

Loss Prevention

THE MAGAZINE FOR LP PROFESSIONALS



Prospering Through Tough Times: LP Investment Surveys

July 2009



LP Magazine Registration Survey June 2009

330+ Retailers

LP Magazine Registration Survey

June 2009

334 Retailers Responded to Pre-Event Registration Questions:

1. LP Investment Intent Over Next 12 Months?
2. LP Areas of Interest?

Respondents Include:

- Abercrombie & Fitch
- Adidas
- Barnes & Noble
- Belk
- Best Buy
- Cabelas
- Carrefour China
- Claires
- Conns
- Costco
- CVS
- Dicks Sporting Goods
- Disney Stores
- Dollar General
- Duane Reade
- Family Dollar
- Gap
- Giant Food
- Harris Teeter
- HEB
- Home Depot
- IKEA Canada
- JC Penney
- Jones Apparel
- Kmart
- Limited Brands
- Lord & Taylor
- Lowe's
- Macy's
- McDonalds
- Meijer
- Nike
- Office Depot
- Polo Ralph Lauren
- Publix
- QVC
- Radio Shack
- Reitmans
- Rite Aid
- Sears
- Sephora
- Shaw's
- Shopko
- Target
- TJX
- Wal-Mart
- Zales

Loss Prevention

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Prospering Through Tough Times: Using Data to Make Smarter Loss Prevention Decisions

Event Date: 06/30/2009 11:00 AM Eastern Daylight Time

The weak economy has created significant challenges for retailers: slack demand, lower margins, and increased shrink all are part of today's "perfect storm" in retail. Loss prevention professionals are under severe pressure to deliver the inevitable—do more with less. But is this the time to succumb to pressures and cut LP budgets, just when theft levels are rising? This one-hour webinar will feature thought-provoking ideas from experienced experts who can show you how to extend the capabilities of your existing LP systems and to actually help your organization improve its competitive position during these difficult times. The webinar will provide insight into using loss prevention and real-time operational data to improve shrink-management performance, operational efficiency, and profitability.

Ernie Deyle Vice President SD-Retail Consulting



Ernie Deyle, vice president of SD-Retail Consulting, has over 26 years of global retail experience, including operational management positions, back-stage support positions in operations, merchandising, IT, loss prevention, and professional consulting services. In his role, he oversees the firm's shrink management, risk mitigation, and profit improvement services offerings. Previously, he served as vice president for loss prevention for CVS/Caremark during a time when the Harvard Business Review recognized CVS/Caremark as one of the top five loss prevention departments in the world. Additionally, Ernie has served the Kroger Cos., Fleming Foods/Solvrer Inc., and Homeland Stores in senior positions in the area of loss prevention, operations, and information technology during his career.

Professor Joshua Bamfield Executive Director The Centre for Retail Research



Professor Joshua Bamfield is an acknowledged expert on retail crime and publishes annually the largest survey on retail fraud in 42 countries, the Global Retail Theft Barometer. He was previously the head of the business school at Northampton University and has published books and journal articles on crime and fraud. Professor Bamfield has been the director of the Centre for Retail Research for ten years and pioneered the use of civil recovery against staff fraud on behalf of 75 major UK retailers in the late 1990s. He is a member of the Worshipful Company of Security Professionals, Fellow of the Royal Statistical Society, Chartered Member of the British Computer Society, Professor of Management at Nottingham Trent University and a member of the editorial board of The Security Journal. His new book *Shopping and Crime* will be published by Palgrave-Macmillan at the end of 2009.

Paul Cataldo Vice President for Global Marketing Checkpoint Systems



Paul Cataldo is vice president for global marketing at Checkpoint Systems, a global leader in solutions for shrink management, merchandise visibility, and apparel labeling. A seasoned software industry executive with deep experience in retail and RF technologies, Paul served as vice president marketing at OATSystems, prior to OAT's acquisition by Checkpoint Systems in 2008. At OATSystems, Paul led the company's transition from technology platform vendor to industry solutions provider. Prior to OATSystems, Paul held a variety of senior technical and marketing positions in start-up and later-stage organizations, including vice president of marketing for IntelliVid Corp., a provider of intelligent video analysis solutions for the retail industry.

