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Correspondence to:

san.mwiza@gmail.com

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Embracing Service Innovation as a Competitive Differentiation Strategy in the Private Security Service Sector in Malawi

Kumwenda S, Maliwichi P

Malawi University of Science and Technology, Limbe, Blantyre, Malawi

Abstract The Private security companies in Malawi have long provided services across various economic sectors, including individual households. These services are essential for ensuring sustainable peace and security, complementing government efforts to maintain a secure environment for businesses and investors as emphasized in the Malawi 2063 Agenda under enabler 2: Effective Governance Systems and Institutions. To remain relevant and competitive, private security companies must continuously innovate and differentiate their services, just like organisations in other sectors. This qualitative study used grounded theory methodology to investigate and explore the service innovation gaps within Malawi's private security industry. The research aimed to identify challenges and factors that hinder the industry's ability to innovate and meet evolving customer security needs. The findings revealed significant gaps in security solutions, a lack of diversity in offerings, the need for capacity building, and insufficient understanding of the operating environment. These issues underscore the importance of developing innovative solutions and differentiation strategies to enhance competitiveness and better satisfy customer security requirements. The future of private security in Malawi lies in technology-driven solutions. Therefore, integrating technology into service innovation is essential for private security companies to overcome challenges, differentiate themselves from competitors, and provide superior security services.

Keywords: *Service Innovation, Technology integration, innovative Solutions, Business Model, Differentiation Strategy, Operating Environment*

Introduction

Security is one of the most critical aspects considered when embarking into any form of business. Security, which defined as a freedom from risk or danger (McAdams, 2004), is usually provided by the government as well as private security companies. Governments provide security services to the public through the Police services and the Military and other security agencies. However, in addition to the security service provided by the government, individuals and organisations engage private security companies to secure their assets and business interests. This study focused on private security service companies that play a vital role in ensuring that businesses and their owners are free from risk and danger (McAdams, 2004).

Private security services industry is a very crucial and integral part in the socio-economic development of the country and under the Malawi 2063 agenda. Industrialisation is one of the Malawi 2063 pillars that will be achieved by increasing investment. Industrialisation and urbanisation flourishes in an environment where there is sustainable peace and security. Under enabler 2: Effective Governance Systems and Institutions; the Malawi 2063 agenda emphasises that the goal is to have sustainable peace and security which is crucial for the creation of a sound, competitive and equitable environment for economic development. To this end, private security services play a vital role in complementing government security institutions in ensuring a secure business environment for investors. Therefore, it is important that private security companies align their long-term strategic objectives with the MW2063 agenda and ensure that they position themselves to cope with the dynamic economic changes that may be spurred by the implementation of the MW2063 agenda (Malawi Government, 2020).

For decades, private security services have been part of our society and as the world developed and modernized so did private security services due to the greater security needs that came with modernisation. Modernisation is one of the major events that led to the development of private security services to address criminal threats to businesses and their interests. Therefore, private security companies are required more than ever before to address dangers that people, companies and countries face as the world continues to develop (Inter State Security Corp, 2016).

This necessitates a proactive approach in research and development for security companies to innovate and adopt new ways of doing business that enable them to cope with customer changing security requirements. Service innovation changes the way customers' security requirements are satisfied by creating value for the customers and in the process revenue for the company. Service innovation provides an effective way to create a sustained competitive advantage for a company. A service innovation based strategy can benefit a company in many ways like helping a company excel in service offerings, cost structure, delivery system and technology (Durst, 2015). For purposes of the study, service innovation is defined as innovations that take place in various contexts of services that include the introduction of new services or incremental improvements of existing services (Durst, 2015).

Globally, technology has taken a center stage in the provision of private security services, and is regarded as a major contributor to service innovation in the private security industry. It had been predicted that the global private security industry would grow by 5.8% per year between the years 2017 and 2022, and that incorporating technology in their service delivery will allow private security providers to improve their services and their ability to protect their customers' interests (Freedonia Group, 2016). It is fair to say that security companies that do not innovate or develop new range of products or services have a risk of falling victim to changing customer needs, new

technologies and increased domestic and foreign competition (Kotler, 2019).

Private security companies in Malawi have been providing security services to almost all economic sectors of the country including individual households. The most predominant security service offered by both local and international private security companies is the man guarding security service (Source Security, 2023). However, a diverse range of other security solutions are also offered on the market besides the man guarding security services such as electronic security solutions consisting of access systems, alarms and response, CCTV monitoring solutions, and cash services consisting of cash-in-transit, ATM management and cash pay-out solutions. The overall objective of the study was to investigate the dearth of innovation initiatives within the private security services sector in Malawi.

