

# Preventing Shoplifting

This guide is one in a series of crime prevention publications designed to equip current and potential Safe City partners with low-cost tools to assess their crime problems and to develop strategies to address them. Other guides in this series include vandalism, public disorder, car crimes, panhandling, and retail burglary.



**Safe City** is a model community-based initiative that aims to reduce crime, build awareness, and develop communities into safer places to live, work, and shop. Community partners in cities across the U.S. modify the model to best suit their needs and resources. The goal is to leverage existing resources by building collaborative relationships between law enforcement, businesses, residents, government leaders, property managers, and community organizations. This approach maximizes the tactical, financial, technological, and human resources available to address a community's crime problems. The Safe City model promotes partnerships and technical solutions as instrumental building blocks for success. These partnerships are further strengthened by individual retailers taking ownership over the crime and disorder problems occurring in and around their businesses.

Safe City has partnered with the Urban Institute, a non-profit policy research firm, to develop a variety of crime prevention strategies for use in retail settings, many of which are inexpensive and easy to implement. For more information about the Safe City program, please visit [www.mysafecity.com](http://www.mysafecity.com). For more information about the Urban Institute's justice policy research activities, please visit [www.urban.org/justice](http://www.urban.org/justice).

## Understanding Shoplifting

It is difficult for any business to fully understand its shoplifting problem. Losses from shoplifting, employee theft, and damaged goods are often labeled together as "shrinkage." This section identifies common shoplifting patterns and explains why it is important for businesses to address this crime.

### Shoplifting Patterns

Shoplifting is usually a crime of opportunity perpetrated by regular customers, particularly juvenile males, and is sometimes considered a gateway for juveniles into the criminal justice system.

**TIME.** Shoplifting tends to occur after school hours, in the late morning, and during busy retail days (Wednesday through Saturday). Peak seasons for shoplifting are around winter holidays and when school is out of session.

**LOCATION.** Businesses that open to the street, rather than into a mall, may be at greater risk, as are shops with physical layouts that do not permit easy surveillance across all aisles. Shoplifting tends to be more problematic for businesses located near city centers, high-traffic areas, schools, and areas of concentrated low-income residents. Smaller retailers, especially those without any organized security precautions, are also at greater risk of shoplifting.

**MERCHANDISE.** Retailers specializing in "hot" merchandise are particularly vulnerable to theft. The acronym "CRAVED" highlights attributes of "hot items" (see sidebar). "Hot"

merchandise for shoplifters includes tobacco products, CDs, video games, earrings, birth control products, decongestants, or brand-name clothing and footwear. Products such as cigarettes and single serving alcoholic beverages are susceptible to shoplifting by minors because they are unable to purchase them legally. Birth control products, such as condoms or pregnancy tests, are vulnerable because shoplifters are too embarrassed to purchase these items.

### Addressing Shoplifting

Shoplifting is one of the most common but least detected and reported crimes affecting retailers. Some store owners pay little attention to theft and damage of goods as long as the cost of shrinkage does not rise above a few percent of total net sales. In fact, there are even disincentives for paying close attention to this crime. For instance, detection and reporting are time consuming for such seemingly petty crimes. Nevertheless, there are many reasons to address this crime. First, while the actual cost of an individual shoplifting event may be low, the volume of these incidents can have a significant impact on a store's net profits. Second, from a community safety perspective, serious profit losses could lead to store closings and further crime and disorder.

## Using this Guide

This guide is designed to help you and your partners understand and address the shoplifting problem affecting your business area and to help promote dialogue among retailers, police, and community stakeholders about these issues. Keep in mind that when implementing these strategies you should tailor your solution to the unique nature of your crime problem and business environment.

Other guides in this series address vandalism, car crimes, public disorder, panhandling, and retail burglary.

## Quick Tips

Here are a few guiding steps that can help prevent shoplifting:

- 1 Measure your shoplifting problem.
- 2 Identify business practices that may make you vulnerable to shoplifting.
- 3 Choose a practical strategy to reduce shoplifting and try it.
- 4 Measure your shoplifting problem again to assess the impact of your strategy.
- 5 Modify your strategy if necessary.

