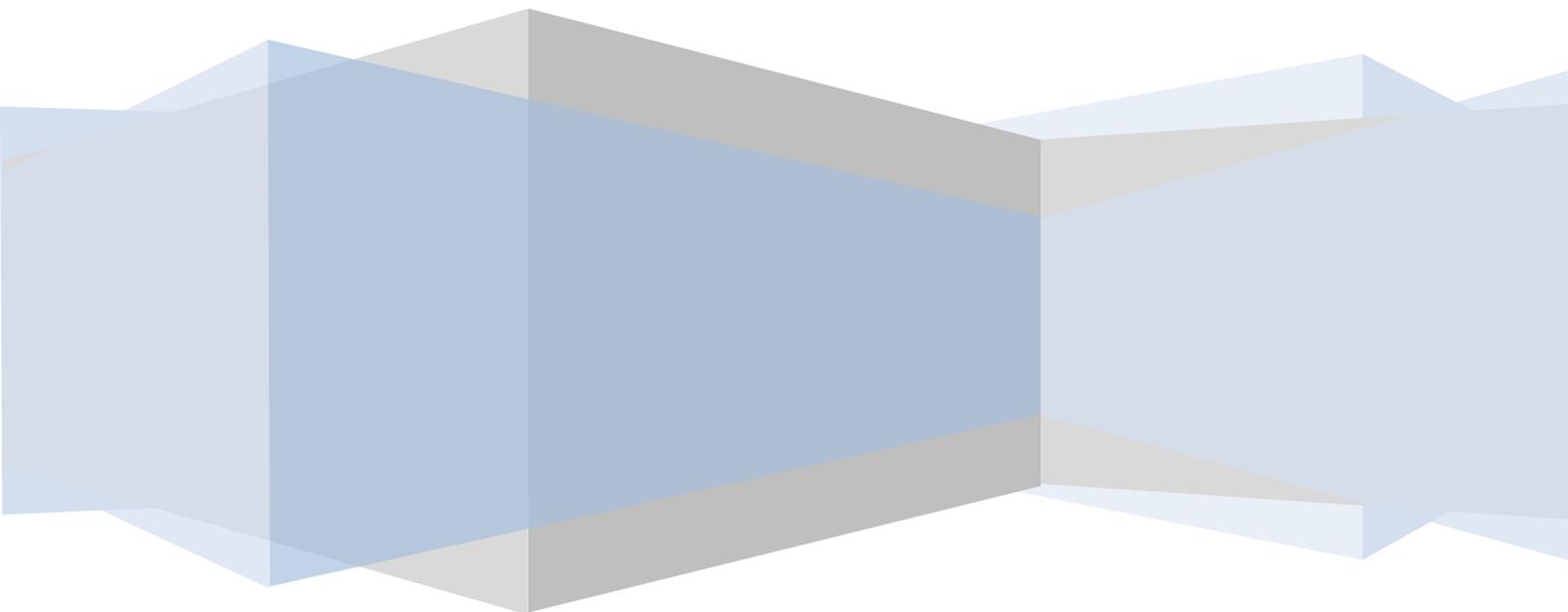




Controltek FlatGuard Offender Report

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Executive Summary

Introduction

The Loss Prevention Research Council (LPRC) conducted a series of in-person survey interviews at the Gainesville Innovation Lab to better understand offender reactions to the Controltek FlatGuard technology. An LPRC Research Scientist designed all data collection tools and collected data in September 2018.

Research Goals

10 Offenders were exposed to the FlatGuard technology and taken through LPRC's "See-Get-Fear" Offender Interview Protocol.

Offenders:

- % of offenders who See (notice) the FlatGuard technology
- % of offenders who Get or understand the mechanism of FlatGuard
- % of offenders who Fear or are deterred from shoplifting by FlatGuard
- How FlatGuard compares to typical prevention methods for similar products
- Direct offender quotes of deterrence and improvement suggestions

Executive Summary of Results

Offenders:

- 90% of offenders See (notice) the FlatGuard technology
- 100% of offenders Get or understand the mechanism of FlatGuard
- 80% of offenders Fear or are deterred from shoplifting by FlatGuard
- FlatGuard compares favorably to typical prevention methods for similar products