Methodology

The study used a qualitative research method and employed grounded theory methodology. This approach aimed at collecting lived descriptions from the participants by allowing them to express what they experience and perceive in their own terms (Polit, 2010). As the instrument of data collection, the qualitative researcher asks the questions, collects data, makes interpretation and records what is observed, and the researcher tries to understand the issue(s) from the participants' point of view (Johnson, 2012).

The qualitative research method was chosen to enable the collection of data in the field and at the site where participants experience the issue under study (Creswell, 2014), the approach helped the study to gather a more in-depth and contextual understanding of the private security services sector in Malawi. And of the several approaches to qualitative research, the study used grounded theory methodology. This design was considered appropriate for the study owing to the fact that there is less literature in Malawi on private security sector and therefore there was need for an in-depth understanding of this sector and to provide groundwork for further studies. It was in the

interest of this study to explore wider perceptions of key stakeholders from both the service providers and the service customers on how they perceive the private security services sector, qualitative approach and grounded theory methodology enabled this exploration (Babbie, 2015).

The research adopted the Strauss version of grounded theory, proposed by (Strauss, 1990) to conduct this study on embracing service innovation as a competitive differentiation strategy in the private security services sector in Malawi. Research methodology is a key component of a research paradigm. It represents an overall approach of how data is collected and analysed to produce valid knowledge (Okesina, 2020). The methodology adopted reflects the choice of research methods to be used (Soraya, 2019). Specifically, methods are tools of gathering and analysing data. The research subscribed to the constructivist paradigm, by looking at the participants' lived experiences (Creswell, 2014). From the participants' experiences, which drove their views and opinions, the research was able to construct meanings addressing the phenomenon under study, in this case embracing service innovation as a competitive differentiation strategy in the private security services sector in Malawi. The constructive paradigm helped the research to get a deeper understanding through the lived experiences of the participants, which shapes their views and opinion on the subject matter. Grounded theory methodology was chosen because the researcher intended to generate a substantive theoretical framework for understanding factors that affect embracing service innovation as a competitive differentiation strategy in the private security service sector in Malawi based on multiple experiences of participants from both the service providers and service customers. It therefore was fitting well with the study's objectives. The method helped the study to derive a new theory based on the iterative collection and analysis of real-world data. Using this method, data collection and analysis was cyclical and began with collection of raw data ending up into a theory grounded in the data collected (Corbin, 1997).

Data Collection and Analysis

The collection and analysis of data were simultaneously conducted as the study progressed. The study employed semi-structured questionnaire forms for both service providers and customers of security services. This method was selected because the participants opted to provide responses to the study questions at their own convenient time rather than grant an interview. The semi-structured questionnaires allowed for an in-depth data collection and analysis. While providing a structured framework for questions asked, they allowed for flexibility and open-ended responses. This proved to be a good method for needs analysis and helped to collect relevant information for the study while understanding individual perspectives. The questions were structured as open ended in order to provide the respondents with the freedom to fully express their views and opinions on the subject matter.

Data collected through the semi-structured questionnaires was analysed through constant comparison of data with data collected from different respondents on a particular subject matter until concepts were drawn; then the emerged concepts were constantly compared with new data collected to draw further concepts. Finally, concepts were compared with other concepts until categories or codes emerged. In essence, the views and opinions expressed by the respondents in form of raw data on the semi-structured questionnaires were constantly compared, and in the process, similarities and contradictions were identified and as a result concepts emerged. The next step involved comparison of the concepts that emerged from the previous data comparisons with new additional raw data collected in order to form new concepts until data saturation was reached bearing in mind that concepts are temporary and continue to develop throughout the research process. Throughout the constant comparison process, deviant cases were identified leading to the isolation of similarities and contradictions. The constant comparison of data with emerged concepts and then concepts with concepts led to the emergence of categories based on the expressed views, opinions and attitudes of respondents that

characterized the participants' overall point of view on a particular topic under study. Several concepts that emerged from the comparisons included private security companies' dynamic capabilities, business model innovations, customer satisfaction, customer readiness and customer needs and requirements. These led to the emergence of categories which were linked to properties such as conditions and circumstances that included service providers' financial and human resources capacity; leadership and operating environment. Thereafter using these properties, the categories were then linked to each other by relation, similarities or theses. The process resulted in the formation of two core categories: organizational performance and market orientation under which the study's theoretical framework was developed. Then I theorized factors that affect service innovation and how security companies can navigate through these factors to realize service innovation as a competitive differentiation strategy in the private security services sector in Malawi.

