

European Theft Barometer

Key results of the European Retail Theft Barometer 2006 (Bamfield, J. (2006))

European Retail Theft Barometer: Monitoring the Costs of Shrinkage and Crime for Europe's Retailers, Nottingham: Centre for Retail Research.

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Introduction >>

The European Retail Theft Barometer is the largest survey of retail crime in the world. It measures retail crime in 24 countries (16 countries in Western Europe and 7 in Central Europe). The study is carried out by The Centre for Retail Research, Nottingham, and independently funded by Checkpoint Systems Europe. The results are based on retailers responsible for more than 18% of European retail trade.



Key Results of the 2006 European Retail Theft Barometer from the Centre for Retail Research

Good and Bad Results

- The average shrinkage rate (stock loss from crime or wastage), which has fallen annually since 2002, fell only slightly in Europe from 1.25% to 1.24% of turnover. Even so, this loss was equivalent to €29 038 million or €71.23 per head for all 24 countries surveyed.
- The largest reduction in shrinkage was in the UK once again (down from 1.77% in 2002 to 1.33% in 2006). Other reductions were seen in Italy, The Netherlands, and Portugal. There were significant increases in central European states, Switzerland, Ireland and Sweden.
- Britain no longer has the highest shrinkage rate in Western Europe (it is number 3).
- Retailers perceived customer thieves to be responsible for 48.8% of shrinkage, employees for 30.7% and suppliers for 6.2%. Internal error, process failures and pricing mistakes were thought to cause 14.3% of shrinkage, meaning that now 85.7% of shrinkage is crime-related.

- Retailers express increasing concern about theft by staff. Countries with the largest proportion of staff theft are UK, Denmark, Finland and Norway, and by Poland and Hungary in Central Europe. The lowest proportions of staff theft are found in Greece, Portugal and Switzerland.
- The overall average shrinkage in Central European states has increased to 1.35% from 1.32% last year, led by the Baltic States and Poland, although Slovakian shrinkage was unchanged.
- Significant increases in security spending were seen, the 2006 cost of retail security in Europe was €7983 million
- The Report provides new information about RFID, source tagging and the methods used to protect most-stolen lines.
- New data of the most-stolen items is included in the Centre for Retail Research website Shoplifter's Hit Parade - (http://www.retailresearch.org/crime_and_fraud/shoplifters_hit_parade.php)

UK FIGURES

Costs of retail Crime in the UK 2006

Major reduction in shrinkage for the fourth year running: shrinkage down to:

1.33% COMPARED WITH 1.59% two years before

Cost of crime per head £72.56 per annum

Customer theft £1691.7 m (43.3%)

Staff theft £1486.7 m (38.0%)

Suppliers £ 172 m (4.4%)

Internal error £ 559.1 m (14.3%)

The above figures are in sterling (£s)

Source: European Retail Theft Barometer VI, 2006

The Costs of Retail Crime

The costs of retail crime are the value of property stolen plus the costs of security.

- The costs of retail crime in Europe in 2006 were €32 867 million. Retail crime costs every man, woman and child in Europe an average of €71.23 per head per year.

EUROPEAN LEVELS OF SHRINKAGE

Shrinkage (as % of turnover)	2006	2005	percentage change
Austria	0.96%	0.95%	+1.1%
Belgium/Luxembourg	1.28%	1.26%	+1.6%
Denmark	1.24%	1.21%	+2.5%
Finland	1.34%	1.35%	-0.7%
France	1.29%	1.31%	-1.5%
Germany	1.07%	1.07%	0.0%
Greece	1.33%	1.31%	+1.5%
Ireland	1.25%	1.22%	+2.5%
Italy	1.24%	1.26%	-1.6%
The Netherlands	1.20%	1.22%	-1.6%
Norway	1.29%	1.29%	0.0%
Portugal	1.34%	1.36%	-1.5%
Spain	1.29%	1.28%	+0.8%
Sweden	1.32%	1.29%	+2.3%
Switzerland	0.92%	0.89%	+3.4%
United Kingdom	1.33%	1.38%	-3.6%
W Europe weighted average	1.23%	1.24%	-0.8%
Czech Republic	1.42%	1.40%	+1.4%
Hungary	1.38%	1.36%	+1.5%
Poland	1.32%	1.29%	+2.3%
Slovakia	1.40%	1.40%	0.0%
Baltic States*	1.32%	1.27%	+3.9%
C Europe weighted average	1.35%	1.32%	+2.3%
Overall	1.24%	1.25%	-0.8%

[* Latvia, Estonia, Lithuania]

INFORMATION FROM PREVIOUS REPORTS

Previous reports have examined how retailers combat staff crime (ERTB V 2005) and the Criminal Justice System.

The Effectiveness of the Criminal Justice System in Combating Retail Crime

A sample table is reproduced here.

How Willing are the Police to respond to reported Shoplifting Cases

	Customer	Employee
Willing	6%	8%
About Right	21%	14%
Unwilling	55%	47%
Very Unwilling	15%	23%
TOTAL	100%	100%

This is the sixth Report (October 2006). It is based on results from 466 major European retailers from 24 countries with a combined turnover of €422 190 million, 28 297 retail stores with more than 18% of European retail trade. The survey was carried out using the same methodology, identical questionnaires, random sampling of participants using a single database, over the same period, and in five different languages.

In the last seven years, the retailers of most countries in Europe have been responsible for surveys of crime or shrinkage. Whilst they provide important information for businesses, the Government, police and academics, they are not comparable because they use different methods, samples and time-periods. This survey is the first one in Europe covering the whole retail sector in many different countries - from Finland to Portugal and from Ireland to Greece - whose entire purpose is to make comparisons between the results of different countries.



Terms and definitions

As is now conventional in UK business/economics usage, a "billion" is 1000 million (a milliard) with nine noughts.

The 'comma' and the 'fullstop' when used in numbering systems have opposite meanings in English usage and that of other European languages. In English, '1,000' is one thousand whilst in French the same number, 'mille', would be written as '1.000' or 1 000. Shrinkage rates of '1.42%' should be transcribed as '1,42%' in other languages. 'Shrinkage' can be defined as loss of stock caused by a combination of crime, administrative error, and wastage. The results are provided here as Euros (€). In September 2006, €1million were equivalent to £0.671million (sterling) or \$1.275million.