



SHOPLIFTING FOR CHRISTMAS 2012

HOW CRIMINALS PROFIT FROM THE FESTIVE SEASON

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SHOPLIFTING FOR CHRISTMAS 2012: HOW CRIMINALS PROFIT FROM THE FESTIVE SEASON.

**A Report on
The Impact of Shop Theft On Retailers
From the Centre for Retail Research
by
Professor Joshua Bamfield**

Christmas Shoplifting

For most retailers the Christmas season is the most important time of the year. Christmas holiday spending can be up to 60% higher than other months in the year; a poor Christmas can create acute problems for the retail sector.

Retail spending in most countries represents from 18% to 22% of GDP (gross domestic product) and the success of retailing is an important element of economic growth.

However Christmas retail prospects are equally attractive to criminals as well as retailers. Thieves can prey on retailers aware that a store's attention is mainly focused on serving customers and dealing with stock. Retail's busiest time is also the time when it most vulnerable to crime.

Shoplifters steal merchandise, get false refunds, switch prices, pass counterfeit currency and commit payments and credit card fraud. Fraudulent employees may steal goods and cash, collude with shoplifters or form part of organised gangs. Malevolent vendors (including distribution fraud) may steal goods, supply lower-quality merchandise than originally ordered and submit false invoices.

Total Losses from Crime by Retailers in Christmas 2012

The Centre for Retail Research's annual report into retail crime costs in the Christmas holiday season *Shoplifting for Christmas 2012* finds that across 20 European countries and the U.S., seasonal crime is expected to cost retailers a total of

\$16,302.450 million (\$21.10 per head, \$98.49 per family)

This is an increase of 4.0% compared to the 2011 figure of \$15,672.860 million. The cost per head in 2011 was \$20.29. These figures are, of course, estimates.

- ❑ The detailed figures for every county are given in Tables 3-5 later in this report
- ❑ The main cost headings for the 20 countries are estimated to be:

(all figures in millions)

Shoplifting	\$8,027.312
Employee theft	\$7,317.519
Vendors/distribution	\$957.619

- ❑ The US had the highest costs of retail crime per head, at \$36.21, followed by Norway, the UK Finland and Ireland. The Czech Republic had the lowest retail crime per head, at \$5.78 and other countries with low retail crime per head are Poland, Greece and Portugal. Crime losses per head in 2012 are given for every country in Table 1 and Table 2.
- ❑ Amongst the 20 countries surveyed, the US had the highest total retail crime losses in the holiday season, \$8,852.010 million, equivalent to 54.3% of the total estimated losses.

Survey Methods

The Centre for Retail Research first investigated the phenomenon of retail crime at Christmas in 2002, christening it **Shoplifting For Christmas**. Since then we have published several more reports on this topic. This Report, funded by an independent grant from Checkpoint Systems, relates to 2012 and forecasts the losses likely to occur in this Christmas. The exact definition of ‘Christmas’ is given on the next page.

The estimates in this report on **Shoplifting for Christmas 2012** are based on data from 300 retailers, the Global Retail Theft Barometer 2011 (GRTB), our annual survey of Christmas spending and research carried out throughout the year with retailers and loss prevention officers.

The main crime losses reported in this report are: shoplifting, employee theft and vendor/distribution losses. Both ‘theft’ and ‘fraud’ are used synonymously. Retailers also suffer other losses due to error, wastage, and procedural failings but in this report we have not tried to calculate that figure as the period is too short (for the countries concerned error would be 16.1% over a 12-month period). Thus the emphasis in this report is upon crime losses or crime costs rather than with what retailers term ‘shrinkage’ (defined as the difference between delivered inventory and sold inventory).

The main rates of exchange used are:

€1 (EURO) = \$1.2746 (USD)
€1 (EURO) = £0.80383 (Sterling, GBP)
\$1 (USD) = €0.78456 (EURO)
\$1 (USD) = £0.63111 (Sterling, GBP)

Note that minor discrepancies in individual values and totals occur and these are the inevitable result of rounding.

