

In-Store

insights from global retailers

- *Maximize Profits*
- *Reduce Shrink*
- *Improve Operations*

in this issue...

RSR, VDC Research, Gatekeeper Systems, Nespresso, Grupo Cortefiel, BGN, ASPLAG, Sportshouse, Frost & Sullivan, Nuance Group

Industry Study Finds 71% of Retailers Use Exception Reporting As Critical Business Intelligence Tool to Improve Shrink and Maximize Profits

Retail Systems Research ("RSR") is the only research company run by retailers for the retail industry. RSR provides insight into business and technology challenges facing the extended retail industry, and thought leadership and advice on navigating these challenges for specific companies and the industry at large. To learn more about RSR, visit www.retailsystemsresearch.com.

In-Store, your information highway to the latest trends, news, and insights in global retail, takes you on a worldwide journey. In this issue, we present some of the world's leading retailers as they share their business challenges and successes achieved through implementing different in-store security technologies.

We appreciate your feedback. If you have comments or ideas for stories you would like featured in future editions, please email us at InStore@Tycoint.com.

Read on....there's plenty more In-Store!

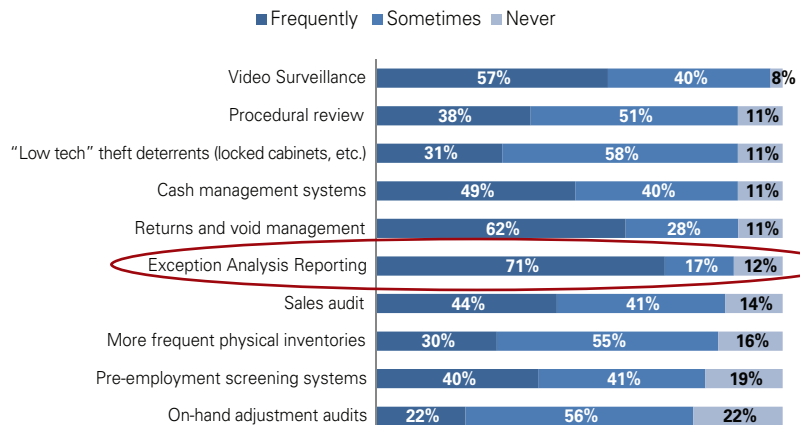
Study Also Finds That Top Retailers Use Electronic Article Surveillance Three Times More than Underperforming Retailers

A recent study by RSR, "Loss Prevention and Beyond: Survival of the Fittest," sponsored by Sensormatic Retail Solutions, revealed substantial differences between top retail performers – those whose sales growth outpace the 3% industry average – and retailers below that average. Findings indicate that 71% of all respondents said they frequently use exception analysis reporting - a key business intelligence tool - as a critical technology in their loss prevention (LP) arsenal (see chart below). Another finding is that nearly three times the number of top performing retailers utilizes Electronic Article Surveillance (EAS) technology as compared to underperformers.

With the troubled economic climate more retailers are seeking to improve their gross margin and reduce employee and customer shrink; thus fueling the need to leverage existing LP tools as well as invest in the latest technology. The reach and efficiency of traditional loss prevention tools like EAS anti-theft systems can be further extended and maximized by strategic deployments of store business intelligence platforms.

"Greater usage of business intelligence tools has improved the efficiency of our other loss prevention technologies and delivered a strong return on investment," said David George, vice president of Asset Protection for Harris Teeter. "Business in-

Most Important Tools Used for Loss Prevention



Source: RSR Research, November 2008

telligence solutions such as Sensor-matic Analytics tied to our CCTV systems have enabled our operators and loss prevention teams to quickly identify and address both operational and loss prevention issues in each of our stores and across the entire chain. The

to underperformers, but they also tend to do different things: “(They) think differently, plan differently and respond differently.”

“In tough economic times, shrink continues to rise,” said Paula Rosenblum,

ning retailers in investing in intelligent solutions. More compelling is that only 17% of underperforming retailers embrace EAS to protect their stores compared to 48% of winning retailers – a strong case for why underperformers are missing opportunities from new technology enablers.”

“Greater usage of business intelligence tools has improved the efficiency of our other loss prevention technologies and delivered a strong return on investment.”

David George, vice president of Asset Protection, Harris Teeter



end result is two-fold: improved shrink reduction and better performing store operations.”

