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Strategic Competitive Analysis In Private Security Sector Of Türkiye: A Qualitative Inquiry In Ankara*

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Abstract

This study examines the competitive structure of Turkey's private security sector, a rapidly growing field characterized by close ties with the state and limited regulatory oversight. The research focuses on stakeholders in Ankara, including security companies, training institutions, security systems suppliers, and alarm monitoring centers. A qualitative case study design was adopted, with semi-structured in-depth interviews conducted with 13 participants. Data were analyzed through content analysis, and the sector's dynamics were explored using Porter's Five Forces Model. Findings show that competition is largely price-oriented, undermining service quality. The ease of market entry and the absence of licensing or quota restrictions for training institutions have fueled firm proliferation. In this context, the study highlights the unique regulatory and structural challenges of Turkey's market, contributing to the literature on private security competition and offering insights for strategic decision-making.

Keywords: Private security, Strategic Competition, Competitive Analysis, Porter's Five Forces, Qualitative Research

Türkiye Özel Güvenlik Sektöründe Stratejik Rekabet Analizi: Ankara İlinde Nitel Bir Araştirma

Özet

Bu çalışma, hızla büyüyen, devletle yakın ilişkiler ve sınırlı düzenleyici denetim ile karakterize edilen Türkiye özel güvenlik sektörünün rekabetçi yapısını incelemektedir. Araştırma, Ankara'da faaliyet gösteren güvenlik şirketleri, eğitim kurumları, güvenlik sistemleri tedarikçileri ve alarm izleme merkezleri gibi paydaşlara odaklanmaktadır. Nitel bir vaka çalışması deseni benimsenmiş ve 13 katılımcı ile yarı yapılandırılmış derinlemesine görüşmeler yapılmıştır. Veriler içerik analiziyle çözümlenmiş ve sektörün dinamikleri Porter'ın Beş Güç Modeli çerçevesinde incelenmiştir. Bulgular, rekabetin büyük ölçüde fiyat odaklı olduğunu ve hizmet kalitesini zayıflattığını göstermektedir. Piyasaya giriş kolaylığı ile eğitim kurumlarında lisans ve kota kısıtlamalarının olmaması, firma sayısındaki artışı hızlandırmıştır. Bu bağlamda, çalışma Türkiye pazarının özgün düzenleyici ve yapısal sorunlarını ortaya koymakta, özel güvenlik sektöründe rekabet literatürüne katkı sunmakta ve sektörel aktörlerin stratejik kararlarına yönelik içgörüler sağlamaktadır.

Anahtar Kelimeler: Özel Güvenlik, Stratejik Rekabet, Rekabet Analizi, Porter'ın Beş Güç Modeli, Nitel Araştırma.

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1. Introduction

The need for security has emerged as one of the most fundamental human requirements, driven by the desire to live collectively and ensure the continuity of existence. This notion is explicitly addressed in Maslow's Hierarchy of Needs. According to Maslow (1943), security represents the second level in the hierarchy, following physiological needs, and constitutes a foundational necessity for individuals. The placement of security in this hierarchy underscores its prerequisite nature—both physically and emotionally—for the fulfillment of higher-order needs (Maslow, 1943). In this regard, the security sector assumes a critical role in addressing this essential human requirement.

Historically, societies have established various institutions to fulfill their security needs, continuously adapting these structures to shifting socio-political and technological contexts. In the contemporary era, governments increasingly tend to outsource certain public services to the private sector, aiming to reduce costs, enhance efficiency, and utilize public resources more effectively (Jensen & Stonecash, 2005). This trend has also led to the institutionalization of security services in the form of private security operations.

The private security industry has experienced rapid growth in recent years. Within this sector, competition is primarily shaped by factors such as pricing, service quality, customer satisfaction, and technological innovation. Barriers to market entry, rising client expectations, the presence of substitute services, and a limited number of suppliers compel firms to develop more agile, innovative, and strategically oriented solutions (Lumadede, Theuri, & Ngunyi, 2021; Thumala, Goold, & Loader, 2011; Santonen & Paasonen, 2015; Tkach, 2019).

