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2023 SECURITY 50

2023
SECURITY 50 INDUSTRY REPORT:
AN INDUSTRY RESHUFFLING IN THE CARDS?

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Table of Contents

Security 50: A security industry reshuffling in the cards?

Looking back, security in 2022 operated in a world that saw a slowed recovery from COVID due to various factors, including inflation and geopolitical tensions. Economically speaking, the world had an average GDP growth of 4.1 percent in 2022, dropping from 5.5 percent in 2021, according to the World Bank. Advanced economies such as the U.S. and the Euro area grew 3.8 percent last year, down from 2021's 5 percent, while emerging markets had a growth of 4.6 percent, down from 2021's 6.3 percent.

China, meanwhile, registered a 2022 GDP growth of 5.1 percent, down from 9 percent for 2021, due to challenges on several fronts. Domestically, China issued lockdowns in different cities throughout 2022, in response to a rise in COVID cases. Then, there is China's ongoing real estate crisis – the Chinese government's effort to regulate the debt limits of major Chinese developers, like the Evergrande Group, had caused the country's real estate market to tumble. External factors also played a role. Geopolitical tensions between the U.S. and China had prompted the U.S. to place severe trade barriers and restrictions against China.

Impact on security

So how did these factors play out in security last year? Upon first look, they brought little change to this year's Security 50. The top 10 global security manufacturers in access control and video surveillance in our 2023 Security 50 ranking are Hikvision Digital Technology, Dahua Technology, ASSA ABLOY, Axis Communications, Motorola Solutions, Allegion, Tiandy, Hanwha Vision (formerly Hanwha Techwin), Uniview Technologies and Aiphone. Hikvision and Dahua remain the world's largest security companies, with 2022 security product/equipment sales reaching US$9.8 billion and $4.5 billion, respectively (based on the IRS's 2022 average currency exchange rates). There were several new entrants including China-based smart home solutions provider MEARI and Korean biometric solution provider Union Community.

Yet a surprising part of this year's Security 50 was the growth list. Of the 17 companies that registered 2022-2021 revenue declines, 12 were Chinese companies. While China companies' revenue declines were somewhat expected given the environment, the number of companies that inked sales declines, and the magnitude of these declines (by as much as 40.2 percent), still caught us off guard.

Indeed, China's internal and external challenges mentioned earlier – lockdowns, real estate crisis and tensions with the U.S. – all played a part. "Chinese government spending was diverted away from other areas, including spending on video surveillance, and towards battling COVID-19 and supporting its economy during these lockdowns. Restrictions lasted much longer than many observers had anticipated, with the Chinese government finally easing its 'zero Covid' policy in December 2022," said Jon Cropley, Principal Analyst, and Josh Woodhouse, Founder of Novaira Insights.

At the same time, U.S.-China tensions, which led to legislation like the National Defense Authorization Act (NDAA) that bans the US government from purchasing video surveillance equipment by Hikvision and Dahua, had caused Western and non-China brands to register a proportional growth in their 2022 revenue. These include VIVOTEK, with a sales increase of 82.48 percent; Hanwha Vision, 47.52 percent; Axis, 36.01 percent; Milestone Systems, 30.43 percent; and IDIS, 22.17 percent. It should be noted that many of the U.S.'s Western allies, for example U.K., have also enacted NDAA-like legislation.

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2023 S50	2022 S50	Company	Head-quarters	2022 Revenue (US$ Million)
1	1	Hikvision Digital Technology (Video Surveillance)	China	9,788.05
2	2	Dahua Technology	China	4,541.66
3	3	Assa Abloy (Electromechanical and Electronic Locks)	Sweden	3,580.11
4	4	Axis Communications	Sweden	1,571.97
5	5	Motorola Solutions (Video Security and Analytics)	US	1,523.00
6	8	Allegion (Electronic Products and Access Control)	US	850.69
7	7	Tiandy Technologies	China	805.85
8	9	Hanwha Vision	Korea	755.92
9	6	Uniview Technologies	China	761.96
10	11	Aiphone	Japan	401.75

To see the full ranking, click the link below or scan the barcode:
https://www.asmag.com/rankings/security50_rankings.aspx

"The shift away from Chinese vendors continued at pace not just in the U.S., but across Northern Europe and countries in Asia including Japan and South Korea. In part, many organizations and systems integrators want to standardize on NDAA-compliant equipment to ensure existing and future business in the U.S., while end users are expressing concerns around looming regulations in the EU and Asia, cybersecurity weaknesses, and the potential for reputational damage connected to human rights abuses committed by some of the banned Chinese manufacturers," said Jamie Barnfield, Senior Sales Director at IDIS Europe.