RSR conducted the online survey during September and October, 2008, including respondents from retailers with stores around the world. Among its findings:

- Employee theft of goods and cash are top retailer concerns, with internal theft as number one source of shrink, shoplifting second and internal theft of cash third.
- While almost half of top performers use EAS to control shrink, only 17% of underperformers use EAS.
- Top performers use business intelligence tools like returns and void management technologies 46% more than underperformers.
- 53% of all respondents cite better business intelligence as needed to make effective use of the vast amounts of loss prevention data that exists.

According to the report, this discovery was consistent with many other findings that top performers don't merely do the same things better compared

RSR's managing director and widely recognized as one of the top analysts in the retail industry. “With the slowing economy many retailers have cut back on staff and now will be relying on technology to help control theft. Smart, winning retailers know the best way to maximize profitability and improve shrink is to leverage existing assets and improve store intelligence.”

Rosenblum added, “Underperforming retailers are significantly behind win-

Sensormatic® Analytics powered by Retail Expert offers a comprehensive suite of store business intelligence solutions to provide retailers the means to measure their performance objective, manage their store operations and ultimately, improve their profitability and performance.

For a free copy of the report visit <http://www.retailsystemsresearch.com>

For more information on Sensormatic® Analytics visit http://www.sensormatic.com/Products/StoreBusinessIntelligence2/SBI_home.aspx.

Most Important / Frequent Technologies Used - Winners vs. Laggards



Source: RSR Research November 2008

White Paper from VDC Research Reveals Need for Retailers to Embrace Real-Time Inventory Visibility Solution to Drive Operational Efficiencies and Profitability



VDC Research Group (VDC) is a technology market research and strategy consulting firm that advises clients in a number of technology markets. Using rigorous primary research and analysis techniques, VDC helps its clients identify, plan for, and capitalize on current and emerging market opportunities. To learn more about VDC, visit www.vdcresearch.com.

Recently VDC released a compelling white paper "Chaos in the Retail Cosmos," sponsored by Sensormatic Retail Solutions details the acute requirement for improved inventory visibility and management on the retail floor, representing retailers' best opportunity to make meaningful improvements to their efficiency and profitability. As the title of the paper suggests, the global economy continues to struggle through one of the most chaotic fiscal climates in history. VDC's research reveals the benefits retailers realize by investing in item-level RFID inventory management solutions to overcome operational challenges and the requirements for achieving the highest possible ROI.

According to Tom Wimmer of VDC, "Out-of-stocks, misplaced merchandise, shrink and vendor fraud are ongoing challenges for retailers that can adversely impact sales and profitability. Given the current economic outlook, retailers need to consider investing in a new breed of inventory management solutions that are capable of addressing these challenges head-on, while enhancing the customer's shopping experience and creating opportunities to capture incremental revenue."

Investments in improving item-level visibility can provide retailers with immediate benefits according to VDC's analysis. When carefully staged and managed, with the cooperation of trading partners, increased item-level visibility can lead to material improvements in planning, forecasting, merchandising and execution, creating a viable source of competitive differentiation: item-level intelligence.

One retailer experiencing the benefits of item-level visibility is Boekhandels Groep Nederland (BGN), the Netherlands' largest book retailer. According to Jan Vink, CIO for BGN, "We participated in this important industry research to share our experience implementing item-level RFID within our stores. With the deployment of the TrueVUE RFID platform, we realized an increase in inventory accuracy from 65% to 97.5%, while reducing our receiving process to less than 20 minutes. Our investment in item-level RFID has created opportunities for us to reduce inventory carrying cost, and enhance revenue capture with each customer visit." The Sensormatic Solution, powered by the TrueVUE™ RFID platform, is offered by ADT.

According to the January 2008 study run jointly by IHL Consulting Group and RIS News, "retailers in the Americas lose \$93 billion annually to out-of-stocks."

Greg Buzek, president, IHL Group

IHL Group

In focusing on the requirements for successful implementation and ROI generation, the paper recognizes the importance of partnering with suppliers and integrators that have the technical and commercial capabilities to deliver, deploy and manage these solutions with or for their customers.

VDC recognizes that many vendors now have the technical expertise required to meet retailers' immediate requirements for item level management in a cost effective manner, but maximum ROI hinges on understand-

ing and addressing the commercial requirements of all stakeholders. The very best solutions harness the item-level intelligence provided by these systems to inform and empower deploying companies, their trading partners and ultimately their customers.

VDC presents a framework for successful deployment of item-level inventory management solutions using case studies to demonstrate the incremental benefits tech savvy retailers are deriving through thoughtful planning and execution.

