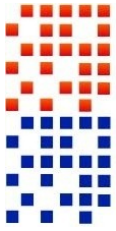


Consumer Products Protection

Using research to deliver 'fact-based' higher returns to our shareholders

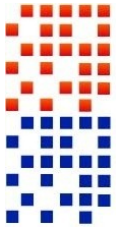
Carol Martinson, SuperValu ~ Dennis Wamsley, Publix ~ Read Hayes, PhD, LPRC

Real Science. Real Results.



Retailer Perspective

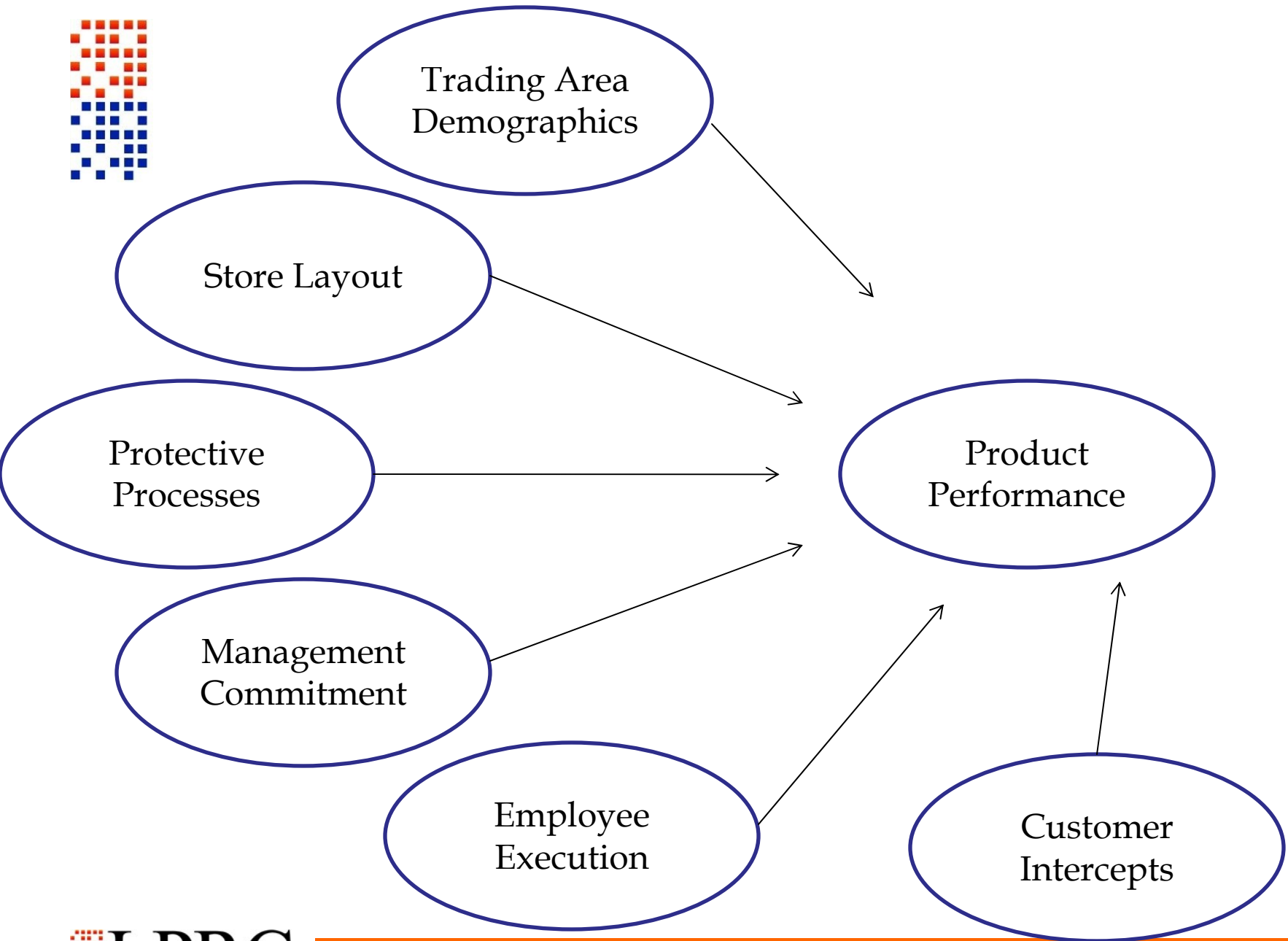
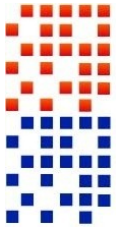
- Current challenges-
 - Ongoing crime and loss
 - Budgetary pressure to do more with less
- Opportunities-
 - Use science to develop more effective and cost-efficient solutions
 - Generate better data to secure needed resources