The Countries Surveyed

A full list of the countries surveyed for this report is given in Tables 1 and 2. They include the U.S., all the countries in Western Europe, including France, Germany and the UK, and several larger countries in Central Europe, including Poland and the Czech Republic. There are 20 separate countries although Belgium and Luxembourg are reported together. The main issue with a study of this kind is access to the requisite material and the inclusion or non-inclusion of any individual country reflects issues of access and not any political, cultural, social or criminological reason.

The Christmas Season

'Christmas' in this report means the period from mid-November to the end of December, and, in those countries which celebrate Christmas to a different calendar, early January. Many countries celebrate Christmas in different time periods from the 'normal' US/UK season. Several countries have key gift-giving days for children in early December and/or in early January [on Epiphany, the 6th January, after Twelfth Night) as well as (or sometimes instead of) Christmas Eve.

The CRR definition of 'Christmas' holiday season therefore includes all these different approaches.

The Main Results for 2012

Table 1 shows the costs of retail crime losses for the 20 countries studied here. As we have seen, the 2012 costs are forecast to rise by 4.0% over last year to new highs of:

\$16,302.450 million (\$21.10 per head)

The 2011 figure was \$15,672.860 million. The cost per head in 2011 was €15.92 (\$20.29 or £12.79).

Table 1

Aggregate Figures in Euros, Sterling and US Dollars								
Christmas 2012	Population* 2012 (millions)	Euro Figures		£ Figures		US \$ Figures		Cost of Crime Per Head Christmas 2012
		Christmas Holiday Retail Crime Totals 2012 (millions)	Cost of Crime Per Head Christmas 2012	Christmas/ Holiday Retail Crime Totals 2012 (millions)	Cost of Crime Per Head Christmas 2012	Christmas Holiday Retail Crime Totals 2012 (millions)	Cost of Crime Per Head Christmas 2012	
Austria	8.44	€90.743	€10.75	£72.942	£8.65	\$115.661	\$13.71	
Belgium/Luxemb- ourg	11.54	€170.429	€14.77	£136.995	£11.87	\$217.229	\$18.82	
Czech Republic	10.51	€47.633	€4.53	£38.289	£3.64	\$60.712	\$5.78	
Denmark	5.58	€81.698	€14.64	£65.671	£11.76	\$104.133	\$18.66	
Finland	5.40	€99.984	€18.52	£80.371	£14.88	\$127.440	\$23.60	
France	63.56*	€997.972	€15.70	£802.201	£12.62	\$1,272.014	\$20.01	
Germany	81.84	€924.362	€11.29	£743.031	£9.08	\$1,178.192	\$14.40	
Greece	11.29	€66.336	€5.88	£53.322	£4.72	\$84.552	\$7.49	
Ireland	4.58	€83.556	€18.24	£67.165	£14.66	\$106.500	\$23.26	
Italy	60.82	€688.794	€11.33	£553.673	£9.11	\$877.936	\$14.43	
The Netherlands	16.73	€192.870	€11.53	£155.034	£9.27	\$245.832	\$14.70	
Norway	5.00	€99.651	€19.93	£80.102	£16.01	\$127.015	\$25.40	
Poland	38.54	€225.886	€5.86	£181.573	£4.71	\$287.914	\$7.47	
Portugal	10.54	€66.997	€6.36	£53.856	£5.11	\$85.394	\$8.11	
Spain	46.20	€473.033	€10.24	£380.239	£8.24	\$602.928	\$13.05	
Sweden	9.48	€159.640	€16.84	£128.322	£13.54	\$203.476	\$21.46	
Switzerland	7.94	€132.125	€16.64	£106.206	£13.38	\$168.406	\$21.20	
United Kingdom	62.99	€1,243.611	€19.74	£999.652	£15.87	\$1,585.106	\$25.16	
Europe totals	460.98	€5,845.320	€12.68	£4,698.644	£10.20	\$7,450.440	\$16.16	
USA	311.59*	€6,944.933	€22.29	£5,586.592	£17.93	\$8,852.010	\$36.21	
US + Europe totals	772.57	€12,790.253	€16.55	£10,285.236	£13.31	\$16,302.450	\$21.10	

*Derived from Eurostat, US Census Bureau and INSEE.
US and France figs relate to 2011.

