



Improving the Effectiveness of Loss Prevention Strategies

Cisco Video Surveillance for Retail solutions help retailers improve Loss Prevention and more.

Executive Summary

Shoplifters and dishonest employees stole from retailers at record rates in 2005, according to the *18th Annual Retail Theft Survey* from Jack L. Hayes International, Inc., a leading Loss Prevention consulting firm. Now with Cisco® intelligent, networked Video Surveillance for Retail solutions, retailers can fight back. Cisco helps you improve the effectiveness of your loss prevention teams by using innovative video solutions to accelerate effective investigation of shoplifting and internal theft. At the same time, video surveillance capabilities can help you improve the customer experience and capture additional revenues.

Introduction

In spite of sophisticated loss prevention strategies and closed-circuit television (CCTV) monitoring systems, shoplifters and dishonest employees are stealing more from retailers than ever. Worse, thieves are stealing more expensive items and being apprehended less often. For every dollar in stolen goods recovered by the 24 retailers surveyed in the *18th Annual Retail Theft Survey*, another US\$37.05 was lost. As a result, these retailers lost more than \$5.8 billion in 2005. The retail industry as a whole suffers \$30 billion in theft-related losses annually.

Existing technology solutions, such as analog CCTV security systems and remote monitoring, enable you to capture images for review. However, the inability of loss prevention teams to quickly identify unlawful behavior and the subsequent delay between an actual incident and reviewing images often enables shoplifters and dishonest employees to succeed for longer periods of time and reduces the chances of apprehension.

Increasing the number of loss prevention staff to provide additional monitoring is costly and impractical. Humans can attentively watch video footage for a limited amount of time before their effectiveness at discerning out-of-bounds activities and suspicious persons is significantly decreased. And few retailers can afford teams of employees to monitor activity in every store.

Cisco Video Surveillance for Retail Solutions

Retailers are seeking new ways to maximize the effectiveness of their loss prevention teams. Cisco Video Surveillance for Retail solutions enable you to improve the effectiveness of your loss prevention capabilities without increasing staff. Cisco's advanced video solutions and partnerships with leading video analytic software providers also deliver new benefits:

- Higher-quality video images
- Faster access to live and recorded video and immediate playback features
- Ability to extend surveillance coverage to more areas
- Immediate visibility into suspicious events or individuals
- Ability to deliver security alerts to mobile loss prevention professionals
- Improved training capabilities,
- Surveillance capabilities integrated with point-of-sale (POS) systems

Cisco Video Surveillance for Retail solutions can also help you improve shoppers' in-store experiences and increase revenue. When combined with video analytics intelligence, you gain new ways to gather vital data about how assets and people move through the store.

Accelerate Video Access and Review

Cisco Video Surveillance solutions can be deployed to monitor distribution centers, loading docks, paths from storage to sales floor, POS, and building entries and exits to accelerate response to suspicious behaviors or incidents:

- Quickly view suspicious events using fast forward and reverse capabilities
- Eliminate delays from having to pull tapes and review them the next day
- Easily retrieve and re-view high-quality images for later investigation
- Send critical scenes to a central review monitor or to local authorities
- Monitor loiterers and suspicious packages left in public places or unauthorized access to restricted counters and displays

Correlate Surveillance with POS Data

According to the survey, on a per-case average, dishonest employees steal almost 5.7 times the amount stolen by shoplifters. Much of that theft occurs at the POS terminal, making it a critical area for monitoring. Cisco works with leading POS and analytics vendors to integrate POS transaction data with video images and alarms or alerts for each terminal. With these solutions, you can:

- Time-stamp POS transactions on the video as they are being recorded to detect employees who alter sale tags, charge lower prices, allow multiple items through, or miss items
- Be alerted to unusual product returns
- Identify suspicious behavior at the POS and alert loss prevention staff in real time to prevent theft
- Send actual images of suspicious behavior or activity to designated monitors

Integration with Video Analytics

Combining Cisco Video Surveillance for Retail solutions with video analytics at POS and throughout a store delivers valuable visual information and evidence. In addition to reducing employee theft and shoplifting, video analytics can identify groups of people throughout the store, out-of-bounds behavior, and lengthening checkout lines. They can even help you evaluate the effectiveness of merchandising displays and advertising by capturing customer reactions. Cisco Digital Video Surveillance for Retail solutions offer a new, comprehensive way to improve retail effectiveness while helping to preserve profitability. They can:

- Determine customer volume and enable managers to dynamically adjust staffing levels at POS
- Identify lengthening lines and alert available staff for assistance in accelerating checkout and reducing wait time
- Determine traffic volumes with video to cost-justify advertising and set advertising rates
- Capture customer dwell times to measure interest in advertising
- Track which customers further investigate the advertised product after viewing the advertisement
- Provide information that helps fine-tune merchandising strategies based on actual customer traffic patterns and gathering points to maximize signage, sales, and advertising effectiveness

Deliver Mobile Alerts

Using Cisco video and mobility solutions, video analytic data can be used to trigger alerts to mobile devices. The security system can alert roaming loss prevention staff to theft attempts, unusual traffic patterns, or lengthening lines where assistance is needed. The ability to deliver alerts to mobile devices extends security awareness and loss prevention for greater coverage and faster response.

