Wholesale Monitoring Companies Look to PERS for Market Tonic

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The annual growth rate for the North American wholesale remote monitoring market is forecast to drop below 1% by 2011 according to a recently published report by IMS Research. The research also forecasts the total remote monitoring market will grow at over 7% year on year, resulting in a 3% drop in share for the wholesale monitoring market by 2012. According to report author and IMS Research analyst Niall Jenkins, â€œThere are two main drivers influencing the slower growth in wholesale monitoring revenues. Firstly, the number of independent alarm dealers is reducing, with many owners retiring or selling to larger players in the market. This affects the potential market for wholesale monitoring companies as the larger organisations usually monitor their own accounts. Secondly, the potential to increase RMR (Recurring Monthly Revenue) per account is limited in the wholesale monitoring business model, with the alarm dealers benefiting most when customers use additional servicesâ€•.

â€œAlthough consolidation has been quicker in the North America market it is also evident in Europeâ€•, continues Jenkins. â€c fragmented nature of the monitoring market in Europe has slowed consolidation to date, however as legislation and regulation become increasingly standardised, the industry will become more conducive to acquisitionsâ€•.

With the trend to consolidation impacting the traditional monitoring markets, many wholesale monitoring companies in North America are moving into the PERS (Personal Emergency Response Service) market. PERS involves responding to panic requests from the elderly or chronically ill, and provides wholesale monitoring companies with an opportunity to charge 40% more than when monitoring intruder alarms. The ageing population in North America is likely to drive future market growth, making the PERS market extremely attractive to wholesale monitoring companies. IMS Research forecast that the North American market for PERS will grow at a CAGR of 11.6% to 2012.