



PUSHING SALES

How secure on-shelf availability drives more revenue from high-value merchandise

The key to incremental in-store sales is to keep merchandise in the customer's line of sight, both strategically and safely.

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Retailing is getting more competitive by the day — forcing companies to get more strategic in how they deliver a unique in-store experience. For many retailers, this requires shifting their attention toward their assortment strategies and delivering the right mix of merchandise that can lure in shoppers and spur sales.

Essential to this approach is making sure products are displayed in a manner that makes merchandise easy to see and reach. This also puts retailers in the hot seat to keep every item showcased, accessible and only an arm's length away.

In fact, with the convenience of online, consumers who shop in store reported that the need to see and touch merchandise are main parts of their buying experience, according to data from name badge supplier Imprint Plus.

These factors drive the need for a self-service dispenser that allows merchandise to be easily accessible, yet still prevent theft. InVue recently launched the T1000, a dispenser designed to do just that and improve on-shelf availability. The T1000 is a push-button, time-delay dispenser that prevents sweeping, yet still merchandises product in a self-service format.

InVue's T1000 intuitive dispensing enables retailers to sell more merchandise without associate assistance. Unlike traditional metal hooks or crank-style solutions, the T1000 uses a simple push button to help customers dispense one piece of merchandise at a time.

A five-second time delay between dispenses also deters thieves and prevents a “sweep” of the entire product line. Featuring a small footprint and an integrated price tag display, the T1000 works with virtually all planograms to maximize display space without committing to an expensive shelf segment.

ON-SHELF AVAILABILITY

The device reinforces retailers ongoing efforts to improve on-shelf inventory availability. Realizing it's paramount to have optimal inventory levels on hand— especially



when customers are ready to make a purchase decision — more retailers are pouring capital into solutions that visually merchandise assortments, as well as help them achieve planogram compliance.

These practices are becoming increasingly important as the role of the physical store continues to evolve in an omnichannel world. Customers are visiting stores with the expectation that they can interact with and purchase desired merchandise, whether they are in search of expensive items or impulse products, such as razors and batteries, among other items.

To ensure customers can find their desired merchandise, companies are adopting more visual displays to catch the shopper's eye and, ultimately, influence their purchase decision.

However, this process is often easier said than done. An abundance of new products and limited shelf and wall space make it increasingly difficult to accommodate a growing assortment of new item introductions, as well as existing sellers.

Meanwhile, high-volume, high-margin merchandise is further exacerbating the issue. Retailers need to keep this coveted merchandise well within sightlines. Eager to use every square foot of available floor space, more retailers are opting to encase merchandise in locked displays, cabinets, or place merchandise behind the cash wrap.

The benefits of these options are two-fold: they keep the merchandise in the customer's view and also protect merchandise from pilfering. On the downside, it adds friction to the shopper experience.

"Customers are required to seek out the assistance of an associate to retrieve merchandise," said Karen Bomber, Director of Product Marketing at InVue. "In the meantime, that associate may have been servicing another customer – thus creating 2 bad customer experiences." One national drug store chain can attest to this struggle,

based on a majority of wet shave razor handles and printer ink cartridges that it historically marketed on a locking hook. The only way shoppers could get the merchandise was to have an associate unlock the item — a practice that was becoming cumbersome for both customers and associates, according to the "Shave and Ink Protection with InVue T1000 Dispenser: Customer, Offender, Associate Feedback Report," from the Loss Prevention Research Council.

THE GOOD AND THE BAD OF VISUAL DISPLAYS

One way to remedy this issue — and get merchandise back in front of shoppers — is by using traditional peg hook displays. While these fixtures take up very little store real estate and are designed to drive sales, they are also displaying desirable, high margin merchandise — the most frequently stolen.

In fact, these displays are definitely catching the attention of organized retail crime (ORC) thieves. ORC criminals are seeking desirable merchandise with high margins that can be quickly resold. And with access to these basic displays, ORC rings can wipe out a shelf's assortment with the mere sweep of an arm in less than five seconds.

