

Retail Crime Overseas >>

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 1.24% in 2006 (a fall of 1% on 2005) costing €29 billion.

Western Europe

The average shrinkage rate for 17 countries was 1.23% . The countries were The Netherlands, Ireland, Germany, France, Spain, Italy, Denmark, Norway, Finland, Belgium, Greece, Switzerland, Austria, UK, Portugal, and Sweden.

Central European

The average shrink was 1.35% for Poland, Hungary, Czech Republic, Slovakia, and Latvia, Lithuania and Estonia . All these statistics (and more) are in The European Retail Theft Barometer, [click on this link](#).

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. In 2007, Iceland will again be included in the Theft Barometer.



The USA

The 2005 Report from Prof Richard Hollinger (University of Florida) shows an increase in average US shrinkage to 1.59% in 2005 (up from 1.54% in 2004). However, current shrink rates are historically low. In the 1990s shrinkage varied between 1.72% and 1.95%. By 2001, it was 1.80%, since when it has been in the 1.50% s . These data relate to the whole US retail sector. In the USA, unlike Europe, the greatest loss is attributed to retailers' own employees. Employees/staff are thought to be responsible for 47% of losses, customer thieves 33%, suppliers/vendors 5%, and administrative/paper error 15%. Security costs are given as 0.47% of sales turnover.

Further details: Hollinger, R and Langton, L (2006), 2005 National Retail Security Survey, Gainsville, Fl, USA: University of Florida.

www.soc.ufl.edu/srp.htm



US Supermarkets:

The 2005 annual survey of supermarket theft carried out by Jack L. Hayes International showed that 68,994 staff of the 24 respondent supermarket groups were apprehended for theft or fraud during 2005 (4% of the total employee count). The average amount stolen by staff apprehended was \$724 and by customer thieves \$127. The number of employee thieves increased 11% compared to last year and customer-thief apprehensions fell by 4%.

Further details: 18th Annual Retail Theft Survey conducted by Jack L. Hayes International.

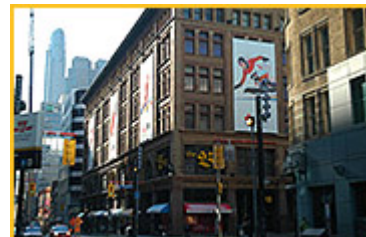


Canada

The Retail Council of Canada (Report, 2004) estimated that 2003 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

No retail crime survey has been carried out for several years, but the Australian Retailers' Association Loss Prevention Conference has estimated that average shrinkage for the sector was 1.5%, equivalent to around \$A 2.5 billion - \$3.5 billion. Certain Australian law firms and consultants have recently estimated that actual losses are now 3%-5%. Without doubting their expertise, such figures beggar belief. It may well be true of a few retailers, but surely not of the whole industry! A 2001/2 study for ECR Australasia claimed that grocery retailers suffered 1.52% shrinkage, equivalent to A\$823 million. The breakdown was: 35% customers, 25% staff, 11% suppliers, and 29% process failures.



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.

Further information: Dr John Guthrie, New Zealand Centre for Retail Research and Studies, University of Otago, PO Box 56 Dunedin, New Zealand. E-mail jguthrie@business.otago.ac.nz

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 hopes to carry out a survey in Japan



as part of the *Global Retail Theft Barometer* of the to investigate the costs of retail crime in Japan.

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.

Hong Kong

There have been no retail crime surveys carried out in HK.

We hope that this year the Centre will be able to carry out a survey of retail theft in Hong Kong.



Singapore

Singapore has more than 250 shopping malls in addition to other stores. We hope to carry out a survey of retail losses in Singapore this year.



Latin America

A study of retail crime costs in Mexico, carried out in 1999 by Dr Cecilia Margaona, showed Shrinkage costs:

- Pharmacy 1.13%
- Self service 1.32%
- Dep. stores 1.29%



Specialists 1.34%

The main sources of loss were thought to be customers (35%), employees (23%), third parties (9%), error (11%), and waste (21%).

Germany

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