

LP SOLUTIONS:

Treating the
SYMPTOMS

vs.

Treating the
DISEASE



calibration

The evolution of loss prevention is a story of adaptation in the face of change.



Retail loss prevention has come a long way since its inception. What started as a few security guards deterring shoplifting has evolved into a comprehensive strategy that encompasses everything from data analytics to on-the-ground security. Today, retail loss prevention is critical to the success of any organization, large or small.

There are many reasons for this evolution. The first is simply the growth of the retail industry. As retailers have expanded their operations globally, the need for effective loss prevention strategies has become more important than ever before. Retailers now operate in highly competitive markets where even a small amount of shrink can have a significant impact on the bottom line.

Secondly, the nature of retail crime has changed dramatically in recent years. Shoplifting, once the most

common type of retail crime, has improved as a result of stronger security measures. Meanwhile, other types of crime, such as organized retail crime (ORC), cybercrime, and violence have emerged as major threats to retailers.

Finally, the technology available to loss prevention professionals has grown by leaps and bounds. From analytics tools to comprehensive theft mitigation solutions, there are now more ways than ever before to detect and prevent crimes against retailers.

The evolution of loss prevention is a story of adaptation in the face of change. As the retail landscape has shifted, so too have the strategies and technologies used to protect retailers from shrink and violence. Today, loss prevention is more important than ever before, and it will only continue to grow in importance in the years to come.

©2023 Calibration Group – All Rights Reserved

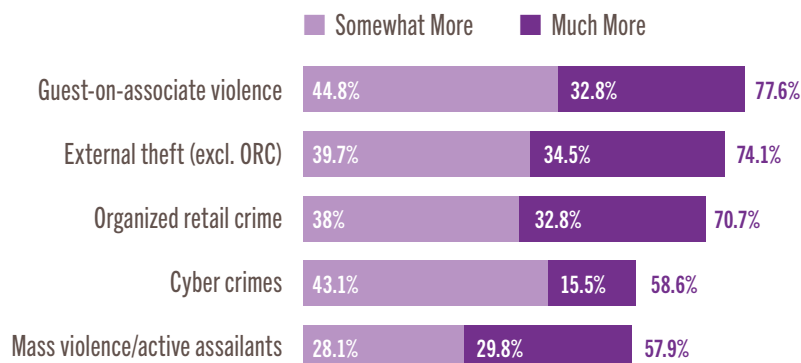


What are retailers saying?

According to the 2022 National Retail Security Survey (NRSS), conducted in partnership with the [Loss Prevention Research Council](#) and sponsored by [Appriss Retail](#), retailers are facing a number of significant safety and security challenges. The study examines key drivers as well as shifts in loss prevention technology and organizational priorities.

These days, security is about more than just shrink control. Loss prevention departments must also protect store associates, customers, facilities and many other types of non-merchandise assets. The majority of respondents to the National Retail Security Survey (NRSS), report that incidents of guest-on-associate violence, external theft and organized retail crime, in particular, have become more of a priority compared with five years ago. However, respondents also indicated that other violent threats such as mass violence/active assailants (57.9%) and gun violence (52.6%) have risen in priority in recent years.

Increase in Risk and Threat Priorities over the Past Five Years *(top 5 shown)*



Source: [NRF](#) & LPRC, 2022

All of this suggests that violence is an increasingly important concern among retailers. As the final chapter of this report shows, organized retail crime is likely contributing to retailers' concerns about violence, as the majority of respondents suggest that organized retail crime (ORC) offenders have become more violent and aggressive since last year. (NRSS, 2022)

To meet these challenges head on, it's important for retailers to align their security solutions with the specific threats they face within their organizations. But are they?

With great power, comes great responsibility

As a retail loss prevention executive, ensuring the safety of employees and customers is the most important function within their roles and responsibilities. While having a strong theft and fraud prevention mindset are certainly paramount considerations in today's retail landscape, we can't overlook the importance of employee safety. Ultimately, it has become increasingly evident that all LP executives have a responsibility to their organization — big or small — to prioritize their most pressing concerns accordingly.

Regrettably, the data is telling us something quite different. While respondents recognize (77.6%) that

Guest-on-associate (employee) violence has increased the most, one should expect that investment plans would include technologies that prioritize employee safety. Instead, RFID tops the list of implementation plans. Solutions such as RFID systems, AI-based analytics and the like certainly have their place in the LP toolbox but could arguably introduce additional violence between guests and employees, by inviting prevention strategies that require direct contact with offenders. Given the reported increase in threats to employee safety, there appears to be a very concerning disconnect between LP executive needs and wants.

LP Technologies Retailers are Planning to Implement *(top 5 shown)*

Technology	Percentage Implementing or Planning to Implement
RFID systems	38.6%
AI-based POS/SCO video analytics	29.8%
License plate recognition	19.3%
Self-service locking cases or lockers	17.5%
AI-based perimeter surveillance	14%

Source: [NRF](#) & LPRC, 2022

For years, LP executives have been working tirelessly to build credibility as a trusted member of their organization's executive team. Meanwhile, CEOs have become increasingly concerned about the impacts of both merchandise theft, stemming from the rise of organized retail crime (ORC) and the safety of their workforce. Spending company resources on solutions that fail to align with the organizations biggest threats, put the industry's credibility at risk. Simply put, the optics are not good.

