

New study sets record straight: Costs of IP surveillance systems are lower than analog systems

Axis Communications, the global leader in the network video market, releases a study that shows an IP-based system of 40 cameras offers a lower total cost of ownership (TCO) than an analog-based surveillance system. The study also shows that if IP infrastructure is in place, the IP-based video surveillance system will always cost less.

The purpose of the study was to develop an understanding of the total cost of ownership for both an analog surveillance system and an IP-based video surveillance system. Factors such as system maintenance, video recording and playback, cameras, installation, configuration, training and cable infrastructure were assessed.

"There is an overwhelming lack of knowledge about the total cost of ownership when it comes to analog versus IP-based systems," said Fredrik Nilsson, general manager of Axis Communications. *"The study, which was led by an independent researcher, clarifies common misperceptions about pricing and validates the cost effectiveness of IP surveillance systems."*

A dozen interviews were conducted with non-vendor industry participants such as security integrators, value-added resellers and industry analysts from different geographic regions in North America. Participants provided feedback, validation and cost data in the form of request for proposal (RFP) responses. The RFP was based on a typical deployment scenario that included a 40-camera surveillance system for a small to mid-size school campus. No existing cameras were said to be installed, and no premise wiring or infrastructure existed.

Findings showed that the cost to acquire, install and operate an IP-based system was 3.4 percent lower than a traditional system consisting of analog cameras and a DVR-based recording. Overall, an installation with 32 cameras is the break-even point for IP-based systems versus analog systems. An IP-based system will cost less than an analog system if the installation includes at least 32 cameras. With any installation between 16 and 32 cameras, the cost of IP versus analog is similar although slightly lower for analog systems. The research also showed that in facilities where IP infrastructure is already installed, IP-based surveillance systems would always be lower cost, i.e. even for systems of 1 to 32 cameras.

"There were many observations and cost considerations in the study that were non-quantifiable but showed major differences between the two systems," added Nilsson. "Network cameras provide superior scalability, greater flexibility and image quality, and megapixel functionality. In addition, IP systems typically include better maintenance and service agreements for the equipment, plus they can be remotely serviced over the network for easier maintenance. IP systems clearly make the most sense both from an economic and technological standpoint."

Complete details of research findings are included in the *Total Cost of Ownership (TCO): Comparison of IP- and Analog-based Surveillance Systems* whitepaper, which can be downloaded here: http://www2.axis.com/files/whitepaper/wp_axis_tco_en_0709.pdf

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Notes to editors

Axis Communications is the global market leader of the network video market. The world market for network cameras alone will be worth more than \$1 Billion by 2010. The network camera market is set to have a CAGR of close to 38 per cent per year over the next five years to reach a value of \$1.3 billion by 2010, according to industry analyst house IMS Research (www.imsresearch.com) in its latest market report entitled '*The World Market for CCTV and Video Surveillance Equipment 2006 Edition*' published in October 2006.

About Axis Communications

Axis is an IT company offering network video solutions for professional installations. The company is the global market leader in network video, driving the ongoing shift from analog to digital video surveillance. Axis products and solutions focus on security surveillance and remote monitoring, and are based on innovative, open technology platforms.

Axis is a Swedish-based company, operating worldwide with offices in 18 countries and cooperating with partners in more than 70 countries. Founded in 1984, Axis is listed on the OMX Nordic Exchange, Large Cap and Information Technology. For more information about Axis, please visit our website at www.axis.com.

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