ASSET PROTECTION

FOR THE 21ST CENTURY

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ASSET PROTECTION

StoreLab:
A Video Tour of Supermarket LP/AP Innovation

Read Hayes, Ph.D., Daniel Downs, Ph.D., and Corrine Tallman

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Loss Prevention Research Council (LPRC)

- Founded by 10 retailers; and

- Currently driven by retailers

Presentation Outline:

- **StoreLab**
    - Theft events;
    - Study results;
    - Innovations;
    - Offender interviews;
    - Shopper and employee video;
    - Product protection;
    - Safeway Discussion;
    - Study results; and
    - Conclusion

What is *StoreLab*?

- *Innovation*
- *Work in store environments to:*
  - Ensure real-world durability
  - Develop best practices
  - Sell more, lose less
    - Customer shopping experience
    - Company process, employee use
    - Offender deterrence, hindrance

StoreLab
Sell more, Lose less

- Home Depot
- Best Buy
- Kmart
- Sears
- CVS
- Kroger
- Kay Jewelers
- Publix
- Advance Auto
- Office Depot
- AutoZone
- Vons
- Albertsons
- Macy's

Real Science. Real Results.

Kroger Keepers Study

- **StoreLab**:
  - Best practices:
    - Innovated a process
    - Talked with employees, shoppers, and offenders
    - Uncovered mechanical errors

  - Keeper handling
    - Keeper recycling
    - Replace Keepers

Kroger Study

- *StoreLab:*

Solutions: Keeper/safer.

Product: Mach 3 and Fusion blades.

Results:

Stores	Pretest	Posttest	Percentage Decrease
Test	527	195	63%
Control	348	241	31%

ROI	
Net Financial Benefit Keepers for Test Period	-$3445.21
Over 3-Year Lifespan	$7978.24
Internal Rate of Return	139.46%
Payback in Years	8 Months

Situational Crime Prevention

- Retailers lose approximately 50 billion dollars annually as a result of theft and loss
- Traditionally many crime control efforts were devised by technology suppliers with little theory (framework) or rigorous evaluation
- Situational Crime Prevention:
  - provides a framework to determine the best practices to reduce loss
- Goal:
  - Reduce crime by increasing the difficulty/risk while decreasing the rewards of crime

Situational Crime Prevention

25 Crime Prevention Methods

INCREASE RISK
Extend guardianship
Assist natural surveillance
Reduce anonymity
Use place managers
Strengthen formal surveillance

REDUCE PROVOCATIONS
Reduce stress
Avoid disputes
Reduce emotional arousal
Neutralize peer pressure
Discourage imitation

INCREASE THE EFFORT
Harden targets
Control access to facilities
Screen exits
Deflect offenders
Control tools/weapons

REDUCE REWARDS
Conceal targets
Remove targets
Identify property
Disrupt markets
Deny benefits

REMOVE EXCUSES
Set rules
Post instructions
Alert conscience
Assist compliance
Control alcohol & drugs

StoreLab

- Offender insights:

    - PVMs can be further enhanced with lighting, verbiage and audio that is activated by offender movement (i.e., ePVM)

        - They report bright strobe-effect LEDs help them rapidly spot PVMs
        - Their triggering PVM LEDs and sounds also creates more concern about live monitoring by nearby employees and shoppers
        - Some offenders report reactive LED s and sounds also make them worry about remote (back room or offsite) monitoring

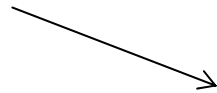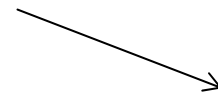# Overload Offender Response Concept

(Hayes, 2009)

Protective Cues

- Multiple
- Obvious
- Proximate
- Credible

"Overload"
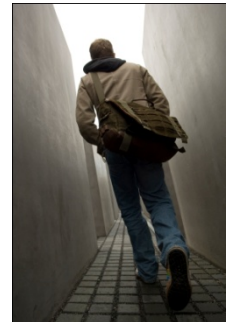
- Concern
- Doubt
- Fear

Effects

- Displace
- Vacate

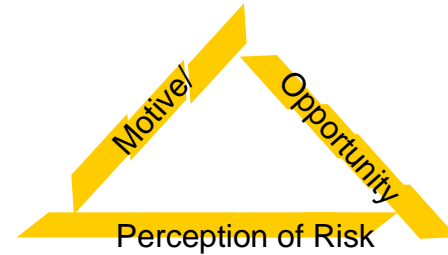Real Science. Real Results.
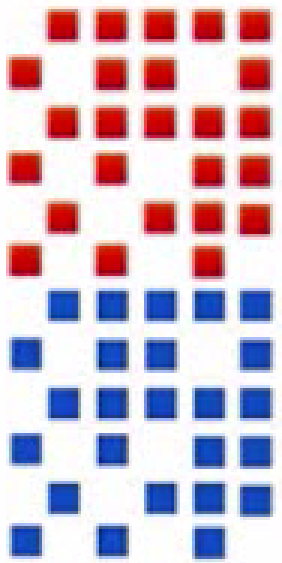
Overload

