



CHECKPOINT EUROPEAN RETAIL THEFT BAROMETER

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OBJECTIVE

Storm Communications has worked with Checkpoint Systems (UK) Ltd since June 2006. As part of an on-going 'authority positioning' brief within the UK's retail trade and national business media, Storm was asked to publicise the company's sponsorship of the European Retail Theft Barometer, which is now in its sixth year. The task was to generate a minimum of two broadcast items for Checkpoint in relation to the report, and use as an industry talking point about retail security in general.

SOLUTION

Storm issued the European Retail Theft Barometer findings under a strict embargo ahead of the full European launch, timed for a Friday which is typically a slower day for hard business news. Redrafting the European releases to give a UK slant, Storm sold-in the findings to the national business pages, and TV and radio news and business programming. The main emphasis was on the cost of retail crime to every household in the UK, maximising the 'shock' element of the report and making this technical study more consumer news friendly.



- ▶ In addition, individual angles were pulled out of the report for the relevant retail trade sectors and these were also used for comment features to highlight the winners and losers in the fight against retail crime.

RESULTS

The European Retail Theft Barometer dominated the broadcast news on the day. Six items of national business TV and radio coverage was achieved including an 11 minute interview on CNBC and news items on BBC World, BBC Working Lunch, Sky News, BBC News 24 and the Today Programme. This was complemented by an extended news item in The Guardian, and substantial regional news coverage through an item on the PA Newswire and regional radio via IRN.

In total 40 items of coverage were achieved directly from the report, achieving an OTS of over 22.5 million and a total EAV of nearly £170,000.



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European Retail Theft

Wednesday 04 October

- Retailers lost €29bn of stock last year
- Equivalent to €220 per household

power lunch



The Guardian

Online Retail Week

TAKE RETAIL CRIME SERIOUSLY

to retailers, however, stolen items remain unreturned.

Supermarkets win in staff theft battle

Thieving shopworkers are being thwarted by a tough retailer stance and more high-tech crime prevention.

The latest findings from the European Retail Theft Barometer show UK supermarkets are winning the fight against crime, with shrinkage dropping 10.1% among the big chains, representing 0.71% of turnover.

Joshua Bamfield, director of the Centre for Retail Research - which published the research along with Checkpoint Systems Europe - said theft prevention was no longer just about arresting shoplifters, but that there was increasing focus on staff theft.

successful while the supermarkets are getting better at ensuring they recruit good staff," he said.

The barometer revealed that UK retailers reported a total loss of more than £3.8bn due to customer, employee and supplier theft and internal reporting errors. However shrinkage fell 3.6% in the past year to 1.33% of turnover. Food specialists, such as delis and bakers, saw shrinkage fall by 0.7% (1.44% of turnover) while shrinkage was up by 12.4% (1.9% of turnover) for non-food retailers.

In food stores, perfumes are still the biggest lure for thieves, followed by razor

The Grocer

ANNUAL THEFT BAROMETER FINDS:

UK shrinkage is worst no longer

The UK no longer has the highest shrinkage rate in Europe, the sixth annual retail theft barometer by Prof Joshua Bamfield's Centre for Retail Research reports.

Countries with the lowest shrinkage rates were: Switzerland (0.92pc), Austria (0.96pc), and Germany (1.07pc), much as in the first report. The highest shrinkage rates were in the Czech Republic (1.82pc), Slovakia (1.40pc) and Hungary (1.36pc). In Western Europe, the highest shrinkage rates are seen in Finland and Portugal (both 1.34pc) and the UK (1.33pc). The UK's percentage is down from 1.38pc last year, and 1.77pc in 2002.

Retailers' experience of the most-stolen items was similar throughout Europe, consisting mainly of heavily branded expensive consumer goods for entertainment/leisure, personal care, clothing, and alcohol and electronics. Most frequently stolen items were: perfumes and fine fragrances; spirits and champagne; designer wear and menswear; cosmetics and skincare; DVDs and CDs; video games, and MP3 players; and small electrical goods, cellphones, memory cards, laptops and software.

Europe consistent

Across the continent averaged, the average shrinkage rate fell from 1.25pc in 2005 to 1.24pc this year. This is the smallest reduction for several years, but the report said: "In an ongoing retail crime, retailers have done well to hold on to the low-reduction achieved in previous years and in some cases to improve on them slightly. Compared to 2002 in western Europe, when the average shrinkage rate was 1.45pc, shrinkage rates are now much lower and the pattern between

countries is more consistent. It is accepted that the patterns of retail crime throughout Europe are now becoming increasingly similar and good practice is being spread throughout the retail industries of every country."