Study Setting

The study was conducted in the cities of Blantyre and Lilongwe. The study used purposive sampling from the onset and targeted private security companies both locally and foreign owned; while for customer participants the purposive sampling was based on their respective industry classification i.e. financial, agricultural, manufacturing sectors. Purposive sampling is described as the calculated decision to sample specific locale according to a preconceived, but reasonable set of dimensions (Glaser, 1992). In this case the dimensions included ownership composition of the private security companies as well as the industry sector their customers are based or the nature of their undertakings.

Theoretical sampling was then introduced as the study progressed and as the theory under construction determined where data should be collected next as, the theory emerged. In this respect, concepts with proven theoretical relevance were repeatedly presented when comparing incident after incident, having emerged for the data (Strauss, 1990).

Theoretical sampling is defined as the process of data collection for generating theory, whereby the analyst collects and analyses data simultaneously and decides what data to collect next and where to find them to develop theory as it emerges (Glazer, 1967). Theoretical sampling focuses on incidents guided by the emerging theory (Strauss, 1990), while purposive sampling carefully identifies populations and settings before collecting data without deliberately attempting to develop theory (Draucker, 2007). Following the purposive sampling that categorised participants based on the nurture of their respective ownership composition and undertakings; for security companies the basis was local ownership and those that are inter or multinationals and for service users the basis was on their economic sector or undertaking. Theoretical sampling ensured that data collection followed the categorisations of participants until saturation levels were reached in each category.

Study Population

The study recruited a small sample at the beginning but the sample size increased as the study progressed. The sample include operations/Systems Heads/Managers and Sales/Marketing Heads/Managers of Private Security Companies and Operations/Security Heads/Managers of Customer Participants were the primary targets and formed the backbone of the study population due to their understanding of the subject matter. However, other decision makers

and influencers in the participating organizations also formed part of the study population. In total the study had 40 participants of which 23 represented private security companies while 17 represented organizations, individuals and companies that use private security companies for some of their security requirements.

Rigour in Qualitative Research

The research observed the four criteria for enhancing rigor in qualitative research, which are, conformability, transferability, dependability and credibility (Saunders et al., 2007).

Ethical Considerations

All ethical standards by the Malawi University of Science and Technology (MUST) Ethics Committee were followed to the letter in all processes during this study. The study only commenced after obtaining ethical approval from MUSTREC number P.07/2023/058. The participants were informed of the study and its objectives. The informed consent form to participate in the study was made available and the respondents were asked to complete.

Results

The table below summarises the qualitative research findings on security service providers and customers' perceptions of security solutions under themes, sub-themes and the key findings.

Theme	Sub-theme	Key Finding
Theme 1: Perception of the Quality of Security Services	1.1: Guarding Services	Mixed Satisfaction: Service providers largely view guarding services as average or slightly above average. Few believe the service exceeds customer expectations, highlighting a perception of mediocrity.
	1.2: Specialized Security Services	Varied Experiences: Services like commissionaire and dog handler services attracted mixed reactions. Some providers felt these services met or surpassed expectations, while others found them lacking, with quality varying depending on provider capacity and customer needs.

	1.3: Administrative and Event Security Services	Positive but Inconsistent Perceptions: Receptionist and event security services were generally perceived as meeting or exceeding expectations, but some service providers identified areas for improvement to enhance overall service effectiveness.
	1.4: Technology-driven Services	Satisfaction with Room for Growth: Services such as CCTV operation, alarm systems, biometric access control, and electric fencing were generally perceived as satisfying customer needs, though a few providers expressed dissatisfaction, indicating the need for continued enhancement and technological upgrades
	1.5: Financial and Cash Services	Service Delivery Challenges: Services such as cash-in-transit, ATM management, and cash processing varied in quality. Some service providers acknowledged their offerings meet expectations, but noted challenges, including underutilized potential and operational inefficiencies.
Theme 2: Perception of Innovation in Security Services	2.1: Leadership Support for Innovation	Positive Leadership Attitudes: The majority of service providers expressed that their leadership supports innovative ideas and is willing to invest in innovative solutions. However, a minority expressed scepticism, doubting whether leadership is fully committed to innovation.
	2.2: Organizational Capacity for Innovation	Resource Limitations vs. Optimism: Some service providers questioned their organization's human and financial capacity to incorporate technological innovations, while most were optimistic about the potential to overcome these challenges and embrace innovation.
	2.3: Integration of Technology into Existing Services	Overwhelming Support for Integration: Most respondents believe integrating technology with existing services will enhance quality and competitiveness. However, some expressed concerns about the compatibility of current business models with such innovations.