Porter's Five Forces Model serves as an effective framework not only for strategic competition analysis in industrial and service sectors but also in quasi-public fields such as security, where competition exhibits dynamic and complex characteristics. International studies focused on the sector reveal that this model is a valuable analytical tool for understanding the competitive dynamics in such environments (Porter, 1980). For instance, Yetkin (2013) applied the model to assess structural transformations in maritime security environments, suggesting its applicability in defense planning. Similarly, Sökmen (2007) evaluated the competitive structures of private military companies through Porter's lens from economic, ethical, and legal standpoints.

Cross-sectoral applications of the model further affirm its utility. Yiannakopoulos, Magoutas, and Chountalas (2017) employed strategic group mapping and Five Forces analysis in the Greek insurance sector to identify sector-specific risks and opportunities. Rajasekar and Al Raee (2013) applied the model to Oman's telecommunications industry to examine how competition shapes sectoral strategies. Within the private security domain, Kinanu (2009) studied the competitive strategies of G4S Security Services in Kenya, highlighting how a focus strategy was supported by mergers and acquisitions, yet challenged by issues such as value chain management, distribution logistics, and intensifying competition.

Onditi (2022) noted that heightened competitive intensity could positively impact firm performance in the private security sector, while also introducing risks in terms of customer-centric operations. Lumadede et al. (2021) found that intra-industry competition positively influenced the management practices of Nairobi-based security firms, albeit shaped significantly by regulatory frameworks. Mutunga's (2021) empirical study integrated Porter's generic strategies with the Resource-Based View (RBV), quantitatively assessing how cost leadership, differentiation, and focus strategies contribute to competitive advantage. In a separate study from Brazil, Scharf and Silveira (2013) underscored the role of knowledge management and intellectual capital in generating sustainable competitive advantage.

Taken together, these studies demonstrate that employing Porter's model and other strategic analysis tools offers a robust theoretical grounding for understanding competition in the private security sector. The present qualitative study, conducted in the Turkish context, builds upon this body of literature and positions itself within this broader conceptual framework. In addition, an overview of postgraduate research on private security in Türkiye shows that most theses were concentrated between 2009 and 2013, primarily at the master's level, focused on private security officers, employed relatively modest sample sizes (201–400 participants), and predominantly used quantitative methods (Karakuyu, 2019). This context further highlights the originality of adopting a qualitative approach in the present study.

The primary objective of this study is to examine the competitive positioning of firms operating in Türkiye's private security sector through the lens of Porter's Five Forces Model. Within this framework, the study seeks to address the following overarching research question and sub-questions:

- What strategies do firms competing in the private security sector adopt to gain competitive advantage, and what are the implications of these strategies for sustainable competition?
    - What are the main barriers faced by new entrants seeking to enter the Turkish private security market, and how do these barriers shape the overall threat of entry?
    - What factors drive competition among incumbent firms in the private security sector, and how do these factors impact service quality?
    - To what extent do advancements in security technologies increase both the demand for private security services and the threat posed by substitute offerings?
    - How does the bargaining power of clients utilizing private security services influence pricing structures and quality standards across the sector?
    - What challenges do private security firms face in sourcing and retaining personnel, and how do these conditions affect the bargaining power of suppliers?

Within this context**,** the study aims to provide a comprehensive and theoretically grounded perspective on the strategic competitive structure of Türkiye's private security industry. In Türkiye, the sector has expanded rapidly over the past two decades, driven by regulatory gaps, the absence of effective oversight, and close ties with state institutions. These dynamics distinguish the Turkish case from international settings and underscore the need for a context-specific analysis. By analyzing sectoral dynamics in terms of barriers to entry, the nature of intra-sectoral rivalry, technological substitution threats, and the bargaining power of buyers and suppliers, the research contributes a holistic understanding of the competitive environment shaping this evolving sector.

2. The Private Security Services Sector in Türkiye

In Türkiye, the private security sector provides services aimed at safeguarding public or private premises independently from the general law enforcement authorities (police, gendarmerie, coast guard), functioning in a complementary capacity. Following the 1980 military coup, the responsibility for such services began to be increasingly assumed by the private sector, eventually evolving into a substantial economic contributor across both public and private domains (Mil, 2014, pp. 118–119). The origins of private security services in Türkiye can be traced back to the Ottoman era. The centralized administrative model of the Ottoman Empire kept security functions under state control, laying the foundational structure for today's private security sector. For instance, security organizations such as the derbent, which were established to protect trade routes and caravans, are regarded as early precursors of modern private security services (Keçici, 2008, p. 45).