## CRAVED:

Description of "Hot" Items (Clarke 2002)

**Concealable:** Easily hidden in pockets, bags, or under clothing

**Removable:** Portable and easy to carry

**Available:** Widely available or easy to find

**Valuable:** Expensive and favorable resale value or status among peers

**Enjoyable:** Enjoyable to own or consume

**Disposable:** Easy to resell

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## Defining Your Problem

**Before implementing a strategy** to prevent shoplifting, it is important to define the specific nature of the shoplifting problem affecting your business. Although there are many methods you may use to address shoplifting on your own, a community-wide response that incorporates other area businesses, agencies, and public services is beneficial to address any underlying community problems which may be related to shoplifting. Community partners should consider the questions that appear below. Answers to the questions below will help you better understand your shoplifting problem so that you can select an appropriate response strategy.

Questions to Ask:	Example Responses:
<p><b>What is the difference between your store's sales and inventory value for the previous quarter?</b></p>	<p>My store revenue totaled \$120,000, but I expected sales to total \$125,000 based on inventory records. This means I have experienced a loss of \$5,000.</p>
<p><b>Can you distinguish whether your loss is due to shoplifting or from internal/employee theft?</b></p>	<p>I cannot be entirely sure if losses are due to shoplifting or employee theft, although I believe both do occur.</p>
<p><b>How many documented shoplifting incidents has your business experienced over the past quarter?</b></p>	<p>I documented 56 shoplifting incidents in the last quarter.</p>
<p><b>What time of day and day of week did documented shoplifting or losses occur?</b></p>	<p>Most known shoplifting occurred between 2pm and 6pm during the week. I have also documented losses on the weekends.</p>
<p><b>What items are most often stolen from your store or area businesses?</b></p>	<p>Most theft is of clothing.</p>
<p><b>Is theft affecting particular stores in addition to yours? If so, what do you have in common with them?</b></p>	<p>Yes, the other clothing retailers in this shopping area are also experiencing shoplifting problems.</p>
<p><b>Are you and other area businesses having similar items stolen?</b></p>	<p>Yes, the other clothing retailers and I are experiencing theft of high-end, designer clothes.</p>
<p><b>Do the documented shoplifters share any particular demographic or other characteristics?</b></p>	<p>Yes, most of those shoplifters caught stealing clothes are females between the ages of 13 and 16 years old.</p>

# Developing Response Strategies

**After you've worked** with your partners to define the shoplifting problem for your area, you are ready to develop a response strategy to prevent it. The following are strategies that can be used for common shoplifting scenarios. Do not forget that situations vary and that yours may require a tailored response. In addition, be prepared for potential implementation challenges, such as unanticipated costs and delays in both the implementation and impact of your crime prevention strategy.

It is important to measure the extent of your business' shoplifting problem both before and after initiating a response. Doing so will tell you whether the response you selected is effective. Proof of effectively reducing shoplifting (or any other crime) can be useful in persuading other area businesses to join collaborative efforts to reduce crime

throughout the community. Your measurement may also provide evidence that the strategy is not reducing shoplifting as you expected, suggesting an adjustment to the response is in order. While you may note improvements immediately, it is advisable to wait at least a few months after implementing a response to see whether it has had an impact. The following table outlines ways that you can measure the state of your shoplifting problem, outcomes that will indicate whether the shoplifting problem has improved, and possible data sources.

When measuring outcomes it is important to note that a temporary increase in reporting of incidents to police may represent a positive outcome, indicating that community members are paying greater attention to shoplifting. However, reported incidents should decline over time as the number of shoplifting incidents decrease.

