

2019

PSIRA Security Equipment Satisfactory Survey



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Findings and Remarks

March 2019

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01

Introduction



INTRODUCTION

1

1.1 BACKGROUND

Section one provides an introduction and concise roadmap of the **PSIRA Security Equipment Satisfactory Survey**. The chapter provides concise background to the project, survey methodology as well as a report outline.

1.2 PROJECT BRIEF & OBJECTIVES

DEMACON Market Studies were commissioned by **PSIRA (Private Security Industry Regulatory Authority)** to undertake consumer surveys to attain a better understanding of the level of satisfaction related to security equipment.

The purpose of this report is to reflect on the findings attained via the set of consumer surveys undertaken nationally across the nine provinces.

1.3 PROJECT METHODOLOGY

This section describes the methodological approach that was followed during the data sampling, collection and analysis. It introduces the research methods and sampling strategy, reviews the approach taken to data collection and explains how the data were managed and analysed.

The study followed a mixed method approach using both qualitative and quantitative strategy in the form of consumer surveys. This entailed a systematic gathering of data using a questionnaire for each individual consumer. Caution has been made to ensure representation in the following attributes:

- ✓ Geographic balance to ensure representation of consumers from all nine provinces within South Africa; and
- ✓ Representation of the various types of consumers (i.e. private households vs businesses).

1.3.1 SAMPLING STRATEGY

The survey covered all nine (9) provinces in South Africa, namely Limpopo, Mpumalanga, Gauteng, North West, Free State, KwaZulu-Natal, Eastern Cape, Western Cape and Northern Cape Province. DEMACON set out to achieve a **confidence level of 95% and a confidence interval of 9.5%** based on the total number of 6 436 324 households that fall within the LSM 4 and higher categories.

The confident calculation indicated an identified number of completed surveys (106 surveys) required to yield a confidence level of 95% and a confidence interval of 9.5%. DEMACON however resolved to conduct **a minimum of 110 completed surveys**.

The Data Collection process **concluded with 113** comprehensively completed surveys, with a confidence level of 95% and a confidence interval of 9.22%. The total number of consumers that were successfully interviewed is reflected in Table 1.1 per Province.

Table 1.1: Distribution of respondents by Province

Province	Number of consumers	Percentage
Eastern Cape	16	14.4%
Free State	8	7.2%
Gauteng	32	28.7%
KZN	11	9.8%
Limpopo	9	8.4%
Mpumalanga	11	9.6%
North West	9	8.4%
Northern Cape	5	4.8%
Western Cape	10	8.9%
Total	113	100%

Source: Demacon, 2019

1.3.2 SURVEY INSTRUMENTS

Consumer Questionnaires were filled out telephonically by consumers through enumerators. The instrument is documented as Annexure A.

A structured closed-ended and open-ended questionnaire was used to collect data (both quantitative and qualitative data) from the consumers. The data collection instrument was focused on the views and opinions of consumers regarding their experiences and needs with reference to security equipment, reliability, accessibility, affordability and all other relevant matters. The questionnaires were administered by the team of surveyors from DEMACON.

1.3.3 SURVEY IMPLEMENTATION AND DATA COLLECTION

The surveys were conducted countrywide, with consumers targeted by means of cost-efficient telephonic (CATI-enabled) and online/electronic interviews in each province under investigation. Telephonic surveys are the most ideal data gathering tool when conducting opinion-polls (i.e. anyone from the general population can be taken as a potential respondent - this means that the contacted people will become included in the sample once they agree to participate in the telephonic survey).

Survey work was conducted from mid-October 2018 till mid-December 2018, and again from early January 2019 till mid-February 2019. Consumer and business databases were sourced from an independent consumer leads company across all nine provinces.

At the beginning of the survey it was clearly stated that security equipment was defined as:

- ✓ CCTV systems
- ✓ Automated access control systems
- ✓ Intercom systems
- ✓ Alarm systems
- ✓ Outdoor beams
- ✓ Electrical fencing
- ✓ Fire detection systems
- ✓ Intrusion detection systems
- ✓ Remote controls and panic buttons
- ✓ Safes.



The initial point of interaction with consumers were via a telephone call, and respondents were then provided with the option of completing the survey telephonically or alternatively online (through a link that were emailed).

Several surveys (34) were partially completed before respondents terminated the survey process. The main reasons for dropping the call included:

- ✓ Respondent terminated the call - no reasons provided
- ✓ Survey was terminated – timing constraint.
- ✓ Respondent suggested that their private security company is better positioned to answer these questions.
- ✓ Not enough knowledge on the subject.
- ✓ Needed to leave for a meeting.
- ✓ The survey is too long.
- ✓ Respondent had a client waiting.

In most instances' reasons given related to impatience and a time constraint. Which is arguably one of the main challenges faced regardless the type of survey conducted.

A total of 479 surveys were e-mailed (with regular follow up e-mails) to respondents indicating that they would prefer to complete it at their own time. This resulted in the completed of 22 surveys.

These challenges are by no means uncommon to a survey process and form part of everyday challenges that should be managed.

1.3.4 LIMITATIONS OF THE STUDY

The following main challenges were picked up in our survey work, impacting on the participation rate:

1. Lacklustre market response/ Survey fatigue.
2. General economic dis-illusionment and scepticism towards government and parastatal structures
3. Increasing levels of apathy from citizenry
4. Generally low levels of business and consumer confidence.

Other reasons given included:

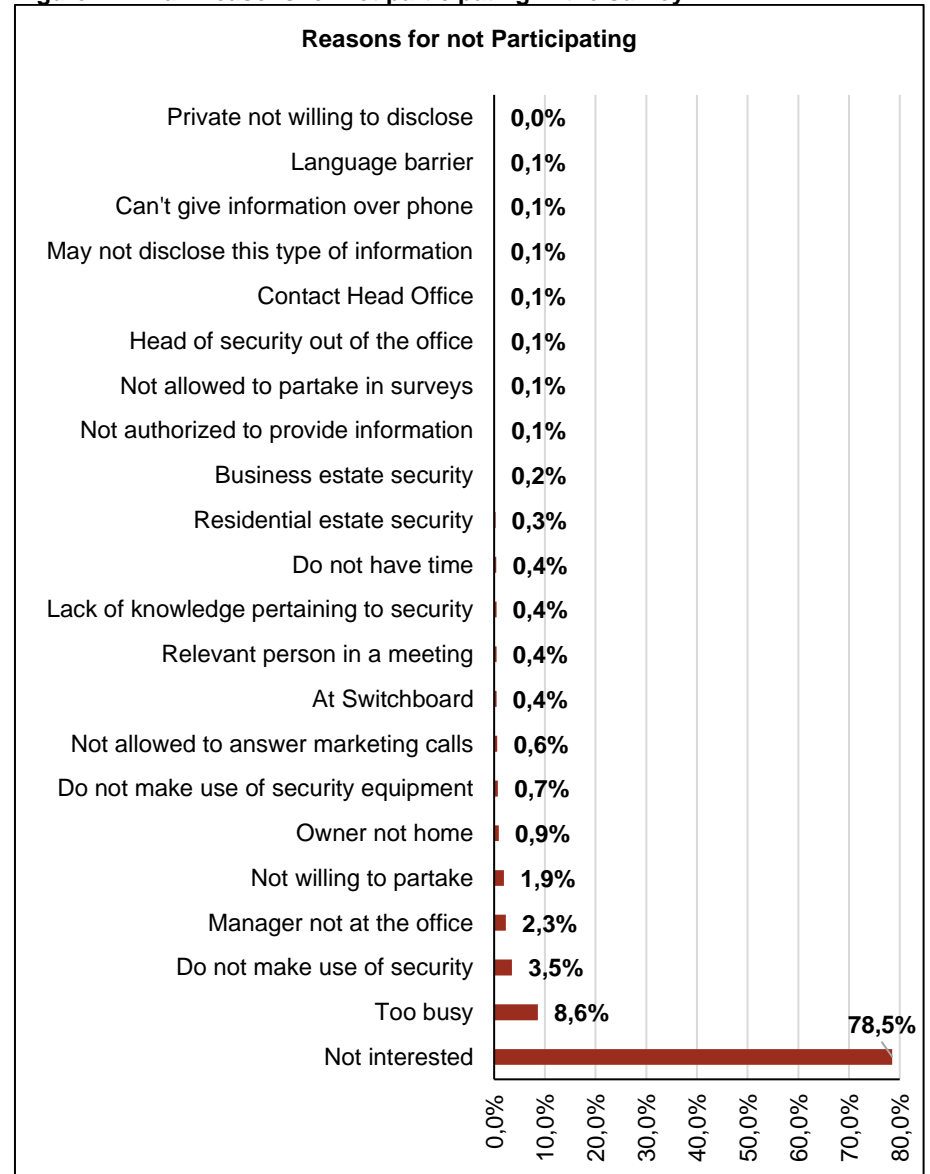
- ✓ They are too busy to complete the survey
- ✓ They do not make use of security systems at their premises (residential/business)
- ✓ The manager/responsible person is not at the office
- ✓ Not willing to partake in the survey
- ✓ The owner is not at home
- ✓ They don't make use of security equipment
- ✓ Not allowed to partake in surveys – company policy
- ✓ At switchboard cannot assist
- ✓ Relevant person is currently detained in a meeting
- ✓ Lack of knowledge on the subject
- ✓ Located in estates providing their own security
- ✓ Not legally authorised to disclose the information.

It should also be borne in mind that approximately 15 million South Africans (approximately a third of the total population) reside in traditional areas where security systems are virtually non-existent.

Figure 1.1 provide a comprehensive list of reasons for not participating in the survey.

Consumers were generally very reluctant to participate in a survey related to the topic of security, and despite reassurance that no personal/sensitive information were requested, many consumers targeted were not willing to participate.

Figure 1.1: Main reasons for not participating in the survey



Source: Demacon PSIRA Survey, 2019

1.3.5 DATA ANALYSIS AND INTERPRETATION

The relatively small sample size enabled the use of Microsoft Excel to perform the quantitative data analysis. Various Excel statistical and macro functions were used such as Pivot Tables, Arrays and the Analysis ToolPack, to calculate and display data results in output tables and to generate charts.

The qualitative data analysis was conducted using a deductive approach to both content and narrative data analysis. The analysis was based on interpretative questions from the questionnaire in structured text format. Qualitative data analysis and interpretation is presented in this report in context of the quantitative data, providing insight and further explanation of the quantitative data.

It is important to note that the data contained herein is a reflection of the sample/respondents interviewed and cannot be taken as a reflection of an area as a whole, but purely to use as an indicator of trends.

1.4 REPORT OUTLINE

The remainder of the report is addressed under the following sections:

- ✓ Respondent background
- ✓ Utilisation and suppliers of security equipment
- ✓ Online purchasing and imports
- ✓ Affordability and aspects influencing decisions
- ✓ Concluding remarks.

02 Respondent Background



RESPONDENT BACKGROUND 2

2.1 INTRODUCTION

This section reflects on the findings related to the background information of the respondents interviewed. Findings are discussed in terms of the following sub-sections:

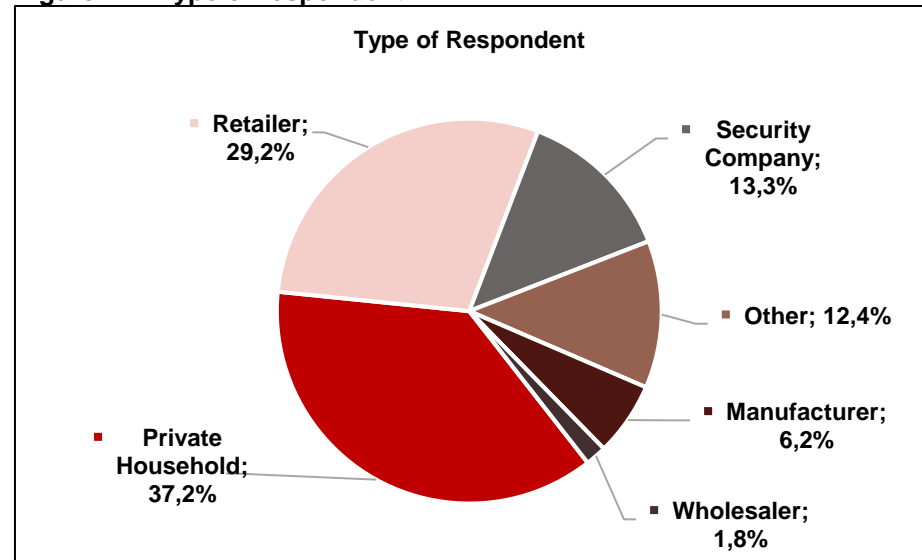
- ✓ Type of respondent
- ✓ Provincial distribution
- ✓ Geographic setting
- ✓ If Business - position of respondent in company
- ✓ If Business - industry involved in
- ✓ If Household – status within household
- ✓ Racial profile of respondent
- ✓ Age profile of respondent.