Interested in learning more? For a complimentary copy of the white paper visit:
http://www.sensormatic.com/cp/VDC_WhitePaper.aspx

For more information on Sensormatic Item Level Intelligence visit
http://www.sensormatic.com/Products/RFID/RFID_home.aspx.



Nineteen of the Top-Twenty Cart-Based Retailers Worldwide Rely on the Gatekeeper Advantage Now Bolstered by Sensormatic Solutions for Operational Improvement



Gatekeeper Systems is the leading provider of intelligent cart solutions for retailers to prevent shopping cart loss and merchandise theft. Gatekeeper's patented GS Technology Platform is the solution of choice for 19 of the top 20 Global Retailers. Gatekeeper has offices located in the U.S., Canada, Europe, and Hong Kong as well as global distribution outlets, allowing solutions to be easily accessed by major retailers worldwide. For more information, visit www.gatekeepersystems.com.

Through an industry alliance, Gatekeeper Systems and Sensormatic are now helping retailers improve operations by offering a range of integrated end-to-end cart containment and loss prevention solutions that blend technological sophistication and ease-of-use. Today's retailers are plagued by shopping carts increasingly used as the tool of choice among shoplifters or organized retail theft rings called "boosters." From organized theft rings to individual repeat offenders, untold amounts of stolen goods literally are rolling out of retailers' front doors.

Shoplifters use carts to appear less conspicuous in order to steal large quantities of high-value merchandise, often escaping with hundreds of dollars worth of goods. Utilizing its patented technology, Gatekeeper's purchek® prevention system provides cost-effective protection against pushout theft while preserving a customer-friendly shopping experience. purchek®, the industry's leading in-store, anti-theft solution with an integrated self-locking wheel, dramatically reduces cart-based theft.

Retailers struggle with improving operational efficiency while maintaining visibility of store level events. Now retailers can take advantage of Sensormatic SmartEAS® (electronic article surveillance) business intelligence platform offered by ADT, to seamlessly integrate the Gatekeeper line of cart-based technology solutions. Integrating the SmartEAS platform into Gatekeeper's technology offers retail-

ers more enterprise level intelligence, enhanced data reporting capabilities, and improved visibility to store level events, such as pushout theft. By joining the two solutions retailers can benefit from improved operational performance, while achieving a maximum return on investment with minimal capital outlay. Also, retailers can leverage the additional functionality of the American Dynamics® Intellex brand intelligent video management system to capture more significant details of pushout theft events for forensic analysis.

A recent research study by RIS News and IHL Group stated that spend on business intelligence software is planned to grow over 50% in 2009 as retailers look to improve efficiencies during the economic downturn. More information on the study can be found at www.ihlservices.com. According to Greg Buzek, president of IHL Group, "As business intelli-



“With over 1.2 million shopping carts protected worldwide, Gatekeeper can now combine the GS Technology Platform with the flexibility of Sensormatic’s open architecture, solutions to reduce the total cost of infrastructure deployment.”

Craig Greenberg, purchek® product manager

gence becomes more IT-centric strategic partnerships like Gatekeeper and Sensormatic make sense for retailers to achieve operational improvement. Retailers worldwide face a host of challenges in order to remain competitive and protect the bottom line.

By leveraging the collective solution capabilities of these two industry leaders for loss prevention, retailers

can gain efficiencies in a similar way they that they have seen by adopting integrated software suites for their merchandising and inventory control initiatives.

“With over 1.2 million shopping carts protected worldwide, Gatekeeper can now combine the GS Technology Platform with the flexibility of Sensormatic’s open architecture, solutions to reduce the total cost of infrastruc-

ture deployment,” according to purchek® product manager Craig Greenberg.

“To improve operations, Gatekeeper’s purchek® system is integrated with the Sensormatic UltraLink SmartEAS enabling customers to transition labor-intensive manual paper logs that are often incorrect to more accurate real-time tracking and data capture enterprise reporting for improved data integrity and better visibility of daily events,” added Greenberg.

For more information on Sensormatic SmartEAS solutions visit http://www.sensormatic.com/Products/StoreBusinessIntelligence2/SBI_SEASProducts.aspx.



Leading Global Retailers Including Nestle Group's Nespresso Boutiques Embrace Sensormatic® Ultra•Exit Retail Anti-Theft Systems to Help Control Theft and Maintain Profits



One of the latest international retailers to embrace ADT's Sensormatic Ultra•Exit solution is Nespresso, with more than 120 sales boutiques and boutique bars in key cities around the world. As the fastest growing operating unit of the Switzerland-based Nestlé group, Nespresso sells sophisticated coffee machines, accessories and premium portioned coffees.

