

The Cost of Retail Crime: Financial Impacts & Mitigation Strategies



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INTRODUCTION

In today's vibrant retail tapestry, theft has evolved to become highly organised, but is being underreported and casts a constant shadow over retailers' profits.

Thruvision and Retail Economics research forecasts the value of retail theft will be an eye-watering £7.9bn in 2023. This report demonstrates the need for far more rigorous attention around the drivers of theft, including employees stealing, and more relentless enforcement to avoid theft spiralling into a widespread societal issue.

Up until now, much focus on retail crime has centred around *consumer* shoplifting. However, this overlooks a significant proportion of retail theft that's driven by *retail workers* themselves. Crucially, **our investigation reveals that 40% of the total value of theft is attributable to employees** – the proverbial 'elephant in the room' lesser spoken of – with the main hub of criminal activity concentrated in warehouses and distribution centres (DCs). While these dishonest employees constitute a tiny minority, importantly they tend to steal more frequently and in larger amounts than shoplifters, with average losses from a dishonest employee four times the amount versus a shoplifter.

Motivations driving employee theft are primarily linked to cost of living pressures and labour market dynamics associated with a more transient and detached workforce. Meanwhile, opportunities to steal have increased in recent years due to more complex retail operations, a tight labour market and lower-paid workers being recruited into criminal gangs. Among retailers that have seen an increase in employee theft over the past year, a high 70% state they've seen an increase in organised crime in DCs, leaving retailers more exposed to widespread theft at scale.

These issues disproportionately impact larger retailers with increased vulnerabilities from handling greater volumes of stock, implementing complex multichannel operations, and relying on third party suppliers for upscaling capacity. In effect, large distribution centres are being targeted by organised criminals.

Low perception of risk is also becoming an issue following a legislative change in 2014, downgrading the stealing of goods worth less than £200 to a "summary" theft. This is leading retailers to prioritise internal disciplinary action over law enforcement and necessitating deterrence measures across operations. Accounts of police inaction over retail theft deters retailers from even reporting it. Here, our research shows more than half of retailers don't even attempt to prosecute as "police do not take theft seriously enough". This is leading to underestimates in national statistics on retail crime.

The risk of crime spiralling across societies has seen the largest names in retail become increasingly vocal about the rise in retail theft. John Lewis chair Dame Sharon White labels shoplifting "an epidemic". Similarly, Asda chair Lord Stuart Rose believes that theft has been "decriminalised". Meanwhile, the Co-op recently stated that retail crime is "disrupting communities" as it claims to be losing tens of millions of pounds to theft.

Our findings are presented using a framework ('Motivation, Opportunity and Detection') to discuss the changing motives behind crime, growing opportunities for retail theft, and detection policies that are arguably not fit for purpose. The research focuses on theft by employees (particularly in distribution centres) which is typically under-reported compared to shoplifting.



“ We forecast the value of retail theft will be an eye-watering £7.9bn in 2023.

This report analyses, quantifies and forecasts the value of theft across UK retail. It also explores the structural changes that present greater opportunities for theft and strategic priorities for the industry to minimise the issue.

The report features three main sections:

Section 1 - Quantifying theft across customers and employees: Measures the value of retail theft from customers and employees, and presents a new framework to explain employee theft.

Section 2 - Understanding the drivers of retail employee theft: Reveals insights from personnel responsible for loss prevention at large UK retailers to analyse influencing factors.

Section 3 - Proactive solutions to tackle employee theft: Outlines key strategic pillars retailers must consider for theft management and mitigation.

The research uses Retail Economics' proprietary data and modelling to quantify the value of retail theft and allocation across employees and customers. This is supported by insights from 100 participating retailers to evaluate key trends and solutions.