As for this year, Chinese companies are expected to fare better, even though they are not completely out of the woods yet. "The Chinese market is forecast to recover slightly in 2023 but remain well below its peak in 2021. Growth in demand will be much lower than in the years before the pandemic. At the same time, a weakening exchange rate between the Chinese yuan and US dollar will also dampen growth (when measured in US dollars)," Cropley and Woodhouse said.

Yearly review and preview

For the security market in general, growth is expected this year and next, with Novaira Insights forecasting the market for video surveillance equipment to grow 11.8 percent and 10.2 percent, respectively, in 2023 and 2024.

Industry experts agree with that notion.

"We observed some economic growth and expansion in 2023, although it has been unevenly distributed across different regions and sectors. This has had a mixed impact on the security industry," said Choong Hoon Ha, Chief Sales and Marketing Officer at Hanwha Vision. "Despite the mixed economic impact, the security demands from society and individuals are still rising with the growing need for advanced network-based systems, such as intelligent surveillance cameras. Businesses are willing to invest in security solutions that protect their employees and assets, and even improve business efficiency and productivity by providing business insight."

"Long-term, sustainable growth is at the heart of our business planning. We plan for 15 percent growth per year on average. And while the market itself is forecast to grow, Axis is again set to outpace it. We'll achieve this by continuing to broaden our portfolio into new areas, such as intercoms, access control, audio solutions, and so on," said Ray Mauritsson, CEO of Axis Communications.

Trends: AI, cloud and mobile access more noticeable

As for predominant trends in security, AI and cloud still rank on top.

"Artificial intelligence will continue to provide opportunities for innovation across the industry. Application of AI to data streams from sensor fusion – combining and interpreting inputs from cameras and other sensory devices – will shift security solutions towards proactive capabilities that drive new value. AI's influence is still in the transformational stage, for certain, but the applicability to the security industry is strong and clear," said Vince Wenos, Senior VP and CTO of Allegion.

"This year, we have witnessed a growing demand from customers to maximize the capabilities of their cameras and sensors, with a strong emphasis on analytics. The industry continues to embrace the dominant trend of edge analytics, with an increasing number of camera manufacturers expanding their support for this technology," said William Hinton, Product Line Manager for Video at Genetec.

According to Choong, customers are seeking technologies that can help them improve the accuracy of detection, make their video surveillance systems more scalable and cost-effective, and take benefits from video analysis.

"In other words, they're looking for surveillance technology powered by AI and cloud," Choong said. "Many customers are still in the early stages of adopting AI and cloud-based video surveillance solutions. However, the adoption of these technologies is expected to accelerate in the coming years, as customers see the benefits that they can offer."

Mobile credentials, meanwhile, have also emerged as a top trend in 2023. "Electronics continue to fuel significant growth for the industry across both hardware and solutions providers. Increasing adoption of mobile credentials and associated readers is providing healthy lift," Wenos said. "Mobile credentials continue to gain interest from customers, as they provide greater value to end users and system operators."

Digital wallets, an offshoot of mobile access, are also gaining traction. "We're seeing a lot of interest in digital wallets in large, tech-savvy office buildings. The first European rollout of employee badge in Apple

Wallet was at London's 22 Bishopsgate, touted as the world's smartest building. 14,000 mobile users at 22 Bishopsgate can now use just their iPhone or Apple Watch to access their offices, plus all the building's amenities," said Prabhu Patel, Commercial Director for Physical Access Control Solutions, ASEAN and India, at HID.

Cybersecurity continues to be a hot topic now that more and more devices are online. "For several years we've witnessed a growing focus on the cybersecurity of solutions. Customers are aware the risks are rising, demanding robust processes, vigilance and transparency. When vulnerabilities do occur, vendor transparency is essential, allowing customers to respond as quickly as possible," Mauritsson said.

Flexible payment

This year, we're seeing at least two companies offering flexible payment options. These are i-PRO, who announced their FlexPay Financing, and Eagle Eye Networks, who launched their Eagle Eye Camera Direct Complete. The programs aim to help customers achieve more payment flexibility, reduce initial investment and become more competitive in general.

"In some organizations an increasing amount of security ops fall under the IT department's responsibility, and they may have a preference for a greater amount of OPEX compared with the security industry's typical preference for capital expenditure purchases," Cropley and Woodhouse said. "This type of transition is indicative of a cloud business model transition. However, only the video surveillance vendors themselves know whether the motive behind this is related specifically to products from specific competitors."

Consolidation vs. smaller start-ups

Meanwhile, two competing forces continue to dominate in security. One is the continued consolidation of the industry. Recent examples include acquisition deals between ACRE and SISCO, Motorola Solutions and Rave Mobile Safety, and IDIS and Costar. Yet on the other hand, we're also seeing the emergence of smaller companies focusing on cloud and AI. How these forces will play out remains to be seen.