To protect their high valued products from theft while preserving their stores'café appeal, Nespresso required the right EAS solution. Nespresso tried Radio Frequency (RF) systems but were dissatisfied with their performance.

"We needed an EAS solution that could offer wide exit protection in a stylish design that blended into our unique café environment," said Nespresso.

"Another key criterion was a hard tag capable of protecting our high-end coffee machines and accessories," they added. "Also a significant consideration is our popular assortment of cookies and chocolates openly displayed for our guests' convenience.

This challenge required a labeling solution that was not only small enough to fit inside compact products without covering the brand or content information, but also would be detected in and around the metallic packaging of these products. In addition to all of the important benefits Ultra•Exit offered, we had the choice

of a concealed system that was perfect for one of our stores in Spain."

Ultra•Exit delivers one of the highest levels of anti-theft detection capabilities available today – a top priority shared by leading retailers. Acousto-magnetic (AM) EAS systems are the preferred anti-theft technology for re-

"We needed an EAS solution that could offer wide exit protection in a stylish design that blended into our unique café environment"
Nespresso



tailers, especially for those like Nespresso selling metal-based or metal-packaged goods. Compared to RF systems, AM systems have the highest detection rate to protect all types of products. In particular, they can detect security tags inside foil-lined bags or tagged products containing non-ferrous metal.

Other leading global retailers with extensive international presence include Grupo Cortefiel, Inditex, Mango and Marionnaud. All have recognized the benefits of the Sensormatic Ultra•Exit anti-theft system in helping them preserve store aesthetics, improve store operations and protect their profits.

For more information on Sensormatic Ultra•Exit solutions visit http://www.sensormatic.com/Products/EAS/DetectionSystems/PedestalSystems/PedestalSystems_home.aspx.



Grupo Cortefiel Implements Business Intelligence to Improve Store Operations in Europe

Grupo Cortefiel is one of Spain's largest fashion retailers and one of Europe's leading retail companies in the specialty chain category. Through its five brands Cortefiel, Pedro del Hierro, Springfield, women's secret and Milano together with Fifty Factory Outlet, Grupo Cortefiel operates a network of more than 1,590 stores in 56 countries. Given Grupo Cortefiel's extensive geographic presence, they required a solution to protect their valuable products while also offering vital business intelligence to help drive sales and improve operational efficiencies.

They installed Sensormatic® SmartEAS® technology from ADT throughout their chains in Spain, France, Germany, Belgium, Luxembourg, Czech Republic, Poland, Austria and Hungary due to it being the most beneficial and effective product, offering the maximum advantages.

The solution links information from anti-theft, alarm management, people counting and point-of-sale (POS) systems with the SmartEAS® platform to provide business intelligence that can be used to optimize processes and improve profitability.

Among the key benefits, this solution set will help decrease shrink significantly and also better manage hundreds of employee working hours per year.

Installed in the Cortefiel, Springfield, Pedro del Hierro, Milano and women's secret stores, the Sensormatic® SmartEAS® solution can be used to monitor the flow of people in stores and analyze and manage the anti-theft alarm systems.

SmartEAS® takes the data obtained from each Grupo Cortefiel store and automatically generates exception-based reports that can be used to help enhance the efficiency of the anti-theft systems and reveal how sales figures compare to store traffic.

For Cortefiel the most attractive aspect of this type of system is the value added option of the Smart EAS alarm management module, in addition to the people counting system. Smart People Counting provides traffic flow information and store conversion rates in order to measure performance levels and optimise the organisation of tasks, evaluate marketing campaigns and improve sales.

Together with its source tagging program and its Sensormatic® anti-theft systems which are also provided by



ADT, Grupo Cortefiel has introduced an integrated solution for loss prevention and business intelligence which can be used to deliver outstanding protection for its entire network and improve store operations.

“Delivering business intelligence is the next step in terms of loss prevention,” says Ricardo Arroyo, ADT Director of Strategic Accounts (Retail) for Southern and Western Europe. “Our SmartEAS® technology will allow Grupo Cortefiel to efficiently link and use the information from its anti-theft

“Delivering business intelligence is the next step in terms of loss prevention.”

Ricardo Arroyo, ADT director of strategic accounts (Retail)

and POS systems. This integration provides real-time intelligence at store, region and corporate level, enabling the ability to act quickly.”

For more information on Grupo Cortefiel visit <http://www.grupocortefiel.com/>.

For more information on SmartEAS solutions visit http://www.sensor-matic.com/Products/StoreBusinessIntelligence2/SBI_SEASProducts.aspx.