	2.4: Plans for Introducing New Innovative Service Lines	Broad Ambition for Innovation: Many providers expressed plans to introduce new technological innovations beyond current offerings, though a few were hesitant, citing resource constraints and market readiness.
Theme 3: Customer Perception of Security Services and Innovation	3.1: Support for Technology Integration	Widespread Endorsement: Customers overwhelmingly support the integration of technology into existing security services, citing improved service delivery as a key motivator. However, one customer expressed concerns about potential cost implications.
	3.2: Outsourcing vs. In-house Security Services	Preference for Outsourcing: Most customers prefer outsourcing security services over developing in-house security capabilities, indicating a desire to rely on professional security companies for expertise and advanced solutions.
	3.3: Anticipated Future Security Needs	Evolving Security Requirements: Many customers foresee their security needs changing due to the evolving risk landscape. They expect service providers to offer innovative solutions that address new security challenges, while a minority believe their needs will remain stable.
Theme 4: Strategic Innovation and Competitive Advantage	4.1: Innovation as a Competitive Differentiator	Service Innovation as Critical for Success: Service providers largely agree that innovation is essential for service differentiation and maintaining a competitive edge. Only one provider expressed scepticism, emphasizing the need for careful alignment with organizational structure.
	4.2: Strategic Planning and Technology	Central Role of Technology: Providers emphasized the importance of making innovation a core element of strategic planning, particularly the role of technology in adapting to dynamic security challenges and enhancing customer experience.
Theme 5: Recommendations for Enhancing Security Solutions	5.1: Investment in Research and Development (R&D)	R&D for Risk Mitigation: Providers recommend increased investment in R&D to better understand market risks and develop tailored security solutions that preempt future threats.

Theme 6: Customer Recommendations for Embracing Technology	5.2: Technology as a Key Investment Area	Enhancing Security Through Technology: Service providers and customers alike suggest investing in advanced technologies such as surveillance, access control, biometrics, and cybersecurity to improve security solutions and respond to the changing risk environment.
	5.3: Regulatory Oversight	Call for Industry Regulation: Service providers propose the establishment of a government regulatory body to standardize practices, ensure fair competition, and protect customers by certifying security systems and ensuring compliance with industry standards.
	6.1: Advanced Surveillance and Access Control	Demand for High-Tech Solutions: Customers recommend private security companies invest in advanced surveillance systems (e.g., high-definition cameras, thermal imaging) and access control systems (e.g., biometric recognition) to enhance security service effectiveness.
	6.2: Cybersecurity and IoT Integration	Growing Importance of Digital Security: Customers highlighted the need for cybersecurity services to protect against growing cyber threats and called for the integration of IoT devices for smarter, interconnected security systems.
	6.3: Emergency Response and Real-time Communication	Technology for Immediate Response: Customers urged security companies to develop advanced emergency response systems and mobile applications for real-time incident reporting and communication, enhancing responsiveness and transparency.
	6.4: Collaboration with Technology Partners	Building a Security Ecosystem: Customers encouraged private security companies to collaborate with technology providers, law enforcement, and emergency services to create a robust, networked security ecosystem capable of addressing complex security challenges.

Conclusions

The findings highlight key themes surrounding the current perceptions of security services, the importance of innovation, and the role technology

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plays in enhancing service quality and meeting future security needs. Both service providers and customers see technological innovation as central to the future of private security, though concerns about resource constraints and cost implications remain. The recommendations emphasize research,

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investment in advanced technologies, and the need for regulatory oversight to ensure industry standards and protect consumers.

