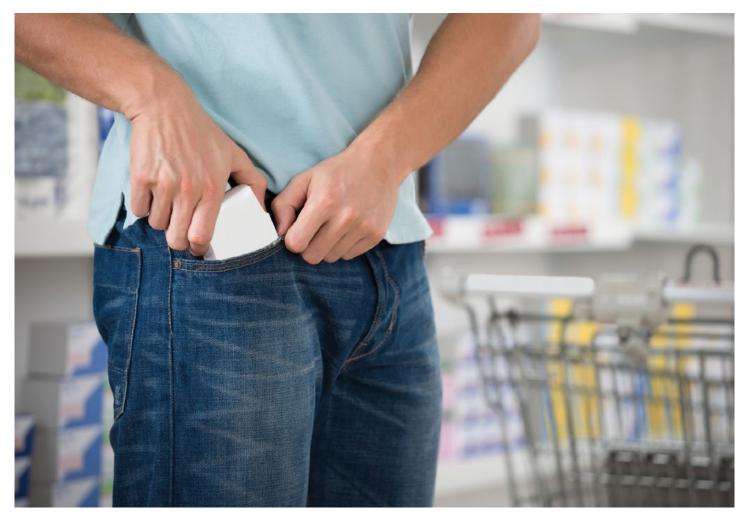# Dealerscope

PRODUCT & STRATEGY FOR CONSUMER TECHNOLOGY RETAILING

40 UNDER 40

LOSS-PREVENTION DEVICES FOR HIGH-END, INTERACTIVE CONSUMER ELECTRONICS

New options prevent theft of high-end electronic devices while allowing for maximum customer interactivity – without the mess and clutter

For retailers of high-end consumer electronics such as smartphones, tablets, e-readers, drones, digital cameras, and fitness watches, the customer's retail experience can be just as important as loss prevention. Often the look, feel, and performance of the product on display in store, including the ability to interact and fully experience features such as menus and apps, can be crucial in a customer's purchasing decision.

Yet retailers cannot let expensive merchandise "walk out the door" due to shoplifting or employee theft. According to the 2016 National Retail Security Survey (NRSS), retailer inventory shrinkage accounted for 1.38 percent of sales – up $1.2 billion from the previous year. In addition, 47 percent of retailers surveyed reported increases in overall inventory shrinkage.

Electronic loss-prevention devices,

which typically involve an alarm console, sensors, and related accessories, are the ideal way to display this type of merchandise. Now, as a proliferation of new consumer electronics products hits the market and retailers face competitive pressure to reduce costs and staffing, a greater array of standard and custom options is further improving this category's appeal in the industry.

"Customers need to interact with

our latest smartphones to see what has changed and how the devices perform," said Bill Jones, an AT&T regional director of Asset Protection. "But it is a balancing act between customer-product interaction and theft deterrence."

According to Jones, who evaluates loss prevention system cost and effectiveness, in today's competitive retail environment, how a product looks and feels when displayed can affect a retailer's bottom line just as much as theft prevention.

"We want the focus to be on the product, rather than on the power and security cords," said Jones. "Some of the theft-deterrent options on the market create quite a bit of clutter and look outdated. They do not match the cutting-edge products or brands we promote."

IMPROVING PRODUCT PRESENTATION

Any electronic loss prevention device – whether alarm console, sensor, pedestal stand, grippers, tethering or charging cable – should not overshadow the product itself or be cumbersome or difficult to maintain by employees. To meet this need, innovators in the industry offer a variety of loss-prevention devices that secure electronic products without the mess and clutter.

A growing number of retailers, for instance, are turning to electronic merchandise display security systems like the Vantage II by Se-Kure Controls, a Franklin Park, Ill.-based manufacturer of retail product security devices. While most systems require separate wires for security and charging the electronic device it protects, this system utilizes a single wire to provide both security and power.

"One of the things that drew us to our display security system is how nice, clean and modern it looked to have the one cord," said Kevin Lasky, project manager for Arch Telecom, a wireless retailer with 140 locations in 13 states. "There is no separate cable running up the side of the pedestal or coming out of the display to charge the phone. That was important to us."

The system also offers an option for dual sensors to prevent theft of the device, as well as detachable accessories of value such as lithium batteries or a removable camera lens for digital cameras.

To facilitate customer-product interaction in stores, retailers can pair each smartphone with a retractable cord so it can be pulled off its pedestal and easily viewed at a distance several feet away. When the shopper returns the phone to the pedestal, the cord retracts and a magnet enables ideal product positioning.

The industry has also managed to further reduce clutter in retail showrooms by streamlining how electronic devices are powered.

Some alarm consoles, such as those from Se-Kure Controls, have been designed to provide continuous power and security to multiple 5V devices such as tablets, smartphones, and e-readers through a single cable via a series of USB ports. Up to 12 devices can be charged from one alarm console. This eliminates the need to plug in a bulky power adapter for each device into a power strip mounted below the display.

AT&T's Jones says he is also impressed with the simplified, cleaner look of the single-cord approach. It also simplifies removal of electronic products to a more secure location each evening to prevent "smash and grab" robbery attempts.

"At the end of each day, we put all our devices in an inventory room, and then each morning we put them back on the display counters," he added. "Having just one cord helps us close down and set back up faster."

According to Jones, Se-Kure Controls' systems are also very sturdy and durable. He estimates that not having to repair or replace items such as the alarm box or power/security cords often can lead to significant savings annually. "In an organization as big as ours, it can add up to millions of dollars over time," said Jones.

Because retail settings vary widely in their display requirements, loss-prevention devices frequently need to be customized. Some manufacturers of loss prevention devices have the capability and resources to make critical adjustments. This can include accommodating devices to the number and size of items requiring protection, along with features such as pedestal height, security cord length, size, color, and retractability, as well as alarm, power, and sensor options.

With in-house metal fabrication and plastic injection molding capabilities, as well as electronic manufacturing expertise, Se-Kure Controls is also able to adapt to inevitable changes in the types and styles of consumer electronics on the market.

With the global market for wearable electronics projected to surpass $30 billion by 2020, the need to adapt loss-prevention devices to protect new products while allowing for continued customer interaction will only increase.

"Our retail stores are always experimenting with what we carry," said Jones. "As technology continues to change, the adaptability of our loss prevention vendors to accommodate those changes is important to us." ∎