In-Store

insights from global retailers

in this issue...

Great Atlantic & Pacific Tea Company, Follett, Gordmans, Under Armour, Eldorado, University of Parma, Mahaveer Wines, Sensormatic do Brasil Eletronica Ltda., Terry White Chemists

also...

Now Asian Retailers Can Achieve Better Inventory Management

In-Store

Welcome to a new edition of In-Store, your gateway to the latest trends, news, and insights in global retail. As the retail climate evolves, so does technology. In today's tough economic times, more and more retailers are investing in retail solutions that maximize profitability, improve shrink and help them be better positioned for future growth.

This issue takes you on a worldwide journey, showcasing some of the world's leading retailers. Experience first-hand as they share business challenges and successes they have achieved through implementing different in-store electronic security technologies.

We greatly value your feedback. If you have comments or ideas for stories you would like featured in future editions, please email us at InStore@Tycoint.com. Stay tuned... there's plenty more In-Store!

The Great Atlantic & Pacific Tea Company Adds Over 400 Stores to a Growing Base of More Than 16,000 Stores Worldwide Currently Monitored by Sensormatic® Analytics to Help Control Shrink and Boost Profits

In today's tough economic times, more and more retailers are investing in business intelligence to help control shrink and boost their profits. Recently The Great Atlantic & Pacific Tea Company (A&P), a leading U.S. retailer and business unit of the Tengelmann Group of Germany, deployed Sensormatic Analytics business intelligence solutions. A&P will utilize these comprehensive tools to monitor cashier activities in a combined total of more than 400 outlets, increasing the Sensormatic Analytics global customer base to more than 16,000 stores.

As a reporting and performance improvement tool for retail loss prevention and operations, the Sensormatic Analytics suite provides retailers with essential data to help uncover various sources of store losses and reduce shrink. When combined with business intelligence it can assist in meeting profit margin goals.

Founded in 1859, A&P is one of the nation's first supermarket chains. The Great Atlantic & Pacific Tea Company's family of supermarkets includes A&P, Waldbaum's, Pathmark, Best Cellars, The Food Emporium, Super Fresh and Food Basics which collectively now operates 444 stores. As the largest food retailer in the Northeast U.S., A&P needed a corporate-wide solution to address internal shrink. A&P also sought a customizable application that could be tailored to the needs of various user levels.

Based on these requirements, A&P chose the Sensormatic Analytics NaviStor® POS solution. According to Don Terreri A&P's senior director of asset protection, "The Sensormatic Analytics suite helps meet both our short-term and long-term objectives, offering us solutions that can monitor not only our POS activities, but also our pharmacy and direct store delivery areas."

His statement is reflective of responses in a recent study by Retail Systems Research (RSR), "Loss Prevention and Beyond: Survival of the Fittest," sponsored by Sensormatic Retail Solutions. Seventy-one percent of all respondents said they frequently use exception analysis reporting, a key business intelligence tool, as a critical technology in their loss prevention arsenal. Fifty-three percent of all respondents cite better business intelligence as needed to make effective use of the vast amounts of loss prevention data that exists, especially from video surveillance systems.

In tough economic times many retailers have been forced to reduce staff levels while facing the reality of rising shrink. Investing in store business intelligence technologies is one of the best ways to maximize profitability, improve shrink and be better positioned to survive the economic turmoil.

For more information on Sensormatic Analytics powered by Retail Expert visit http://www.sensormatic.com/Products/StoreBusinessIntelligence2/SBI_home.aspx

The Great Atlantic & Pacific (A&P) Tea Company, Inc., founded in 1859, is one of the nation's first supermarket chains. The Company operates 436 stores in 8 states and the District of Columbia under the following trade names: A&P, Waldbaum's, Pathmark, Best Cellars, The Food Emporium, Super Foodmart, Super Fresh and Food Basics. To learn more about A&P, visit http://www.aptea.com/.

53% of all respondents cite better business intelligence (RSR)

71% of all respondents frequently use exception analysis reporting (RSR)

> ❝The Sensormatic Analytics suite helps meet both our short-term and long-term objectives, offering us solutions that can monitor not only our POS activities, but also our pharmacy and direct store delivery areas.❞
>
> *Don Terreri, Senior Director of Asset Protection, A&P*

Sensormatic® Analytics and Retail Operation Services Helps Leading U.S. Retail Chains Follett Higher Education and Gordmans Department Stores Reduce Theft and Boost Store Performance

As retailers brave the challenging economic climate, many are cutting back on staff to curb operating costs and help improve profits. To weather the storm they are relying on smart technology tools to deliver actionable intelligence to prevent loss and enhance store performance. Across many vertical markets, retailers worldwide are experiencing a boost in productivity through Sensormatic Analytics expanded services offered by ADT.

