.1%).

Figure 3.16: On average, how much do the businesses within the estate pay for security services monthly?

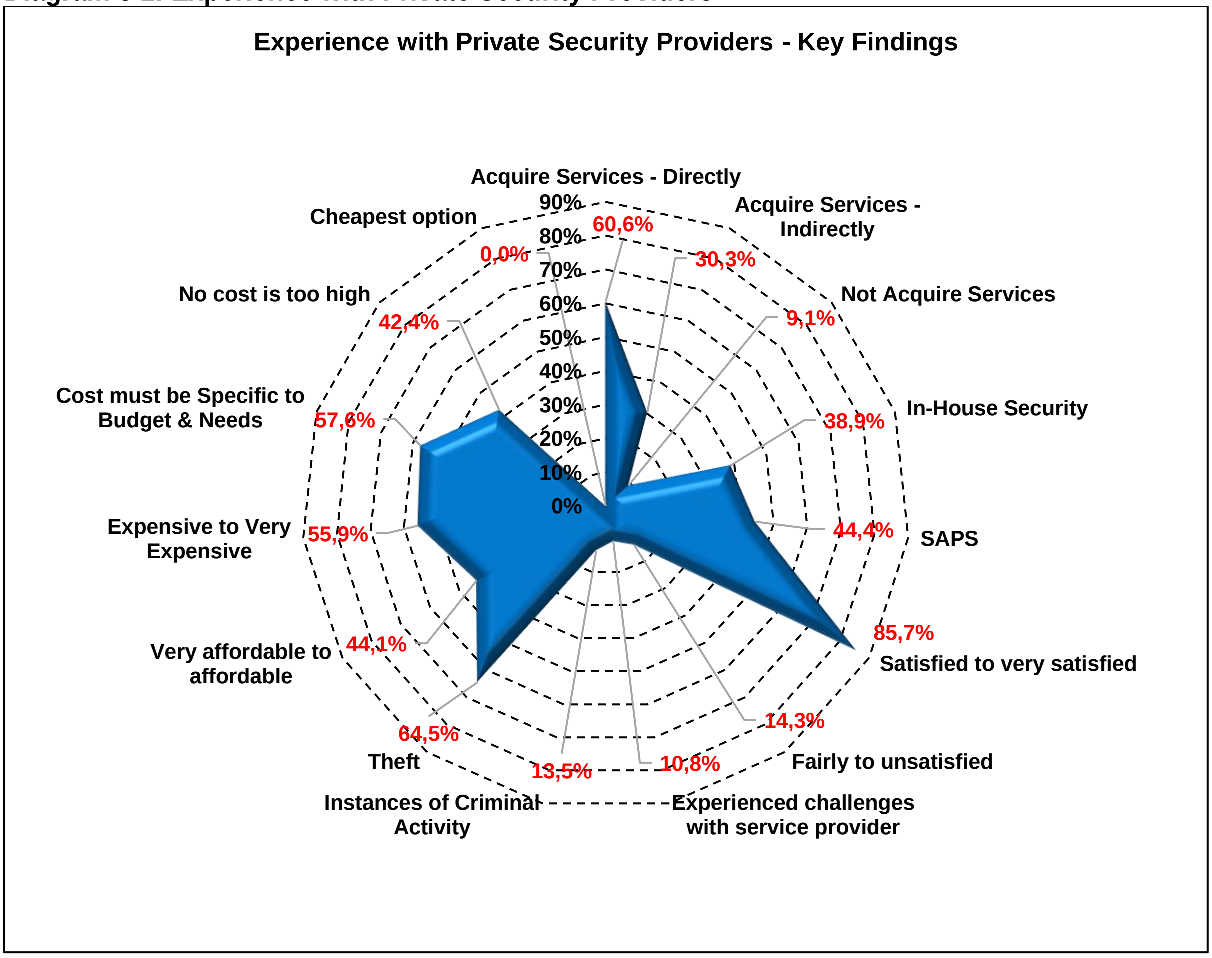


Source: Demacon Direct User Survey, 2016

3.9 SYNTHESIS

Diagram 3.1 indicates the key findings from the section.

Diagram 3.1: Experience with Private Security Providers



Source: Demacon, 2016

Key bullets supporting the diagram include:

- Respondents indicated that 60.6% *directly contract security services* from a private security company, whereas 30.3% indicated that they *indirectly contract private security services* (through paying a business levy within an estates).
- A total of 9.1% indicated that they do not contract security services from a private security company and rely on the South African Police Force (44.4%) and In-house security providers (38.9%) for security.
- Nearly 86% of respondents are satisfied to highly satisfied with their private security service providers, compared to 14.3% being fairly satisfied to unsatisfied.
- Of the respondents, 10.8% indicated that they have experienced certain challenges with the security service provider contracted.
- Over the last 12 months, 13.5% of respondents indicated that they have experienced criminal activity within the estates that they manage. The type of criminal activity most prevalent in the estates that they manage included theft/ burglary.
- Market response to the affordability of private security services were largely split between two market segments, 55.9% of respondents rated it as expensive to extremely expensive, opposed to, 44.1% rating it as affordable to very affordable.
- The general stance on the price paid when choosing a private security company was that it had to be *specific to the budge and business needs* – 57.6%.

