

## Video Surveillance as a Service (VsaaS) market set to double over next three years

IMS Research estimates that the world market for cloud based video surveillance, or video surveillance as a service (VSaaS), was worth over \$500 million in 2011, an increase of 25% from 2010. However, the big question is what does the future hold for this emerging market?

Sam Grinter, Market Analyst with IMS Research comments that, "Growth in the VSaaS market is a result of increasing demand from consumer, small-to-medium businesses, and government end users. Also, an increasing number of entrants to the market has accelerated growth of service development, marketing presence, and is also creating a more competitive environment. All of which means that VSaaS is set to grow significantly faster for 2012 onwards."

VSaaS solutions can include: self monitoring, real time alerts, integrated analytics, and off-site storage. Because of the large feature set of VSaaS solutions, it can be used for a number of applications. Examples of VSaaS deployments range from integrated security systems incorporating on-site and off-site storage and remote video monitoring by a central station, to the "peace of mind" one to four camera solutions for keeping an eye on loved ones.

While VSaaS solutions are clearly developing, a key inhibitor of the VSaaS market remains price. The infrastructure cost required to provide a VSaaS solution remains relatively expensive, with monthly camera subscriptions costing between \$5 and \$30 depending on the level of service and the inclusion of hardware. While this sounds inexpensive compared to the initial capital expenditure for a DVR, over time this will generate a considerable cost for the end user. Furthermore, some video surveillance equipment vendors offer free remote monitoring through DVRs, NVRs and video management software. This service may prompt an end-user to upgrade existing hardware or software rather than opt for a VSaaS solution.

Grinter continues, "For VSaaS to become more widely adopted, the market needs to resolve a number of barriers. For consumers and commercial users, the price per camera needs to drop significantly and installation must be simpler. Additional requirements for commercial users include new features and technologies, such as business intelligence functions, that increase the return on investment of using a VSaaS solution."

Preliminary findings from the 2012 edition of the VSaaS report indicate that the VSaaS market has even stronger growth prospects than originally predicted. However, a key factor that will determine the success of the market will be the VSaaS providers ability to overcome the previously stated product barriers. If VSaaS providers are successful in overcoming these barriers, IMS Research predicts that the world market could exceed \$1 billion by 2014.

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