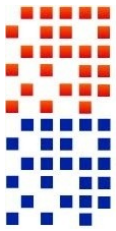


StoreLab

What Works, What Next

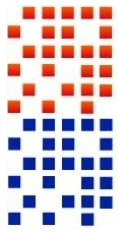
- LP/ AP research and development
 - Ultimate Goal: Sell more, lose less
 - Measurements of Success:
 - Customer Shopping experience
 - Operational Effectiveness/ experience
 - Cost Effectiveness: ROI
 - Solution Operational Best Practices







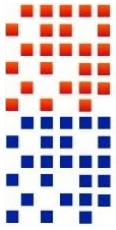
Current Project Example



Current Project Objectives

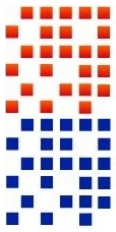
- Assess the protective effectiveness of Keepers, enhanced camera domes, and public view monitor interventions on blades and razors
- 11 razor and blade products in 60 test stores & 20 control stores in Atlanta, Jacksonville and Chicago areas retail stores
- Between June 16 and November 17, 2008





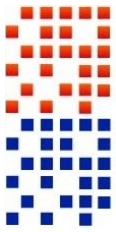
Current Project Objectives

- Efficacy- Loss reduction/Sales boost
- Cost-effectiveness- Positive ROI
- Customer experience
- Employee execution/ best methods



Project Background

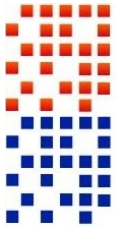
- Pre test period- series of two week segments:
 - Pre test- 6/16/08 to 9/7/08
 - Post test- 10/7/08 to 11/17/08
- Provide total store item counts by SKU
- Report any on the shelf out of stocks
- Provide all ships and sales by SKU