SECTION FOUR: AWARENESS OF PSIRA AND ASSOCIATED REGULATIONS

4.1 INTRODUCTION

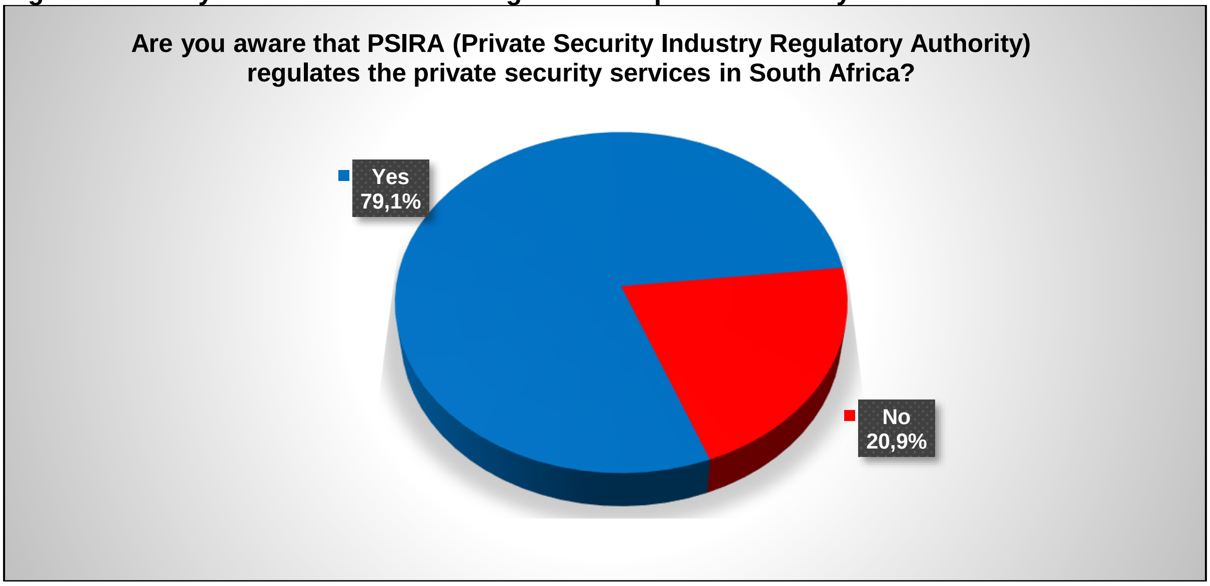
The purpose of this section is to reflect on the interviewed respondent's awareness of PSIRA and its regulations. The section is structured in terms of the following aspects:

- Awareness that the PSIRA (Private Security Industry Regulatory Authority) regulates the private security services in South Africa;
- Awareness that by law all private security companies should be registered with PSIRA;
- Knowledge on whether the private security company and manager contracted are registered with PSIRA;
- Whether PSIRA Membership was an important consideration when selecting their private security provider;
- Description of the relationship between the SAPS and the private security service provider;
- Did the above influence your decision of your selection of the service provider;
- Do you believe the private security guards contracted to provide security for businesses within the estates are adequately trained to deal with insecurity?

4.2 AWARENESS THAT PSIRA REGULATES THE PRIVATE SECURITY SERVICES IN SOUTH AFRICA

Figure 4.1 reflects on respondent's awareness that PSIRA regulates the private security services in South Africa.

Figure 4.1: Are you aware that PSIRA regulates the private security services in South Africa?

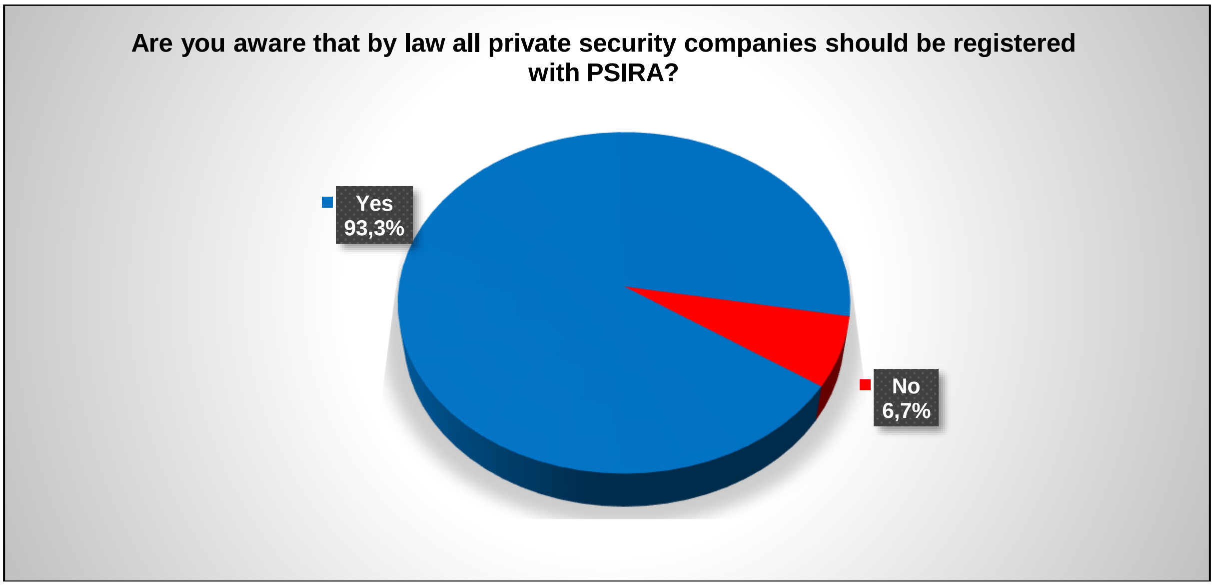


Source: Demacon Direct User Survey, 2016

Nearly 80% of respondents are aware that PSIRA regulates the private security services in South Africa.

Figure 4.2 indicates the awareness that by law all private security companies should be registered with PSIRA. Just more than 93% of respondents indicated that they are aware that by law, all private security companies should be registered with PSIRA.

Figure 4.2: Are you aware that by law, all private security companies should be registered with PSIRA?

