



Strategic ways to battle shoplifting



1. Introduction to

Theft prevention

The prevention of theft can have a significant impact on shop profitability and operations. Given the average 2% shrinkage rate in supermarkets, with theft being a significant part of this, it is important to know about the impact of shoplifting and how this can be prevented. According to the Retail Security report about Europe from 2019 the most frequent cause of shrinkage is shoplifting and secondly robbery. Respondents of the National Retail Security survey in 2023 (USA) state that their shrinkage is caused by different sources of loss, with external theft, including Organized Retail Crime-related events, accounted for an average of 36% of total loss. They report that internal (employee) theft accounts for 29% of shrink loss.

Micro-gangs in retail refer to small, organized groups of individuals who collaborate to engage in theft, often targeting specific shops or products. These groups typically operate with coordinated tactics, making their thefts more efficient and harder to detect compared to individual shoplifters.

Micro-gangs often work together to distract staff, overwhelm security measures, and steal high-value or easily resold items, such as electronics, designer goods, or cosmetics. While not as large or sophisticated as organized retail crime (ORC syndicates), micro-gangs can still inflict significant losses on retailers by repeatedly targeting shops. Investigating internal theft, or employee theft, the

methods can vary widely, but these are the most common:

1. Theft of goods
2. Misappropriation of money from the cash register
3. Fraudulent returned goods
4. Total or partial annulment of receipts
5. Consumption of products
6. Fraudulent use of fidelity cards

Looking at food retail particularly, the cashier is the most frequent type of employee who is involved in internal theft/fraud.

“Retailers agree that the main cause of the crime related fraction of shrinkage is external theft, followed by internal theft (or employee theft) in second place and supplier theft in third place”

Retail Security Europe 2019

To better understand and address shoplifting, it is categorized into internal and external theft. Shoplifting is identified as the most frequent type of external theft, followed by robbery and then burglary.

With shoplifting being the most frequent type of external theft and in most countries in Europe

the most increasing type of theft, it is important to understand how shoplifting is done. The way of operating can be divided into the individual shoplifters and the micro-gangs (2-3 people). Although it might be almost invisible inside the shop, 71.8% of the retailers (Retail Security Europe 2019) state that micro-gangs are the most frequent type of offender.



2. Risk analysis and identification of vulnerabilities

Risk analysis and identification of vulnerabilities in shops regarding shoplifting is a systematic process aimed at understanding where and how theft occurs, so effective preventative measures can be implemented. The process of this can involve the following steps:

1. Assessing high-risk areas:

Certain sections of the shop, such as high-traffic areas or those with expensive, small, or easily concealed items, are more prone to theft. These sections should be identified as high-risk zones and get priority in surveillance or physical barriers, such as locked cases.

2. Analyzing theft patterns:

By reviewing past incidents of shoplifting, patterns can be detected, such as the time of day or specific products that are frequently stolen. This information helps in allocating resources more efficiently, like increasing staff presence during vulnerable periods.

3. Reviewing existing security measures:

Evaluate current theft prevention tools, including security cameras, electronic article surveillance (EAS) tags, and shop layout. Gaps in coverage, malfunctioning equipment, or ineffective monitoring can be identified as vulnerabilities.

4. Internal vulnerabilities:

Sometimes, shoplifting can be aided by internal weaknesses, such as inattentive staff, poorly enforced policies, or untrained staff.

A lack of employee vigilance or inconsistent application of security protocols increases the likelihood of theft.

5. Customer behaviour and blind spots:

Certain areas of the shop, such as corners or shelves not easily visible to employees, can be exploited by shoplifters. Identifying these blind spots and improving visibility through shop design or security technology can reduce risk.

Conducting a thorough risk analysis helps to address these vulnerabilities by implementing targeted theft prevention measures that reduce shrinkage and improve overall security.





3. Strategic shop layout

A strategic shop layout plays a significant role in reducing shoplifting by creating an environment that is difficult for potential thieves to exploit. Well-placed aisles, clear sightlines, and organized product displays enhance visibility, making it harder for shoplifters to act unnoticed.

For instance, positioning high-value items near the checkout or in easily monitored areas discourages theft. The layout can also include mirrors, security cameras, and strategically placed staff to monitor customer activity. By designing the shop to minimize blind spots and maximize surveillance, retailers can reduce opportunities for theft, improving overall security and reducing shrinkage.

Besides the shop layout, the location of the shop plays also an important role in the increase of

shoplifting or shrinkage. According to the Retail Security report of Europe, shops located outside a shopping mall experience on average an increase in shrinkage.