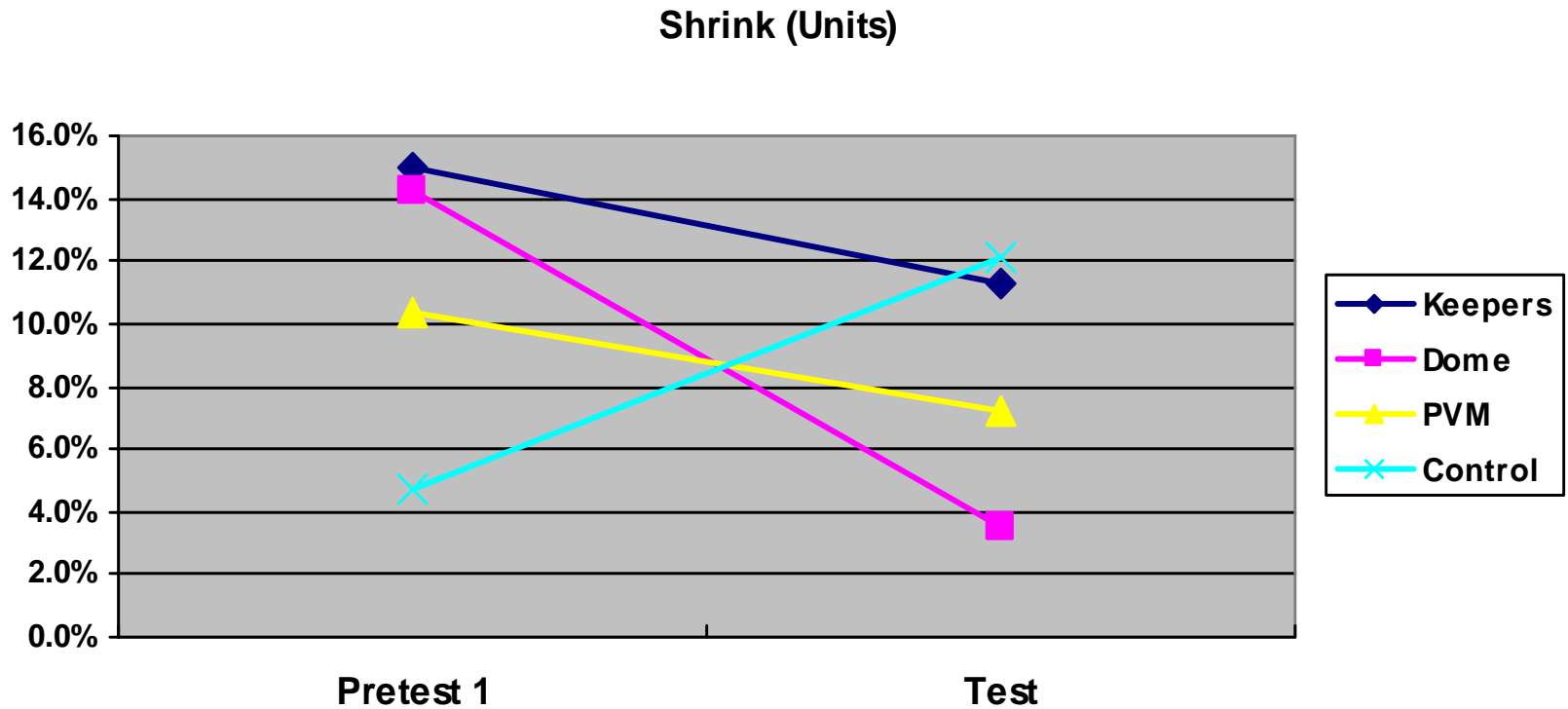
Findings: Reduced Shrink

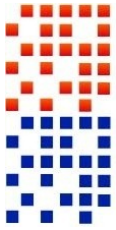
- Shrink measured by units declined for the three interventions from the pretest to the test period. In contrast, shrink increased for the control stores across this period

Intervention	Pre Test		Post Test	
	At Units	At Retail	At Units	At Retail
Keepers	- 15.0%	- 16.7%	- 11.3%	- 16.4%
Dome	- 14.2%	- 25.0%	- 3.5%	- 8.3%
PVM	- 10.4%	- 12.5%	- 7.2%	- 8.1%
Control	- 4.7%	- 9.5%	- 12.1%	- 22.8%