Yet according to Cropley and Woodhouse, there are advantages to scale of operation. "Each surveillance scenario is unique. Variables include the size of installation, whether it is indoors or outdoors, and lighting and weather conditions. At the same time, the channel varies considerably by geographic location with a different set of distributors, systems integrators and installers serving its needs. Large vendors have a range of solutions to meet all scenarios and have the resources to serve different channels in a wide range of geographies," they said.

Memoori report: Prevailing physical security trends in 2023

The physical security market is undergoing a significant transformation, influenced by a host of factors from technological advancements to geopolitical shifts. In this article, drawn from Memoori's latest research into both the Video Surveillance and Access control markets, we will explore just a few of the key trends and challenges our research indicates will be the most influential in shaping the industry over the coming years.

Current state of the video surveillance market

Memoori's latest report into The Global Video Surveillance Business explores market prospects for cameras, storage, software & analytics from 2023 to 2028. Our latest estimates, based on a comprehensive analysis of the performance of a total of 322 companies operating in the global market, indicate that it generated revenues totalling $30.4Bn in 2022. While the era of double-digit annual growth appears to be over for video surveillance, factors including AI related innovations, expanding provision and demand for more sophisticated analytics, the ongoing shift to IP cameras and improving camera resolution will continue drive market growth. We forecast that this market will experience a Compound Annual Growth Rate (CAGR) of 5.7% between 2023 and 2028, with revenues totalling $44.8Bn by 2028.

The AI imperative

The integration of advanced Artificial Intelligence (AI) and Machine Learning into video surveillance is reaching unprecedented levels of maturity. Key drivers of this trend include:

- **Practical Implementations:** Earlier discussions on AI in surveillance have moved from theoretical to practical, with more real-world applications coming to the fore.
- **Sophisticated Analytics:** The analytics capabilities have grown increasingly refined and reliable, reducing false alarms and allowing for more nuanced and actionable insights.
- **Cost Decline:** The falling costs of implementing AI and Machine Learning are making these technologies accessible to a broader range of applications.
- **Availability of Edge-Based Analytics:** There's a widespread rollout of edge-based analytics, based on dedicated AI chip System on Chip architectures that offers the ability to process data closer to its source, alleviating network bandwidth constraints and helping end-users to minimize the risk of transferring or processing privacy related data.

We forecast that by 2028, the percentage of network security cameras with onboard AI capabilities is projected to rise from today's 18% to over 50%. These advancements are fuelling new features like

object recognition, behavior analysis, and other forms of intelligent monitoring.

However, the growth in AI capabilities comes with its own set of challenges. Infrastructure issues such as bandwidth limitations, latency, and cyber protections can impede the full utilization of AI-enhanced cameras. Moreover, the lack of standardized data practices and testing methodology further complicates the landscape. These challenges necessitate responsible and transparent implementation of AI technologies.

As data volumes and the demand for analytics rise, we expect the market for Video Management Software (VMS) & analytics to significantly outpace growth in the wider market, here, we are forecasting growth at an 8.4% CAGR from 2022-2028. Here, the progressive transition to cloud-based analytics driven by requirements to amplifying the power of video analytics by leveraging centralized computing resources is set to continue.

Geopolitical shifts move the goalposts in the video surveillance market

Geopolitical tensions and shifting trade barriers have progressively transformed the global landscape of video surveillance market over the past five years. While initial moves by the US government imposed relatively minor tariffs and limited sales to particular US government agencies, more recently blanket U.S. bans on the sale of equipment in the US by Chinese market giants Hikvision and Dahua enacted under the National Defense Authorization Act (NDAA), have much more profound impact. These progressively more stringent restrictions have significantly disrupted supply chains, forcing a recalibration of power dynamics, and generated growth opportunities for Western, Korean and Japanese manufacturers such as Axis, Hanwha Vision, IDIS, Secom. These players and others have developed new strategies and supply chain relationships that seek to fill any voids left by the withdrawal of Hikvision & Dahua from US markets.

For several of these companies, the is already having a major impact on their fortunes. For example Hanwha Vision reporting 86% sales growth in the Americas from 2021 to 2022, capitalizing on its NDAA-compliant status, while IDIS saw overseas revenue jump from $50m to over $80m after the NDAA ban.

US manufacturers are increasingly plugging their "Made in the USA" credentials, while Western manufactures such as Axis Communications are leveraging their NDAA-compliant status to help boost sales in North American markets. Several are also touting their stringent data security policies and practices to further reinforce their market positioning for end users that are increasingly cognisant of cybersecurity and ethics related issues.