BGN Boosts Sales with Item-Level Intelligence Solutions

Complete Enterprise Inventory Visibility Solution Helps BGN Drive Inventory Visibility to 97.5%, Improving Operational Efficiency, Profitability and Customer Service

BGN

Boekhandels Groep Nederland (BGN), a Dutch chain of 442 bookshops situated throughout the country with a yearly turnover of € 200 million. The company owns and operates a chain of bookstores that together receive about 11 million visitors a year.

BGN, the Netherlands' largest book retailer, deployed a Sensormatic item-level intelligence solution to support dramatic improvements in efficiencies and sales. The Sensormatic solution, powered by the TrueVUE™ RFID platform, provides BGN with item-level visibility across its chain. BGN has increased inventory visibility from 65% to 97.5%. Also it has increased receiving accuracy to 100% while dramatically reducing employee inventory time. Most importantly, BGN has significantly increased sales as well.

As a leading adopter of item-level RFID, BGN's objectives are to integrate the supply and demand chain, automate the ordering and replenishment process, enhance productivity and improve the customer shopping experience.

Currently all books are source-tagged with RFID labels from BGN's distributor, received into inventory, and cycle counted continuously within the store. In addition, the item is tracked at the point-of-sale (POS) as well as when it leaves the store.

With the deployment of the TrueVUE RFID platform, BGN will realize the following capabilities delivered through a single, standardized solution:

- Enterprise-level reporting providing item-level intelligence across all stores
- In-store receiving to provide automated "proof of delivery" of incoming books
- In-store cycle count and real-time inventory management of all store inventory
- Real-time tracking of special order items utilizing smart surfaces and wireless networking devices
- Tracking of inventory movement from the back room to the sales floor to improve store replenishment
- Enterprise-level device management and monitoring

According to BGN's CIO Jan Vink, "To date we have processed more than two-and-a-half million books.

"With smart shelves, hand-held devices and kiosks, we have reduced our weekly inventory to less than two and one-half hours per store while inventory accuracy increased from 65% to 97.5%."
Jan Vink, CIO, BGN

With smart shelves, hand-held devices and kiosks, we have reduced our weekly inventory to less than two and one-half hours per store while inventory accuracy increased from 65% to 97.5%. Also, our receiving process was reduced to less than 20 minutes with an accuracy rate of 100%, culminating in an increase in sales. As a result of this success, we are confident in our commitment to roll out item-level RFID across all of our retail locations by utilizing the Vue platform from Sensormatic as a single-source for RFID hardware, software and services to facilitate our enterprise deployment."

Talk about an interesting setting, BGN's Selexyz Dominicanen book store in Maastricht, Netherlands was erected inside a former 800 year old Dominican church. This book store is said to hold the largest stock of books in English in Maastricht, one of the oldest cities in the country, transforming reading literally into a religious experience!

For more information on Sensormatic Item Level Intelligence visit http://www.sensormatic.com/Products/RFID/RFID_home.aspx.



ASPIAG Realizes the Benefits of EAS Investment by Significant Shrink Reductions and Improved Productivity

ASPIAG

Austria SPAR International AG

ASPIAG is part of the SPAR Austria Group with over 13,500 outlets in 33 countries, ranging from small local grocers like the Italian DeSPAR stores to large EUROSPAR stores and INTERSPAR hypermarkets.

In Italy, the DeSPAR brand is represented by 12 regional retail formats connected to the Consortium DeSPAR Italy. The largest is ASPIAG with stores most often run by independent retailers in the "Triveneto" area and in the Ferrara province with approximately 570 DeSPAR, EUROSPAR and INTERSPAR stores.

The Challenge

In recent years, the ASPIAG group was challenged with inventory differences that affected their profits. As a growing retailer they focused their efforts on combating inventory reduction, placing particular attention on selecting a technology solution capable of supporting their need to reduce shrink. After careful analysis they determined the high valued items shoplifters found attractive, which ultimately reduced profits. As a result, ASPIAG turned to ADT to design a plan to effectively reduce the percentage of inventory shortages.

The Technology Solution

To help reduce shrink the ASPIAG group selected ADT's high performance Sensormatic Ultra•Max acousto-magnetic (AM) anti-theft system to protect 67 of their largest stores. Designed specifically for su-

permarkets, hypermarkets and other retailers that require lane protection, the Ultra•Lane® slim yet durable design offered ASPIAG minimal impact on shopping cart passage at the POS, utilizing an aesthetically pleasing look. Another important benefit of Ultra•Lane was the easy integration of the deactivation antenna into check stands for fast and simple deactivation of tagged products, enabling customers to move through the POS more quickly and efficiently.