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Loss Prevention Webinar



Prospering Through Tough Times
Using Data to Make Smarter LP Decisions

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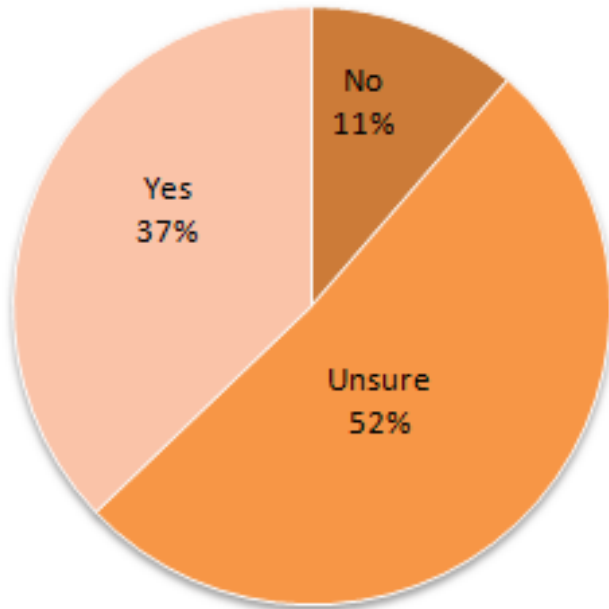
Register Now

LP Magazine Registration Survey: June 2009

334 Retailers

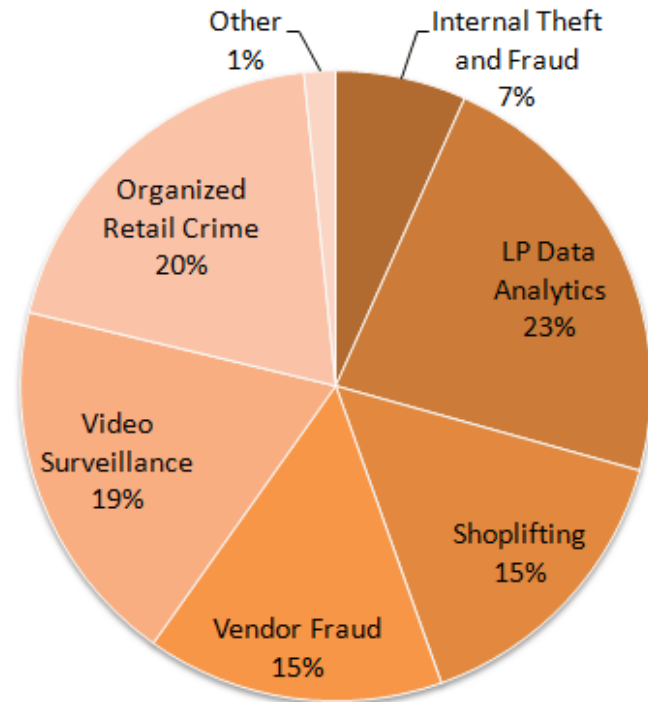
Does your organization intend to upgrade or make new investments in loss prevention technology during the next 12 months?

124 out of 334 retailers surveyed intend to invest in LP over the next year



What areas of loss prevention are you most interested in learning more about? (multiple responses)

Out of the 124 Retailers who intend to invest in loss prevention technology over the next year, the area of highest interest is LP Data Analytics, listed by 23% of survey responders