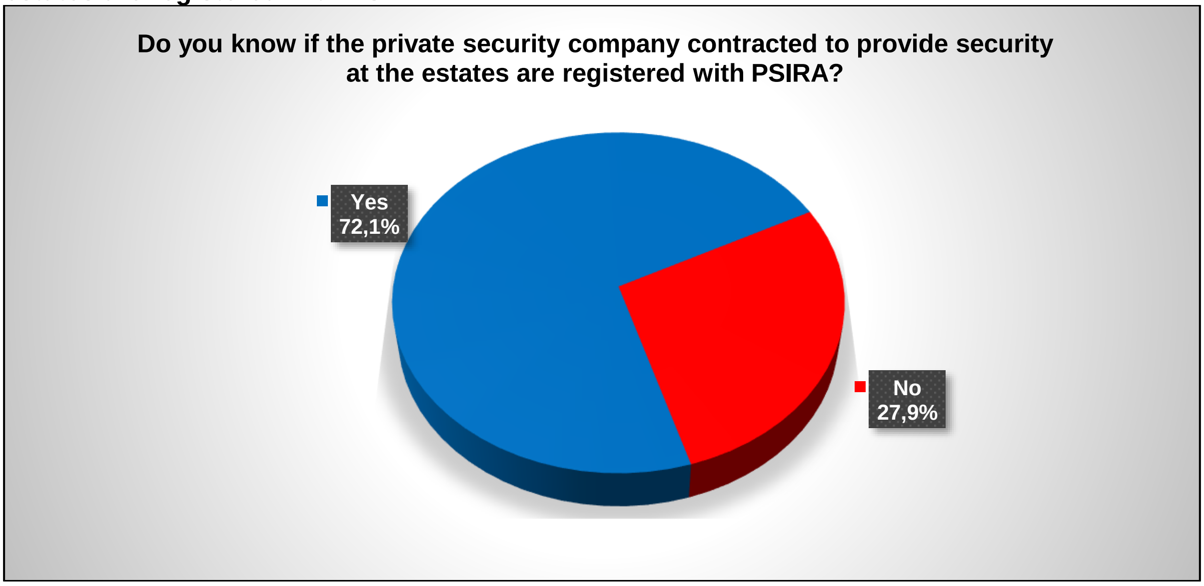


Source: Demacon Direct User Survey, 2016

4.3 AWARENESS OF PRIVATE SECURITY COMPANY AND MANAGER'S REGISTRATION WITH PSIRA

Figure 4.3 indicates the knowledge of respondents on whether the security company they use are registered with PSIRA.

Figure 4.3: Do you know if the private security company, contracted to provide security at the estates are registered with PSIRA?

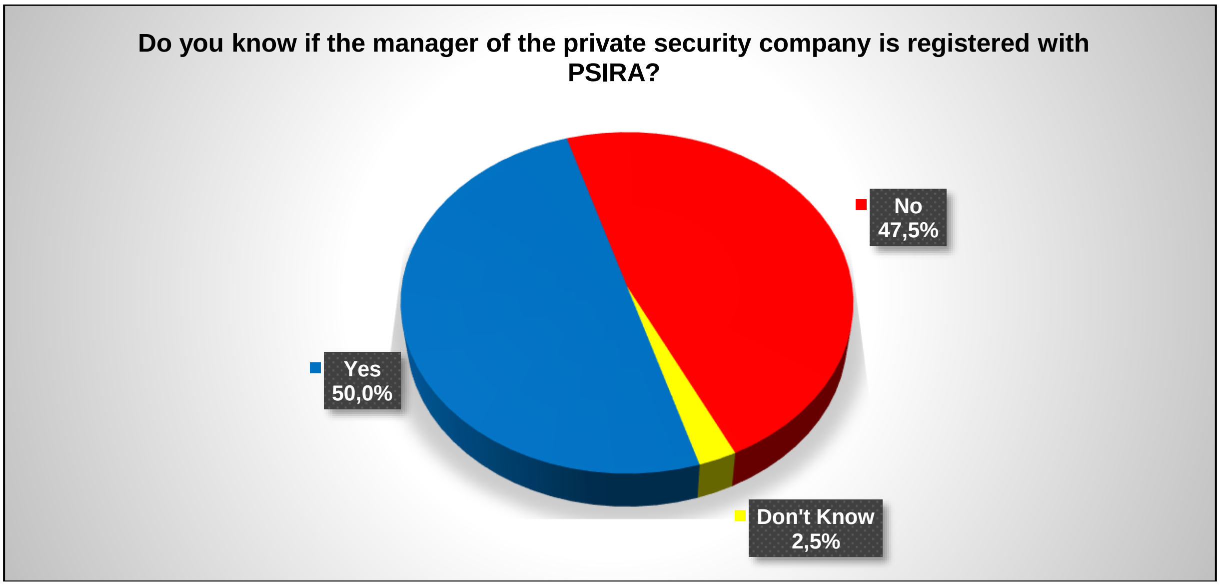


Source: Demacon Direct User Survey, 2016

The larger segment of respondents also indicated that they know that the private security company contracted by them are registered with PSIRA, compared to 27.9% indicating that they do not know.

Figure 4.4 reflects the knowledge of whether the manager of the company is registered with SPIRA. Despite the knowledge in terms of the company's registration with PSIRA, much lower level of knowledge with reference to the manager's registration with PSIRA (50.0% indicated that they know the manager is registered with PSIRA).

Figure 4.4: Do you know if the manager of the private security company is registered with PSIRA?

