



### insights from global retailers

We hope you'll enjoy 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 solutions discussed in this issue, by region, please visit <a href="http://www.sensormatic.com/whoweare/Contactus.">http://www.sensormatic.com/whoweare/Contactus.</a> aspx or contact the following regional marketing representative:

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Welcome to a new edition of In-Store featuring the latest trends, news and insights from global retailers. Retail shrink translates the same in any language – huge loss to the bottom line. Regardless of where your retail operation is located, shrink is a universal foe. Retailers worldwide are recognizing as their business expands so does shrink. Quantifying shrink's financial impact is complex since it affects profitability in different ways – loss resulting from instore theft by customers and staff to poor inventory management and inefficient operations.

Beyond finding ways to improve loss and profits is the need to maximize shopper convenience with the paramount priority – enhancing the shopper experience. Keeping pace with shoppers by designing new store formats and offering multichannel sales options, retailers are adopting new solutions to help optimize performance and create new business opportunities.

In this issue, we spotlight leading retailers from a variety of vertical markets in Latin America, Europe and Asia Pacific. Learn first-hand about their experiences as they share business challenges and successes achieved by investing in assorted instore technologies designed to help improve retail performance and security.

Your feedback is important to us. If you have ideas for stories you would like published in future editions or general comments, please email us at In-Store@tycoint.com.

Stay tuned....there's plenty more In-Store!

Managing Editor: Gay Gagliardi



## Source Tagging Recirculation: Decreased Waste, Reduced Labor and Increased Profits

Revolutionary source tagging recirculation program helps global retailers lay foundation for RFID tagging and embrace green retailing principles

In the fast-paced apparel industry it's all about meeting shopper demand. Keeping merchandise accessible yet protected is a top priority. What could be better than combining the benefits of a strong visual theft deterrent with point-of-manufacture source tagging to provide broader merchandise coverage for safeguarding more items? Answer: a revolutionary Source Tagging Recirculation program designed not only to help retailers improve supply chain and selling floor efficiency, but also improve profits by allowing faster delivery of merchandise to the selling floor. The items arrive properly secured against theft and ready to be displayed for purchase.

With an eye towards sustainability, the Source Tagging Recirculation initiative embraces green retailing principles by repurposing tags to save valuable time, money and resources. Retailers can also maximize the use of their current Electronic Article Surveillance (EAS) infrastructure with a program that drives enterprise anti-theft compliance. Having suppliers tag at the source helps improve tag compliance and ensure safe tag application, making sure store associates know exactly where to find the tag to remove it at the point-of-sale (POS).

"Retailers and retail supply chain leaders are looking to achieve higher levels of efficiency and customer satisfaction through sustainable, innovative growth programs," said Leslie Hand, Research Director for IDC Retail Insights.

## Breaking down the three R's: Recirculated, Recertified and Reusable

Here's how it works: Tyco Retail Solutions' hard tag program repurposes tags that are applied at the manufacturing source, and then recirculated from the retail store. With the program, retailers can buy only the tags they need, and receive credits promptly when the tags are returned for recirculation—Tyco Retail Solutions bears all the hard tag inventory risk. In addition, tagging costs can be built into the garment, not buried in store payroll.



Merchandise arrives ready to sell, accelerating both sales and inventory turns.

The program offers retailers a low cost-per-use hard tag security solution, providing the benefit of a visible source tag that is recirculated, recertified, reusable – time and time again. In addition, the tag is designed to be reused multiple times, helping to reduce the operational cost of a retailer's EAS program. And when RFID technology joins EAS source tags, retailers will enjoy the added benefits of a secure global supply chain's advanced inventory intelligence from end to end. Having an established EAS recirculation path will be a tremendous advantage as retailers migrate to item level inventory solutions.

## Unparalleled Expertise, Global Coverage, Worldwide Order Support

Tyco Retail Solutions is the only supplier today with three automated recirculating processing centers globally and eight tag distribution center points, geographically positioned close to garment manufacturing to help save retailers the cost of freight and other costs associated with purchasing source tags. The Source Tagging Recirculation program is an environmentally responsible initiative retailers can easily integrate into existing sustainability programs to underscore a commitment to protecting the environment.