With Sensormatic Analytics retail operation services, retailers can get up to speed faster by working with a team experienced in generating effective reporting. Leading retailers such as Follett Higher Education and Gordmans are taking advantage of the teams' skills to make effective use of vast amounts of data to drive operational efficiencies. Sensormatic Analytics, a comprehensive

exception reporting and performance improvement solution for retail loss prevention, provides retailers with intelligent data to help meet their profit margin goals.

To complement its Profit Navigation Systems product family, the retail operation services team is comprised of experienced retail loss prevention (LP) personnel who have successfully managed and improved loss prevention programs at both the corporate and the field level. With solid experience throughout the retail industry from big box to specialty, grocery to hard lines; they're ready to navigate retailers to the profits and performance they need to compete in the retail industry by designing and supporting customer programs that include:

- Proficiency training on understanding data and making it work

- Data analysis
- Assessment of the program designed around the use of the profit navigation systems
- System administration
- General LP procedure and program evaluation
- Consulting related to physical inventory preparation, execution and shrink analysis

Follett Higher Education, the largest college bookstore retailer in North America, augmented their Sensormatic Analytics NaviStor program with the support of retail operation services by developing improved key performance indicators and stronger exception reporting approaches through dashboard customization.

Since deploying NaviStor exception reporting capabilities, Follett Higher Education, the largest college bookstore retailer in North America, increased its exception detection rate by 87% and showed a decrease of 46% in average admission dollars indicating that they were uncovering cases much earlier. With the additional support of Sensormatic Analytics retail operation services, Follett improved its key performance indicators and strengthened its exception reporting approaches with dashboard customization.

> "Follett increased its exception detection rate by 87% and showed a decrease of 46% in average admission dollars indicating that they were uncovering cases much earlier."
>
> *Tom Provost, Senior Manager Loss Prevention, Follett*
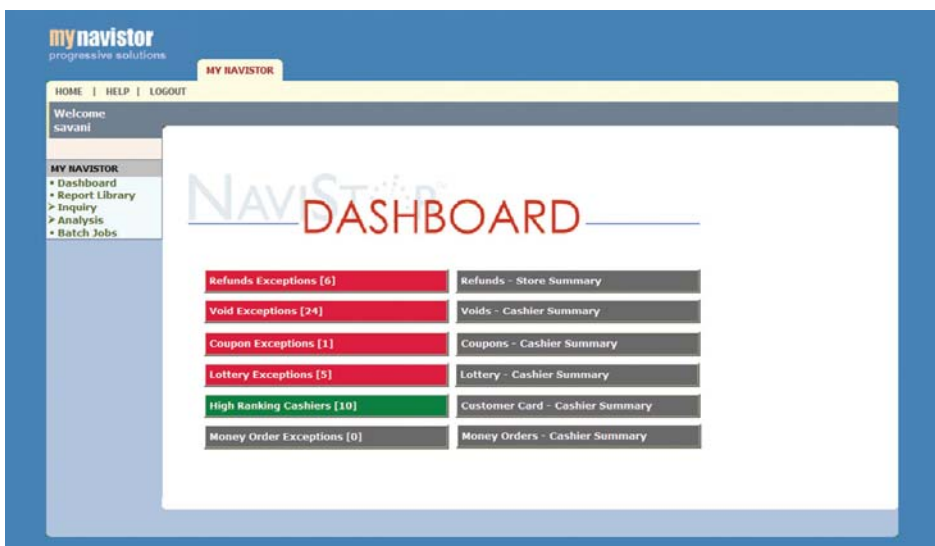
Follett Corporation is a $2.3 billion, privately-held company that provides products, services and solutions to the educational marketplace. Follett Corporation was founded in 1873, and is headquartered in River Grove, Illinois.
To learn more about Follett, visit, http://www.follett.com.