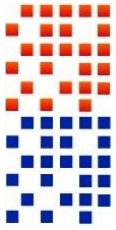
Findings: Reduced Shrink



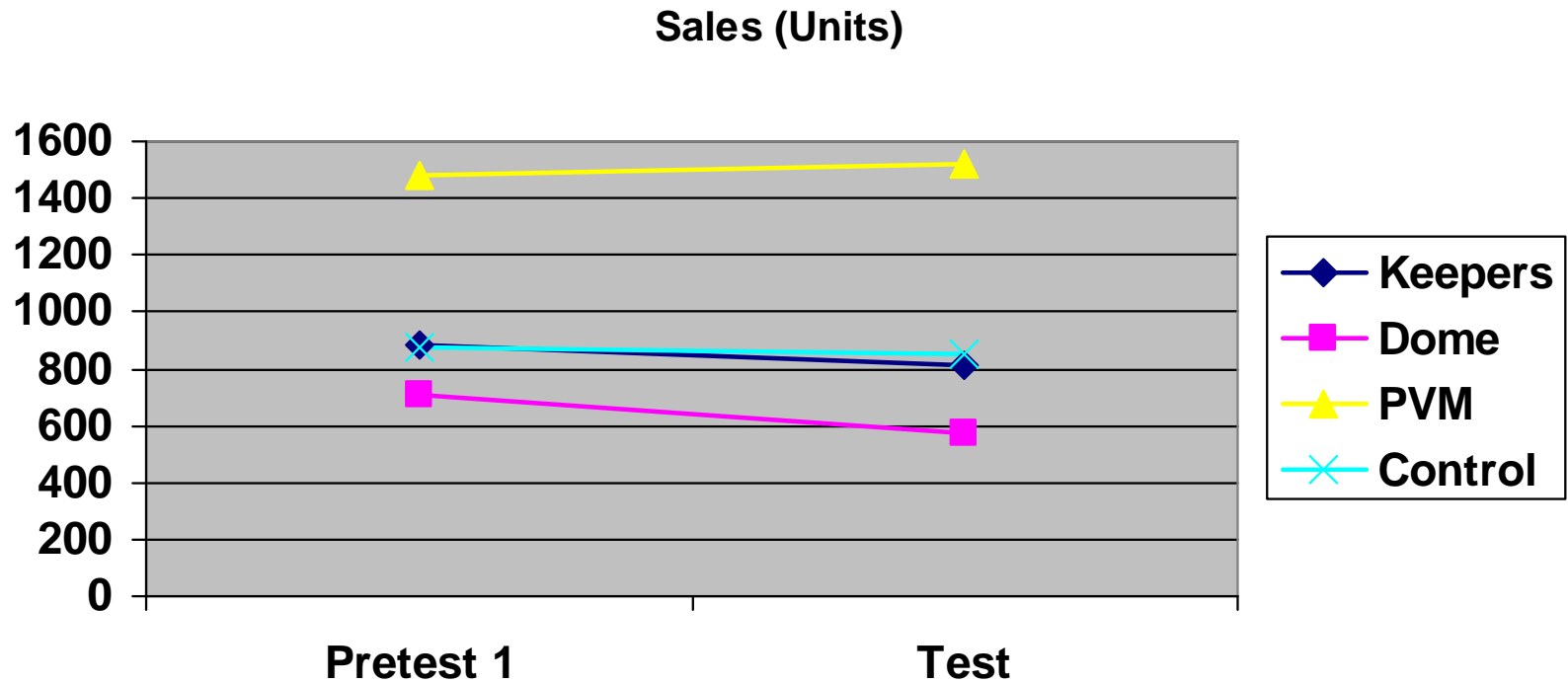


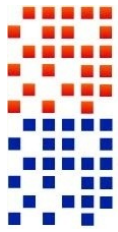
Findings: Sales Data

Intervention	Pre Test	Post Test	Change
Keepers	\$13,777.15	\$12,535.52	9% decrease
Dome	\$11,318.09	\$9,336.03	18% decrease
PVM	\$23,686.24	\$24,782.46	5% increase
Control	\$14,513.72	\$13,610.14	6% decrease



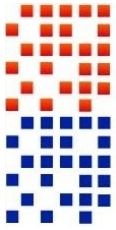
Findings: Sales Data





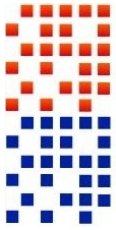
Findings: Financial Benefits

Keeper System	
Net benefit for Posttests (3 years)	\$33,192.32
Internal Rate of Return	207.97%
Net Present Value	\$16.9
Payback in Years	.5



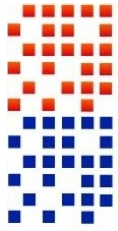
Findings: Financial Benefits

Enhanced CCTV Domes	
Net benefit for Posttests (3 years)	\$66,483.87
Internal Rate of Return	230.95%
Net Present Value	\$33.9
Payback in Years	.4



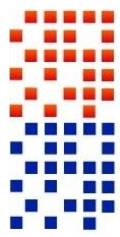
Findings: Financial Benefits

Public View Monitors	
Net benefit for Posttests (3 years)	\$17,945.32
Internal Rate of Return	10.38%
Net Present Value	\$2.2
Payback in Years	2.5



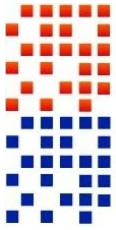
Findings: Customer Perspective

- Awareness of Security Measures
- Customer Reactions to the Interventions
 - Preferable to product being locked up
 - Improved feelings of safety
 - Common practice for retailers



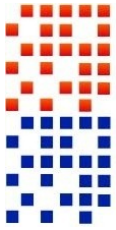
Findings: Employee Perspective/Best Practices

- Product Storage Areas
- Training Content & Process
- Customer Notification
- Customer Reactions to the Interventions
 - Preferable to product being locked up
 - Improved feelings of safety
 - Common practice for retailers



Conclusion

- As Asset Protection professionals, we have an obligation to present fact based research that supports our request for investment in solutions that allow us to 'Sell More and Lose Less', while satisfying the major groups of constituents:
 - Customers
 - Employees
 - Shareholders



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