Discussion

Security Service Providers' Dynamic Capabilities

Organizations dynamic capabilities are its capacity to reconfigure and extend its competencies (Pisano, 2017) and capability is defined as a collection of routines that enable an organization to perform certain activities on a consistent basis (Winter, 2003). These capabilities are integrally related to an organization's adaptability to its external operating environment. It is imperative therefore for an organization to understand what properties make it adaptable to environmental changes that can enable it to make decisions between which new capabilities are worth undertaking and which existing capabilities should be preserved and in so doing influencing its innovation strategies (Pisano, 2017). The study's results suggest that private security companies are lacking in their dynamic capabilities although to an extent the multinational security companies have an edge over locally owned private security companies. The key factors affecting the private security companies' dynamic capabilities include lack of financial capacity to invest in innovative security solutions; lack of investment in human capacity and lack of market research leading to limited knowledge of security trends and requirements. The findings suggest that most of the services that are on offer require enhancement to improve service delivery efficiency and effectiveness. Investment in innovative security solutions, human capacity development and market research goes a long way in improving the companies' agility. The findings underscore the fact that quality of the current services will only be enhanced if the security companies embrace innovative security solutions and integrate technology, however, to be able to achieve this they need to have the capacity; financial and human resource, leadership support that understands service innovation and what it entails to their business success. Leadership willingness or lack thereof to invest in human capacity development, innovative security

solutions and market research initiatives determines how their companies' dynamic capabilities in the ever changing operating environment and this is where managerial cognitive abilities plays a vital role in leadership capabilities and how they affect competitive differentiation strategies.

Despite the service providers' leadership willingness to invest in innovative security solutions, the challenge for most service providers remains the financial capacity to invest in innovative security solutions integrated with technology and the development of human capital to maximize competencies. The fundamental strategic problems that service providers in this case face include, identifying and selecting capabilities that lead to competitive advantage. Therefore, the service providers' choices about investment shape competitive outcomes. Understanding dynamic capabilities helps organizations understand adaptability; it therefore follows that capability identification, selection and creation is an important strategic decision in an organization quest to provide unique and superior services to its customers (Pisano, 2017).

To ensure private security companies' dynamic capabilities are identified and managed appropriately to initiate service innovation and result in the attainment of a competitive advantage within the market place, it is imperative that the private security companies' leadership possesses the right qualities to drive organizational change (Pisano, 2017). Leadership is crucial in making strategic decisions and ensuring implementation of strategic plans. Leadership drives cultural and mind-set changes within the company. Acquiring innovative solutions by security companies is one thing and ensuring that the same is being utilised to benefit the company is another thing altogether. The study's findings point out to the fact that this will require investment in human capital with the aim of developing competencies to enable them to understand and operate or utilise innovative security solutions integrated with modern technology. It is therefore apparent from the findings that private security companies dynamic

capabilities and leadership managerial cognitive abilities are key factors that affect the security companies' ability to embrace innovative security solutions integrated with technology as a way of enhancing security services innovation.

Security Service Providers' Business Model Innovations

A business model determines whether a security company will be able to incorporate innovative security solutions in its differentiation strategies. The study findings suggested that service providers do not fully understand the concept of business model and its innovation thereof and how they can utilise business model innovation's various approaches to successfully implement any differentiation strategies developed. Managerial cognitive capabilities play a vital role in ensuring the success of this process. There are several approaches to business model innovation which include; the re-inventor, the adapter, the maverick and the adventurer. Depending on the type of service innovation that a private security company decides to undertake in its security service offerings, any one of the four approaches can be adopted in the design and development of a differentiation strategy (Boston Consulting Group, 2023).

The study's findings on whether or not the private security companies' current business models will be able to support technologically integrated innovative security solutions suggest expressed optimism from the security services companies' participants on this subject. However, it became apparent that most of them lack the knowledge of business model innovation and what a business model represent to their company's ability to successfully compete. This underscores the importance of leadership in driving the change necessary for organization's success. Leadership competency, organization's resources and value proposition determines the company's strategic direction based on the business model implemented (Rosenbloom, 2002). It is therefore critical for service providers to understand the concept of business model innovations in order for them to successfully implement technology integration with the current security solutions or indeed be able

to introduce new innovative security solutions on the market.

Managerial cognition and organizations' dynamic capabilities underline business model innovation initiatives and help in understanding the critical elements within an organization that drive the success or failure of service innovations; successful integration of technology, implementation of innovative security solutions and competitive differentiation strategies (Helfat, 2015). Depending on the direction a service provider decides to take, the study proposes exploring the feasibility of adopting one of the four approaches in business model innovation to aid in the implementation of competitive differentiation strategies. The reasoning for this is that, the security companies that took part in the study expressed willingness to integrate technology with their current services and some alluded to having plans of introducing new innovative security solutions on the market. With this in mind, there is need to relook at their current business models and innovate accordingly.