Other notable Chinese surveillance companies including Tiandy Technologies, Infinova, TVT Digital Technology, and Raysharp witnessed revenue declines between 3% and 40% in 2022 compared to 2021. While much of this decline might be attributed to the adverse impact of COVID-induced lockdowns in China, and overall slowdown in the Chinese economy over the period, the trade restrictions have also undoubtedly been a contributing factor. While they've not been as directly impacted as Hikvision & Dahua, these other Chinese manufactures will be nervously looking on from the sidelines, at the further adverse impact that potential equivalent restrictions on their US operations could have, moves which are being advocated for in some quarters.

The political impetus and related media exposure generated by the scale of US regulatory moves is also having ripple effects beyond the US, for example influencing several major UK retailers to announce plans to drop Hikvision and Dahua cameras due to ethical concerns, as well as ongoing legislative moves to restrict usage of the companies' devices in various public sector bodies in several territories across Europe and beyond.

This evolving regulatory landscape will require firms to maintain agility, adapting their strategies to navigate a shifting patchwork of trade barriers and regulations that are emerging in different regions.

Access control: Mobile gains traction

Turning to access control, our market forecasts for this year's analysis are still being finalized, but initial indicators are that Electronic Access Control market growth is set to outpace Video Surveillance market growth for the coming 5 years, reversing the dynamics that have been in play across Physical Security for over a decade.

Here, the underlying supply chain and security dynamics are similar, geopolitical uncertainties are having a much more muted impact. Biometrics adoption has been somewhat stalled due to behavioral and attitude changes resulting from COVID, but we see the primary driver for growth being the progressive shift to mobile-based access control.

From a user standpoint, the allure of mobile access control lies in its convenience, enhanced security features, and the flexibility it offers for system administration. Major manufacturers in the access control space, including HID Global, Brivo, and WaveLynx, have been quick to recognize this shift, announcing integrations with Apple Wallet and Google Wallet over the past year to capitalize on the momentum.

Customers, too, are taking note. According to a recent survey on access control trends, 42% of respondents worldwide now have plans in place upgrade to mobile-ready systems. Our preliminary data

sentiment, projecting that by the end of 2023, mobile-based systems could constitute around 20% of all newly issued access control credentials for non-residential buildings.

While the transition to mobile-based systems is underway, it isn't without its own challenges. Privacy and cybersecurity remain as key concerns amongst many end users, particularly in cases where personal devices are proposed as the primary means of access control. For this reasons, some organizations remain reticent to back the shift, still preferring the use of physical cards to mitigate the risks associated with personal data exposure on mobile devices.

Infrastructure is another consideration. The shift to mobile-based systems often necessitates upgrades to existing hardware, such as the incorporation of Bluetooth or NFC readers, adding an extra layer of complexity and cost to the transition.

Additionally, some vendors have expressed concerns over the complexity of Apple's process for wallet integration, citing it as cumbersome and potentially slowing down the pace of adoption. It's also worth noting that Apple Wallet incurs additional credential fees, which could be a factor for organizations considering the switch.

Despite these challenges, the trend toward mobile-based access control is unmistakable and shows little sign of abating. As manufacturers continue to innovate and as customers become increasingly aware of the advantages, we can anticipate this segment to carve out a significant share of the access control market in the coming years.

Tying it all together

As the physical security industry evolves, integration continues to move to the forefront as a business imperative. Rather than maintaining each individual security components (video surveillance, access control, or intruder detection) in individual silos, companies are now looking for new cross-functional efficiencies and value add opportunities across the BIoT. There's a burgeoning demand from both users and vendors for unified platforms that not only streamline workflows but also enrich data insights by correlating information across domains. Deeper forms of interoperability that spans data structures, analytics, identity management, and automation capabilities are emerging, fostered by expanded cross-domain partnering networks and improving APIs functionality.

One of the key enablers in this transformation is improving standardisation of security data and its metadata. Providing more contextually rich data is needed to inform more intelligent decision-making across these previously siloed systems, and can be invaluable when integrated into a broader security or building management system, enabling more nuanced and responsive actions like selective door locking or lighting adjustments based on occupancy, or scheduling elevator movements to match patterns of people movement within a building, saving energy and enhancing building user experiences.

While the promise of integration is compelling, successful delivery is not always straightforward. Appropriately skilled systems integrators, endowed with the cross-domain knowledge across IT and OT technologies, video systems access control and even building protocols like BACnet will be essential for implementing complex unified security and BIoT solutions.

Legacy systems, proprietary protocols, and the absence of standardized data formats will also continue

to act as common roadblocks to integration until such systems are progressively phased out.

As the industry moves toward more standardized solutions, and cross functional expertise grows, we can expect deeper, more seamless integrations to become the norm rather than the exception.