2.2 TYPE OF RESPONDENT

The following type of respondents took part in the survey:

- ✓ Private Households – 37.2%
- ✓ Retailers – 29.2%
- ✓ Security Companies – 13.3%
- ✓ Other – 12.4%
- ✓ Manufacturer – 6.2%
- ✓ Wholesaler – 1.8%.

Figure 2.1: Type of respondent



Source: Demacon PSIRA Survey, 2019

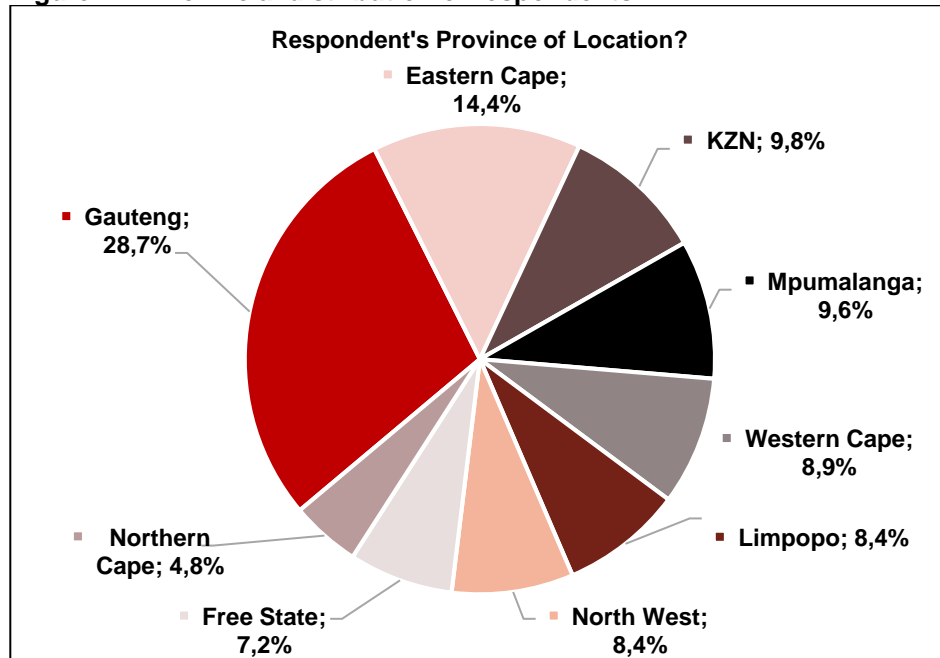
2.3 PROVINCIAL DISTRIBUTION

The provincial spread of respondents taking part of the survey are:

- ✓ Gauteng – 28.7%
- ✓ Eastern Cape – 14.4%
- ✓ KZN – 9.8%
- ✓ Mpumalanga – 9.6%
- ✓ Western Cape – 8.9%
- ✓ Limpopo – 8.4%
- ✓ North West – 8.4%
- ✓ Free State – 7.2%

- ✓ Northern Cape – 4.8%

Figure 2.2: Provincial distribution of respondents



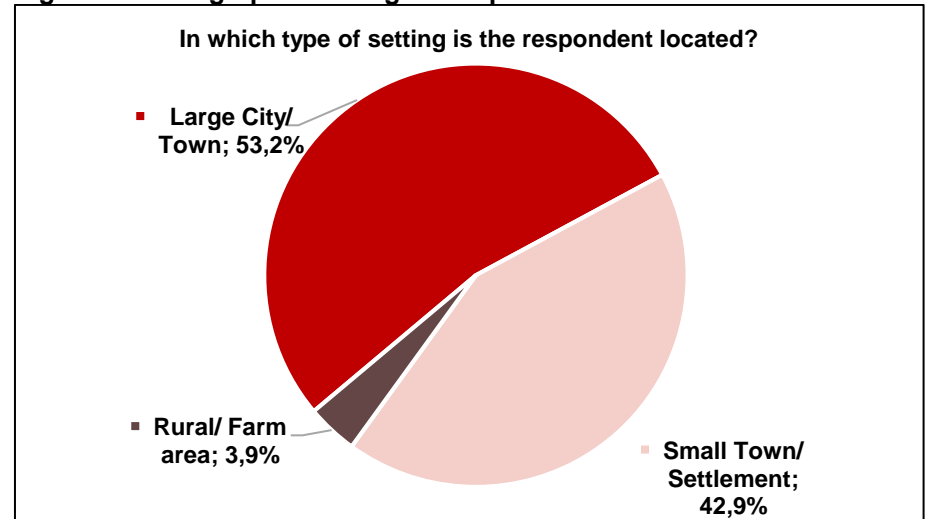
Source: Demacon PSIRA Survey, 2019

2.4 GEOGRAPHIC SETTING OF RESPONDENTS

The geographic setting of respondents includes:

- ✓ Large City/ Town – 53.2%
- ✓ Small Town/ Settlement – 42.9%
- ✓ Rural/ Farm Area – 3.9%.

Figure 2.3: Geographic setting of Respondent Location?



Source: Demacon PSIRA Survey, 2019

2.5 BUSINESS RESPONDENTS

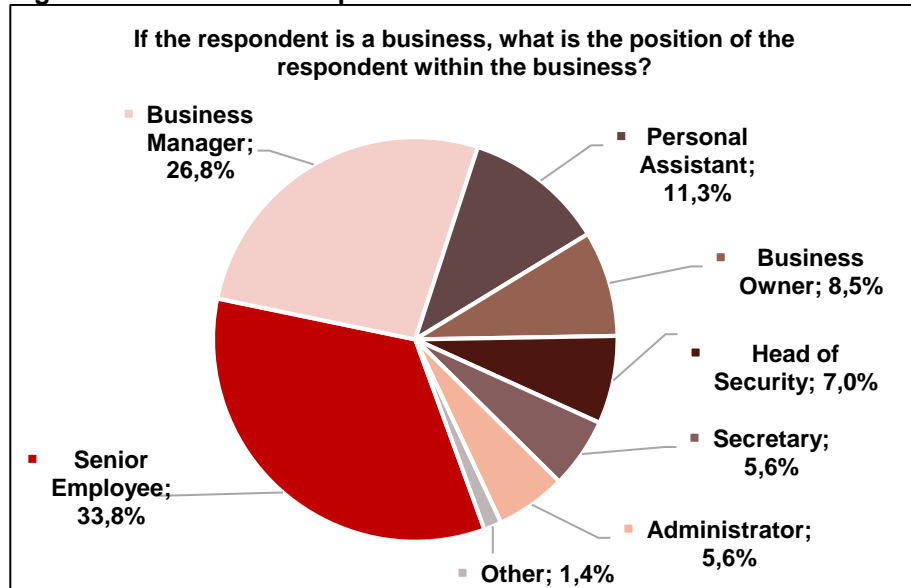
Respondents representing businesses indicated their position within the business and the type of business activity that the business is involved in.

POSITION WITHIN BUSINESS

Business respondents filling in the survey, fulfilled the following positions within the respective companies:

- ✓ Senior Employee – 33.8%
- ✓ Business Manager – 26.8%
- ✓ Personal Assistant – 11.3%
- ✓ Business Owner – 8.5%
- ✓ Secretary – 5.6%
- ✓ Administrator – 5.6%
- ✓ Departmental Manager – 2.0%
- ✓ Other – 1.4%.

Figure 2.4: Position of respondent within the business?



Source: Demacon PSIRA Survey, 2019

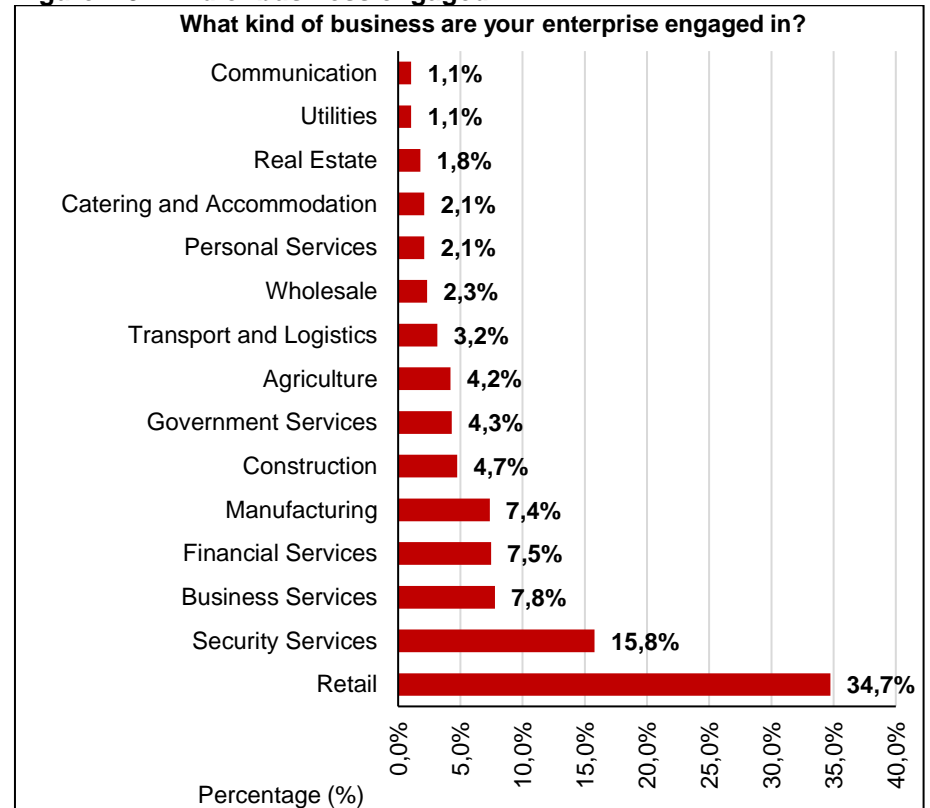
BUSINESS ACTIVITY INVOLVED IN

The businesses partaking in the survey are predominantly involved in:

- ✓ Retail – 34.7%
- ✓ Security Services – 15.8%
- ✓ Business Services – 7.8%
- ✓ Financial Services – 7.5%
- ✓ Manufacturing – 7.4%
- ✓ Construction – 4.7%
- ✓ Government Services – 4.3%
- ✓ Agriculture – 4.2%
- ✓ Transport and Logistics – 3.2%
- ✓ Wholesale – 2.3%
- ✓ Personal Services – 2.1%
- ✓ Catering and Accommodation – 2.1%
- ✓ Real Estate – 1.8%
- ✓ Utilities – 1.1%

- ✓ Communication – 1.1%.

Figure 2.5: Kind of business engaged in?



Source: Demacon PSIRA Survey, 2019

2.6 IF THE RESPONDENT IS A PRIVATE HOUSEHOLD

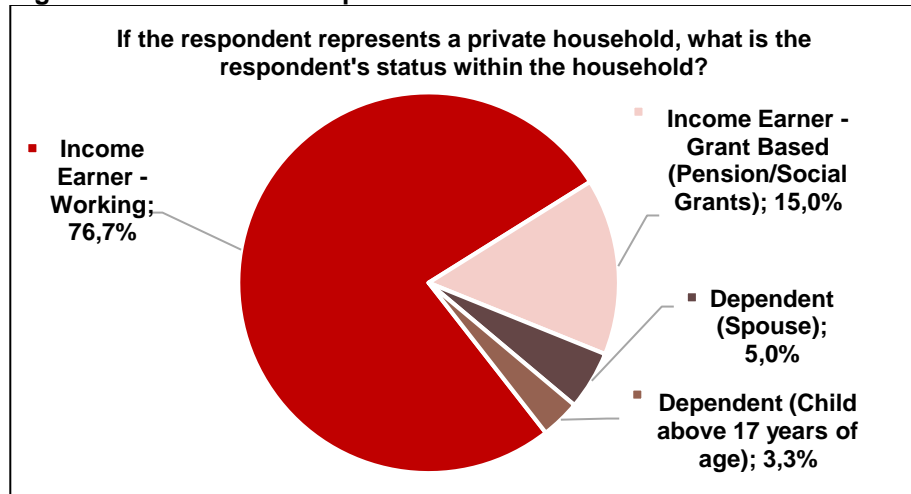
In the case where the respondent represented a private household the respondent indicated their position within the household.

Private household respondents had the following status within the household:

- ✓ Income Earner – Working – 76.7%
- ✓ Income Earner – Grant Based – 15.0%

- ✓ Dependent – Spouse – 5.0%
- ✓ Dependent – Child above 17 Years – 3.3%.

Figure 2.6: What is the respondent's status within the household?



Source: Demacon PSIRA Survey, 2019

2.7 WHAT IS THE RACIAL PROFILE OF RESPONDENTS?

All respondents were asked to indicate their race and age. The following figure reflects the answers to the racial profile of respondents.