Recirculation provides a number of benefits compared to an in-store program, including:

- Labor savings fewer payroll hours at the store to apply tags, and a higher percentage of time spent on selling and customer service.
- Less shortage more tags on more items throughout the store, with 100% compliance and 100% consistency, and no merchandise left untagged in back rooms.
- Increased sales better speed to floor, fewer stockouts on popular items, and store associate time spent selling, not tagging.
- Consistency application in manufacturing environment, for fewer damages and a better appearance.
- Lowest tag cost overall tagging cost is reduced by selling the tag back to Tyco compared to utilizing the tag one time.

### Trusted by the World's Top Retailers

A current initiative at seven top global apparel retailers, Tyco Retail Solutions' Source Tagging Recirculation program is based on over 40 years of excellence and market leadership in the retail industry, and currently over 750 million hard tags are recirculated annually. The Source Tagging Recirculation program puts the infrastructure in place to deliver cost-effective protection today, and unlock the full capabilities of EAS and RFID source tagging for robust protection and end-to-end inventory visibility tomorrow.

Click here to access a new white paper on the benefits of Source Tagging Recirculation.







## La Gallega Supermarkets Enhances Merchandise Protection, Maximizes Shopper Convenience

Supermarkets face not only significant challenges with shrink and razor-thin margins, but also the challenges to protect the most frequently shoplifted items. La Gallega in Rosario city Argentina was no exception, with the need to protect an assortment of high theft items in their chain of eight supermarkets. According to the 2010 Global Retail Theft Barometer supermarkets carry some of the most-stolen, popular branded product lines.



To effectively address their security needs, La Gallega switched from electromagnetic (EM) to acoustomagnetic technology (AM), embracing the benefits of the Sensormatic Essentials anti-theft solution suite, which utilizes AM and Bias Resonator technology.

AM technology offers food retailers like La Gallega the exit coverage small retail formats need and better detection for protecting their assortment of items in metal foil wrapping.

Tags and labels featuring Bias Resonator technology offer more effective merchandise protection – even in the presence of such elements as metal, foil, and liquids.

Uniquely developed as one total value solution, Sensormatic Essentials offers smaller retail formats and independent local retailers optimal detection and reliable merchandise protection to address shoplifting and help preserve their bottom line. In addition to carrying foil metal-based items like razor blades and batteries, a high percentage of La Gallega's general merchandise and health/beauty/cosmetic product packaging contains metal. By nature of their high theft value, these items present an added layer of complexity







## DIA Strengthens its Agreement for Enhanced Security Solutions to Help Improve the Shopper Experience

The Spanish multinational supermarket chain DIA, which integrated with the International Group Carrefour in 2000, has recently strengthened its relationship with ADT, a worldwide provider of electronic security and fire detection solutions.

Founded in 1979, the pioneering chain known as a "discount supermarket" trusted ADT for the protection of its more than 2,000 establishments – which are comprised of DIA stores and franchises throughout Spain. Their security program has included the renewal of Electronic Article Surveillance (EAS) anti-theft systems and the advancement of its source tagging program.

Security management is integral to DIA's social and business responsibility policy, regarding its customers and its employees. That is the reason why DIA is committed to innovation and recognized the need for the implementation of security strategies and new technologies.

To manage security, while maintaining a pleasant shopper experience, is a daily challenge for many retailers. "ADT provides electronic security solutions to meet the needs of

its retail customers and their shoppers," said Rubén García, Manager of ADT's Retail Division in Spain. "Our electronic protection systems are designed to efficiently help provide merchandise protection from theft in stores, and therefore allow the staff more time to devote to their customers. Also, by preventing inventory losses, the source tagging programme helps to maximize the techniques relating to marketing, product diversification, and general store operations – ultimately increasing sales and profitability."

<u>Click for more information on Sensormatic EAS and Sensormatic Global Source Tagging solutions.</u>



## Galenas Embraces Acousto-Magnetic Anti-Theft Technology to Help Protect Variety of Popular Merchandise

Galenas, a leading chain of convenience stores located at hospitals, and belonging to the Fundosa Group, business division of ONCE Foundation for the creation of stable jobs for people with disabilities, embraces Sensormatic Ultra·Max acousto-magnetic (AM) antitheft technology sold through ADT. Incorporated in 1990, Galenas is a brand recognized in the hospital sector thanks to its approximately 100 stores



located at exclusive areas in public and private hospitals throughout Spain, as well as at shopping and transport centres.