Cost per Head

The US had the highest costs of retail crime per head (Table 2), \$36.21 , followed by Norway, the UK, Finland and Ireland. The Czech Republic had the lowest retail crime per head, at \$5.78 and other countries with low retail crime per head are Poland, Greece and Portugal.

The average cost per head was \$21.10 (\$16.16 in Europe and \$36.21 in the U.S.). This can be compared to the average cost per head in 2011 of €15.92 (£12.79 or \$20.29). The cost per family of retail crime in the US in 2012 was \$98.49

Compared to the 2011 figures (see Table 5) there has been little change in the rankings, although the cost per head has increased. Germany and Poland have got slightly better, whilst Greece, Italy have fallen by one place in the rankings.

Table 2

Cost per head and per family			
	Cost in per head US dollars	Per head Rank 1=highest	Cost per family US dollars
USA	\$36.21	1	\$98.49
Norway	\$25.40	2	\$58.68
United Kingdom	\$25.16	3	\$60.39
Finland	\$23.60	4	\$52.39
Ireland	\$23.26	5	\$68.62
Sweden	\$21.46	6	\$45.07
Switzerland	\$21.20	7	\$46.64
France	\$20.01	8	\$47.23
Belgium/Luxembourg	\$18.82	9	\$45.18
Denmark	\$18.66	10	\$41.62
The Netherlands	\$14.70	11	\$34.55
Italy	\$14.43	12	\$37.96
Germany	\$14.40	13	\$32.68
Austria	\$13.71	14	\$31.81
Spain	\$13.05	15	\$35.76
Portugal	\$8.11	16	\$22.30
Greece	\$7.49	17	\$20.97
Poland	\$7.47	18	\$22.04
Czech Republic	\$5.78	19	\$15.60
Europe Average	\$16.16	-	\$42.59
Overall Average	\$21.10	-	\$63.64

The cost per head of retail crime at Christmas is not purely a measure of how criminal an individual country may be, but relates also to wealth and cultural issues. Total crime losses are obviously the result of crime, whoever is the perpetrator, but are also linked to the level of spending in each country on Christmas. In countries where Christmas is a relatively low-key affair mainly concerned with presents for

children, the opportunities for crime may be lower simply because less merchandise may be available in stores whilst the opportunities for re-selling stolen goods to others may be lower because there is less demand for Christmas products. Part of the explanation of differences in retail crime losses lies with such cultural or consumer differences between countries: other explanations concern how crime prone different countries may be, the scale and effectiveness of loss prevention methods used by retailers in different countries and the role of the criminal justice system.

Definitive Figures

The Tables that now follow show the Christmas crime losses in more detail.

Table 3

2012 Figures in US Dollars								Rank
Christmas 2012	Holiday Retail Crime Total 2012	Holiday Retail Crime Totals 2011	Increase in Crime Cost 2011-12	SHOPLIFTING Crime Totals 2012	EMPLOYEE Crime Totals 2012	VENDOR/ DISTRIBUTION Crime Totals 2012	Cost of Retail Crime Per Head Holiday 2012	Order Per Head 2012 (1= highest)
	(millions)	(millions)		(millions)	(millions)	(millions)		
Austria	\$115.661	\$111.613	3.6%	\$76.521	\$31.150	\$7.990	\$13.71	14
Belgium/Luxembourg	\$217.229	\$208.105	4.4%	\$132.649	\$70.659	\$13.921	\$18.82	9
Czech Republic	\$60.712	\$57.495	5.6%	\$34.141	\$21.079	\$5.492	\$5.78	19
Denmark	\$104.133	\$100.175	4.0%	\$60.387	\$36.307	\$7.439	\$18.66	10
Finland	\$127.440	\$121.322	5.0%	\$74.577	\$42.829	\$10.034	\$23.60	4
France	\$1,272.014	\$1,216.046	4.6%	\$688.421	\$470.943	\$112.650	\$20.01	8
Germany	\$1,178.192	\$1,146.970	2.7%	\$735.147	\$360.586	\$82.459	\$14.40	13
Greece	\$84.552	\$79.563	6.3%	\$52.048	\$25.612	\$6.892	\$7.49	17
Ireland	\$106.500	\$101.708	4.7%	\$54.462	\$42.345	\$9.693	\$23.26	5
Italy	\$877.936	\$850.721	3.2%	\$544.961	\$267.828	\$65.147	\$14.43	12
The Netherlands	\$245.832	\$235.999	4.2%	\$145.015	\$84.640	\$16.177	\$14.70	2
Norway	\$127.015	\$123.586	2.8%	\$74.723	\$42.591	\$9.701	\$25.40	18
Poland	\$287.914	\$278.989	3.2%	\$147.950	\$116.347	\$23.617	\$7.47	16
Portugal	\$85.394	\$80.954	5.5%	\$49.830	\$28.940	\$6.624	\$8.11	15
Spain	\$602.928	\$580.017	4.0%	\$354.327	\$210.025	\$38.576	\$13.05	6
Sweden	\$203.476	\$200.018	1.7%	\$119.204	\$70.838	\$13.434	\$21.46	7
Switzerland	\$168.406	\$166.554	1.1%	\$96.826	\$59.651	\$11.929	\$21.20	11
United Kingdom	\$1,585.106	\$1,532.798	3.4%	\$828.492	\$682.844	\$73.770	\$25.16	3
Europe totals	\$7,450.440	\$7,192.633	3.6%	\$4,269.681	\$2,665.214	\$515.545	\$16.16	-
USA	\$8,852.010	\$8,480.227	4.4%	\$3,757.631	\$4,652.305	\$442.074	\$36.21	1
US + Europe totals	\$16,302.450	\$15,672.860	4.0%	\$8,027.312	\$7,317.519	\$957.619	\$21.10	-