Extended LP Investment Survey July 2009

80+ Retailers

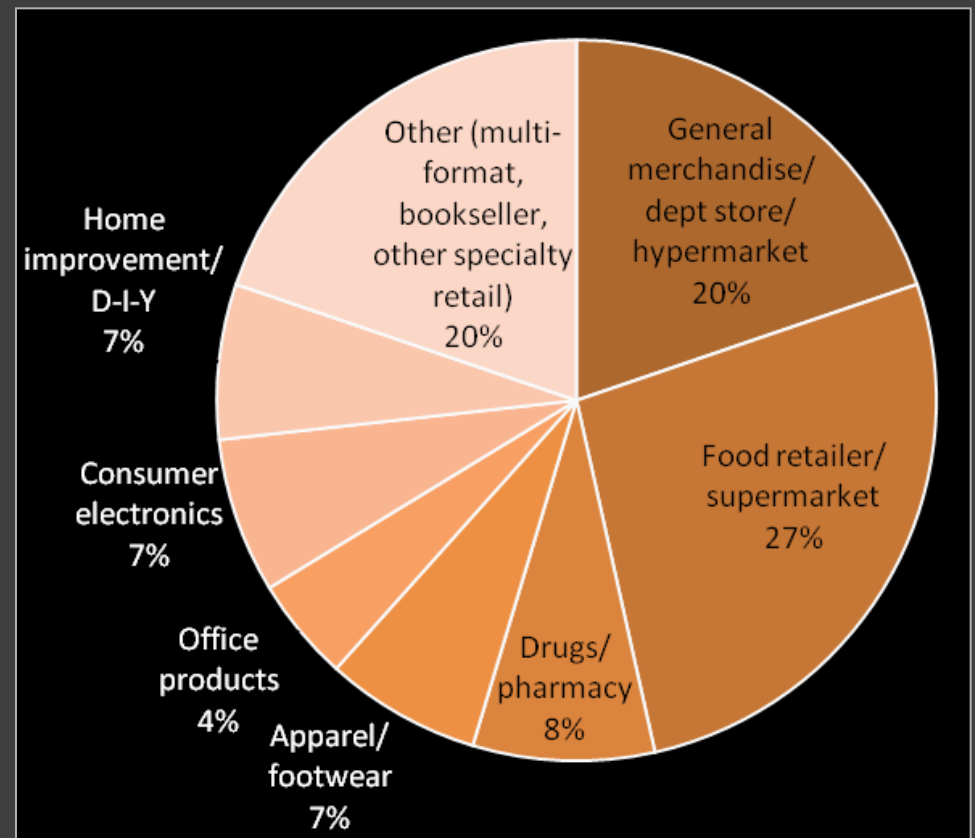
LP Magazine Loss Prevention Investment Survey July 2009

Over 80 Retailers from the Pre-Event Survey Responded to Additional Questions:

1. LP Areas of Interest
2. Estimated LP Spend in 2009 compared to 2008 Budget
3. Projected Store Openings
4. Anticipated LP Spend in 2010 compared to 2009 Budget
5. Areas of LP Investment for 2010

Respondents Include:

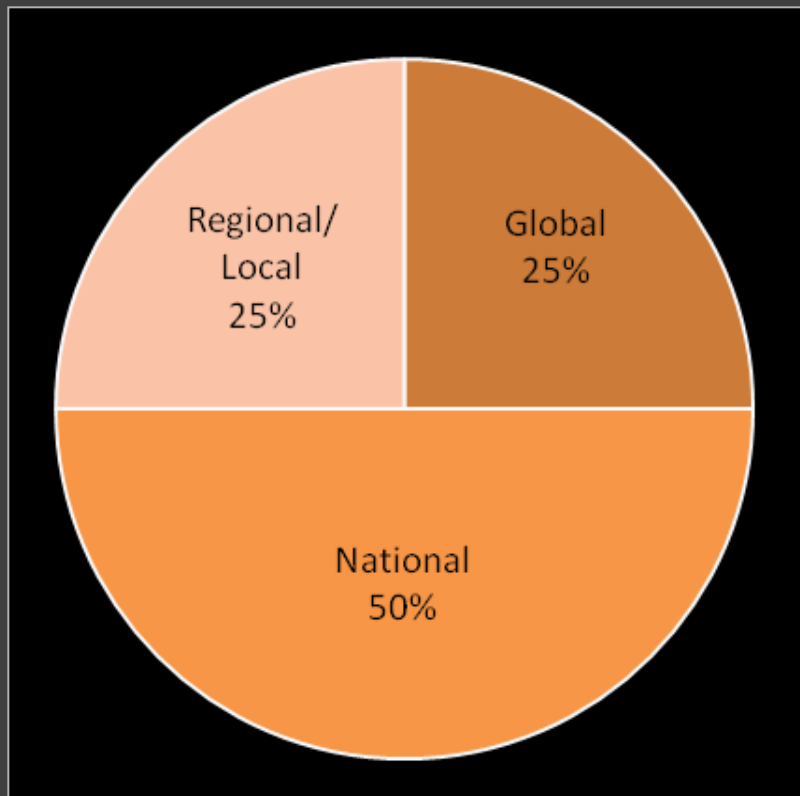
- 27% Food Retailer/Supermarket
- 20% General Merchandise/Department Store/Hypermarket
- 20% Multi-Format, Other Specialty Retail Format
- 8% Drugs/Pharmacy
- 7% Apparel/Footwear
- 7% Consumer Electronics
- 7% Home Improvement/ D-I-Y
- 4% Office Products



