

# In-Store

*insights from global retailers*

Summer 2010

*in this issue...*

ADT Teams with Microsoft,  
RSR Study, Dolby Entertainment,  
K&G Fashion Superstore,  
Messcalino, Shoprite,  
University of Parma

*also...*

La Rinascente, Topshop, Courts,  
ION Orchard, The Wembley Hotel

Theaters equipped with Sensormatic EAS  
anti-theft systems help to deter theft or  
accidental removal of 3D glasses



Sensormatic



KANTECH

SOFTWARE HOUSE

Welcome to a new edition of In-Store featuring the latest trends, news and insights in global retail. The evolution of the retail environment continues to drive the need for changes in technologies designed to help address retailer pain points. In today's challenging climate retailers are investing in solutions that help maximize profits, enhance operational efficiencies and improve shrink to help boost the bottom line and create growth opportunities.

This issue spotlights leading retailers from a variety of vertical markets in Asia Pacific, Europe, and North America. Learn more about their first-hand experiences as they share business challenges and successes achieved through deploying various in-store technologies that meet a broader array of pain points for their retail settings.

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](mailto:InStore@tycoint.com). Stay tuned....there's plenty more In-Store!

Managing Editor: Gay Gagliardi



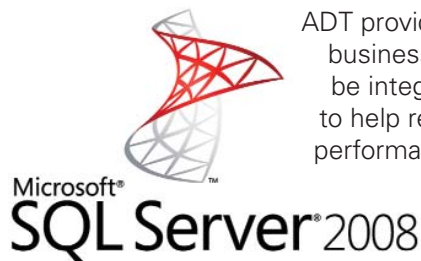




## ***ADT Teams With Microsoft to Expand Delivery of Sensormatic Analytics Business Intelligence Solutions***

***ADT Delivers Innovative Store Business Intelligence Suite that Operates on a Microsoft Software Platform to Help Retailers Manage Store Data.***

To help retailers manage store data, ADT Security Services delivers the innovative Sensormatic Analytics store business intelligence suite based on Microsoft SQL Server 2008. The technology advantages of Microsoft software give ADT retail customers the ability to improve investigative capabilities to identify fraud and assess operational metrics.



ADT provides a comprehensive store business intelligence suite which can be integrated with video surveillance to help retailers enhance operational performance and meet their financial

goals. By deploying Sensormatic Analytics built on Microsoft SQL Server 2008, ADT can leverage the retailer's existing IT infrastructure and workforce to expedite the implementation process. As a reporting and performance improvement tool for retail operations, the Sensormatic Analytics suite is designed to provide retailers with actionable data to help uncover various sources of store losses.

Retailers are looking to Sensormatic Analytics with Microsoft software to make effective use of vast amounts of data from their video surveillance systems. The solution is ideal for supermarket, apparel, drug, discount, and specialty store chains to satisfy their need for business intelligence that can help control theft and improve operational efficiencies.

"With inventory shrinkage due to shoplifting, employee theft, vendor fraud and administrative error costing U.S. retailers more than \$36 billion last year, retailers must tap into the next generation of store-level business intelligence solutions to save critical dollars," said David Gruehn, U.S. retail industry solutions director, Microsoft Corp. "ADT's Sensormatic Analytics solutions, based on Microsoft SQL Server 2008, enables retailers to maximize integrated smart technology and advanced data analytics to prevent losses, improve operations and keep profits higher."

Rather than combing through manual reports and logs, retailers can now have an accurate picture painted for them about what's going on in their stores. Nothing could be clearer than a video showing no customer in line while a cashier is processing a refund. This is just one example of the benefits available from this combined solution.

Additional platforms that retailers can leverage for the Sensormatic Analytics solutions suite include relational database offerings from other companies.

For more information on Sensormatic Analytics solutions visit [www.Sensormatic.com/Products/StoreBusinessIntelligence2/sbi\\_home.aspx](http://www.Sensormatic.com/Products/StoreBusinessIntelligence2/sbi_home.aspx).

***"With inventory shrinkage due to shoplifting, employee theft, vendor fraud and administrative error costing U.S. retailers more than \$36 billion last year, retailers must tap into the next generation of store-level business intelligence solutions to save critical dollars."***

***- David Gruehn, U.S. retail industry solutions director, Microsoft Corp.***



## ***K&G Fashion Superstore Deploys Integrated Loss Prevention and Security Solutions***

K&G Fashion Superstore, a subsidiary of The Men's Wearhouse, Inc. in the United States and an affiliate of Moore's Clothing for Men in Canada, deploys loss prevention and security solutions from ADT Security Services for all of its 107 stores across the United States and Canada. The retailer is replacing existing anti-theft systems with ADT's Sensormatic anti-theft solutions to help protect merchandise and limit losses due to shoplifting and theft.

K&G Fashion Superstore is installing Sensormatic Ultra•Max EAS anti-theft pedestals from ADT at store exits and will use the system's anti-theft tags and labels on merchandise and products throughout the stores. The retailer will benefit also from ADT's industry-leading Sensormatic source-tagging program, where anti-theft tags are applied to merchandise at the point of manufacture. More than five billion tags per year are placed on products or in their packaging by product manufacturers as part of the source-tagging program.

