

Global theft! How does Australia compare?



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Every year for the past four years a global survey (The Global Retail Theft Barometer) on unknown shrinkage within the retail sector has been carried out. The most recent being last year in which 42 countries took part, including Australia. The dollar figure globally for unknown shrink was \$107 billion dollars (that's not a misprint). Australia's piece of the pie was \$2.08 billion.

Unlike many other surveys where the sample size used could fit in the back seat of a small car, the data in this survey is significant – 31 Australian retail companies representing 4239 retail outlets with combined annual sales of \$36.2 billion. Based on these numbers it's fair to say any trends identified would be fairly consistent across the country.

The 42 countries are grouped into five regions: North America, Latin America, Middle East/Africa, Asia-Pacific and Europe. Australia fits into Asia-Pacific along with China, Hong Kong, India, Japan, Malaysia, Singapore, Taiwan and Thailand.

So how did Australia go? Well compared to the global average, we were competitive. the global shrinkage rate was 1.36 per cent down from 1.44 per cent on the previous year, representing an improvement of 5.6 per cent. Australia came in at 1.39 per cent down from 1.5 per cent representing an improvement of 7.30 per cent. The Asia-Pacific Region came in at 1.16 per cent, 16.55 per cent better than Australia.

Within our region we finished third last, only beating Malaysia at 1.53 per cent and India at 2.72 per cent. Across the entire globe we had the 18th highest shrinkage rate.



One area in which we differ greatly to the rest of the world is where our losses come from. Global figures show customer theft is at 42.4 per cent while employee theft equates to 35.3 per cent. Within our region customer theft is at 42.4 per cent and employee theft is at 35.3 per cent (both identical to global figures).

However, Australia's figures show customer theft at 36.8 per cent and employee theft at 40.6 per cent almost a reversal of the region and global numbers.

Although Australia has a higher percentage rate of employee theft, it is important to note an increase of 17.7 per cent in employee theft and attempted theft was seen across the globe.

One trend that was consistent across the globe was the type of product being stolen. Every region and just about every country saw the same top five categories for theft:

- Apparel, clothing and fashion, accessories
- Cosmetics, perfume, health and beauty, pharmacy
- Vehicle, auto parts, DIY, building materials
- Video, music, game software
- Department store or large general stores.

Another area in which Australia differed from the rest of the world was the average dollar amount customers and staff were caught stealing.

Globally, the average customer theft equated to \$196.76 and the average dollar amount for employee theft was \$1943.87. The average figure for Australian customer theft was \$74.52, and the average amount for employee theft was \$392.56.

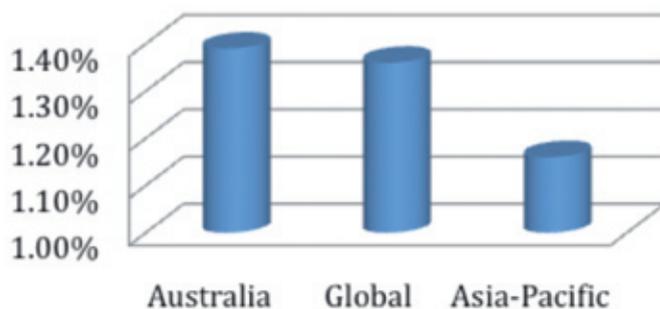
So why did shrinkage figures improve across the globe, our region and within Australia over the past 12 months despite the GFC? A consistent trend that showed internationally was a significant increase in theft and fraud awareness.

- Retailers providing new anti-theft training programs for staff had increased by 91 per cent with 75 per cent of these retailers planning further training programs
- 32 per cent had spent more on crime-prevention hardware and software
- 27 per cent had improved their pre-hiring employee screening (reference checks, criminal record checks)
- 80 per cent established some form of audit program and between 50 per cent and 80 per cent of these retailers had audits conducted three times a year
- Between one-fifth and one-quarter of retailers increased their spend on manpower, loss prevention consumables, EAS reusable accessories and reporting programs.

While this is a broad overview, if your unknown shrinkage headed in the wrong direction last year then you need to look at changing something.

Some of the most effective methods you can adopt are the implementation of detailed policies and procedures, providing appropriate training for staff, detailed pre-employment checks and visible deterrents. **CW**

Aust V Globe V Region



Employee theft