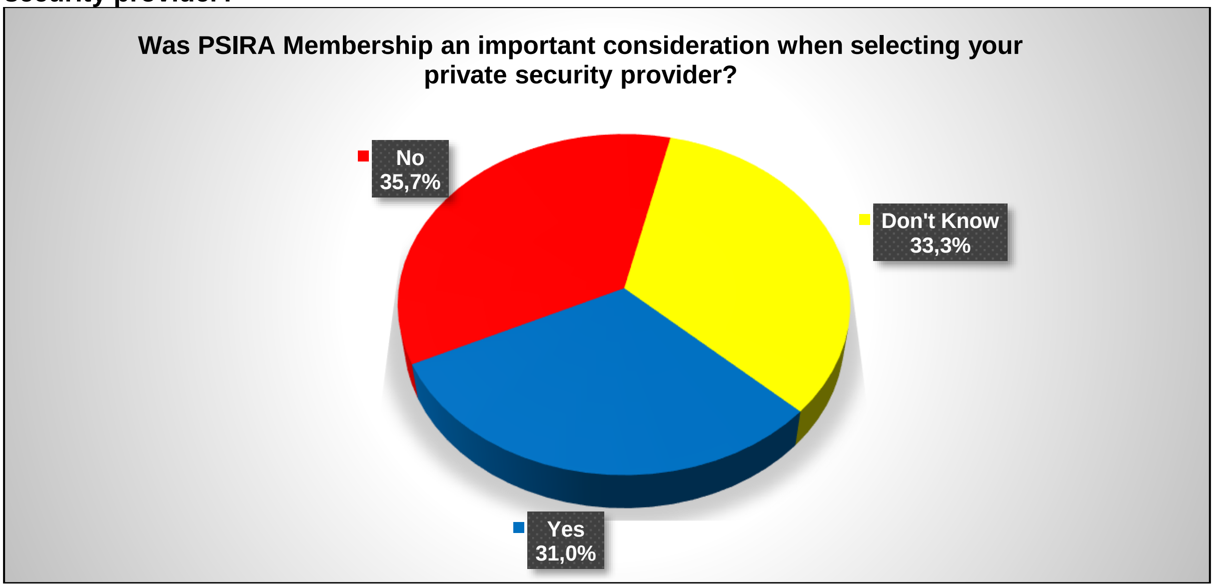


Source: Demacon Direct User Survey, 2016

4.4 WAS PSIRA MEMBERSHIP AN IMPORTANT CONSIDERATION WHEN SELECTING YOUR PRIVATE SECURITY PROVIDER?

Figure 4.5 indicates the response on the question whether PSIRA membership was an important consideration when selecting their private security provider.

Figure 4.5: Was PSIRA Membership an important consideration when selecting your private security provider?



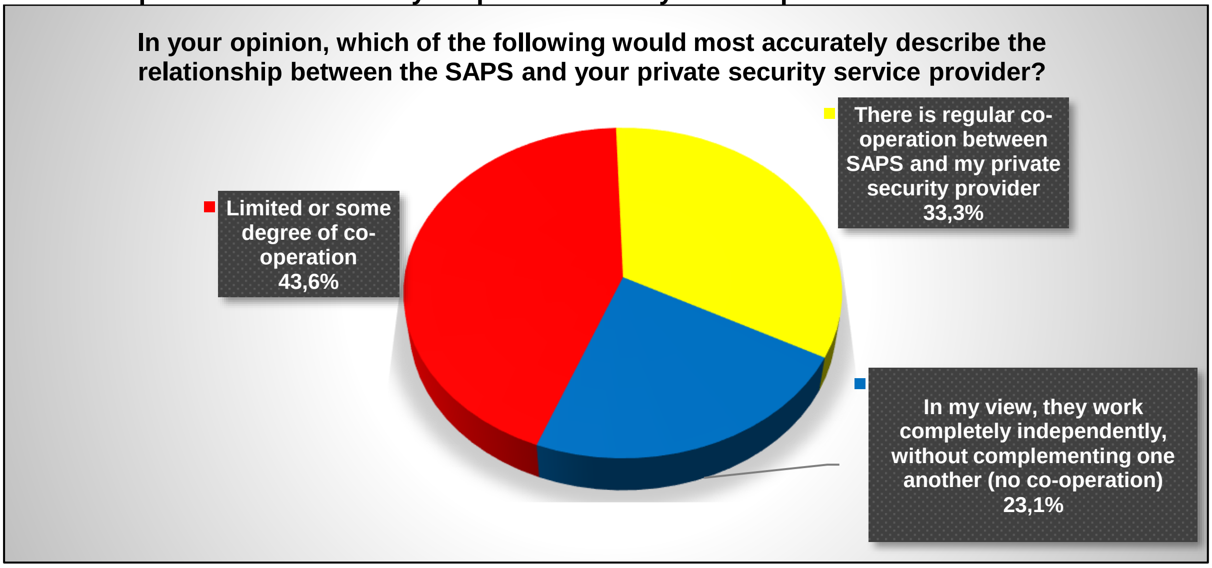
Source: Demacon Direct User Survey, 2016

Approximately 31.0% of respondents indicated that PSIRA membership represented an important considertion when selecting their private security provider, opposed to ±69% indicted that it did not represent an important consideration at all.

4.5 DESCRIPTION OF RELATIONSHIP BETWEEN SAPS AND PRIVATE SECURITY PROVIDER

In Figure 4.6 respondents described how they perceived the interaction between the private security industry and SAPS.

Figure 4.6: In your opinion, which of the following would most accurately describe the relationship between SAPS and your private security service provider?



