

Watford, March 9, 2015

Survey shows retailers' continued appetite for competitive advantage through digital surveillance

According to the latest annual Centre for Retail Research (CRR) survey into the use of CCTV in retail – commissioned by Axis Communications, the global market leader in network video – over a quarter (27%) of UK retailers cite ‘integration with business intelligence applications’ as the main reason for adoption of network IP for the third year running.

Similarly, across northern Europe, an average of 31% of retailers said that integration with business intelligence applications was their main driver for adopting network IP, peaking at 35% in Denmark.

Of the 278 UK retailers that responded, encompassing some 20,350 stores, the data showed that 92.8% currently use CCTV with over 60% of these are planning to convert to network IP technology. ‘Quality of Image’ saw the biggest increase in priority with a 40% increase in UK respondents naming it as the most important factor when migrating to network IP. Other major drivers for the adoption of IP technology included: ‘better remote access’ (18%), ‘scalability’ (16%) and ‘reduced total cost of ownership’ (12%) – all showing an average increase compared to last year’s survey.

Commenting on the results, Andy Martin, retail business development manager, Axis Communications, said: “The migration from analogue CCTV to network IP continues to be of huge importance to the retail industry and will be the biggest single factor impacting on retail security as digital surveillance and network video become the standard.

“The UK High Street is still the origin of the bulk of retail transactions, but unfortunately stores also carry the highest overheads, so the need to ‘sweat the assets’ is vital with surveillance systems being no exception. This is where network IP really has the advantage as it can be used to improve both service and sales, not just security, to deliver a real return on investment.

“Operating on increasingly smaller margins, reducing costs are a key priority for retailers. While IP-based video surveillance does make a noticeable improvement in the top line and revolutionised loss prevention, the long-term aim of superior image quality should be for lowering total cost of ownership, as it enhances detection and improves forensic investigation.

“I see retailers’ use of business analytics and intelligence applications continuing to mushroom in line with cloud computing and big data. With network cameras’ capability to provide higher resolution video and be connected from everywhere 24 hours a day, retailers are receiving more data from more sources. Business intelligence applications are needed to help them manage this huge amount of information, such as images and videos, and to help them interpret it into

something useful.

“As network video is an open platform solution, it can seamlessly allow integration with emerging technologies and therefore, transforms the surveillance camera from a forensic tool aimed at solving problems to a proactive tool designed to optimise business processes and reduce cost. This is clearly evident from the survey as nearly half of the UK retailers polled stated that queue management (49.9%) and people counting (49.2%) were the two most important non-security network IP applications that most interested them.”

Professor Joshua Bamfield, director at CRR added: “The survey clearly highlights the continued move towards IP-based camera systems across the retail sector, a growing trend that is driven by the need for HD-quality images and the increased adoption and use of business-focussed analytics - two areas where IP systems demonstrate a clear advantage over older technologies. It further suggests that retailers continue to appreciate the added benefits that an IP-based system can deliver which is evident in the high convergence rate each year.”

Andy concluded: “Customer theft is still the biggest security challenge facing retailers at the moment, as nearly a quarter (24.2%) said that their main reason for using CCTV is to prevent or investigate theft and a huge 80% of respondents cited prevention of internal or external theft and better safety as the main driver for the use of CCTV, seeing and average fall in loss of 15%.

“As a whole, the UK has embraced the benefits that CCTV can bring and this is especially true of the retail sector. Certainly for the UK, I believe that the migration to network IP has become the norm and it is no longer a question of ‘if’ but ‘when’ the technology will be adopted.”

The ‘CCTV in Retail’ survey was commissioned by global market leader in network video, Axis Communications and was run in conjunction with the Centre for Retail Research in Nottingham. Now in its fourth year, it surveyed 2,200 retailers both large and small from a wide variety of sectors and attracted 673 responses from retailers in the UK, Ireland, Denmark, Finland, Norway and Sweden.

The research was carried out by the CRR between July and August 2014 and follows similar Axis-commissioned surveys in 2013, 2012 and 2010.

Axis Communications, along with its partners Cognimatics and Prism, will be exhibiting at stand 330 at this year’s Retail Business Technology Expo (RBTE) in London. Experts will be on hand to discuss how network video solutions can provide retailers with a whole new set of future proof tools that enable:

More effective and accurate loss prevention

Improved merchandising

Optimised store operations

Improved customer experience.

Axis is at RBTE – 10th/11th March – Olympia, London – Stand 330

Come and talk to Axis' experts about how they can help retailers make a difference to their business, either book an appointment with Axis' retail business development manager – Andy Martin, andy.martin@axis.com, or visit Axis at booth 330. For more details click [here](#).

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About Axis Communications

Axis offers intelligent security solutions that enable a smarter, safer world. As the global market leader in network video, Axis is driving the industry by continually launching innovative network products based on an open platform - delivering high value to customers through a global partner network. Axis has long-term relationships with partners and provides them with knowledge and ground-breaking network products in existing and new markets.

Axis has more than 1,900 dedicated employees in more than 40 countries around the world, supported by a network of over 75,000 partners across 179 countries. Founded in 1984, Axis is a Sweden-based company listed on NASDAQ Stockholm under the ticker AXIS. For more information about Axis, please visit our website www.axis.com

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