

# SMA 129

Small Marketers Aids  
U.S. Small Business Administration

## Reducing Shoplifting Losses

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# shoplifting

## Summary

Petty thievery may not seem like major crime to the casual crook who pockets a ball-point pen here, a pocket calculator there. But to the small business fighting for survival, it's murder. There is a retail theft committed every five seconds in this country. These thefts cost each American \$150 a year. No store is immune.

A store operating at three percent profit on sales would have to sell \$1,216.66 worth of merchandise a year to make up for the daily loss of a ten-cent candy bar. Just to cover a yearly loss of \$1,000 in thefts, a retailer would have to sell each day over 900 candy bars, or 130 packs of cigarettes, or 380 cans of soup. Faced with such unreasonable selling volumes most small business people are forced instead to raise their prices and lower their ability to compete.

This Aid contains practical advice on how to spot, deter, apprehend, and prosecute shoplifters.

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## Who's Robbing You Blind?

What does a shoplifter look like? Like you. Or like me. Shoplifters can be male or female, any race or color, as young as five or well into their 80's. Anyone who deliberately takes merchandise from a store without paying for it is a shoplifter, whether the theft is large or small, premeditated or impulsive.

Fortunately for business people, most shoplifters are amateurs rather than professionals. To the wary eye, they are not difficult to spot and, with the right kind of handling, they may never try petty thievery again. Here are the various types of shoplifters.

**Juvenile offenders.** Youngsters account for about 50 percent of all shoplifting. They may steal on a dare or simply for kicks. Frequently they expect that store owners and courts will go easy on them because of their youth. They may enter stores in gangs in an attempt to intimidate management further. You simply cannot permit this kind of manipulation. Youth is no excuse for crime, and the adult who lets it slip by is not doing the youngsters any favor. Shoplifting is usually the first type of theft attempted by juveniles, and it may lead to more serious crimes. Juvenile theft should be pursued and prosecuted through the proper legal channels.

**Impulse shoplifters.** Many "respectable" people fall into this category. They have not premeditated their thefts but a sudden chance (such as an unattended dressing room or a blind aisle in a supermarket) presents itself, and the shopper succumbs to temptation. The retailer can combat impulse shoplifting most effectively by simple prevention: building deterrents into the store layout (see page 4 of this Aid) and training employees to be aware of the problem and effective in dealing with it.

**Alcoholics, vagrants and drug addicts.** Abnormal physical need can drive people to theft, as well as to other crimes. These criminals are often clumsy or erratic in their behavior and may be easier than other types of shoplifters to detect. The store owner should remember, however, that people under the influence of drugs or with an obsessive physical need may be violent. They may be armed as well. It is best to leave the handling of such people to the police.

**Kleptomaniacs.** A driving psychological need can have similar effects. Kleptomaniacs are motivated by a compulsion to steal. They usually have little or no actual use for the items they steal and in many cases could well afford to pay for them. It is not up to the business person to make a psychological diagnosis. Shoplifting is shoplifting. It is no less costly simply because it is involuntary.

**Professionals.** Since the professional shoplifter is in the business of theft, he or she is usually highly skilled and hard to spot. Professionals generally steal items which will quickly be resold to an established fence. They tend to concentrate on high-demand, easily-resold consumer goods such as televisions, stereos, and other small appliances. The pro, or "booster," may case a store or department well in advance of the actual theft. While professionals may be hard to prosecute (they may belong to underworld organizations which are very effective in raising bail and providing defense in court), they can be deterred from theft by effective layout and alert personnel.

## How Do They Do It?

Shoplifters may work alone or in groups. While it's impossible to give an infallible rule of thumb, experience has shown that juveniles and professionals tend to work in groups, while the impulse shoplifter is a loner.

Working in a group, the shoplifter can use his confederates to conceal himself. One member of the gang may also distract sales help while the thieves do their work. Gang members may also start an argument with store personnel or among themselves, or even feign a fainting spell to draw attention, giving a cohort the opportunity to steal merchandise from another part of the store.

Shoplifters don't like crowds. They keep a sharp eye out for other customers or store personnel; quick, nervous glances may be a giveaway. They also tend to "shop" during hours when store staff is lighter than usual—during lunch hours, early morning, or just before closing.