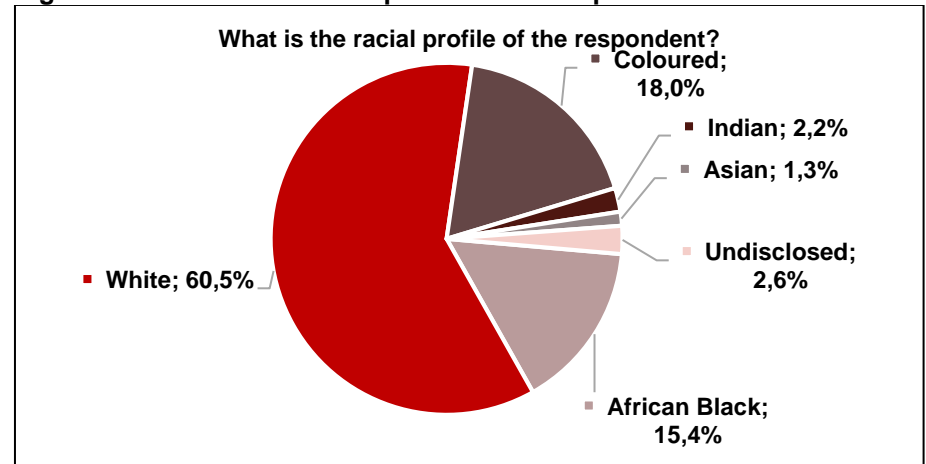
Respondents reflected the following racial profile:

- ✓ White – 60.5%
- ✓ Coloured – 18.0%
- ✓ African Black – 15.4%
- ✓ Indian – 2.2%
- ✓ Asian – 1.3%
- ✓ Undisclosed – 2.6%.

The racial distribution of respondents is more a reflection of security consciousness than a skewed sample. It should also be borne in mind that approximately 15 million South Africans (approximately a third of the total

population) reside in traditional areas where coverage by private security providers is limited.

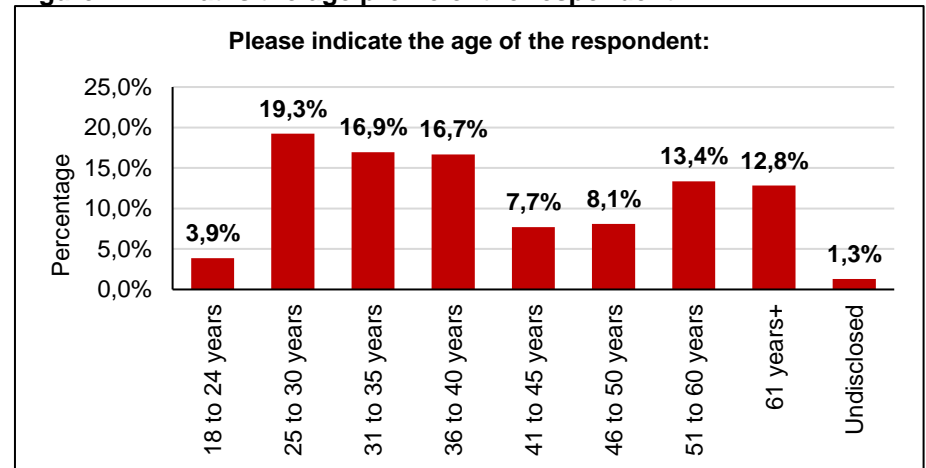
Figure 2.7: What is the racial profile of the respondent?



Source: Demacon PSIRA Survey, 2019

2.8 WHAT IS THE AGE PROFILE OF RESPONDENTS?

Figure 2.7: What is the age profile of the respondent?



Source: Demacon PSIRA Survey, 2019

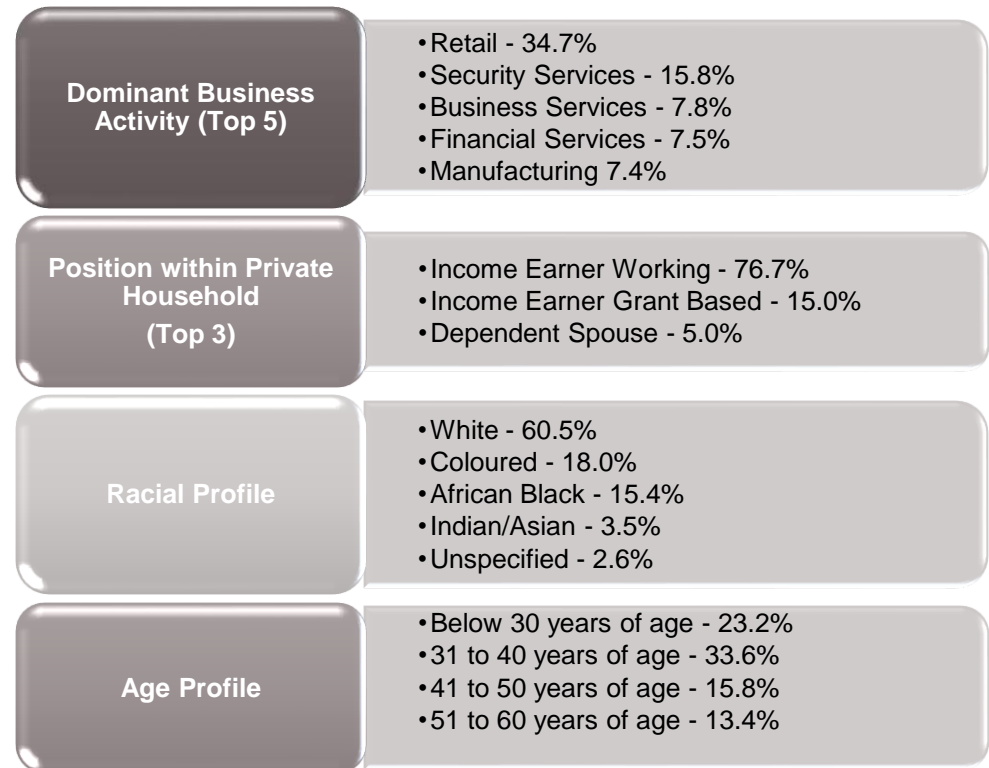
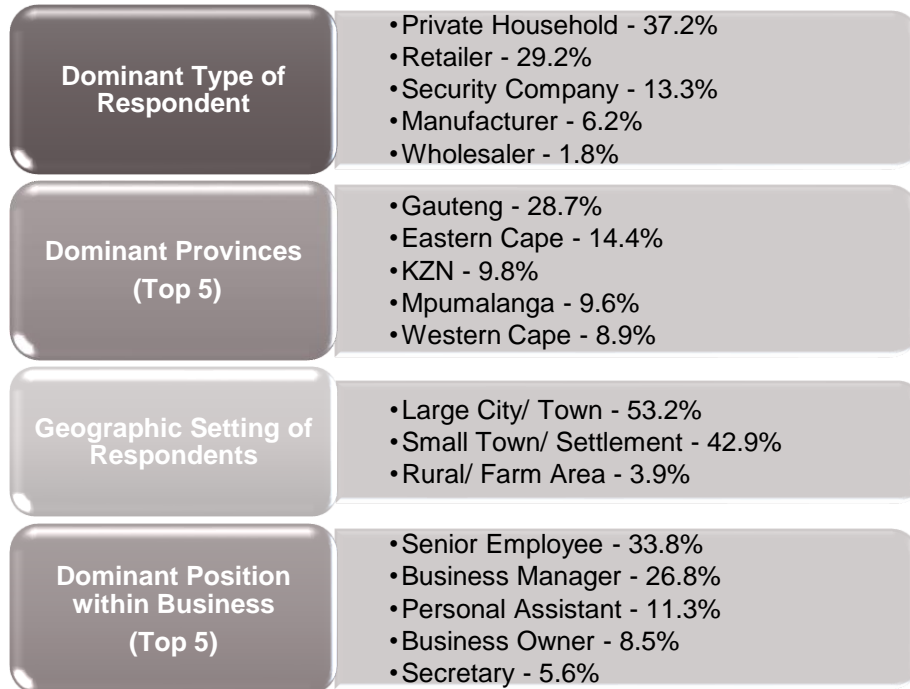
Respondents reflected the following age profile:

- ✓ Below 30 years of age – 23.2%
- ✓ 31 to 40 years of age – 33.6%
- ✓ 41 to 50 years of age – 15.8%
- ✓ 51 to 60 years of age – 13.4%
- ✓ 61 years+ - 12.8%.

2.9 SYNTHESIS

The section provided background to the general characteristics of respondents, businesses as well as private households. The dominant characteristics of these respondents are subsequently illustrated within Diagram 2.1.

Diagram 2.1: Dominant Characteristics of Respondents



03

Utilisation and Suppliers of Security Equipment



UTILISATION AND SUPPLIERS OF SECURITY EQUIPMENT **3**

3.1 INTRODUCTION

This section reflects on the utilisation of security equipment, the suppliers thereof, overall level of satisfaction with services and products. The section is addressed in terms of the following sub-sections:

- ✓ Utilisation of security equipment on premises
- ✓ From whom do you purchase security equipment?
- ✓ Where are these suppliers located?
- ✓ How would you rate the level of ease to locate suppliers?
- ✓ Levels of satisfaction related to services of supplier?
- ✓ In your experience, do suppliers provide aftermarket support?
- ✓ Does the quality of security equipment meet your expectations?
- ✓ Can you identify whether security equipment is of inferior quality?
- ✓ In your view, how important is it that security equipment should be produced locally in South Africa?
- ✓ As consumer do you think it is necessary that the security equipment suppliers should be regulated nationally?

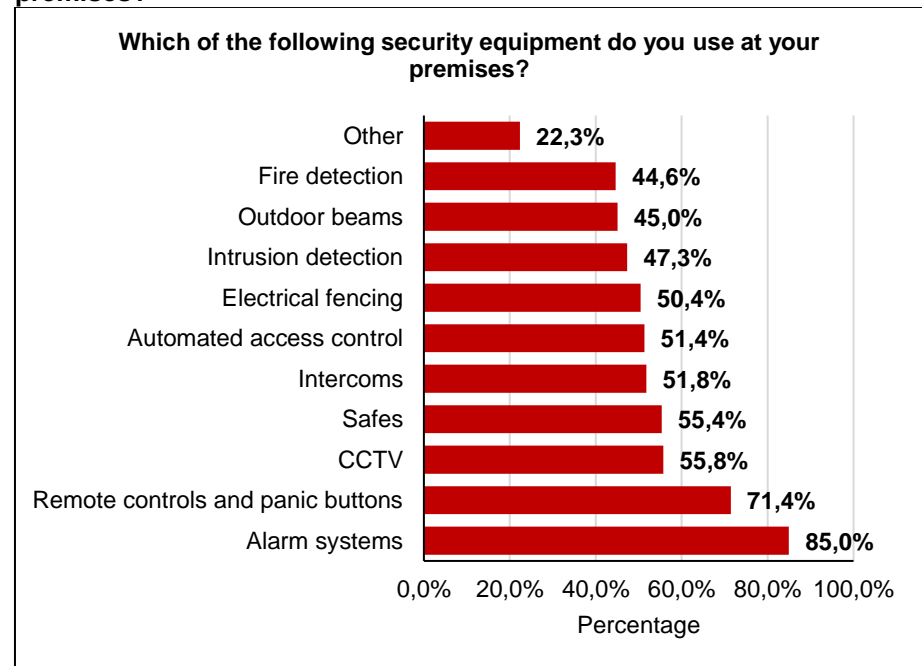
3.2 WHICH OF THE FOLLOWING SECURITY EQUIPMENT DO YOU USE AT YOUR PREMISES?

The following security equipment are largely used at respondent's premises (business/ residential):

- ✓ Alarm System – 85.0%
- ✓ Remote controls and panic buttons – 71.4%
- ✓ CCTV – 55.8%

- ✓ Safes – 55.4%
- ✓ Intercoms – 51.8%
- ✓ Automated Access Control – 51.4%
- ✓ Electrical Fencing – 50.4%

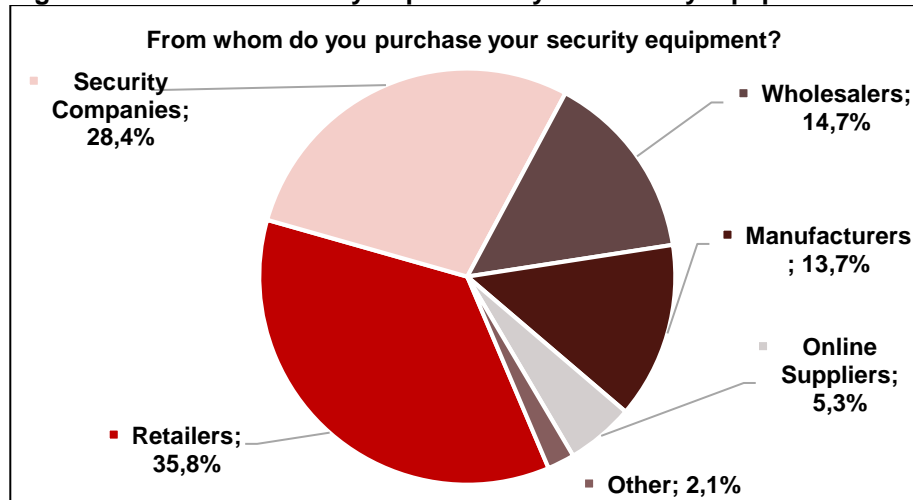
Figure 3.1: Which of the following security equipment do you use at your premises?