With ongoing technological advancements, there is a growing potential for LP executives to demonstrate leadership and value to their organizations. Despite some contradictory data, deep down LP executives know their organization requires a strong alignment between business needs and future investments. Their goal must be to implement strategies and solutions that prevent thefts and protect employees from violence, without impacting the customer experience. But how?

Solution with a solution

Tailored risk mitigation is hardly a new concept in the world of loss prevention but thinking outside the box in terms of operational execution of mitigating those risks is what the industry needs. (Shein, 2022) Contact-free theft prevention solutions, like Gatekeeper Systems' Purchek®, are being adopted by retailers that value strategic alignment. The technology prevents cart-based theft by disabling any shopping cart that attempts to exit without receiving approval from a point of sale. The disabled cart ensures the merchandise stays in the store while eliminating the need for contact or confrontation with a potentially dangerous shoplifter.

Gatekeeper Systems is helping a growing number of LP executives understand and solve these cart-based crimes that they believe are far more common, and dangerous, than previously understood or measured. Gatekeeper recently conducted a ten-week study in a major US supermarket to prove just that point.

A Purchek® system was installed and run in a surveillance mode for several weeks and then activated, the volume of theft and number of repeat offenders the system identified was alarming, however the decrease in theft events upon activation was immediate and permanent as offenders sought out easier targets. The high-level ROI on the Purchek® system was undeniable! The system retained merchandise and eliminated the need for risky confrontations regardless of who was pushing the cart or what was in the cart. Review the impressive results [here](#).

Even in the face of rising external crimes within retail, loss prevention professionals can take solace knowing that there are smart technological solutions available to ensure their people and assets remain safe. In order to effectively mitigate risk however, they must push beyond conventional thinking and actively seek out these strategic tools. Once identified and implemented properly - complete with ongoing training for end users – loss prevention executives can have a comprehensive plan enabling them to stay ahead of evolving threats while securely protecting what matters most: Their employees.

About Calibration Group, LLC

Calibration Group, LLC, is a full-service marketing, communications, and consulting firm specializing in providing relevant, educational content for loss prevention, asset protection, safety, and security professionals. Calibration has mastered the ability to move beyond simple awareness and communication. We create. We deliver. We inspire.

For more information about Calibration Group, visit www.calibrationgroup.com.



Amber Bradley, founder of Calibration Group, LLC, is a brand-positioning expert with extensive experience across multiple business disciplines, including marketing and public relations. Amber's proven success in creating multi-tiered, strategic marketing and communication campaigns continues to yield unmatched results for solution providers, as well as retail loss prevention and operations professionals. Amber also serves as Executive Director for the Restaurant Loss Prevention and Security Association (RLPSA) and is a contributing editor for the D&D Daily, a daily e-news outlet specializing in providing the most relevant news for retail loss prevention, safety, and security professionals.



David E. George, CFE, CFI is managing partner of Calibration Group, LLC. Previously, David served as vice president over Asset Protection for Dollar General Stores, a company with more than 13,000 stores in 43 states. While serving Dollar General, David was responsible for the Asset Protection field team, the asset protection corporate team, the Shrink Improvement team, and the Shrink Analytics team. David also worked in tandem with Dollar General's Inventory Management team to improve stock-on-hand while simultaneously reducing stockroom inventory. Prior to Dollar General, David held the vice president of Asset Protection position with Harris Teeter Supermarkets, Inc., a regional chain based out of Matthews, NC. He served Harris Teeter for more than 14 years and has had previous loss prevention roles with Kmart Supercenters.



Ryan Bauss, CFI is Vice President of Calibration Group, LLC. Previously, Ryan served as Director of Asset Protection at The Kroger Co, a company with more than 2,800 stores in 38 states. While serving at Kroger, Ryan was responsible for shrink, best practice execution, and the division asset protection and safety teams. Ryan also led the organization's transformation to a holistic asset protection strategy from a traditional loss prevention approach. Previously, Ryan worked as Director of Asset Protection for Harris Teeter Supermarkets, where he was responsible for asset protection operations, safety, and security solutions. He also held various leadership positions in program development and management on an enterprise scale. Throughout his career, Ryan has led change and awareness strategies that have helped organizations maximize shareholder returns.

References

National Retail Federation & Loss Prevention Research Council. (2022, September 1). National Retail Security Survey. Retrieved from National Retail Federation: <https://cdn.nrf.com/sites/default/files/2022-09/National%20Retail%20Security%20Survey%20Organized%20Retail%20Crime%202022.pdf>

Shein, M. (2022, April 4). Security Magazine. Retrieved from Reassessing the role of loss prevention: <https://www.securitymagazine.com/articles/97326-reassessing-the-role-of-loss-prevention>



calibration