Although discussions regarding a legal framework to authorize private provision of security services emerged in various forms from the 1960s onward, the first comprehensive legislative step was taken with the enactment of Law No. 2495 on July 22, 1981, titled Law on the Protection and Security of Certain Institutions and Organizations. This law enabled strategically important public and private institutions to establish their own security units. It was introduced as a policy solution to overcome the state's capacity limitations in delivering security services and to enhance protection in specific sectors (Ceylan, 2013, p. 52). However, since the law restricted the use of private security services to public institutions only, it soon became insufficient in addressing emerging needs.

From the 1990s onward, the demand for security services extended significantly beyond public institutions to encompass private sector entities such as shopping malls, banks, residential compounds, and various commercial enterprises. Despite this increasing demand, the scope of Law No. 2495 remained too narrow to meet sectoral requirements. Legal ambiguities and inconsistencies in its implementation, along with the Constitutional Court's annulment of several provisions, generated considerable pressure for regulatory reform. Although the law underwent amendments in 1992 and 1995, these revisions were not sufficient to address the sector's growing needs (Atılgan, 2009, p. 262).

In response, a more comprehensive legal framework was established with the enactment of Law No. 5188 on Private Security Services in 2004. This law not only clearly defined the scope and functioning of private security activities but also brought these activities under formal state oversight. While the general preamble of the law reaffirmed the state's responsibility for ensuring public security, it simultaneously acknowledged individuals' right to protect their life and property, thereby granting them the freedom to seek private security services. Through this legislation, private security services were formally recognized as a complementary component of public safety, and regulations pertaining to corporate structuring, personnel training, and employment were introduced to support institutionalization in the sector (Alpkutlu, 2018, p. 179).

Law No. 5188 mandated both initial and refresher training for private security personnel, clarified the legal status of security companies and organizations, and enhanced the transparency and auditability of their operations. Nevertheless, several challenges emerged during implementation. For example, the delayed publication of implementing regulations reduced the intended nine-month adaptation period for companies to just six months in practice, thereby complicating compliance efforts. Moreover, the law failed to introduce substantial improvements in the employment conditions of private security personnel. Notably, a proposal included in an earlier draft to set the minimum wage at twice the national minimum was ultimately omitted from the final version. This omission impeded the professionalization of private security as a recognized vocation and contributed to continued employment under low wages and limited social benefits. Consequently, although the sector has experienced quantitative growth, there remains an ongoing need for legal and structural reforms to support its qualitative development (Uçkun, Yüksel and Demir, 2012, p. 26).

Table 1. Overview of Private Security Institutions, Companies, and Personnel in Türkiye (April 2025)

<table>
<tr><th>Unit Description</th><th colspan="2">Number</th><th>Total</th></tr>
<tr><td>Number of Private Security Training Institutions</td><td colspan="2">599</td><td rowspan="4">2.351</td></tr>
<tr><td>Number of Private Security Companies</td><td colspan="2">1.326</td></tr>
<tr><td>Number of Provincial Administration/Municipality Companies</td><td colspan="2">360</td></tr>
<tr><td>Number of Alarm Monitoring Centers</td><td colspan="2">66</td></tr>
<tr><td>Number of Locations Licensed for Private Security</td><td colspan="2">85.597</td><td>85.597</td></tr>
<tr><td>Number of Individuals Licensed for Personal Protection</td><td colspan="2">342</td><td>342</td></tr>
<tr><td rowspan="2">Number of Active Private Security Personnel</td><td>Public</td><td>Private</td><td rowspan="2">322.431</td></tr>
<tr><td>169.219</td><td>153.212</td></tr>
<tr><td rowspan="2">Number of Individuals Holding Valid Private Security ID</td><td>Armed</td><td>Unarmed</td><td rowspan="2">798.548</td></tr>
<tr><td>531.420</td><td>267.128</td></tr>
</table>