Measurement	Data Source	Strategic Response	Outcome
<b>General shop theft</b>			
<ul style="list-style-type: none"> <li>Number of repeat offenders</li> <li>Total sales and profits (\$)</li> <li>Number of reported incidents</li> <li>Location of incidents</li> </ul>	<ul style="list-style-type: none"> <li>Local police</li> <li>Business records</li> </ul>	<ul style="list-style-type: none"> <li>Reduce number of exits from store</li> <li>Position cashiers near store exits</li> <li>Redesign store layout for easier viewing of all areas</li> <li>Train staff on detecting and preventing shoplifting</li> <li>Install CCTV and/or convex mirrors</li> <li>Post "no shoplifting" signs detailing the fines and prosecution if caught shoplifting</li> </ul>	<ul style="list-style-type: none"> <li>Fewer repeat offenders</li> <li>Increased sales and profits</li> <li>Fewer incidents</li> <li>Incidents less concentrated</li> </ul>
<b>Employee or internal theft</b>			
<ul style="list-style-type: none"> <li>Percent or value of shrinkage</li> <li>Day/time of incidents</li> <li>Unaccounted losses by employee</li> </ul>	<ul style="list-style-type: none"> <li>Local police</li> <li>Business records</li> </ul>	<ul style="list-style-type: none"> <li>Enact policy for employee bag check at end of each shift</li> <li>Tighten inventory control protocols</li> <li>Track inventory losses by unique employee ID number</li> <li>Establish no tolerance policy towards employees caught stealing</li> <li>Install video cameras to monitor employee activities</li> </ul>	<ul style="list-style-type: none"> <li>Decreased shrinkage</li> <li>Fewer incidents associated with specific employee</li> </ul>
<b>Theft of electronics or other items</b>			
<ul style="list-style-type: none"> <li>Number of unaccounted items</li> <li>Type of unaccounted items</li> <li>Number of reported incidents</li> </ul>	<ul style="list-style-type: none"> <li>Local police</li> <li>Business records</li> </ul>	<ul style="list-style-type: none"> <li>Install merchandise tags on items to sound alarm when not removed or disengaged by employees</li> <li>Use oversized packaging to make items more difficult to hide in customers' bags or clothing</li> <li>Keep expensive or popular items in locked showcases, behind counter, or on wired cables that only employees can unlock</li> </ul>	<ul style="list-style-type: none"> <li>Fewer unaccounted items</li> <li>Fewer types of targeted unaccounted items</li> <li>Fewer incidents</li> </ul>
<b>Truant youth stealing CDs and DVDs</b>			
<ul style="list-style-type: none"> <li>Number of reported incidents</li> <li>Day/time of incidents</li> <li>Number of truant reported to school and/or police</li> <li>Demographics of suspects</li> <li>Types of music/movies stolen</li> </ul>	<ul style="list-style-type: none"> <li>Local police</li> <li>Business records</li> </ul>	<ul style="list-style-type: none"> <li>Work with local schools on anti-truancy program</li> <li>Collaborate with local schools and police to identify and monitor truant youth</li> <li>Enact store policy prohibiting youth during school hours</li> <li>Package CDs/DVDs in oversized packaging or use cardboard place holders and require merchandise pick up at checkout counter</li> <li>Keep popular and/or new release music/videos behind counter</li> </ul>	<ul style="list-style-type: none"> <li>Fewer incidents</li> <li>Fewer school-hour incidents</li> <li>Fewer juvenile offenders</li> <li>Fewer types of targeted music/movies stolen</li> </ul>
<b>Juveniles stealing clothing</b>			
<ul style="list-style-type: none"> <li>Number of reported incidents</li> <li>Day/time of incidents</li> <li>Demographics of suspects</li> </ul>	<ul style="list-style-type: none"> <li>Local police</li> <li>Business records</li> </ul>	<ul style="list-style-type: none"> <li>Work with local schools to launch an anti-shoplifting campaign</li> <li>Install ink merchandise tags that stain if not removed by employee</li> <li>Increase visible security guard presence during after-school hours</li> </ul>	<ul style="list-style-type: none"> <li>Fewer incidents</li> <li>Fewer after school incidents</li> <li>Fewer juvenile offenders</li> </ul>

## Measuring Your Problem: An Example

**The owners of several shops** in Valley Shopping Plaza wanted to determine the nature of their shoplifting problem so that they could develop and implement the most appropriate response strategy. The owners worked with Valley Police Department to get a list of shoplifting incidents, along with dates and times, occurring at the Plaza for 2004 and 2005.

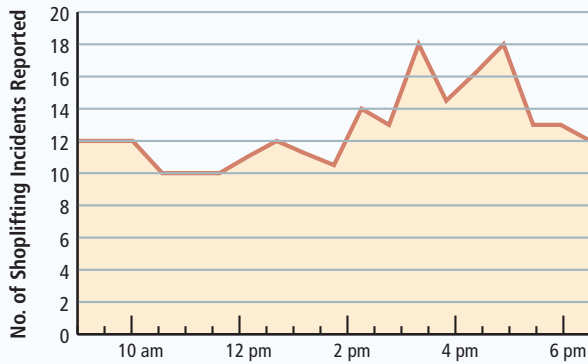
The time of each incident was reviewed and plotted as shown in the first graph. The owners noticed a distinct increase in shoplifting incidents in the late afternoon hours.