Retailer Profile: Extended Survey Respondents

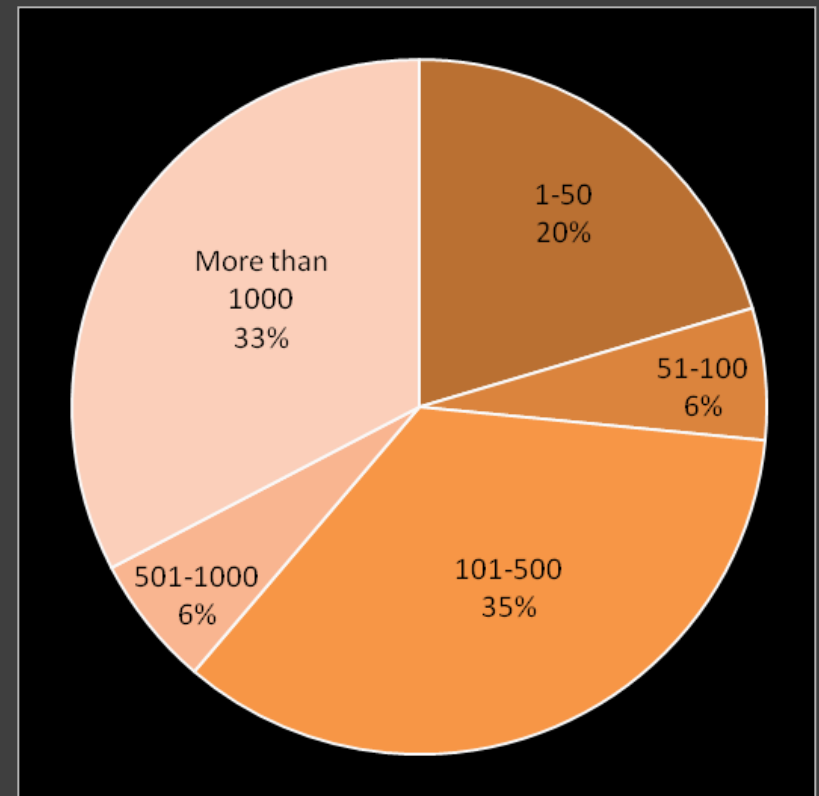
What is the Geographic Scope of Your Company's Retail Operations?

One-half of retailers surveyed are National in scope, 25% with Global operations and 25% operating on a Regional or Local level.



Approximately How Many Retail Outlets Does Your Company Currently Operate?

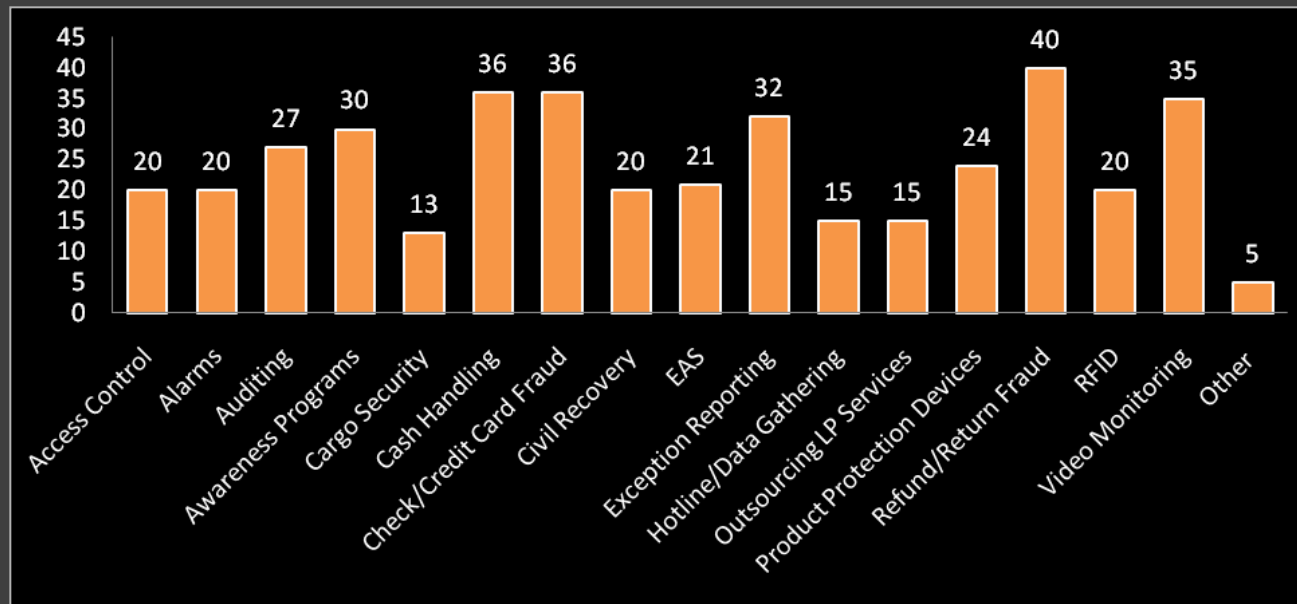
Nearly 75% of surveyed retailers operate 100 or more outlets, with one third operating more than 1000.