The most coveted merchandise isn't what is always synonymous with what is most easily stolen. More often than not, criminals are eyeing merchandise that has the highest resell value.

And these thefts are far-reaching, as with 96% of retail companies being victimized by an ORC ring in the past year. These losses averaged \$726,351 per \$1 billion in sales, an increase from \$700,259 last year, according to "The 13th Annual ORC Study," from the National Retail Federation.

Meanwhile, 67% of retailers reported an increase of ORC incidents in the past year, the study revealed.



“Shrink is a human issue,” said Read Hayes, Ph.D., Research Scientist at University of Florida and Director of Loss Prevention Research Council. “Poor process execution by employees, combined with active thieves, creates negative effects and losses.”

It’s an issue that retailers need to solve if they want to conveniently display merchandise, yet still maintain the security of the products.

London Drugs, a company that operates 80 stores and an e-commerce site in more than 35 major Canadian markets, is one of many companies that has fallen victim to ORC thefts. When it came to adding an on-shelf display mechanism to prevent crime without inhibiting sales, London Drug found the answer from long-time partner InVue.

“We like the innovation that we see out of InVue,” according to Tony Hunt, General Manager of Loss Prevention at London Drugs. “The products are highly innovative and solve real problems.”

FINDING A BALANCE

It’s not always easy to prevent crime without jeopardizing sales. In fact, it’s imperative that companies learn how to “balance top-notch customer service with loss prevention to drive sales,” InVue’s Bomber said. “Yet, the ideal solution cannot penalize the honest shopper.”

InVue’s T1000 makes it easier to find this balance.

“A push-button dispenser improves the customer experience, while preventing the sweeping of a whole rack,” Bomber said. “Retailers can create better visual displays and enable customers to access merchandise without associate assistance.”

Retailers that have deployed the solution have experienced sales increases, while theft levels span from flat to decreasing.



“Customers can serve themselves, which makes the product more accessible, yet the process is too cumbersome for a criminal to sweep the merchandise,” Bomber explained. “Overall, the solution better services shoppers, spurs sales, and prevents sweeping incidents.”

Merchandisers at London Drugs can attest to the value of the solution. The drug store retailer began testing the device this past fall in 30 stores as a means of protecting high-theft, fast-moving consumer goods, specifically razor blades.

In addition to driving sales increases and reductions in shrink across all of London Drugs’ test stores, the device, which has the traditional look of a peg hook display, was easier for customers to intuitively utilize.

“Merchandising is much better managed, the customer experience has improved and the employee experience has improved,” Hunt explained. “The dispenser also protects merchandise well enough that we no longer require more aggressive tactics, like locking up items.”

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Since adding the T1000, London Drugs' test stores also had no reported incidents of theft or removal of merchandise displayed on the solution — results that are encouraging the retailer to apply the T1000 to other categories.

“Tactics and technology that make it easier for employees to maintain profitable stocking levels, while making theft harder, riskier and less rewarding for offenders — that is the key,” LPRC’s Hayes said.

ABOUT INVUE

Headquartered in Charlotte, North Carolina, InVue provides global brands, retailers and businesses with innovative merchandising, software and security solutions. InVue products promote and protect retail merchandise seamlessly to help customers improve their profits. To learn more visit <https://invue.com>

CONCLUSION

All retailers are facing the same challenge: providing the merchandise that their customers want — and having it available when they are ready to make a purchase. For brick-and-mortar retailers to achieve this goal, they need to keep products in stock, feature visual displays that make merchandise accessible and provide a seamless experience for customers

By using non-intrusive, easy-to-use displays that protect merchandise, but deliver access to shoppers, retailers can strike a distinct “balance,” one that encourages customers to self-select items, yet protects merchandise just enough to make an ORC sweep riskier, slower and less profitable.