Source: Demacon PSIRA Survey, 2019

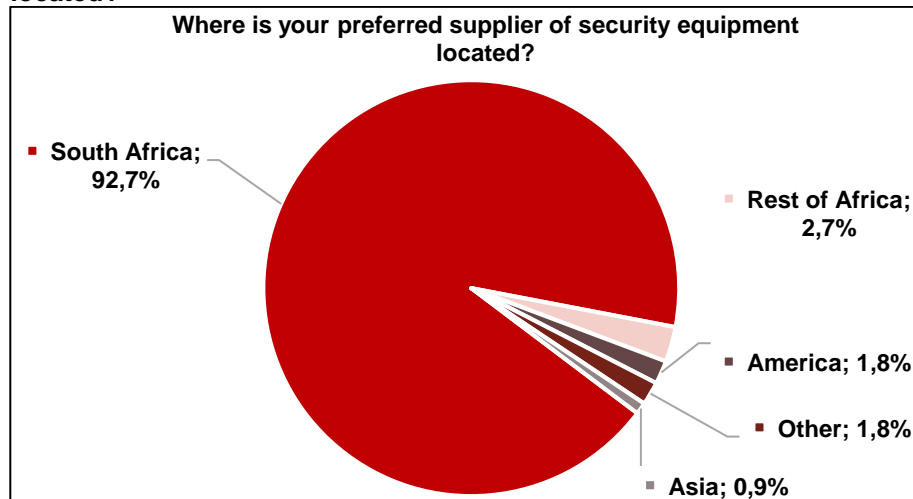
3.3 FROM WHOM DO YOU PURCHASE SECURITY EQUIPMENT?

Figure 3.2: From whom do you purchase your security equipment?



Source: Demacon PSIRA Survey, 2019

Figure 3.3: Where is your preferred supplier of security equipment located?



Source: Demacon PSIRA Survey, 2019



Respondent predominantly purchased security equipment from the following entities:

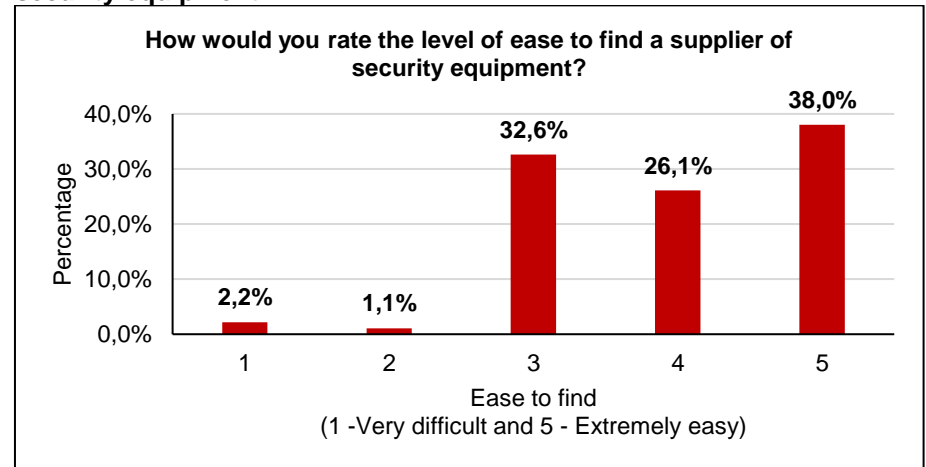
- ✓ Retailers – 35.8%
- ✓ Security Companies – 28.4%
- ✓ Wholesalers – 14.7%
- ✓ Manufacturers – 13.7%
- ✓ Online Suppliers – 5.3%
- ✓ Other – 2.1%.

The online suppliers' figure of 5.3% is consistent with other research indicating online purchases at approximately 5%. It should also be noted that an increasing number of DIY systems have become available on the market.

Respondent's most preferred suppliers of security equipment is in South Africa – 92.7%. A small segment of suppliers is located beyond the boundaries of South Africa, 2.7% located within the remainder of Africa and 4.5% beyond the boundaries of the Africa Continent.

3.4 HOW WOULD YOU RATE THE LEVEL OF EASE TO FIND A SUPPLIER OF SECURITY EQUIPMENT?

Figure 3.4: How would you rate the level of ease to find a supplier of security equipment?



Source: Demacon PSIRA Survey, 2019

From the figure it appears that it is easy to extremely easy to find a supplier of electrical equipment.

Dominant wholesalers / distributors of security equipment in South Africa include:

- ✓ Security Superstore
- ✓ Regal Distributors SA
- ✓ Stafix
- ✓ Security Hyperstore
- ✓ Security Warehouse
- ✓ The Security Mecca
- ✓ Spectrum
- ✓ RSEC
- ✓ United Business Solutions
- ✓ JS Security.

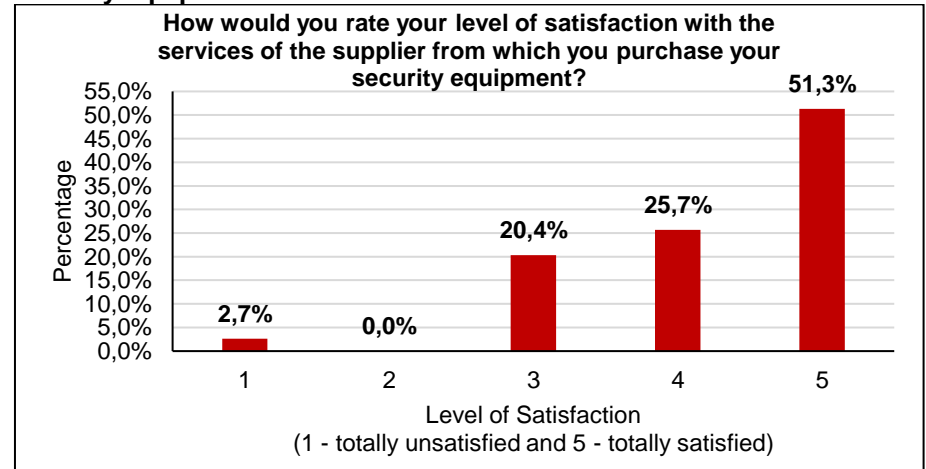
The top 30 brands stocked by these wholesalers and distributors include the following, supported by an indication of the location of the respective headquarters:

1. CENTURION - SA
2. ET SYSTEMS - SA
3. IDS - SA
4. COMMAX - Korea
5. HIKVISION - China
6. IMPRO – SA/ America/ Europe
7. KOCOM - Korea
8. NEMTEK - SA
9. AIPHONE - Japan
10. DAHUA - China
11. DSC – Canada
12. PARADOX - USA
13. ROBOGUARD - SA
14. SPECTRUM - SA
15. AVS - SA
16. BPT - SA
17. CROW – ISRAEL/ Latin America
18. FERMAX - Spain
19. GSC - California

20. HONEYWELL - UK
21. JVA – Australia
22. OPTEX - Japan
23. SENTRY - USA
24. TEXACOM - Europe
25. ZARTEK - SA
26. ZKTECO - SA
27. ACE - Europe
28. ADEMCO – Singapore
29. BOSCH – Germany
30. AXIS – Sweden.

3.5 HOW WOULD YOU RATE THE LEVEL OF SATISFACTION WITH THE SERVICES OF THE SUPPLIER FROM WHICH YOU PURCHASED SECURITY EQUIPMENT?

Figure 3.5: How would you rate the level of ease to find a supplier of security equipment?

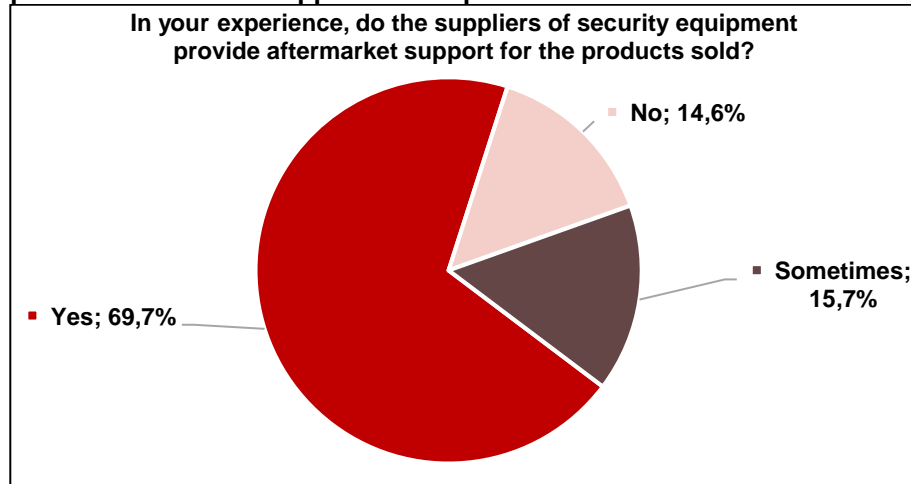


Source: Demacon PSIRA Survey, 2019

The larger segment of respondents is satisfied to totally satisfied with the services of the suppliers of security equipment.

In their experience, 69.7% indicated that the supplier provides aftermarket support and 15.7% sometimes provide after-market support.

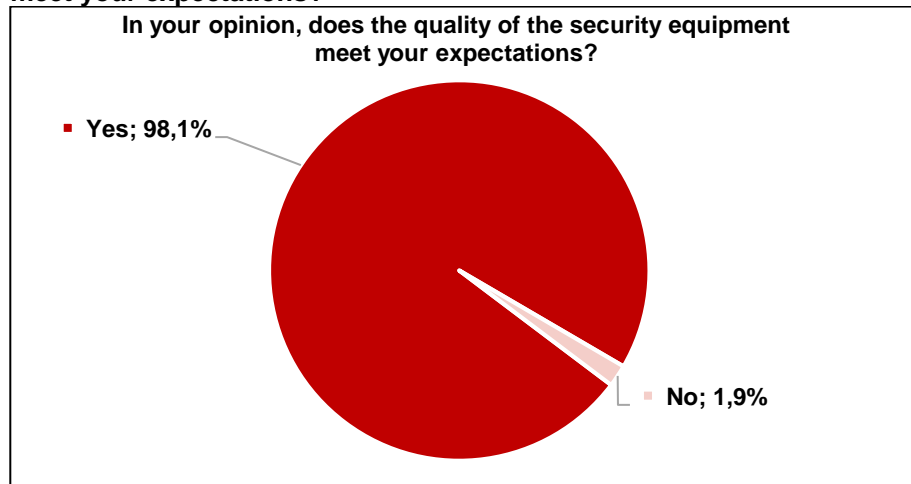
Figure 3.6: In your experience, do the suppliers of security equipment provide aftermarket support for the products sold?



Source: Demacon PSIRA Survey, 2019

3.6 QUALITY OF SECURITY EQUIPMENT

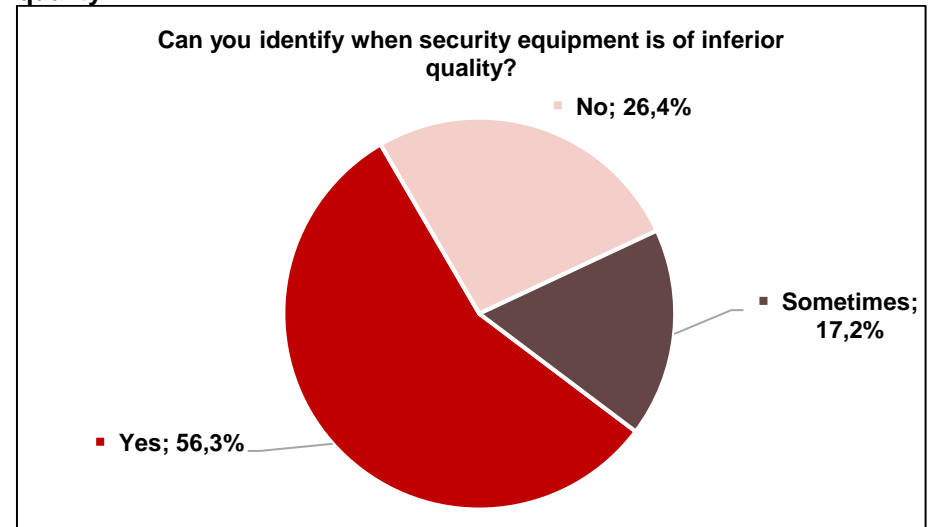
Figure 3.7: In your opinion, does the quality of the security equipment meet your expectations?