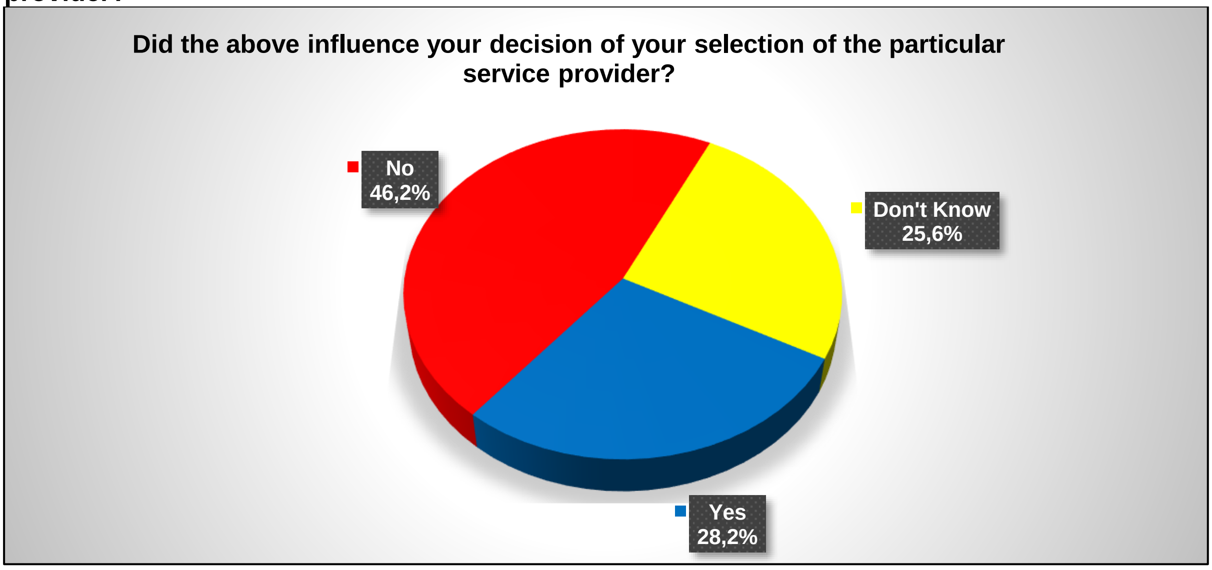
Source: Demacon Direct User Survey, 2016

The relationship between the SAPS and the private security service provider are described as:

- Limited / some degree of co-operation – 43.6%
- Regular co-operation between SAPS and my private security provider – 33.3%
- They work completely independently, without complementing one another – 23.1%.

Figure 4.7 indicates the answer to whether the answers of Figure 4.6 had an impact on their decision to selecting their private security service provider.

Figure 4.7: Did the above influence your decision of your selection of the particular service provider?



Source: Demacon Direct User Survey, 2016

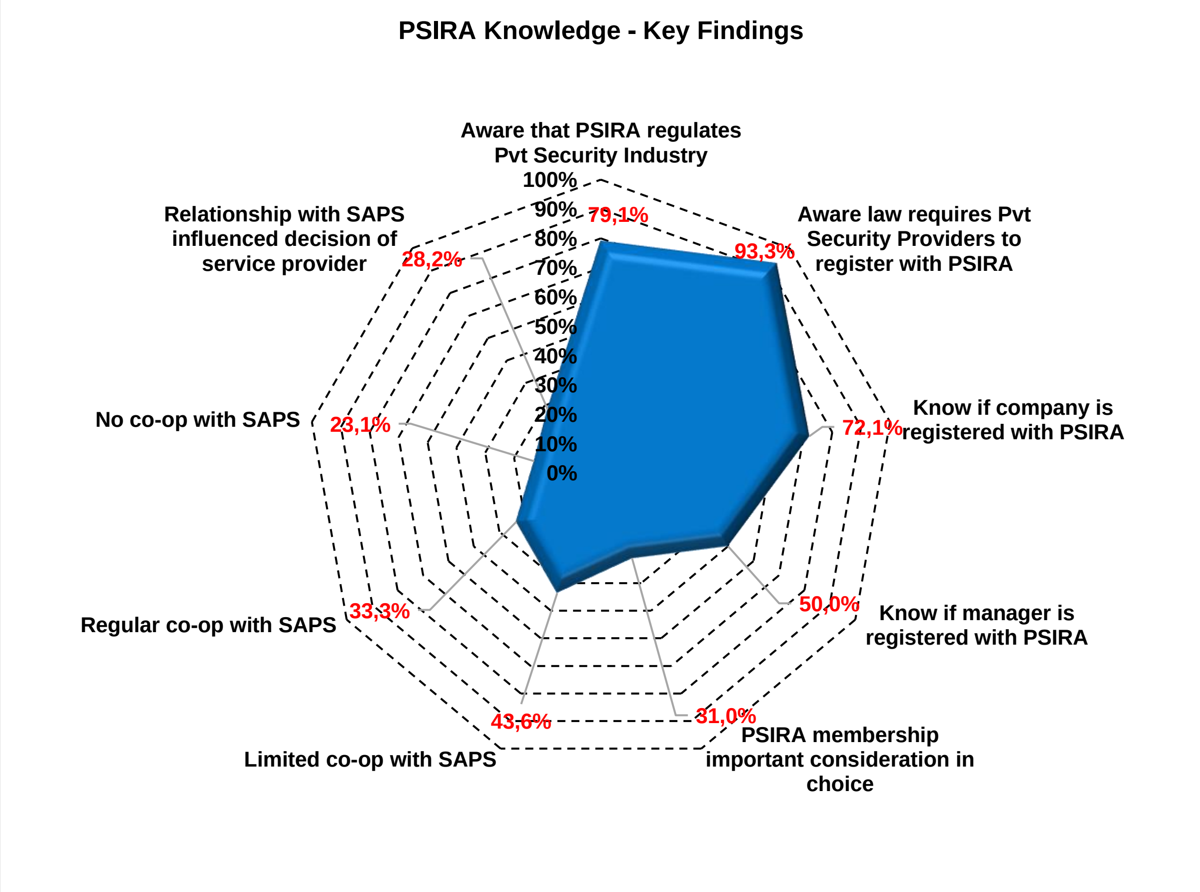
The perceived level of co-operation between SAPS and the particular service provider merely influenced 28.2% of respondent's in their decision to contract a specific private security provider.

All of the respondents indicated that they believed that the private security guards contracted to provide security for businesses within the estates are adequately trained to deal with issues of insecurity.

4.6 SYNTHESIS

Diagram 4.1 reflect on the key findings of this section. This is supported by the bullets under the diagram.

