



Retail Security: Establishing an Integrated Approach for Effective Loss Prevention

Think about the last time you stepped foot into a retailer, whether it was a large chain store, a big box retailer or a small boutique. Think about how you moved around the store and meandered through the displays. Think about how you made your purchasing choices and when you decided to head to the register. Think about waiting in line, paying for your purchases and walking out of the store. Did you consider the amount of time and resources it took to help make that experience a safe one? Chances are, an average consumer isn't privy to the kind of security measures that are in place to help keep a shopping center safe from both internal and external threats. However, loss prevention (LP) managers think about this goal each and every day.

That's not the only topic on their minds, though. For retailers across the globe, there remains a challenge: brick-and-mortar stores are facing dwindling numbers in favor of online shopping. This is reiterating the need for retailers to think outside of the box when it comes to marketing, customer service and the day-to-day operations of a store. Central to this idea, however — and intermingled with it — is the focus on the safety and security of shoppers, assets and employees.



The goal of today's retailers is not only to increase sales and traffic, but also to ensure a positive customer experience in each and every visit. The goal of any LP manager is to keep losses down, thwart potential theft rings and address vulnerabilities. At times, these two goals can be at odds with one another, as each entity is tasked with a completely separate part of the customer experience. However, more and more, these lines are being blurred as an increasing number of intelligent security systems are collecting data that can help streamline operations, improve the customer shopping experience and protect critical assets and people from threats.

This white paper outlines the unique threats facing today's retailers, how organizations can build an integrated approach to retail security that includes access control, intrusion and video, and the benefits of intelligent data solutions.



Rising Threats in the Retail Sector

Retailers have a great deal to protect. From the moment a customer pulls into the parking lot, security officers are tasked with creating a safe and secure experience for shoppers. All stakeholders, from small shop owners to multi-story corporate shopping centers, look to not only create a secure work space for employees, but also protect inventory from theft and prevent retail fraud. The statistics further demonstrate the risks:



Shoplifting

According to the 2018 National Retail Security Survey, inventory shrink accounted for 1.33% of retail sales, or \$46.8 billion, in 2017. The survey also indicated that shoplifting accounted for 35.7% of the reported shrink, and it was the fourth time in a row that shoplifting has ranked as the top cause for and greatest percentage of inventory shrinkage. It's no wonder that this is one of the biggest threats facing retailers today.

Organized Retail Crime (ORC)

The National Retail Federation's 14th annual ORC Survey, released in 2018, revealed that 92% of the retail companies surveyed had been a victim of ORC in the past year. Protecting against ORC becomes a unique challenge as it differs from typical shoplifting in a couple

of ways. It involves the association of two or more people engaged in illegally obtaining retail merchandise in large quantities as part of a larger enterprise. ORC encompasses both simple and highly complex schemes aimed at stealing thousands of dollars worth of merchandise from multiple retailers in a single day — quite a significant threat to face.

Employee Theft

Responsible for executing store opening and closing procedures, stocking inventory, operating cash registers and interacting with customers, employees are one of a retailer's most important security resources. However, they can also become a threat. According to the 2018 NRSS survey, employee/internal theft amounted to 33.2% of inventory shrink in 2017, with an average loss of dishonest employee cases of \$1,203.16. Even more



shocking is that according to another survey, the Jack L. Hayes International 30th Annual Retail Theft Survey, nearly one in every 35 employees was apprehended for theft from their employer in 2017.

Point-of-sale Transaction Fraud

Often coupled under the statistics for internal and external theft, point-of-sale (POS) transaction fraud is



another area where an employee steals money from their employer at the point in the business where a sale is made. This may happen as money is passed to or from a customer, and usually occurs in retail environments where there is a high number of low-value transactions and a number of sales people, which makes the fraud easier to hide. This can include transactions like void sales and false returns.

After-hours Intrusion, Theft and Vandalism

As with any business, there are significant threats posed to storefronts once the doors are closed and the lights are off. The threat of theft, intrusion and vandalism when no one is present in the store becomes a real possibility — especially when armed guards are limited.

Health and Safety Concerns

Accidents happen, but retailers are especially prone to health and safety concerns in the case of a slip and fall or other incident that may be out of the control of the retailer.

Retail threats aren't limited to these concerns, however, as new issues continue to arise every day. Retailers and executive teams are continually tasked with the responsibility of identifying potential threats and taking steps to address them through various means, including employee training, technology investments and increased oversight.