AM systems offer the highest detection rate to protect all types of products. For ASPIAG that meant the ability of the Ultra•Max AM system to detect security tags inside foil-lined bags or tagged products containing non-ferrous metal as well as metal shopping carts. To protect their entrances and exits ASPIAG selected

Ultra•Exit antennas to deliver one of the highest levels of anti-theft detection capabilities available today for wide exit protection.

The Return on Investment

According to Massimo Salviato, contract director for Aspiag Service, "as a retailer committed to offering its customers a satisfying shopping experience, ASPIAG pays very close attention to reducing theft. By deploying the Sensormatic Ultra•Max AM solution, with a labeling program for the most stolen items, we discovered our investment in the technology was covered with a remarkable reduction in shrink. We are very pleased with the benefits this high performance solution offers in effectively decreasing inventory differences as well as detecting metallic-based products."

"By deploying the Sensormatic Ultra•Max AM solution...we discovered our investment in the technology was covered with a remarkable reduction in shrink."

Massimo Salviato, contract director for Aspiag Service



For more information on Sensormatic EAS solutions, visit http://www.sensormatic.com/Products/EAS/EAS_home.aspx.

Sportshouse Helps Improve Shrink and Boost the Bottom Line with ADT's Sensormatic® Ultra•Exit Retail Anti-Theft Systems

As one of the biggest sportswear retail groups, Sportshouse sells different international brands of fanciful and fashionable sports and casual wear including Adidas, Asics, Nike, Puma, Birkenstock and more. Established in Hong Kong in 1985, Sportshouse opened a chain store C.P.U. in 2001 to satisfy the needs of the younger demographic for trendy casual wear, supplying brands like Arnold Palmer, Dr. Martin, Jimmy Black, Red Wing and Pierrotti.

According to the 2008 Global Retail Theft Barometer, the shrink figures by country report Asia Pacific as having the largest percentage of theft due to

shoplifting at 51.3%. To protect their high valued products from theft, Sportshouse required the right Electronic Article Surveillance (EAS) solution for their shops. Given their wide range of highly pilfered merchandise, Sportshouse chose the Sensormatic Ultra•Exit system based on its highly effective Ultra•Max acousto-magnetic (AM) anti-theft technology, wide exit coverage and contemporary design that blends with their store setting.

As a leading retailer, Sportshouse relies on Ultra•Exit systems to deliver one of the highest levels of theft deterrence available today. AM systems provide the highest detection rate to

protect all types of products while making them conveniently accessible for customers to purchase. The Ultra•Exit detection system provides more than two meters of coverage between pedestals, which offers Sportshouse a high flexibility for shop design and the ability to create their unique theme.

"The high quality acrylic construction and sleek design ensure the Ultra•Exit system blends into our store to provide us with a pleasant professional retail shop appearance while still offering a strong visual deterrent," said Iris Choi, general manager for Sportshouse.

"...the Ultra•Exit system blends into our store to provide us with a pleasant professional retail shop appearance while still offering a strong visual deterrent."

Iris Choi, general manager, Sportshouse

With the Sensormatic Ultra•Exit system, Sportshouse is able to preserve their store aesthetics, and increase sales by improving their operations to achieve better customer satisfaction.



Visit http://www.sensormatic.com/Products/EAS/DetectionSystems/PedestalSystems/PedestalSystems_home.aspx.

Frost & Sullivan Study Reveals India's Organized Retail Market Looks to Security Solutions as It Expects 44% Growth by 2012

FROST & SULLIVAN

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. Frost & Sullivan leverages over 45 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, visit <http://www.frost.com>

Recently Frost & Sullivan published a major market study for Sensormatic that identified the need for loss prevention solutions in India. To gain further insight into the Indian retail markets, the study explored retailers' pain points along with their loss prevention and operational needs in various retail segments. Research revealed in 2007 total sales for the India retail market, comprised of organized and unorganized retailers, were \$339.7 billion.