Enhanced Loss Prevention Training

Video surveillance and analytics can become powerful tools for loss prevention teams and floor employees. Cisco video solutions can also be integrated with e-learning videos to train loss prevention employees how to use the new capabilities. Updates and alerts can be delivered instantaneously, enabling staff to sharpen their awareness about patterns of criminal activity in stores. With better data for sharing security updates between stores and real-time alerting features, you can become more proactive against shoplifters, strongly deter dishonest employees, and more quickly apprehend individuals to recover stolen goods.

Enable New Opportunities

Cisco Video Surveillance for Retail solutions can be integrated with existing physical security systems, adding additional capabilities and improving return on investment from them. For example, a sensor alarm in an elevator or storage area can provide input to the video system, which automatically moves a camera to cover an incident, and displays the video feed on a monitor in the control room with a map of the location.

With improved video surveillance capabilities that strengthen loss prevention tactics, retailers may be able to reverse trends on profitable, but high-loss, product lines to improve sales and profitability. They may even be able to operate stores more profitably in areas that previously represented high-risk locations.

The Cisco Intelligent Retail Network

Cisco Video Surveillance for Retail solutions operate over a Cisco Intelligent Retail network, which eliminates the need for separate video networks to perform security surveillance and display video advertising. Designed using the Cisco Service-Oriented Network Architecture (SONA) framework, the Cisco Intelligent Retail Network provides a common platform for delivering retail applications and supporting services, such as mobility, security, and Unified Communications to all retail locations.

As an integrated offering with a single, centrally managed Intelligent Retail Network, Cisco Video Surveillance solutions enable consistent and efficient data integration across functions and channels to improve security and availability. They can

converge video management, access controls, connectivity, and event correlation on one network, while simultaneously enhancing the security of connected systems and unifying communications to attack loss prevention in a comprehensive way.

Features

- Networked digital video-video is available at any number of retail sites, such as warehouse, distribution centers, loading docks, storage, sales floor, and POS.
- High redundancy-control and monitoring can be easily transferred to any other point on the network, so the network keeps operating, even if one link or switch goes down, and redundant network video recorders allow recordings to survive.
- Systemwide diagnostics-every device can be continuously monitored and alarms issued in the event of a failure.
- High accessibility-video can be viewed at any time from any place, enabling real-time incident response, investigation, and resolution.
- Efficient storage-greater storage flexibility reduces storage costs and improves control and efficiency
- Return on investment-integration with existing video surveillance and physical security technology enables you to retain benefits from existing investment in cameras and monitors.
- Easy migration- you can migrate easily or in phases from analog to networked digital video.
- Rapid deployment-easy system installation, setup, and operation accelerates deployment and productivity.
- Flexibility-digital format and complete APIs enable integration with a wide range of third-party systems and solutions.

Extending Loss Prevention with Additional Cisco Solutions

Cisco Video Surveillance for Retail solutions integrate easily with other Cisco solutions, such as Unified Communications and Mobility. For example, loss prevention professionals and store associates can use Cisco Unified IP Phones for alerting and real-time communication. In addition, managers can distribute important messages and share strategies with employees using wireless or Cisco Unified IP Phones before, during, or after hours in real-time or on demand.

Integrating alarms with Cisco Mobility solutions enables loss prevention professionals and store associates to be immediately notified on wireless devices anywhere in the store. Wireless mobility enables staff to respond quickly to an event or dynamically adjust staffing levels to match customer volume.

Cisco content distribution services enable loss prevention professionals and associates to transfer videos, receive training, and share best practices or crime data with other stores-all over the same network. Stores quickly receive warnings so that they can be alert to new criminal techniques or organized retail theft operations.

Cisco Provides a Unified Approach to Loss Prevention

Rather than building separate video networks or developing costly, complex in-house solutions, you can benefit from Cisco's world leadership position in networking and extensive experience in networked services and applications. Cisco helps you build the network foundation for supporting digital video solutions, as well as for implementing mobility, unified communications, and content distribution applications throughout retail locations.

With Cisco Video Surveillance for Retail solutions, you can significantly improve not only loss prevention strategies but also your customers' shopping experiences and revenue opportunities.

Learn More Today

Learn more about Cisco Video Surveillance for Retail solutions and how they can help you fight inventory loss. Contact your local Cisco Account Executive, or visit www.cisco.com/go/retailsolutions.

The 18th Annual Retail Theft Survey included 24 major retailers, representing 13,313 stores and over US\$519 billion in annual retail sales in 2005.

Figure 1: Total retail theft apprehensions

	2004	2005	Difference	Percent
Apprehensions	693,177	676,451	(16,726)	(2.41%)
Recoveries	\$108,287,948	\$127,032,819	\$18,744,871	17.31%
Avg. Case Value	\$156.22	\$187.79	\$31.57	20.21%

Figure 2: Shoplifting

	2004	2005	Difference	Percent
Apprehensions	631,295	607,457	(23,838)	(3.78%)
Recoveries	\$65,901,473	\$77,070,619	\$11,169,146	16.95%
Avg. Case Value	\$104.39	\$126.87	\$22.48	21.54%
Recoveries (No Apprehension Made)	\$26,409,718	\$30,160,008	\$3,750,290	14.20%

Figure 3: Dishonest employees

	2004	2005	Difference	Percent
Apprehensions	61,882	68,994	7,112	11.49%
Recoveries	\$42,386,475	\$49,962,200	\$7,575,725	17.87%
Avg. Case Value	\$684.96	\$724.15	\$39.20	5.72%

Source: 18th Annual Retail Theft Survey from Jack L. Hayes International, Inc. October 3, 2006
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