Source: Demacon PSIRA Survey, 2019

From Figure 3.7, 98.1% of respondents indicated that in their opinion, the quality of the security equipment meets their expectations.

Figure 3.8: Can you identify when security equipment is of inferior quality?



Source: Demacon PSIRA Survey, 2019

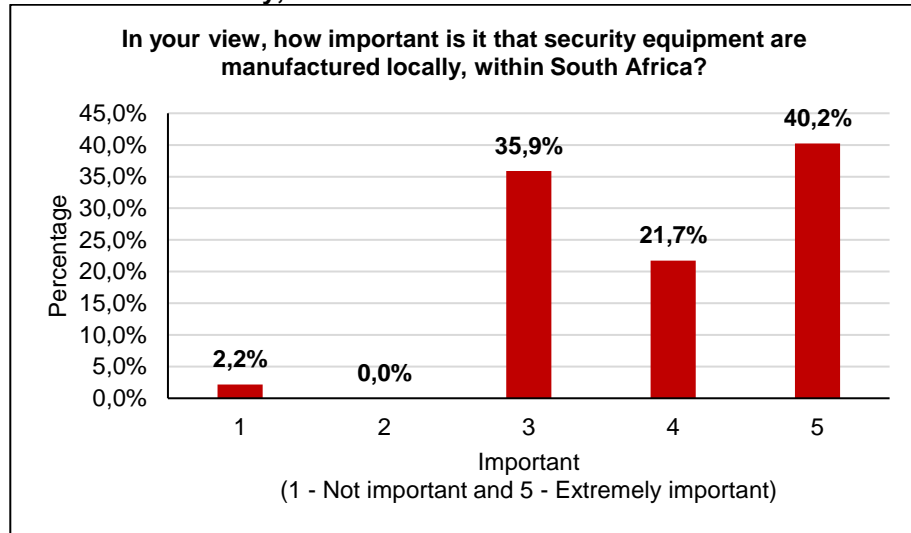
From Figure 3.8 the following is indicated:

- ✓ 56.3% of respondents indicated that they can identify when security equipment is of inferior quality. This is mostly as a result of experience.
- ✓ 17.2% indicating that they can sometimes identify when security equipment is of inferior quality.
- ✓ 26.4% of respondents indicated that they cannot identify when security equipment is of inferior quality.

3.7 IMPORTANCE OF LOCALLY MANUFACTURED SECURITY EQUIPMENT?

Respondents indicated that it is important to extremely important to them to have security equipment manufactured within South Africa. Only 2.2% indicated that it is not important to them.

Figure 3.9: In your view, how important is it that security equipment is manufactured locally, within South Africa?



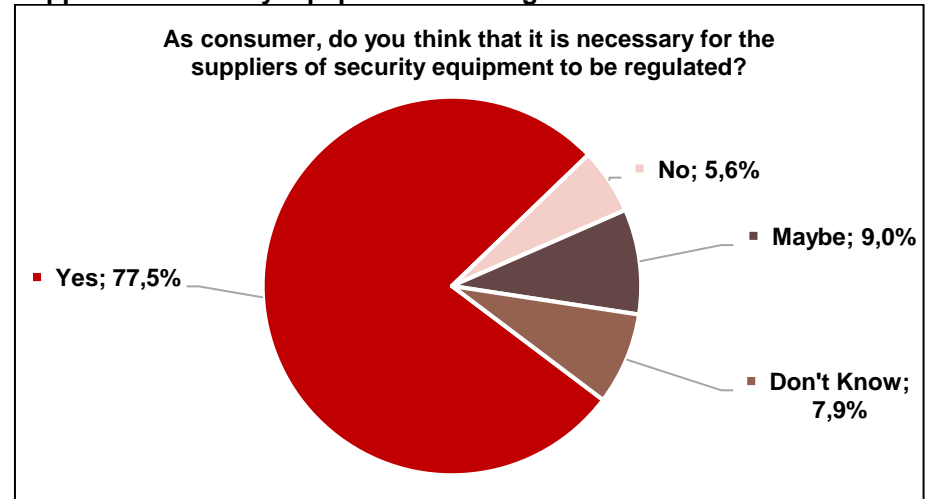
Source: Demacon PSIRA Survey, 2019

3.8 AS CONSUMER, DO YOU THINK THAT IT IS NECESSARY FOR THE SUPPLIERS OF SECURITY EQUIPMENT TO BE REGULATED?

In terms of the question whether respondents feel that the suppliers of security equipment should be regulated in South Africa, the following answers were attained:

- ✓ Almost 78% of respondents indicated that they think it is necessary for the suppliers of security equipment to be regulated nationally.
- ✓ 9.0% of respondents indicated that they maybe should be regulated.
- ✓ 7.9% of respondents indicated that they don't know if they should be regulated.
- ✓ 5.6% of respondents indicated that they think suppliers of security equipment should not be regulated.

Figure 3.10: As consumer, do you think that it is necessary for the suppliers of security equipment to be regulated?



Source: Demacon PSIRA Survey, 2019

3.9 SYNTHESIS

The section provided background information on the type of security equipment utilised at the respondents premises, from whom they purchased the equipment and the location of suppliers, level of ease to find a suppliers, level of satisfaction related to the services of suppliers, rating of the quality of equipment, importance of locally manufactured products, and perceived need for the suppliers to be regulated nationally. The key findings are summarised in the subsequent diagram.

Diagram 3.1: Summary of Key Findings

<p>Security equipment used at premises (Top 5)</p>	<ul style="list-style-type: none"> • Alarms - 85.0% • Remote controls & panic buttons - 71.4% • CCTV - 55.8% • Safes - 55.4% • Intercoms - 51.8%
<p>Dominant suppliers of security equipment?</p>	<ul style="list-style-type: none"> • Retailer - 35.8% • Security Companies - 28.4% • Wholesaler - 14.7% • Manufacturer - 13.7% • Online Supplier - 5.3%
<p>Location of preferred supplier</p>	<ul style="list-style-type: none"> • South Africa - 92.7% • Rest of Africa - 2.7% • Beyond Africa - 4.5%
<p>Rate the level of ease to find a supplier</p>	<ul style="list-style-type: none"> • Very Easy to Extremely Easy - 64.1% • Easy - 32.6% • Difficulty to Very Difficult - 3.3%
<p>Rate the level of satisfaction with services of suppliers</p>	<ul style="list-style-type: none"> • Very satisfied to totally satisfied - 77.0% • Satisfied - 20.4% • Unsatisfied - 2.7%
<p>In your experience, do suppliers provide after-market support</p>	<ul style="list-style-type: none"> • Yes - 69.7% • Sometimes - 15.7% • No - 14.6%

In your opinion, does the quality of the security equipment meet your expectations?	<ul style="list-style-type: none">• Yes - 98.1%• No - 1.9%
Can you identify when security equipment is of inferior quality?	<ul style="list-style-type: none">• Yes - 56.3%• Sometimes - 17.2%• No - 26.4%
Rate the importance to you that security equipment should be manufactured in South Africa	<ul style="list-style-type: none">• Very important to extremely important - 61.9%• Important - 35.9%• Not important - 2.2%
As consumer, do you think it necessary to regulate the suppliers of security equipment nationally?	<ul style="list-style-type: none">• Yes - 77.5%• Maybe - 9.0%• No 5.6%• Don't know - 7.9%

04

Online Purchasing and Imports



ONLINE PURCHASING AND IMPORTS

4

1.1 INTRODUCTION

This section reflects on the findings related to online purchasing and imports of security equipment. The findings are discussed in terms of the following sub-sections:

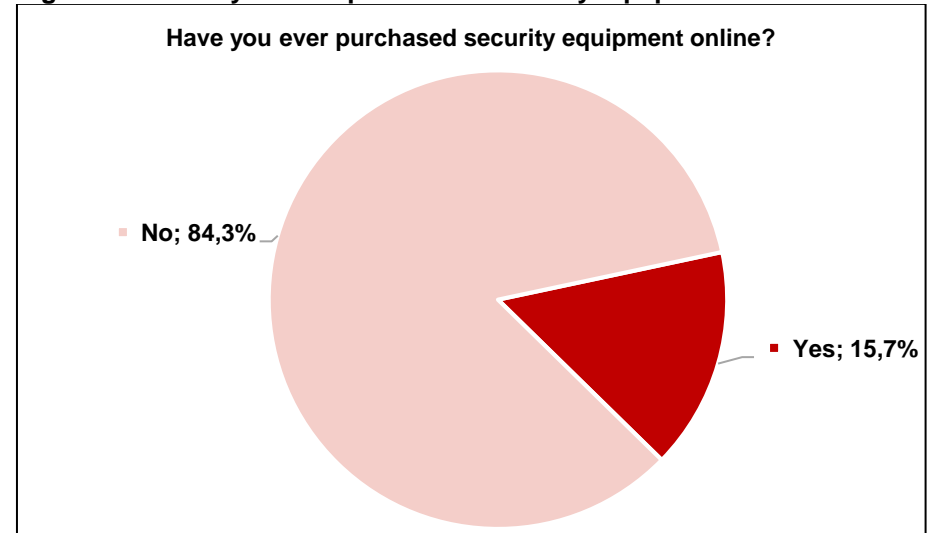
- ✓ Online purchasing of security equipment
- ✓ Importing of security equipment

1.2 ONLINE PURCHASING OF SECURITY EQUIPMENT

In terms of respondents conducting security equipment shopping online, the following was indicated:

- ✓ 15.7% of respondents indicated that they have purchased security equipment online.
- ✓ 84.3% of respondents has never purchased such equipment online.

Figure 4.1: Have you ever purchased security equipment online?

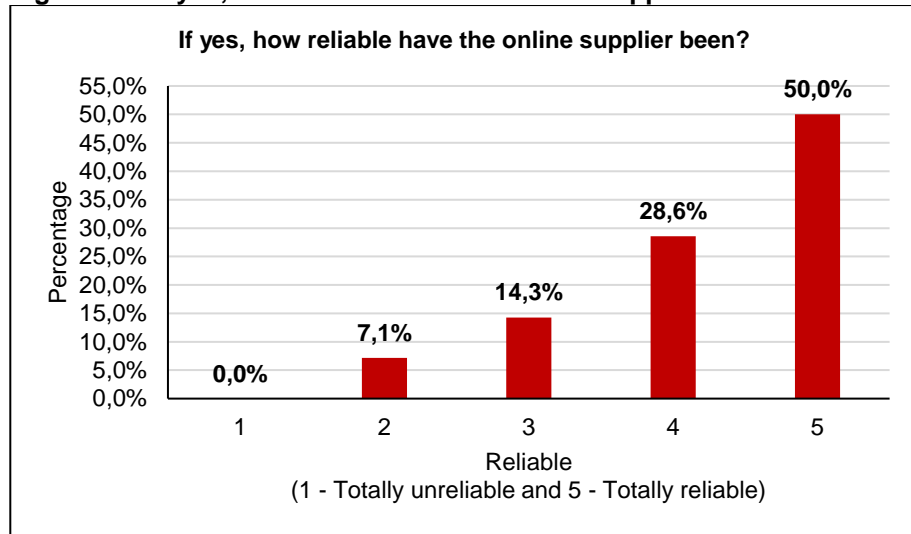


Source: Demacon PSIRA Survey, 2019

In terms of the segment that answered yes to the question above, they reflected the following on the reliability of the online supplier:

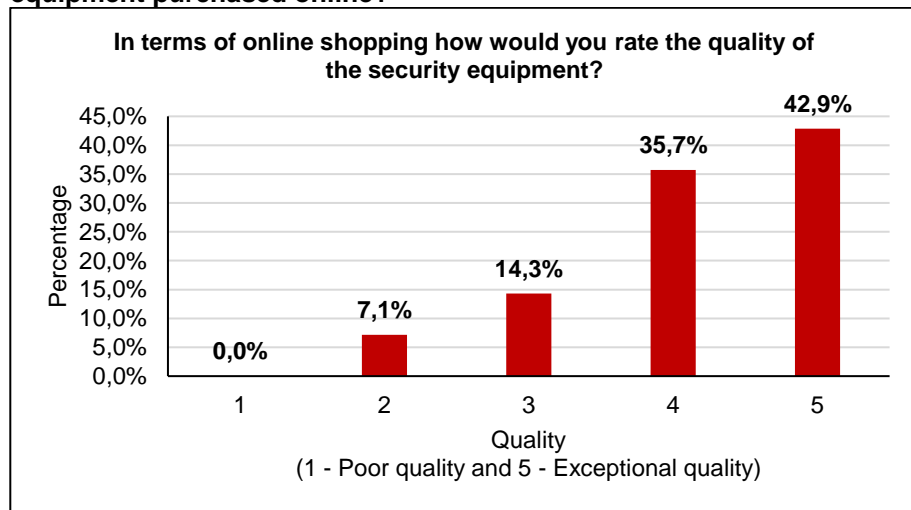
- ✓ 50.0% indicated that they are totally reliable
- ✓ 28.6% indicated that they are very reliable
- ✓ 14.3% indicated that they are reliable
- ✓ 7.1% indicated that they are unreliable.

