

# The Globe and Mail

## Taser adds rock to the shock

Arizona firm adds MP3 player to stun gun as it looks to expand beyond military, law enforcement market

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With a file from Guardian News Service

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It faces a marketing nightmare every time police use its product to injure or inadvertently kill people. So **Taser International Inc.** is going straight to the consumer with a smaller, user-friendly model of its eponymous product. With women in mind, it's even equipping the new taser with designer colours and an MP3 music player so people can carry their weapons and their music in the same holster.

The Arizona company is trying to expand beyond its bread-and-butter military and law enforcement market and extend its brand into the consciousness of people who live in fear of being attacked as they go about their daily lives.

Taser International is launching a 30-minute infomercial to peddle a consumer version of the product as a self-defence device, after making a splash this week at the annual Consumer Electronics Show in Las Vegas where it paraded a gaggle of Playboy Playmates to help attract attention.

But its foray into the consumer market is not likely to drive significant growth. That will come from expanding its traditional policing business in the U.S. - where at least 60 per cent of forces remain taser-free and only one state, New Jersey, bars its use - and the still largely untapped international market, where it has a virtual monopoly on stun-gun sales.

"I have a buy rating on the stock and it has nothing to do with this consumer product," said Rob Furlong, an analyst with GARP Research in Baltimore. "It's kind of a nice add-on. Anything they can do with this is icing on the cake."

In the United States, the potential market for personal safety is huge. Americans purchase about 600,000 vials of Mace and pepper spray annually. The question is whether consumers will be eager to trade in their \$8 cans of chemical protection for a \$350 (U.S.) taser - even one that comes in hot designer colours and is equipped with an MP3 player, allowing nervous joggers to leave their other music devices at home.

Taser sold 6,900 units of the consumer version after introducing it in the third quarter of 2007. In the same quarter, it sold about 24,000 units to law enforcement agencies.

The consumer models are being sold over the company's website and through a couple of traditional sporting goods channels aimed at hunters and fishermen. They are also getting a boost from an enterprising distributor in Phoenix, Dana Shafman, who has set up a company called Shield Her. She sells them at suburban "taser parties," in the manner of Tupperware or cosmetics, and claims to be able to sell 30 weapons at a time.

"It's a novel idea, there's no question about it. But it's not an acceptable way to use this technology, even if there were no concerns [about potential injuries]," said John Tackaberry, a spokesperson with Amnesty International Canada, which has flagged serious questions about the safety of the devices and says they should never be in civilian hands.

Mr. Furlong calculates that U.S. consumers could account for perhaps \$20-million in sales annually in the next three to five years. That would amount to 20 per cent of current sales. But the military and law enforcement component, which accounted for more than \$90-million in sales in 2007, will grow just as fast.

Tasers in Canada, Britain and other countries are banned for civilian use. Several hundred have been confiscated by Canadian border guards and police in recent years, including 149 in 2006. (In Canada, the product is under a cloud following the deadly tasing by RCMP officers of Polish immigrant Robert Dziekanski at Vancouver International Airport last October. That and other incidents in Canada and elsewhere prompted inquiries into the police use of the devices and, in some cases, new restrictions.)

Mr. Furlong forecasts that revenue will rise 20 per cent this year to \$120-million, with earnings of 35 cents a share, up from 23 cents a year ago.

TASER INT'L (TASR)

Close: \$13.28 (U.S.), up 17¢

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### **CORRECTION**

Several hundred stun guns have been confiscated by Canadian border guards and police in recent years. The federal government has not specified the manufacturers of the devices.