Looking forward

The physical security market clearly remains in a state of flux, influenced by technological advancements, geopolitical shifts, and an increasing focus on integration and ethics. Companies that can adapt to these changes, innovate, and offer intelligent, integrated solutions are likely to thrive. But this is not a market for the complacent; staying ahead will require constant innovation, ethical considerations, and perhaps most crucially, the ability to adapt to ever-changing conditions.

Other trends which merit consideration and are explored in our reporting include shifts towards multi-sensor in both video surveillance and access control for multi-factor authentication, ongoing skills shortages (especially those with expertise in cross-sectoral applications and artificial intelligence), increased focus on environmental sustainability, and the ever-present influence of cybersecurity risk on products, regulations, policies and end user priorities. These factors are not just affecting the cost structures and policies but are being taken more seriously across the board, influencing both supply and demand dynamics.

Ongoing market success will hinge on continual innovation, ethical vigilance, and a nimble approach to the ever-changing landscape. Firms that keep their finger on the pulse of these multiple factors, and remain open to new ideas and pragmatic investments, will be better positioned to dominate in this evolving market.

About Owen Kell

Owen Kell is a seasoned business intelligence professional with nearly two decades of expertise in market research into how industry leaders are applying emerging technologies to enhance the efficiency, sustainability, and intelligence of buildings and urban environments. He is recognized for his deep understanding of markets for IoT, Big Data, AI, Machine Learning, and Physical & Cyber Security in the Smart Building sector. Kell has empowered global blue-chip giants and innovative startups alike with strategic insights, actionable intelligence, and innovative solutions. He is a thought leader in the industry, having authored over 20 insightful market reports that have shaped the discourse in the Smart Building landscape.

**Owen Kell,
Senior IoT & Security Research
Associate, Memoori**

# 2023 Tech Trends Maturity and Suitability Index Survey

The "2023 Tech Trends Maturity and Suitability Index Survey," sponsored by ZKTeco, garnered responses from 633 channel players offering validated insights into the technologies significantly impacting the video surveillance and access control industry. This year's survey includes a closer look at biometrics, with insights on industry and emerging trends from key market players and a comprehensive analysis of the survey results. The full survey results and discussion can be found here.

2023 Tech Trends Maturity and Suitability Index Survey
Sponsored by ZKTeco
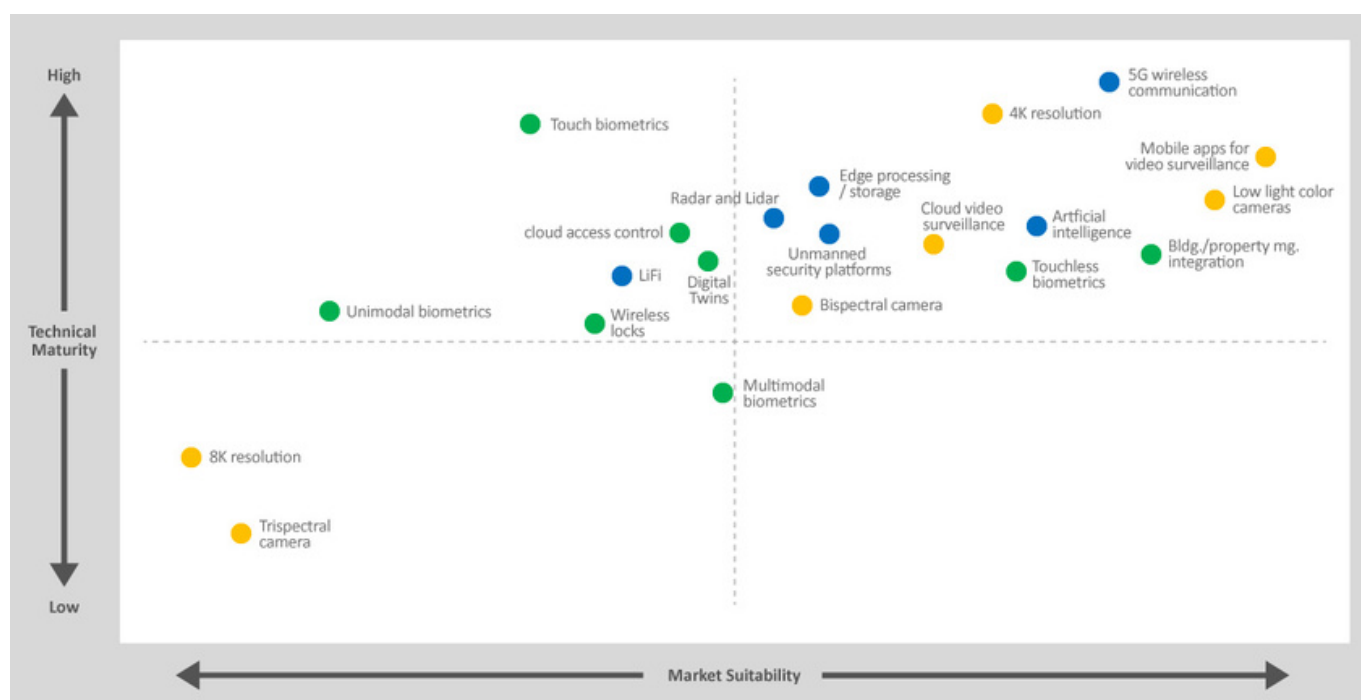
Ongoing and emerging trends

