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Strategic ways to combat shoplifting

Executive summary

This strategic guide provides a thorough framework for addressing shoplifting, a critical issue impacting retail profitability and operations. Highlighting the significant contribution of external theft, including organized retail crime, to overall shrinkage—averaging 36% of losses in U.S. retail—it underscores the importance of proactive and innovative measures. The guide emphasizes the need for a systematic approach to risk assessment, focusing on identifying high-risk areas, theft patterns, and internal vulnerabilities to tailor effective prevention strategies.

A well-designed store layout that enhances visibility and minimizes blind spots plays a key role in deterring theft while maintaining a positive customer experience. Personnel training and clearly defined policies empower employees to recognize and manage theft incidents effectively, fostering a culture of vigilance and collaboration. Advanced security technologies, such as surveillance cameras, electronic article surveillance systems, RFID, and access controls, are presented as essential tools to deter theft and improve inventory management.

The guide also highlights the importance of proper incident management to ensure legal compliance and continuous improvement through thorough documentation and evaluation of theft events. Engaging customers by raising awareness of the consequences of shoplifting and reducing anonymity in-store can further discourage criminal behavior. Continuous improvement remains a priority, with periodic security audits, data analysis, and feedback helping retailers adapt to evolving theft tactics while maintaining operational efficiency.

Looking ahead, the guide explores the potential of emerging technologies like cashier-less systems and AI-driven surveillance, emphasizing the need for hybrid approaches that integrate advanced tools with traditional security measures. By adopting these strategies, retailers can reduce shrinkage, enhance asset protection, and create a secure yet welcoming shopping environment, positioning themselves for sustained success in an ever-changing retail landscape.

1. Introduction to
Theft prevention

The prevention of theft can have a significant impact on store 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 shrink is shoplifting followed by robbery. In this report robbery is explained as the unlawful taking or obtaining of property with the use of force or threat of force against a person with intent to permanently or temporarily withhold it from a person or organisation. Respondents to the National Retail Security Survey in 2023 (USA) stated that their shrink 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.

U.S., shoplifting typically involves individuals or small groups working together to steal.

Micro-gangs in retail refer to small, organized groups of individuals who collaborate to engage in theft, often targeting specific stores 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 stores. 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 loyalty cards

Within food retail, 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, theft is categorized into internal and external types. "Retailers agree that the main cause of the crime related fraction of shrink is external theft, followed by internal theft (or employee theft) in second place and supplier theft (sometimes referred to as intercompany fraud) in third place."

Shoplifting is identified as the most frequent type of external theft, followed by robbery and burglary (Retail Security Europe, 2019). Comparison of responses from American and European retailers

shows that external theft has the most significant impact on shrink for both groups.
Shoplifting is the most frequent type of external theft and the fastest-growing in many European countries. To better understand this crime, offenders are categorized into two main groups: individual shoplifters and micro-gangs (2-3 people). While shoplifting can often go unnoticed in stores, 71.8% of retailers in Europe (Retail Security Europe, 2019) report that micro-gangs are the most common offenders. Similarly, the National Retail Security Survey (2023) indicates that in the

2. Risk analysis and identification of vulnerabilities

Risk analysis and identification of vulnerabilities in stores 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 store, 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 store 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 poorly trained staff.

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

5. Customer behavior and blind spots:
Certain areas of the store, such as corners or shelves not easily visible to employees, can be exploited by shoplifters. Identifying these blind spots and improving visibility through store 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.

4. Personnel policies and training

Personnel policies and training are key components in preventing shoplifting in stores, 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 behavior, respond to incidents appropriately, and maintain a secure environment. Because many supermarkets work with (young) part-time employees, they experience large turnovers of staff. Trainings to prevent and detect theft will therefore have to be held regularly, especially for new employees.

3. Strategic store layout

A strategic store 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 store to minimize blind spots and maximize surveillance, retailers can reduce opportunities for theft, improving overall security and reducing shrinkage.

In addition to the store layout, the location of a store can play an important role in the frequency

and volume of shoplifting or shrink. According to the Retail Security report, stores located outside a shopping mall experience on average a higher level of shrink than stores located inside shopping malls. In large cities (above 300.000 inhabitants) the level of shrink does not differ that much between stores located in shopping malls or a standalone location. Nevertheless, stores with more than 25,000 sq ft of shopping area and located in streets, experience the highest level of shrinkage.

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 behavior, 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 behavior among staff. These checks should be executed by different store 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 store manager feels that this topic cannot be discussed openly, an external party can be brought in to act 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

6. Store policies and procedures

Store policies and procedures related to shoplifting prevention are essential for creating a structured, proactive approach to security in the store environment. 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 store policies include a clear shoplifting protocol. The development and documentation of procedures on how to deal with suspected shoplifters should be reviewed during the new hire training period. These protocols outline specific steps employees must follow, such as:

There are many types of security systems that can be applied in stores. 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 store. 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 store exits without being deactivated during checkout. EAS is especially effective in clothing stores 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 store 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 store 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 store's specific needs and risks. The concept of layering different technologies is very important in the approach to mitigate shrink.

Observation

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

Non-confrontational approach

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

Engagement

If a shoplifting attempt is suspected, 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 store 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.

• **Cycle counts:** Instead of waiting for an annual inventory check, cycle counting allows for continuous checks of different sections of the store on a rotating basis.

• **Full inventory audits:** Comprehensive physical inventory audits should be conducted periodically to compare actual stock with what was recorded in the system. This helps detect larger patterns of theft or error.

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.