Figure 4.2: If yes, how reliable have the online supplier been?



Source: Demacon PSIRA Survey, 2019

Figure 4.3: If yes, how would you rate the quality of the security equipment purchased online?

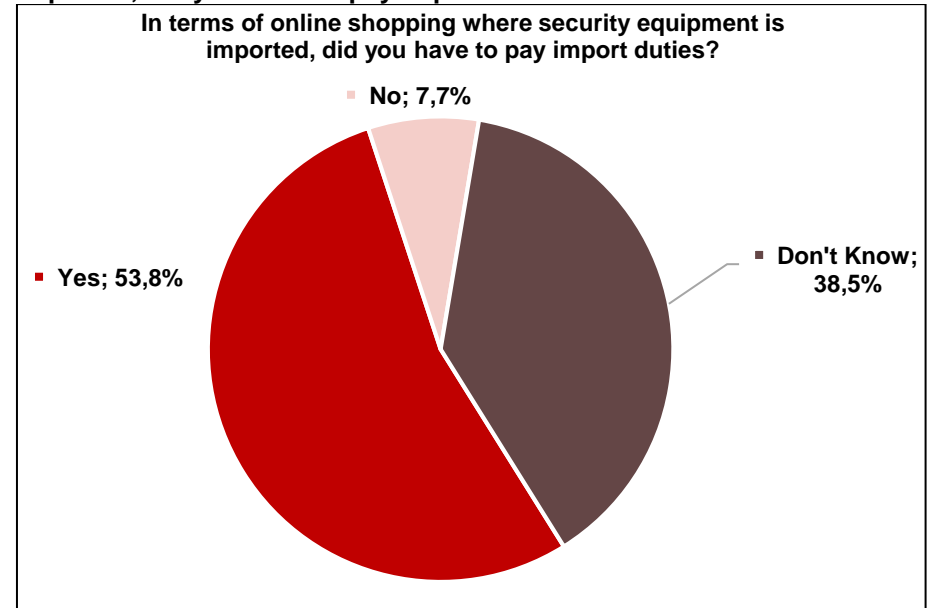


Source: Demacon PSIRA Survey, 2019

The segment of respondents that has purchased security equipment from online suppliers rated the quality of the security equipment as follow:

- ✓ 42.9% rated the quality of the security equipment as exceptional
- ✓ 35.7% rated the quality as very good
- ✓ 14.3% rated the quality as good
- ✓ 7.1% rated the quality as poor.

Figure 4.4: In terms of online shopping where security equipment is imported, did you have to pay import duties?



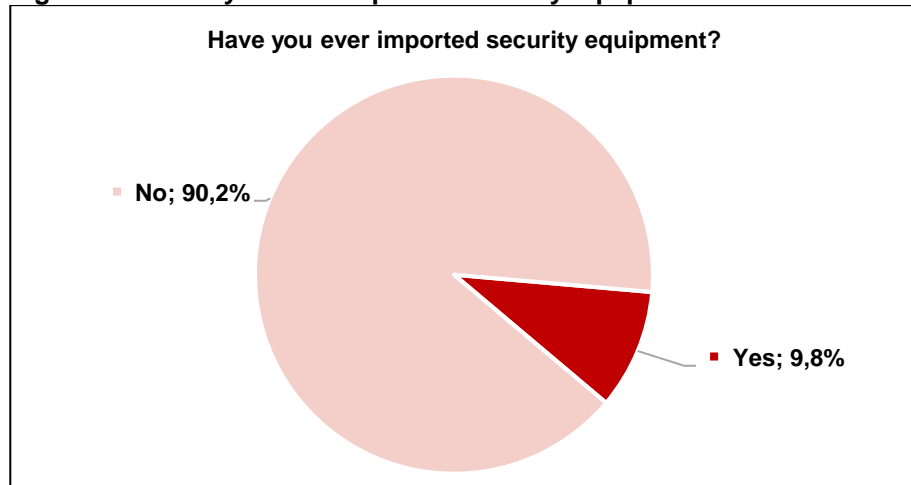
Source: Demacon PSIRA Survey, 2019

Where security equipment had to be imported the larger segment of respondents indicated that they had to pay import duties:

- ✓ 53.8% indicated that they had to pay import duties
- ✓ 38.5% of respondents indicated that they don't know
- ✓ 7.7% indicated that they did not have to pay import duties on the equipment imported.

1.3 IMPORTING OF SECURITY EQUIPMENT

Figure 4.5: Have you ever imported security equipment?



Source: Demacon PSIRA Survey, 2019

Almost 10.0% of respondents indicated that they have imported security equipment from other countries. The question, however, did not distinguish between the imports of complete products and the imports of components.

Based on discussions with private security companies the following security products are imported versus those that are manufactured and sourced locally:

Imported:

- Alarms and surveillance systems (predominantly from England, Canada and the USA)
- CCTV (predominantly from China)
- Access control (predominantly from the USA and China)
- Intercoms
- Fire detection (mostly imported).

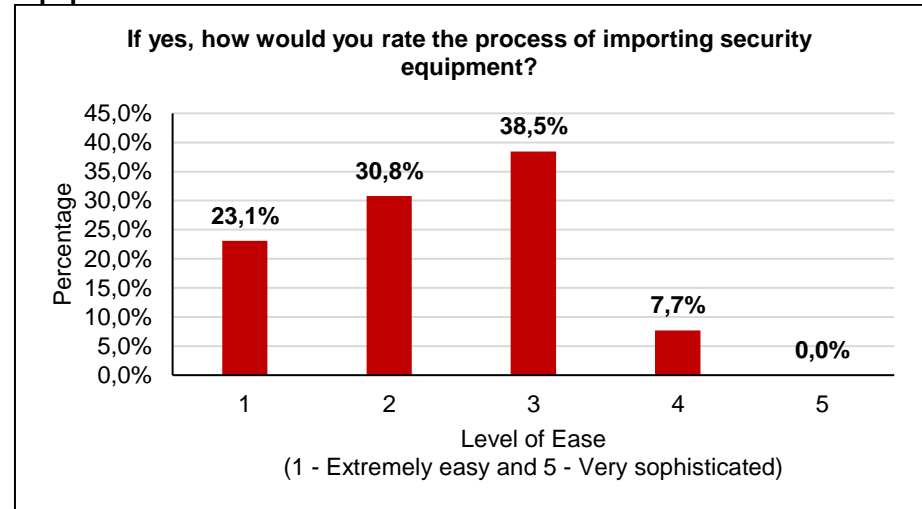
Locally manufactured and sourced:

- Electric fencing
- Remotes



- Gate motors
- Safes
- Fire detection.

Figure 4.6: If yes, how would you rate the process of importing security equipment?

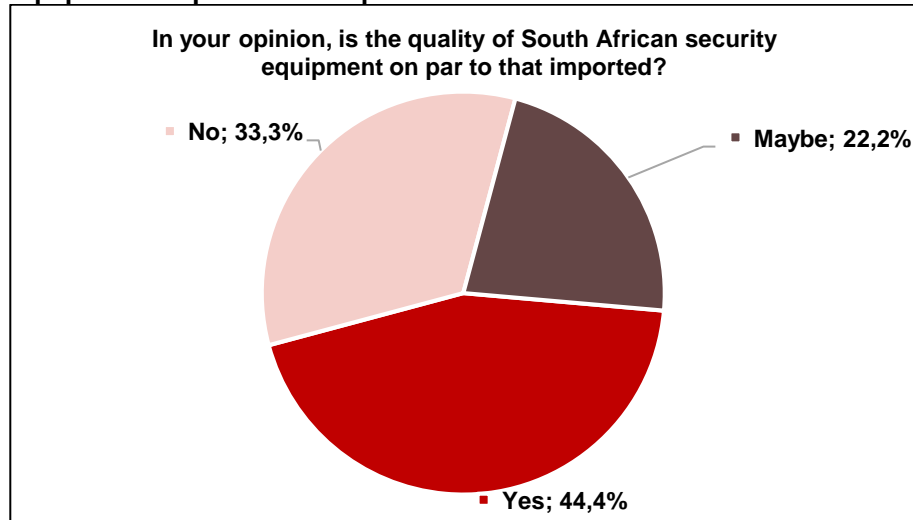


Source: Demacon PSIRA Survey, 2019

This segment rated the process of importing the security equipment as follow:

- ✓ 23.1% rated the process as extremely easy
- ✓ 30.8% rated the process as very easy
- ✓ 38.5% rated the process as easy
- ✓ 7.7% rated the process as difficult.

Figure 4.7: In your opinion, is the quality of South African security equipment on par to that imported?



Source: Demacon PSIRA Survey, 2019

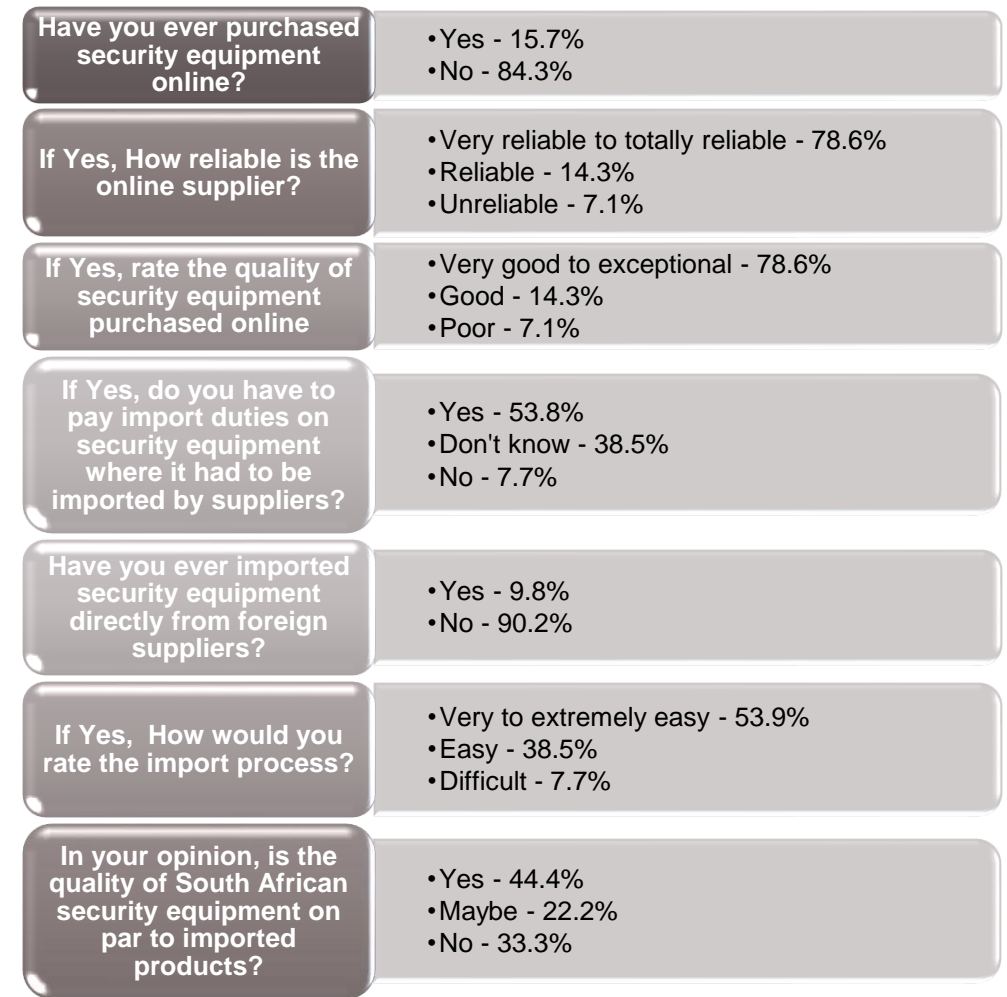
In terms of the question related to whether the quality of South African security equipment is on par to that imported beyond the borders of South Africa the following is indicated:

- ✓ 44.4% indicated that in their opinion the quality is on par
- ✓ 22.2% indicated that in their opinion it might be on par
- ✓ 33.3% indicated that in their opinion that the quality of South African security equipment is not on par with imported equipment.

1.4 SYNTHESIS

The section provided insight into online purchasing and imports of security equipment by respondents. The subsequent diagram summarises the key findings of this section.