Building an Integrated Approach to Retail Security

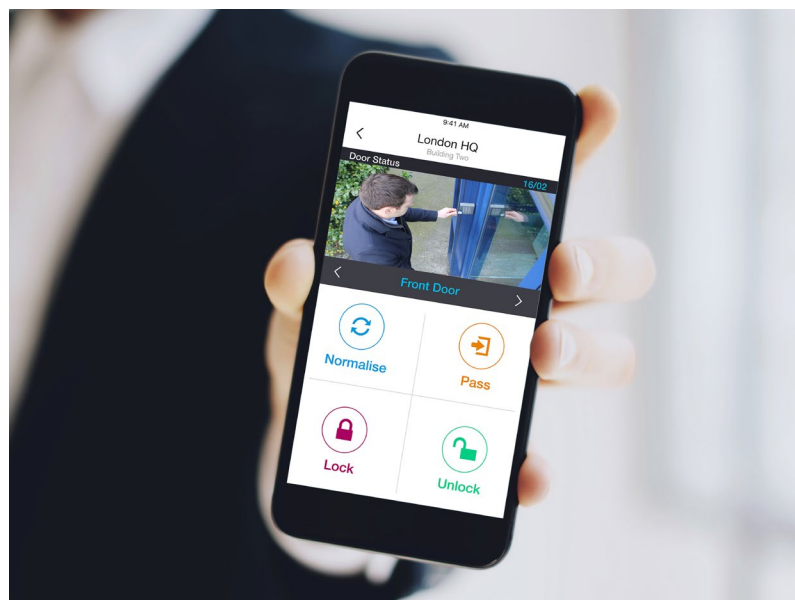
Adopting common sense procedures — such as locking storage rooms and warehouses, as well as limiting staff and customer access to restricted areas — is fundamental to a more secure retail environment. Employee training is a natural first step in a retailer's security approach. Through training, staff should be encouraged to be on the lookout for suspicious or unusual behavior. Beyond staff training, security technology in the form of access control, video surveillance and intrusion detection can be integrated into the overall safety and security plan to achieve balanced results.

Access Control

Long gone are the days of issuing employees a traditional metal key for business entry. Today's modern access control systems are made up of readers and credentials



that offer organizations the ability to control access with key fobs, smart cards, Bluetooth readers, remote entry authorization and even biometrics in some cases. A central database enables businesses to manage access for employees based on work schedules, ensuring only necessary personnel are entering the building. Access control technology has the ability to help achieve the following:



- ✔ Restrict entry to cash areas and stockrooms to eliminate unauthorized personnel access.
- ✔ Protect the perimeter of a retail location, including backdoor entries and loading/unloading docks.
- ✔ Assign access levels based on specific roles within the organization (management vs. employee).

Video Surveillance

With approximately 130 million video cameras shipped last year alone, it is evident that video surveillance is one of the most sought after security solutions for organizations. Retailers are able to utilize video surveillance to monitor shop floors and help prevent theft, and if incidents should occur, video footage can help provide evidence for subsequent investigations. Video surveillance technology can help achieve the following:

- ✓ Eliminate blind spots in stores with careful positioning of cameras in areas where customers might be hidden from view (and better able to shoplift merchandise).
- ✓ Ability to investigate slip-and-fall incidents in an effort to protect retailers from erroneous claims.
- ✓ Integrated point-of-sale transactions with associated video to pinpoint potential fraud and streamline investigations of internal theft.



Intrusion

Central to an organization's security posture is the ability to determine when someone is forcibly entering a facility. Solutions that offer the ability to monitor and detect intruders quickly, with professional grade detectors, ensure superior and accurate rates of detection that reduce false alarm, callouts and insurance premiums. Intrusion technology has the ability to help achieve the following:

- ✓ Improve after-hours and perimeter security with intrusion detection that's integrated with video surveillance functionality.
- ✓ Incorporate automatic alerts at access points to security teams and triggering alarms.
- ✓ Securing the perimeter of a retail location where exits and entrances may be used less (and subject to potential breaches).

Benefits of Retail Security Protocols and Security Technology

Retailers can experience benefits from the use of security protocols, employee training and technology that seamlessly work together for a comprehensive approach. Here are a few:

Less Shrinkage Overall

Whether it's access control or video surveillance, implementing security solutions can help reduce shrink from both internal and external theft. In any attempt to reduce shoplifting and theft, providing an active deterrent is critical. This can be achieved through a combination of video surveillance equipment and the presence of retail employees/security officials.