What LP Topics Are of Interest to You?

LP professionals are accountable for a broad range of functions, which is reflected in the responses below.

Refund/Return Fraud	47%
Cash Handling	42%
Check/Credit Card Fraud	42%
Video Monitoring	41%
Exception Reporting	37%
Awareness Programs	35%
Auditing	31%
Protection Devices	28%
EAS	24%
Access Control	23%
Alarms	23%
Civil Recovery	23%
RFID	23%
Hotline/Data Gathering	17%
Outsourcing LP Services	17%
Cargo Security	15%
Other	6%



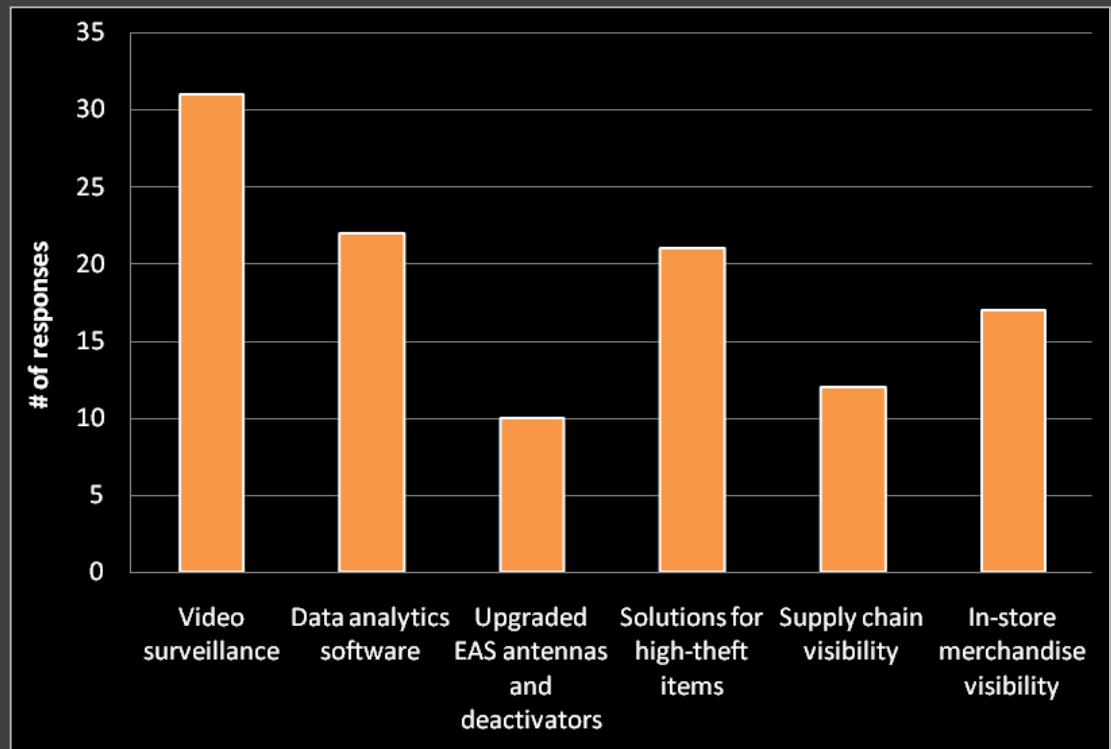
Note: responses total over 100% - several respondents checked multiple items

In Which of the Following Areas Do You Expect to Make Investments During 2010?

Although LP professionals are accountable for a broad range of functions, they intend to invest selectively in areas that enable them to proactively secure high theft areas and items, and to proactively spot patterns which could lead to shrinkage or out-of-stocks.