In large cities (above 250.000 inhabitants) the level of shrinkage does not differ that much between shops located in shopping malls or streets. Nevertheless, shops with more than 2.400m² of shopping area and located in streets, experience the highest level of shrinkage.

4. Personnel policies and training

Personnel policies and training are key components in preventing shoplifting in shops, as employees are on the front line of identifying and mitigating theft. Effective policies and training programs equip staff with the knowledge and skills to recognize suspicious behaviour, respond to incidents appropriately, and maintain a secure environment. Because many supermarkets work with (young) part-time employees, there is a lot of change of staff. Trainings to prevent and detect theft will therefore have to be held regularly, especially for new employees.

1. Clear policies and procedures: Establish clear policies that outline employee responsibilities in preventing shoplifting. This includes guidelines for monitoring customer activity, when and how to approach suspected shoplifters, and protocols for reporting incidents to management or security personnel. These policies should also define the roles of all staff, from cashiers to floor employees, in theft prevention.

2. Employee training: Organize regular training sessions on theft prevention to help staff develop the ability to identify suspicious behaviour, such as customers loitering in specific areas or attempting to conceal merchandise. Employees should be trained in non-confrontational techniques for addressing suspected shoplifters, as well as how to use security tools like surveillance systems and EAS tags.

3. Creating a culture of awareness: Foster a culture of vigilance, which ensures that all employees are actively engaged in preventing theft. Staff should be encouraged to maintain a strong presence on the floor, greet customers, and offer assistance, which can deter potential thieves. Regular refresher courses and team discussions on theft prevention help keep every employee informed and focused on preventing theft.

4. Internal theft prevention: Personnel policies should also address internal theft, ensuring that staff understand the consequences of engaging in fraudulent activities themselves. This includes maintaining strict inventory controls, monitoring employee purchases, and setting up checks to detect unusual behaviour among staff. These checks should be executed by different shop managers to ensure the viability of the process.

5. Collaboration and communication: Employees must be encouraged to communicate openly about theft concerns and collaborate with each other and security personnel. Establishing an environment where employees feel supported in reporting incidents or suspicious activity can significantly reduce shoplifting. If a shop manager feels that this topic cannot be discussed openly, an external party can be brought in to function as a confidant for handling the matter.

By implementing comprehensive personnel policies and providing ongoing training, employees are empowered to play an active role in minimizing theft, ensuring both customer safety and the protection of business assets.

5. Security technology and systems

There are many types of security systems that can be applied in shops. These are some that have an impact on preventing shoplifting:

- **CCTV (Closed Circuit Television):** This system involves the use of video cameras to monitor and record activities inside and around a shop. CCTV helps identify thieves and it serves as a deterrent to potential thieves.

- **EAS (Electronic Article Surveillance):** This system uses security tags or labels attached to merchandise. These tags trigger an alarm if they pass through security gates at shop exits without being deactivated during checkout. EAS is especially effective in clothing shops and other retail settings that handle high-value items.

- **RFID (Radio Frequency Identification):** RFID technology goes a step beyond traditional EAS by providing not only security, but also accurate

tracking of inventory levels. Any item with an RFID tag can be monitored from the moment it enters the shop until it is sold, improving both theft prevention and inventory management.

- **Access control systems:** These systems manage who has access to certain areas within a shop or warehouse. Access controls can include PIN codes, fingerprint recognition, card readers or facial recognition technologies. They are useful for securing back rooms, warehouses or other sensitive areas from unauthorized access.

Each of these systems has its own advantages and can be used individually or in combination depending on a shop's specific needs and risks.

6. Shop policies and procedures

Shop policies and procedures related to shoplifting prevention are essential for creating a structured, proactive approach to security in shops. These policies ensure that all staff are aligned on how to handle shoplifting incidents and help deter theft through clear guidelines. While they may overlap with personnel policies, they are no less important because of it. Key elements of good shop policies include a clear shoplifting protocol. Have well-documented procedures on how to deal with suspected shoplifters and present this on the first working day of every employee. These protocols outline specific steps employees must follow, such as:



Observation

Staff are trained to discreetly monitor customers who exhibit suspicious behaviour without making direct accusations.



No confrontation

Policies should emphasize non-confrontational methods, such as offering assistance or engaging with customers to discourage shoplifting.



Engagement

If a shoplifting attempt is suspected, employees should follow clear procedures on how to involve security personnel or managers to handle the situation, minimizing risk to staff and other customers.