Business model innovation is as a critical aspect of business transformation. Deciding on the innovative security solutions integrated with technology is serious transformation for a private security company; it essentially means that it intends to enhance its value proposition. Business model innovation contributes solutions to most organizations' challenges such as the type of business model they should employ to help them achieve breakout performance while avoiding jeopardizing their core business; how the organization builds the capability to develop, rapidly test, and scale new models whilst realizing that inspiring an organization to change is not a minor undertaking (Rosenbloom, 2002).

Market Orientation

In order to ascertain the market's perception and readiness for innovative security solutions, the study elicited views and opinions of the respondents that represented companies and organizations that outsource their security needs to private security companies in Malawi.

The respondents' views and opinions on security solutions were elicited on the following areas:

- The quality of the current security services/solutions with the aim of determining customer satisfaction
- The customers' perception of innovative security services or solutions in order to determine the customers' readiness to embrace innovative security solutions.
- Customers' recommendations to service providers on innovative security solutions with the aim of determining the customers' security needs and requirements.

As presented in the previous chapter, the study had seventeen respondents that represented a cross section of participating companies and organizations that are currently outsourcing their security requirements from private security companies in Malawi. The findings on market orientation are discussed in detail under customer satisfaction, customer readiness, and customer needs and requirements in line with the overall and specific objectives.

Customer Satisfaction

Overall, very few participants viewed the current security services being provided by private security companies as surpassing customer needs and requirements, the majority of the respondents felt that the service quality was simply okay and lacking to some extent. A couple of respondents were of the view that the current services and solutions being provided are of poor quality and require attention. This presents a mixed bag of the reactions on the quality of security services and solutions that private security companies are currently offering to their customers. A conclusion that the study reached under the prevailing circumstances is simply that the current level of services and solutions on offer are not meeting the customer needs and requirements. It points to existing gaps in the services being provided recognized by the customers but are not yet satisfied by the service providers. The apparent existence of the gaps in the services being provided presents an opportunity to capable service providers to strategize and innovate their services

in order to provide solutions that will satisfy the market needs. However, this requires understanding the customer requirements and the ability to design solutions that will address the service gaps identified and in so doing a security company can be in a position to offer unique and superior solutions that will differentiate their services from competitors and in the process gaining the competitive edge. Building capacity enhances service providers' dynamic capabilities and a focus on research and development initiatives helps them understand customer requirements enabling them to identify service gaps. Innovative security solutions should not only be achieved but the innovation initiatives that a security company undertakes should be on the premise of fully understanding a target market's security requirements. Customer satisfaction can be achieved through market research initiatives leading to tailor made security solutions for specific customers.

The responses provided by the service customers clearly underscore the prevalent existence of service gaps, the lack of capacity both financial and human, minimal understanding of the operating environment and lack of a clear focus on customer needs by the service providers. One thing that comes out clear from the findings is that the integration of technology, adopting and embracing innovative security solutions and the implementation of innovation strategies is the way forward for service providers if they are to achieve customer satisfaction and remain relevant while providing unique and superior service.

Customer Readiness

The study ascertained customers' readiness and perception for innovative security solutions that private security companies could introduce on the market either through enhancement of the existing security solutions by integrating with technology or as completely new innovative security solutions. The study also elicited customers' views and opinions on the likelihood of them embracing innovative security solutions even at a premium cost; their considered value in outsourcing security services; the anticipated changes in security

requirements in the near future and their recommendations to service providers based on their envisaged security needs.

From the study findings, the majority of the participating organizations through their respondents expressed positive sentiments that showed their full support for innovative security solutions as well as their willingness to have such solutions implemented by the service providers with the aim of enhancing the service providers' core function of providing risk mitigation services to their customers. The views expressed by the respondents clearly showed that their organizations cannot do away with security and are willing to pay the right price for the right service. It is therefore incumbent upon the service providers to understand the security needs and requirements of their existing customers as well as potential customers and come up with innovative security solutions tailored to satisfy the customers' security needs and requirements. Clearly, if a security companies decides to maintain the status quo chances are very high that its services are likely to become obsolete and will no longer be attractive to customers. Security companies that do not innovate or develop new range of products or services have a risk of falling victim to changing customer needs, new technologies and increased domestic and foreign competition (Kotler, 2019).