Mature and suitable: Radar and LiDAR (2), edge processing/storage (3), unmanned security platforms (4), artificial intelligence (5) and 5G wireless communications (6); **Mature but not as suitable:** Li-Fi (1)

5G ranks high in the survey and for good reasons too; the technology with its fast speed and low latency has been a key enabler in AIoT and is now increasingly seen in video surveillance with more cameras being 5G-enabled. Also ranking high are edge processing/storage, unmanned security platforms (robots and
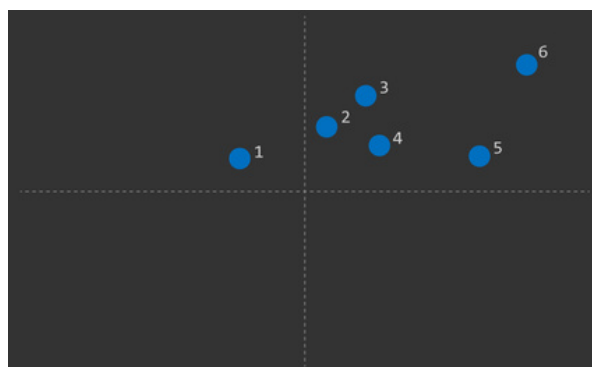
drones) and radar/LiDAR, the latter of which are companion detection technologies to video surveillance, being able to detect objects in inclement conditions. LiFi or light fidelity is becoming mature yet is still deemed unsuitable as a transmission solution.

Access control

Mature and suitable: Touchless biometrics (7) and building/property management integration (8); **Mature but not as suitable:** Unimodal biometrics (1), touch biometrics (2), wireless locks (3), cloud access control (4) and digital twins (5); **Not as mature nor suitable:** Multimodal biometrics (6)
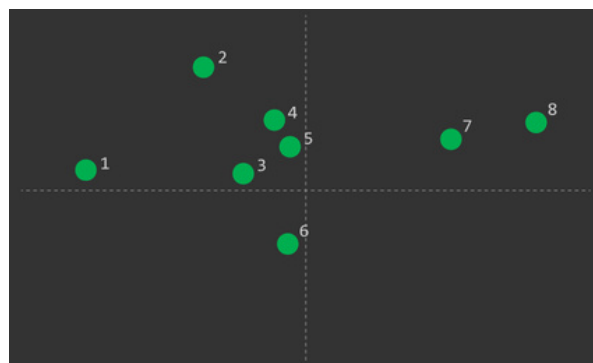
Touchless biometrics such as face and palm recognition are gaining ground post-pandemic, while building management integration suits the current green and sustainability trends well. Unimodal biometrics and touch biometrics, while technologically mature, rank lower in suitability as organizations attach a stronger importance to the security, safety and health of their workers. Multimodal biometrics, on the other hand, is moving up along the suitability index due to the extra layer of security it offers. Click here for the full result of our access control survey.

Access control

Mature and suitable: Mobile apps for video surveillance (7), lowlight color cameras (6), 4K resolution (5), cloud video surveillance (4) and bi-spectral camera (3); **Not so mature nor suitable:** 8K resolution (1) and tri-spectral camera (2)
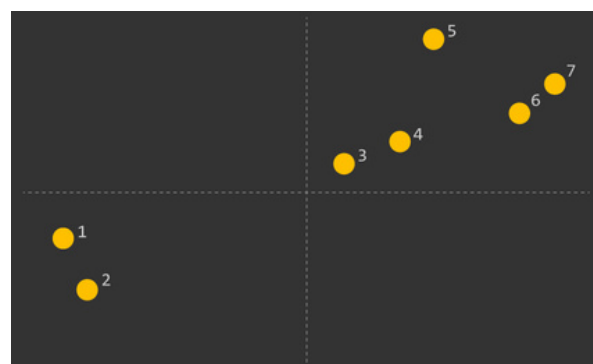
Lowlight color cameras offer good color-capturing capabilities in lowlight conditions and continue to gain ground in video surveillance thanks to more advanced lenses and image processors available. 4K allows users to zoom in and still see clear images, making it useful in large-scene environments such as city surveillance. Bi-spectral cameras whereby visible light and thermal camera units are combined into one device are beneficial in industrial settings. By comparison, 8K resolution and tri-special cameras (with UV combined) are not as suitable, at least at this point in video surveillance. Click here for the full results of our video surveillance survey.

