

Why EAS Helps Food Retailers Deliver a Superior Customer Experience

Shopping for groceries and other food-related items is one of the most standard consumer activities in the world. But shopping in grocery stores and supermarkets is hardly a static activity. Food retailing has been greatly influenced by such factors as the rise of private-label brands; diversification of food categories, such as organic produce, premium meat, and seafood; prepared foods; and the increase in grocery items carried by mass merchants, deep discount, and convenience stores. As the grocery environment continues to evolve, consumers have a wider assortment of products to choose from, and more options on where to do their weekly shopping. Supermarkets are shifting strategies to continue to serve their customers and keep them coming back.

Shrink management has been a major focus for food retailers over the years. Losses due to theft, spoilage, and product waste continue to impact margins and profits. The *Global Retail Theft Barometer* revealed that shrink accounted for 1.3 percent of retail sales in food retail outlets with certain high-risk items, such as cheese, meats, seafood, and baby formula, often experiencing shrink rates more than double the average rate.

Now, as retailers provide more premium grocery options and prepared foods, managing product freshness and quality becomes even more critical. In addition, as retailers expand their merchandise assortments into higher-margin health, beauty, and in-store pharmacy items, even at average-shrink levels the losses negatively impact the bottom line at a higher disproportionate level.

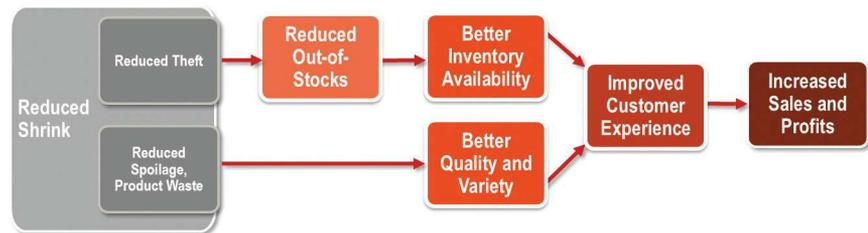
As a result food retailers are looking for innovative ways to combat shrink while delivering a modern, welcoming customer experience. Although many grocery store chains and food supermarkets have installed electronic article surveillance (EAS) systems, many of them haven't upgraded their technology or kept up with their programs in favor of customer service initiatives. This can be counter-productive, since EAS reduces theft, which in turn reduces out-of-stocks, resulting in a better shopping experience.

EAS can have a positive impact on the customer experience in three ways:

- 1. Deterrence**—Supermarkets have found that when EAS is visible within a store (labels on product packaging, pedestals at store entrances), it deters casual theft, resulting in lower shrink, and by result, lower out-of-stock situations on key merchandise.
- 2. Deactivation**—Intelligent deactivation systems can enhance the shopping experience by shortening checkout lines and enabling mobile and self-checkout options. In addition, consistent and

reliable deactivation of EAS labels virtually eliminates false alarms and damaging embarrassment of honest shoppers at the store exit.

- 3. Detection**—Today's EAS antennas and tags offer advanced detection, even with most creative tactics used by organized retail crime (ORC) gangs. Combined with the reliability of intelligent deactivation, your store associates now can have the confidence that an EAS alarm actually means a shoplifting attempt—not a potential false alarm of an honest shopper—and can respond accordingly to their store policies.



Reducing Shrink Ultimately Leads to Enhancing the Customer Experience and Increasing Sales



A comprehensive EAS program also supports open merchandising, enabling shoppers to handle and conveniently purchase items without the assistance of store personnel. EAS solutions secure high-risk items, without the need for locked cabinets to protect merchandise. Category-specific protection includes enhanced performance clear labels for small cosmetic items, tamper-proof labels for over-the-counter medication, keepers for razor blades, and bottle locks for alcoholic beverages among many other type of applications.

Finally, EAS technology has achieved consistent improvements in accuracy, reliability, functionality, and aesthetics, including the ability to display customized, high-quality promotional graphics on sleek EAS antenna pedestals, or clear antennas that can be installed at each checkout lane without obscuring the view of the cashier.

Many retailers undergoing new store openings or periodic store remodeling projects have found that is also an ideal time to upgrade their visible EAS infrastructure in order to align with new store designs. Recent enhancements in EAS technology and development of financial ROI tools make it possible to measure the impact a comprehensive EAS system might have on a supermarket bottom line.

Grocery stores and supermarkets are under more pressure than ever to improve profit margins, continue shopper loyalty, diversify their merchandise mix, and ensure a positive customer experience. EAS solutions can be an effective way to achieve those goals and make their stores more efficient in the process.

For more information about modern EAS solutions for grocery stores, supermarkets, and other food retailers, please visit: checkpointsystems.com/industry-solutions/supermarket-hypermarket.aspx. ■