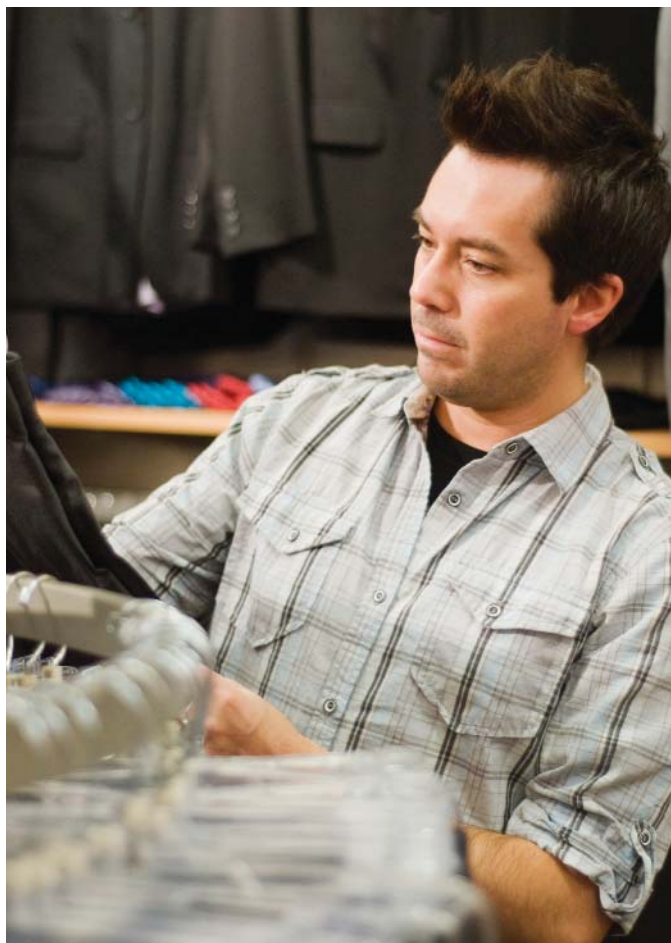
The move to the new system was prompted by K&G's desire to continue to better serve its customers with higher quality brands at discounted prices, according to Frank Serra, Director of Loss Prevention.

"It is important for us to provide our customers with quality merchandise, value for their dollar and a first-rate shopping experience," said Serra. "To do that, we need to use the best technology solutions available to protect our products while allowing them to be openly displayed and available for purchase at the lowest possible price."

At selected K&G stores, cameras and digital recorders will be integrated into the loss prevention and security solutions.

Some stores will also include public view monitors - video screens placed in key locations that are a visual reminder to potential retail criminals they are being monitored. ADT has provided K&G with burglar and fire alarm services for a number of years and is now expanding the relationship to include additional security, as well as loss prevention services.

For more information on Sensormatic EAS detection systems visit [www.Sensormatic.com/Products/EAS/DetectionSystems/DetectionSystems\\_home.aspx](http://www.Sensormatic.com/Products/EAS/DetectionSystems/DetectionSystems_home.aspx).



## Report Reveals Areas Where Retailers Can Reduce Theft and Improve Store Efficiencies

*Better Business Intelligence, More Accurate Inventory Tracking and More Creative Uses of Existing Technologies Are Key to Improving Profits.*

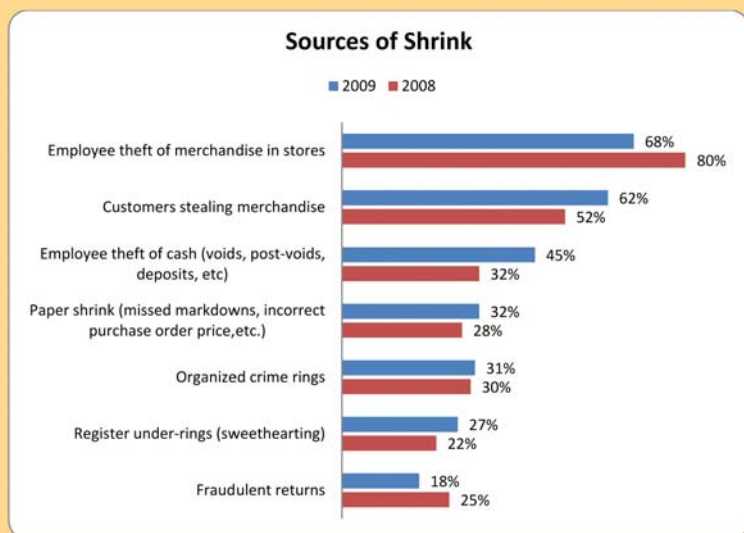
A new study, sponsored in part by ADT and its Sensormatic Retail Solutions group, reveals the need for retailers to focus on technology solutions that enhance their current operational goals and combat theft without adding labor costs. "Loss Prevention 2010: Retailers Battling Shrink in Tough Times," found that during these challenging economic times, retailers face increased pressure to identify better business intelligence, improve inventory accuracy, and embrace more innovative uses of existing investments as a means to improve profitability and conserve working capital.

Retailers are focused on getting the most value from their existing investments in both high and low-tech tools without having to add people to review detailed data, according to Paula Rosenblum, an analyst

and Managing Partner for Retail Systems Research (RSR) and co-author of the report.

The on-line survey of 83 small to large multi-national retailers was conducted by RSR in the fall of 2009. Retailers identified their top three sources of shrink as employee theft of merchandise, shoplifting and employee theft of cash.