Sources of Retail Crime

Table 4 shows the proportion of losses estimated to be caused by shoplifters, employee thieves and by vendor/distribution. The proportions are drawn from the GRTB 2011 and related to crime losses only (and not to shrinkage, which includes errors and procedural mistakes). The error element accounts for 16.1% of shrinkage in a full year for this group of countries, made up of 15.9% in the U.S. and 16.4% in Europe. The figures in Table 3 deal with types of crime only and exclude the error figure of shrinkage.

The main cause of retail crime losses in the U.S. is estimated by U.S. loss prevention VPs to be employees (responsible for 52.6% of crime losses) whilst the European figure shown employee theft as being only 35.8%. For European retailers the main source of retail crime loss is considered to be shoplifters (57.3% of total crime losses), although shoplifters are thought to be responsible for a lower proportion of losses in the U.S. - 42.4%.

Vendor/distribution losses are an average of 5.9%, although slightly more in Europe (6.9% of crime losses) and 5.0% in the U.S.

Table 4

Sources of Retail Crime			
Christmas	Shoplifting as Percentage Of Retail Crime Total 2012	Employee theft as Percentage Of Retail Crime Total 2012	Vendor/ distribution theft as Percentage Of Retail Crime Total 2012
Austria	66.2%	26.9%	6.9%
Belgium/Luxemb- ourg	61.1%	32.5%	6.4%
Czech Republic	56.2%	34.7%	9.0%
Denmark	58.0%	34.9%	7.1%
Finland	58.5%	33.6%	7.9%
France	54.1%	37.0%	8.9%
Germany	62.4%	30.6%	7.0%
Greece	61.6%	30.3%	8.2%
Ireland	51.1%	39.8%	9.1%
Italy	62.1%	30.5%	7.4%
The Netherlands	59.0%	34.4%	6.6%
Norway	58.8%	33.5%	7.6%
Poland	51.4%	40.4%	8.2%
Portugal	58.4%	33.9%	7.8%
Spain	58.8%	34.8%	6.4%
Sweden	58.6%	34.8%	6.6%
Switzerland	57.5%	35.4%	7.1%
United Kingdom	52.3%	43.1%	4.7%
Europe totals	57.3%	35.8%	6.9%
USA	42.4%	52.6%	5.0%
US + Europe totals	49.2%	44.9%	5.9%

[source: Global Retail Theft Barometer 2011]