Featured articles

2023 video surveillance tech trend survey: AI dominance continues

In this year's asmag.com video surveillance technology survey, sponsored by ZKTeco, lowlight color cameras, 4K and bi-spectral solutions all ranked high in both market suitability and technical maturity, while AI continues to gain traction as a solution that fulfills users' security and operational needs. This article takes a closer look at the results.

To read the full article, click the link below or scan the barcode:
https://www.asmag.com/showpost/33827.aspx

2023 access control trend survey: Touchless, multimodal biometrics gain ground

Sponsored by ZKTeco, this year's Security 50 access control technology survey sees building management integration and touchless biometrics both ranking high in terms of technical maturity and market suitability. Meanwhile, multimodal biometrics, where users are authenticated by more than one biometric modality, are gaining ground. This article takes a closer look.

To read the full article, click the link below or scan the barcode:
https://www.asmag.com/showpost/33833.aspx

Securing Asia in 2023: A deep dive into the region's security market developments

The Asian security market has witnessed significant growth and transformation in the years 2022-23, driven by technological advancements, government initiatives, and evolving market demands. With the region's diverse landscape, encompassing both developed and developing economies, the security industry has had to adapt and innovate to meet the unique needs of each market.

From high-definition video surveillance systems to AI-powered analytics and facial recognition, the Asian security market is now at the forefront of embracing cutting-edge technologies to ensure the safety and security of its people, assets, and infrastructure.

This article delves into the current market conditions, key trends, and comments from some of the major players shaping the Asian security market in 2022-23, providing a comprehensive overview of this dynamic and rapidly evolving industry.

Trends shaping the industry's future

The Asian security market is evolving rapidly, with several key trends shaping its future. Adoption of newer technology is at the forefront, followed by policy changes and socio-economic factors.

Integration of AI and edge computing

Some of the major companies are leading the way in integrating AI and edge computing into their security solutions, creating smarter and more efficient systems that are user-centric and aimed at improving living environments.

"We are experiencing double digit growth in physical security market, especially market acceptance of new technologies i.e., biometric and AI-based face authentication and analytics is leading growth of the market," said Hanchul Kim, CEO of Suprema.

Vivianna Wang, GM of Marketing & Channel Development at Hikvision said that looking forward, in the next five years, this landscape could be profoundly influenced by a few key trends.

"Digitization will spearhead this change, followed by the integration of innovative technologies like artificial intelligence and IoT," said Wang. "Additionally, we anticipate a more significant role for sustainable and eco-friendly security solutions, adapting to global green and low-carbon initiatives."

High-definition video surveillance

There is a growing demand for high-definition video surveillance systems, with a shift from 2MP to 5MP resolution in IP cameras becoming the new norm. These systems provide clearer and more detailed images, essential for effective monitoring and security.

"Currently, the market trend for IP cameras has shifted from 2MP to 5MP resolution, making it the mainstream," explained Alex Kuo, APAC regional business head at Vivotek. Hardware specifications among various brands have also become quite similar. Therefore, product added value is crucial. This is an important factor contributing to Vivotek's continuous growth in the Asia-Pacific region. For example, through Vivotek's smart stream 3 feature, not only is image quality and resolution maintained at a high level, but it also effectively conserves bandwidth. Additionally, the AI analysis and VCA capabilities allow for quicker resolution of customer pain points, thereby enhancing operational efficiency."

AI-Powered analytics and facial recognition

AI-powered analytics and facial recognition technologies are becoming more sophisticated and accurate, revolutionizing the way surveillance is used. These technologies enable real-time monitoring and provide operators with highly accurate alerts, enhancing overall security capabilities.
"In technologically advanced countries and those investing in large-scale projects, we're already seeing rapid adoption of artificial intelligence (AI)," said Alex Lee, Senior Sales Manager for MEA & Asia at IDIS. "It is revolutionizing the way surveillance is used by enabling more accurate and efficient monitoring of large-scale environments, such as transportation hubs, hospitals, government facilities, shopping malls, and public spaces."

AI-powered functionality such as facial recognition and object detection has become increasingly sophisticated and accurate with more companies able to justify adoption. AI technologies enable video surveillance systems to not only capture and record footage but also analyze it in real-time, providing operators with highly accurate alerts and enhancing the overall security capabilities. Metadata search functions also speed up investigations from days to hours or even minutes, and Asian companies are looking for the operational efficiencies AI can deliver.

"The same is true when it comes to business intelligence, particularly in retail where we're seeing high-demand for AI-powered and highly accurate people counting, heat maps, occupancy monitoring, and queue management to boost profits with actionable insights," Lee added. "There's also a lot of demand for high-definition and high-performance cameras supporting loss prevention strategies."