They offer a wide assortment of popular merchandise such as gift items, perfumes, stationery, flowers, electronics, food and much more. Every year, the chain serves more than nine million customers throughout Spain.

To address the lack of reliability of anti-theft solutions it had implemented at its stores, Galenas chose the Sensormatic Essentials anti-theft system and Ultra Exit pedestals. Moreover, the labeling versatility acousto-magnetic systems provide has also been a key factor for the formalization of the agreement, given that Galenas needed a solution allowing it to label any kind of product.

"ADT's solutions provide us with a protection system for items at our stores allowing us to considerably reduce the loss of income due to thefts," Antonio José Barea Gaona, Managing Director of Galenas, says. "Their characteristics and the coverage they provide allow us to establish wider entrances at the stores and, at the same time, to

guarantee that the products are completely protected."

Uniquely developed as one total value solution, Sensormatic Essentials offers smaller retail formats and independent local retailers optimal detection and reliable merchandise protection to address shoplifting and help preserve their bottom line. Sensormatic Essentials has a wide range of labels to protect a broad assortment of items from apparel to accessories –

available in both adhesive and hard labels, pin labels, magnetic labels, strapped labels, insertable labels, etc.— that can be added to any kind of products, regardless of the way they are packaged or wrapped. They reliably protect even products with metal content.

Moreover, because of the characteristics of its stores, Galenas needed pedestals capable of protecting wide areas at their entrance. That is why the company opted to choose Sensormatic Ultra·Exit systems, which detect non-deactivated labels at doors with a width of up to 2.4 meters. With a modern aesthetic design, Ultra·Exit pedestals also include people counting systems and alarm counters to provide valuable business information to store owners.

These systems will be progressively implemented throughout all the Gelanas stores. To date, ADT has already implemented the solution and removed the former protection systems from 10 stores.

Click for more information on Sensormatic Ultra-Exit solutions.

## Cyklo Point Moves Forward With Sensormatic Essentials

Cyklo Point is the first Czech Republic retailer to embrace the Sensormatic Essentials, one total value anti-theft solution engineered to provide optimal detection and merchandise protection to help control shrink and boost profits.

Click for more information on Sensormatic Essentials platform.



## Sprinter Relies on Anti-theft Systems to Help Protect Sports Megastores

Spanish retail chain Sprinter is focused on selling fashion and sports apparel for men, women and children. They are part of Grupo Sprinter, an organization whose share capital is hundred percent Spanish and its corporate purpose is exclusively the sale of fashion and sports apparel for men, women and children at its own stores. The chain has 45 stores, with an average surface area from 1,500 to 2,000 square meters, located at some of the most important shopping centres in Spain. They offer a wide selection of leading worldwide brands in the sector and own brands with an excellent quality-price ratio.

In view of their strong growth experienced last year, Sprinter decided to strengthen its anti-theft systems with a solution allowing the gathering and management of key data for its business by installing electronic protection systems for items at seven recently opened stores. The group selected the Sensormatic acousto-magnetic (AM) technology sold through ADT, which included Sensormatic Ultra·Exit pedestals at store entrances and exits, as well as the Local Device Manager (LDM) SmartEAS connectivity system for the management of data, alarms and people counters.

The group already worked with the Sensormatic AM technology at its existing and new stores; thus strengthening the protection offered by Ultra·Exit labeling and pedestals with the LDM connectivity platform, which serves as a point to gather data from anti-theft systems (EAS) and to manage alarms and people counting systems. Furthermore, Ultra·Exit pedestals have a metal foil "booster" detection system allowing the store to identify the entrance and exit of bags with foil lining on their interior. These booster bags are devices used by thieves to avoid an alarm when stealing tagged goods.

The LDM platform gathers information from the seven stores in the quickest, most accurate manner and sends data to Sprinter's head office in Elche (Alicante, Spain). With this platform, the group obtains valuable data on activated alarms and on the response given to them at the store, the count of deactivated labels (removable or adhesive), and the number of people entering and exiting the stores. The item data can be collected when an alarm event occurs. As a result, the head office can be aware in detail, both of the management of alarms and of the products from which labels have been removed. They may easily compare this data with sales data and, at the same time, control internal theft.