"Our largest growth has occurred over the last 20 years resulting in over 800 stores and high volume e-sales," said Tom Provost, Sr. Manager Loss Prevention, Follett. "In terms of loss prevention resources we are spread very thin to deliver bottom line shrink numbers. Retail operation services coupled with a solution like NaviStor, with investigative capabilities for identifying fraud, provided an optimum return on investment (ROI) without having full-time dedicated resources found in larger retail operations. Now we can identify fraud and in turn create meaningful exception reports. Our investment has more than paid for itself."

The retail operation services team consults with retailers to help develop an effective exception reporting program in order to expedite and maximize their ROI. Whether they are looking to create an exception reporting program or further refine an existing program, the team will work with retailers to establish a strong foundational LP approach while still addressing any challenges unique to their store operations. The program can be customized to include an analysis of the entire LP effort depending on retailers' needs.

Gordmans, a U.S. chain with 65 department stores represented in 16 states, features a wide selection of merchandise. By

conducting proficiency training on their NaviStor POS exception reportingmodule, Gordmans reaped the benefits of the retail operation services teams' unique set of skills.

"To help us interpret data from a statistical perspective to create more useful and meaningful exception reports and scorecards, the team performed valuable refresher and proficiency training for our Asset Protection corporate users as well as Asset Protection District Managers and Market Managers. Their efforts resulted in educating our group in documenting areas of exposure and following up on identified suspect activity to produce more actionable data to achieve operational improvements," stated Jeff Hunter, Manager of Investigations for Gordmans.

"Through their on-site training on data analysis, exception reports and scorecards we are able to better analyze our own data, make better decisions on what and how much information to look at and ultimately how to measure and score the information to make it even more meaningful across the organization," added Hunter.
By combining good data with intelligent

direction, Sensormatic Analytics retail operation services provides the analysis and measurement assessment to generate productive reports from retailers data.

"Our retail customers gain a tremendous advantage in tapping the analytical skills of the team," said Bill Handy, a member of the Sensormatic Analytics retail operation services team. "The retail operation services experts can maximize the capabilities of our store business intelligence technologies to create effective reporting that helps drive operational efficiency and profitability for retailers today – at a critical time when they need immediate results to be better positioned for future growth."

For more information on our retail operation services contact Bill Handy at bhandy@tycoint.com and Corey Adams at coreyadams@tycoint.com.

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

"The retail operation services team helped us interpret data from a statistical perspective to create more useful and meaningful exception reports and scorecards to achieve operational improvements." Jeff Hunter, Manager of Investigations, Gordmans

gordmans
something unexpected®

Gordmans features a large selection of the latest styles and name brands at up to 60 percent off department and specialty store prices every day. The wide range of merchandise includes apparel for all ages, accessories, footwear, home fashions, gifts, designer fragrances, fashion jewelry, bedding and bath, accent furniture and toys. Founded in 1915, Gordmans operates 65 stores in 16 Midwestern and surrounding states. For more information about Gordmans, visit http://www.gordmans.com.

Under Armour Improves the Customer Retail Shopping Experience with Sensormatic® Overhead People Counting

Under Armour® (NYSE: UA) is a leading developer, marketer, distributor and retailer of branded performance apparel, footwear, and accessories. The Company's products are sold worldwide and worn by athletes at all levels, from youth to professional, on playing fields around the globe. The Under Armour global headquarters is in Baltimore, Maryland, with European headquarters in Amsterdam's Olympic Stadium, and additional offices in Denver, Hong Kong, Toronto, and Guangzhou, China. For further information, please visit the Company's website at http://www.underarmour.com.

ADT® is helping retailers in these tough economic times improve sales conversion rates with the latest technology that can help them analyze customer shopping patterns. The Sensormatic Overhead People Counting sensor platform captures people-counting data, which then can provide important insights to retailers. Globally recognized performance apparel retailer Under Armour now uses this real-time intelligence tool to help improve profits and reduce operational costs at its company branded retail locations.

According to Frank Albany, Director of Loss Prevention for Under Armour, "The Sensormatic Overhead People Counting platform has enabled us to identify important customer trends such as peak shopping hours, traffic counts, sales conversion ratios, tracking and trending sales per staff member and department as well as help measure advertising effectiveness. Its built-in analytics and advanced data capture technology helped us improve store layouts and reduce theft by measuring and evaluating our labor efficiencies, ultimately to drive sales."

