

StoneGate in Retail Industry



Main Trends in the Retail Industry

Customer value drivers will fragment more and more. There is no more an “average customer” that will buy average products. Customers are increasingly divided into low-cost commodities buyers and high-value, premium brand buyers. Retailers will have to accommodate this change and offer products that will appeal to these different customer types. Megaretailers are concentrating on low cost commodities buyers and their geographical coverage will rapidly increase.

They will also break traditional product/service categories and they will blur market segments while increasing their market share. Other retailers will have

to specialize and differentiate themselves from others in order to survive.

Customers get a lot more information about products through several channels. For example, customers use the Internet to browse and compare different products before they make their purchase decision. Then they might visit the store or e-commerce site and make the purchase. Retailers must be able to present to customers coherent product information across all available information channels.

It should not matter whether the customer will make the purchase online or at the store, they should get similar kind of benefits and service. Store clerks should have easy access to product data so that they

*Create a world of
confidence.*



can better serve demanding customers. They need to be aware of campaigns and benefits that are presented outside of the store. For example, how many times have you seen a special campaign on the Internet and when you enter the store, nobody knows about it?

Retailers collect a lot of information about customers and use it to detect customers' buying patterns. Good examples of this are customer loyalty cards. The data collected helps retailers to customize their product selection so that it better serves customer needs. It also opens a possibility to upsell related products that are interesting to these customers. A good example is online bookstore that offers customer new books based on the information gathered from other customers with similar buying patterns. The customer is more satisfied and hence more likely to return to shop at the same place.

Driven by escalating expectations from customers and stakeholders, leading retailers are rethinking their business models and searching for ways to become more agile, responsive, and efficient. They are morphing their traditional, vertically-integrated value chains into more flexible "value networks" that allow them to deliver greater value to customers, with each company in the network contributing its own unique capabilities.

Typical Challenges in the Retail Industry

Universal connectivity becomes imperative when retailers keep track of products and inventory in multiple store locations nationwide or worldwide. Retailers try to keep their

inventory levels low and inventory turnover rate time short because it directly affects profitability. Close contact with innovative suppliers help to rapidly roll out new products and to be responsive to customer demands. They collect more and more information about customers and feed it to processing in central facility. RFID adoption, wireless networking, and Internet access demand connectivity that is highly available, reliable, and secure.

Store clerks with wireless point of sale (POS) devices can offer more information about products and their availability to customer, but wireless connectivity has security concern. There have been incidents where criminals were able to break in to the retailers' networks using wireless connections and steal credit card numbers and customer information. The criminals did not have to enter the store; they were able do it from a car that was parked near the store.

Payment security at e-commerce sites is still holding back customers from using online stores. Credit card information security has been reported on tabloids several times during last year. That has prompted Visa and Master card to act and create a Payment Card Industry (PCI) Data Security Standard. This standard applies to all payment channels, including retail (brick-and-mortar), mail/ telephone order, and e-commerce. The standard tells merchants how to keep sensitive cardholder data safe from hackers and fraudsters. The problem is to implement security measures cost effectively in a highly-distributed environment.

Conduct business in
confidence.



**Stonesoft Case
Studies for Retail
Vertical**

*EET Nordic: Easy Remote
Management for Euro-
pean Wide Network*

Stonesoft solutions for Retail Industry

Reduces risk for business downtime

The StoneGate solution provides secure connections between different store locations and ensures that the connectivity is always there. StoneGate's patented Multi-Link feature allows several low-cost connection providers to be used between stores, so it does not matter if some disaster knocks down an Internet provider; the connectivity is still there through remaining providers. That actually happened during a hurricane to one of our customers in Bermuda. Their business was not affected.

One of the major reasons for business downtime is the need for constant security updates. StoneGate solutions are clustered and there is no need for downtime when they will be updated or even upgraded to a new version. Business is not interrupted for any reasons and there is no single point of failure.

Retailers create new "value networks" that connect several retailers together and help them to better serve the customer. This requires active connections between retailers. StoneGate solutions are proven to be very easily interoperable with other security devices. One proof of this is ICASA's IPsec certificate. It is proof that StoneGate solutions can create secure connections (Virtual Private Networks) with other leading security manufacturers.