Diagram 4.1: Summary of Key Findings



05

Affordability and Aspects Influencing Decisions



AFFORDABILITY AND ASPECTS INFLUENCING DECISIONS

5

5.1 INTRODUCTION

This section reflects on the findings related to the affordability and price comparisons of security equipment. The findings are addressed under the following sub-sections:

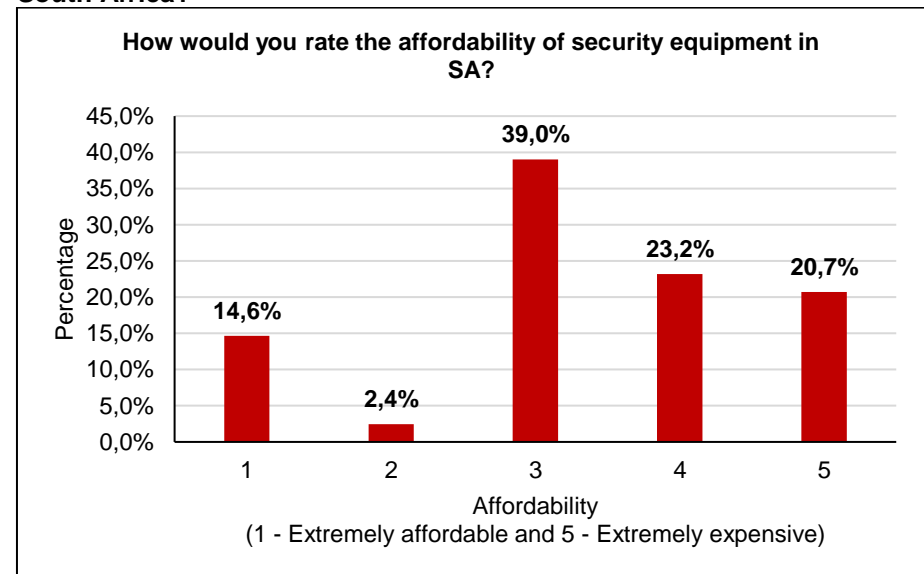
- ✓ How would you rate the affordability of security equipment in South Africa?
- ✓ From your experience, how do the prices of security equipment compare between retailers and wholesalers?
- ✓ From your experiences, how do the prices of security equipment compare between retailers and online suppliers?
- ✓ What are the main aspects that influences your decisions when purchasing security equipment?

5.2 HOW WOULD YOU RATE THE AFFORDABILITY OF SECURITY EQUIPMENT IN SOUTH AFRICA?

Respondents rated the affordability of security equipment in South Africa as follow:

- ✓ 14.6% rated the security equipment in South Africa as extremely affordable
- ✓ 2.4% rated security equipment in South Africa as very affordable
- ✓ 39.0% rated security equipment in South Africa as affordable
- ✓ 23.2% rated security equipment in South Africa as very expensive
- ✓ 20.7% rated security equipment in South Africa as extremely expensive.

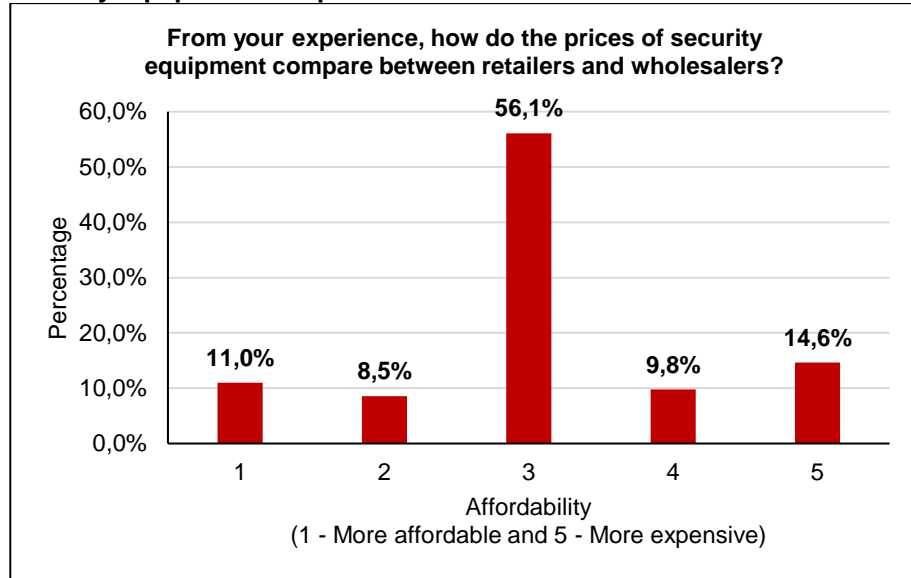
Figure 5.1: How would you rate the affordability of security equipment in South Africa?



Source: Demacon PSIRA Survey, 2019

5.3 FROM YOUR EXPERIENCE, HOW DO THE PRICES OF SECURITY EQUIPMENT COMPARE BETWEEN RETAILERS AND WHOLESALERS?

Figure 5.2: From your experience, how do the prices of security equipment compare between retailers and wholesalers?



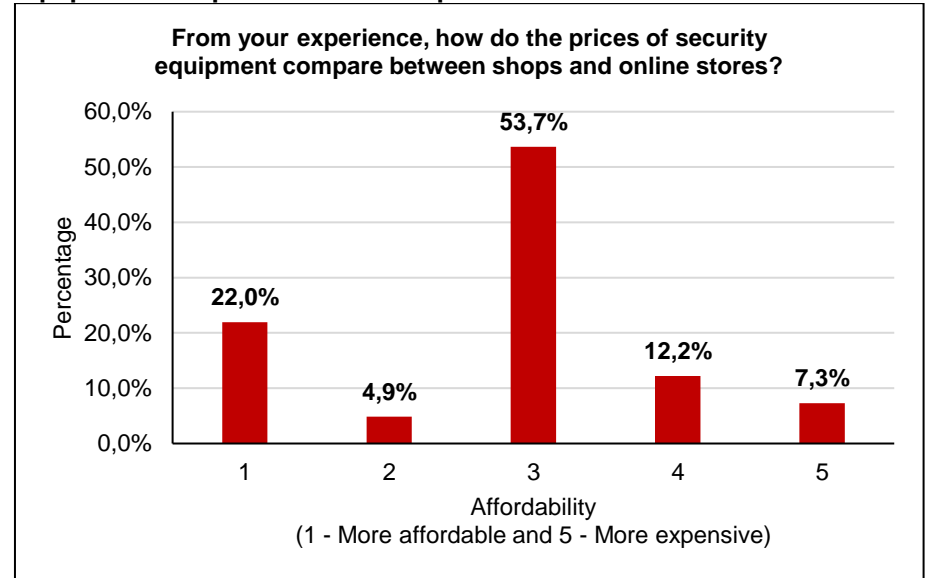
Source: Demacon PSIRA Survey, 2019

From respondents experience, they indicated the following with reference to the prices of security equipment between retailers and wholesalers:

- ✓ 19.5% indicated that in their experience prices of security equipment are more affordable at retailers compared to wholesalers. Many wholesalers and importers also supply directly to the public and as such have higher mark-ups on their prices.
- ✓ 56.1% of respondents indicated that in their experience prices are relatively on par. In many instances the price differential between retailers and internet based prices have decreased.
- ✓ 24.4% of respondents indicated that in their experience prices are more expensive at retailers compared to wholesalers.

5.4 FROM YOUR EXPERIENCE, HOW DO THE PRICES OF SECURITY EQUIPMENT COMPARE BETWEEN SHOPS AND ONLINE STORES?

Figure 5.3: From your experience, how do the prices of security equipment compare between shops and online stores?



Source: Demacon PSIRA Survey, 2019

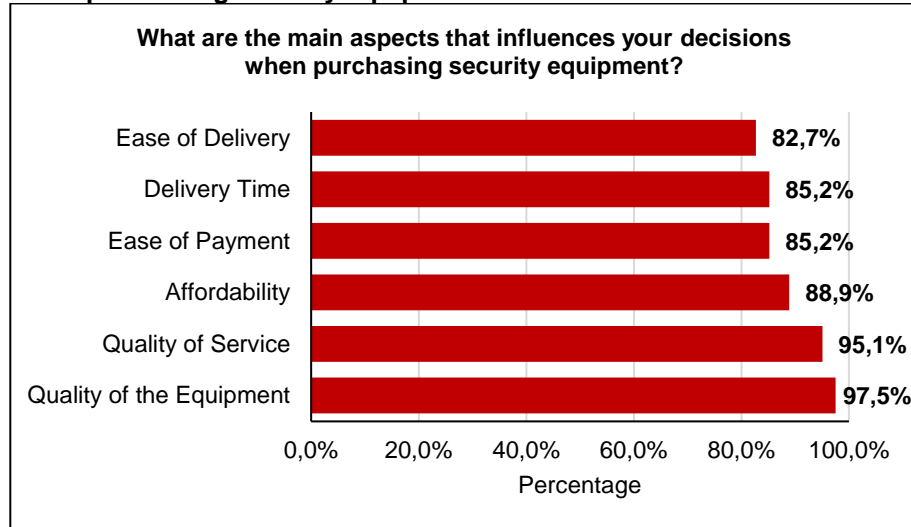
From respondents experience, they indicated the following with reference to the prices of security equipment between shops (retailers and wholesalers) and online stores:

- ✓ 26.9% indicated that in their experience prices of security equipment are more affordable at shops compared to online suppliers. Consumer behaviour is, in general, influenced by economics including exchange rate considerations.
- ✓ 53.7% of respondents indicated that in their experience prices are relatively on par between shops and online suppliers.
- ✓ 19.5% of respondents indicated that in their experience prices are more expensive at shops compared to online suppliers.

It does not reflect accurately on product value chain and does not distinguish between the import of components versus complete products.

5.5 WHAT ARE THE MAIN ASPECTS THAT INFLUENCES YOUR DECISIONS WHEN PURCHASING SECURITY EQUIPMENT?

Figure 5.4: What are the main aspects that influences your decisions when purchasing security equipment?



Source: Demacon PSIRA Survey, 2019

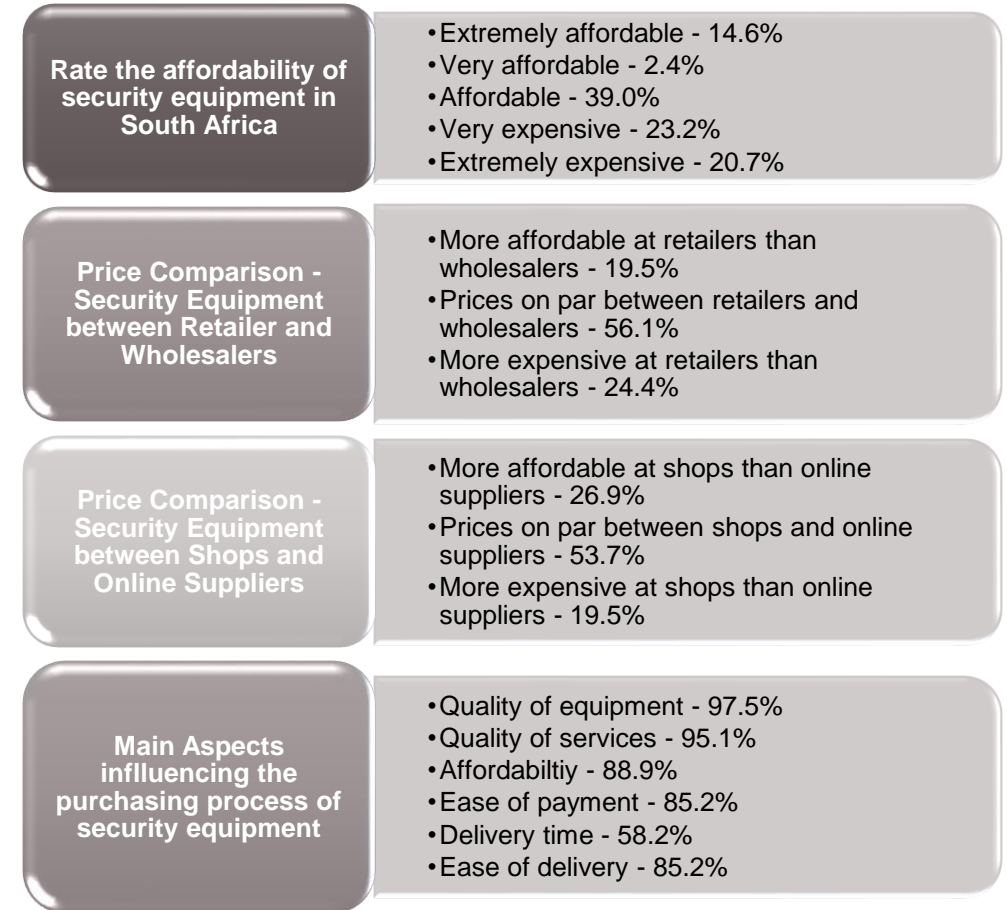
The following aspects influence the purchasing decisions of respondent related to security equipment:

- ✓ Quality of the equipment – 97.5%
- ✓ Quality of service – 95.1%
- ✓ Affordability – 88.9% (consumer behavior is, in general, influenced by economics including exchange rate considerations)
- ✓ Ease of payment – 85.2%
- ✓ Delivery time – 85.2%
- ✓ Ease of delivery – 82.7%.

