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# Is your electronic product security solution the weakest link in your brand?

MARCH 3, 2014 - Joe Davis, Director, Global Loss Prevention Solutions MTI



*Broken puck*



*Cable after use*

### HOW PRODUCT SECURITY SOLUTIONS CAN DISRUPT THE CUSTOMER'S INTERACTION WHEN PURCHASING ELECTRONICS AND TIPS FOR DETERRENTS THAT ACTUALLY ENHANCE THE CUSTOMER EXPERIENCE.

Most retailers and electronics manufacturers have come to understand that building a strong brand not only requires good messaging and marketing, but also delivery on the brand promise during customers' in-store interactions. Retailers spend significant time and effort ensuring that customers are greeted with excellent service, a clean, clutter-free store, and minimal wait times. Manufacturers invest millions of dollars in advertisements, product placements and social media campaigns that tout the benefits and image of their electronics.

But rarely do retailers or manufacturers consider the impact of their product security solutions on their brands. Particularly when it comes to electronics, product security technology plays a significant role in shaping the customer's experience with both the product and the store. It can enhance or erode the very brand equity that marketing has spent so much time and money to build. So why is product security technology so important and how can manufacturers and retailers ensure that it contributes positively to the brand image of both?

### WHEN PRODUCT SECURITY SOLUTIONS LOSE THE CUSTOMER.  GAME OVER.

It comes as no surprise that the 2013 Global Retail Theft Barometer identifies high-value electronics as one of the most commonly stolen retail items. Delivering product security is not necessarily top-of-mind for retailers when developing brand strategies. Inside retail stores, Loss Prevention's (LP) objective is to protect electronics on display from theft, damage and misuse.

While the TSA can ask travelers to pass through metal detectors, remove shoes and undergo pat-downs, the retail customer would simply turn and walk out of the store. Most retail customers are not there to cause a loss to the retailer and they don't wish to be treated as potential thieves. Operating amidst cutthroat competition, retailers must deliver a superior shopping experience or lose their customer base. Therefore, they should carefully implement product security solutions that enhance – or at the very least minimally disrupt – the customer's overall shopping experience.  Consider some examples of ineffective display technology.

The most obtrusive security options place electronics under lock and key, which must be accessed by a staff to facilitate customer interaction with the product. At best, this is perceived as an inconvenience, often putting the burden on the customer to find a store employee and waiting to engage until the product can be accessed. It also has the potential to leave the customer with an uneasy feeling of being treated as though they pose some level of elevated risk due to their interest in a particular product. Although a subtle and unintentional implication, it may still cause the customer to be uncomfortable enough to simply leave the store.

Many product security solutions offer interactive product access, but can lead to false alarms in the store. False alarms run the dual risk of making a legitimate customer feel like a thief and/ or making the retail operation seem incompetent. Repeated false alarms have simply made employees at some retail stores "numb" to sirens. The customer may be startled and wonder why the alert goes completely unnoticed by retail employees. Complete disregard is a sure

sign that the security solution has "cried wolf" too many times. The impression that remains is one of either inability to deal with potential theft events, or unresponsiveness to the alarm and the customer. No retailer wants images of unprofessionalism or uneasiness associated with their brand. The cost of false alarms to the retailer's brand is great, but goes uncalculated for the most part.

The security solution can also impact the manufacturer's brands. Think back to the 1970's rotary phone. The image of the coiled cord attached to the earpiece is one burned on the brain of anyone over 35. The makers of mobile phones spent significant time, money and energy creating a phone with absolutely NO cords. No cord. No antenna. No wire. Brand attributes scream: "wireless," "convenient," "portable." Customers often walk into the store to research these icons of wireless portability to find them tethered to a table with a coiled cable that instantly invokes memories of the rotary phone. Even if only for a brief, fleeting second, that coiled cord is the weakest link in the product's image. Deploying a security solution that is as well designed and as simple in design as the product it protects is the key in protecting the brand.

