



MEDIA RELEASE

Thursday, 10 November 2005

Australian retailers need to get serious about shop stealing - Loss prevention specialists put thieves under the spot light

In the current global environment of heightened security awareness, Director of loss prevention specialists Charter Resources, Mike Ramsay, believes small to medium business should get serious about implementing security measures to fight shop stealing.

At the recent National Retail Forum Loss Prevention Day Ramsay drew upon his 20 years of practical experience in his presentation 'Dealing with Professional Shop Stealing', stressing the lack of unity amongst retailers to combat shop stealing.

"Australia's minimal research into retail theft is an indication of the lack of significance assigned to loss prevention by the retail business community, especially when compared to the level of attention given to this issue in Europe," Ramsay said.

While accurate figures as to the cost of retail theft are difficult to come by, what is known is at least 45 percent of Australian and New Zealand organisations believe they have been the victims of fraud during the past three years, with small to medium sized businesses the most vulnerable to professional shop stealing*.

"Australia's rate of shrinkage – 1.5 percent in the retail sector – is not addressed as a loss prevention issue because most retailers automatically write-off 2 percent of their budget to shrinkage," Ramsay said.

"Retailers need to bring shop stealing onto their business agenda by putting measures in place to enable them to report all incidences of theft - simply writing off shrinkage is ignoring the epidemic of professional shop stealing," he said.

Typically, responses to professional shop stealing include installing electronic security equipment, employing security officers, police intervention and prosecution.

And although security cameras also play a vital role in identifying criminals – as exemplified in the recent London terrorist attacks – they are often viewed as an unaffordable expense by retailers.

However, Ramsay suggests ways for retailers to make the most out of installing security cameras.

"Not only do security cameras play a vital role in identifying professional shop stealers, they also help maintenance personnel identify areas of concern and assist marketers to assess shop traffic flow. The monitors can even be used as display boards for flash advertising," Ramsay said.

Quoting the adage 'Prevention is better than cure', Ramsay points to Charter Resources' research findings which show 70 percent of retail outlets' security equipment is out of date or malfunctioning, and few security officers are specifically trained in loss prevention.

"To add insult to injury, 80 percent of police surveyed admit attending the scene to stop a shop lifter is very low on their priority list," Ramsay said.

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"In most cases prosecution of thieves will end up costing more than the theft itself which is why retailers need to prevent professional shop stealing rather than punish it," he said.

KPMG Forensic Executive Director Dean Newlan agrees retailers need to take a more proactive approach to loss prevention and warns the most common precursor to fraud is when staff are able to override internal control measures.

The KPMG's 2004 Fraud Survey discovered training staff in how to prevent and identify fraud is the most common way of detecting fraudsters and professional shop stealers. Newlan believes only 39 percent of the surveys participants were implementing staff training as the most cost effective means of reducing fraud.

"Best practice is to embed loss prevention into every facet of the retail business process. Loss prevention is an outcome of the entire process, not just one part of the process," Newlan said.

National security company Charter Resources are Australia's retail loss prevention specialists, providing a complete range of technical and operational, loss-prevention and security solutions for organisations including Colorado, Country Road, JB HiFi, Borders Books, Crazy John's and Angus & Robertson.

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