Diagram 4.1: Awareness of PSIRA



Source: Demacon, 2016

The following bullets highlight the key findings of this section:

- *Nearly 80%* of respondents *are aware* that PSIRA regulates the private security services in South Africa.
- *Just more than 93%* of respondents indicated that they *are aware* that by law, all private security companies should be registered with PSIRA.
- The larger segment of respondents also indicated *that they know* that the private security company contracted by them are registered with PSIRA, compared to 27.9% indicating that they do not know.
- Despite the knowledge in terms of the company's registration with PSIRA, much lower level of knowledge with reference to the manager's registration with PSIRA (50.0% indicated that they know the manager is registered with PSIRA).

- Only ±*31.0% of respondents* indicated that *PSIRA membership* represented an important considertion when selecting their private security provider.
- The relationship between the SAPS and the private security service provider are described as:
  - Limited /some degree of co-operation – 43.6%
  - Regular co-operation between SAPS and my private security provider – 33.3%
  - They work completely independently, without complementing one another – 23.1%
- The perceived level of co-operation between SAPS and the particular service provider merely influenced 28.2% of respondent's in their decision to contract a specific private security provider.

SECTION FIVE: SYNTHESIS AND CONCLUSIONS

5.1 INTRODUCTION

The purpose of this section is to integrate the findings of the previous sections into a synthesis, supported by concluding remarks.

5.2 KEY FINDINGS

1. Direct users typically contract private security services either directly or indirectly via estate levies.

2. A small segment (9.1%) relies on SAPS and in-house security services.

3. Direct users typically make use of the following information to select a private security provider:

   - Independent research;
   - Advertisements & websites;
   - Referrals to select a private security provider.

4. Direct users are largely satisfied (85.7%) with private security providers, and a limited number (10.8%) has experienced challenges regarding *misconduct / bad behaviour and slow reaction times.*

5. The type of *crime* most prevalent in the estates managed by respondents, included:

   - Theft/ burglary;
   - Assault;
   - Robbery.

6. Security measures mostly acquired for the non-residential properties owned/ managed included:

   - Alarm Systems;
   - 24-hour Armed Patrols;
   - CCTV;
   - Electric fencing.

7. The general stance on the price paid when choosing a private security company was that it had to be *specific to the budget and business needs (57.6%).*

8. There appears to be general awareness concerning PSiRA as the industry's regulatory body and its regulations (79.1%).

9. Proportionally more respondents are familiar whether their private security company is registered with PSiRA (72.1%), when compared with their awareness of whether the company's manager is registered with PSiRA (50.0%).

10. Only a third (31.0%) of respondents ultimately indicated that their private security company's registration with PSiRA influenced their selection of private security services.

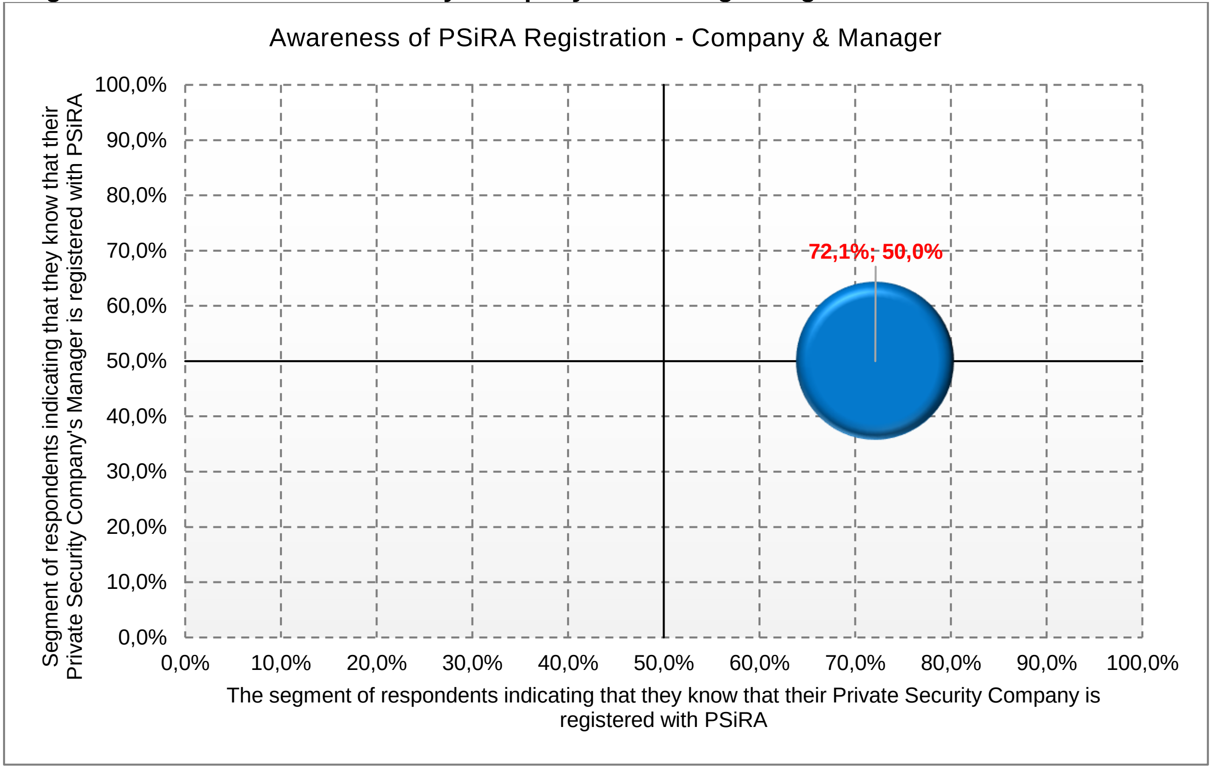
This may ultimately reflect on the perception that PSiRA registration ultimately only offers limited benefits. A greater awareness of the benefits associated with PSiRA benefits should be created.

