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Shoplifting: the five finger discount

Retail shrinkage due to shoplifting has a very high incidence rate. It is the most common reason for shrinkage. It is although, preventable. A look at how it can be checked.

Tags: Retail shrinkage, Shoplifting, Kumar Vembu, GoFrugal, Manu Neelakandhan, Idiom, Store layout, surveillance, train staff for deterring shoplifting.

BY [JASMEET SAHI](#) | COMMENTS (0) | ★★★★★



The thrill that comes from getting something for free is what is at the base of a shoplifter's instinct. To steal and not be caught for it only encourages the shoplifter to come again and again, leading thereby, to a high percentage of shrinkage of merchandise. To turn a blind eye or be ignorant of ways to counter shoplifting can spell doom for the retailer.

Prevention is better than cure

A retailer's primary responsibility towards himself and his consumers is making merchandise available at all times, protecting inventory and ensuring that theft does not go unchecked. Apprehending shoplifters and prosecuting them may set a good example but can become a source of embarrassment for other shoppers and the retailer as it raises negative publicity. Prevention of shoplifting, in order to avoid embarrassment in the event of an apprehension is what a business owner must aim to work out. Technology can come to the rescue in matter of surveillance and theft check. Kumar Vembu, CEO, GoFrugal says, "There are three aspects to control shrinkage. The first one is deploying solutions like EAS or RFID tags, as applicable, to track and control pilferage from the store. These can be integrated with the store management solutions. The second aspect is implementing the best practices in physical inventory audit like cycle counting and doing a periodic physical inventory to measure the pilferage, identifying the reason for pilferage and taking corrective measures. The third and most important aspect is to make each person in the retail operation responsible and accountable for the pilferage and make sure they are part of achieving and maintaining low pilferage levels. Making sure the best practices are recognised and rewarded so that every staff is focused on lowering the pilferage." Deterring a shoplifter is the best-in-class practice that a retailer can adopt.

What retailers can do

Surveillance: Privacy and unmanned corners are what most shoplifters are looking out for. Picking up products and hiding them under a dress or in a large coat are common techniques employed by shoplifters. Trained staff who are forewarned are the best bet to tackle this. A retailer should invest in training her/his salespeople to always be on the look out for pilferers. A reward/incentive for averting shoplifting can be announced during company meetings. Having your staff greet and meet the customers is a good deterrent. Shoplifters are not looking for attention; therefore if they receive it, they refrain from stealing. "There are also technologies like EAS, RFID tags, CCTV / Network Camera, Video Management etc. that provide enhanced security," adds Vembu.

Store Layout: The store layout and lighting are key elements in encouraging a theft. Dark corners, confusing rows, merchandise placed in disarray and without EAS tags are the bait that shoplifters seek out. Store owners should ensure racks and rows for merchandise are not shabbily stocked, clothes hangers are placed at a good distance so as to dissuade a shoplifter from grabbing two-three apparels and pretending that they have taken only two. A retail design of the store although, cannot as such deter shoplifters, but a sensibly open and minimalist design can enhance manual surveillance. Manu Neelakandhan, Design Director, Idiom says, "We always wish a layout or store design change could help reduce shrinkage. It is a common practice to keep small and high value open merchandise in close proximity to cash or within visual surveillance. Use of surveillance technology is increasing too. Unfortunately its contribution towards checking the loss is minimal."

In conclusion, preventing shoplifters is not a daunting task provided the retailer has the appropriate technology, trained staff and systems in place. Prevention, as is known, is always better than cure.

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