Over the past year, RSR reports that 44 percent of retailers have experienced a rise in theft, likely due to challenging economic conditions. Findings indicate that top retail performers - those whose sales growth outpaced the three percent industry average - place an even higher priority on Loss Prevention (LP): 78 percent report an increase in year-over-year LP's priority, vs. 43 percent of underperformers.



### Among the more detailed findings:

Retailers report employee theft of cash has increased from 32% to 45% of total losses. This appears related to challenging economic conditions and has prompted retailers to recognize the need for better business intelligence to analyze results, rather than more staff to examine report details.

"Given the challenging conditions retailers will face in the near future, any technology enhancements must help to reduce labor costs while delivering better business intelligence," said Rosenblum. "Tools such as Video Surveillance, Returns and Void Management, Exception Analysis Reporting and Cash Management are crucial for retailers to be more profitable. Retailers are also paying more attention to managing their item level perpetual inventory systems to gain better insight into lost sales."

The report further identified areas where retailers have seen a more direct effect from the economy, most importantly, a faster rise in external theft versus internal:

- Individual customer theft of merchandise (28% increase)
- Organized gangs stealing merchandise (25% increase)
- Employee theft of cash (19% increase)

Additional study findings reveal top retail performers use business intelligence tools

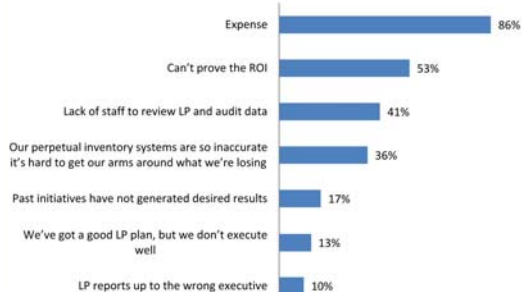


more frequently such as exception analysis reporting at 68 percent and returns/void management at 65 percent. To enhance the value of existing investments without adding staff to review detailed data, 31 percent of respondents report using inventory tracking systems.

The information revealed in the research indicates the methods of retail theft are shifting. As a result, loss prevention tools must adapt to those changes. In a tough economy, resourceful retailers are looking beyond traditional tagging and stand-alone surveillance to include software based analytic tools, integration and better inventory management systems.

A free copy of the 24-page report sponsored in part by ADT and its Sensormatic Retail Solutions group can be obtained at: [www.retailsystemsresearch.com/\\_document/summary/1037](http://www.retailsystemsresearch.com/_document/summary/1037).

#### Organizational Inhibitors



When it comes to roadblocks impeding retailers from progressing in their loss prevention efforts, 86% say they are challenged for capital, 41% lack staff to review LP and audit data (compared to 29% in 2008) and 36% have extremely inaccurate inventory systems unable to quantify areas of loss.

#### Overcoming Inhibitors



Retailers identified top technology solutions that help them overcome organizational inefficiencies including:

- 63% cited better business intelligence to analyze all their data.
- 40% cited more accurate inventory tracking to identify the items being stolen.
- 39% cited more creative uses of existing technologies.

## ***Dolby Entertainment Focuses on Loss of 3D Glasses by Implementing Source Tagging***

*Solution Helps Reduce Loss and Enhance the Customer Experience.*

Watching larger-than-life movies with three-dimensional (3D) glasses actually makes you feel like you are part of the on-screen action. As 3D images come alive and fly off the big screen, you are compelled to reach out and grab characters or objects propelled in your direction.

Dolby's unique approach to 3D not only means you can enjoy a perfect image from any seat, but also more importantly, the reusable glasses are an environmentally sound alternative to the disposable glasses of other providers.

On average Dolby theaters experience a 20% loss rate for glasses. If, for example, a theater purchases 3,500 glasses at \$25.00 per pair, they have invested \$87,500. Based on the 20% loss rate the total annual cost of lost glasses equates to \$17,500, which significantly impacts their bottom line.

By implementing an Electronic Article Surveillance (EAS) / source tagging program theaters are realizing a 30% improvement in loss rate and a return on investment (ROI) within the first year. Given the high cost of the 3D glasses, it doesn't take much of a reduction in loss to have a positive ROI for the theater.

### **The Challenge**

When movie goers exit the theater they are still caught up in the excitement of their visual journey. The last thing on their mind is to return the 3D glasses which might be resting on top of their head or inadvertently placed in their pocket or purse. To facilitate the return process theaters have designated receptacles for collection along with movie staff members to provide a friendly reminder.

For the exiting patron the accidental removal or oversight of returning the glasses is no big deal. But for the theater owner it becomes a costly expense. Customers pay an extra fee to use the glasses but often forget to return them before leaving in order for theaters to reuse after the movie.

### **The Solution**

More and more customers are flocking to 3D enabled theaters. In fact, their popularity has resulted in Dolby providing 3D glasses source tagged with Sensormatic anti-theft labels in theaters in over 47 countries. As a result, theaters equipped with Sensormatic EAS anti-theft systems help to deter theft or accidental removal of 3D glasses. When source tagged glasses enter the Sensormatic systems' detection zone the concealed label triggers a voice instruction, rather than a standard alarm, to minimize customer embarrassment and alert movie staff.





## The Result

The Sensormatic solution provides theaters with a number of benefits such as achieving better control of their 3D glasses inventory, reducing the expense of lost glasses and automating the return process to help minimize customer embarrassment while enhancing their entertainment experience.