Source: https://www.egm.gov.tr/ozelguvenlik/ozel-guvenlik-istatistikleri

As of 2025, Türkiye's private security sector comprises a total of 599 private security training institutions, 1,326 private security companies, and 85,597 officially licensed locations requiring security services. In addition, 342 personal protection licenses have been issued, and there are 798,548 valid private security personnel identification cards in circulation. Of these, 531,420 are for armed security personnel, while 267,128 are for unarmed personnel. The number of actively employed private security officers stands at 322,431, of whom 169,219 work in the public sector and 153,212 are employed in the private sector (ÖGDB (Private Security Inspection Directorate), 2025). These figures indicate that the private security industry holds substantial employment capacity and provides a widely distributed service network across Türkiye.

The numerical disparity between armed and unarmed security personnel highlights the diversity of roles within the sector and reflects the broad range of security needs across different domains. The high number of private security firms and training institutions suggests that the organizational structure of the sector has evolved significantly and that demand for private security services continues to grow. However, the sector's institutional links to the state are often seen as a constraint on its transition toward a liberalized and civilianized market structure. This close relationship is regarded as a limiting factor in fostering transparency and competitive practices within the sector, thereby underscoring the need for regulatory reforms aimed at enhancing openness and market-based operations (Atılgan, 2009).

3. Porter's Five Forces Model

Porter's Five Forces Model offers a comprehensive framework for analyzing the competitive dynamics of the industry in which a firm operates. By examining five key forces—namely, the threat of new entrants, the pressure of substitute products or services, the bargaining power of suppliers and buyers, and the intensity of rivalry among existing competitors—the model enables firms not only to assess current market conditions but also to identify strategic directions that support the construction of long-term competitive advantage (Porter, 1980). The model's systematic approach is particularly valuable in industries characterized by high competitive intensity, as it equips firms to manage environmental uncertainty, anticipate risks and opportunities, and achieve differentiation based on sustainable value creation (Grundy, 2006, p. 222).

3.1. Threat of New Entrants

The threat posed by new entrants is one of the fundamental factors shaping the level of competition within an industry. Entry of new firms can disrupt existing market shares, intensify price competition, reduce profitability, and alter the distribution of resources across the sector. Since new entrants often bring capital, technology, and innovation, they may trigger significant changes in the industry's equilibrium. However, the magnitude of this threat depends largely on structural barriers to entry such as economies of scale, capital requirements, brand loyalty, regulatory constraints etc.. (Porter, 2008, p. 81; Hill and Jones, 2008, pp. 43–44).

3.2. Bargaining Power of Buyers

The bargaining power of buyers is a critical determinant of sectoral competitiveness. This force refers to the ability of buyers to influence pricing, demand higher product quality, or require additional services—actions that can reduce profit margins across the industry (Karagiannopoulos, Georgopoulos, and Nikolopoulos, 2005, p. 69). Key factors that increase buyer power include high purchase volumes, a small number of buyers, product standardization, and low switching costs. Under such conditions, buyers can exert pressure on firms' pricing strategies and push them toward price competition. The degree of buyer power also varies depending on the strategic importance of the purchased product or service and the level of information buyers possess (Hitt, Ireland, and Hoskisson, 2017, p. 60).

3.3. Bargaining Power of Suppliers

According to Porter (1998), the bargaining power of suppliers can directly affect both pricing structures and quality standards in a given industry. When only a few suppliers exist and they provide products or services that are critical to the sector, they can establish dominance and demand higher prices. Supplier power tends to increase when there are few substitute inputs and when suppliers offer highly differentiated products (Hill and Jones, 2008, pp. 52–53). Furthermore, when suppliers coordinate or form strong alliances, they may gain additional leverage in pricing negotiations, negatively impacting industry profitability. In such scenarios, supplier power mitigates the downward pressure on prices, contributing to greater competitive intensity. Suppliers may also gain significant influence if the industry is highly dependent on their offerings, thereby limiting firms' ability to adjust pricing. As a result, firms must account for supplier power in their strategic planning and seek to enhance flexibility within their supply chains (Barca and Esen, 2012, p. 96).