SECTION 1

Quantifying theft across customers and employees

Key takeaways

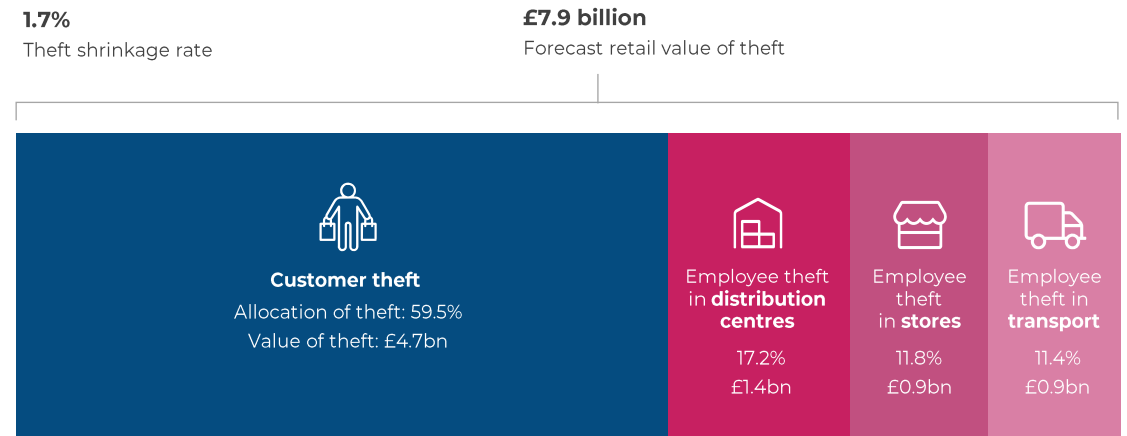
- ▶ The value of UK retail theft is forecast to be £7.9bn in 2023.
- ▶ Employees working in retail account for a substantial 40% of the value of theft.
- ▶ Average losses from a dishonest employee versus a shoplifter are four times the amount.
- ▶ This adds to a backdrop of rising operating costs that have squeezed profitability in recent years.
- ▶ The triggers behind employee theft are influenced by factors across the Motivation, Opportunity and Detection Employee Theft Framework.

UK retailers are increasingly suffering from theft across warehouses, distribution centres and stores as cost-of-living pressures mount and more complex operations alter the dynamics of crime.

The level of theft can be defined as: the loss of stock (between actual and ordered inventory) as a proportion of total sales values, also known as 'shrinkage'. Using forecasts for retail sales in 2023, our research reveals the value of retail theft is expected to be £7.9bn in 2023. In other words, this represents an average inventory shrinkage of 1.7%. This can be split across customers and employees; with customers accounting for 59.5% of the value of theft (£4.7bn in 2023), and employees working in retail warehouses, distribution and stores accounting for a substantial 40% (£3.2bn) (this includes organised crime).

“Employees working in retail warehouses, distribution and stores accounting for a substantial 40% (£3.2bn).”

Figure 1: Allocation of retail theft across customers and employees



Source: Thruvision and Retail Economics

For retailers, increasing theft exacerbates operating and input costs that have already stepped up in recent years, squeezing profitability and stifling re-investment.

Beyond the financial impact, retailers also face downstream problems such as inventory inaccuracies and dissatisfied shoppers. Effective retailing relies on accurate inventory levels for effective supply chain management, replenishment, and demand forecasting. Here, shrinkage results in jolted operations and inaccurate data collection, leading to incorrect records, lost sales and stockouts. Such losses are likely to be indirectly passed onto customers through price increases, exerting further pressure on already high levels of inflation across retail.

The retail industry is particularly vulnerable to *employee theft* which is commonly under-reported within mainstream media. Employees steal in different ways, either in isolation, small groups, or in organised gangs and theft rings. The consequences can be significant: profit loss, low morale, a 'culture of suspicion' in the workplace, and inventory inaccuracies.

Modes of theft can either be direct or indirect. Direct examples include handing over merchandise to friends in stores; and indirect could include the re-labelling of packages in warehouses to be delivered to 'collection' addresses. Theft in warehouses and distribution centres (DCs) is a particular crime hot spot where many incidents go unreported amid perceptions that police response is often inadequate.

While employee theft is committed by a small minority, incidents are more frequent and involve larger amounts from a single retailer, compared to typical shoplifters who steal lower value items from multiple locations, or even 'grow out of stealing' altogether. Data from the National Retail Federation suggests the average value of loss from a dishonest employee versus a shoplifter is four times the amount.

A comprehensive literature review on employee theft highlights one particular framework to discuss the triggers behind stealing in the workplace. While the circumstances leading to theft can be many and contradictory, there appear to be two main factors: personal issues and environmental factors. Personal issues include greed, cognitive ability, and low perception of risk; while environmental factors include peer influence, group culture, and access to insecure assets.

Other research posits that three conditions must co-exist for employee theft to occur, this framework includes: (1) motivation and justification for deviance; (2) the opportunity or access to steal; and (3) a low perception of risk. Subsequently, this framework has been adapted to align more closely with the retail industry and features the following three factors enabling employee theft:

- (1) Motive to steal: potential gain from a given asset
- (2) Opportunity to steal: the potential to remove an asset from its location
- (3) Risk of detection: the probability and severity of punishment




However, theft is not only driven by material motives, but social motives too – this includes workplace culture.