Sensormatic Overhead People Counting from ADT can distinguish between incoming and outgoing shopper traffic, count side-by-side traffic and track multiple people simultaneously. Comparing people counting information to sales transaction data allows retailers to calculate the rate of sales per customer visit. Sensors detect and count the number of shoppers entering and leaving a store, placing a time stamp on each count to provide detailed reports highlighting data the retailer decides is important to track. This data can be merged with time and attendance systems to ensure the store is properly staffed to meet customer demand during the busiest times.

Additionally the data allows retailers to measure the effectiveness of advertisements and promotional activity. This valuable operational information provides retailers additional value from their loss prevention and security solutions.

Knowing how many people frequent their store and at what time gives Under Armour the ability to focus on a number of operational areas such as how many sales people are required, sales rates and which promotions and ads are attracting shoppers to their stores. Additionally ADT provides Under Armour with an integrated security solution approach that includes burglar and fire alarm, video systems, as well as Electronic Article Surveillance (EAS). This integrated product family helps provide Under Armour with efficient and effective loss prevention management for stores in multiple locations.
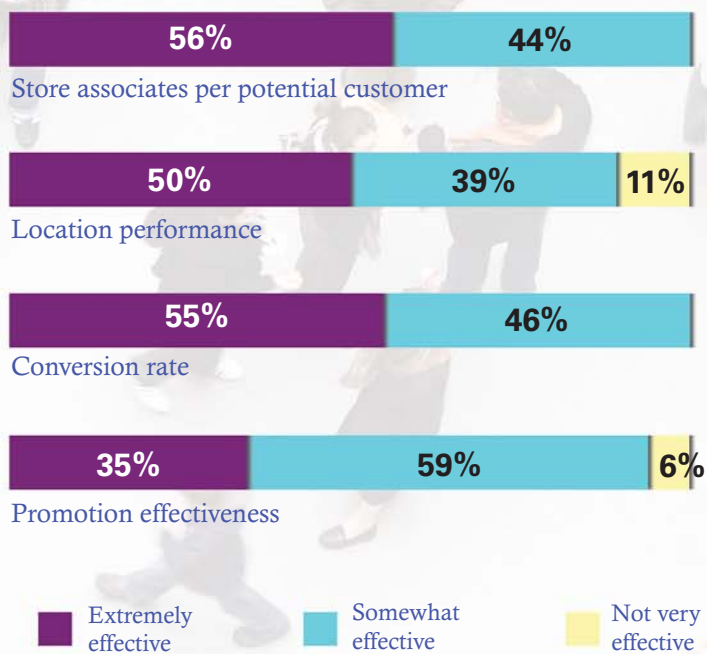
For more information on Sensormatic Overhead People Counting visit http://www.sensormatic.com/Products/StoreBusinessIntelligence2/SmartEAS/Clarity_Overhead_People_Counting.aspx

"The Sensormatic Overhead People Counting platform has enabled us to identify important customer trends. Its built-in analytics and advanced data capture technology helped us improve store layouts and reduce theft by measuring and evaluating our labor efficiencies, ultimately to drive sales."

Frank Albany, Director of Loss Prevention for Under Armour

People Counting Impact on Store Performance

Store associates per potential customer
| 56% | 44% |

Location performance
| 50% | 39% | 11% |

Conversion rate
| 55% | 46% |

Promotion effectiveness
| 35% | 59% | 6% |

- Extremely effective
- Somewhat effective
- Not very effective

Source: AMR Research, Store Traffic Counting Technology, Final Findings - January , 2007

Eldorado Modernizes its Stores with the Latest Electronic Security Systems

Russia's largest consumer electronics retailer Eldorado, with over 1000 stores in Eastern Europe and Central Asia, switched from Radio Frequency (RF) technology to the high performance Sensormatic acousto-magnetic (AM) Electronic Article Surveillance (EAS) systems as a standard for its store chain. Over the past three months Eldorado completed the final roll out by installing Sensormatic EAS systems in the remaining 80 stores.

Designed to provide anti-shoplifting security for retailers that require checkout lane protection, the Sensormatic® Ultra•Lane® system provides reliable and effective AM technology with a high detection rate to protect high valued electronics merchandise available at Eldorado stores.

In an effort to preserve their store design and aesthetic appeal, Eldorado selected the Sensormatic Ultra•Lane for its ultra thin design and durability. The small size Ultra•Lane antennas can be mounted into cash register's modules (or can be mounted on a support structure in the middle of the exit aisle) without obstructing customer and shopping cart traffic.

