

Watford, October 9, 2014

Survey reveals continued strong trend towards network IP

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 60% of UK retailers are planning to adopt network IP in the next three years and nearly a third have adopted it already, up from a quarter in 2012.

Of the 278 UK retailers that responded, encompassing some 20,350 stores, the data showed that 92.8% currently use CCTV. Of these, 32.1% have already upgraded to network IP technology – representing a 2.5% rise in take up from the previous year's figures. This trend is even more pronounced across the wider northern European region, with 58.5% (weighted average) of analogue users now planning to switch to network IP – representing a significant increase of 17% on 2012 figures.

The survey, now in its fourth year, polled 2,200 retailers, and received 673 respondents from across northern Europe. The results of the survey are being presented today at the Retail Fraud Show in Leicester by Atul Rajput, regional director, northern Europe at Axis Communications and Professor Joshua Bamfield, director at the CRR.

Reacting to the results, Atul commented: "The migration from analogue CCTV to network IP continues to be of huge importance to the retail industry with the majority of UK retailers (60.3%) now planning to convert in the next three years, with over three quarters (77.1%) of those owning a retail estate of between 26 and 500 stores. This is therefore likely to be the biggest single factor impacting on retail security as digital surveillance and network video become the standard. 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 survey suggests that 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.

"The UK as a whole has embraced the benefits that CCTV can bring and the country's retailers are no exception. 22% of those surveyed stated that the main benefit of CCTV was to reduce theft with an estimated average fall in loss of 15% - the highest prediction in northern Europe and up on the previous year. Couple this with the fact that 14% of respondents cite 'quality of image' as an important driver for the use of network video – a 40% increase on the previous year – and it's clear to see that the high definition images that network video can offer, are critically important for retailers in driving down theft and improving safety."

The survey also asked respondents about their attitudes toward potential future application systems and networks for digital surveillance, including non-security issues. Over a quarter (27%) cited ‘integration with business intelligence applications’ as the main reason for adopting network IP – the highest in the UK and across northern Europe.

“High street stores are still the origin of most retail transactions but carry the highest overheads, so the need to reduce cost and complexity of in-store surveillance systems and, at the same time, ‘sweat the assets’ further, is vital. 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.

“The use of cloud-based video systems has shown an increase in interest from UK retailers and so too has the interest around non-security applications. Nearly half (49.9%) of respondents were interested in queue management and people counting (49.2%) as new tools to improve both operational sales and marketing performance.

“As well as the rise of non-security applications, big data, cloud and mobile technologies are all trends that are impacting on the retail sector. As network video is an open platform solution and can seamlessly allow integration with these technologies, it can help to maximise the return on in-store video investment by extending its use beyond pure surveillance into a business optimisation tool.”

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-focused 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.”

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.

For all Axis media enquiries, please contact:

Alex Henshall or Eleanor O’Connell at Good Relations

Phone: + 44 (0) 1625 500800, E-mail: axis@goodrelationsregional.co.uk

For further information about Axis Communications Northern Region, please contact:

Kristina Tullberg, PR and Communications Specialist, Axis Communications Northern Europe

Phone: + 46 46 272 1800, E-mail: pressoffice-ne@axis.com

About Axis

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 1,600 dedicated employees in more than 40 countries around the world, supported by a network of over 60,000 partners across 179 countries. Founded in 1984, Axis is a Sweden-based company listed on NASDAQ OMX Stockholm under the ticker AXIS. For more information about Axis, please visit our website www.axis.com.

Follow us on Twitter: @Axis_NEur