Reduces the total cost of ownership (TCO) for retail firm's distributed environment

The big part of the total cost of ownership comes from personnel costs. Retailers that grow their market share and increase the number of their remote locations have to go along with the personnel they have. Small margins do not allow hiring new personnel. StoneGate solutions come with centralized management that allows the easy management of hundreds of devices from a central location. Innovations like remote upgrade and automatic policy rollback allows retailers to increase the number of stores without increasing the number of IT staff. Why? Because stores do not have to have specialized IT staff — all needed actions can be done from a central location.

Payment security and regulatory compliance

The Payment Card Industry (PCI) Data Security Standard requires that anybody who accepts and processes credit card information should implement network security best practices. StoneGate solutions help retailers to comply with this and other security standards. StoneGate products are ICASA and Common Criteria certified.

An audit trail is a basic need for regulatory compliance. Stonesoft's StoneGate products provide clear audit trails for administrative actions. Internal and external auditors can receive clear and precise reports where they can find evidence for regulatory compliance and its effectiveness. These reports save a lot of evaluation time and can be used as part of the compliance report. The reports are based on StoneGate logs where auditors can find more detailed information about the specific event in case they want to take a closer look at details.

STONESOFT EXPERIENCE

Retail professionals rely on Stonesoft's StoneGate platform to provide integrated network security and business continuity through advanced firewall, VPN and IPS solutions. Stonesoft's unified platform is designed to provide the most secure, available, manageable and scalable solutions for players of all sizes in the government profession.

Stonesoft Corporation (HEX: SFT1V) is an innovative provider of integrated network security and business continuity. Stonesoft is a global company focused on enterprise level customers requiring advanced network security and always-on business connectivity with low TCO, best price-to-performance ratio, and highest ROI. StoneGate™ Security Platform unifies firewall, VPN and IPS, blending network security, end-to-end availability and award-winning load balancing into a unified and centrally managed system for distributed enterprises.

Founded in 1990, Stonesoft Corporation has corporate headquarters in Helsinki, Finland; Americas headquarters in Atlanta, Georgia; and Asia Pacific headquarters in Singapore. For more information, go to www.stonesoft.com.



THE STONEGATE PLATFORM

As the first highly available, load balancing network security solution of its kind, StoneGate sets a new standard for FW, VPN and IPS solutions. StoneGate provides a unified security platform with active-active clustering, load balancing and bandwidth aggregation for multiple Internet links and ability to transparently fail-over VPNs, all with the security and connectivity of an integrated FW/VPN.

- **Multi-Link Technology™** – Seamless fail-over between multiple ISPs and FW clusters for always-on connections
- **Increased Performance** – Analyzes and utilizes fastest possible connection through integrated intelligent load balancing between ISPs and FWs.
- **Multi-Layer Inspection™** – Combines the best aspects of application proxy firewalls with traditional packet filtering and stateful inspection technologies
- **Reduce Costs** – Eliminate network complexities and costs associated with multiple vendor solutions and travel time
- **Unified, Central Management** – Robust remote management, along with simple remote update, alert center management, reporting, diagram editor and hierarchy policy updates. Also integrates FW and VPN with StoneGate's IDS Plus solution into a unified platform.

StoneGate is available either as a software-based solution that capitalizes on existing hardware investments, or as Stonesoft's own integrated appliance eliminating complexity and costs associated with multiple-vendor solutions. All of Stonesoft's appliances include the standard enterprise level features with the only difference being the number of physical interfaces and performance level.

STONESOFT
www.stonesoft.com

Stonesoft Corporation (HEX: SFT1V)
is an innovative provider of integrated
network security and business continuity.

Corporate headquarters
Stonesoft Corp.
Itälahdenkatu 22 A
FIN-00210 Helsinki
Finland
tel. +358-9-476 711
fax. +358-9-4767 1234

Americas regional headquarters
Stonesoft Inc.
1050 Crown Pointe Parkway,
Suite 900
Atlanta, GA 30338, USA
tel. (770) 668-1125
fax. (770) 668-1131

Asia Pacific regional headquarters
Stonesoft Corp.
90 Cecil Street
#13-01 Carlton Building
Singapore 069531
tel. +65 6325 1390
fax. +65 6325 1399