

Retail Crime Overseas 2009>>

Retail crime figures from Europe, the USA, Canada, Australia, Japan, Iceland, New Zealand, India, Germany and Latin America and elsewhere.

Western Europe



Retail shrinkage in Europe as a whole was 1.33% in 2009 (increasing by 4.7% on 2008) costing €32.3 billion. Shrinkage in 2006 was 1.24%.

Western Europe

Shrinkage was generally lower in Western Europe than Central Europe. The greatest increases in 2009 were in Slovakia (+9.8%), Baltic States (+6.7%), Czech Republic (+6.5%), Turkey (+6.4%), and Italy (+6.2%).

Shrinkage fell in Austria (-2.0%) and was unchanged in Portugal in 2009.

Although shoplifting was still thought to be the largest source of shrink loss (47.5%), employee theft was estimated to be 30.5% of shrinkage.

Iceland took part in the Fifth ERTB. Its average shrinkage rate was 1.10% of turnover (compare this with the W. Europe av. of 1.24%), but as much as 41% was thought to be caused by internal crime.



The USA

The 2009 Global Barometer (GRTB 2009) showed shrinkage 1.61% of retail sales. In 2008, have been hit by increases in Retail Crime (ORC). This runs trend for U.S. shrink. In the between 1.72% and 1.95%, since when it dropped to the Richard Hollinger's annual www.soc.ufl.edu/srp.htm). whole US retail sector. In the greatest loss is attributed to Employees/staff are thought to losses, customer thieves 36%, administrative/paper error 16%. Security costs are an average of 0.41% of sales turnover.



rising by as much as 8.8% to it was 1.48%. U.S. retailers shoplifting and Organised against the recent declining 1990s shrinkage varied and was 1.80% in 2001, 1.50% (based on Prof studies at the Univ of Florida These data relate to the USA, unlike Europe, the retailers' own employees. be responsible for 44% of suppliers/vendors 4%, and

US Supermarkets:

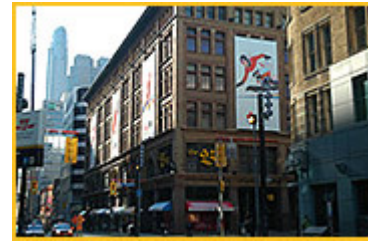
The 2009 annual survey of supermarket theft from Jack L. Hayes International showed that 72,120 staff from the 22



respondent supermarket groups (a proportion of 1:30 employees) was apprehended for theft or fraud during 2009. 832,000 shoplifters were also apprehended (+7.7% on 2008). *Further details: 21st Annual Retail Theft Survey conducted by Jack L. Hayes International.*

Canada

The Retail Council of Canada (Report, 2004) estimated that 2003 shrinkage was 1.23% of retail sales. The main factors cited were internal theft (48%), customer theft 31%, administrative error 19%, and 'other' 2%. The previous year's shrinkage was estimated to be 1.75%, so care needs to be exercised in looking at the data from any one year. Losses in 2003 were estimated to be \$C3billion. Canadian retailers felt that 21% of their losses were caused by organised gangs.



Australia

The GRTB 2009 put Australian shrink at 1.50% (+5.6% over 2008, when it was 1.42%). No retail crime survey had been carried out for several years before the GRTB, but the Australian Retailers' Association Loss Prevention Conference estimated in the mid-2000s that average shrinkage for the sector was 1.5%, although certain Australian law firms and consultants estimated that actual losses were 3%-5%. Almost 41% of shrinkage was thought to be caused by employees.



New Zealand

Dr John Guthrie's (Otago University) most recent survey of New Zealand retailers was carried out in 2003. New Zealand retail shrinkage was estimated to be 1.5% of turnover. 68% was attributed to customers, 12% to employees, 3% to supplier fraud, and 20% to administrative error (2003 New Zealand Survey of Retail Theft and Security). The cost of crime was \$NZ564 million, whilst total shrinkage was \$NZ705 million.

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Japan

Although Japan suffers much less crime than most countries (there are 1.3 robberies per 100,000 people, compared to 233 in the USA, 66 in the UK and 49 in Germany) shoplifting, particularly by the young, is a growing problem. A survey of young people by the Booksellers Association showed that more than 80% of High School students condemned customer theft. Shoplifting remains an issue. Sixty-nine percent of juvenile shoplifters explained theft simply because 'they needed the product' and 26% stole 'because of the thrill'. There is a belief in Japan that much shoplifting is committed by foreigners - and stores certainly apprehend many aliens. A recent speech, however, by the Mayor of Tokyo has singled out juvenile shoplifting as a major focus of municipal prevention work. The Centre for Retail Research was pleased to have the collaboration of a number of Japanese retailers in surveying retail crime. Shrinkage was 1.04% in Japan, 58% thought to be caused by shoplifters.



India

Indian retail sales, now US\$200 billion, is about to be transformed with the rapid growth of multiple stores, partial relaxation of controls over foreign companies, and the development of 300 new shopping malls. However,



Commerce Minister Kamal Nath has announced that this will not happen until a survey of the social issues and likely problems for smaller shops has been completed.

Organised retailing in India is currently responsible for US\$6.4 billion (according to KPMG/FICCI), but this is expected to grow to US\$23 billion by 2010 (or perhaps 2012 because of changes caused by the study). India is one of the world's most dynamic economies, with a majority of its population below 30 years. Managing that rapid scale of growth will be a problem - retailers from most other countries in the world just wish they faced problems like that! There may be a danger that the dash for growth may generate excessive shrinkage and crime and that management controls could become lax without a tough-minded approach. The GRTB 2009 estimated that India had the highest shrinkage rate as a percentage of sales, 3.20% costing \$US 2.6 billion. See this article from the Times of India <http://timesofindia.indiatimes.com/india/A-nation-of-shoplifters-India-No1-in-retail-theft/articleshow/5213857.cms>

Hong Kong

The GRTB 2009 was the first retail crime survey here. It found shrinkage of 0.92%, 52% of which was thought to be caused by customer theft.



Singapore

Singapore has more than 250 shopping malls in addition to other stores. In 2009, shrinkage fell by 1.7% to 1.19% of sales. 53% was thought to be caused by shoplifting.



China

The security in China's rapidly expanding retail industry consisting of Chinese-owned businesses and global companies was surveyed for the first time by GRTB 2009. Our figures relate only to the organised sector. GRTB found shrinkage was 1.06% (+3.9%) and security spending \$185 million (0.18% of sales).



Sympathetic article from The Global Times
<http://business.globaltimes.cn/industries/2009-11/487736.html>

Latin America

The GRTB 2009 assessed shrinkage in Mexico as 1.75%, Brazil at 1.62% and Argentina as 1.55%. Employee theft is seen to be the largest source of losses (43% of shrink) in the three countries, with shoplifting an average of 32%. GRTB estimated internal error to be an average of 16.4%, although a 2008 survey of (mostly) fmcg retailers in Brazil showed a much higher shrink rate and wastage/ operational issues/errors because the survey took a more process-oriented approach.



Germany

GRTB 2009 showed German shrinkage as 1.17% of sales or €5.2 billion, 54% of which was thought to be caused by shoplifting.

Research from EHI (EuroHandelsinstituts), Cologne (Köln) indicated that German retailing lost €4.5 billion in 2003 from stock loss. The study was based on 73 companies with 2739

stores drawn from all kinds of business within the retail sector. The weighted average of German retail shrinkage in 2003 was 1.23% compared to 1.27% in 2002. €925 m was spent on security.

Reference: Horst, F. (2004) Inventurdifferenzen 2003, Köln: Verlag EHI-EuroHandelsinstituts GmbH