

SEE ON-FLOOR AVAILABILITY Safer. Smarter. Tyco.™

DRIVE SALES AND CUSTOMER SATISFACTION WITH ACCURATE, REAL-TIME VISIBILITY.

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DETERMINE SALES FLOOR LOCATION OF LOSS EVENTS

The Visible Store

Data Platform for Retail Excellence

CAPTURE SHOPPER TRAFFIC PATTERNS TO INCREASE CONVERSION RATES.



Brick-and-mortar stores face new challenges and opportunities

As retailers invest to attract and retain customers with the perfect shopping experience, the central role of the brick-and-mortar retail store is coming into sharp focus. When staffed by pleasant, well-informed associates eager to help, brick-and-mortar stores encourage browsing and sensory side-by-side comparison with merchandise that is ready immediately without shipping charges or delays. When done well, it's an experience unmatched by online alternatives.

But today's customers expect more. Online shopping has raised customer standards and expectations for convenience, availability, assortment and price. Issues such as limited in-store inventory assortment and out-of-stocks are not tolerated by shoppers, many times driving them to shop elsewhere. And other challenges to the store – showrooming, realtime price competition, and same-day order delivery – are established and growing fast.

Retailers are responding by extending the traditional role of their stores to meet customers' demands to shop ... however, whenever and wherever they choose. This customer-centric, connected, location-independent strategy is often referred to as omni-channel retailing. Retailers have made omni-channel retailing a key operational strategy. By streamlining Retailers collect actionable data from store performance, points-of-sale, loyalty cards, inventory management, loss prevention and additional systems. operations, leveraging enterprise-wide inventory for fulfillment and engaging customers in new ways, retailers are securing a long, profitable future for their stores.

To position the store at the center of the shopping experience, and maximize the potential of expensive investments, retailers must integrate stores into emerging omni-channel frameworks. They need to offer information, interaction and services that work smoothly across old boundaries. This is accomplished through a real-time data platform that provides visibility into a single version of the truth.

Platform Data Integration for Clear Store Visibility

Stores have long collected information on inventory, products, orders and customers from a variety of systems. With data integration — combining and analyzing this information from in-store and online systems — retailers gain clear visibility into their store operations and their customers. More than just a new competitive thrust or operational initiative, visibility across the retail enterprise is key to omni-channel retailing and helps keep physical stores strong.

The most effective way to view all store activity is with an integrated platform



"Combining real-time signals from the store on a consistent platform can help the retailer better understand consumer and store activity."

~ Hung LeHong, Gartner Analyst in "The Real-Time Store Monitoring Platform"

that delivers real-time data and reporting through a comprehensive dashboard. By integrating data across retail stores, warehouses, stock rooms, shelves and racks, retailers can optimize store performance to avoid issues that frustrate shoppers and impact sales.

Integration initiatives by major retailers are the first steps toward comprehensive platforms. These initiatives prove the physical store's central importance in building sales, profitability and customer loyalty. Because this integration depends on effective deployment of data — not just devices — compatibility across solutions and databases is essential.

Many stores already have one or more core systems to build on: point-of-sale (POS) store traffic, order management and loss prevention. In most cases, integrating store data delivers near-term benefits such as measurement of conversion, real-time shrink, staff optimization and more.

The sources of available real-time data from within the retail store continue to increase. There is great value and real need for a platform that integrates, manages, and interprets real-time information from the store.

The following diagram gives an example how data integration of these core store systems can give retailers visibility into their stores to cut risks, increase efficiencies and ensure the right products and personnel are in the right place and at the right time. According to Retail Systems Research report, "Improving Retailer Responsiveness with Real-Time Business Intelligence,"

Winning retailers place much more emphasis on the value of real-time business intelligence to achieve operational excellence in merchandising, store and Distribution Center operations... These retailers also understand the value of real-time data to maximize their loss prevention efforts, with its potential to alert managers to problems as they are happening, and not after-the-fact.

Powerful Relational Performance Insights

INVENTORY VISIBILITY

Sales Returns & Exchanges On-Hand Out-of-Stocks Replenishment Needs Transfers Receipts Shipments Cycle-Count Compliance Display Compliance

SHOPPER VISIBILITY

People Count Shopper Conversion Queue Management Dwell Time Path Analysis Demographics Staffing-to-Shopper Ratios

SHRINK VISIBILITY

Alarm Activity Loss Event Details Vendor Fraud Administrative Errors Internal Theft Point-of-Sale Activity Organized Retail Crime (ORC) Visual Loss Details

Real-Time Integrated Retail Platform



Benefits of Integrated Store Visibility

With accurate and consistent visibility across the retail enterprise, retailers can gain an understanding of why an item sells or not, reasons for out-of-stocks, how customers shop and what they buy. By revealing this valuable, actionable data, retailers can deliver a more personalized, streamlined shopping experience, leading to increased sales and profitability.

Visibility into integrated inventory, shrink and shopper behaviors will also deliver operational benefits, including:

// Accuracy: Integration of inventory information across all stores, distribution centers, stocking locations, and supply and delivery nodes helps retailers make good on availability promises without the expense of redundant inventory.