Shoplifters also have their own arsenal of professional tools. Articles as innocent as bulky packages, pocketbooks, baby carriages, knitting bags, shopping bags, umbrellas, newspapers and magazines can be used to carry stolen goods. Even an oversized arm sling can help the shoplifter conceal merchandise.

Specially-constructed devices such as coats or capes with hidden pockets and zippered hiding places are useful to the more experienced shoplifter. Some thieves use booster boxes (large boxes with a hinged end, top, or bottom). Booster boxes may be gift-wrapped to frustrate detection.

Unsupervised dressing rooms offer excellent opportunities for theft. Shoplifters may simply pile on layers of pilfered clothing, or they may exchange new items for the clothes they were wearing and return the originals to the rack.

Price tickets can often be too easily switched, particularly in grocery stores or drugstores where prices are written on gummed labels and—often carelessly—stuck to the item.

## How Can You Deter Shoplifters?

Your time and money are better spent in preventing crime than in prosecuting it. There are three major areas in which deterrence efforts pay off royally for the store owner:

**1. Educate your employees.** Train your sales help to be alert to the shoplifter's early warning signals. They should be on the lookout for customers carrying the concealment devices mentioned earlier in this Aid. They should watch for shoppers walking with short or unnatural steps, tiptoes that the customers may be concealing items between their legs.

- Clothing store employees should keep careful count of the number of items carried into and out of dressing rooms.
- Employees should be alert to groups of shoppers who enter the store together, then break up and go in different directions. A customer who attempts to monopolize a sales person's time may be covering for a confederate stealing elsewhere in the store.
- Sales help should remember that ordinary customers want attention; shoplifters do not. When busy with one customer, the sales person should acknowledge waiting customers with polite remarks such as, "I'll be with you in a minute." This pleases legitimate customers, while making a shoplifter feel uneasy.
- Sales people should watch for a customer who handles a lot of merchandise, but who takes an unusually long time to make a decision. They should watch for customers lingering in one area, loitering near stockrooms or other restricted areas or wandering aimlessly through the store. They should try to be alert to customers who consistently shop during hours when staff is low.
- Cashiers should be trained to check the lower racks of shopping carts, to watch for switched price labels, to inspect containers such as garbage cans or tool boxes which could conceal stolen items.
- Local police often conduct training seminars for store personnel. They can instruct your employees in spotting potential shoplifters, as well as in what to do when they observe a theft. Periodic review sessions, at least once every three months, will help keep employees awake and aware.
- You can help your employees help you. Schedule working hours to allow an adequate number of clerks to be on hand at all times. Discourage "coffee-kilting" on the selling floor. A group of employees in one spot means inadequate coverage somewhere else.

**2. Plan store layout with deterrence in mind.** Maintain adequate lighting in all areas of the store. Keep protruding "wings" and end displays low, not more than two or three feet high. Set display cases in broken sequences. If possible, run them for short lengths with spaces in between.

- Keep small items of high value (film, cigarettes, small appliances) behind a counter or in a locked case with sales

clerk on duty. Keep displays neat; it's easier to spot an item, missing from an orderly array.

- If fire regulations permit, lock all exits not to be used by customers. Attach noisy alarms to unlocked exits. Close and block off unused checkout aisles. If you are involved in store design, plan to have entrances and exits in a common vestibule.

**3. Use protective personnel and equipment.** Protective devices may not be cheap, but shoplifting is costlier. You can get an idea of how much you can expect to lose to thieves by multiplying the number of shoplifters apprehended last year in your store by the average value of the stolen merchandise, then multiplying that figure by 50 weeks. The total is usually far greater than the cost of deterrence systems.

