
Press Release

Report: Shrinkage costs retailers more than €49 billion across Europe annually

Total losses represent the fourth largest retailer in Europe

20 June 2019 – According to the findings of the new study released today, losses from shrinkage cost retailers more than €49 billion annually, representing 2.05% of the retail sector's annual turnover. The loss is calculated as the sum of the shrinkage value (1.44% of turnover) and security expenses (0.61%). The report, 'Retail Security in Europe. Going beyond Shrinkage', was conducted by Crime&tech, a spin-off of the Università Cattolica del Sacro Cuore – Transcrime with the support of Checkpoint Systems, the global leader in source to shopper solutions.

Top five stolen items

Demonstrating the most at-risk products favored by shoplifters, the research revealed the top five stolen items by value in food retail including alcoholic drinks, cheese, meat, sweets and canned fish. In apparel, accessories, knitwear, trousers and blouses were the most attractive items, while mobile phones and accessories topped the list in electronics and high-value tools in DIY stores.

Shrinkage: the fourth largest retailer in Europe

With feedback from retailers in 11 countries*, the report reveals that total losses to shrinkage, when compared to total company turnover, would represent the fourth largest retailer in Europe. The sectors presenting the highest shrinkage rates included food retail (2.0%) and apparel (1.4%). Those recording the lowest rates included electronics (0.4%), beauty and cosmetics (0.5%) and sporting goods (0.7%). The shrinkage value included external and internal theft but also administrative errors, non-compliant use, waste, expired goods and damaged cold items and goods.

Among the main findings www.retailsecurityineurope.com the report also revealed:

- The overall 2017 shrinkage rate is an increase on 2016 of 0.19%.



Press Release

- The most common criminal causes of shrinkage include shoplifting, employee theft and fraud – with more sophisticated forms of internal fraud on the rise, such as false voids, return fraud and loyalty card fraud.
- ‘Grab and run’ continues to be the most frequent modus operandi for shoplifters, while booster bags, which prevent tagged products from being detected by older models of EAS technology, are frequently used.
- Stores with current versions of self-checkout technologies also experience higher shrinkage rates.
- More than 75% of retailers carry out inventory checks up to twice a year. 72% use barcodes and 7.5% record inventory checks by hand. While there has been a noted increase in the adoption of RFID technologies, usage is still low at 5.7% despite the proven benefits.
- The most adopted countermeasures include CCTV (used by 80% of respondents), EAS and third-party alarms (70%), while more than 25% of respondents combine EAS and CCTV for more efficient protection.

Speaking about the report Prof. Ernesto Savona, Director of Crime&tech, said: “The research reveals that retailers across Europe are using a mixture of techniques to measure shrinkage, which include a variety of both crime and non-criminal losses. All these different approaches shall be kept in mind when interpreting the results presented. For this reason, the study goes beyond shrinkage, and it analyses retailers’ inventory policies and technologies, the contextual factors that have an impact on retail losses, the modus operandi of shoplifters, and how countermeasures and security solutions are adopted and combined together.”

Fran Zanier, European Marketing Director of Checkpoint Systems, added: “Checkpoint has a long history of providing insightful research into retail loss, having sponsored and published several respected reports over the last 16 years. The new Retail Security in Europe study will help retailers to assess and define their own loss prevention strategies while reducing theft and improving the customer experience.

“As we mark our 50th anniversary this year, we understand that this is more important than ever. The fact that shrinkage, if converted to turnover, would represent the fourth largest retailer in Europe should not be taken lightly. It’s extremely worrying that the actions of the few can financially impact businesses and employees. In light of today’s tough retail climate, it’s more important than ever for retailers to take note of the findings and take the necessary actions to reduce their losses.”