Video Surveillance	36%
Data Analytics Software	26%
High-Theft Item Solutions	24%
Merchandise Visibility	20%
Supply Chain Visibility	14%
Upgraded EAS	12%

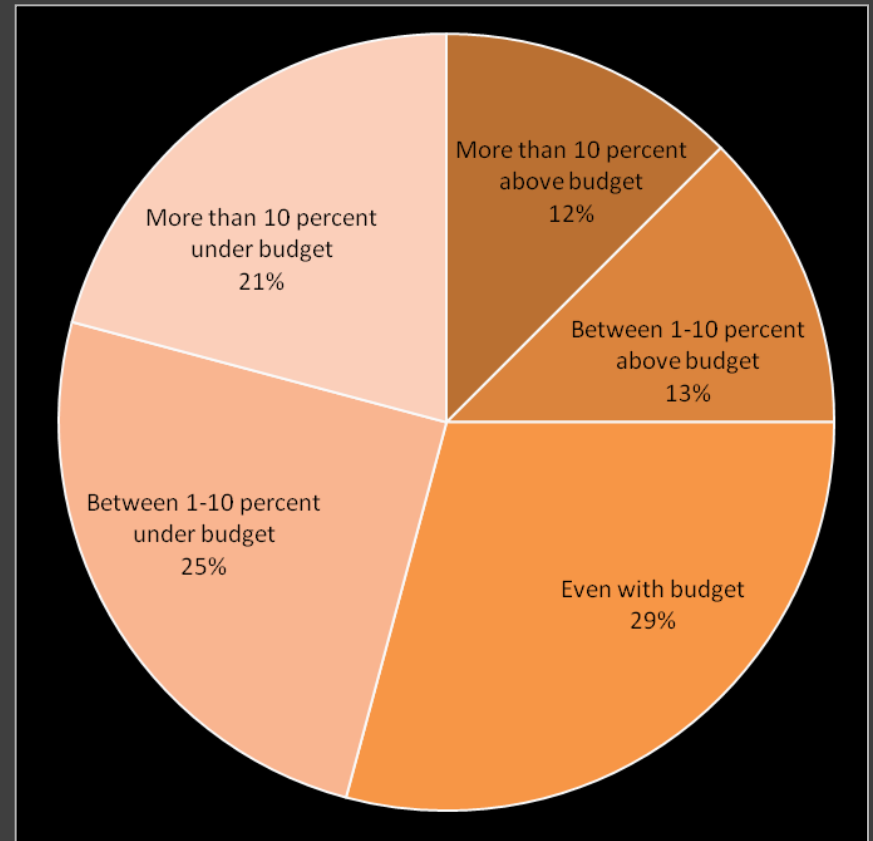
- Note: responses total over 100% - several respondents checked multiple items



How Will Your Estimated Total Spending on Loss Prevention in 2009 Compare to Your Company's Budget for 2008?

Although retail budgets have tightened in the past year, 54% of respondents will not be reducing their LP spend this year. 25% have increased 2009 budgets compared to 2008.

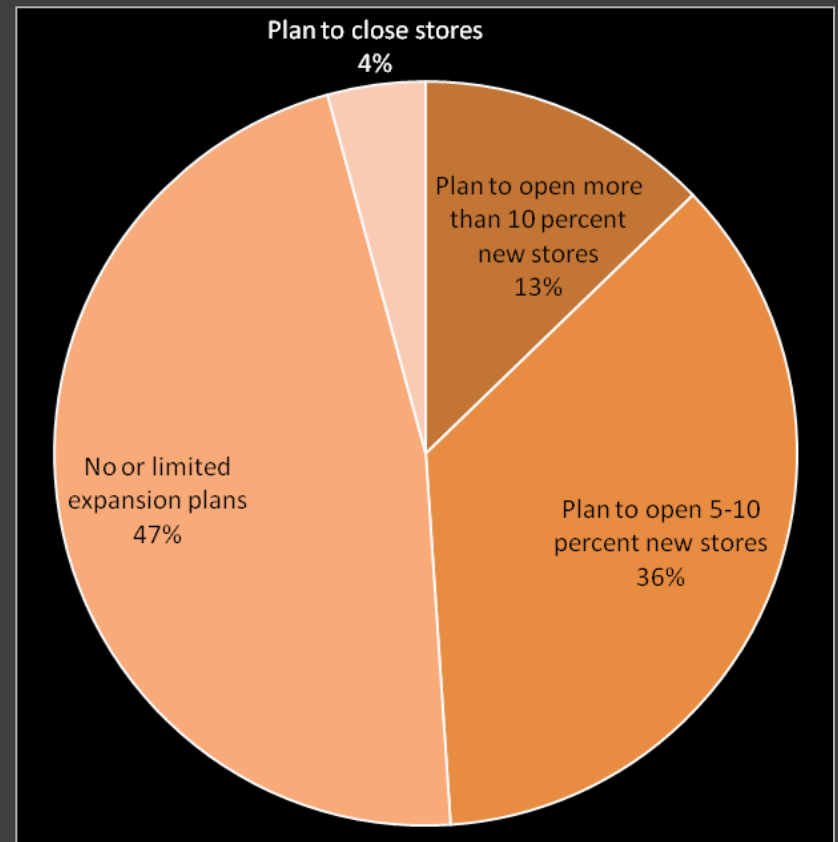
More than 10 percent above budget	12%
Between 1-10 percent above budget	13%
Even with budget	29%
Between 1-10 percent under budget	25%
More than 10 percent under budget	21%