Sensormatic detection systems offer high performance Ultra•Max technology theft deterrent, while maximizing customer flow and helping improve the bottom line. In addition, they provide flexible installation based on single or multiple screens requiring protection which can support movie advertisements. With highly effective Sensormatic EAS detection systems and source tagged labels for 3D glasses, theaters can enhance their focus on increasing profits and customer satisfaction.

"The specialized application for 3D glasses is indicative of our continuous commitment to protect important assets for our

customers, and is a logical extension to the tremendous benefits source tagging has delivered to our global customers," according to Tony D'Onofrio, vice president, Global Accounts and Source Tagging for Sensormatic Retail Solutions. "In the retail environment we protect over three billion consumer items per year. Through our programs retailers can realize additional benefits which include reduced in-store labor costs, increased focus on the customer, improved merchandising opportunities, reduced out of stocks and increased speed of products to selling floor to drive increased sales."

Eric Dinaburg, ADT National Account Manager, has been working with Dolby installed theaters in the North America since 2006 on how to utilize EAS Systems to reduce the losses of 3D glasses.

For more information, contact Eric Dinaburg at [ErDinaburg@adt.com](mailto:ErDinaburg@adt.com).



### ***Fashion Forward La Rinascente Enhances the Shopping Experience with a New High Performance Anti-Theft Solution***

Attracting a diverse target market of women, men, young adults and children, Italian retailer La Rinascente is known as one of Italy's most important companies in the upscale department store segment offering high-end apparel and household merchandise. As a fashion forward retailer La Rinascente is continually focused on their customers' desires. With an appealing variety of high end Italian and esteemed international fashion brands including apparel, accessories and lingerie, La Rinascente operates a chain of 12 unique stores located in major cities across Italy.

Running a large number of stores that caters to a wide audience compelled La Rinascente to implement a more effective anti-theft program offering efficient shrink reduction while enhancing the customer shopping experience. In their Milan's central square store, the Risk Management team was concerned about protecting their most-vulnerable and popular merchandise in their perfumery, apparel, lingerie, life style, home and accessories sections.



According to the 2009 Global Retail Theft Barometer shrink losses for retailers globally amounted to almost U.S. \$115 billion, with Europe ranking second out of the five regions at \$44 billion (or 38.4%) of the total global loss due to shrink and inefficiencies, up 4.7% from 2008. Italy's total shrink was \$4.6 billion, ranking fourth out of the 22 European countries surveyed.

Retailers in Europe regarded customer theft (including shoplifting and organized retail crime) as their single largest problem totaling 47.5% of shrink, posing a serious threat to their bottom line. The highest shrink rates by retail vertical market were identified as: apparel/clothing and fashion / accessories at 1.84%, and cosmetics / perfume / beauty supply / pharmacy at 1.77%, which represent the most-vulnerable merchandise available at La Rinascente stores requiring protection.

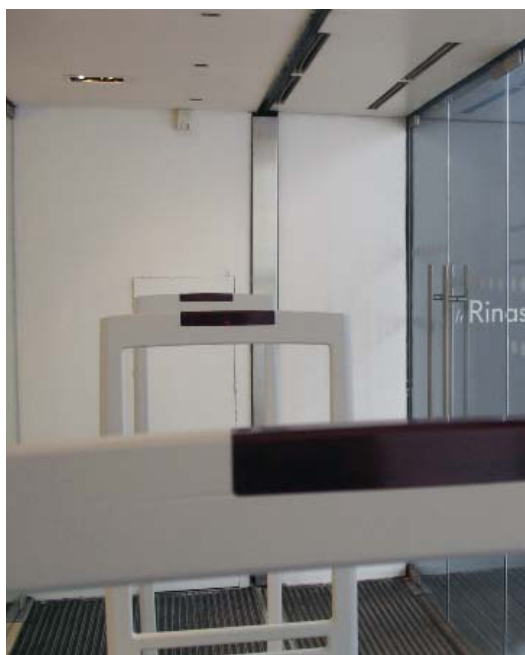
In order to protect their popular, high-valued products from theft while enhancing the customer experience, La Rinascente replaced their existing electronic article surveillance (EAS) anti-theft solutions with Sensormatic Ultra•Exit EAS system from ADT. Based on the highly effective Ultra•Max acousto-magnetic (AM) anti-theft technology, Ultra•Exit delivers wide exit protection in a contemporary design that blends into their environment while maintaining the retailer's upscale image.

ADT combined its Sensormatic Ultra•Exit system with a variety of other anti-theft solutions capable of covering the security needs for all product categories in different sections of their stores. Building upon their strong customer focus, La Rinascente now has enhanced the shopping experience by improving its security standards to make products more accessible to customers, allowing sales associates to concentrate on customer service – ultimately driving sales and profits.

"After having kept commonly stolen goods such as perfumes, lingerie, creams and cosmetics, locked in cabinets or under the POS for years, our sales staff can now display these items openly as a result of implementing the Sensormatic anti-theft solution," said La Rinascente. "ADT offered the best system capable of perfectly merging aesthetics and performance. Their stylish and innovative design complemented our fashion forward setting, proving to be a winning solution from a return on investment and cost containment perspective."

AM-based EAS systems are the preferred anti-theft technology for retailers, especially those selling metal foil-packaged goods commonly found with cosmetics, perfume, beauty care and other general merchandise. Compared to RF systems, research has shown AM systems to have the highest detection rates to protect all types of highly pilfered goods.