Interested parties can obtain a copy of the complete 133-page Retail Security in Europe: Going beyond Shrinkage report at <https://checkpointsystems.com/retailsecurityineurope/>

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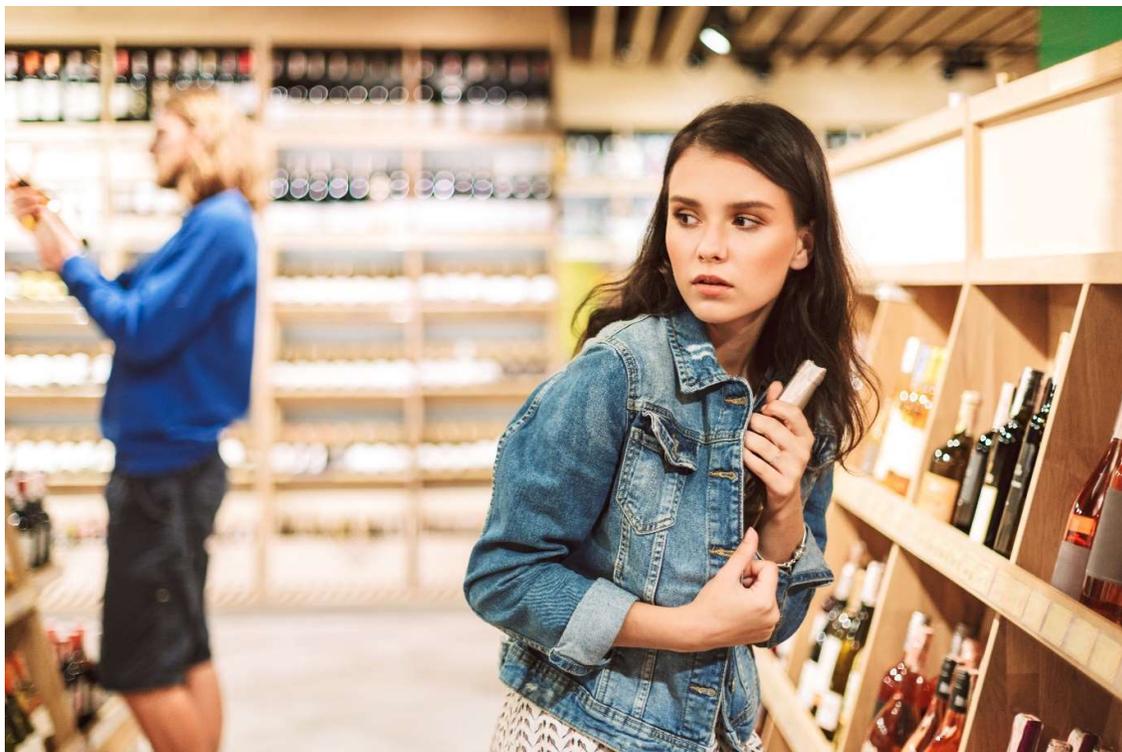
Notes to Editors

*Participating countries include Belgium, Finland, France, Germany, Italy, Netherlands, Poland, Russia, Spain, Sweden and United Kingdom

Methodology

The study adopts an innovative methodology including a survey on retailers equivalent to about 23,000 stores, data on shrinkage at store level for about 3,500 stores (largest dataset of this kind ever analysed), analysis of 1,600 news stories on retail crime, a focus group and bilateral interviews with more than 50 security managers.

Pictures





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About Crime&tech (www.crimetech.it)

Crime&tech Srl is the spin-off company Università Cattolica del Sacro Cuore - Transcrime. Crime&tech translates Transcrime's research into technology and applications for private sector and public institutions, by offering advanced analyses to assess, monitor, map and prevent security and crime risks.

Twitter: @Crimetech2015

About Checkpoint Systems, Inc. (www.checkpointsystems.com)

A division of CCL Industries, Checkpoint Systems is the only vertically integrated RF/RFID solution provider for retail. With consumer demands accelerating at an extraordinary rate driven by technology, Checkpoint delivers intelligent solutions – bringing clarity and efficiency into the retail environment anytime, anywhere. Through a unique offering of software, hardware, labels, tags and connected cloud-based solutions, Checkpoint optimizes retail operations and efficiencies with real-time intuitive data delivered throughout the supply chain and in-store resulting in improved profitability and an enriched consumer experience. Checkpoint's intelligent retail solutions are built upon 50 years of radio frequency technology expertise, innovative high-theft and loss prevention solutions, market-leading software, RFID hardware and comprehensive labeling capabilities to brand, secure and track merchandise from source to shelf.

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Press Release

About CCL Industries

CCL Industries Inc., a world leader in specialty label and packaging solutions for global corporations, small businesses and consumers, employs approximately 19,000 people and operates 150 facilities in 25 countries on six continents with corporate offices in Toronto, Canada, and Framingham, Massachusetts. For more information, visit www.cclind.com.

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