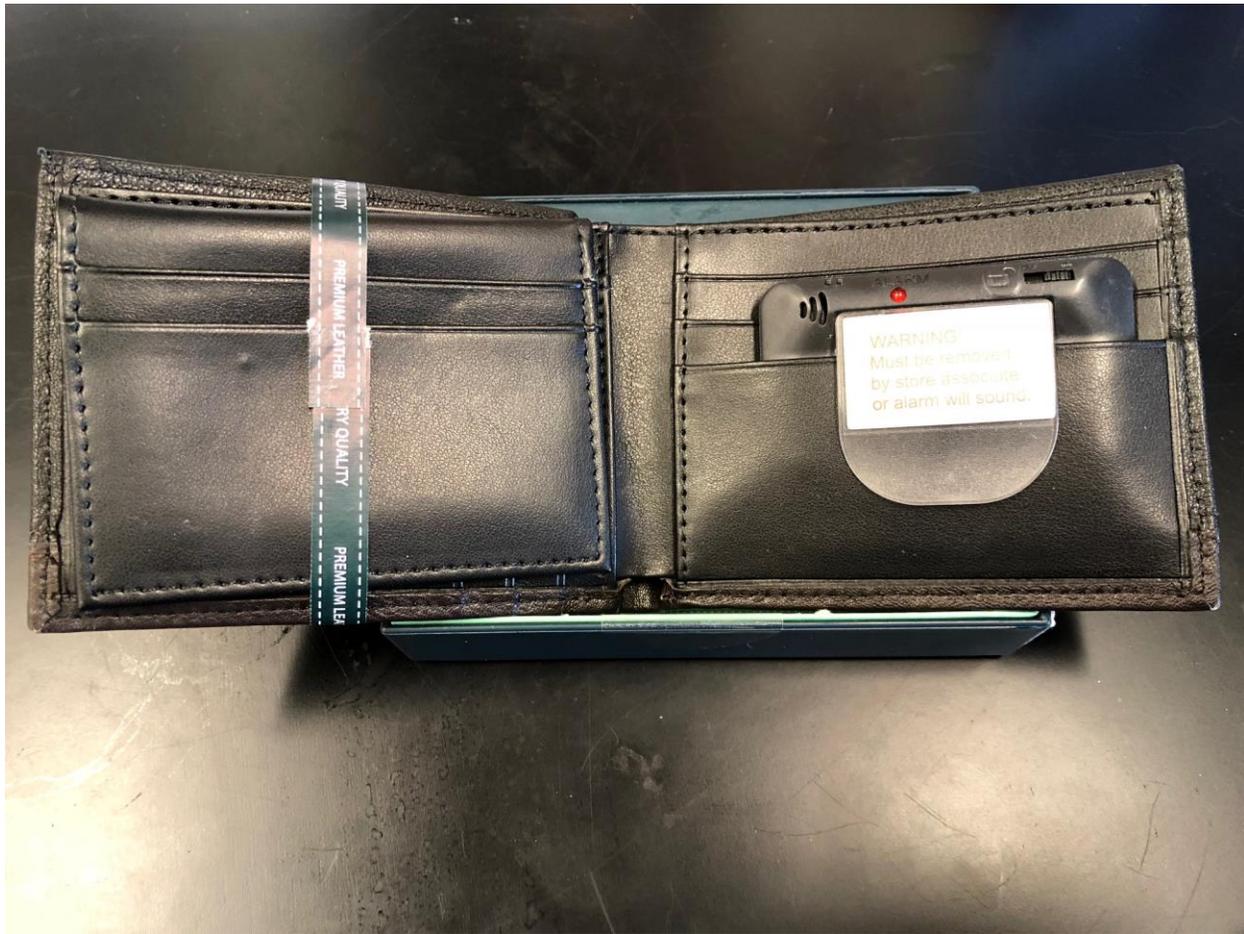
Background:

EAS technologies in retail LP often focus on one or several mechanisms of action in achieving deterrence. An EAS enabled tag may strive to increase the **effort** necessary in order to remove it and avoid drawing attention, increase the **risk** involved in interacting with the tag due to the threat of alarming, or decrease the **reward** garnered from successfully stealing a product due to inability to remove the tag even once the product has left the store. This research explores the consequences and deterrent value derived from focusing an EAS technology exclusively on increasing **risk**, with little **effort** required to remove and no consequence on **reward**. Through this exclusive focus, EAS technologies can expand to protecting a new subset of categories for which locking, sticking, or poking a tag into the product to achieve **effort** increase or **reward** reduction was unfeasible or unacceptable. Products such as high end bed sheets, wallets, and ties, for instance. This research explores the deterrent value of this “Focus on Deterrence through **Increased Risk**” technique.