- Some of the most widely-used devices are two-way mirrors, peep-holes, closed-circuit television, convex wall mirrors, and detectives posing as customers. To be valuable, surveillance devices must be properly placed and monitored.
- Uniformed guards are powerful visual deterrents to the shoplifter.
- There are several ways to identify merchandise as having been legitimately paid for. One is to instruct cashiers to staple receipts to the outside of packages. Electronic tags may be attached to soft articles such as clothing. They can be removed only by a cashier with special shears, and they trigger an alarm if the shoplifter tries to carry the article from the store.
- If you use electronic sensing devices, be sure cashiers are diligent in their use. If your employee forgets to remove the device and the customer is falsely accused, you could be liable.
- Two-way radios make it easy to stay close to suspected shoplifters and to alert security personnel.
- Ticket-switching can be discouraged through the use of tamper-proof gummed labels, hard-to-break plastic string, multiple price tickets concealed on items, or special staple or punch patterns on price tags.
- Price labels marked by rubber stamps or pricing machines are better than pencilled or felt-markered price tags.

## **What About Apprehension, Arrest, and Prosecution?**

While good deterrent systems will greatly reduce shoplifting, there are always people who are too dumb or too "smart" to be deterred. They'd try to steal the teeth out of a tiger's mouth if they thought the tiger wasn't looking.

These people can force you to the last line of defense for your store. Remember, to give your charges a chance of sticking you must be able to:

- See the person take or conceal merchandise,
- Identify the merchandise as yours,

- Testify that it was taken with the intent to steal,
- Prove that the merchandise was not paid for.

If you are not able to meet all four criteria, you leave yourself open to countercharges of false arrest. False arrest need not mean police arrest; simply preventing a person from conducting normal activities can be deemed false arrest. Furthermore, any physical contact, even a light touch on the arm, may be considered unnecessary and used against you in court.

Check the laws in your state. Many states have passed shoplifting laws which deal with apprehension. Your lawyer or the local police can advise you. Also, always consider your safety and that of your employees first and foremost.

In general, store personnel should never accuse customers of stealing, nor should they try to apprehend suspected shoplifters. If they observe suspicious behavior or an apparent theft in progress, they should alert the store owner, manager, store detective, or police.

It is wisest to apprehend shoplifters outside the store. You have a better case if you can show that the shoplifter left the store with stolen merchandise. Outside apprehension also eliminates unpleasant scenes which might disrupt normal store operation.

You may prefer to apprehend a shoplifter inside the store, if the merchandise involved is of considerable value or if you feel that the thief may be able to elude you outside the store premises.

In either case, avoid verbal accusation of the suspect. One recommended procedure is to identify yourself, then say, "I believe you have some merchandise which you have forgotten to pay for. Would you mind coming with me to straighten things out?"

When cornered, the first thing most shoplifters—impulse thieves or pros—will say is, "I've never done this before." In general, this is all the more reason, if your evidence is sufficient, to call the police and proceed with prosecution. Failure to prosecute first offenders encourages them to try it again. Word also gets around that your store is an "easy hit."

Some organizations have control files on shoplifters who have been caught. Your retail merchants' association can inform you about the services available in your area. You can check these files to see whether the person you catch has a prior record. A shoplifter who claims to be a first offender is likely to remain a "first offender" unless you get positive identification and file his or her name with the police and local retail merchants' association.

Naturally, each situation must be handled differently and your good judgment is required. You may wish to release elderly or senile shoplifters and not press charges where there's some indication that the person could honestly have forgotten to pay for the merchandise.

In most cases, however, prosecution is in order. It is essential if the shoplifter is violent, if he or she lacks proper identification and you suspect a prior record, if he or she appears to be under the influence of alcohol or other drugs, if the theft involves merchandise of great value, or if the shoplifter appears to be a professional.

Juvenile shoplifters require special handling. A strict, no-nonsense demeanor often makes a lasting impression on the young offender and may deter future theft. While many stores choose to contact the parents of young shoplifters rather than the police, remember that juveniles account for half of all shoplifting that goes on in this country. The parents of troubled youngsters may be ineffective in handling the situation. Whom are you helping if you let a young shoplifter go to steal again?

## For Further Information

For more information on preventing crimes against your business, you can get the following management assistance publications free by writing: SBA, P.O. Box 15434, Fort Worth, TX 76119 or by calling toll free 800-433-7212 (Texas only, 800-792-8901). Ask for:

**MA 209**—Preventing Employee Pilferage

**SMA 119**—Preventing Retail Theft

**SMA 134**—Preventing Burglary and Robbery Loss

**SMA 137**—Outwitting Bad Check Passers

**SMA 151**—Preventing Embezzlement

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