Day-to-day Operations Improvement

Security cameras are able to gather critical video data, and couple this data with valuable analytics capabilities that determine dwell times and pinpoint problem areas, and retailers have the ability to oversee more operational functions. For example, managers can be alerted when employees gather in the breakroom for extended periods of time and help direct these individuals to cover parts of the store. Additionally, the information gathered is valuable in identifying areas for improvement, such as when a section of the store has a cart that has been abandoned or mess that needs to be cleaned up. This can help in the day-to-day operations of a retail location and improve customer service and operations.



Reduction of Risk and Bogus Insurance Claims

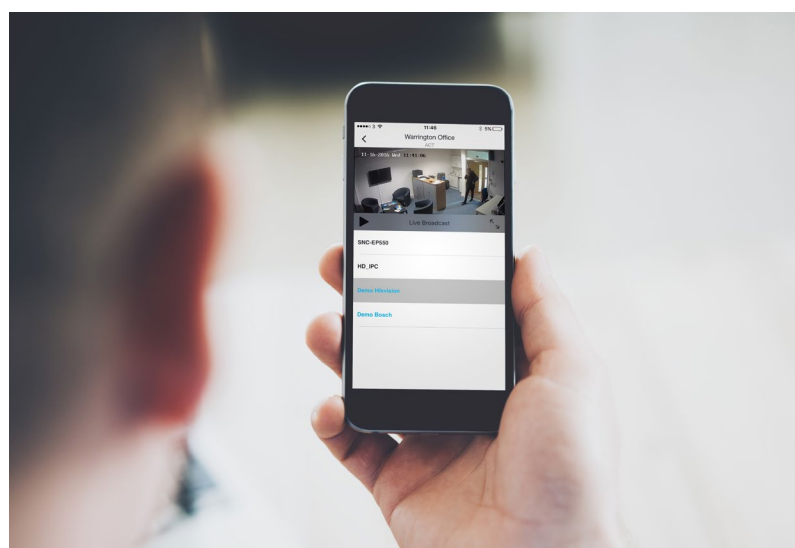
The introduction of security technology results in a reduction of theft during store hours, as well as vandalism and break-ins at night. Additionally, having video footage of slip-and-falls may help gather critical information for investigations. Fewer claims will lead to reduced insurance premiums and the ability to investigate incidents to prove whether or not a retailer is at fault will help reduce the costs associated with false claims.

Central and Remote Management of Security Operations

For many retailers, multiple locations may be under one security official's purview. With numerous geographic locations, it's critical for complete oversight to be possible using remotely managed systems and platforms. These platforms give officials the ability to check the status of cameras to ensure they are up and running at all times, as well as check on the various "hot" areas of a store

during peak times during the day. Additionally, remote management of access control can enable officials to grant and restrict access after hours, such as those times when a delivery needs to be made outside of standard store hours. This gives flexibility to owners and security officials to remain vigilant throughout the day even when they cannot be physically present in a given location.

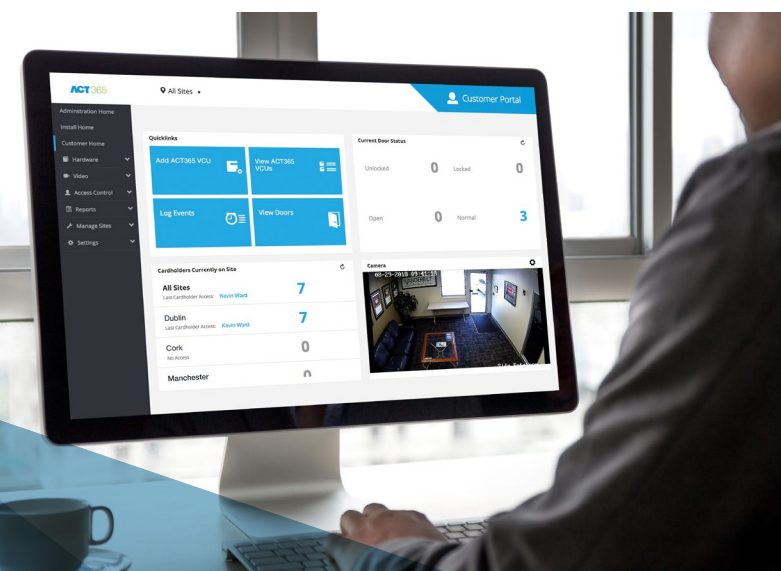
Continued Vigilance Over Access Points and Perimeter
Smaller stores rarely have the luxury of being able to watch live video images or maintain normal observation of all customers on the premises, particularly at peak



times in the day. With the implementation of security technology — even at the most basic level — these owners and managers can reliably record video for later viewing or evidence-gathering in the event of a theft or other incident.