The pedestal's ultra-thin, yet durable design offers protection for Eldorado's checkout lanes with minimal impact on shopping cart passage as well as provides an aesthetically pleasing look that preserves the store design. The system is based on Sensormatic Ultra•Max® Acousto Magnetic technology, which is the same technology used by leading retailers around the world to protect their valuable merchandise from theft.

In an effort to preserve their store design and aesthetic appeal, Eldorado selected the Sensormatic Ultra·Lane for its ultra thin design and durability.

Too much electronic "noise" found in electronics store settings can impact Radio Frequency (RF) performance; thus, Eldorado selected the Sensormatic anti-theft solution. With virtually no false alarms, the Ultra•Lane AM technology offers superior detection performance with the Sensormatic patented resonator technology and new high coercivity bias to achieve high detection that is resistant to detuning by such elements as metal, foil, liquids and magnetic fields – a must for an electronics format like Eldorado. In order to improve efficiency at the front end, they installed the Power Pad® contact-free deactivators into the counters, ultimately enhancing the customer experience with faster check-out.

According to the General Director of Eldorado I. Nemchenko, "specialists of the SM TRADE [an authorized business partner for Sensormatic] have earned the best reputation by providing great assistance in creation of the effective anti-theft system, which in turn provides stable operations at the Eldorado stores in all cities where the chain is present."

For more information on Sensormatic UltraLane and other EAS detection systems, visit http://www.sensormatic.com/Products/EAS/DetectionSystems/PedestalSystems/PedestalSystems_home.aspx

ADT Partners with the University of Parma RFID Lab for RFID Impact on Fashion Industry Supply Chain Project

ADT partnered with the RFID Lab at the renowned University of Parma for the project "The Impact of RFID Technology on the Fashion Industry Supply Chain," with the goal of demonstrating a return on investment for supply chain management of fashion apparel using Radio Frequency Identification (RFID) technology. The conference which took place in April marked the first full year of research activity by the Board of Fashion Advisors at the RFID Lab - University of Parma (the corporate committee for the fabric and garment sector, handling laboratory research activities and technologies aimed at the specific market sector). As part of its ongoing efforts, ADT supplied Sensormatic RFID technology to support research conducted on supply chain management. Working in conjunction with this respected institution supports ADT's strategy for moving Sensormatic Item Level Intelligence solutions forward into the growing apparel industry.

"RFID in fashion is becoming more important, especially in helping retailers address out of stocks and gaining better access to their merchandise," according to Antonio Rizzi, Full Professor Industrial Logistics & Supply Chain Management Department of Industrial Engineering, University of Parma. "ADT has tremendously supported our RFID lab in creating the RFID fashion store, an RFID enabled retail environment. They provided us with their innovative technology solutions for the intelligent management of merchandise to ultimately improve retail operations."

Offering a comprehensive technology portfolio for in-store environments, ADT provided the University with an integrated Sensormatic RFID and acousto-magnetic Electronic Article Surveillance (EAS) technology solution set including the Sensormatic AMD-3050 SuperTag® Power Detacher, Ultra•Exit 2M threshold crosser, CBC-4020 UltraLink® People Counter and the award-winning

UNIVERSITÀ DEGLI STUDI DI PARMA

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Sensormatic® iREAD platform – blending traditional AM technology with innovative RFID technology to manage item level intelligent tags at the point-of-sale (POS). Along with the Sensormatic® EAS technologies, the EAS dual Ultra•Exit system, the SmartEAS system is linked to the EAS system with Alarm Management and Traffic Flow modules with overhead systems and software managed remotely online (Alarm Management and People Counter) at the POS.

The Sensormatic® iREAD platform offers a flexible, scalable and easy to install single infrastructure integrating EAS, RFID and other sensor technologies to help retailers improve inventory control, allowing them to dramatically reduce the cost and complexity of RFID at item-level within the store. The iREAD solution preserves data integrity from merchandise items on the store floor to provide information accuracy that drives intelligence back into the supply chain. Retailers can adapt the Sensormatic iREAD platform to any type of display - shelves, exhibition stands, support structures, etc., offering retailers greater visibility within the POS and inventory - allowing them to be more proactive and keep up with the latest trends. With the iREAD platform retailers can achieve better customer satisfaction and increased sales through improved item availability.