As such, our research presents a more developed framework which combines elements of aforementioned models, and captures motivational, material and social motives. We call this our 'Motivation Opportunity Detection Employee Theft Framework' (MODETF) (Figure 2). While these factors are driven by a range of external and internal influences, effective internal detection shapes opportunities to steal by ultimately increasing the risk of being caught stealing, deterring theft.



“The average value of loss from a dishonest employee versus a shoplifter is four times the amount

Figure 2: 'Motivation Opportunity Detection Employee Theft Framework' - outlines key drivers of employee theft

|  Motivation |  Opportunity |  Detection |
|--|---|---|
| <p>Target attractiveness: Value of a company asset is sufficient.</p> <p>Justification: Personal issues outside of work; appeals to higher loyalties (e.g. money to take care of family), or resale opportunity.</p> <p>Dissatisfaction in workplace: Resolve feelings of inequality in pay, status or interpersonal treatment.</p> <p>Perception of employer: Faceless company, viewed as an inanimate object with funds to offset the theft, including denial of victim (i.e. company turnover offsets losses from theft).</p> | <p>Access: Frequency of interaction with merchandise.</p> <p>Personal autonomy: Level of autonomy, or influence from others within team.</p> <p>Invisible wage structure: Managerial acceptance to facilitate theft (e.g. in exchange for good work or loyalty).</p> <p>Normalisation: Supporting group norms by not 'blowing the whistle' over colleagues; reciprocation by sharing ways to steal.</p> | <p>Perception of risk: Likelihood of being caught. The effectiveness of deterrence measures to detect and catch employees stealing.</p> <p>Perception of consequence: Likely severity of the consequences, including ease of finding work elsewhere if fired.</p> |

Source: Thruvision and Retail Economics



SECTION 2

Understanding the drivers of retail employee theft

Employee theft is a continual battleground for loss prevention managers. And with greater sophistication and technology available to both sides (retailer and thief), the battle can become exceptionally challenging.

To deeply understand the underlying dynamics here, we conducted a business-to-business survey, targeting large UK retailers to analyse the critical factors shaping retail theft among employees. Our analysis (framed by our 'Motivation Opportunity Detection Employee Theft Framework' model) shines light on the challenges facing retailers and provides a foundation for strategic considerations.

Crucially, the following section shows that a combination of the cost-of-living crisis, the shift online over the past decade, and austerity policies reducing police budgets have cumulatively shifted motives, opportunities and risk related to theft. Naturally, this has come to the detriment of retailers. In addition, a growing trend of more organised crime leaves retailers more exposed to widespread theft at scale.

With few signs indicating this backdrop will improve in the short term, retailers must consider the following trends to better inform loss prevention strategies going forward.



Motivation: Current motives of rising theft

Key takeaways

- ▶ Retailers overwhelmingly state two key motivations behind increases in employee theft over the past year, including cost of living pressures and a transient workforce.
- ▶ Persistent cost-of-living pressures are a key factor for almost half (48.1%) of retailers and a balance of a quarter (26.4%) believe that the type of products being stolen in DCs has changed over the past year, towards smaller and essential items.
- ▶ Half of retailers (50.9%) consider the reliance of temporary staff as being a key driver of theft, bringing challenges around loyalty and commitment towards an employer.

Motives behind rising theft in the retail sector are diverse, but our research clearly demonstrates that both the ongoing cost-of-living crisis and evolving dynamics of the labour market are critical influences.

Among a survey of managers and directors responsible for loss prevention at large UK retailers, a net balance of a fifth (20.9%) have experienced increases in employee theft over the past year. A balance of a quarter (26.4%) believe that the type of products being stolen in distribution centres (DCs) has changed over the past year (e.g. shifting towards smaller items and valuable electrical products for easy resell).

Additionally, there has been a shift towards stealing essentials such as groceries and clothing as a harsher economic backdrop has resulted from higher inflation and interest rates. Two-thirds of respondents believe that financial pressures resulting from the cost-of-living crisis has, to some degree, driven an increase in theft by employees at DCs over the past year.

The rising cost of living (housing, food, and utilities) has clearly placed significant pressure on households. This financial strain is a key driver of theft motivations, making it an attractive mechanism to cope with financial burdens. The cost of living, when outpacing wage growth, creates the incentive for theft to bridge the gap between earnings and essential expenses.

One UK clothing and footwear retailer in the East Midlands has seen a “significant increase” in theft as a result of the cost-of-living crisis, stating that “inflation leading to high product prices is making people take risks” as rewards are greater.