3.4. Threat of Substitute Products and Services

The threat of substitutes represents a fundamental dynamic that constrains profitability for firms operating in competitive sectors. The existence of alternative products or services capable of satisfying the same consumer need may lead to changes in buyer preferences, weakening firms' pricing power. This is particularly relevant when substitutes offer a high price-performance ratio and when switching costs are low. Under such circumstances, industry players must adopt more conservative pricing strategies, making it difficult to maintain high profit margins and diminishing long-term revenue potential (David, 2011, p. 77). The impact of substitute threats is not limited to periods of weak demand; it can also manifest during times of market expansion, thereby constraining firms' ability to capture additional revenue through price increases. Factors such as design, quality, and marketing of substitute products or services directly influence consumer preferences and thereby amplify the intensity of the threat (Porter, 2008, p. 84).

3.5. Intensity of Rivalry Among Existing Competitors

The intensity of rivalry among firms operating within the same industry is a decisive factor directly influencing their profitability potential. This form of competition typically manifests through various mechanisms, including price reductions, the introduction of new products, advertising campaigns, and improvements in customer service. The degree of rivalry is shaped by structural factors such as the number of firms in the market, the relative parity in their market power, the growth rate of the industry, and the presence of high exit barriers (Mintzberg, Ahlstrand, and Lampel, 1998, p. 102). In slow-growing industries, firms often adopt aggressive competitive strategies to maintain or expand their market share. Such dynamics result in interdependent reactions and retaliations among rivals, thereby exerting downward pressure on overall profitability within the industry (Hunger and Wheelen, 2012, pp. 111–112).

In highly competitive sectors, firms aim not only to expand market share but also to safeguard strategic interests and assert leadership. Price-based rivalry is the most damaging form, since reductions are visible, easy to imitate, and often spiral into price wars that erode sector-wide profitability (Porter, 1980, pp. 35–36). Competition also intensifies in industries with high fixed costs or where firms have emotional or strategic commitments. Such reluctance to exit creates excess capacity, placing pressure even on otherwise efficient companies (David, 2011, pp. 75–76).

4. Methodology

To explore the strategic competitive elements in the private security sector in depth, this study adopts a qualitative research design. The qualitative approach was chosen for its capacity to provide a richer understanding of the structural dynamics inherent to the subject matter (Kitzinger, 1995; Karasar, 2005, p. 166). Semi-structured in-depth interviews were employed as the primary data collection method.

Participants in the study consisted of senior executives and firm representatives from thirteen private security companies operating in Ankara. Ankara was chosen as the research site because it is one of the leading centers of Türkiye's private security sector, alongside İstanbul and İzmir. As the capital, Ankara also hosts the state institutions responsible for regulatory oversight of the sector. In addition, one of the researchers is based in Ankara and employed at such an institution, which provided practical accessibility to the field. In addition, one of the researchers is based in Ankara and employed at such an institution, which provided practical accessibility to the field. A maximum variation sampling technique was utilized to ensure the inclusion of individuals who could offer diverse perspectives relevant to the research topic (Creswell, 2013, p. 298). Accordingly, interviews were conducted with owners of private security training institutions, managers of service-providing firms, and representatives from companies involved in security technologies.

The data collection process was arranged according to the participants' availability and carried out through face-to-face interviews. The interview questions were developed by the researcher based on the key concepts of the study and were reviewed by experts to assess content validity. A five-question semi-structured interview form was used to gather participants' experiences and insights regarding the sector (Kabir, 2016, pp. 202–203). All interviews were transcribed, digitized, and subsequently analyzed through content analysis.

The coding process followed an inductive approach: first, open codes were generated from interview transcripts, which were then organized into categories and aggregated into overarching themes. To ensure reliability, two researchers independently coded a subset of the transcripts and compared results, achieving a high level of agreement. Discrepancies were discussed until consensus was reached, and the final codebook was applied consistently across all data. (Patton, 1987, p. 8; Forman and Damschroder, 2007).

The research team reviewed the data multiple times, included direct quotations from participants, and followed all relevant ethical standards (Başkale, 2016). They protected participants' personal data and obtained informed consent in accordance with the Turkish Personal Data Protection Law No. 6698. The sample reflected the sectoral diversity of the field and allowed the researchers to evaluate the findings in terms of transferability.