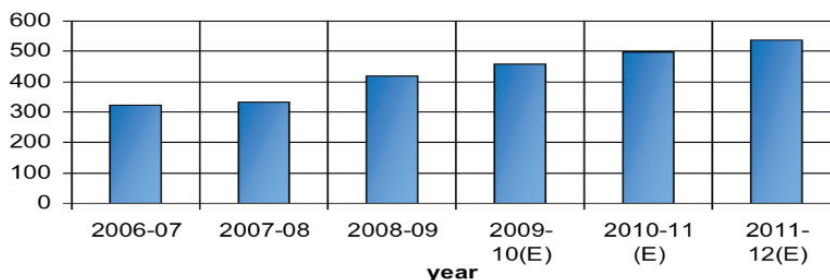
By 2012, the retail market is projected to grow to around \$551.4 billion. In a country with over one billion inhabitants, consumer retail demand is growing rapidly as the region modernizes, paving the way for retail expansion. With swift industry development, the majority of retailers focus on improving loss prevention solutions that maximize growth and profitability.

Between 2003 and 2007 organized retail formats (characterized as chain stores and stores that are subject to central ownership or franchisees) experienced a Compounded Annual Growth Rate (CAGR) of 19.5%. By 2012, the organized retail market expects to increase at a more aggressive rate, projected at 44% CAGR – prompting retailers to look for effective and innovative loss prevention methods.

According to the study, shoplifting in the Indian retail market accounted for over 50% of loss, which remains the number one source of inventory loss. EAS is designed to help retailers prevent losses due to external theft – India's most significant challenge impacting retailer profitability and inhibiting future growth. Employee theft represented the second largest source of inventory loss at 20%.

Indian Retail Market Overview

INDIAN RETAIL MARKET GROWTH (2006-07 to 2011-12 (E))

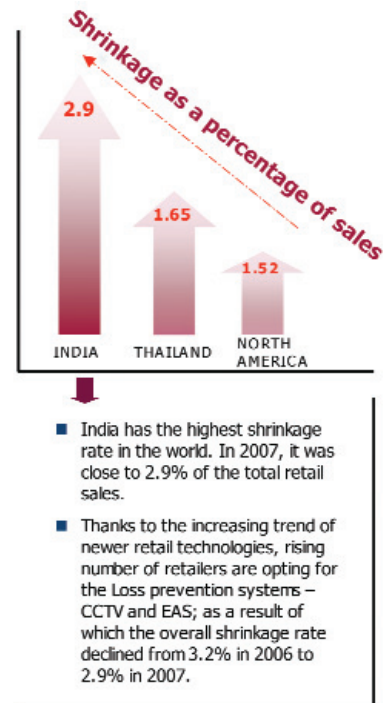
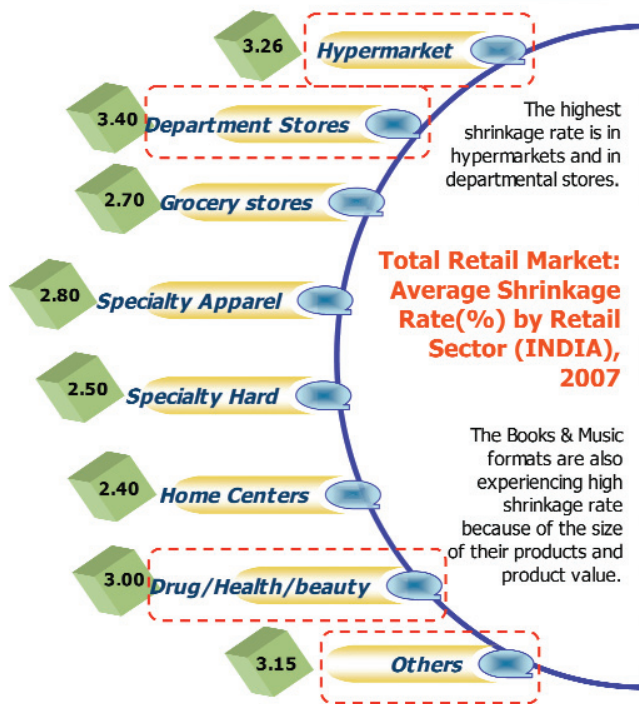


2009 - 2011 are estimates.

F&S sources: CSO, NSSO and Technopak Advisers Pvt. Ltd.

India Retail Market	2007 Retail Sales (\$US bn)	CAGR 2007-2012
Total Market	\$339.7	10.2%
Organized Sector	\$13.9	43.7%

Organized retail consists of 4% of the total Indian retail market and is expected to grow to 15% by 2011.



“To help combat their greatest sources of loss due to shoplifting and employee theft retailers are relying on EAS solutions to help improve their bottom line,” states Frost & Sullivan senior research analyst Archana Amarnath. “Since organized retail accounts for 4% of the total Indian retail market and is expected to increase to 15% by 2011, there is a huge potential for growth and an exciting opportunity for Sensormatic to educate the market and support retailers’ loss prevention goals.”