The step up in theft is particularly impacting food retailers. A net balance of a third (33.4%) of food retailers are suffering increasing theft, with one East Midlands based grocer (£300m+ turnover) seeing a rise in “all types of food” being stolen over the past year.

While cost of living pressures are easing, disparity remains across income groups. Modelling Bank of England forecasts suggests average household incomes will remain under pressure from inflation until April 2024. Those with below-average earnings (employed in sectors such as retail) are less able to benefit from strong earnings growth to tackle higher price levels, and are likely to feel the pinch for a prolonged period.

Indeed, when retailers were asked to consider the current main drivers of employee theft (Figure 3), the cost-of-living remains a key factor for almost half (48.1%) of loss prevention managers.

Additionally, there are structural shifts in the labour market impacting crime. Half of retailers (50.9%) consider the reliance of temporary staff as being a key driver of theft. Retailers grappling current vacancies rely on a transient workforce. Although minimum wages have increased in recent

years, there's a perception of declining job satisfaction as the intensity of work changes, and greater sickness in the labour force impacts full time work.

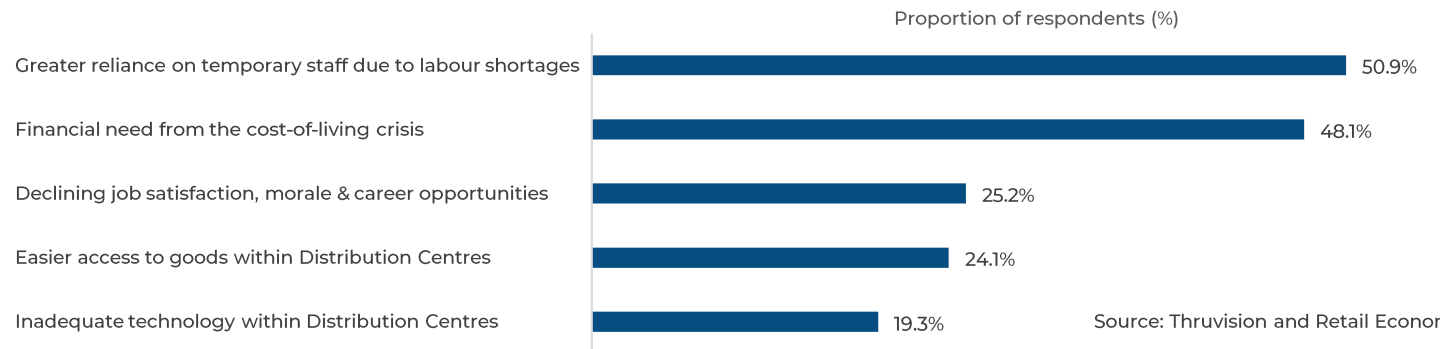
Temporary employment has become a solution for retailers grappling with labour shortages as well as those looking to reduce fixed overheads and pension commitments. This brings unique challenges around employee loyalty and commitment.

This structural shift in the labour market results in a workforce that might have less attachment to their employer, leading to a reduced sense of loyalty and responsibility towards the company. Consequently, it ripens the conditions for internal theft, as temporary employees may view theft as a means of compensation or retaliation for their work conditions. Challenges around long-term training, support and development opportunities for temporary employees, risk reducing job satisfaction and commitment.

“ *The cost-of-living remains a key factor for almost half (48.1%) of loss prevention managers.* ”

Figure 3: Motivations to steal driven by cost-of-living crisis and transient nature of work

Currently, what do you consider the main drivers of employee theft at DCs? Top 5 responses:



Source: Thruvision and Retail Economics

Opportunity: Widening scope to steal

Key takeaways

- ▶ Two thirds (59.8%) of retailers believe that over the past decade the opportunity for crime in DCs has increased.
- ▶ Opportunities for crime are twice as likely to be prevalent among larger retailers (£1bn+ turnover) than smaller players.
- ▶ Longer term issues are concentrated around three factors:
 - Automation: reducing oversight with fewer workers ‘on the ground’
 - Complexity of operations: introducing vulnerabilities in the supply chain
 - Reliance on subcontractors: leading to challenges around management
- ▶ Among retailers that have seen an increase in employee theft over the past year, 70% state they’ve seen an increase in organised crime in DCs. This leaves retailers more exposed to widespread theft at scale.



The growing scale of retail operations and rising complexity in omnichannel supply chains is creating fertile grounds for criminal activity.