- // Efficiency: Inventory accuracy and visibility help stores optimize performance of their most important assets, just as matching staffing to shopper traffic optimizes their most important expense.
- // Risk reduction: Shrink can wipe out profits on goods many times the value of the missing items. Integration of inventory management, loss prevention and store traffic systems cuts these risks to make sure the right merchandise gets, and stays, where it can be sold.



How it's Done

Since the physical store remains the most important selling channel for most retailers, the store needs a platform for integrating real-time data. Putting data integration into play is straight forward: start with solid business cases, use proven practices, technologies and partners, design for the real world and complete supporting pilot projects. But two additional principles are critical:

// Integrate data, not devices: As easy as it is to get pulled in to supporting the latest "game-changing" device, it is data integration that will create long-term value. The value to be gained lies in the integrated data, not the technical device.

// Insist on open standards: The same is true for solutions: a hot new application or vendor that creates yet another isolated database is a step back, not forward. Leveraging an integrated platform based upon open industry standards will increase the long-term value and overall project success.

The main goal for a real-time platform is data integration across disparate store systems to better determine what is happening in the store and why. Understanding the reason something happened — and will happen again — is worth more than just knowing what is happening now. The combination of information sets provides this exponential value and insight.

Below are just a few ways stores can combine information across a platform to strengthen their operations, improve profitability, and answer the challenge from online competitors. The key is for retail executives to recognize the value of integrated data, and make full use of all the information they collect. This creates an information advantage that complements the retail shopping experience they already offer their customers.

Gain Valuable Insights Into...

- // Percentage of shoppers who make a purchase
- // Effect of out-of-stock conditions
 on shopper conversion
- // Correlation of shopper dwell time
 to item sales
- // Effect of POS queue time and failure to detach and deactivate EAS tags and labels
- // Item-level theft patterns of organized retail crime groups
- // Percentage of shrink due to internal versus external theft

By Combining...

Store Traffic and POS Transactions

Shopper Behavior and Inventory

Loss Prevention and Store Traffic

Inventory and Loss Prevention



Retail Platform Delivers Exponential Value

Tyco Retail Solutions offers visibility and performance solutions that deliver real-time integrated data into inventory, shoppers and shrink. The data is gathered in real-time from sensors located throughout the store: Electronic Article Surveillance (EAS), itemlevel Radio-Frequency Identification (RFID), video cameras, traffic counting devices, intrusion detection, and more.

Tyco's TrueVUE Retail Platform makes data integration simple. The platform provides a single, interoperable system that supports device connectivity and data processing for all sensor devices across multiple solutions areas. The result is near real-time information delivered to staff and management, supporting immediate and long-term decisions on store performance.

Designed using open standards created and maintained by the retail industry, the platform supports:

- // The full array of acousto-magnetic (AM) EAS, RFID, and dual-technology AM/ RFID sensors
- // Fixed and mobile in-store devices for managing loss prevention, inventory

management and shopper behavior The devices also access information from desktops, mobile devices, and specialty in-store portals such as kiosks.

- // Integrated software and services that ensure smooth operation, interaction, and reporting across technologies and specialties
- // Solutions and reports that combine store-specific focused areas for store management analysis and a clear overview of the entire business for corporate review

Conclusion

Data integration is a critical to preserving the importance of the physical store and successful omni-channel retailing. By gathering and analyzing valuable store performance data, retailers gain enhanced visibility into what's happening in their stores — and why — to strengthen operations, improve profitability and gain competitive advantage. To maximize the benefits of data integration, use of an integrated platform — like Tyco's TrueVUE Retail Platform — is essential. By utilizing a platform to combine data gathered across the entire retail enterprise, retailers can realize the full potential of their brickand-mortar stores while increasing sales, preventing loss and enhancing the overall customer experience.

For more information on Tyco's TrueVUE Retail Platform, visit www.tycoretailsolutions.com.

// Notes



Global strength. Local expertise. At your service.

North America Headquarters

1501 Yamato Road Boca Raton, FL 33431 United States Phone: +1 877 258-6424

Latin America Headquarters

6600 Congress Ave. Boca Raton, FL 33487 United States Phone: +1 561 912 6000

United Kingdom/Ireland Regional

Headquarters Security House, The Summit Hanworth Road Sunbury-on-Thames Middlesex. TW16 5DB United Kingdom Phone: +44 1932 743 432

Continental Europe Headquarters

Am Schimmersfeld 5-7 40880 Ratingen Germany Phone: +49 2102 7141 0

Asia-Pacific Headquarters

31 International Business Park, Creative Resource Building #03-02 Singapore 609921 Phone: +65 63898000

South Africa Headquarters

1 Charles Crescent Eastgate Ext 4, Sandton South Africa Phone: +086 12 12 400

Leverage our strength and experience

Tyco Retail Solutions is a leading global provider of integrated retail performance and security solutions, deployed today at more than 80 percent of the world's top 200 retailers. Customers range from single-store boutiques to global retail enterprises. Operating in more than 70 countries worldwide, Tyco Retail Solutions provides retailers with real-time visibility to their inventory and assets to improve operations, optimize profitability and create memorable shopper experiences.

The Tyco Retail Solutions portfolio for retailers is sold direct and through authorized business partners around the world.

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