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 caught 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 handled 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 store 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 store 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 review of the occurrence is important to prevent future theft. The assessment may also include whether legal compliance procedures have been followed. Accurate reporting ensures that the theft is properly addressed by law enforcement and that the business complies with legal requirements.
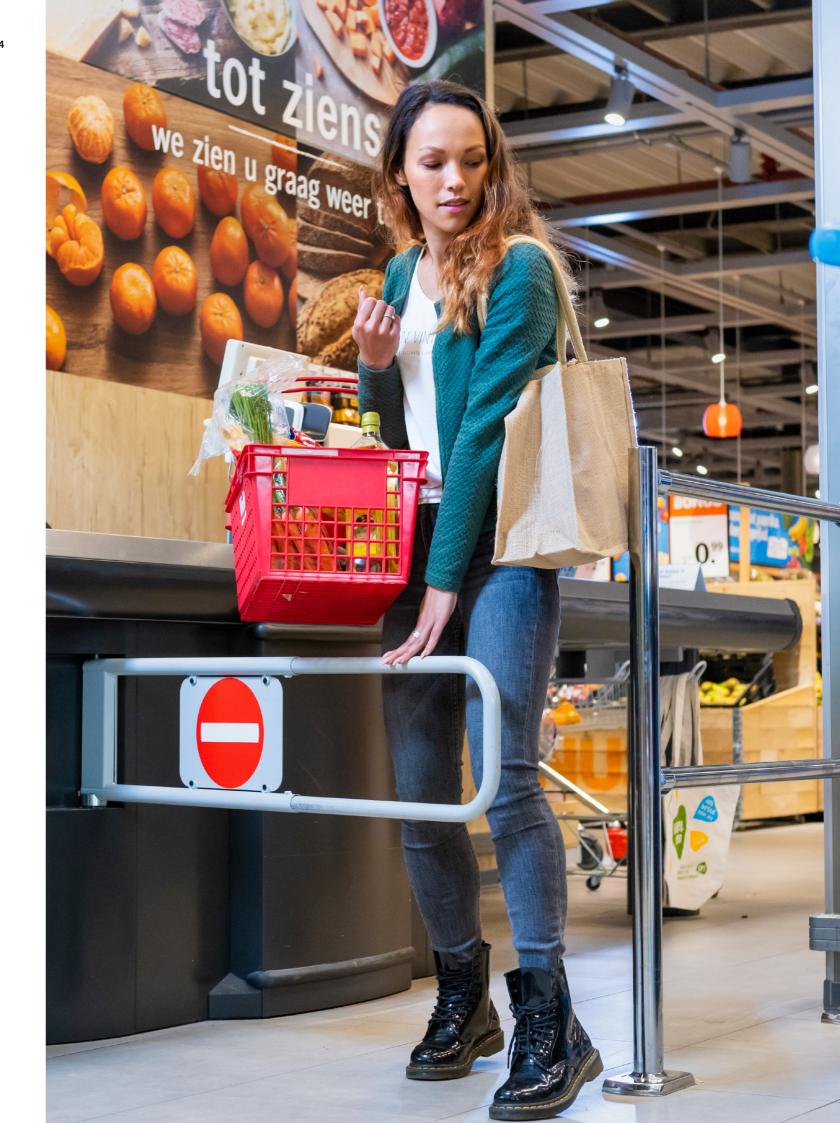
A theft incident can be reported by documenting the following information:

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

• **Suspect information:** Description of the suspect(s), including physical appearance, behavior, 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 is the store directly affected, both financially and through the impact of personnel power, but so is the staff. It is relevant to evaluate the incident together with the involved employees, analyzing what went wrong and what areas of the company's procedures need to be reviewed. Following the evaluation, the necessary measures should be taken to improve the security of the store. This will improve the safety of employees and the store itself.

"Not only the store is affected by a theft in ways of money and time, also staff can be affected by the incident."

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 become routine, and therefore often less effective.

9. Customer engagement and education

Stores can launch educational initiatives that inform customers about the consequences of theft, such as legal actions or fines. Signage in the store 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, electronical 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 a lot in preventing shoplifting. Once a customer feels 'seen' by the staff it will be more difficult to steal.

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

To stay ahead of evolving theft tactics, stores 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, stores can mitigate theft risks while maintaining a positive customer experience.

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11. Future trends in theft prevention

As the retail industry evolves, so do the methods used to prevent theft. Emerging technologies and shifting consumer behaviors 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 stores, 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.

"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.

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 stores globally, present challenges. As noted by experts in a 2024 report (Retail Shrink and ORC: Self-Checkout Challenges and a Rise in Shoplifting Offenses, from Coresight Research), shoplifting via self-checkouts is an ongoing issue. Shoppers can easily manipulate these systems by mislabeling items or failing to scan all products. 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 behavior 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 stores as much as one might expect. Online grocery shopping, despite its growing popularity, hasn't led to a decline in shoplifting in physical stores.

Traditional retail theft remains a persistent issue as in-store 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 store presence, especially for groceries. Therefore, theft prevention strategies in physical stores remain crucial. Retailers need to adapt to a hybrid model where both online and in-store shopping are prominent. This means balancing investments in online security with continued vigilance against in-store theft.

"Retailers are likely to rely more on AI and machine learning to monitor shopping behavior and prevent shoplifting."

Loss prevention teams, security personnel, and even store 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-store. 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 behaviors of modern consumers.

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Rocateq is a leading international cart security, check out security, basket security, and business intelligence solution provider. Rocateq is committed to providing retailer's quality, valuable and actionable technology, and software that contributes to smarter shrink control solutions and profit enhancement. As any retailer knows, smarter shrink control equals profit growth.

To find out more visit **www.rocateq.com**