According to Rizzi, "Through this project at the distinguished University of Parma retailers in Italy are encouraged by this major advancement in the use of RFID technology in retail, consisting of numerous investigations and academic-based projects like this one, designed for more in-depth feasibility studies in order to continually gain more acceptance nationally."

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

Mahaveer Wines India Embraces the Sensormatic® Ultra•Tag® to Help Control Theft and Maintain Profits

Mahaveer Wines is a franchise of United Spirits Limited (USL), the INR 5500 core spirits arm of the UB Group. USL is the largest Spirits Company in India and among the top three spirits companies in the world, selling 90 million cases in 2008-2009. Headquartered in Banga-lore, USL has a portfolio of more than 140 brands, 19 of which are millionaire brands (selling more than one million cases a year). For more information, visit http://www.unitedspirits.in

As part of India's leading Spirits Company, Mahaveer Wines faces the same chal-lenges of retailers worldwide - as business expands so does shrink. Until Mahaveer Wines became a franchisee of United Spirits they were not practicing open merchandising. Although customer de-mand was high the merchandise was selling, but with a great amount of risk. Once they committed to displaying items openly instead of locking up wines and spirits, they began searching for Elec-tronic Article Surveillance (EAS) solutions.

A major market study in December 2008 for Sensormatic by the Growth Partner-ship Company Frost & Sullivan (F&S) identified the need for loss prevention solutions in India, which helps shed light on the challenges Mahaveer faced. According to F&S by 2012 the India retail market is projected to grow to around

$551.4 billion, with organized retail for-mats (characterized as chain stores and stores that are subject to central owner-ship or franchisees) at a projected 44 per-cent Compounded Annual Growth Rate (CAGR) – compared to CAGR of 19.5 per-cent between 2003 and 2007. As F&S reported shoplifting accounts for over 50 percent of loss in the Indian retail market, 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 as F&S reported.

With rapid industry development, the majority of retailers like Mahaveer need to focus on improving loss prevention solutions that maximize growth and prof-itability. For Mahaveer open merchandis-ing of wine was a new concept. They

required a solution that offered them the freedom to display products openly to customers, standardize product displays and reduce losses while increasing sales. To meet their needs they selected the highly effective Ultra•Post® acousto-mag-netic (AM) electronic article surveillance (EAS) detection system and the Ultra•Tag MT in their retail outlets.

After testing Radio Frequency (RF) versus AM technologies in the same retail set-ting Mahaveer staff found the detection rate of the AM system was greater than 95% while the RF system detection rate was less than satisfactory.

According to Mr. M.M. Anantha Murthy, a Partner of Mahaveer Wines, "We found the Sensormatic Ultra•Tag MT to be the ideal tagging solution. Most importantly the detection rate for the Sensormatic EAS system is almost 100%, with the tag detected at exit unlike the RF system which didn't detect the tag at exit."

With easy application to in-store inven-tory, the multipurpose Sensormatic Ultra•Tag helps store personnel save significant time in protecting stock. Its compact design also has eliminated the need for the chain to realign its shelving – a major disruption that larger tags could otherwise require. The tag's easy detach-ment also saves employee time at check-out while helping customers get through check-out faster. These benefits support Mahaveer's goal of cutting theft, improv-ing customer service and, ultimately, increasing profitability.

For more information on the Sensormatic Ultra•Tag platform visit http://www.sensormatic.com/Products/EAS/HardTags/HardTagsFamily/UltraTag_Platform_Home.aspx.
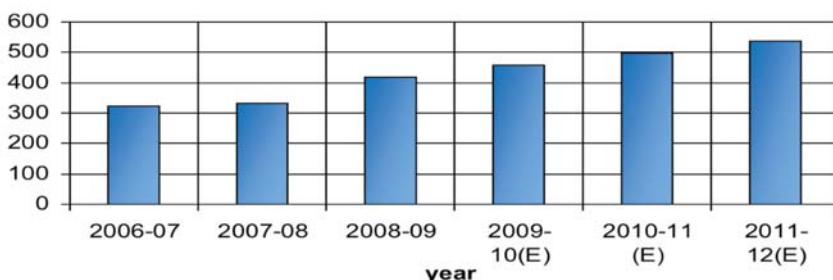
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Mr. M.M. Anantha Murthy, a Partner of Mahaveer Wines

Indian Retail Market Overview

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

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.

