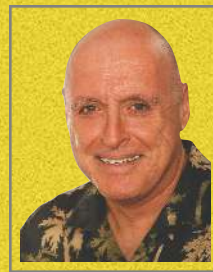


The Extra Point

BY JERRY ROBERTS



1043 Technology and the Wave of “Locked-Up” Retailers

The world of retail is changing, especially in America's large cities. Some of those changes will make shopping less convenient than it's been in the past. Some of these changes may wind up coming to Guam. I'm Jerry Roberts, and that's next on The Extra Point.

It's not easy being a retailer on the mainland, particularly in city environments. The justice system is broken. Laws have reduced penalties for theft, police rarely investigate shoplifting cases, and prosecutors don't want to expend resources on them. Bad guys often go free.

Store employees are instructed to let criminals walk out with merchandise. If they attempt to stop them and there's a scuffle with the thief getting injured, there's always a lawyer willing to sue the retailer. The stores figure they save money just letting people take stuff out the door.

In the past year, more and more retailers have resorted to locking up their goods. We've seen some of this in Guam, where certain items are in glass display cases, which are opened by getting a key from a manager. Across the mainland, stores are locking up entire aisles.

This, of course, has created a lot of pushback from customers who hate the inconvenience, though they understand the need for it. That said, the list of items being locked up is long. This creates more inconvenience, and store sales have taken a hit to the tune of 15-25% because buyers want to avoid the hassle.

The problem is not just the random shoplifter, it's organized criminal gangs that target products they can steal in bulk and easily resell online. Some of these gangs are netting millions of dollars in profits.

Of course, shoplifting is an expense that has to be recovered, and that means higher prices for you and me.

According to industry experts, nearly 70% of retailers reported a rise in organized retail crime last year, contributing to theft and losses of as much as \$70 billion.

To counter customer inconvenience and still prevent things from ending up in the hands of those who take without paying, the retail sector has turned to the tech industry for new solutions.

Walgreens and other big chains have installed simple technology in the form of electronic “help” buttons, which sit on top of those locked cases. Pushing the button makes it flash and sends a signal to store employees.

Walmart began testing a new type of locked case this year that can be opened by any employee with a smartphone. That eliminates the need to track down the employee with the right key.

Other retailers are experimenting with another new approach, where they give shoppers the ability to unlock cases themselves, by using their phone to give the store their number, or loyalty card, or permission to scan their face.

Then it monitors what they take out of the case. If they don't want to do any of this, they can wait for the employee to open the case. Would you give your phone number or other personal info in order to open a case yourself?

Some stores are using a combination of cameras and artificial intelligence to measure how many items a shopper removes from a case, how long the door remains open, and how many times they return to the store that day. If suspicious behavior is detected, an alarm goes off and store employees are notified.

(Con't.)

A lot of this seems crazy, but it just scratches the surface. Retailers, already facing a massive hurdle from online sellers like Amazon, intend to go all out to retain their customers.

In Guam, shoplifting is a problem. Some stores have added personnel to walk the floor in hopes of discouraging thieves. Nobody talks about this much, so it's hard to say how successful the strategy has been.

Is it likely that we'll walk into a store here and find entire aisles locked up? My guess is that will not happen, at least anytime soon.

Even so, we won't escape the trend entirely. Inflation under President Biden's policies is forcing people to choose between food and medicine, or gasoline, or their power bill.

If the economy worsens, so will crime. Thus, some of these retail realities may come to our island sooner, rather than later.

We live in challenging times, my friend. Still, I believe better times are ahead.

That's the Extra Point. Be responsible and make something good happen today. For 93.3 and the Ray Gibson Show, I'm Jerry Roberts.

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