The respondents expressed various views and opinions pertaining to the value and benefits their respective organisations find in outsourcing security services. All respondents were cognisant of the fact that security is not a core function for their respective organisations and that the private security companies are the experts in this particular field of security and they all agreed that it is cost effective to let the experts in security matters handle their security needs. One respondent actually summed it up by saying that private security companies are business enablers. This clearly shows the trust placed on security companies by their customers when it comes to securing their interests and it speaks to the Malawi 2063 on security, under which the agenda is to have sustainable peace and security which is crucial for economic development. Security services providers play a vital complimentary role to the

security arms of the government by ensuring a secure business environment for investors (Malawi Government, 2020). It is incumbent upon security companies to remain a key stakeholder to government security institutions like the Malawi Police Service in ensuring a safe business environment among others. It is again on this basis that the security companies need to ensure that they are moving with the changing times by paying attention to their operating environment and its ever-changing needs. As a risk management partner and business enabler to its customers any private security company should always strive to satisfy their customers security requirements or risk being replaced by competition.

Customer Needs and Requirements

In order to understand the security needs and requirements for the customers, the study elicited customers' views and opinions on the same. The elicited views and opinion pertained to what the customers' recommendations would be to private security companies with respect to embracing technology as a way of enhancing security solutions offered to them taking into consideration the operating environment in the country, the risk trajectory in the past and customers' projected needs in the future. It was clear from the customers responses that in the near future they will require advanced and high tech security solutions in order for them to trust that their interests are well secured and their business continuity is guaranteed. This is coming on the background that crime is becoming very sophisticated and therefore requires technologically advanced solutions to be able to mitigate risks, combat threats and resolve crimes. Customers expect service providers to keep abreast with the latest security technology in areas such as surveillance, access control and biometrics, cyber security and customer/service provider interface platforms for enhanced communication. This can be possible by embracing and integrating technology with security solutions because it is evident that technology is the centrepiece of security services innovation drive.

However, to be able to fully comprehend what a customer will embrace as an innovative security solution based on their security requirements, it is

imperative that a security company engages in market research. As part of the service providers' research and development initiatives, market research will help them to have a clear understanding of their operating environment and thus able to determine what solutions will work with which market segmentation. For instance; the Mega farms under the agricultural sector will require aerial surveillance and state of the art control rooms where monitoring takes place, this would mean introducing surveillance drones and setting up control rooms on the farms. The financial sector on the other hand requires data protection solutions and will therefore need cyber security biometric access control systems as part of data management services. The diplomatic sector requires high tech access control and biometric systems integrated with surveillance cameras. All these require not only investment in technology but also in human capital development to equip the human resource with the prerequisite skills to operate the systems established. Understanding the market segmentations and their different security needs and requirements is one of the steps that will help security services providers' in coming up with competitive differentiation strategies.

Innovative Security Solutions

The study elicited views and opinions that provided an in-depth understanding on how the quality of services currently being provided is perceived by service providers and customers; their perception of service innovation, technology integration, market orientation and capacity in terms of leadership, financial and human resources. The aim was to determine the service providers' dynamic capabilities in embracing technology, get an idea of innovative security solutions available, get an understanding of the market and see how strategically the service providers can integrate technology leading to competitive differentiation.

From the findings, it is apparent that service innovation gaps exist in security solutions being offered by private security companies and the service providers acknowledge the existence of these service gaps in their expressed views and opinions with respect to the quality of their

solutions offering. It is also clear that for most of the security services providers there are wide options of available security solutions yet untapped by them within the realm of service provision in private security services industry. It is therefore incumbent upon the service providers to analyse the market needs and strategize to come up with security solutions equipped with uniqueness that will differentiate their services from the competition. Views and opinions provided signify an opportunity present to leapfrog competition in the market should a security company develop and implement competitive differentiation strategies that enable service innovation management within their security company leading to service innovation that ensures provision of superior security solutions through innovative security solutions that make them stand out from the rest.

Rightly, the majority of participants strongly believe that service innovation is the way to go in order to achieve service differentiation and attain a competitive advantage over competition on the market and they all agree that it is possible to integrate technology with their current security services to enhance the quality of service delivery under their current business models. It is imperative that security companies are able to utilise any business model innovation approach to bring about desired results depending on the direction the company would like to take. Security companies with plans to introduce innovative security solutions by way of integrating technology into their existing service lines and those planning to introduce new innovative security solutions apart from the solutions currently under offer should benefit from understanding business model innovation.