5.6 SYNTHESIS

The section provided insight into the affordability of security equipment in South Africa and at different suppliers. It also provides information on the main aspects that influences respondents’ decisions during purchasing processes.

Diagram 5.1: Summary of Key Findings



06 Concluding Remarks



CONCLUDING REMARKS

6

6.1 INTRODUCTION

This section provides concluding remarks on the subject under investigation – consumer satisfaction related to security equipment and suppliers. The following bullets provide general and concluding remarks on the matter at hand.

6.2 GENERAL REMARKS

Respondent Participation and Characteristics

- ✓ Approximately 40% of respondents represented private households and approximately 60% businesses.
- ✓ Approximately 30% of respondents were from the Gauteng Province and approximately 10% from the remaining eight provinces.
- ✓ In the case where respondents represented businesses, the following characteristics prevailed:
 - Surveys were predominantly completed by senior employees, business managers, personal assistants, business owners, secretaries and administrators.
 - Businesses that participated were distributed across a wide spectrum of industries, with emphasis on retailers, security services, business services, financial services, manufacturing, construction and government services.
- ✓ In the case where respondents were private households, surveys were mostly completed by income earners.
- ✓ The racial profile indicated across all spheres of respondents reflected a predominance of white, coloured and African Black participants. The racial distribution of respondents is more a reflection of security consciousness than a skewed sample. It should also be borne in mind that approximately 15 million South Africans (approximately a third of the total population) reside in traditional areas where coverage by private security providers is limited.

- ✓ The age profile of respondents reflected a spread across all age brackets above the age of 25 years, mostly economically active people affected by crime and/ or directly responsible for family safety.

Utilisation and Suppliers of Security Equipment:

- ✓ Respondents make use of the following dominant security equipment at their premises; alarms, remote controls and panic buttons, CCTV, safes, intercoms, automatic access control and electrical fences.
- ✓ Security equipment is purchased from retailers, security companies (emphasis on their head offices), wholesalers, manufacturers and online suppliers.
- ✓ Preferred suppliers are located within the boundaries of South Africa, with small imports from the rest of Africa and other countries.
- ✓ Respondents rated it as easy to extremely easy to find suppliers of security equipment.
- ✓ Respondents indicated that they are satisfied to totally satisfied with the services of the suppliers from whom they purchase security equipment.
- ✓ According to most respondents their suppliers also provide after-market support on the security equipment products purchased from them.
- ✓ The quality of security equipment meets the expectations of respondents.
- ✓ Inferior quality equipment can to a large extent be identified by respondents.
- ✓ Respondents reflected a strong preference towards locally manufactured security equipment.
- ✓ Consumers are of the opinion that suppliers of security equipment should be regulated.

Online Purchasing and Importing of Security Equipment:

- ✓ Almost 16% of respondents indicated that they have purchased security equipment from online suppliers before.
- ✓ Those that have purchased security equipment online answered the following to follow up questions:
 - Online suppliers were rated as reliable to totally reliable.

- The quality of the security equipment purchased online was rated as good to exceptional.
- More than half of respondents indicated that they had to pay import duties on security equipment purchased from online suppliers.
- ✓ Almost 10% of respondents have imported security equipment directly from foreign suppliers. However, the question did not distinguish between complete products versus components.
- ✓ Based on discussions with private security companies the following security products are imported versus those that are manufactured and sourced locally:
 - Imported:
 - Alarms and surveillance systems (predominantly from England, Canada and the USA)
 - CCTV (predominantly from China)
 - Access control (predominantly from the USA and China)
 - Intercoms
 - Fire detection (mostly imported).
 - Locally manufactured and sourced:
 - Electric fencing
 - Remotes
 - Gate motors
 - Safes
 - Fire detection.
- ✓ Those that have imported security equipment answered the following on follow-up questions:
 - The process of importing security equipment was rated as easy to extremely easy.
 - Two thirds of respondents indicated that in their opinion the quality of security equipment purchased in South Africa is on par to the quality of equipment imported.

Affordability of Security Equipment:

- ✓ Security equipment within South Africa was rated as expensive to extremely expensive.
- ✓ Prices related to security equipment between retailers and wholesalers was rated as relatively on par and to a lesser extent more expensive at retailers. In many instances the price differential between retailers and internet-based prices have decreased. Many wholesalers/importers also

supply directly to the public and as such have higher mark-ups on their prices.

- ✓ Prices related to security equipment between shops and online stores was rated as relatively on par and to a lesser extent more affordable at shops versus online stores. Consumer behavior is, in general, influenced by economics including exchange rate considerations.

Main Aspects influencing the Purchasing Decisions of Respondents:

The following main aspects were rated as the most important when considering purchasing security equipment from suppliers:

- ✓ Quality of equipment
- ✓ Quality of services rendered by suppliers
- ✓ Affordability
- ✓ Ease of payment
- ✓ Delivery time
- ✓ Ease of deliver.

6.3 CONCLUSION

The following concluding remarks can be made based on the findings of the survey:

- ✓ Respondents make use of a variety of security equipment suppliers.
- ✓ These suppliers are identified and located with ease.
- ✓ Strong support is indicated towards South African suppliers, opposed to import markets.
- ✓ Strong support is indicated towards South African manufactured security equipment.
- ✓ Respondents are satisfied with the quality of security equipment, level of services and after-market care from suppliers.
- ✓ A definite concern relates to the in-affordability of security equipment. The pricing of security equipment in South Africa is rated as expensive to extremely expensive.
- ✓ The three key factors impact consumer decisions include – quality of equipment, quality of service and affordability.
- ✓ Support is indicated towards the regulation of the security equipment industry and should focus on these three key factors.

- ✓ Recommendations for further research: greater focus on the import of security equipment – distinguishing between complete products and components.

ANNEXURE A: CONSUMER SATISFACTORY SURVEY

PSIRA Security Equipment Satisfaction Survey

October 2018

* Required

1. Surveyor Name *

Mark only one oval.

- Ayanda
- Bonisile
- Ntombi
- Thobile
- Zodwa

2. Telephone number called *

3. DEMACON Market Studies are conducting a market research survey for PSIRA to assess the quality and level of satisfaction related to security equipment providers. Are you willing to participate? *

Mark only one oval.

- Yes *Skip to question 5.*
- No *Skip to question 4.*
- No answer/Number invalid *Stop filling out this form.*

Untitled Section

4. If NO, please indicate the reason as to why not?

Stop filling out this form.

Respondent Type

5. Type of Respondent *

Mark only one oval.

- Retailer *Skip to question 6.*
- Wholesaler *Skip to question 6.*
- Manufacturer *Skip to question 6.*
- Security Company *Skip to question 6.*
- Private Household *Skip to question 8.*
- Other: _____ *Skip to question 6.*

If the end-user is a business, please complete the following section:

6. What is the position of the respondent within the business? *

Mark only one oval.

- Business Owner
- Business Manager
- Head of Security
- Senior Employee
- Personal Assisstant
- Secretary
- Other: _____

7. What kind of business are your enterprise engaged in? *

Mark only one oval.

- Retail/ Shopping
- Wholesale
- Business Services
- Financial Services
- Real Estate
- Construction
- Utilities
- Manufacturing
- Transport and Logistics
- Communication
- Personal Services
- Government Services
- Agriculture
- Other: _____

Skip to question 9.

If respondent represents a private household answer the following:

8. Indicate the status of respondent within household: *

Mark only one oval.

- Income Earner - working
- Income Earner - grant based (pension/social grants)
- Dependent (spouse)
- Dependent (child above 17 years of age)
- Other: _____

Quality of Security Equipment

9. Which of the following security equipment do you use at your business or residential address? *

Mark only one oval per row.

	Yes	No	No answer
CCTV	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Automated access control system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Intercoms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alarm system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Outdoor beams	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Electrical fencing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fire detection	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Intrusion detection	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Remote controls and panic buttons	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Safes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. If other, please specify:

11. From whom do you purchase your security equipment? *

Mark only one oval.

- Retailers
- Wholesalers
- Online suppliers
- Manufacturers
- No answer
- Other: _____

12. Where is your supplier of security equipment located? *

Mark only one oval.

- South Africa
- Rest of Africa
- Asia
- America
- Australia
- Europe
- No answer
- Other: _____

13. How would you rate your level of satisfaction with the services of the supplier from which you purchase your security equipment? *

Mark only one oval.

1 2 3 4 5

Totally Unsatisfied Totally Satisfied

14. Does the quality of the security equipment meet your expectations? *

Mark only one oval.

- Yes Skip to question 16.
- No
- No answer Skip to question 16.

Untitled Section

15. If not, provide a reason for your answer

Untitled Section

16. SURVEYOR: Continue to next section? *

Mark only one oval.

- Yes
- No Skip to question 4.

Untitled Section

17. Which type of security equipment is hardest to locate in South Africa? *

18. Do the suppliers of security equipment provide aftermarket support for products sold? *

Mark only one oval.

- Yes
- No
- Sometimes
- No answer

19. As consumer, do you think it is necessary for the suppliers of security equipment to be regulated? *

Mark only one oval.

- Yes
- No
- Maybe
- Don't know
- No answer
- Other: _____

20. Can you identify when security equipment is of inferior quality? *

Mark only one oval.

- Yes
 No
 Sometimes
 No answer

21. How would you rate the level of ease to find a supplier of security equipment? *

Mark only one oval.

	1	2	3	4	5	
Very difficult	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely easy

22. In your view, how important is it that security equipment are manufactured locally, within South Africa? *

Mark only one oval.

	1	2	3	4	5	
Not important	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely Important

23. Have you ever purchased security equipment online? *

Mark only one oval.

- Yes
 No *Skip to question 27.*
 No answer *Skip to question 27.*

Untitled Section

24. If yes, how reliable have the online supplier been? *

Mark only one oval.

	1	2	3	4	5	
Totally unreliable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Totally reliable

25. In terms of online shopping how would you rate the quality of the security equipment? *

Mark only one oval.

	1	2	3	4	5	
Poor Quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Exceptional Quality

26. In terms of online shopping where security products are imported, do you have to pay any import duty on it? *

Mark only one oval.

- Yes
 No
 Don't know

Untitled Section

27. SURVEYOR: Continue to next section? *

Mark only one oval.

- Yes
 No *Skip to question 4.*

Untitled Section

28. Have you ever imported security equipment? *

Mark only one oval.

- Yes
 No *Skip to question 31.*

Untitled Section

29. If yes, how would you rate the process of importing security equipment? *

Mark only one oval.

	1	2	3	4	5	
Extremely easy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Very sophisticated (difficult)

30. In your opinion, is the quality of South African security equipment on par to that imported from overseas? *

Mark only one oval.

Yes
 No
 Maybe

Untitled Section

31. How would you rate the affordability of security equipment in South Africa? *

Mark only one oval.

	1	2	3	4	5	
Extremely Affordable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Extremely Expensive

32. How do the prices of security equipment compare between retailers and wholesalers? *

Mark only one oval.

	1	2	3	4	5	
More Affordable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	More Expensive

33. How do the prices of security equipment compare between actual shops and online stores? *

Mark only one oval.

	1	2	3	4	5	
More Affordable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	More Expensive

34. In your opinion, which specific security equipment are over priced in stores? *

35. What is the main aspects that influences your decision when purchasing security equipment? *

Mark only one oval per row.

	Yes	No	No answer
Affordability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of Service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of Equipment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ease of delivery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ease of payment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Delivery time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Untitled Section

36. SURVEYOR: Continue to next section? *

Mark only one oval.

Yes
 No Skip to question 4.

Socio-economic information of the respondent

37. Racial Profile of Respondent? *

Mark only one oval.

- African Black
- White
- Coloured
- Indian
- Asian
- Undisclosed
- Other: _____

38. Please indicate the age of respondent: *

Mark only one oval.

- 18 to 24 years
- 25 to 30 years
- 31 to 35 years
- 36 to 40 years
- 41 to 45 years
- 46 to 50 years
- 51 to 60 years
- 61 years+
- Undisclosed
- Other: _____

39. Indicate the province in which respondent is contacted: *

Mark only one oval.

- Gauteng
- Western Cape
- Eastern Cape
- Northern Cape
- KZN
- North West
- Limpopo
- Mpumalanga
- Free State

40. What is the town/city/area called where you are located?

41. In which type of setting is the respondent/end-user located? *

Mark only one oval.

- Rural/Farm area
- Small town/settlement
- Large city/town

Thank you for taking the time to partake in this survey!

42. SURVEYOR: If the respondent dropped the call, please indicate at what point/question in the survey. If there is anything that you wish to highlight from the interview, please do so in the space provided.

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