

WHO'S WATCHI



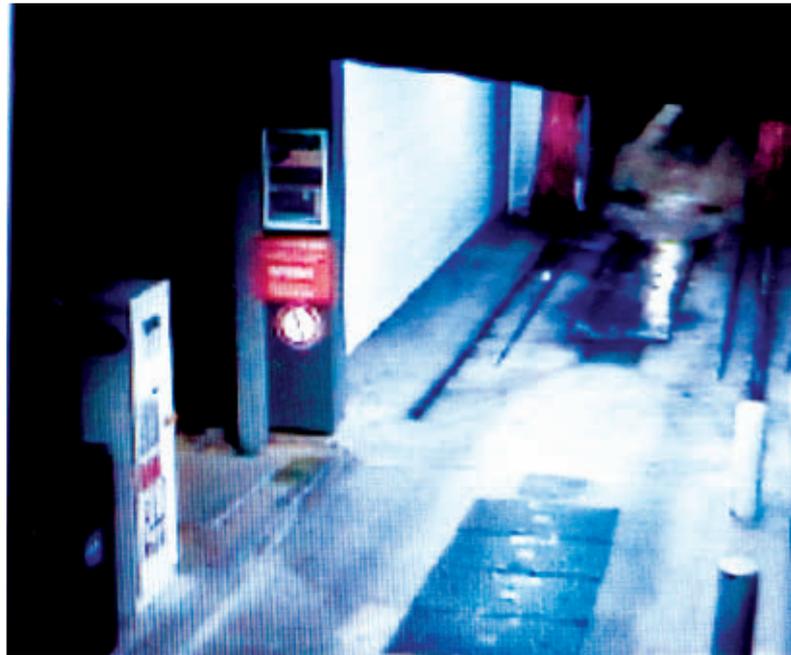
By focusing on the basics, con
long-standing reputa

A

t the world's first convenience store, inconveniently located atop the Himalayas (according to a 1994 episode of "The Simpsons"), Kwik-E-Mart franchisee Apu has arrived with Homer to beseech the Kwik-E-Mart president to give him his job back (a funny story involving the sale of spoiled shrimp). The benevolent Indian leader/maharishi, who sits cross-legged while coolly sipping a frozen carbonated beverage (Squishee), welcomes the pair, ushering them into his office, which is framed by a prominent warning sign: "The Master Knows All (except combination to the safe)."

BY JERRY SOVERINSKY

NG THE STORE?



venience stores can shed their tion as crime targets.

It is one in a recurring set of satirical jabs at the convenience store industry by the iconic American sitcom, this one drawing on the crime target stereotype.

Have times changed over the last 20 years? It seems a testament to the convenience store industry's progress in collectively enhancing security — “Simpsons” depictions notwithstanding — that the most fervent cries of buttressing convenience store safety these days are not about warding off armed robbers but of thwarting network hackers.

With the latter, a single highly technical act threatens thousands and even millions of consumers. Whereas the former — the physical security and safety of convenience stores — casts a much narrower net of potential victims by a practice that is relatively familiar and common by comparison.

But providing a safe and secure store is not *fait accompli* and in fact remains an ongoing concern for store operators. You know this, of course — just as you know that providing clean bathrooms is essential for a positive in-store experience for your customers.



ON AVERAGE, ALL CHANNELS EXCEPT CONVENIENCE MEET SHOPPER NEEDS FOR CLEANLINESS AND SAFETY!”



Are you as vigilant as you could be, while heeding changing demographics and societal crime trends? NACS offers the following — not as an indictment of any noticeable industry-wide deficiencies — but as a checklist of best practices and available options that have proven successful at fighting crime.

A History of Fighting Crime

Since its founding in 1961, NACS has been studying store crime, trying to uncover any information — from whatever resources available — that retailers could use to make their stores safer. At the NACS annual convention in 1971, the association tapped the insights of six ex-convicts, who participated in a workshop, “Why Hold Up Convenience Stores,” that ran daily throughout the convention.

A more accurate workshop title should have been “Why NOT to Hold Up Convenience Stores,” according to a NACS press release at the time, following the ex-convicts’ collective testimony that stores “almost invite robbery with single person staffing at night, hidden cash registers and easy in-and-out.”

It was important, the panelists agreed, to remove signage from windows, making the cash register visible from the street, as well as “making all employees aware of the possibility of robbery, and training them in behavior both in the operation of the stores to prevent robbery and in the process of an actual holdup,” NACS said. Additionally, surveillance cameras, surveillance warning signage and visible safes that indicate they are double-keyed serve as effective deterrents.

At more than four decades old, much of the advice remains relevant and useful today, and forms part of store safety basics — keep stores well lit with unobstructed windows, minimize available cash overnight, train employees to give up money quickly if confronted by a robber — to which retailers subscribe. But are today’s retailers following through?