For more information on Sensormatic Ultra•Exit solutions visit [www.Sensormatic.com/Products/EAS/DetectionSystems/PedestalSystems/PedestalSystems\\_home.aspx](http://www.Sensormatic.com/Products/EAS/DetectionSystems/PedestalSystems/PedestalSystems_home.aspx).





## ***The Sensormatic Item Level Intelligence Solution Suite Provides an Integrated Approach to Help Retailers Improve Operations and Profitability***

***Real-Time Inventory Visibility Solutions Allow Retailers to Enhance the Customer Shopping Experience.***

**messcalino** 

Inventory inaccuracies can lead to out-of-stock situations that may disappoint their customers and cause them to shop elsewhere. In fact, customer satisfaction/experience is a top concern of retail executives interviewed for a 2009 study published by RIS News. This concern was followed respectively by cost management and workforce efficiency. By preventing out-of-stocks, optimizing inventories for maximum turnover, and saving employee time in taking inventory cycle counts, the Sensormatic Item Level Intelligence (ILI) solution suite can help retailers address these three significant concerns.

For example, Messcalino of Spain, a top apparel retailer, turned to ADT and Cetemmsa (an RFID system integrator based in Spain) to implement RFID technology through the Sensormatic ILI solution suite. "Our focus on improving operations for our original designs and contemporary collections was achieved with the unique concept provided by ADT that integrates RFID technology with Sensormatic Ultra•Max EAS technology," said Joel Roch, Messcalino's chief operating officer. "We envision the use of item-level RFID as a single technology

within the shop floor for inventory management, point-of-sale transactions and advanced customer merchandising through our unique catalog information solution for the fitting rooms."

By integrating RFID technology with Sensormatic Ultra•Max EAS technology, the ILI suite is designed to help retailers improve operational efficiency and profitability through real-time visibility of inventory throughout their stores. The solution suite helps them gain greater inventory accuracy, so they can address one of their largest sources of loss – lost sales due to inventory inaccuracies.

Traditionally, ADT has focused on helping retailers safeguard billions of in-store items against shoplifting. Now the Sensormatic ILI solution suite creates a platform to help retailers address shrink and improve inventory accuracy at the same time. By improving data integrity at the item level, the Sensormatic ILI solution suite helps drive intelligence back into the supply chain. This intelligence can help improve existing operations by providing visibility into store and enterprise inventories driving increased profitability and revenues.

***"We envision the use of item-level RFID as a single technology within the shop floor for inventory management, point-of-sale transactions and advanced customer merchandising through our unique catalog information solution for the fitting rooms."***

***- Joel Roch, Messcalino's chief operating officer***



UNIVERSITÀ DEGLI STUDI DI PARMA

At the end of 2009 the University of Parma in Italy conducted an ILI solution suite performance study to measure real-life selling floor activities for data acquisition at the item level. "RFID in fashion is becoming more and more important, especially in helping retailers address out-of-stocks and gaining better access to their merchandise," according to Antonio Rizzi, full professor of Industrial Logistics & Supply Chain Management Department of Industrial Engineering, University of Parma. "ADT has tremendously supported our RFID lab in creating an RFID fashion store and an RFID enabled retail environment. They provided us with their innovative technology solutions for the intelligent management of merchandise to ultimately improve retail operations."

Listening to the needs of customers enables ADT to deliver a total solutions approach offering benefits such as greater product availability, accurate replenishments and effective inventory cycle counting on the retail selling floor. The Sensormatic ILI solution suite, combined with ADT's global reach and service delivery capabilities, will help retailers worldwide scale and execute real-time inventory visibility solutions to help optimize profitability, cut costs and better serve customers.

For more information on Sensormatic Item Level Intelligence solutions visit [www.Sensormatic.com/Products/RFID/RFID\\_home.aspx](http://www.Sensormatic.com/Products/RFID/RFID_home.aspx).









## ***Topshop's Flagship Oxford Street Store Upgrades Video Surveillance Capabilities***

With over 300 stores in the United Kingdom and over 100 stores in growing international regions, Topshop combines inspired design and affordability for style conscious shoppers. Topshop has become a major style authority and one of fashion's biggest success stories, earning the reputation as a destination for pioneering British fashion on the high street.

To help improve their ability to track and deter potential shoplifters while detecting and preventing internal theft, Topshop has upgraded its closed circuit television (CCTV) cameras and video surveillance solution in its flagship store on Oxford Street. In addition to upgrading the existing Sensormatic video solution used by the Topshop store, ADT installed additional cameras on the extended fifth floor and built a new control room to significantly enhance security operations. The new control room boasts a wall with 16 state-of-the-art monitors, enhancing system reliability and allowing surveillance across the entire store from one easy-to-manage control point.

Graeme Sharp, Topshop's loss prevention manager: "I am delighted with the new control room and ADT's upgrades to our video system. The increased coverage offered by the new cameras, along with the repositioning of key cameras, will be invaluable in tackling the increased risks brought about by the current tough economic climate, and the ever increasing desirability of our products.

"We are one of the UK's leading fashion retailers and our flagship store is a major attraction for a large proportion of the 600,000 shoppers who visit Oxford Street on a weekly basis. Clearly we

have to ensure that our premises are always safe and secure – not only to protect our staff and customers, but also our bottom line profit. The upgraded system specified by ADT in partnership with us is going to make the job of our Loss Prevention and Security Team both easier and more effective. Redesign of the camera system will allow much easier tracking of suspects through the store, which will further increase arrest rates and act as a deterrent to potential shoplifters and other offenders. The addition of static cameras above every till point will be an invaluable tool to detect and prevent internal fraud, and has already led to several prosecutions."