Iván Mira, from the marketing department at Grupo



Sprinter said: "The positive experience with safety and alarm management technology provided by ADT has led us to install at new stores a system allowing us to obtain management information on each Sprinter location, so that we can establish continuous improvement processes and ensure that they are increasingly more profitable. The results obtained at these seven stores will be crucial to consider the installation of this system at the rest of sports megastores distributed throughout Spain."

LDM is an extendable and scalable solution, which adapts to each customer's needs. With LDM, Sprinter can generate customized reports for the identification of trends or the management of specific objectives at each store or in the whole group, as well as for the identification of eventual causes for losses.

Establishing new strategies to prevent losses gives Sprinter the opportunity to increase the total profitability of each store and, in general, of the whole group.

Click for more information on Sensormatic Ultra-Exit solutions.



### Shrink? Piazza Italia Found the Answer

Renowned apparel chain chooses Sensormatic technology sold by ADT Fire & Security-Italy to help prevent shoplifting

Apparel chain Piazza Italia has experienced significant growth thanks to the talent and proven know-how of a team of young entrepreneurs. The Naples-based company was able to earn their customers' trust, rapidly increasing both revenues and number of stores by adopting a very dynamic business approach, which helped Piazza Italia become an important national and international reality in just a few years. Today, the chain is comprised of over 100 owned outlets and 10 franchised stores abroad.

From the very beginning, Piazza Italia has always invested a great deal of time and resources on loss prevention, taking into consideration their stores' location in Italy's top malls and the usual high traffic. And from the onset, they chose Sensormatic acoustomagnetic (AM) technology, a perfect match for Piazza Italia's needs: high detection rate, virtually no false alarms, modern aesthetics, wide exit coverage, high quality performance and reliability.

Stores located in different environments with diverse footprints require flexible Electronic Article Surveillance (EAS) systems capable of assuring high quality detection, while blending with store aesthetics and ensuring ease of access, even in the case of considerable traffic. For these reasons, Piazza Italia selected Sensormatic Ultra·Exit in most of the stores. The Ultra·Exit system offers the highest level of theft deterrence, covering up to 2.4m, to help reduce shrink while preserving profits – without compromising store aesthetics and maximizing customer flow.

Since Piazza Italia wanted to protect clothing and accessories with reliable hard tags, they have always used Sensormatic SuperTag, the best solution for protecting a wide variety of items. The small size provides the right visual deterrent without detracting from the merchandise presentation. Its rigid ABS plastic housing combined with the Sensormatic patented rotary clamp and spring gate mechansim provide Piazza Italia with a formidable security device to protect theft-prone merchandise.





Starting in 2009, Piazza Italia has made further steps toward both shrink and cost reduction. In fact, through the use of the small and lightweight SuperTag VST hard tags, the retailer tells the manufacturer which items must be protected at the time of packaging; the benefits are obvious: merchandise can be displayed right after delivery to the store, sales associates can devote their time and energy to serving customers instead of tagging merchandise in the store, and items are protected in a consistent and standardized fashion at a lower cost.

As some independent studies certify, AM technology offers industry-leading detection rates. The US-based Loss Prevention Research Council (LPRC) conducted a retailer-sanctioned study on theft deterrence from

EAS systems involving 320 stores. Tests aimed at measuring EAS effectiveness reported that, on average, AM technology detection rates were more than 1.5 times higher than that of radio frequency (RF) technology.

Retailers like Piazza Italia allow ADT's sales team to express their full customer service potential, transforming a simple vendor/customer relationship into a true partnership under a common goal: an increasingly profitable business.

Click here for more information on the Sensormatic SuperTag VST solution.



## Leading Retailers Embrace Integrated Detection Capabilities to Help Cut Shrink and Optimize Productivity

Marionnaud Cites Improved Protection of Merchandise and Profits as Key Benefits

Shoplifting is the single largest source of shrink and threatens every retailer's bottom line. The 2010 Global Retail Theft Barometer reported that shoplifting cost retailers worldwide over \$45 billion in losses last year alone, citing cosmetics as one of the most highly pilfered product categories. As shoplifters grow increasingly sophisticated and organized, Tyco Retail Solutions' Sensormatic Enhanced Detection Electronic Article Surveillance (EAS) suite allows retailers to combat shrink and advanced shoplifting techniques including foil lined booster bags and jammer systems, all while remaining transparent to shoppers.