The researchers translated and edited the manuscript using ChatGPT (OpenAI), an AI-based language tool. Many scholars in the field of management have started using similar tools for academic translation and language refinement. The researchers used this tool only for language-related tasks such as translating the Turkish original into English and adjusting tone, structure, and terminology to match academic writing standards. They maintained full control over the research content, theoretical framework, and interpretations throughout the process. This practice aligns with recent calls for the responsible and transparent use of AI in academic publishing (Gatrell, Muzio, Post, & Wickert, 2024).

5. Findings

The data obtained in this study were analyzed under five main categories: threat of new entrants, intensity of rivalry among existing competitors, threat of substitute products, bargaining power of buyers, and bargaining power of suppliers. Participants' responses to the interview questions primarily reflected their field experiences, accumulated knowledge, and external factors beyond their immediate organizational dynamics. The interview questions and their corresponding analytical categories are presented in Table 2.

Table 2. Analytical Categories and Guiding Questions Based on Porter's Five Forces Framework

Category	Interview Question
Threat of New Entrants	What are the main challenges faced by new entrants attempting to compete with established sector actors?
Rivalry Among Existing Firms	How would you describe the competitive environment in the private security sector?
Threat of Substitute Products	How do innovations such as autonomous security systems affect competition within the private security sector?
Bargaining Power of Buyers	What is the level of bargaining power held by clients (buyers) in the private security industry?
Bargaining Power of Suppliers	How would you evaluate the bargaining power of firms that provide outsourced private security services?

5.1. Threat of New Entrants: Field Assessments

Firm representatives shared the following assessments regarding the risks posed by new entrants attempting to compete with established players in the private security sector:

> *"A new entrepreneur must first carefully select their team. If they deliver the most effective security service, clients will choose them. That means offering the best service at the lowest cost, which is extremely difficult for a newcomer." (P2)*
>
> *"New entrants need to have solid capital in order to meet the required standards." (P3)*
>
> *"Challenges include start-up costs, underbidding to win contracts, the difficulty of shifting long-standing customer habits, and political influences. We also face difficulties finding qualified trainers, for instance, electrical or electronics engineers to teach systems and devices. Most engineers employed by firms are unwilling to teach." (P5)*

This concern aligns with Çiçek and Kandeğer's (2023) observation that there are three distinct routes to becoming a private security officer in Türkiye—through private training institutions, two-year university programs, or exceptional pathways for retired law enforcement and intelligence personnel. Such variations in training routes contribute to differences in personnel qualifications, further complicating entry for newcomers (Çiçek and Kandeğer, 2023).

> *"Newcomers are mostly affected by rent and infrastructure conditions. Variable costs, not fixed ones, are more burdensome." (P7)*
>
> *"The primary challenge for new entrants is financing. Costs arise from licensing fees, securing premises for training or operations, and other early-stage expenses. In the long term, capital plays a decisive role in surviving in the market."*
>
> *"New entrants can be competitive on a small scale. However, to become a major player, acquiring existing firms is necessary. Our company became a market leader by acquiring two firms—we follow an inorganic growth strategy." (P4)*
>
> *"Mergers and acquisitions will likely influence growth. New firms unable to compete or lacking capital may present acquisition opportunities for established companies."*
>
> *"It is hard to gain market foothold. Initially, you have to undercut prices, which puts pressure on us too. Fixed pricing would benefit everyone." (P8)*
>
> *"Newcomers must offer low prices while also delivering high-quality service. Therefore, it is nearly impossible for unregulated, informal companies to win major contracts." (P11)*

Since price remains the dominant factor driving competition in the private security sector, new firms are compelled to adopt low-cost strategies. However, considering the risk profile of the services offered, clients tend to prioritize quality and often favor firms with an established presence, which poses a further challenge for newcomers.

5.2. Rivalry Among Existing Competitors: Field Assessments

Publicly affiliated security firms typically serve their own institutions and do not actively shape market competition. However, no legal restrictions prevent them from offering services in the private sector as well.

