

**Cut Theft
Boost Profit**



Scanlock™
Key-Lockable Scan Hook Locks



ShelfWorks™
EWT™ Anti-Theft Security Units

1-800-444-4665
www.triononline.com

Loss Prevention - Profit Protection

With theft and fraud stealing billions from retailers every year, it's time to stem the flow of shrinkage and turn the tide on leaking profits

Are your profits disappearing?

Shrinkage isn't shrinking. Rather, it's growing—at an alarming rate of \$1 billion a year. In 2002, U.S. retailers lost \$31 billion to theft and fraud. In 2003, that number leaped to \$32 billion. And there's no end in sight.

The bottom-line result of all this loss can be devastating. In an industry where narrow profit margins are more common than not, shrinking inventories can mean the difference between being in the black and seeing red. The surest way for retailers to stem the flow of shrinkage and turn the tide on leaking profits is to expand the corporate and store-level focus from capturing customers and controlling expense to preventing loss and protecting profit. Only by making loss-prevention initiatives a retail priority will the industry begin to make serious inroads toward reducing billions of dollars in losses.

Why you should be paying attention to loss

Shrinkage is not a new problem. As long

as there has been retail, there has been loss. But acceptance is not the answer; paying attention to the problem is. Retailers who

Shrinkage does not cure itself. Theft and fraud will continue to rob the nation's retailers of billions of dollars, so long as inventory shrinkage is not actively controlled.

practice proactive loss prevention—preventing loss before it occurs—are the most likely to experience bottom-line benefits of reduced shrinkage and enhanced profits.

Shrinkage costs billions

Chalking up shrinkage to a "cost of doing business" is not a smart way to run a

retail organization. In fact, statistics say that's a pretty hefty price to pay. According to the latest findings from the University of Florida's 2002 National Retail Security Survey, shoplifting resulted in \$10 billion in losses, an amount that, according to the FBI's Uniform Crime Reports, is equivalent to the cost of auto theft in the United States.

At last report, the average dollar loss per shoplifting incident was \$207.18. Retail categories hardest hit: drug; department; home centers/hardware/garden; cards/gifts/novelty; men's apparel; women's apparel and books & magazines.

High-risk Products

Certain items are targeted by shoplifters no matter the retail venue in which they are sold. What these goods have in common is that they are either expensive, addictive, in high demand, resalable, fashionable, or enjoyable to own or consume. A short list of these items might include:

- printer cartridges
- razors and blades
- personal appliances, like electric toothbrushes and blow dryers
- fashion accessories, like sunglasses
- cosmetics
- CDs, VHS tapes and game cartridges
- batteries
- film and disposable cameras
- memory chips/devices for digital cameras and computers
- cell phone accessories
- hand-held electronics, like PDAs and calculators
- personal items, like contraceptives and pregnancy tests
- over-the-counter medicines

Developing a loss protection plan

The nation's top security experts all agree—every retailer, large and small, needs to develop a loss-protection plan.

Without it, shrinkage goes unchecked and profit leaks go unplugged. The first step toward creating a plan is to conduct a security audit, which involves a thorough analysis of the current state. How much shrinkage is occurring? Where is it taking place? It is essential to conduct an inventory of all loss-prevention initiatives across store and corporate levels in order to provide a clear view of the resources currently being deployed to shrink-reduction.

The second step is to develop an action plan to correct deficiencies and improve operations, understanding all the while that the goal is not to catch someone in the act of stealing, but to prevent theft from happening in the first place. By controlling shrinkage through loss-prevention practices, billions can be added to retail's bottom line.

Eliminating theft at the point of contact

Shrinkage does not cure itself. Theft and fraud will continue to rob the nation's retailers of billions of dollars, so long as inventory shrinkage is not actively controlled. As part of its annual study, the University of Florida assessed the level of use for a vast assortment of loss-prevention systems and personnel, finding that some of the more technologically sophisticated systems were much less frequently employed in the quest for lower shrinkage and losses. Among the loss-prevention systems experiencing increased use, however, were secured

product display fixtures—and Trion Industries, Inc., is one company at the forefront of this anti-theft fixture movement, developing anti-theft devices that restrict access to vulnerable inventory and prevent some of today's major shoplifting tactics.

One of the reasons that these anti-theft fixture solutions are being received so positively by retailers is that they control loss at the point of contact while eliminating the sales-dampening effects of locked-away displays and hovering employees. Retailers find that access-restricting fixtures are actually facilitating, rather than inhibiting, sales, by meting out singular products and securing the backstock, which allows for customer browsing and buying convenience while discouraging mass theft. Marketing benefits of Trion's fixture solutions, including POP signage accommodations and cross-promotion capabilities, make them ideal candidates for loss prevention.

Clearly, the profit at risk justifies rigorous efforts at loss prevention. In today's economic climate, simply making strides in reducing shrink isn't enough. As capital markets continue to punish retailers for poor performance and as competition for every dollar pushes profits further and further out of reach, retail can't afford a multi-billion dollar hit year after year. Reducing store shrinkage—even just a relatively small improvement—can have a significant impact on a retailer's bottom line.

Why fight theft at the fixture level?



Shoplifters pull from a devastatingly diverse bag of tricks: Security cameras can be defeated by misdirection, shoplifting "teams" and "blind-spot drops." Exit sensors can be avoided by "drop and dodge" and decoy shoplifter techniques—or by simply removing, damaging or deactivating tags by leaning over the checkout.

Other more sophisticated shoplifting methods are easily learned from guerilla-style Web sites and counter-culture "how to" shoplifting books. For instance, once a chain's weaknesses are uncovered, shoplifters can employ techniques like "sweeping" and mass theft of costly products from chain stores along a certain bus route.

Security experts recommend prevention over prosecution, and fixtures may well be the last—or, possibly, first—line of defense in loss prevention.

At one time, fixture defenses consisted of restricting access by storing vulnerable items under the counter or locked behind tempered glass—a case in frustration for browsing, impulse-prone customers and busy sales associates. Today, state-of-the-art anti-theft fixture solutions allow varying levels of security, preventing removal of stock altogether or, alternatively, permitting access to one or two displayed items while the balance of the stock is locked and held secure. Other fixtures "meter" product, allowing the front-most item to be removed one at a time and preventing mass theft while still facilitating hassle-free singular purchases. An auto feed forwards the remaining products, faces them and billboards fresh product for the next sale.

Without question, fixtures have proven to be a valid solution toward loss prevention, limiting pilferage while promoting—and not interfering with—sales.

Trion®

1-800-444-4665
www.triononline.com



Trion[®]

297 Laird Street
Wilkes-Barre, PA 18702
phone: 570.824.1000
fax: 570.823.4080

Toll-free anywhere in the US
1.800.444.4665

info@triononline.com
www.triononline.com

GMAA

nasfm

POPAI
POINT-OF-PURCHASE ADVERTISING INSTITUTE

PMA