

Shopper Marketing

Vol. 22, No. 7 • July 2009 / An Official News Publication of the

IN-STORE MARKETING
INSTITUTE
www.instoremarketer.org

Shopper Marketing | July 2009

FEATURE: DISPLAY THEFT



Sweethearting

Although shoplifting from P-O-P displays and fixtures is a problem for retailers, it doesn't threaten their bottom line as much as theft committed by their own employees. A common method is called "sweethearting."

Sweethearting involves a cashier and an accomplice, who brings items to the register. The employee then pretends to scan the merchandise without actually doing so. Retailers often monitor cashiers' transactions with security cameras, but human review of video is after the fact and time-consuming.

StopLift, a Bedford, Mass.-based company, developed video-recognition software to catch sweethearting as it occurs. The software — which is compatible with retailers' existing security cameras and links to each recorder from one central, in-store location — flags the transaction as suspicious and alerts management.

StopLift software is also a valuable employee-training tool because not all missed scans are intentional. The software records employees' mistakes, so they can see and learn from them.

applications at workbenches and end-cap displays. As a safeguard, big-ticket items are secured with tethers and further protected with Electronic Article Surveillance (EAS) tags, which trigger alarms at store exits if not deactivated by a cashier, says Eric Randa, director of loss prevention.

Northern Tool + Equipment stores also have security cameras throughout the store that not only monitor for shoplifting but also collect data, including customer traffic counts as compared with sales transactions, which helps measure the success of merchandising.

Although supermarkets generally sell neither big-ticket nor high-tech merchandise, they are particularly vulnerable to shoplifters because their profit margin is so small.

Shoplifters tend to swipe commodities such as baby formula, analgesics, pregnancy tests and teeth-whitening strips. A major threat is organized retail theft, says Mark Gaudette, director of loss prevention for the supermarket chain Big Y, headquartered in Springfield, Mass. "Kids stealing candy bars — that's not the problem," he says.

To prevent pros, or their down-on-their-luck hirelings, from snatching the entire stock of baby formula, Big Y merchandises formula in click racks, which allow customers to remove only one container at a time, and each removal causes an attention-drawing clicking sound.

However, supermarkets' and mass merchants' biggest threat is theft from their own employees. According to the 2007 National Retail Security Survey, 44.5% of the \$34.3 billion worth of retail theft is committed by employees, compared to 34.5% by shoplifters, which means employee theft at retail stores is nearly 30% more prevalent. (See sidebar for more on employee theft.)

Looking forward, MTF's Goldberg predicts that loss-prevention systems will soon go wireless, likely with the aid of RFID tagging. Products won't be tethered or otherwise physically secured, he says, but customers will only be allowed to handle them in proximity to a display. If they take a product out of bounds, an alarm will sound.