Law Enforcement

Set procedures for when and how to involve law enforcement if a shoplifting incident escalates or results in a loss.

Besides a decent shop policy, inventory management is another key-element of preventing shoplifting. An accurate stock management procedure helps to quickly detect inventory discrepancies, which can be signs of internal theft or shoplifting. Executing regular inventory audits can be done as follows:

- **Daily/Weekly audits:** Conducting regular spot checks on high-value or high-theft items ensures that any missing stock is quickly identified. periodically to compare actual stock with what was recorded in the system. This helps detect larger patterns of theft or error.
- **Cycle counts:** Instead of waiting for an annual inventory check, cycle counting allows for continuous checks of different sections of the shop on a rotating basis. To execute these inventory audits the use of inventory management software saves a lot of time and gives a good overview of all discrepancies. Human error is reduced, and decisions can be made quickly on preventive matters.
- **Full inventory audits:** Comprehensive physical inventory audits should be conducted



7. Laws and regulations

A supermarket and its staff must operate within the boundaries of the law when handling suspected theft. If this is not the case, a supermarket organization can be sued. Employees must understand the rights of both the employer and customers, including when and how they can approach a suspected shoplifter.

The rules of dealing with shoplifters vary from country to country. In most countries, however, the steps below may be taken.

1. The shoplifter may be apprehended if you catch him/her in the act of stealing. This is a criminal offense and in most countries you are then allowed to intervene as a business owner and citizen.
2. Apprehend the shoplifter in a calm manner, make sure another person is there for a safe situation. Is the sighting of the theft correct, and does the thief not return the products? Call the police in this case. If the thief does return the products, the incident can be managed between you as the business owner and the thief without the addition of the police.
3. If the thief refuses to cooperate upon arrest, force may not be used. You may try to stop the offender in most cases, but absolutely do not use force. Coercion can be understood as forcing someone to stay in the shop without harming them, but it is a vague concept where, again, it is better to seek the help of police.
4. Upon arrest, the thief should not simply be detained until, for example, local enforcement arrives. It is important that the offender is not put in a separate room for longer than necessary, locked or unlocked, so that no deprivation of liberty occurs.

In all cases, it is important to involve local enforcement to prevent improper action. Employees must understand the rights of both the employer and customers, including when and how they can approach a suspected shoplifter. Actions like wrongful detainment or unreasonable force can expose the shop to legal risks. Therefore, policies must emphasize non-confrontational methods and following legal protocols.

8. Incident management and response

Once a theft incident is discovered a proper response is necessary to prevent future theft, to analyse what has gone wrong internally and for legal compliance. Accurate reporting ensures that the theft is properly addressed by law enforcement and that the business complies with legal requirements.

A theft incident can be reported by documenting the following information:

- **Details of the incident:** Date, time, location, and description of what happened.

- **Suspect information:** Description of the suspect(s), including physical appearance, behaviour, and any notable details.

- **Stolen items:** List of items stolen, including quantity and value.

- **Witness information:** Names and contact details of any witnesses.

- **Actions taken:** Steps taken by staff, such as detaining the suspect or contacting law enforcement.

- **Police involvement:** Details of the police report, including case number and officer involved.

- **Video or photo evidence:** Any available surveillance footage or photos.

When the theft incident is reported, the case is not 'closed'. A comprehensive aftercare and evaluation procedure for theft incidents is also very important. Not only the shop is affected by a theft in ways of money and time, also staff can be affected by the incident. It is relevant to evaluate the incident together with the involved employees, analysing what went wrong and what should be improved. After this evaluation the necessary measurements should be taken to improve the security of the shop. This will improve the safety of employees and the shop itself.

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9. Customer engagement and education

Shops can launch educational initiatives that inform customers about the consequences of theft, such as legal actions or fines. Signage in the shop or digital campaigns can emphasize that shoplifting is illegal and harmful, raising awareness about its impact on businesses and pricing.

Besides making customers aware of the consequences of theft, the prevention measures should be clear as well. It is most important that the prevention measures do not disrupt the shopping experience at all. Measures like surveillance cameras, staff presence, electronic article surveillance (EAS) tags and shopping cart

security systems are visible but will not directly bother the customers. At least not when they do their grocery shopping in a proper manner. Reducing the anonymity of the customers does also help in preventing shoplifting. Once a customer feels 'seen' by the staff it will be more difficult to steal.