The new video system will improve the operation of this flagship store, which is visited by over 200,000 people every week. We have worked closely with Topshop to install optimal solutions that will significantly increase efficiency in the short-term and cope with future changes or enhancements. For example, the new video solution deployed to survey check-out transactions enhances security by monitoring the point of purchase for the first time, but also has the potential for introducing data mining solutions at a later date.

Furthermore, the video system has a flexible IP network infrastructure, so it can be expanded to handle camera signals from other locations. This will enable remote surveillance from the new control room in Oxford Street.

# TOPSHOP

## ***Africa's Largest Food Retailer Invests in Sensormatic Analytics Business Intelligence Solutions to Help Reduce Theft and Boost Store Performance***

*Retailer Deploys Powerful Exception Reporting Tools Integrated with Video Surveillance Solution to Provide Increased Business Intelligence for Improving Operational Efficiencies.*



Part of the Shoprite Group of Companies, Shoprite is Africa's leading food retailer that attracts 60 million customers per month. The Shoprite chain remains the core business of the Shoprite Group and its main brand. Its operational strategy put the Shoprite brand in an excellent position to expand into the African market outside of South Africa where its population has grown from one store in Lusaka, Zambia in 1995 to 149 stores in 16 countries today.

With their expanding chain of supermarkets and large-format superstores, Shoprite faced the reality of increased shrink while offering customers a convenient shopping experience. They required a corporate-wide solution to address internal shrink and to integrate with video surveillance systems to help monitor all cashier transactions.

Based on their requirements, Shoprite chose the Sensormatic Analytics business intelligence NaviStor POS solution through Sensormatic's authorized reseller NewCo Technology (Pty) Ltd. This platform provides easy-to-create exception rules that allow Shoprite to identify and fix problem stores, transactions, and cashiers before they create shrink and lost sales. To help drive additional value from their investment Shoprite integrated the Intellex video surveillance system to help investigations.

# SHOPRITE

Shoprite will use these comprehensive tools chain wide to monitor cashier activities in more than 1,084 outlets. This deployment will boost the Sensormatic Analytics global customer base to more than 17,000 stores. As a robust reporting and performance improvement tool for retail loss prevention and operations, the Sensormatic Analytics suite provides retailers with essential POS activity data to help uncover various sources of store losses and reduce shrink. The NaviStor Point of Sale (POS) platform's investigative capabilities for identifying fraud, integrated with video surveillance, can assist top retailers like Shoprite to combat shrink to meet profit margin goals.

Worldwide shrink is a serious threat to retailers' profits as it cost them almost \$115 billion last year, according to the 2009 Global Retail Theft Barometer. Customer theft (including shoplifting and organized retail crime) caused the greatest shrinkage loss at \$48.9 billion (42.5% of total shrinkage and 1.3% higher than reported in 2008), followed by employee theft at \$40.7 billion (35.5% of shrinkage).

"We tested Sensormatic Analytics NaviStor POS in 27 stores in South Africa and conducted an inventory count at the beginning, then in three months and again in six months. With this business intelligence tool,

we realized a significant reduction in shrink," said Michael Greeff, Group Loss Prevention Manager. "By integrating Intellex video surveillance over every POS along with the reporting capabilities of NaviStor we were able to identify quickly and accurately if employee transactions were normal or suspicious cases. The Sensormatic Analytics team offered a business intelligence solution that increased our data mining capabilities and justified our investment in rolling it out to the rest of the chain."

"Working with NewCo Technology who understands our business, enabled us to implement a solution that met our unique needs for providing a satisfying customer experience while combating theft," added Greeff. "As many leading global retailers have realized, their investment in store business intelligence technologies is one of the best ways to drive operational efficiency, maximize profits and improve shrink to be better positioned for future growth."

Shoprite is the first major retailer in that part of the world using a sophisticated approach for extending the physical security environment, using additional layers of protection offered by the Sensormatic Analytics solution integrated with Intellex video surveillance and EAS.

For more information on Sensormatic Analytics solutions visit [www.Sensormatic.com/Products/StoreBusinessIntelligence2/SBI\\_home.aspx](http://www.Sensormatic.com/Products/StoreBusinessIntelligence2/SBI_home.aspx).

***"We tested Sensormatic Analytics NaviStor POS in 27 stores in South Africa and conducted an inventory count at the beginning, then in three months and again in six months. With this business intelligence tool, we realized a significant reduction in shrink."***

***- Michael Greeff, Group Loss Prevention Manager***



## *Retailers in ION Orchard Embrace an Integrated Security Approach to Help Optimize the Customer Experience*



With a carefully appointed selection of international brands and popular high street fashion and lifestyle stores, ION Orchard has become the “center of gravity” in the retail scene. ION Orchard offers customers spectacular frontage and innovative design-inspired concepts within one unique award-winning development.

A joint venture by Hong Kong conglomerate Sun Hung Kai Properties and Singapore’s property group, CapitaLand Limited, ION Orchard is located in a busy part of Singapore’s commercial and shopping route – attracting an average of 200,000 visitors flowing through their stores on weekends.

As a premier shopping destination ION Orchard sells a variety of upscale goods such as apparel, fragrances, accessories, jewelry, and other merchandise. To protect these popular, high-value products from theft while preserving their upscale setting, retailers in ION Orchard turned

to ADT - the world’s largest provider of electronic security services - for an integrated approach to help optimize the customer experience at this busy shopping hub. In fact over 95% of ION Orchard’s retailers who have installed EAS have deployed the Sensormatic EAS solution.