Around two thirds (59.8%) of retailers believe that over the past decade the opportunity for crime in DCs has accelerated. Opportunities for crime are twice as likely to be prevalent among larger retailers (£1bn+ turnover) than smaller players. This can firstly be attributed to the scale of goods handled and expansive distribution networks making crime more possible; and secondly to employee attitudes towards larger companies. This includes the ‘denial of victim’ mentality (i.e. company turnover offsets losses from theft).

Size of company impacting crime has key implications in a retail market that has seen M&A activity at a five-year high. Consolidation and the growing scale of businesses necessitates a disproportionate response to loss prevention investment to manage heightened risks of theft.

When considering the main reasons behind increasing theft in DCs over the past decade (Figure 4), issues are concentrated around automation, complexity of operations, and reliance on subcontractors. These three factors have become more acute since the pandemic. Online sales accelerated during lockdowns, placing huge pressure on operations (including warehousing and picking), necessitating aggressive recruitment in a tight labour market.

This has exposed weaknesses, with major players such as Next admitting to compromised operations to cope with the shift in demand. Automation, while enhancing efficiency, can reduce oversight with fewer workers ‘on the ground’. This can allow theft to easily go unnoticed. Also, the complexity of operations introduces vulnerabilities and a reliance on subcontractors can create challenges around management. All these factors impact the desirability of work, the quality of labour available, and workforce culture.

“ *Opportunities for crime are twice as likely to be prevalent among larger retailers (£1bn+ turnover) than smaller players.* ”

To compound matters, crime has become more organised in its nature. Among a cohort that say they have seen a general increase in employee theft over the past year, 70% state they've seen an increase in organised crime in DCs. This includes gangs being a driver of criminal activity, involving large-scale, coordinated thefts on retailers. This typically involves a criminal enterprise recruiting individuals to steal large quantities of merchandise for financial gain, rather than personal use. Criminals then turn to online or black markets to sell stolen goods at scale.

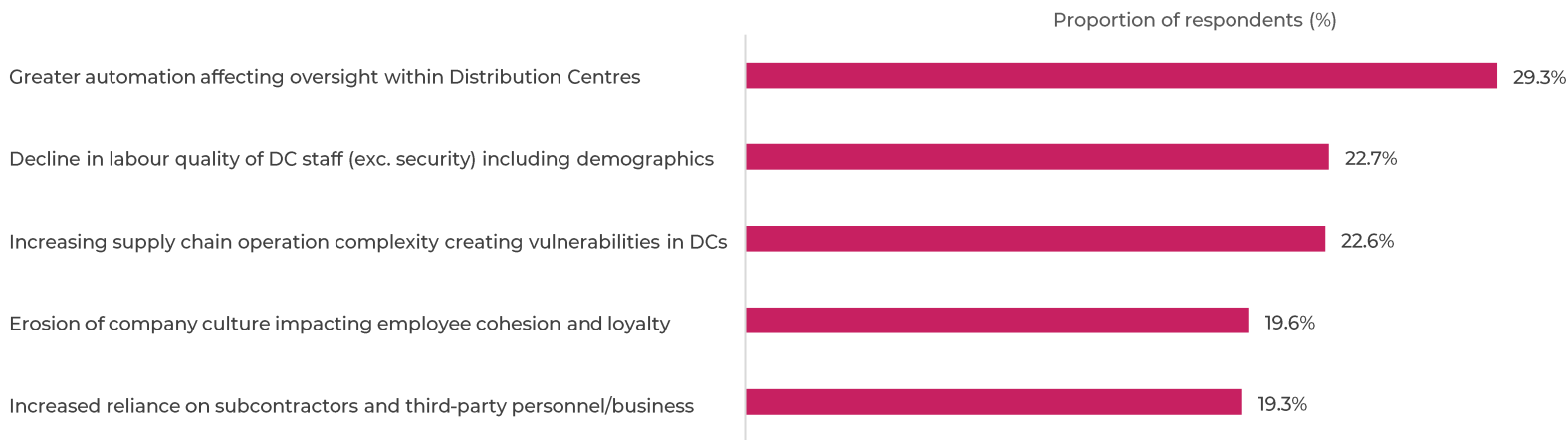
A multi-category retailer from London with a turnover over more than £300m has seen a "significant increase" in organised crime and has suffered losses across Apple electronics that are "easily resalable and in demand".

Associated risks here involve heightened levels of violence or compromised safety. Anecdotal accounts describe employees causing incidents in DCs to trigger fire alarms, hence mass evacuations of staff, significantly lowering the risk of detection as stock is stolen in the heat of the moment.