Table 5

2011 Figures					Rank
Christmas	SHOPLIFTING Crime Totals 2011	EMPLOYEE Crime Totals 2011	VENDOR/ DISTRIBUTION Crime Totals 2011	Cost of Retail Crime Per Head Holiday2011	Order Per Head 2012 (1= highest)
	(millions)	(millions)	(millions)		
Austria	\$73.842	\$19.916	\$17.855	\$13.22	14
Belgium/Luxemb- ourg	\$127.077	\$42.345	\$38.683	\$18.03	9
Czech Republic	\$32.333	\$12.023	\$13.139	\$5.47	19
Denmark	\$58.092	\$21.418	\$20.665	\$17.95	10
Finland	\$70.997	\$25.646	\$24.679	\$22.47	4
France	\$658.131	\$266.591	\$291.324	\$19.13	8
Germany	\$715.667	\$224.690	\$206.613	\$14.01	12
Greece	\$48.977	\$15.054	\$15.532	\$7.05	18
Ireland	\$52.010	\$23.983	\$25.715	\$22.21	5
Italy	\$528.069	\$166.669	\$155.983	\$13.99	13
The Netherlands	\$139.215	\$51.258	\$45.526	\$14.11	11
Norway	\$72.706	\$25.820	\$25.060	\$24.72	2
Poland	\$143.364	\$66.616	\$69.009	\$7.24	17
Portugal	\$47.239	\$17.043	\$16.672	\$7.68	16
Spain	\$340.862	\$126.503	\$112.652	\$12.55	15
Sweden	\$117.178	\$43.126	\$39.714	\$21.10	6
Switzerland	\$95.732	\$36.738	\$34.084	\$20.98	7
United Kingdom	\$801.152	\$395.243	\$336.403	\$24.33	3
Europe totals	\$4,122.643	\$1,580.682	\$1,489.308	\$15.60	-
USA	\$3,599.811	\$2,525.782	\$2,354.634	\$27.22	1
US + Europe totals	\$7,722.454	\$4,106.464	\$3,843.942	\$20.29	--

Who Steals at Christmas?

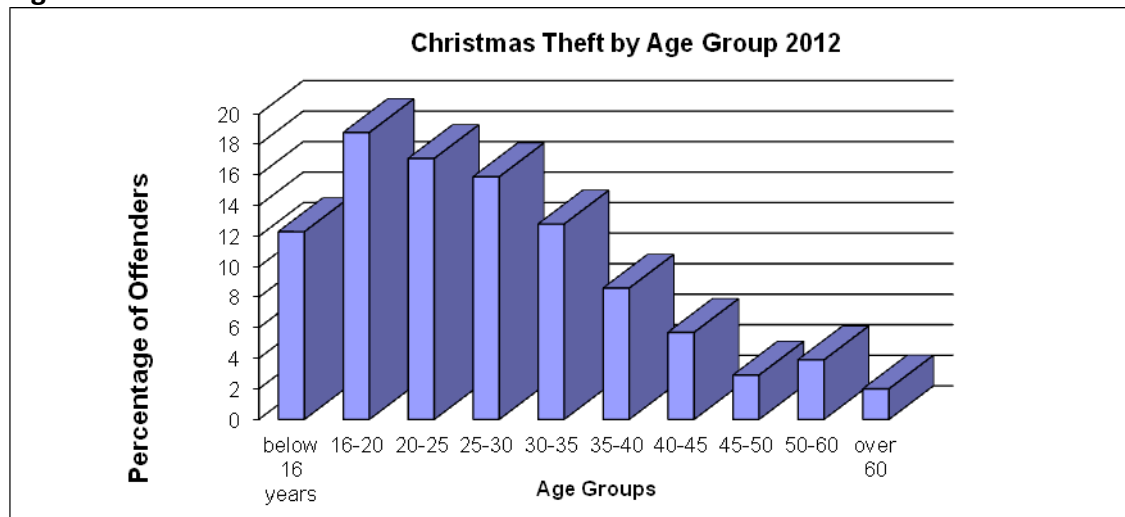
Offending occurs in all age groups, although two-thirds of offenders are under 30 years.

- **Age of Shoplifters**

From the research carried out by the Centre for Retail Research the peak age of offending at Christmas is 16-25 years and the average offender is aged 25½ years, younger than in the rest of the year. However there is a significant amount of shoplifting carried out by persons in their late 20s and in their 30s and 40s. Two per cent of shoplifters are aged 60 years or more.