What Best Describes Your Company's Outlook for Opening New Stores in 2010?

Store closings have received more press coverage than expansion plans over the past few months. Of the retailers surveyed, 49% plan to open new stores in 2010 while only 4% have store closings planned.

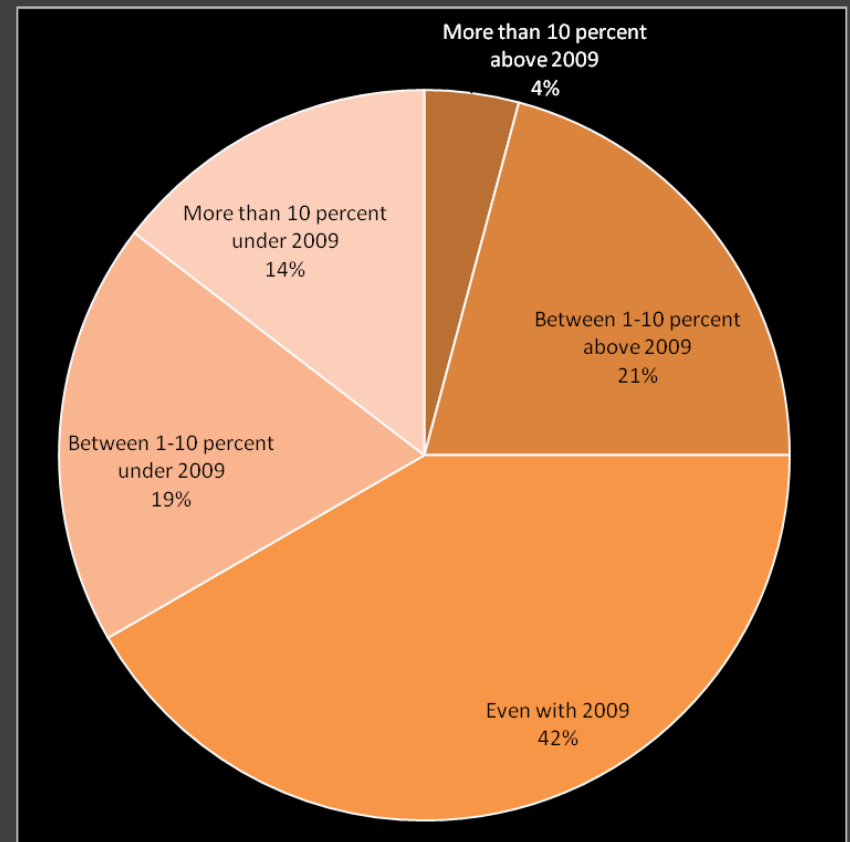
No or limited expansion plans	47%
5-10% new stores	36%
More than 10% new stores	13%
Plan to close stores	4%



What Best Describes Your Anticipated LP Budget in Existing Stores During 2010, Compared with Estimated 2009 Actual LP Spending?

Over two thirds of retailers surveyed have unchanged or increased LP budgets for 2010. One third will be operating with smaller budgets next year.

More than 10 percent increase	4%
Between 1-10 percent increase	21%
Even with 2009 budget	42%
Between 1-10 percent decrease	19%
More than 10 percent decrease	14%



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