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THIRD IN A SERIES OF FIVE ON RETAIL CRIME

Alarms popular, but not best deterrent

Staff training cited as best way to prevent crime in survey of 300 local retailers

Tracy Tjaden

Local retailers shelling out thousands of dollars to install alarm systems say the investment is not paying off.

The growing frustration has created an opening for Vancouver security companies to charge a premium for alarm services that guarantee a response time of less than five minutes.

"An alarm is not a deterrent anymore. The crooks know nothing is going to happen," said Mike Jagger, president of Vancouver's Provident Security and Event Management Corp. "The alarm industry has gotten away with providing a service that is not complete for so long, rendering alarms not quite useless, but getting close to that."

A *Business in Vancouver* and Ipsos-ASI survey of 300 retailers in Burnaby, Vancouver, Surrey and Richmond showed that security systems were the most popular form of retail crime prevention in the cities. Thirty-two per cent of the retailers surveyed had installed alarm systems. (See chart: *Crime prevention measures by region.*)

But only three per cent of the retailers responded that security alarms are the best way to prevent retail crime and only two per cent said alarms are the second-best way. (See chart: *Best ways to lower retail crime by overall ranking.*)

Discussions with retailers revealed brewing frustration with alarm systems.

Sharon Vreeken, an accountant at Industrial Revolution furniture store on Granville Street, said it took the security company only two and a half minutes to get to the store during a break-in, but the crooks were already long gone with a plasma-screen television in tow.

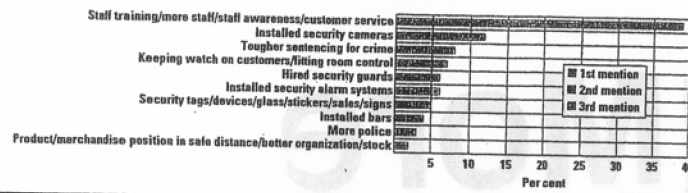
Jagger said he realized the industry was under siege from the proliferation of false alarms, and the company he started in 1996 would need an edge to succeed.

Three years ago Jagger began

Staff No. 1 deterrent

Best ways to lower retail crime by overall ranking

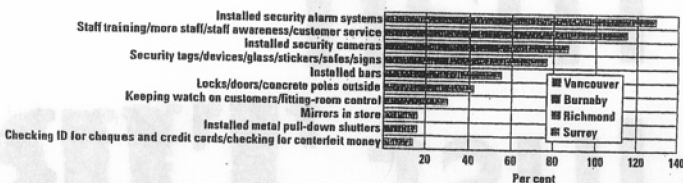
Of the ways to lower retail crime you mentioned, which is the best way? ...second best way? ...third best way?



Alarms most popular crime-cutting defence

Crime prevention measures by region

What crime-prevention measures have you taken at your business?



charging clients a premium for the guarantee that a Provident guard will respond to alarms in less than five minutes.

If the roaming security guard verifies a break-in is under way or has occurred, police response time will be fast, he said.

Joe Wilson, president and CEO of Sonitrol Canada, says his unique security systems include active audio monitoring.

Patented audio recorders are installed in the building and tapped at 150 Sonitrol monitoring stations across North America.

"We hear if they're spinning deadbolts and opening doors," said Wilson of thieves. If the break-in is legiti-

mate, a Sonitrol guard calls police and goes to the scene.

Wilson used to head up security for 100 beer and wine stores in Ontario. He bought the rights to Sonitrol Canada after a switch to the system caused his beer-store losses to drop from \$1.4 million per year to \$37,000.

"Everyone is looking for an alternative to the conventional alarm," said Wilson, who installs systems for about \$4,000 and charges up to \$75 per month for maintenance and monitoring. "They don't work."

Wilson said Sonitrol Canada, which has 70 employees and 3,000 clients, is growing at 30 per cent per month, mostly on referrals from clients, police, property managers

and insurance companies.

The problem of false alarms isn't new. Sensors are frequently tripped by everything from animals to dump trucks to skate boarders.

Police aren't responding because the false-alarm rate has reached 98 per cent.

The dismal statistic prompted the Vancouver Police Department to implement the False Alarm Reduction Program in 1993.

Now, alarm-users need permits. After three false alarms, police start charging a fee of \$75 per false alarm.

Jagger said many of his new customers are at the end of their rope after losing insurance coverage due to extensive break-ins. "We sell alarms

but tell people up front in itself it is not a deterrent."

Meanwhile, Lower Mainland retailers - 67 per cent of whom say shoplifting is their top concern - continue to implement tactics to deter criminals.

Increasing staff awareness is the second most commonly used deterrent, and, say retailers, the best one. Thirty-eight per cent of the 300 retailers surveyed said staff members are the No. 1 way to lower retail crime. These efforts include staff training, hiring more staff or generally raising staff awareness.

John Rea, owner of Edward Chapman Ladies Shop, agreed good employees are the best defence against crime.

His sales associates look each new customer in the eye when they walk in the store, and aren't easily brushed off.

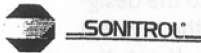
"Personal assistance helps a lot," said Rea. "It's about making sure a person in the store knows we know they are in the store."

Besides bars on the windows and an alarm system, Rea said he takes

Continued on page 5

BIV'S FIVE-PART SERIES ON TRENDS IN RETAIL CRIME

- **Issue 723: Crime dogs** - Lower Mainland retail - Shoplifting tops concerns
- **Issue 724: Cost of crime** - Retailers note marked increase recently
- **Issue 725: Crime prevention - Alarms popular, but not best deterrent**
- **Issue 726: Insurance** - What's available?
- **Issue 727: Solutions** - What can be done to curb crime?



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W.J. (Joe) Wilson

from page 4 other security precautions he refused to disclose.

He added: "If a bad guy wants to get in, no matter what you do they will get in."

Nearly one-quarter (22 per cent) of the 300 retailers interviewed have installed security cameras and 14 per cent have security bars. Just four per cent have installed one-way mirrors and the same number use pull-down shutters. However, there were differences in the popularity of deterrents among the four cities. While 17 per cent of Vancouver retailers surveyed installed security cameras, 25 per cent of retailers in Burnaby and Richmond have such cameras. Eight per cent of Vancouver retailers surveyed have installed metal pull-down shutters, while one per cent of Richmond retailers employ the same deterrent.



Listening: Joe Wilson says conventional alarms don't work

Mark Startup, president and CEO of Retail BC, said retailers are getting better at curbing their losses due to crime.

What the industry calls "shrinkage," or the difference between physical inventory and goods on the book, of three per cent was considered low for retailers in the 1970s when profit margins soared.

Now, tighter profit margins have forced retailers to get serious about losses from crime.

It appears to be working. Shrinkage is now down to 1.5 per cent of total sales, Startup said.

Phil Boname, a retail analyst with Urbanics Consultants Ltd., said more retailers should use metal shutters.

"Shutters are a cheap way of saving the store front and the inventory and also removing the chance of a break-in," said Boname, whose own alarm system in his West End office has been tripped by rodents. ♦

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