10. Analysis and improvement

Setting up the right procedures, deploying various security systems, informing customers and training staff appropriately all contribute to preventing theft. Yet there is a danger that the strategies chosen to become routine, and therefore often less effective.

Supermarkets should routinely assess security measures, analyse shrinkage data, and review surveillance footage to identify any trends or patterns in theft. This allows for a better understanding of whether current measures, such as surveillance cameras, security staff, and shop layouts, are functioning as intended. Additionally, gathering feedback from employees on site can reveal operational weaknesses.

To stay ahead of evolving theft tactics, shops must embrace continuous improvement by implementing new technologies and refining

existing methods. Regular data analysis and evaluation moments should drive these improvements, helping businesses adapt their strategies based on emerging trends and internal audits.

Moreover, employee training should be updated in line with these advancements to ensure that staff remains equipped to handle security challenges effectively. By focusing on continuous innovation, shops can mitigate theft risks while maintaining a positive customer experience.



11. Future trends in theft prevention

As the retail industry evolves, so do the methods used to prevent theft. Emerging technologies and shifting consumer behaviours are driving this change, presenting both new opportunities and challenges for retailers.

Two key areas shaping the future of theft prevention are the rise of cashier-less technologies and the impact of changing shopping habits, such as the growth of online grocery shopping.



Emerging technologies:

Cashier-less shopping and self-checkout

One of the most notable technological advancements in theft prevention is the introduction of cashier-less and self-checkout systems. Companies like Amazon have pioneered this approach, with innovations such as Amazon Go shops, where customers can walk in, grab items, and leave without needing to scan items at a traditional checkout counter. This system relies on sensors, cameras, and artificial intelligence to track what customers take and automatically charge their accounts.

Retailers have faced challenges in preventing shoplifting when fewer human employees are monitoring the floor, as shoplifters can exploit gaps in the system, especially when items are not properly registered or when sensors fail to detect stolen goods.

Even traditional self-checkout systems, which have been adopted by many grocery shops globally, present challenges. As noted by experts in a 2024 report, shoplifting via self-checkouts is an ongoing issue. Shoppers can easily manipulate these systems by mislabelling items or failing to scan all products.

“Shoplifting via self-checkouts is an ongoing issue.”

However, while this technology represents a significant step forward, it has also encountered setbacks. For example, a recent CNN report noted that Amazon’s cashier-less technology hasn’t been as successful in larger grocery formats. Complexities in maintaining inventory accuracy and preventing theft have made it difficult to scale the technology effectively.

Despite the convenience these systems offer, they also create an environment where theft is easier if adequate security measures aren’t in place. Solutions such as improved machine learning algorithms that detect anomalies in transactions or facial recognition to deter repeat offenders could play a vital role in closing these security gaps.



The road ahead:

Hybrid approaches to theft prevention

The future of theft prevention will likely involve a hybrid approach that integrates advanced technologies with traditional security measures. Retailers are likely to rely more on AI and machine learning to monitor shopping behaviour and prevent shoplifting, but these technologies will need to complement rather than replace human oversight.

Changing shopping habits:

Online grocery shopping

Another significant factor in the future of theft prevention is the shift in shopping habits, particularly the rise of online grocery shopping. While e-commerce has transformed many industries, it hasn't reduced theft in brick-and-mortar grocery shops as much as one might expect. Online grocery shopping, despite its growing popularity, hasn't led to a decline in shoplifting in physical shops.

Traditional retail theft remains a persistent issue as in-shop shopping habits continue, driven by customers who still prefer browsing and purchasing food and essentials in person. Interestingly, this trend suggests that while online shopping has grown, it has not yet replaced the need for physical shop presence,

especially for groceries. Therefore, theft prevention strategies in physical shops remain crucial. Retailers need to adapt to a hybrid model where both online and in-shop shopping are prominent. This means balancing investments in online security with continued vigilance against in-shop theft.

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Loss prevention teams, security personnel, and even shop employees will still play a crucial role in identifying suspicious behaviour that machines may miss.

Furthermore, as consumer preferences evolve, retailers may invest in creating a more secure shopping experience, whether online or in-shop. Ensuring a frictionless and secure checkout process, whether through cashier-less tech or traditional means, will be essential in deterring theft while maintaining customer satisfaction.

In conclusion, while technologies like cashier-less shopping and changing habits like the rise of online grocery shopping will reshape the retail landscape, they will also bring about new challenges. Retailers must be prepared to leverage advanced tools and adapt their security strategies to stay ahead of sophisticated theft techniques while addressing the nuanced behaviours of modern consumers.



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