The shop owners wanted further clarification about the most prevalent shoplifting months, so they graphed the total sales of their stores with

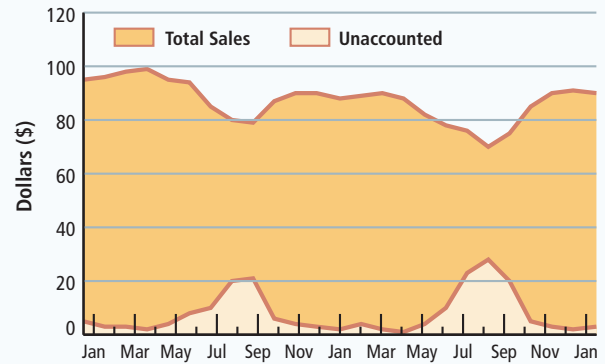
the sales they expected based on their inventory records. The difference in sales and expected sales is considered “unaccounted” in the second graph. Again, the owners noticed a distinct pattern with unaccounted sales increasing during the summer months. The owners cannot be sure if the unaccounted sales are internal or external theft, but they do know a response strategy must focus on both customers and employees.

To address their concerns with potential employee theft, the business owners instituted an employee bag check before the end of each shift. They also posted prominent signs in their stores to educate individuals about the risks of shoplifting. Several shop owners are also exploring the use of ink-tag or electronic tag system to make theft from the stores more difficult.

**Time of Shoplifting Incidents at Valley Shopping Plaza**  
(As reported to Valley Police Department)



**Monthly Shoplifting Incidents at Valley Shopping Plaza**  
(As reported to Valley Police Department)



# How Other Communities Prevent Shoplifting

Here are examples of how other retail establishments addressed shoplifting in their communities.

## Area Retailers Colorado Springs, Colorado

To address a problem of repeat shoplifters, a group of retailers in Colorado Springs established a retail security association to improve communication with local police. A sworn officer, loss prevention officers, and managers of retail stores met every other month to exchange information about shoplifting incidents and suspects. After one year, the police dismantled a professional shoplifting ring and calls for service decreased by one-third. After reanalysis, the group reorganized to meet more frequently, and they developed an Internet tool to exchange information online, which allowed instant communication between police and loss prevention personnel. Over four years, shoplifting calls for service declined 25 percent citywide (*Colorado Pikes Peak Retail Security Association 2003*).

## Retail Chain United States

Save Mart, a retail chain, used a variety of measures to prevent shoplifting, including installing lower display racks to limit the number of items a person could remove at once. The store also put stickers on items indicating that the product was from their store in order to reduce resale options. Attractive targets, such as CDs, were kept in secured glass cabinets or displayed in empty packaging. Convex mirrors and wider aisles improved surveillance. The crime prevention efforts undertaken by Save Mart decreased theft by 21 percent within one year (*Nelson and Perrone 2000*).

## Electronic & Appliance Retail Chain United Kingdom

In response to shoplifting problems, an electronic and appliance retail chain experimented with each of three different shoplifting prevention methods – electronic tagging, relocation of commonly stolen items (store redesign), and uniform guards patrolling stores during business hours. Electronic tagging was most effective at preventing theft over time, with a 20 percent decrease in shoplifting after six weeks of implementation (Farrington et al. 1993).

## Central Business District Mesa, Arizona

A large retailer experiencing a large number of shoplifting incidents partnered with police to address the problem. Business loss prevention staff and law enforcement made efforts to improve communication between each another. In addition, loss prevention officers were empowered to issue court appearance summons to shoplifters for incidents under \$100 in value without requiring a police report. Shoplifting incidents decreased by 21 percent and calls for service dropped more than 50 percent during the three-month pilot (*Arizona Theft Reduction Action Program 2000*).



## Additional Resources

- Your Local Police Department
- Your Local Safe City Partnership
- Center for Problem-Oriented Policing: [www.popcenter.org](http://www.popcenter.org)
- National Association for Shoplifting Prevention: [www.shopliftingprevention.org](http://www.shopliftingprevention.org)
- Rutgers University Crime Prevention Service for Business: <http://crimeprevention.rutgers.edu>
- National Crime Prevention Council: <http://www.ncpc.org>
- Small Business Administration: [www.sba.gov](http://www.sba.gov)
- National Retail Federation: <http://www.nrf.com>
- National Restaurant Association: [www.restaurant.org](http://www.restaurant.org)
- National Association of Convenience Stores: <http://www.nacsonline.com/NACS/default.htm>

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