The trend of organised crime widens the trap for retail employees as they are potentially recruited into criminal gangs. This makes it essential for retailers to invest in a suite of security measures that deters and detects coordinated behaviour; as well as coordinating with police to improve their visibility of organised activities, national or even international.

Figure 4: Automation, complexity and staffing issues have driven longer term theft

What has driven the increase in employee theft over the past decade at DCs within your business? Top 5 responses:



Source: Thruvision and Retail Economics

“ Among a cohort that say they have seen a general increase in employee theft over the past year, 70% state they’ve seen an increase in organised crime in DCs.

Detection: Not fit for purpose

Key takeaways

- ▶ Over a third (35.9%) of retailers do not believe loss prevention measures are fit to deal with the level of theft at present, with over a quarter (27.7%) of loss prevention managers saying theft is not taken seriously by their employer.
- ▶ Investment in loss prevention is concentrated on inventory tracking and staff training, leaving gaps in the overall strategy for dealing with theft.
- ▶ 55.5% of firms do not routinely attempt to prosecute employees that steal from DCs.
- ▶ This comes as more than half (55.7%) of retailers believe “police do not take theft seriously enough”.

The evolving nature of theft poses significant risks to loss prevention policies that are ill-equipped to deal with the scale and complexity of crime at present. Retailers and police need to rethink loss prevention strategies to drive more effective detection around theft.

Over a third (35.9%) of loss prevention personnel do not believe their equipment and internal policies are fit to deal with the level of theft at present. It comes as over a quarter (27.7%) say theft is not taken seriously by their employer.

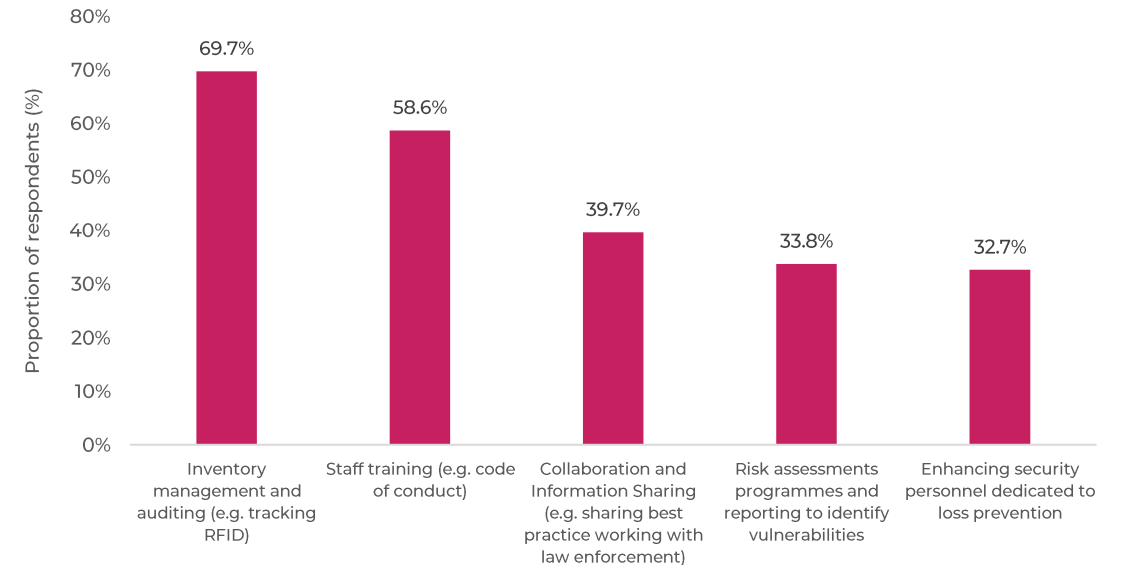
This gap between existing tools and policies, and the real-world challenges of theft, can lead to reduced effectiveness in deterring, detecting and addressing theft. Retailers therefore must attempt to bridge this gap as a priority.

Retailers investing in loss prevention are overwhelmingly focused on better tracking of inventory (69.7%) and staff training such as code of conduct (58.6%). However, only two in five (39.7%) are focusing on information sharing (e.g. with law enforcement), and just 15.7% are looking at surveillance to capture criminal evidence. This overall picture is concerning. It risks leaving gaps in the overall strategy for dealing with theft if the fundamentals such as leveraging the latest surveillance technology are not explored.

“ Over a quarter (27.7%) say theft is not taken seriously by their employer.