Shrinkage

Where does retail shrinkage come from? The report notes that shrinkage is an accounting term and includes crime and waste, not only crime. Theft by customers, which includes external criminals and organised gangs, has reduced slightly and now constitutes an average of 48.8pc of shrinkage (49.2pc last year). The share of shrinkage thought to be caused by employees has gone up slightly to 39.7pc. According to the report: "The great majority of staff are honest, but employee theft results from a very small number of dishonest staff including franchisee employees placed there by organised crime." Supplier theft is thought to be 0.2pc, down slightly, and internal error has fallen slightly too to 14.3pc. In the UK, retailers feel they suffer most of all from staff theft, more than the European average, 39pc of all shrinkage.

RFID

As for RFID (radio frequency identification devices) which can potentially provide the retail industry with a range of benefits, take-up has often been slow compared with the use of RFID in transport and manufacturing for example. Those answering the survey suggested they used RFID more for inventory than loss prevention purposes. Retailers indicated a time difference between piloting RFID and actually getting in place an RFID solution across a substantial proportion of their product range of about two years. Among other findings, stores increasingly have to police themselves, it is claimed. See also page 70.

Tagging

As for electronic tagging of merchandise, generally known as EAS (electronic article surveillance), the study asked retailers about their progress with source tagging, which involves including EAS devices in or on the item or its packaging at source before the goods are in the shops.



Prof Joshua Bamfield

Source tagging has been discussed by the industry for a number of years and the technology has been developed to meet most eventualities. The percentage of retailers in the survey already claiming to use source tagging was 43.3pc. Another 30.4pc said they expected to be making use of source tagging within the next two years. This suggests that by mid-2008, a combined total of around 73.5pc, nearly three-quarters, of large retailers in Europe will be using source tagging. Goods most likely to get tagged are perfumes and fine fragrances; spirits and champagne; cosmetics and skincare; DVDs and CDs; video games and computer software; in other words, largely the most vulnerable items to theft. An exception is razors, maybe because many retailers now minimise their inventory of the most stolen products and keep merchandise from open display, the study suggests.

We're a nation of shoplifters

BY SARAH HILLS

BRITAIN is one of the worst shoplifting hotspots in Europe. Goods worth £3.8 billion vanished from stores in the year to June and the cost of extra security bill to £4.3 billion, a study that makes us the third retail crime spot in Euro Portugal and Finland, and the Centre for Retail Research. Stores selling non-food as books and stationery were most affected, followed by clothing and textile stores.

Shoplifting is the main cause of the losses - way ahead of thieves by staff and stock control errors. Particularly worrying is that organised gangs are infiltrating shop workforces, says Professor Joshua Bamfield, who wrote the report.

Although shops are spending much more on security, it seems to be working. Stolen goods now represent 1.33 per cent of stores' turnover - down from 1.77 per cent in 2002.

Prof Bamfield said: "There is a big problem with crime in Britain. However, the resources put into security seem to be producing some sort of benefits."

Shops lose £4.3 billion to thieves

HANDS UP!

THE UK is Europe's blackspot for retail crime with shoplifters, employees and suppliers helping themselves to £4.3 billion of goods this year, a survey shows. Although opportunistic thieves and organised gangs account for the greatest loss of stock - 41 per cent - nearly four in every ten thefts are made by shop staff, the research revealed.

The study, published today by the Centre for Retail Research and Checkpoint Systems Europe, showed that stores such as newsgenders and

PAY THE PRICE

- Retail crime costs the UK £4.3 billion a year - the highest figure in Europe.
- The UK spent £876 million on retail security last year.
- Supermarkets and hypermarkets lose 0.71 per cent of turnover to retail crime - a fall of 10.1 per cent.



- 38 per cent of missing stock is taken by staff
- More than 40 per cent of stolen items are not protected by security

crime figures for the UK are the highest in Europe despite Britain having spent £976.8 million on retail security last year.

as the report clearly demonstrates the social and economic impact of turning a blind eye is immense. Retailers simply cannot afford to ignore the problem, it is warning every person the UK is staggering £72.9 a year.

"Investing in security measures to combat crime has started to pay off: shrinkage is at its lowest level in the UK since 2002. However, this can also be attributed to advances in data analysis software and source tagging."

Public supports prison for repeat shoplifters in UK

More than 60 per cent of people in the UK think that those convicted of shoplifting more than once should be sent to prison.

The results, in an ICM poll carried out for Retail Week, come as the Government's Sentencing Advisory Panel considers plans to abolish prison sentences for persistent shoplifters.

The poll shows that the public is in favour of a tough line on those who steal from shops. It also revealed that more than half of people think the police should always get involved in shoplifting cases and more than 90 per cent believe that first time offenders should be punished for their actions.

The poll comes in the same week that Checkpoint's European Retail Theft Barometer revealed that the cost of retail crime in the UK this year will be €6.4 billion

METRO

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equivalent of taking every household in the UK £174.35 compared with an average of £147.53 in Europe. Retail

ing director of Checkpoint Systems said that shrinkage could be viewed as a business running cost. He added: "It