Naturally retailers only *know* about persons they actually apprehend, but these figures are believed to be representative.

Figure 1



- **Most Shoplifters are Male**

Although shoplifting is conventionally considered to be a female occupation, more than one-half Christmas shoplifters are male. In Christmas 2010,

- Proportion of male offenders 52%
- Proportion of female offenders 48%

We expect similar proportions of male: female offenders in the coming Christmas.

- **The Average Value Stolen (see Figure 2)**

At Christmas the average value stolen per incident increases. This may be because there are more opportunities, but it is also caused by the fact that in every country ‘Christmas’ has a definite cut-off point. If goods are not stolen and distributed or re-

sold no later than say four days before Christmas (or equivalent point for festivities or gift giving) then the opportunity is lost. Hence shoplifters have to steal more and do this more frequently in order to profit from the Christmas season fully.

In general, females that shoplift steal merchandise that is worth 7.7% more than do males. However the amount stolen per incident varies widely.

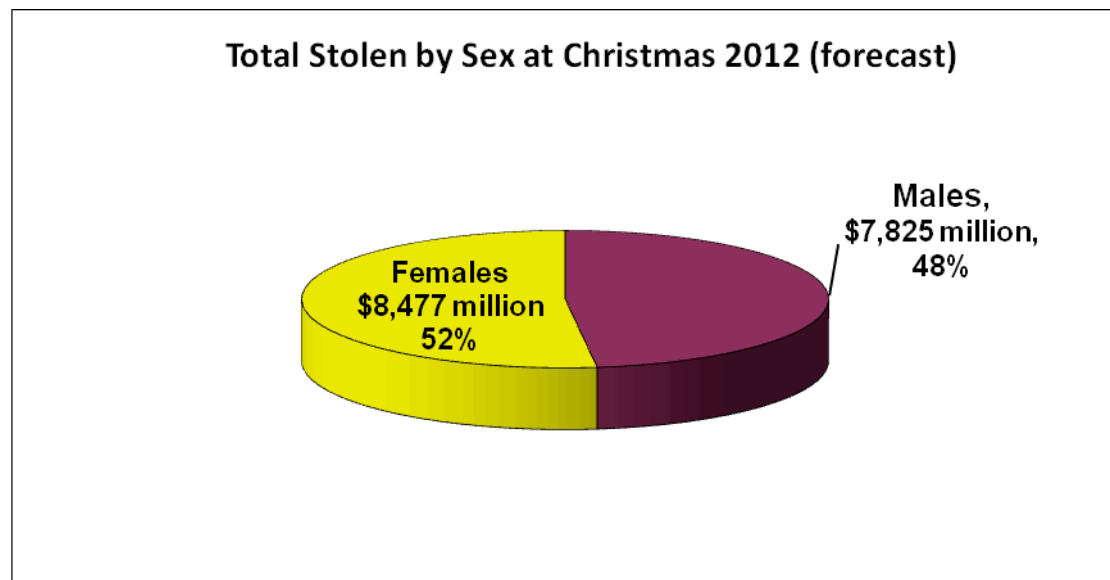
The average value of shoplifted property stolen at Christmas is **€109.13 (£87.72 or \$139.09)**, but

- males steal an average of £82.28 (€102.36 or \$130.47)
- females steal an average of £94.48 (€117.54 or \$149.81)

This Christmas, we expect

- Male shoplifters to steal €6,139 million (£4,937 mn or \$7,825 million) (48% of total)
- Female shoplifters to steal €6,651 million (£5,348 million or \$8,477 million (52%).

Figure 2



Prolific Offenders

- **Professional thieves.** These steal high-value items regularly and at Christmas switch to specific Christmas lines and items commanding higher crime prices.
- **Semi-professional thieves.** Prolific offenders who are not successful enough to be professionals. They include the ‘steal to order’ operators and target the same types of commodity.
- **Organised Crime and foreign gangs.** Gangs move from shop to shop (often in the major cities) before trying elsewhere. They are usually controlled by people involved in drugs and/trafficking.

