



With economic pressures building, John Smith, Vice President of Retail Sales for ADT Europe, the Middle East and Africa, examines what retailers can do to protect their profits during the downturn.

# Maximising people power during the squeeze

**I**t is a tough time for grocery retailers. The rising costs of fuel, housing and food in recent months and the general economic slowdown across Europe has led to shoppers tightening their belts in earnest. It is still too early to say how long the downturn may last but the importance of consumer-spending as a driving force behind Europe's economies means that we may well see further economic difficulties ahead.

Against this gloomy backdrop, grocery retailers are faced with the challenge of an increasingly competitive marketplace. Understandably, there is additional pressure to manage down costs and so it is more important than ever to make careful decisions to stay ahead of the competition. It is also widely expected that we will see an increase in shrinkage levels as the economy weakens and this means that loss prevention programmes will need to work as hard as possible to protect retailers' bottom lines.

## Efficient use of employee resources

Making the most of employee resources could be the key to getting positive results at this crucial time. Retailers should consider what actions they can take to be successful in this important area.

Employee training can help to ensure staff focus on maintaining high levels of customer satisfaction and it should also play an important role in optimising loss prevention measures. To be a credible deterrent, even sophisticated technologies such as electronic article surveillance (EAS) or video surveillance

systems must be used and responded to correctly if retailers are going to reap the full benefits from their investments. Regardless of the systems in place, employees have to know what to do, why it matters, and why they should engage with a loss prevention programme if it is going to be a success.

During the squeeze, it will also be essential that managers are in a position to utilise their workforce as efficiently as possible. Instead of using transaction figures to try to estimate the number of shoppers at different times of the day, people counting systems can automatically capture real data on customer traffic at store, region and corporate level. By tracking the number of visitors to a store and linking this with data from point-of-sale (POS) systems it is possible for management to review sales-to-traffic conversion rates, ensure that staff levels match customer flow, and measure customer response to marketing promotions.

## Business critical information

The Sensormatic® Smart•People Counting solution uses a simple, web based reporting application to provide this business critical information. It uses easy to understand graphs and charts to show important trends and highlight exceptions. It also allows retailers to drill down into the figures for more in-depth traffic data. It is a powerful management tool that can be used to move quickly and intelligently with the market to help lower staff costs and increase customer satisfaction.

The current economic pressures pose a strong challenge for the market, however, an able



workforce, well-trained and efficiently deployed, can help to ensure that grocery retailers are well prepared for these difficult times. Armed with business intelligence information it is possible for retailers to identify their best stores, train their weaker ones and improve their overall operations.

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