

Case Study: Loss Prevention Organized Retail Crime - Theft Deterrence and Recovery Labels

AN EXPERT'S PERSPECTIVE

Denny Dansak is tough on crime. It's that reputation that prompted a major grocery chain to turn its Organized Retail Crime (ORC) Unit over to the former Supervisory Special Agent. Before joining the major grocery chain, Dansak had supervised multi-jurisdictional and multi-state task forces working with the FBI, DEA, ATF and local law enforcement agencies focused on organized crime, counter-terrorism and narcotics.

Dansak, who recently retired from the grocery chain, applied that experience to the seven years he worked with the grocery chain. During his tenure, ORC investigations at the grocery chain led to more than 2,600 arrests and federal indictments by law enforcement agencies nationwide. Those investigations netted seizures in excess of \$50 million of assets and stolen product for the grocery chain and local law enforcement.

However, in order to prove ownership of stolen product, seize the goods and prosecute the thieves, it would take some innovations in the field of security labeling. To achieve that, Dansak worked with Avery Dennison to develop anti-theft labels that would stay affixed to merchandise whether it was sitting in a freezer or stored in a hot warehouse.

Today, this grocery chain uses those labels on more than 1,300 high-theft items in more than 2,600 stores. Before Dansak was hired, the grocery chain was using labels from another supplier that didn't provide adequate information for law enforcement to pursue their theft cases. He realized it would take a different label to meet his demands.

IDENTIFYING THE NEED

"Coming from law enforcement, I knew we needed a label that would identify our product," Dansak said. "That way when the product is seized we can say, 'This is our product.' A lot of the same products are sold by multiple retailers so we needed a way to differentiate our product from their product. We went with Avery Dennison because the grocery chain has so many different labels.

"The challenge was getting anti-theft labels with the right adhesive," Dansak continued. "They have to stick on products without coming off whether they're cold or hot. We began working on that with the head chemist of Avery Dennison's Printer Solutions Division. She determined the adhesive after months and months of different processes.

The story of this grocery chain's security labeling with Avery Dennison began in 2013.

"The customer was looking to find a new supplier for their Loss Prevention/Organized Retail Crime Theft Labels," said Avery Dennison account manager Stephanie Mitchell. "It was important to Denny and his team to have variable data for the stores and the divisions. From a recovery standpoint, they needed to have specific store numbers imprinted on every label."



Innovative, intelligent and sustainable labeling and printing solutions that accelerate supply chain performance, increase productivity and elevate the consumer experience.

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PROOF IS ON THE PRODUCT

With anti-theft labels that included store-specific information, Dansak and his team were able to prove ownership of the stolen goods to law enforcement, whether those goods were in the United States or in a remote warehouse in Mexico, Vietnam or Yemen. For the first time, the grocery chain had the proof it needed to seize stolen product and prosecute the offenders.

“Before this, we couldn’t convict anybody,” Dansak said. “When we go back to the original label we had, it was a label for convenience. It showed it was our product but we couldn’t identify that product to make seizures. Now, with the labels, we can overtly put an identifying label on it that will be used in investigations.”

The anti-theft labels not only allow the grocery chain to seize stolen goods, they have also proved a deterrent to thieves.

“We actually have recorded conversations with the fencing operations,” Dansak said. “They’re telling the boosters not to bring our product with the anti-theft labels on it. They can’t get them off so they can’t resell the product in their brick and mortar store. So what are they going to do? It’s still an item that’s in demand so they’re going to go get it from somewhere else. As long as the grocery chain was using the labels as a deterrent or to seize product, that was good enough for me.”

GAME-CHANGING APPLICATION

The grocery chain applies the anti-theft labels with the durable, easy-to-use Avery Dennison® Monarch® 1153 labeler.

“Because there is a considerable amount of labor involved in putting those labels on each item, we needed a product that could deliver the label and be almost unbreakable,” Dansak said. “That’s what we got with the 1153 labeler. You have to understand, those labelers are being used by a variety of people. Some of them working and stocking shelves are in high school and may not be cognizant that they shouldn’t throw them around.”

“And sometimes they’re going to fall off of pallets onto the floor,” Dansak said. “We were looking for a labeler that could handle that and we got one that was consistent with our needs. Not only that, if it did malfunction, Avery Dennison has a process in place to make sure that labeler is sent back and we’re sent a repaired or new labeler. There is very little downtime.”

For the grocery chain, the pioneering anti-theft program showed an overwhelmingly positive return on investment.



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“We’re seizing far more than it cost to implement that program and that’s our ROI,” Dansak said. “If you subtract the dollars it costs for the labels and the labor from what you seize, your net is millions of dollars. I haven’t been in the business a long time, but that’s a win. Each year, we’re easily seizing at minimum 10 times more than what those labels cost. You don’t have to be a rocket scientist to know it’s working. That’s why, since its inception, we’ve continued to use the labels.

“Over the last seven years we’ve seized more than \$50-million in stolen products and assets and it was all ours,” Dansak added. “The prosecutors agreed that because we had anti-theft labels to identify our product, we are the victim and we can get that product back. It has been a game changer for us.”

WHY AVERY DENNISON

Avery Dennison is committed to supporting your loss prevention efforts with solutions ranging from RFID and bar-code enabled supply chain visibility, to in-store, theft recovery and tamper-evident labeling solutions.

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