The new Sensormatic Enhanced Detection EAS suite based upon genuine Sensormatic acousto-magnetic (AM) technology provides innovative and more robust shoplifting protection, as well as new performance functions for easier management of in-store EAS programs. Ultra-Exit, the foundation of the Enhanced Detection suite, is currently deployed in over 15,000 stores. The Ultra-Exit, solution along with its new enhanced capabilities, is now available globally.

**Product Suite Highlights:** 

- <u>Fully integrated</u> by leveraging multi-purpose devices, enhanced detection capabilities are combined in one single system; no stand alone devices are required.
- · Add on functionality allows retailers to

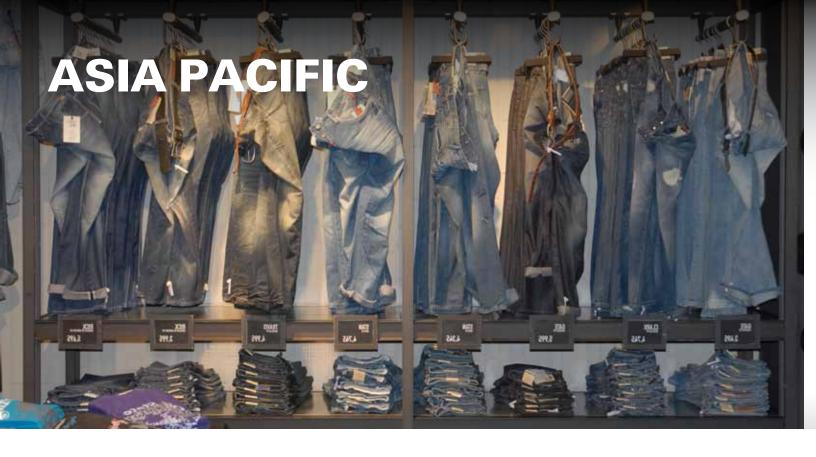
incrementally build functionality as needed, reinforcing their current EAS foundation and providing a clear migration path to RFID.

- Proven reliability the solution is based upon the industry-leading performance of genuine Sensormatic AM technology, which boasts the highest detection rates of pilfered goods.
- Optimizes loss prevention capabilities provides remote and custom event notification, as well as jammer and metal foil "booster" detection.
- Bolsters in-store productivity unique people counting feature aligns staff with peak traffic times, optimizing labor costs and enabling store associates to focus on shoppers.
- <u>Built upon the Ultra-Exit EAS platform</u> offers contemporary aesthetic design and 50 percent lower power consumption than previous systems.
- <u>Upgradeable</u> to include integrated RFID capability, as needed.

Marionnaud, Europe's leading perfumery and cosmetics retailer and part of internationally recognized A.S. Watson Group, offers a wide selection of high-value, multi-brand luxury products – a prime target for thieves. To help reduce theft and improve profitability, leading retailers such as long-time ADT customer Marionnaud are already using the solution and its integrated detection capabilities.

According to Marionnaud, "Shoplifters are more organized and aggressive than ever, using foil-lined bags and jammer devices commonly exploited by thieves. Sensormatic brand EAS systems enable us to stay ahead of professional





## Case Study: Bestseller India Implements Electronic Security Solutions to Ensure Better Operations

### **Situational Background**

Bestseller is a family-owned apparel company founded in Ringkøbing, Denmark in 1975. Initially, Bestseller focused on women's fashion; however, only a few years later, they introduced the first collections for both men and children. Today, Bestseller employs more than 41,000 people – designing, developing, selling, and marketing their brands. Their fashion wear and accessories are sold in 46 countries in Europe, the Middle East, Asia and Canada through more than 2,500 chain stores, over 300 of which are located in Denmark, and 12,000 external multi-brand stores. In 2009/10 Bestseller opened 474 new stores.

Bestseller India has three brands – Vero Moda and Only for women, and men's brand Jack & Jones. The women's accessories brand – Pieces is also available and is sold within Vero Moda and Only stores. In India Bestseller is the flagship apparel retail business.