To help combat shoplifting and maximize customer flow while preserving store aesthetics, ADT provided the Sensormatic concealed Electronic Article Surveillance (EAS) system. Hidden under floors, the Sensormatic EAS system provides highly effective Ultra-Max acousto-magnetic (AM) anti-theft technology while maintaining a convenient and appealing customer experience in a unique shopping environment. The concealed EAS solution is compatible with all Ultra-Max tags and labels which enables ION Orchard retailers to choose from a wide variety of AM hard tags and source tagging labels to protect merchandise based on their specific needs.



VGO Corporation Limited, which manages eight boutiques at ION Orchard, Just Cavalli, Promod, Springfield, O'Neill, 7 for All Mankind, 6Five Barcode, World of Sports and Columbia, required reliable concealed coverage that blended with their store environment without obstructing customer flow, while increasing open merchandising opportunities to help improve the bottom line.

According to Jasmine Tan, COO of VGO, "System reliability is an important consideration when we select a security solution, as the right solution will enable us to improve our operation's efficiency and manage our merchandise effectively. We have chosen ADT's Sensormatic concealed EAS systems to secure all our eight stores in ION Orchard due to its reputable brand and we are satisfied with the performance it has promised to deliver."

The 2009 Global Retail Theft Barometer reported shoplifting in Asia-Pacific represented the highest source of shrink at over 50 percent, followed by employee theft at 22 percent. Shoplifters target popular, smaller, easily-concealed expensive items that offer high resale street value, some of which have foil packaging. AM-based EAS systems are the preferred anti-theft technology for retailers, especially for retailers that sell foil-based products or goods in foil packaging. Compared to RF systems, research has shown AM systems to have the highest detection rates to protect all types of highly stolen merchandise.

In addition to embracing EAS as a reliable solution to protect against shoplifting, ION Orchard retailers can rely on video surveillance to combat employee theft and vendor fraud. ADT offers retailers flexibility and customization into any size retail format to easily integrate its Intellex brand of Digital Video Management Systems (DVMS) into existing in-store security applications and technology as a cost-effective solution while protecting merchandise.

For more information on Sensormatic concealed EAS systems visit [www.Sensormatic.com/Products/EAS/DetectionSystems/ConcealedSystems/ConcealedSystems\\_home.aspx](http://www.Sensormatic.com/Products/EAS/DetectionSystems/ConcealedSystems/ConcealedSystems_home.aspx).



***"We have chosen ADT's Sensormatic concealed EAS systems to secure all our eight stores in ION Orchard due to its reputable brand and we are satisfied with the performance it has promised to deliver."***

***- Jasmine Tan, COO of VGO***

## Courts Embraces ADT's Integrated Solutions Approach to Help Combat Shrink and Enhance Store Operations

For electronic and home appliance retailer Courts Singapore Pte Ltd. (Courts), the customer is their primary focus. Courts stores offer a diverse line of home product brands for a better value, attracting a loyal customer base to their interactive environment.

In 1974 the first Courts store was established in Singapore. By 1998 their retail format evolved into a "total home lifestyle concept" with the launch of "Courts Orchard," which offered a complete range of home furniture and accessories. In 2006 Courts Megastore was introduced – the 116,000 square foot revolutionary retail concept, heralding the arrival of out-of-town destination shopping in Singapore.

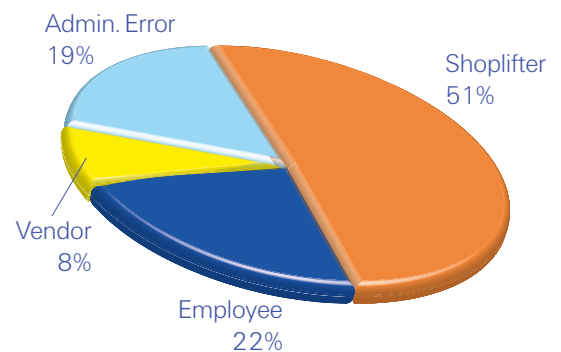
As a retailer known for value that delivers bigger savings through bigger buying power, Courts needed to increase stock on the floor to drive their cash and carry business. Focused on the customer, their goal was to make merchandise more accessible to customers, while preserving the shopping experience without increasing the risk of theft.

### The Challenge

According to the 2009 Global Retail Theft Barometer retail segments such as consumer electronics

and entertainment/music/games, merchandise lines conveniently available at Courts, are in the top 10 of the most-stolen items globally. Retailers worldwide lost more than \$114 billion from shrink and inefficiencies in 2009 alone.

Asia-Pacific Sources of Shrink



Source: 2009 Global Retail Theft Barometer

Specifically in the Asia-Pacific region shoplifting represented the highest source of shrink, at over 50 percent, followed by employee theft at 22 percent. Shoplifters tend to focus on popular, smaller, easily-concealed expensive items that





offer high resale street value, some of which have metallic foil packaging. These items readily available at Courts required the right anti-theft solution capable of maintaining a consistent shopping experience which is Courts' top priority.

## The Solution

As retailers like Courts combat the universal shrink problem of frequently pilfered merchandise, they require effective solutions to ensure a more satisfying customer experience while helping to improve their bottom line. To attack shrink on multiple fronts, Courts relied on industry-leading provider ADT for an integrated electronic security solution approach to help protect their nine stores in Singapore while preserving customer convenience.