Images 1: Controltek FlatGuard in the LPRC iLab



Images 2: Controltek FlatGuard in the LPRC iLab



Full Research Results:

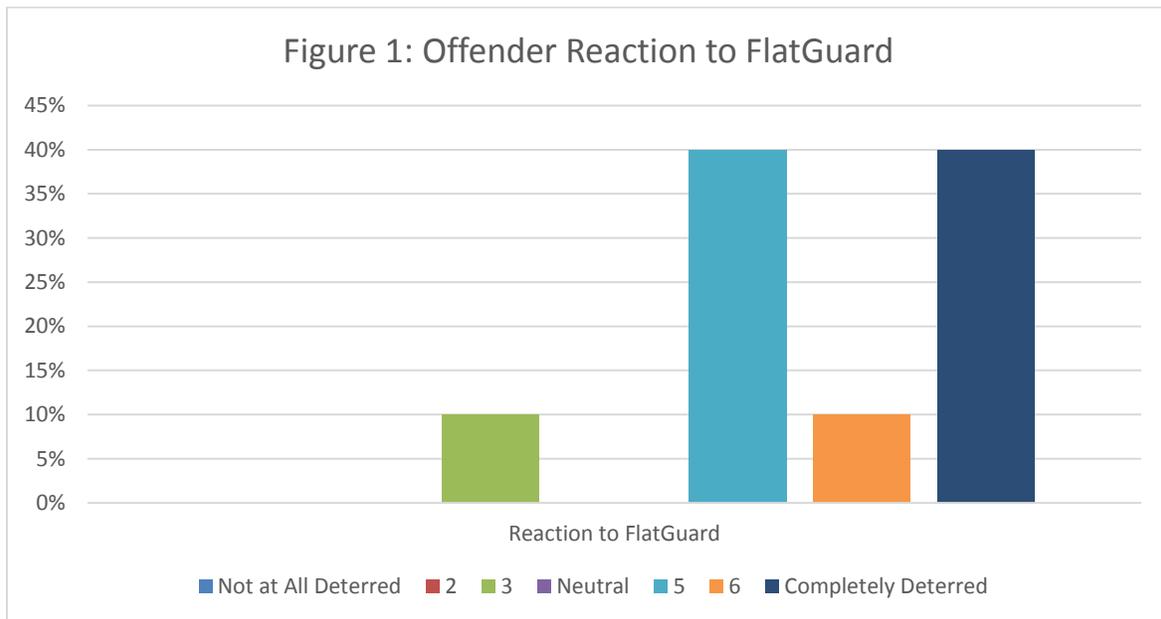
Offenders (n=10)

Offenders were presented with the wallet in Image 2 with the FlatGuard tag on it and asked if they noticed any deterrents on the product. **90%** of offenders noticed (**See It**) the tag. 1 offender did not notice it until prompted to open the wallet and remove it from its box, an action they indicated would not have been part of their theft process. 1 offender believed that they had seen the FlatGuard being used in a store, and 1 offender indicated having seen something like it, while 80% of offenders had not seen the FlatGuard or any tag like it before.

While **100%** identified the tag as a deterrent (**Get It**), 100% of offenders also understood the mechanism of the tag, correctly guessing that the tag had a built in alarm that would sound if removed and would set off the EAS pedestals.

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In response to the FlatGuard, **80%** of offenders indicated that they would not attempt to steal the product when protected by the tag, while **20%** indicated that they would. A breakdown of reactions to the tag below in figure 1 (**Fear It**). On a 1 to 7 scale, offender rated the deterrence of the FlatGuard at an average of **5.7**, indicating a high level of deterrence.



