

Retailers are re-defining the role that security technology plays within their stores. John Smith, Vice President of Retail Sales for ADT Europe, Middle East and Africa, explains how competition is driving greater focus on business intelligence as a differentiation tool allowing retailers to get closer to their customers.

Retail Security

From Loss Prevention to Intelligence and Integration

Every retailer faces a unique set of security challenges. There is no single technology or “one size fits all” approach that works for everyone. Increasingly though, leading retailers in Europe share a common goal when it comes to their security strategy - they want their investment to go well beyond loss prevention.

Retailers have been collecting data on operational parameters within their stores for some time to help improve sales. However, business intelligence in retail is not just about boosting sales. In today’s economy, retailers are being driven by strong competition to gather increasing amounts of data on store operations and customer behaviour. In turn, they are seeking greater intelligence and analytics from their technology systems to help capture the data and deliver the insights that will increase sales, improve operational efficiencies and even anticipate losses, whilst at the same time meeting evolving customer demands.

Over the past five years, loss prevention and operations functions have transitioned from collecting data and generating static reports, to processing the collected data and making it more intelligent and useful for end users. Retailers can now deliver this “actionable information” anywhere in the organisation using internet based technologies.

Integration is the key

In the past, most security technologies operated in isolation. Each solution delivered its own return on investment (ROI) primarily linked to the role it played in helping to reduce shrinkage

or protect assets. Retailers are now asking for greater integration and smart applications to reduce shrink faster and increase the ROI on their security investment. They also want bridging technologies that can perform both security and operational applications.

Technologies pioneered in the last five years allow retailers to efficiently link and use information from their anti-theft electronic article surveillance (EAS), digital closed circuit television (CCTV) and point of sale (POS) systems. This integration gives real-time intelligence at the store, region and/or corporate level, and the ability to act quickly.

To meet retailers’ changing needs and help improve their operational performance, ADT is adding new business intelligence applications to its existing suite of solutions. This will make it easier for retailers to collect and analyse POS data to help limit losses and improve overall efficiency.

Business intelligence software can deliver an actionable view of business data in areas such as loss prevention, employee theft, vendor management, refund management, case management and inventory control. For example, in a loss prevention context it allows retailers to identify which stores, which items, which vendors, which cashiers and which transactions contribute to losses that cut into margins and drain profits.

Building a layered approach

A layered approach to acquiring business



intelligence allows retailers to invest at the appropriate level, i.e. the layers that are most important to their operations. Integration holds the key to effective data gathering and all business intelligence applications require IT integration. For successful implementation, security, operational and IT functions therefore need to work in partnership.

As retailers collect more and more data from store devices, it is imperative that we stay in step with the retailer’s demand for more information, and not just more data. ADT’s strategy is to provide more actionable information from the data generated. This approach delivers the solution in layers, allowing retailers to incrementally invest and where appropriate even leverage the savings from previous system deployments for future layers.

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