According to Mr. Eddie Nixon, Courts Regional Operations Director, "ADT delivered the right technology approach. Their integrated security strategy included ADT monitoring, Sensormatic electronic article surveillance (EAS) to help protect our stores against external theft or shoplifting, video surveillance to help us combat employee theft and vendor fraud layered with Sensormatic SmartEAS people counting real-time store intelligence to help us enhance store operations."

To help reduce shrink and increase sales of openly displayed merchandise, the Sensormatic Ultra-Max

acousto-magnetic AM system provides Courts with a high performance anti-shoplifting solution designed to cover wide exit openings to protect high risk areas. AM-based EAS systems are the preferred anti-theft technology for retailers, especially for those like Courts that sell metallic foil packaging. Having their items protected by AM source tagged labels offers Courts customers the "hands on" experience that encourages product interaction for increased satisfaction.

Courts' technology strategy to help improve their business is evidenced also in their use of the Sensormatic SmartEAS people counting solution. Courts launched the solution to measure customer traffic and create a new Key Performance Indicator (KPI) for their branches; to identify how many people came into the stores versus the actual number of people that purchased items or sales conversion.

By comparing customer traffic to converted sales, for a time period, Courts can understand how their conversion rate is influenced by their promotions, customer service, store layout, etc. to better drive sales. This KPI enables Courts to measure customer engagement in stores, track marketing campaign effectiveness and highlight in-store customer flow management issues. They use people counting reports with their POS sales and transaction data to analyze and track their conversion rate, which is invaluable in helping Courts benchmark store performance across their chain and assist in setting strategies and goals aimed at increasing sales.

"KPI measuring has resulted in an increase in business and a double digit jump in the conversion rate. We recognize that investment in technology can reap significant rewards in terms of branding and brand image, greater operating efficiency and reduced operating expenses resulting in top and bottom line growth" Mr. Nixon added.

For more information on Sensormatic SmartEAS solutions visit [www.Sensormatic.com/Products/StoreBusinessIntelligence2/SBI\\_SEASProducts.aspx](http://www.Sensormatic.com/Products/StoreBusinessIntelligence2/SBI_SEASProducts.aspx).



## *The Wembley Hotel Learns Firsthand How Theft can Seriously Erode Profits from Retail Outlets*

The Sensormatic System, Distributed Exclusively by ADT Security, is a Simple and Effective Way to Reduce Loss.

Bruce Johns, the Owner and Publican of the Wembley Hotel, one of Perth's largest hotels, had enough. Despite all his best efforts using traditional anti-theft methods, his losses from shoplifting were unacceptably high. Bruce's experience is not unique; figures from the New South Wales Bureau of Crime Statistics and Research show that "theft from retail store" is on the increase; up by 5.8% in the December 2009 report.

### **A unique loss prevention problem**

Liquor stores typically have a number of high valued, low volume items – bottled spirits and exclusive wines – but the majority of their sales are found in lower priced, high volume beer and wine.

Bruce had noticed Sensormatic systems in a number of other retail outlets and wondered if there would be a suitable system to protect high value items while he and his staff focused on serving customers. However, he wanted to make sure there would be very few false alarms; which waste staff time and can embarrass honest customers.

Sensormatic Retail Solutions had the answer. He found the latest Sensormatic Ultra-Tag for bottled wines and spirits to be an ideal solution for his situation. The clever design fits bottles of all sizes and provides a visual deterrent to would-be thieves.

The tag is quick to attach and its small size means shelving displays do not need to be reorganized. At the point of sale it is quick and easy to detach so it's ideal for Bruce's high turnover operation. As an added bonus, the tags also offer better control of transfers between the bottle shop and hotel bars.

### **One solution - multiple benefits**

The tags work with the full range of Sensormatic detection pedestals. The pedestals provide another obvious visual theft deterrent at the shop entrance while offering wide exit coverage to allow easy movement of customers and access for pallet deliveries.



## Simple installation and effective training

ADT Security retail specialists helped Mr. Johns identify the most vulnerable areas in his business, taking into account typical customer flow. Comprehensive staff training on how to attach/detach tags and how to set-up and test the system is all part of the Sensormatic installation service. Bruce's staff quickly mastered the system and using the new Ultra-Tag soon became routine. Importantly, training also included what to do if the alarm sounds. The staff was given useful procedures and information to share so that merchandise is protected while preserving customer relationships.

ADT Security's Sensormatic system significantly reduced shoplifting losses. Bruce is delighted!

"The Sensormatic system has virtually eliminated my losses while giving me better controls on transfers between the bottle shop and the Hotel bars", says Bruce Johns, Owner and Publican of The Wembley Hotel.

For more information on the Sensormatic Ultra-Tag platform visit [www.Sensormatic.com/Products/EAS/HardTags/HardTagsFamily/UltraTag\\_Platform\\_Home.aspx](http://www.Sensormatic.com/Products/EAS/HardTags/HardTagsFamily/UltraTag_Platform_Home.aspx)

*"The Sensormatic system has virtually eliminated my losses while giving me better controls on transfers between the bottle shop and the Hotel bars."*

*- Bruce Johns, Owner and Publican of The Wembley Hotel*





# In-Store

## Summer 2010

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](mailto:InStore@tycoint.com).

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

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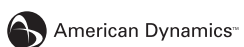
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