“Ou “Our firm was founded under Ankara Metropolitan Municipality, so we do not engage in competition with other firms.” (P1)

Firms provided the following perspectives on the nature of competition among incumbent players in the private security sector:

“There is intense competition due to the large number of companies. We should not lump corporate and small-scale firms into the same category—each competes within its own niche. Clients of corporate firms base pricing decisions on added value, not just cost.” (P2)

“Competition is intense, especially in financial terms. Excluding firms serving public institutions, the remaining firms employ roughly half of all active private security guards. Corporate firms face higher costs, making it harder to compete with smaller firms. The basis of competition in the sector is cost and corporatization.” (P4)

These findings resonate with observations that, while global private security markets have moved towards specialization in distinct subfields, the Turkish sector still lacks formally defined areas of expertise (Demirci, Uçkun, Konak and Karakurt, 2025). This absence of specialization reinforces price-based competition and limits opportunities for differentiation.

“Cost is the most influential competitive factor. Because of high operational expenses, corporate firms struggle to remain competitive.” (P3)

“Low-cost providers often resort to shortcuts or irregularities to remain profitable, thereby undermining service quality.” (P5)

“Competition is entirely price-driven. For clients, the most important factor is how cheaply they can obtain security services.” (P13)r

In the current competitive landscape, firms are more concerned with acquiring clients than with service improvement. A persistent downward trend in pricing has led to quality compromises as firms attempt to remain competitive.

“Opening a training center is easy, so the market is oversaturated.” (P7)

“Due to the ease of opening new institutions, the market is highly competitive. Those who can attract students survive; others fail.” (P8)

The intense competition among training institutions is largely driven by the low regulatory barriers to market entry and the absence of quota restrictions.

5.3. Threat of Substitute Products: Field Assessments

Firm representatives shared their insights regarding technological advancements such as autonomous security systems:

“These systems are indispensable, but cost-benefit analyses show that the equipment is very expensive. Even when adopted, the human factor remains essential.” (P1)

“Technology is advancing rapidly, but adoption depends on demand. When there is no perceived need, high costs may be unjustifiable. Even as devices become more autonomous, human presence will remain necessary.” (P3)

“Technological advancements are unsettling for security personnel. However, the sector is shifting toward a model in which educated and skilled personnel work alongside advanced devices. The human element will remain, though in an evolved form.” (P2)

"These systems have made significant contributions but cannot replace the human element. Even with sophisticated electronic solutions, personnel are needed for oversight." (P4)

"These systems are becoming more common, but their costs are still high. Technology may reduce but never eliminate the need for human input." (P5)

"Machines are widespread, but people are still needed to operate them. Technology may reduce reliance on humans, but cannot eliminate them." (P8)

"Without physical presence, their contribution is partial. These systems cannot operate without human oversight." (P11)

"While these systems positively affect the sector, they cannot surpass the necessity of human personnel." (P12)

Even in highly technological environments like malls, stadiums, and airports, the visual presence of trained personnel is essential for deterrence. Thus, technological substitutes may reduce demand for human labor but will never eliminate it.

5.4. Bargaining Power of Buyers: Field Assessments

Firm representatives expressed the following views on client bargaining power:

"This depends on the client's expectations." (P2)

"Clients hold significant bargaining power. The abundance of providers allows them to choose the lowest-cost option easily." (P3)

"Price is the primary bargaining lever. New entrants survive through low prices, while established firms rely on public subsidies." (P4)

Since clients do not profit from purchasing private security services, minimizing costs remains their top priority. Given the large number of alternative providers, clients are in a strong position to negotiate lower prices. No matter the circumstances, firms must offer the most competitive price to win contracts.

5.5. Bargaining Power of Suppliers: Field Assessments

Firm perspectives on supplier power in relation to personnel sourcing:

"We don't struggle to find staff. We review applications submitted through our municipality's website and select candidates based on our criteria." (P1)

"There is a surplus of applicants and no specific hiring criteria, so there is no supplier-side pressure." (P5)

"There is high demand for security personnel, and the workforce meets this demand. Labor is easy to find, but salary remains a key issue." (P6)

Beyond supply and salary issues, empirical evidence indicates that demographic characteristics such as seniority and age significantly affect job satisfaction among private security personnel, whereas gender, marital status, and education do not show a meaningful impact (Kartal, 2012). Such dynamics shape the bargaining relationship between firms and the available workforce.