Domestic Offenders

- **'Steal to order.'** These take orders from friends and relatives in pubs, bars, cafes, in the workplace and steal a precise garment (colour, size, and range), bottle of spirits, or DVD.
- **Drug addicts.** These steal almost anything for quick resale to buy more drugs.
- **Ordinary offenders.** These steal regularly or occasionally for themselves, for their friends and family and neighbours. Usually the average value stolen is less than average.

The main drivers of Christmas shoplifting will continue to be theft for re-sale by professional and semi-professional thieves.

Organised Retail Crime

At Christmas major gangs often become involved in retail crime because it is profitable and it rarely attracts the same attention from the police and the criminal justice system as does illegal drugs. Organised retail crime (ORC) has been a major concern to US retailers for a number of years and there are now signs that the problem is developing rapidly in many European countries with relatively porous borders including the UK, The Netherlands, Sweden, Norway, Germany, Switzerland and Italy. Some of these gangs are specialist and may move between cities and countries; for others retail crime is simply another dimension of their illegal activities.

The average amount stolen per incident where illegal gangs are involved is much higher than normal thefts (GRTB 2011). However ORC gangs can operate by controlling shoplifters, place employees in retail jobs where they steal and collude with other gang members, and may also operate by having workers in post to commit vendor/distribution fraud.

Opinion drawn from our sample of retailers is that around 22% of their crime losses result from ORC – equivalent to €2,814 million (£2,263 mn or \$3,587 million)

Why is Christmas So Important for Crime?

Peak offending. Because Christmas is such a busy shopping period:

- It may be easier to steal without being noticed;
- Certain expensive goods are in very high demand and the price achieved for a stolen version on eBay or to a 'customer' can be much higher than at other times of the year (eg perfume, the latest DVD of a popular film, fashion, books);
- People spend a great deal of money at Christmas and therefore may be more open to purchasing cheap, stolen goods;

- ❑ The theft of goods for household celebrations, such as alcohol, meat, party products (cocktail sausages, crisps etc, and dips), and Xmas crackers reduces costs.
- ❑ Home shopping retailers and e-commerce/internet retailers already suffer higher rates of crime and attempted crime than 'bricks and mortar' retailers and we expect these to suffer from increased crime.

MOST STOLEN PRODUCTS AT CHRISTMAS



The most stolen products at Christmas are likely to be:

- New highly sought after products that may have been released in the weeks before Christmas. This includes films new to DVD or especially released on Blu-ray. New electronic items such as tablets, smart phones and games as well as books (for adults) and highly-rated toys for children.
- Small popular high priced items such as perfumes that are easy to steal and command a ready re-sale market.
- 'Christmas' branded items and gift sets such as toiletries, confectionery and novelty items.
- Seasonal food, wines and spirits, and Christmas season decorations
- Much-used items in smaller packaging (eg alcohol)

The most stolen product categories this Christmas are expected to be:

1. **Alcohol, including whiskey (both generic and specialist/single malt), vodka, brandy, red bull, rum-based products and tinned products**
2. **Women's clothing and Fashion accessories**
3. **Toys, particularly versions of old toys like Cabbage Patch Kids, Lego, Furby, Twister, and My Moshie Home plus children's electronics like LeapPad 2 tablet computer**
4. **Perfume, and Health and Beauty including gift packs**
5. **Smartphones, tablet computers, Toiletries for men, aftershave, razors, razor blades**
6. **DVD gift sets, Blu-ray, blockbuster films, games consoles, electronic games**

7. **Food and festivities, meat, cheese, salmon, tinned foods, exotic foods and Christmas decorations.**
8. **Electrical goods, including health and beauty (eg electronic toothbrushes and medical equipment) and hardware/DIY including power drills**
9. **Watches and jewellery**
10. **Chocolates and confectionery**

Notes

Professor Joshua Bamfield is Director of the Centre for Retail Research and has studied retail crime issues for 25 years. He has published articles and contributed to books on this topic for most of that period. The Centre also publishes forecasts on the development of online retailing in Europe and a number of other topics related to seasonal and event consumer spending.

His book, *Shopping and Crime*, the definitive text on retail crime was published by Palgrave Macmillan in 2012.

He has degrees from the Universities of Oxford (Philosophy, Politics and Economics) and Nottingham (Industrial Economics) and is a Fellow of the Royal Statistical Society

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