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Survey Says 87% of Retail Stores Are Considering the Move to Network Surveillance System

Announced at NRF's Big Show, Research Shows Retail Industry's Use and Perceptions of Video Surveillance, as well as Use of Network-based vs. Analog Technology

Axis Communications, the global leader in the network video market, today announced the results of the "Surveillance Survey Report" conducted by the Loss Prevention Research Council (LPRC) and sponsored by Axis, which states that 87% of retail companies who currently use analog technology for surveillance are now considering migration strategies toward network video. The LPRC, in conjunction with the Loss Prevention Team (LPT) at the University of Florida, provides deep insight into the retail industry's overall use of video surveillance and perceptions on its effects, and then cites reasons for the anticipated move to IP.

For the survey, loss prevention executives from 49 national and regional retail companies answered a series of questions about their companies' use of video surveillance technology, their feelings on IP-based versus analog systems, the effects video surveillance has had on loss prevention, and their impressions of other possible uses of video surveillance beyond security and loss prevention, such as marketing and merchandising analytics.

Almost all companies (98%) claimed to currently use video surveillance in their stores, yet only 25% stated that they have already made the move to an all IP-based surveillance system. For those who have yet to adopt IP video technology, the number one reported obstacle to deployment was the perceived higher cost (41.7%).

Fortunately for these retailers, due to improvements in IP technology, off-the-shelf recording and storage products, and overall quality, the total cost for IP-based systems in smaller camera count installations are improving when compared to analog. Additionally, IP innovations such as 9:16 Corridor Format help bolster surveillance technology in retail by providing better targeted images, which can decrease camera count needed to cover aisles and bays.

There were many other interesting video surveillance trends within the study, including:

98% say that video surveillance reduced internal loss (employee theft, etc.)

Nearly 75% claim that video surveillance reduced external loss (shoplifting, return fraud, etc.)

Of the respondents who indicated that poor image quality was one of the top four negative effects of video surveillance, 100% of them had analog technology as part of their system

People counting is the most widely deployed non-LP analytic application, with 27% of

responders currently running the application in the store

Hot/Cold zones (13%), Dwell time (13%) and Queue counters (10%) were other additional applications used by retailers today, with more than half of the respondents indicating that they would use these applications in the future if they are not today

“Our research indicates that retailers have plenty of opportunity to expand their surveillance systems to go far beyond loss prevention, especially if and when they switch to IP,” said Dr. Read Hayes, director, LPRC. “It is great to see positive results from the overall effects of video surveillance regarding safety and crime prevention, but it’s evident that the more areas of a retailer’s business that can utilize video surveillance, the greater the ROI.”

“Image quality, scalability and lower total cost of ownership have been the three main drivers for network video across all verticals,” said Jackie Andersen, business development manager, Retail. “But in retail, there are many other exciting opportunities at play to use video data more effectively to help streamline operations and improve sales and marketing. LPRC’s research indicates tremendous growth potential for IP video in an industry that’s been using video surveillance for decades.”

Axis will be attending the NRF Big Show, January 9-12, booth #2903 where they will be available to discuss full results of the survey.

For more details about the survey or for complete results, please contact the LPRC at <http://www.lpresearch.org/cms/> or Domenic Locapo at dlocapo@axis.com.

About Axis Communications

Axis is an IT company offering network video solutions for professional installations. The company is the global market leader in network video, driving the ongoing shift from analog to digital video surveillance. Axis products and solutions focus on security surveillance and remote monitoring, and are based on innovative, open technology platforms. Axis is a Sweden-based company, operating worldwide with offices in more than 20 countries and cooperating with partners in more than 70 countries. Founded in 1984, Axis is listed on the NASDAQ OMX Stockholm, under the ticker AXIS. For more information about Axis, please visit our website at www.axis.com.

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