### The Challenge

The 2010 Global Retail Theft Barometer surveyed retailers in 42 countries and regions across the world, including the U.S., China, India, Europe, Japan, Australia and Russia. According to the study, India ranked as the country with the highest shrink rate as a percentage of retail sales (2.72%). Further results revealed that apparel/clothing and fashion/accessories has the second highest shrink rate by

Tyco Fire & Security India Pvt Ltd | ADT ranked among TOP 35 Retail Suppliers 2011 in India by Industry leading independent survey conducted by Franchisee India Holdings Limited, a leading retail publishing house in India

vertical market (1.72%), which comprise the line of valued products offered by Bestseller.

While creating their expansion plans, Bestseller India acknowledged the key issues they faced included theft, which directly impacts store profitability. Recognizing the advantages that electronic security systems such as video surveillance and Electronic Article Surveillance (EAS) offer, they decided to implement the best in class solutions.

#### The Solution

To satisfy their needs, Tyco/ADT installed fire alarm solutions that comply with the basic requirements for mall / high street commercial spaces. Additionally, security cameras were installed with appropriate configurations in order to capture a complete view of the selling floor. The Sensormatic brand EAS systems installed have ensured

Bestseller the necessary visual theft deterrent, helping reduce theft.

Sensormatic brand Ultra-Tags, which work with a higher magnetic gauss detachers, also help to protect the broad range of merchandise available at Bestseller.

#### The Benefits

The Sensormatic brand anti-theft systems, which are deployed at the front entrances, are aesthetically pleasing and blend perfectly with their store design concept. The video surveillance systems used is static IP based by which all the stores of Bestseller in India can be seen from a particular location in India. Implementing this solution has enhanced their level of security and vigilance in preventing theft across Bestseller stores.

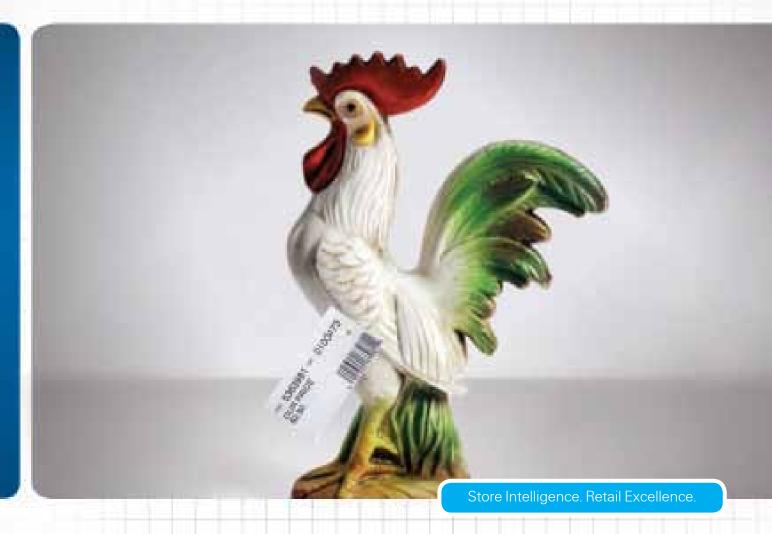
"Coming in a market which already has established players and still be able to create a place, is what I would say we have been able to do in just more than a year's time and it brings enormous pride to see the way the brands have been accepted," said Vineet Gautam, Country-Head, Bestseller Retail India

As the 2010 Global Theft Barometer and other major studies indicated, retailers in India are facing almost two times more theft than experiencing globally.

"The retail landscape in India has changed over the last decade with the mushrooming of malls and large format retail stores. The awareness of theft, whether it is internal or external, or organized theft, has increased over the years. Retailers in India are seeing about one and a half to two times more theft than seen globally according to all major studies conducted in this field. Also there is an increasing interest towards store performance solutions and business intelligence that include tracking people, their movements in the store and the pattern of spending their time inside, said Ramesh Jayaraman, Managing Director - ADT India, a segment of Tyco Fire & Security India Pvt Ltd.



# When someone buys it, about the only thing we can't tell you is why.



## Tyco Retail Solutions. Real time intelligence with every transaction.

No matter what shoppers purchase, you can find a treasure trove of information about each transaction. Learn firsthand how our retail performance and security solutions can offer up to the moment intelligence about your inventory, shoppers, employees, and store...to help you enjoy better stocked shelves, more productive associates and happier shoppers.

Because after all, satisfied shoppers find what they want - no matter how unique!



Scan for more information about our Retail Performance and Security Solutions

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