"There are many firms and training centers. As demand grows, companies must differentiate themselves or risk failure." (P8)

"There is sufficient supply. We focus on appearance, fitness, and communication skills. Recently, personnel prefer working at residential sites rather than malls due to lower stress and equivalent pay." (P13)

> *“We experience high turnover. Due to the abundance of candidates, we select staff based on well-defined criteria.” (P11)*

The broad labor pool alleviates pressure on suppliers. While the market gives buyers strong bargaining power, the availability of personnel allows suppliers to provide services without difficulty.

> *“Some institutions promise graduation without actual training, but this practice is difficult to sustain.” (P7)*

According to regulations, applicants must complete 120 hours of training for both armed and unarmed licenses. If participants attend fewer than 90 percent of sessions, they fail. Any suggestion that candidates can graduate without attending is both illegal and contributes to unfair competition.

Conclusion

This study analyzed the strategic competitive dynamics of firms operating in Türkiye’s private security sector based on Porter’s Five Forces framework. The findings reveal that competition within the sector is predominantly price-driven, which has a detrimental effect on service quality. According to participant responses, while technological advancements offer certain opportunities for the sector, they do not appear to be sufficiently impactful in fostering differentiation among firms.

Price-based competition compels firms to focus on cost reduction, often at the expense of quality-enhancing factors such as the employment of qualified personnel, in-service training, and investments in technology. It also contributes to high employee turnover, limited career development opportunities, and declining customer satisfaction—factors that further weaken long-term service quality. Moreover, the purchasing strategies of many client institutions prioritize cost over quality, making it difficult for firms to develop competitive strategies centered on service excellence. This preference pattern among clients effectively confines competition to the realm of low pricing, echoing concerns raised in previous studies about the risks of cost-driven rivalry (Thumala, Goold, & Loader, 2011; TOBB, 2014; Fintechtime, 2021).

The large number of firms in the sector hinders the realization of economies of scale and creates a fragile competitive environment. This condition not only obstructs the development of stable and sustainable competitive relationships but also challenges the standardization of services. In addition, insufficient public oversight and inconsistencies in professional qualifications suggest that competition in the sector is shaped not only by market dynamics but also by underlying structural problems. These findings align with prior research highlighting the interplay between competitive intensity, regulation, and service outcomes in private security markets (Lumadede, Theuri, & Ngunyi, 2021; Ng'ang'a & Mutonyi, 2025 TOBB, 2014).

In relation to the research questions, the study shows that barriers to entry remain low due to limited regulatory restrictions, rivalry among incumbents is intensified by price competition, the threat of substitutes is currently low given the human-intensive nature of security services, buyers hold strong bargaining power through cost-driven procurement, and suppliers possess limited leverage due to the abundance of training institutions and available personnel.

The findings underscore the need to strengthen qualitative competition within the sector. In this regard, firms should move beyond price-based competition and prioritize integrated security solutions supported by technology, invest in employee training, and focus on human capital development. For public authorities, key policy areas should include the establishment of national standards for training curricula and certification, the implementation of stricter monitoring and auditing mechanisms to ensure service quality, and the revision of public procurement processes to prioritize professional competence over lowest-price criteria. Furthermore, cooperation between private security and the police has been shown to exert a positive influence on job satisfaction and to explain 21% of its variance among security personnel (Demirci, 2019). Such collaboration mechanisms could therefore play a pivotal role in enhancing both service quality and sectoral sustainability.

This study has several limitations. First, the sample size was relatively small, consisting of 13 participants, which restricts the generalizability of findings. Second, the study relied exclusively on the perspectives of senior executives, which may introduce a managerial bias and overlook the experiences of frontline employees. Finally, as with all qualitative research, the interpretations may reflect the subjective judgments of the researchers despite efforts to ensure coding reliability.

Academic studies focused on Türkiye's private security sector remain limited. Future research employing different theoretical models could contribute to more in-depth and comparative insights. Additionally, studies conducted beyond major metropolitan areas, involving firms from various regions, could shed light on sectoral diversity and regional disparities. Field research incorporating perspectives from not only senior executives but also mid- and lower-level employees may offer a more holistic understanding of the sector.

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