- Spawned From *StoreLab*

1. The **immediate** goal: "***not here, not now***"

2. A subject desists from stealing an item the way they planned, due to being *overloaded* (i.e. confused, concerned, fearful)
   - Offenders are made to feel they can't "manage" their environment, and get concerned enough to give up or alter their process-
   - With several possible outcomes:
     - Desist attempt
     - Displace attempt
     - Displacement can result in later general and specific deterrence or place displacement- all "wins"
   - Some folks are scared off by one cue, others take more cues to overload them (QB Example)

Motive/ Opportunity

Perception of Risk

Overload

- In order to deter offenders, they must first know they are supposed to be deterred!

    – They must see or know about our deployed cues (See it)-

    – They must understand how the cues can "bite" them (Get it)-

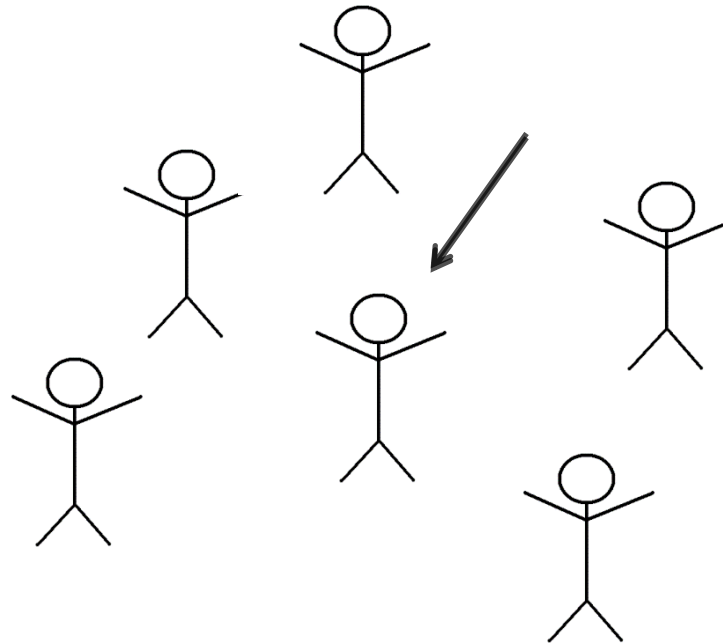   – They must believe the cues are a clear and present danger (Fear it)

"Overload"

Precision

- We need to develop the precision to overload active offenders *without* overloading nearby employees or customers:

Current Innovations

- Helix enhanced peg solution
- Video Analytics- facial recognition, actionable metrics
- ePVMs and annunciators
- Fixtures
- Signage
- Handling process and procedures
- EAS- hard and soft tags
- Spiders
- Packaging
- Benefit denial
- Laser detection

Product Protection

- Working with multiple retailers (different boxes)
  - Infant formula
  - Lip balm
  - Oral care
  - Ink
  - Portable memory
  - Fragrances
  - Apparel
  - Grey Goose
  - Tools

Wave II

- Retailers: Kroger, Publix, SuperValu, Kmart.
- Solutions: Fixtures, ePVM .
- Product: Mach 3 and Fusion blades.
- Results:

	Odds Ratio	95% CI	Chi Square	Sig.
Fixture	2.02	1.65 2.47	46.92	.001
ePVM	1.40	1.11 1.77	7.81	.01

Wave II Shrink			
	Pretest	Test	% decrease
Fixture	970	815	815
ePVMs	932	941	941
Control	936	928	928

ROI	6 Weeks	5-Year Lifespan
Fixture	-$10,545.75	$165, 386.70
ePVM	-$36, 249.31	$20, 019.46

Conclusion

- Strong points:
  - We have a track record of facilitating:
    - the store innovation program
    - store testing with high loss products
    - in multiple store environments.

Conclusion

- The trend is multiple retailers are pushing product manufacturers and solution providers
  - e.g., Walmart, CVS, Kroger, Publix, Supervalu,

- Primary focus has been in store, but are working on other innovations in other locations.

- We are open and excited to work with you all!