A Nagging Perception

Public perception says no. A 2011 study by TNS Shopper Landscape surveyed 10,000 shoppers regarding their perceptions of cleanliness and safety at various retail channels, and convenience stores ranked lowest.

“The study covered nine other channels in addition to convenience retail,” said Bill Bishop, director of research for the NACS/Coca-Cola Retailing Research Council (CCRRC) and chief architect

of Brick Meets Click. “The results show that, on average, all the channels *except* convenience meet shopper needs for cleanliness and safety. This isn’t a pretty picture but it does help dramatize the need to focus attention on execution against these issues.”

But does perception reflect reality?

Safety by the Numbers

A 2007 study published by the U.S. Department of Justice revealed that convenience store robberies comprised roughly 6% of all robberies, and that “over the last 30 years, there has been little change in the proportion of convenience store robberies.”

Five years later, among total U.S. robberies, convenience store robberies comprised 5.1% of the total and gas stations comprised 2.4%, both the same as in 2011, according to a 2012 FBI Uniform Crime Report. Among total retail outlets, convenience stores and gas stations were the targets of 33.0% of robberies, a massive figure but one deserving of the proper context, said Jeff Lenard, vice president of strategic industry initiatives for NACS.

“It is important to note that in 2013, convenience stores comprised 34.8% of all retail locations, so crime levels are largely in line with the overall retail average,” Lenard said. Additionally, “most robberies in the United States occur at home or on the street,” Lenard said, with residences accounting for 16.9% of the total robberies and street muggings 43.5%.

These bottom-line numbers stand at odds with public perception, as measured by the TNS survey, as well as those conducted anecdotally. “When security experts ask industry people ... or robbery detectives ... ‘What percent of all robberies in the country do you think are of convenience stores?’ they guess from 25% to 50% and are very surprised it is actually 7.5%.”

While the disconnect may highlight a public relations challenge, NACS remains focused on ways to reduce industry crime, underscoring what’s at stake for retailers in a 2009 report, “Finding the Way Forward: A Practical Roadmap for Capturing Emerging Opportunities in Convenience Retail.” Prepared by the CRRRC, the study stressed that before capitalizing on growth opportunities, stores needed to build “a solid foundation of performance” that included safety at its core (along with cleanliness, hospitality, simplicity/ease and time enrichment).

“For shoppers to be satisfied with a c-store experience, they have to have the safety, cleanliness

CREATIVE SOLUTIONS

With convenience stores forming an important bond with their communities, some have turned to local residents via social media and police partnerships to help reduce crime.

At Mac’s Convenience Stores in central Canada, the company had addressed the basics — store design with clear sight lines, appropriate lighting, removing signage from windows — but it wanted a more holistic solution to address a growing problem with youth.

In 2007, it began partnering with local law enforcement to distribute coupons for free store drinks to kids who were demonstrating positive behavior.

“If they’re riding a bike with a helmet, they get rewarded with a hot chocolate,” explained Sean Sportun, manager of security and loss prevention for Mac’s. Since the program began, it has distributed more than 1 million coupons, “and our youth problem has pretty much gone away,” Sportun said. “And when we do have a problem, we quickly engage schools and police and the problem goes away.”

In 2012, the company launched Mac’s Crime Busters, a crowd-sourcing crime-fighting initiative. Working through its web and social media platforms, Mac’s solicits the public to take a proactive approach to assisting the police in solving crimes, offering a \$200 reward for any tips that lead to the apprehension of a store robber.

Since the program began, Mac’s has posted 212 suspects on its website and social media pages, which has led to 161 apprehensions. “Our robberies have gone down 50% and are now down 17% year-to-date,” Sportun said. “We used to have more than 200 robberies per year. That number fell to 91 in 2012 and 78 in 2013. We’re engaging the community and making it difficult for people to rob our stores by scaring them away.”

Sportun said the effort cost virtually nothing (“The website costs us about \$200 to create, while social media messaging costs nothing.”), a tremendously modest investment compared to the return. “When you talk about a robbery in Ontario, if an employee goes on a worker’s comp claim, it’s about \$100,000 minimum to pay out for psychological trauma. Since 2012, we’ve reduced those incidents by 61 total, for just over \$6 million in savings.”



Coupons recognize youth for positive behavior.

and hospitality components in place ... These are preconditions,” Bishop said. The essence of the directive: Make your stores safer and the public will shop your stores.

What Robbers Want

To do so requires an understanding of what robbers look for in selecting a target, said forensic sociologist

and security expert Rosemary Erickson, president of Athena Research Corporation. And based on her company's research, there are two things that are most important to would-be convenience store robbers: "The escape route and amount of money. And they haven't changed [over time]."

Indeed, in Athena's 2003 study, "Teenager Robbers: How and Why They Rob," when asked, "What would be important to you if you were to rob a convenience store?" escape route and amount of money ranked one and two among adult and juvenile robbers.

To combat the first, Erickson recommends closing off entrances at night and directing the flow of traffic with adequate fencing that is properly maintained. "Think of it as a perimeter," she said. "We want them to reevaluate [the prospects of success]."