2009 - 2011 are estimates.
F&S sources: CSO, NSSO and Technopak Advisers Pvt. Ltd.

Now Asian Retailers Can Achieve Better Inventory Management

ADT® recently announced the Asian debut of the Sensormatic® real-time inventory visibility solutions suite to improve retail inventory management. The Sensormatic Item Level Intelligence product suite is part of ADT's efforts to offer retail customers integrated technology solutions to help them gain better control, security and visibility into their inventories and increase operational efficiencies. Targeted for specialty apparel and book retailers, these solutions provide retailers the capability to know what goods they have in their stores and their quantities, all without time-consuming and error-prone manual counting of inventory.

Given the item-level intelligence these solutions offer retailers, they can also determine where the goods are located: whether on shelves or displays, in the back storeroom, misplaced or missing.

Retailers in Hong Kong, for example, can now effectively address lost sales due to inventory inaccuracies, one of their most significant forms of loss that undermines their profitability. ADT's Sensormatic real-time inventory visibility solutions incorporate the TrueVUE™ RFID software platform and networking products. Retailers can enhance their store environments, optimize supply chain, generate incremental revenue and achieve better customer satisfaction through:

- Maximizing the availability of merchandise on sales floor by reducing out-of-stocks
- Improving inventory accuracy and minimizing overstocking
- Increasing item visibility from the back room, dressing room and front exits
- Locating the right item quickly and checking the availability of the item within the store using innovative multi-sensor technologies

"Tracking in-store inventories accurately and reducing out-of-stocks situations are key challenges to retailers as these can lead to lost sales and higher operational costs. With real-time inventory visibility, retailers can reduce out-of-stocks by up to 50% by ensuring greater product availability for their customers through accurate stocks replenishment. The new Sensormatic Item Level Intelligence solutions offer retailers a complete enterprise solution using advanced multi-sensor technologies in a multi-layered approach to control shrink and optimize operations, thereby increasing profitability," said Roger Tsang, General Manager of ADT Security, Hong Kong and Macau.

Technology market research and strategy consulting firm VDC Research Group profiled two retail pilot projects in a whitepaper sponsored by Sensormatic Retail Solutions titled "Chaos in the Retail Cosmos." VDC cited the following benefits associated with using Sensormatic Item Level Intelligence solutions for a leading book retailer and European department store during the pilot projects:

- Inventory accuracy increased to 97.5 percent from 65 percent - book retailer
- Replenished close to 75 percent of the inventory with semi-automated inventory replenishment system - book retailer
- Enhanced store revenues by almost 15 percent compared to stores lacking the technology due to an immediate order capability enabled by item level management - book retailer
- Eight minutes to receive all incoming shipments instead of one hour – an 87 percent improvement - European department store
- Updated information on shelf inventory levels every 10 minutes drastically reduced retailer's potential for stock-outs - European department store

The complete Sensormatic Item Level Intelligence solution platform, combined with ADT's global sales and service capabilities, are uniquely positioned to help retailers worldwide scale and execute real-time inventory visibility solutions that can optimize profitability, cut costs and better retain customers.

For more information on Sensormatic Item Level Intelligence powered by VUE Technology, please visit http://www.sensormatic.com/Products/RFID/RFID_home.aspx.

Inventory accuracy increased to 97.5% from 65% - book retailer

Replenished close to 75% of the inventory - book retailer

Enhanced store revenues by almost 15% - book retailer

87% improvement receiving incoming shipments - European department store

Sensormatic Item-Level Intelligence Improvements to inventory management

Sensormatic do Brasil Eletronica Ltda. Provides Anti-Theft System for Drugstores

The pharmacy and drugstore format is constantly growing and transforming. To ensure profitability in the business, retailers in this segment are investing in product diversity, new markets, top talent and electronic security. According to Abrafarma (Brazilian Association of Pharmacy and Drugstore Networks), in 2007 pharmacy networks spent $35 million in security solutions to reduce goods theft, which totaled approximately $42 million last year.

To meet this challenge, Sensormatic do Brasil Eletronica Ltda., a company specializing in electronic security solutions for retail, initially installed the Electronic Article Surveillance (EAS) anti-theft system, known in Brazil as Vigilância Eletrônica (Electronic Monitoring) of Goods, in over 15 stores of Drogaria São Paulo -- one of the largest pharmacy networks of the national market. Today, out of the more than 240 Drogaria São Paulo stores, 90 are protected by Sensormatic® solutions.