Figure 5: Investment is being concentrated around inventory tracking and staff training

What are your business's current investment priorities when it comes to loss prevention within your distribution centres / warehouses in the UK? Top 5 responses:



Source: Thruvision and Retail Economics

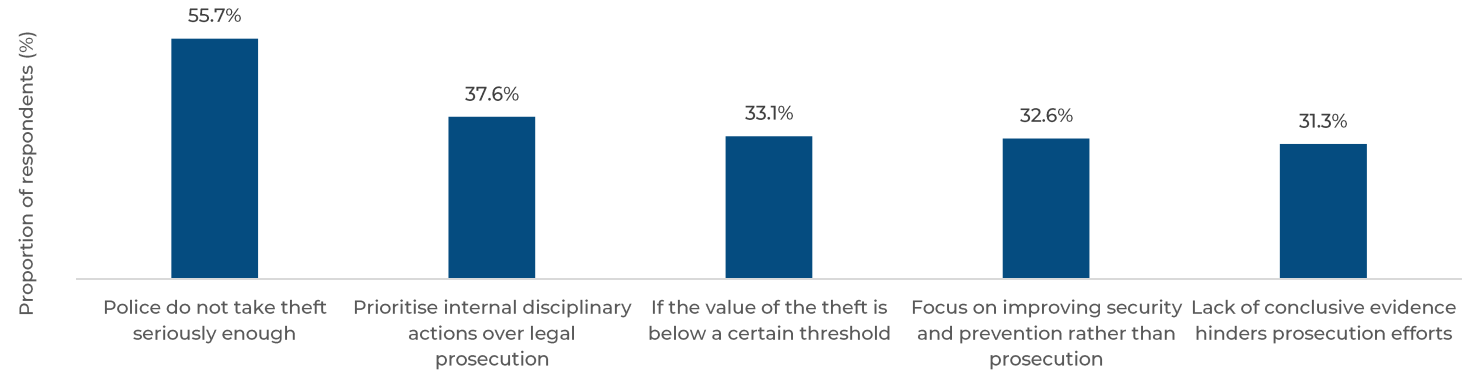
When it comes to prosecutions, a staggering 55.5% of firms do not routinely attempt to prosecute employees that steal from DCs. Retailers can face frustrating legal hurdles and a perception of law enforcement apathy, leading them to prioritise internal disciplinary actions. But doing so reduces the deterrence of prosecution.

Among reasons why retailers do not pursue prosecution, more than half (55.7%) believe “police do not take theft seriously enough”, which is leading to more than a third (37.6%) to take matters into their own hands, prioritising internal disciplinary over legal prosecution (Figure 6).

While internal disciplinary measures are necessary, they should complement – not replace – legal prosecution efforts. It otherwise risks crimes going unrecorded, making it easier for businesses to unknowingly hire criminals, which has the potential to perpetuate theft across the industry. Essentially, engaging in detention policies is pivotal for retailers to combat theft.

Figure 6: Over half of retailers doubt police responses to theft

Which of the following factors typically deter your business from pursuing prosecution of employees that steal from your DCs in the UK? Top 5 responses:



Source: Thruvision and Retail Economics

“ More than half (55.7%) do not pursue prosecution because “police do not take theft seriously enough.”



SECTION 3

Proactive solutions to tackle growing employee theft

The dynamic nature of theft in retail means there's no one size fits all solution. Loss prevention strategies need a suite of policies to detect, deter and prevent loss amid increasingly sophisticated crime.

In this section, the research identifies three strategic pillars that retailers must consider to effectively minimise employee theft. These pillars (Deterrence, Monitoring, and Collaboration) form the foundation of a comprehensive strategy to address the evolving nature of theft in this context:

Deterrence

For retailers, the primary goal of loss prevention isn't to catch thieves, but to make committing crime less appealing. Successful crime prevention strategies typically address problems when they are small to deter further crime. In an extension of the 'broken windows' theory (stating that visible signs of crime and disorder exacerbate further crime and disorder), a maintained and ordered working environment sends a signal that the area is monitored and that criminal behaviour is not tolerated.

Deterrence is key to successful loss prevention strategies and should put staff training and technological investment at its core:

- **Technological investment:** Retailers must allocate resources to invest in best practice loss prevention technologies, which should be a clear and visible commitment to employers to implicitly demonstrate that workplace crime is being taken seriously. Investment should be widespread to build a comprehensive suite of combative measures.
- **Staff training:** Develop comprehensive staff training programmes that not only enhance awareness, but also empower employees to actively participate in loss prevention efforts.

Monitoring

Crime in retail environments at a small scale can often go undetected, but rapidly escalate. This makes effective monitoring crucial for understanding incidents and early intervention.