For the second, Erickson says to keep a small amount of cash on store premises, promoting as such via prominent in-store signage. "But you must implement the plan," she said. "Robbers may come in and watch what is being done." She said mom-and-pop stores have been more lax in this area, retaining large amounts of cash in lieu of using time-controlled drop safes. It's a mistake, she said, as the safes "help lead to a reduction in robberies."

And just because you're far removed from the inner city, don't let your suburban roost provide you with a false sense of security. Erickson said while inner cities historically have been the most common targets of crime, population shifts and economics are moving those targets to the suburbs. "People who were operating in safe suburbs must reevaluate their security ... you must keep up with the crime trends."

Video Surveillance

Respondents' in the Athena study didn't place video surveillance high on their deterrence list (number 14 among 16 answers), but it remains an effective crime fighting tool, Erickson said — if used properly.

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TRAIN CLERKS ON THE BASICS

Proper employee training is crucial for minimizing the risk of injury during a robbery. Rosemary Erickson, president of Athena Research Corporation, offers the following advice to keep from getting hurt in her report, "Teenage Robbers: How and Why They Rob."

DO

- Cooperate
- Give up the money
- Obey the robber's commands
- Keep your hands in sight

DON'T

- Resist
- Talk
- Plead
- Stare
- Make any sudden movements
- Be a hero
- Chase or follow

"Make sure it's operating and that things aren't being erased too soon," she said. "Videos are increasingly important to solve crimes as police know they can go to c-stores to see who's been there."

Additionally, it's critical that video equipment be focused over the cash register, a basic point but one that is often overlooked by retailers. "I see a lot of cameras pointed in the wrong direction," said Tony Gallo, senior director of Sapphire Protection, LLC, a loss prevention and armed robbery awareness consulting firm.

Safety in Numbers?

For many years, conventional wisdom has stated that two clerks are better than one, prompting some cities to pass minimum staffing laws. Following a string of robberies in the mid-1980s, Gainesville, Florida, passed a city ordinance requiring convenience stores to have at least two clerks on duty

between 11 pm and 5 am, a measure that expanded statewide in 1990.

However, subsequent research — a nine-state study of convenience store robberies by the National Institute for Occupational Safety and Health, as well as a 1998 paper by Erickson — concluded that multi-staffing does not deter store crime. “There is no evidence that multiple clerks are safer than one,” Erickson said, “so it should be a business decision based on traffic flow.”

Lenard agrees, maintaining that the additional clerk(s) can actually make a robbery more dangerous.

“One of the concerns with hiring more people than you need to service customers is that those people do other things around the store,” he said. “You don’t want to surprise a robber with a clerk coming out of a back room after checking inventory or emerging from a bathroom after cleaning it.”

Diffuse with Kindness

While vigilance would seem to be the key when it comes to fighting crime, don’t overlook the power of a friendly greeting, Gallo said. “Customer service is very important, you can solve so many problems by greeting your customers (and would-be robbers). Equally important is store cleanliness, because “if a store is dirty or customer service is lacking, it sets the tone that the store doesn’t care. That just adds to your exposure.”

An Inside-Out Approach

You also need to assess those most likely to rob your stores, which in many cases are your employees. “Seventy percent or more of all c-store losses occur internally, not externally,” Gallo said. “So while the resources used to combat robberies are still important, you should also be looking in-house with controls in place, such as with advanced video surveillance equipment and increased inventory audits.”

One such solution, by Ottawa, Ontario-based March Networks, coordinates with POS equipment and can relay pre-programmed fraud alerts, such



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**CLERK DOES NOT HAVE
ACCESS TO VIDEO
SECURITY CAMERA**

**SMILE
YOU ARE
BEING WATCHED
BY OUR VIDEO
SECURITY
CAMERA**

NO \$50’S

as an item correction followed by a no sale, moments after they occur. The designated recipient of the alert (store owner or manager) can then instantly access a video clip of the transaction with just a few

keystrokes on a computer keyboard or even smartphone, verifying whether there was in fact a legitimate item correction — or employee theft.

Gallo said internal theft can occur in unexpected places, too, such as the garbage, and advises stores to use clear trash bags.

“You don’t want your staff to conceal any merchandise

in a black trash bag, it’s too easy for them to recover what they disposed of later that night [when no one is around].”

Back to Basics

No matter whether it’s a creative solution or one more firmly established as an operational best practice, to successfully reduce crime, retailers must actually follow through on their action plan. And despite best intentions, that’s not always the case.

“There is so much on a manager’s plate that they can’t get to everything they need to, so reordering takes precedence over security,” Gallo said. “Why isn’t a video camera pointed in the right direction?” he asks rhetorically. “They just didn’t notice it.”

“Look, the security basics haven’t changed much over the years,” he continued. “It’s just a matter of how carefully owners follow those basics.”

That’s reality. Not perception. **NACS**

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