5.3 CONCLUDING REMARKS

Awareness of Private Security Company and its Manager's registration with PSIRA

Diagram 5.1 indicates the segment of respondents that indicated that they know that the Private Security Company from which services are acquired is registered with PSiRA. This is supported by an indication of their knowledge on whether the company's manager is registered with PSiRA.

Diagram 5.1: Awareness of Security Company and Manager Registration with PSIRA



Source: Demacon, 2016

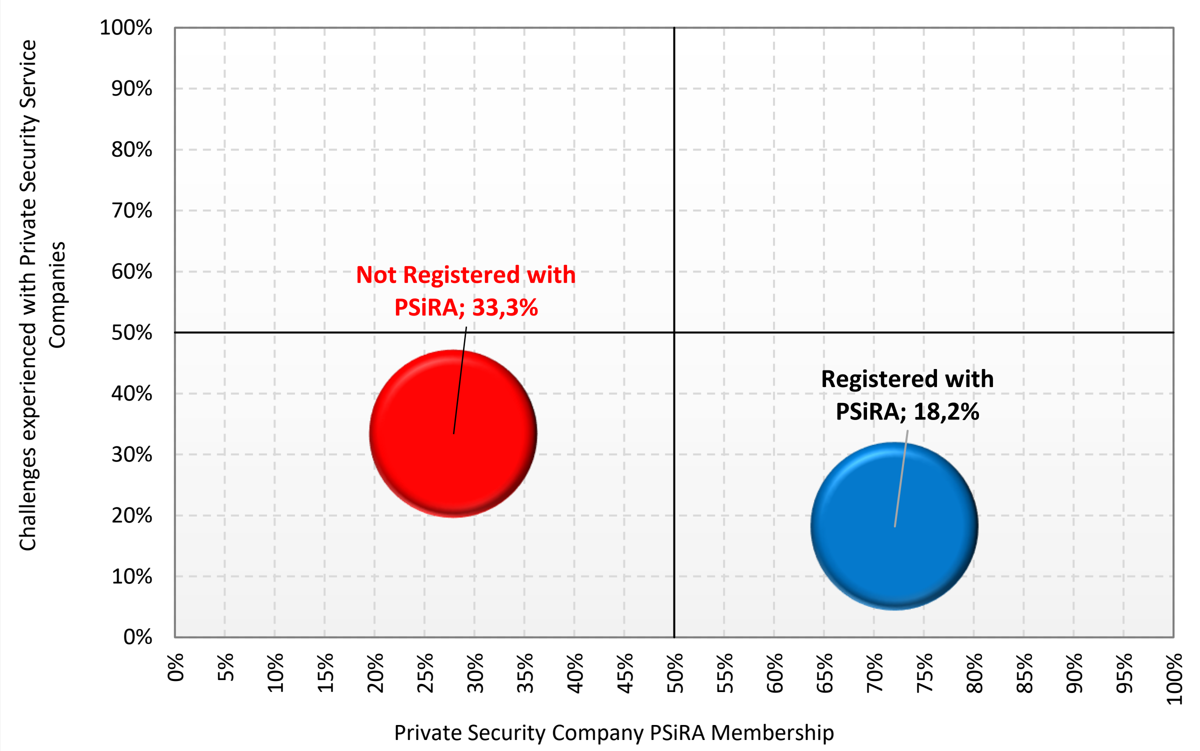
It is evident that higher levels of awareness are reflected in terms of company registration with PSiRA (72.1%), as opposed to an awareness that the manager is registered with PSiRA (50.0%).

The following diagrams reflect on the potential advantages associated with PSiRA registration (as opposed to non-PSiRA membership) in terms of aspects such as challenges experienced, affordability and general levels of satisfaction.

Challenges experienced in Relation to PSiRA Membership

Diagram 5.2 indicates whether respondents experienced challenges with private security providers in relation to PSiRA membership.

Diagram 5.2: Challenges Experienced with Private Security Providers in relation to PSiRA Membership



Source: Demacon, 2016

- Of the 72.1% of respondents that acquire services from PSiRA registered companies, 18.2% have experienced challenges with their security companies.
- Of the 27.9% of respondents that have contracted non-PSiRA registered security companies, 33.3% have experienced challenges with their private security provider.
- In terms of the above, it would appear that, PSiRA memberships hold benefits for the direct user in respect of fewer challenges experienced with private security providers.

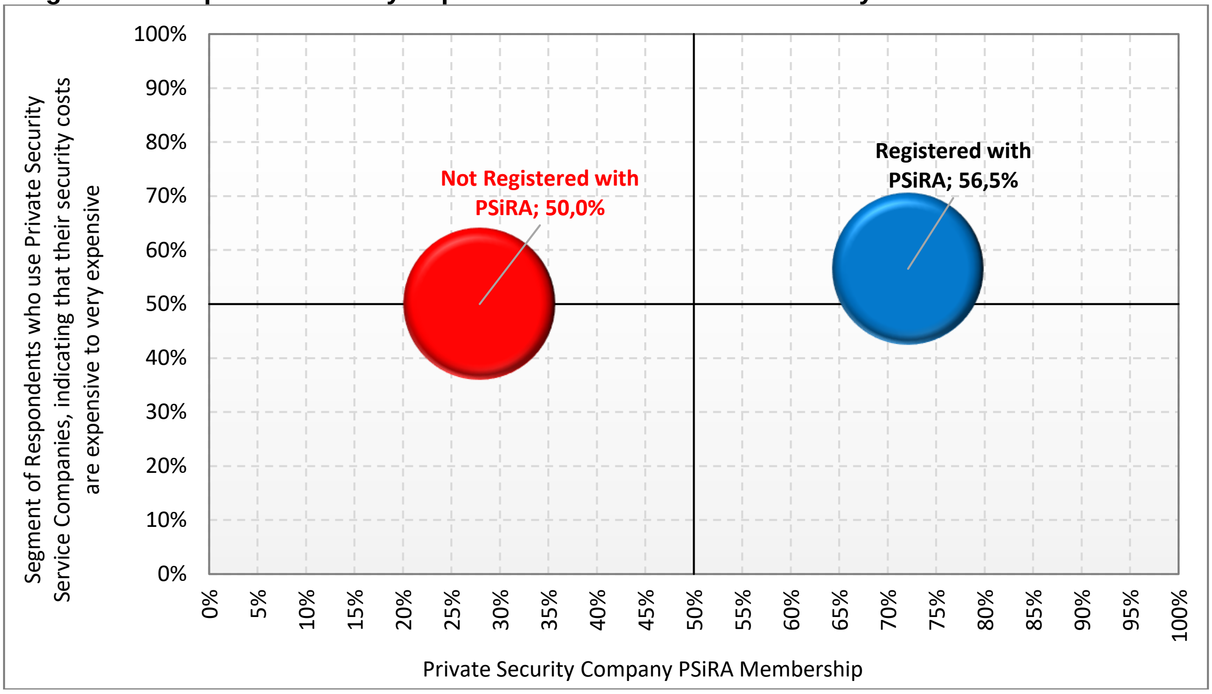
<u>Private Security Costs in Relation to PSiRA Membership</u>