In all of these cases, ineffective product security technology has the capability to compromise the customer experience, potentially triggering a store exit or leaving the wrong impression of a product or store. When that happens: Brand compromised. Sales lost. Game over.

## POWER IS EVERYTHING

An excellent product display solution literally has the power to maximize the customer's experience with the mobile device. It should provide a fully-charged product to ensure complete, uninterrupted functionality for the duration of each interaction. Powered product display solutions also minimize distracting product switch-outs and recharging, which otherwise must be handled by staff. Those that provide a full range of motion also offer customers maximum, real-life interaction with that mobile device. Security solutions must enhance the experience, not compromise it.

## DON'T GO TO EXTREMES

When it comes to absolute product security, many options come to mind. One possibility is to display only visual representations of the product or non-functioning devices. This effectively reduces loss, but leaves customers with no product interaction to drive them to purchase. Another tactic is to place electronic devices under lock and key, releasing them, one at a time, only when the customer is under the watchful eye of an associate. This adds a greater sense of control, but ultimately does little to support the brand.

Just like handing a customer a fully-functional device to take home and borrow for the day is not a realistic option to achieve improved sales, nor is absolute product protection a realistic loss prevention option. The goal is to provide a reasonable deterrent. Think of security measures as the layers of an onion, each layer creating more of a barrier to unwanted elements and reducing risk. Retailers and manufacturers must not make the mistake of applying full, absolute security when the first 20% of the deterrent may be all that is needed to reduce 80% of the risk.

Extremes – on either the customer service or security side – place retailers, products, and the brands at risk.

## SIZE UP THE ENVIRONMENT

Security is not a one-fits-all effort. There is a full range of risks and people out there. The casual opportunist thief may decide to steal only if it is extremely convenient and easy to do so. While, at the other end of the spectrum, the organized retail crime professional will stop at nothing, with most others falling somewhere in-between. The goal is to provide the minimum level of deterrent necessary for the assessed level of risk. Anything more is overkill and only serves to disrupt the customer experience.

Savvy retailers will make decisions on product display and other solutions based on an assessment of the particular product and environment in question. On a tactical level, this means considering location, surrounding demographics, and history of theft and retail crime. A high-end retailer in the wealthy suburbs of Atlanta may not be as prone to crime and vandalism as a big box store in the Bronx. The suburban store may hire one additional associate to serve as a "greeter" and welcome customers and keep an eye on the store. That may be enough to deter the lone 16-year-old shoplifter prominent in this area. The variables of live product display require a level of awareness and assessment by both the retailer and the brand to ensure they are using the right tools to get the job done once the product arrives in stores.

## SET IT AND FORGET IT

There is nothing worse for both retailer and the customer than the product display solution that requires excessive maintenance and repair. Examples include tethers that fray and break, requiring replacement at regular intervals and presenting unsightly wear at the display. Likewise, solutions that require regular unlocking and recharging of the electronic device tend to frustrate customers who may be able to experience only limited functionality due to low or no power. Coiled tether solutions can become a tangled mess, literally tying products up in knots, and forcing customers to untangle a jumble of cords before viewing the product. Optimal security technologies conceal cords, offer full range of motion to the customer, engineer out false alarms, deliver consistent safe power, and ultimately, offer the perception of complete access to the product.

An excellent litmus test to gage the effectiveness of your security solution is to see if the honest customer notices it. The best security solutions are those that are completely invisible to the honest customer. To them, it is an effective way to display the product. At the same time, that same security device will serve as a strong deterrent to the thief with the intention of inflicting a loss on the retailer.

While the latest, hottest electronics can offer customers access to the most popular user experiences, draw great traffic and generate strong revenue for the retailer and manufacturer, it is necessary to pay close attention to how these products are secured and displayed. While selecting the right product security technology may seem like a minute detail, keep in mind its powerful ability to positively – or negatively – impact the brand. Ultimately, retailers and manufacturers want to get products into the hands of paying customers without subjecting themselves to undue risk.

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