The participants recognize the need for capacity, the importance of integrating technology in security services as determining factors for their companies to achieve competitive differentiation; they acknowledge that without satisfying these factors, their services risk becoming undesirable on the market leading to obsolesce. There is an understanding that service innovation makes a company unique in its service offering and

delivery, and the fact that technology is central to service innovation. Innovation guarantees that security companies are able to provide unique services to their customers and are able to compete for a market share with other players. The dynamic challenges faced by security service providers require an integrated approach to security solution provision while the sophistication of crimes calls for the need to embrace technology to be up to the challenge and complement traditional security services such as man guarding in order to enhance service efficiency and effectiveness. Prioritising and centralising service innovation in strategic planning for security companies is key to innovation management. Innovation management guarantees implementation of innovation strategies that incorporate integration of technology in security service delivery. Technology is the game changer in a market with many players competing on the same services; the only way a company can differentiate itself from its competitors is to definitively come up with innovations that the competitors cannot emulate.

However, to have a better understanding of the market and customer security requirements, research and development as part of innovation management will help the security companies understand their operating environment and their targeted market and therefore develop strategies that will enable them to respond accordingly to the ever-changing needs, requirements and demands of their existing and potential customers. Some of the innovative security solutions that service providers should consider to offer to their customers include but are not limited to the following:

- I. **Surveillance technology:** upgrading and expanding surveillance systems with the latest technology, which include high-definition cameras, thermal imaging, and facial recognition.
- II. **Access Control and Biometrics:** Implementing advanced access control systems with biometric recognition, such as fingerprint or retina scans, to enhance physical security. Integrating these systems with client's existing infrastructure for seamless access management.

- III. **Cybersecurity:** Protection of systems and networks against cyber threats and offering cybersecurity services to customers. Assisting customers in securing their data and infrastructure from cyber-attacks.
- IV. **Mobile Applications and Customer Portals:** Developing mobile applications and customer portals for real-time communication, incident reporting, and remote monitoring. Providing customers with access to security systems and data, enabling them to have more control and transparency.
- V. **Internet of Things Integration:** Exploring the integration of Internet of Things (IoT) devices, like smart sensors and alarms, to create a more interconnected and responsive security network. Utilizing IoT for asset tracking and environmental monitoring.
- VI. **Emergency Response Systems:** Developing and integrating advanced emergency response systems that provide immediate communication and coordination during crises. Exploring the use of AI chatbot and virtual assistants for incident management.
- VII. **Collaboration and Partnerships:** Collaborating with other technology providers, law enforcement agencies, and emergency services to create a networked security ecosystem including international collaboration with companies that specialize in cybersecurity, AI, and IoT for complementary expertise.

Conclusion

With respect to the study's overall objective of investigating the dearth of innovative initiatives in the private security services sector, the study established that indeed there exist innovation initiatives gaps in the private security services industry in Malawi. The study findings point out to the following:

- The current services or solutions that are being provided by private security companies in Malawi are not satisfying

customers' expectations and their security requirements.

- The study established that there is little to no market research initiatives by the private security companies leading to lack of an in-depth understanding of customer requirements and resulting into generic security solutions being offered on the market by almost all private security companies.
- Customers are willing to pay for innovative security solutions even at a premium cost than they are currently paying as long as the services or solutions meet their security requirements.
- Security services will remain an outsourced service for many organizations that require security services for their establishments. It is therefore imperative for private security companies to ensure that their security solutions evolve and adapt to the changes in security requirements for their customers.
- Technology driven security solutions are the future of private security companies and hence the need to integrate technology in service innovation drives undertaken by the service providers.

Study's Recommendations

In line with the study's specific objectives, the study recommends that the service providers strive towards implementation of the below initiatives which will help private security companies in embracing service innovation as a competitive differentiation strategy:

- I. Service providers should ensure that their leadership have managerial cognitive abilities if they are to be successful in driving and implementing any changes.
- II. Service providers should strive to build capacity to enhance their dynamic capabilities, this includes financial capacity and human capital development to enable them successfully implement differentiation strategies.
- III. Service providers should invest in, embrace and integrate technology in their security services in order to ensure that they are offering security solutions that are unique and are addressing customer security requirements.
- IV. Service providers should familiarize themselves with the various business model innovation approaches in formulating differentiation strategies in order to successfully incorporate the study's findings and utilise service innovation to attain differentiation in the market.

The study proposes the following service innovation strategies to be developed based on the different business model innovation approaches by private security companies:

- Introduction of integrated security solutions under which several security solutions are bundled together into a single solution tailor made to customer requirements.
- Integrating technology with the current generic security solutions to enhance efficiency and effectiveness.
- Introduction of an entirely new innovative security solution like offering cyber security service

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