Reduction of Fraud at Point-of-sale

Interoperability between systems, such as point-of-sale software and video surveillance, can generate time-stamped incident reports for specific transactions. Oftentimes, managers will be able to narrow down instances of theft during a transaction or want to cross-check a customer return to ensure it is a legitimate transaction. Having the ability to integrate the two solutions for investigation purposes is critical to the goal of fraud reduction at a register or till.



More Training for Employees, Less Risk

First and foremost in a retailer's arsenal to protect against threats is the role of the employee. The key ingredient to any security solution is ensuring that these individuals are properly prepared to handle potential threats with regard to the safety and security of a store and its guests. Onboarding techniques that incorporate what an employee should do when an incident occurs can help elevate their confidence in handling any given situation, in addition to providing these employees with the contacts and resources they need to make effective decisions. Without employee buy-in, security technology will be ineffective in the fight against threats.



to the registers to help alleviate the stress of a long line and possible loss of sales as a result. This tactic can also be applied in various departments of a store, such as the shoe department, when a certain number of customers are in a designated area to trigger additional store employees to venture where they're needed.

Setting Up Retailers for Continued Success

From the need to reduce shrink to addressing internal theft and streamlining operations, retailers must take a comprehensive approach to secure critical assets, employees and customers from potential threats — not to mention their bottom line. By leveraging a combination of video surveillance and management solutions, access control hardware and software, and intrusion control, this goal can be achieved in an effort to increase situational awareness and improve both the security and business sides of the organization.

Better Customer Service

According to a 2019 survey by Elastic Path, long checkout lines ranked as one of the top pain points for in-store customers, with 57% of those surveyed identifying their wait times as a concern. Technology advancements that utilize video data from surveillance cameras within a store now have the capability to be used for operational insights. For example, analytics functionality that is applied to incoming video from a checkout line can be used to push alerts to management when a certain number of people are within a specific area. When a line forms, management can then allocate more resources



Tailoring Technology Specifically to Retail

Vanderbilt offers a range of products within access control, intrusion detection and video management for the retail sector that provide a multi-layered approach for around-the-clock protection for these businesses:



ACCESS CONTROL

For small- to medium-sized retailers:

ACT365 Cloud-based Access Control and Video Management

ACT365 delivers seamless integration between access control and video management accessible from anywhere, at any time and on any device. Quickly update or remove user permissions, view cameras or open a door from a PC, tablet or smartphone. ACT365 is a scalable cloud-based solution designed to allow remote management of single or multiple locations, all from an easy-to-use interface. Each Access Control Unit (ACU) is a single door IP controller and connects to cloud-based software hosted in Microsoft Azure. Video integration is available using the Video Control Unit (VCU) and supports up to (4) cameras per unit. For more information, [click here](#).

Security Management System

The Vanderbilt Security Management System (SMS) delivers a powerful, single source solution for integrating a facility's access-control technologies, digital video and alarm monitoring systems. Systems are scalable so that you can meet your security requirements today and expand to meet your growing business needs tomorrow – all while satisfying your budget constraints. SMS is perfect for large, multi-site or global organizations. It supports an unlimited number of cardholders and readers and provides unparalleled flexibility. For more information, [click here](#).



VIDEO

Video Management Software

Vanderbilt's flexible video recording and retrieval solutions allow customers to choose from a diverse offering of network video recorders to fit their unique needs and budget. Vanderbilt provides a versatile line of NVRs for small to medium-sized systems as well as state-of-the-art video storage servers for large, multi-site or global installations. VVMS integrates seamlessly with various pieces of the company's access control portfolio, making it easy to scale as needed. For more information, [click here](#).



About Vanderbilt

Vanderbilt is a global provider of security systems recognized for future-proof, high-performance, easy-to-use products. Vanderbilt strives for innovation in Software-as-a-Service solutions such as **ACT365**, as well as product integration both within and outside of their portfolio offerings. Simply put, Vanderbilt is **#ReadyForAnyChallenge**. To learn more, please visit vanderbiltindustries.com, or follow us on [Twitter](#), [Facebook](#), and [LinkedIn](#).



For more information, please contact:

Lynn Wood

Product Category Manager

📞 973 316 3953

@ lynnwood@vanderbiltindustries.com

an **ACRE**
company

vanderbiltindustries.com

🐦 @VanderbiltInd

🌐 Vanderbilt Industries

Vanderbilt Industries

2 Cranberry Road

Parsippany, NJ 07054

973 316 3900