Diagram 5.3 indicates PSiRA membership in relation to perceived costs associated with private security services.

In terms of Diagram 5.3, it would appear that:

- 72.1% of respondents that acquire services from PSiRA registered private security service providers, 56.5% rated their private security services as expensive to very expensive.
- The 27.9% of direct users who contracted non-PSiRA registered service providers indicated a comparatively lower 50.0% who rated their private security services as expensive to very expensive.
- In terms of the above, it would appear that contracting a PSiRA registered company is associated with a marginal cost premium.

Diagram 5.3: Expensive to Very Expensive Costs for Private Security Services

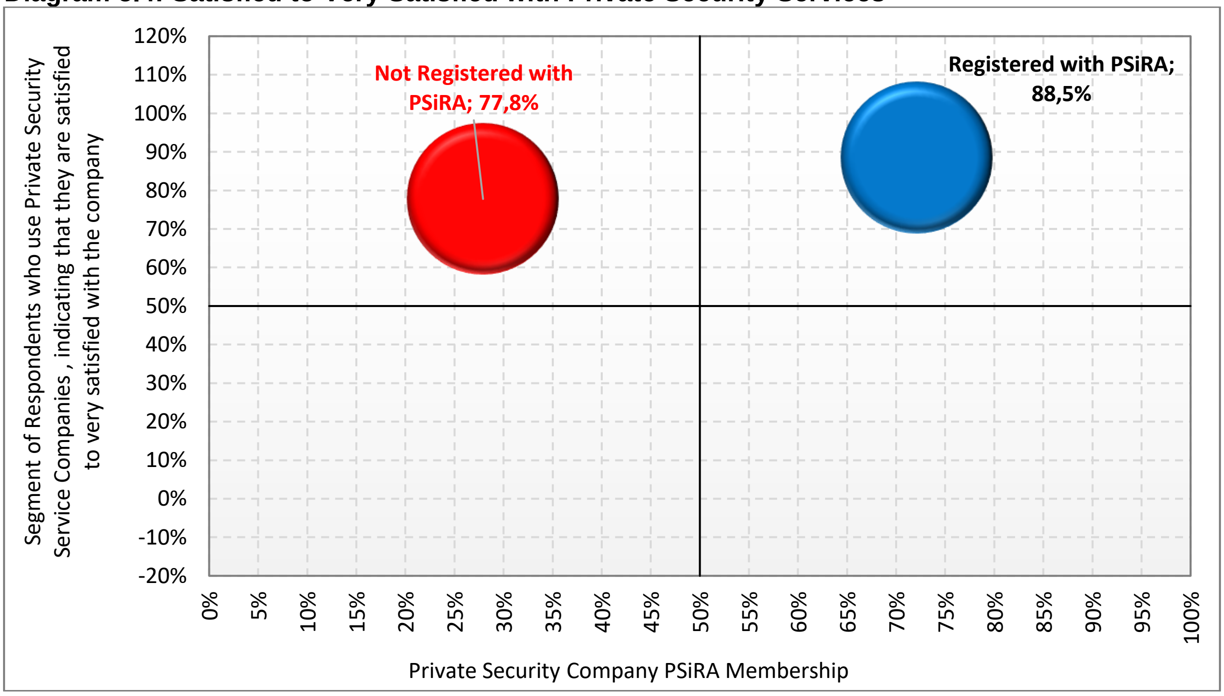


Source: Demacon, 2016

Level of Satisfaction in relation to PSiRA Membership

Diagram 5.4 indicates perceived levels of satisfaction respectively with PSiRA registered and PSiRA non-registered companies.

Diagram 5.4: Satisfied to Very Satisfied with Private Security Services



Source: Demacon, 2016

In terms of Diagram 5.4, it would appear that:

- 72.1% of respondents that acquire services from PSiRA registered private security service providers, 88.5% indicated that they are "satisfied to very satisfied' with their private security services provider.

- The 27.9% of direct users who contracted non-PSiRA registered service providers indicated a marginally lower 77.8% of users indicated that they are "satisfied to very satisfied" with their security service provider.
- In terms of these findings, it would appear that direct users who contract PSiRA Registered private security service providers experienced greater levels of satisfaction with their private security providers.

In the context of the findings of the direct user survey, PSiRA should further develop, expand, and clearly communicate the benefits of PSiRA membership to the private security industry.

LIST OF SOURCES

- DEMACON MARKET STUDIES. 2016. PSIRA Direct User Survey and Analysis.