Direct Offender Feedback/Suggestions

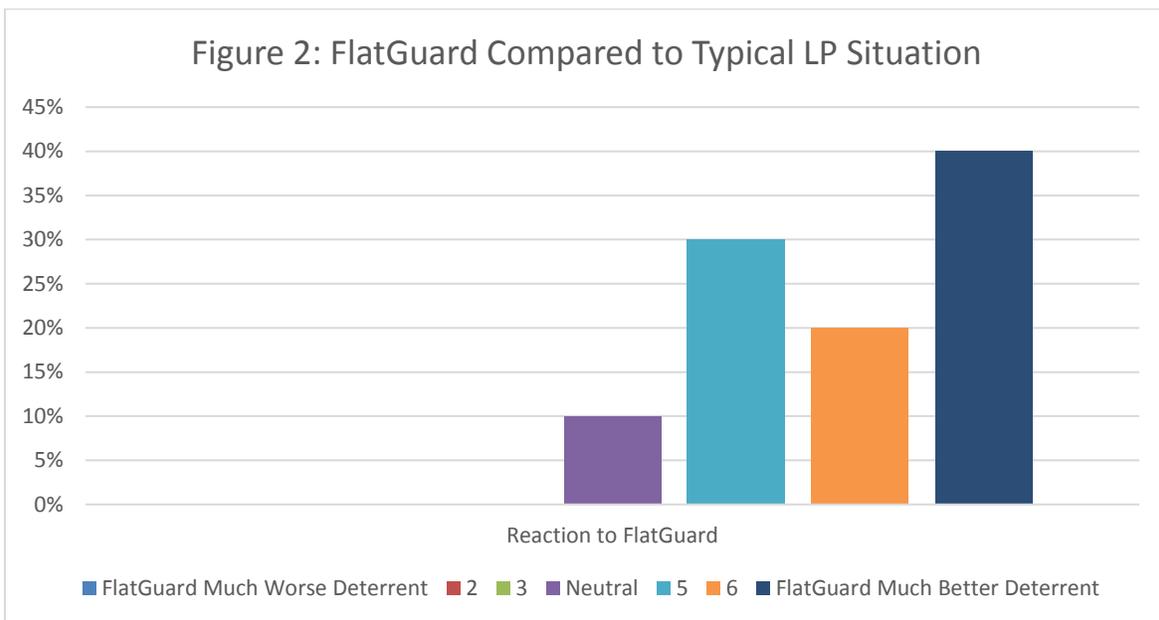
Below are direct quotes of interest from the 10 offenders that participated in this test, adding further qualitative context to the quantitative data that was collected and analyzed here.

- “If you move this off here in any kind of way it’s gonna go off. Yeah that scares me”
- “I’d be afraid to pop it off. I’d try to see what’s going on with the switch”
- “I noticed before you even opened it. Wallet is fat, and light flashed ”
- “Ahh it screams, that’s smart”
- “I wouldn’t be able to remove it without alarming so I’d move on ”
- “It looks like there’s an on off button”
- “If you notice it, I think anybody with common sense wouldn’t try it”

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- “Do research then defeat. Might try to slip item between clasp”
- “Oh s***, I’d be like, “the f***”. F*** it I’d just turn it off (tried to turn it off and fails)... oh ok, I’d just (takes it off, it alarms, offender drops it and pantomimes running away during the interview)”

Offenders were asked to compare FlatGuard to the situation they typically encounter in stores with similar products. Many indicated that in their experience wallets typically aren’t protected. On average, they rated the FlatGuard as a **5.9**, where 4 would indicate a tie and 7 indicates FlatGuard is a much stronger deterrent than what they typically see. A breakdown of their responses is below:



Overall Recommendations

Offender reactions to the FlatGuard seemed to support a story of overall deterrence. They rated the tag highly as a deterrent, and indicated by and large that the tag would result in them abandoning their plan to steal the protected product. In one humorous instance, the offender interviewed was mid-sentence exuberantly denouncing the tag's deterrent value as he pulled it off, at which time his plan to turn the on/off switch to "off" failed, and his confidence quickly turned to panic as he dropped the wallet and took several steps backward.

Several offenders commented about the on/off switch, which we identify here as one area of potential opportunity. While from a design standpoint the switch works well, locking in place once armed and not allowing you to slide to "off" until unlocked, it seemed to draw the attention of offenders in a negative way. It appeared to prime offenders to think "Oh I can just turn it off", try that, but then, crucially, try other defeat methods, as the on/off switch drew them in and beacons them to solve the puzzle of defeating the tag. The LPRC recommends removing the words "On" and "Off", as well as the lock symbol next to the switch, and retesting the tag with a new set of offenders.