Based on the highly effective Ultra•Max® acousto-magnetic (AM) anti-theft technology, Sensormatic EAS systems offer the highest levels of anti-theft detection capabilities available today – a top priority shared by leading retailers. For Drogaria São Paulo, the Sensormatic solution helps create a more convenient shopping experience while protecting items, especially those high theft self service items commonly found in drugstore settings.

AM-based Sensormatic EAS systems help retailers like Drogaria São Paulo detect thefts of metal-based or metal-packaged goods. The AM technology can also detect security tags on goods in metal shopping carts. AM systems have the highest detection rates to protect all types of products commonly sold at Drogaria São Paulo stores. Given the

smaller Sensormatic AM tag size compared to the larger RF tags, Drogaria São Paulo can protect a wider variety of items without masking consumer brand, dosing and other important product information.

"By investing in such security, the biggest goal of drugstores is to reduce shoplifting, especially in times of economic crisis as we are experiencing," explains Luciano Bottura, product manager, Sensormatic do Brasil Eletronica Ltda. "According to our experience shoplifting can result in a loss of up to 1% a year, and the most stolen products are pills - painkillers, muscle relaxants and anti-impotence-, along with shaving devices, sunscreen and suntan lotions because they are easier to be put in pockets or bags."

Also Bottura adds that when pharmacies don't have anti-theft protection systems, they choose to restrict goods which results in reduced sales.

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

Who Helps Protect the Best Pharmacies?

Front of store merchandise is especially vulnerable and when left exposed, can devastate a pharmacy's profitability. It's no wonder that retailers rely on Sensormatic® anti-theft solutions from ADT® to help provide the cure.

For example, Terry White Rockingham (Terry White Chemist's Pharmacy of the Year 2008), asked Sensormatic for a total solution embracing:

- Wide aisle checkout technology
- Friendly, welcoming aesthetics
- Performance without false alarms
- Tags that did not cover up important information or overpower perfumery packaging.
- No barriers at the forward central pay station
- Discreet camera systems,

to create a management system to control theft in their pharmacy.

An added problem was a pay/cash desk that could not accommodate pedestals

because of the narrowness of this new store design. Sensormatic Electronic Article Surveillance (EAS) systems are ideal for pharmacy retailers, with insertable anti-theft items and reusable tags for sunglasses, hats, toys and gift items. Combine these benefits with ADT Security's 24/7 monitored intruder and smoke alarms, access control and video surveillance, and retailers like Terry White Chemists have a powerful system to help protect their pharmacy.

Pharmacists incorrectly assume that if they don't tag everything they won't get results. And to tag everything means a great deal of work, therefore, they do nothing. The 80/20 rule, and staff training that reinforces the use of the manufacturer's barcode as part of the deterrent aspect of the system, now has the pharmacist seeing the system as a management tool to increase bottom line profits by controlling shrink.

Terry White Chemists, Rockingham utilized Sensormatic's wide aisle pedestals in the two major openings; the major opening of eight meters was covered by

the four pedestal system, the second opening had merchandise close to the store front which had to be both seen and accessible.

The new Ultra•Exit system was used, giving total coverage to the four meter opening while maintaining the pulling power of the specials located behind the Sensormatic slim line pedestals. Now surpassing over 75,000 Ultra•Exit units shipped worldwide, the system offers a triple combination: contemporary design, wide range of models for different retail formats and the highly effective Ultra•Max® acousto-magnetic (AM) anti-theft technology - ideal for protecting metal-based or metal-packaged goods commonly found at Terry White Chemists.

The main pay station was protected using one single pedestal in the middle; the field of coverage was extended by using Ranger antennas' inserted into the door frame. This configuration provided the checkout style pay station the coverage needed without pedestals intruding into the important customer payment area.

Terry White Rockingham chose to use the Sensormatic video surveillance system to further reinforce the deterrent effect to reduce losses. Through a total solution approach from ADT, Terry White Chemists achieves superior EAS protection combined with aesthetics to improve store operations and protect their profits.

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

ADT Security is your one-stop shop for Pharmacy loss prevention and security solutions. To find out more, visit is http://www.adtsecurity.com.au/retail.

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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
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If you have questions on any of the technologies
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