Additionally the study revealed 45% of the retailers that currently use EAS rank it as the second most important technology, second only to POS, to deliver benefits like shrink reduction and increased profitability. The rising prevalence of hypermarkets and de-

partment stores, which stock large number of products, has made EAS a must-have technology to prevent pilferage. As more retailers become educated on the benefits of EAS technologies, we expect further investment in superior solutions with greater integration and data analytics capabilities.

“With the retail boom over the last three to four years there has been an influx of world-class malls and shopping centers,” states Amarnath.

“With a larger shopping area, multiple entrances, and an open counter format, it has become difficult to deter shoplifting activity – driving the need for EAS.”

“More and more companies are looking for growth opportunities given the

current challenges in the global retail environment,” according to Frost & Sullivan chairman David Frigstad.

“The business intelligence and consulting expertise that Frost & Sullivan provides can help Sensormatic further understand current and emerging trends in the Indian retail and EAS markets. This knowledge will serve as a foundation for future product development and marketing efforts, targeted specifically for the Indian EAS market.”

For more information on the Sensormatic retail solutions portfolio or to download a summary of the Frost & Sullivan study please visit www.sensormatic.com.

Nuance Group Airport Duty Free Stores

Air Side

Case Study written by John Adams, Editor, Security Electronics & Networks Magazine

ADT Security has installed major Sensormatic brand Electronic Article Surveillance (EAS) retail security systems at multiple sites in 4 major airports around Australia for duty free retailer, the Nuance Group. The installation incorporates Sensor-matic's new Floor-Max under floor / concealed EAS system, and represents the first time EAS has been used in such a large application in an air side at airports.

RETAIL security is a major challenge for end users and integrators. A successful retail environment is built around giving customers a powerful retail experience – that means a close encounter with the items they want to purchase. But by its very nature security applications are restrictive. The typical layered security system if taken to its natural end would lock retail items inside displays protected by electronic detection and surveillance systems. The merchandise would be safe but there would be no sales.

What all this means is that any EAS application is a search for balance in

the clash between accessible retail display and the principles of security. But there's more to this story than that. These Nuance Group stores carry a range of portable high value items including fragrances, alcohol, cigarettes, electronics and other luxury goods – all of these are prime targets for thieves.

Making things more challenging still, the Nuance Group's duty free stores aren't bundled up on Main St with a ceiling, 4 walls and restricted access points lending themselves perfectly to typical EAS applications. Instead these stores are in major Australian



airports – and they're not all in classic retail environments. The biggest of them sprawls across hundreds of square metres of open terminal smack in the entry and exit thoroughfares of Australia's largest airport. It has no ceilings, no walls and no single entry and exit points.

Logically at airports, passenger thoroughfare is the central function and the Nuance Group's retail security needs take second place to the airports' demand for efficient passenger movement. And we're not talking about just a few passengers. At major Australian airports multiple large aircraft arrive at the same time. In all, around 15,000 passengers pass through Sydney Airport each day and all must go through the Nuance Group's stores. If you can visualise 200 or 300 shoppers pouring through a retail environment simultaneously in a stream constantly replenished by the arrival of new flights then you're starting to get the picture.

To read the article in its entirety please access <http://www.sensor-matic.com/SensormaticGetDoc.aspx?FileID=22307>.

"As it stands this (Sensormatic) installation is excellent. The system works, everyone is happy and we've reduced shrinkage by over 50% in the first year – obviously we are delighted with that."

Nuance Group, January 2009 Security Electronics & Networks Magazine



In-Store

We hope you have enjoyed reading this issue of In-Store, featuring insights from global retailers. We welcome your comments or suggestions on future stories by emailing InStore@tycoint.com.

If you have questions on any of the technologies discussed in this issue, by region, please visit <http://www.sensormatic.com/whoweare/Contactus.aspx> or contact the following regional marketing representative:

North America

Lee Pernice
E-mail: lpernice@adt.com
Phone Number: 1-561-981-4275

Latin America

Carolina Garcia
E-mail: carogarcia@tycoint.com
Phone Number: +56 24246734

Europe

Daxa Patel
E-mail: dvpatel@tycoint.com
Phone Number: +44 1943 743002

Australia

Tamora Wells
Phone number: +61 2 9947 7239
E-mail: tamwells@tycoint.com

Asia

Joyce Lim
Email: retail.asia@tycoint.com
Phone Number: +65 6389 8225

New Zealand

Natalie Greaves
E-mail: ngreaves@tycoint.com

<http://instore.sensormatic.com>