Capturing data on crime allows retailers to analyse theft patterns and identify potential vulnerabilities within operations. Surveillance, particularly with AI-enhanced systems, provides a proactive means of monitoring and identifying suspicious behaviour in real-time.

- **Data capturing:** Retailers should leverage data analytics to gain insights into theft trends and vulnerabilities. Data from screen shots and recordings can be used to develop crime trends, as well as building a library of evidence of those stealing nominal quantities, by bundling thefts from repeat offenders to support prosecutions.
- **Tech-enhanced surveillance:** AI-enhanced systems can improve the real-time monitoring of retail operations, enabling early theft detection. The world's largest retailers (including Walmart) are teaming up with technology companies to develop surveillance systems, layered with AI to supercharge capabilities. This includes security personnel being automatically alerted to suspicious behaviour where a decision can be made for human intervention.

Collaboration

Recognising that retail theft is a widespread issue which is increasingly organised in nature, retailers stand to benefit from open knowledge sharing to keep abreast of new mitigation strategies and to develop best security practices.

Collaboration should be encouraged across stakeholders to share best practices (e.g. with other retailers) and with the following groups:

- **Other retailers and sub-contractors:** Establish industry partnerships to exchange best practices, ensuring a unified approach to loss prevention across the sector. Also, working with third party suppliers to share responsibility in exposing criminals.
- **Manufacturers:** Working with manufacturers to create theft-resistant products can reduce the appeal of theft. DIY giant Lowe's under 'Project Unlock' designed power tools embedded with RFID chips that render them inoperable until the item is purchased and 'unlocked'.
- **Academia:** The US Loss Prevention Research Council (LPRC) founded in 2000 supports loss prevention with evidence-based support. It works with retailers, lab testing new technologies in simulated retail environments to create large-scale experiments, analogous to randomised controlled clinical trials.
- **Police:** A group of 13 retailers, including John Lewis, Tesco and the Co-op, have committed almost £800,000 over two years to fund a new police operation dubbed 'Project Pegasus'. Using facial recognition technology, the project will allow police to run CCTV images of shoplifting offences provided by retailers through the Police National Database to help create a national picture of shoplifting. Separately, in an effort to improve relations with police, Waitrose and John Lewis are also offering free hot drinks to on-duty officers to increase their presence!



CONCLUSION

The path to a thriving future for UK retail is at risk of being undermined by crime, with an alarming 40% of the total value of theft attributable to retail employees.

An appealing environment for theft is being created by ongoing cost-of-living pressures, growing complexity across retail operations, and a labour market dominated by a temporary workforce. Furthermore, these conditions help spur on organised criminal activity which disproportionately impacts larger retailers operating sizeable distribution centres nationwide.

Minimising theft in the retail sector demands a holistic approach that incorporates deterrence, monitoring, and collaboration. Retailers that remain proactive will not only reduce the impact of theft, but also foster a safer and more secure retail environment for employees. This in turn makes the industry more attractive to talent and improves the pool of labour available.

However, given the immediate realities of a tight labour market, retailers must strike a balance between treating the vast majority of honest employees fairly while deterring the small number of dishonest ones. This makes deterrence a pivotal strategy given the effective decriminalisation of theft, which has left retailers with little recourse to the law for punishment of offenders. Police action falls short of expectations among retailers, leading to low rates of prosecution and perpetuating crime.

As it stands, efforts to tackle theft are often siloed or overlooked. Retailers are effectively now paying police to stop thieves through incentives such as free hot drinks in-store and Project Pegasus (collaboration of 13 retailers sharing images of shoplifters with police). While arguably a step in the right direction, the focus of retail crime remains on consumers. Efforts must be expanded internally across retail operations and nationwide across retailers, including firmer commitments by the police to support the industry.

By prioritising technological investment in loss prevention and encouraging engagement with police to deter crime, retailers can restore profitability and safeguard workers amidst the ever-evolving battle on retail theft.

“ Retailers must strike a balance between treating the vast majority of honest employees fairly while deterring the small number of dishonest ones. This makes deterrence a pivotal strategy.



About the report

Methodology: Modelling and analysis undertaken by Retail Economics. It uses surveys among loss prevention personnel at UK retailers (minimum £100m turnover) undertaken in September 2023 and draws on third-party sources including national statistics.

Contributors: Nicholas Found, Richard Lim

Acknowledgements: Special thanks to Alex Brundle, Colin Culleton, Colin Evans, Ben Graham and Katrina Nurse for shaping the research.



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