Increased interest in cloud solutions and mobile credentials

Cloud solutions are gaining popularity, providing more flexibility and scalability for security systems. Mobile credentials are also becoming more common, offering a convenient and contactless solution for access control.

Government Initiatives and Investments

Governments across Asia are investing heavily in security infrastructure, driving significant growth in the market. Large infrastructure projects, such as the security and safety upgrade of India's rail network, are examples of how government initiatives are shaping the industry's future.

"The physical security market is booming in Asia with many greenfield construction projects and infrastructure investments happening, especially in the developing markets in Southeast Asia," David Thean, GM for Asia at Gallagher Security said. "As many of these developing economies in Asia expand, demand for top tier security solutions is growing as well."

Wang too pointed out that, considering the vast number of countries in Asia, there is some differentiation.

"There's a considerable surge in developing markets, like Southeast Asian region, showcasing great potential and growth, while for some developed countries which are relatively saturated markets, gaining modest growth," Wang said.

Government investment is driving significant growth in developing countries, including Bangladesh, India, Thailand, and Vietnam. India's economy remains bullish with large infrastructure projects. One example is the security and safety upgrade across its rail network, the largest in Asia.

"To date, IDIS India has upgraded close to 3,700 Railtel railway stations," explained IDIS. "Hardware is seamlessly monitored and managed by IDIS Solution Suite VMS with Railtel adopting service modules including IDIS Critical Failover and IDIS Deep Learning Analytics as well as integration with third-party facial recognition."

Ahead of the Olympics in Tokyo, IDIS saw significant demand in Japan for surveillance upgrades following a partnership agreement signed in 2019 with JVC to sell IDIS branded products across its distribution network. It's a winning strategy, particularly since Japan is known to prefer its own tech after decades-long global prowess of its electronics brands.

"We're more realistic in terms of the wider region and expecting a CAGR over the next five years of 10 to 15 percent," IDIS said. "Yet Asia is dynamic with varying factors impacting the economic landscape in each of our focus countries and core markets. Like many other parts of the world, we're seeing sustained demand for end-to-end solutions in the retail, banking, healthcare, hotels and hospitality, logistics, and manufacturing sectors across the region."

There are some common factors shaping each of these markets such as the rising need for enhanced security and safety measures combined with a drive to increase operational efficiency. With increasing incidents of crime, terrorism, and public safety concerns, governments and organizations are investing heavily in high-definition video surveillance systems as well as analytics to monitor and protect their facilities, people, and assets and address specific operational challenges. It's a trend that is accelerating as the demand for real-time monitoring and proactive security and safety measures grows.

Government Initiatives and Investments

With the increasing importance of cybersecurity in physical security products, companies are implementing various cybersecurity techniques to protect privacy and data. This trend is particularly evident in societies where privacy is paramount, such as South Korea.

"A significant trend is the need for high security to protect the growing infrastructures and modern buildings in the region," Thean added. "Cybersecurity requirements are also increasing for physical

security products, and smarter access controls – like facial recognition and iris scanners – and contactless solutions such as mobile credentials are other trends in the region's market. I'd also say cloud solutions are gaining popularity."

Demand for end-to-end solutions

There is a sustained demand for end-to-end solutions across various sectors, including retail, banking, healthcare, hotels, and hospitality. These solutions provide enhanced security and safety measures while also increasing operational efficiency.

"Asia is dynamic with varying factors impacting the economic landscape in each of our focus countries and core markets," IDIS' Lee said. "Like many other parts of the world, we're seeing sustained demand for end-to-end solutions in the retail, banking, healthcare, hotels and hospitality, logistics, and manufacturing sectors across the region."

Adoption of contactless and biometric solutions

Contactless solutions and biometric authentication, such as facial recognition and iris scanners, are also gaining some traction according to some of the interviewers. These technologies provide a secure and convenient way to control access and are particularly relevant in the current global health landscape.

Conclusion

In conclusion, the Asian security market has undergone significant transformation, adapting to the evolving demands of a diverse landscape that encompasses both developed and developing economies. The integration of cutting-edge technologies such as AI, edge computing, and high-definition video surveillance has revolutionized the industry, providing more sophisticated and efficient security solutions.

These advancements, coupled with government initiatives and investments in infrastructure, have propelled the market to new heights. The increasing importance of cybersecurity in physical security products, along with the adoption of contactless and biometric solutions, reflects the industry's commitment to addressing the modern challenges of safety and security.

As the market continues to grow and evolve, we can expect to see further innovation and development of comprehensive end-to-end solutions that cater to the specific needs of the Asian region, ultimately leading to safer and more secure environments for all.

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