

## Packaging that discourages shoplifting

### Securing products through visible and invisible means

**Packaging plays an increasingly important role in fighting shoplifting. Each year, the distribution sector loses 1.25% of its turnover to shoplifters. That is enough to warrant investment in more secure types of packaging that integrate modern technologies. Visible and invisible innovations make life increasingly difficult for thieves.**

prevent pack

#### A hundred shoplifters a day

Every year, shops catch about 35.000 shoplifters in Belgium and Luxembourg. In 2007, these thefts accounted for a shortfall in earnings of 656 million euros, which represents more than one percent of the distribution sector's turnover. On top of that, shop owners spend over 200 million euros a year to fight shoplifting. In total, the cost of shoplifting for the sector exceeds 800 million euros annually. This cost eats into the profit margin of shops and in most cases is passed onto consumers through

increased prices.

A British study carried out by Check Point Europe reveals some details. Customers account for 65% of the thefts. Shop personnel are guilty in 31% of the cases. In addition, 4% of thefts are committed by external collaborators — particularly supplier staff who have access to commercial infrastructures.

#### The deterrent role of packaging

Packaging plays an important role in fighting shoplifting. Certain types of packaging, such as blisters, intentionally make it difficult to open. This avoids the product being easily removed from its packaging in the store or warehouse. Other types of

packaging are excessively large compared to the size of the actual product in order to make their theft easier to notice. To help prevent theft by staff, certain suppliers wrap their pallets in black film to make the products less visible.

good to remember

Shoplifted products cost the **European distribution sector almost 30 billion euros a year**. They cost the sector in Belgium and Luxembourg over 800 million euros. This cost is passed onto consumers one way or another.

**Two thirds of the thefts are carried out by customers, another third by shop personnel.**

Packaging can **deter thefts (blisters that are difficult to open, oversized packaging, et cetera)**. Some shops use reusable cases that are removed by the cashier..

The distribution sector is investing in invisible safety systems (such as RFID). These enable a **reduction in certain packaging elements** previously dedicated to fighting shoplifting.

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### Most stolen products in European retail stores

- |                     |                       |
|---------------------|-----------------------|
| 1 Alcohol           | 6 DVDs/CDs            |
| 2 Cosmetic products | 7 Children's clothing |
| 3 Women's clothing  | 8 Accessories         |
| 4 Perfumes          | 9 Luxury clothing     |
| 5 Razor blades      | 10 Delicatessen       |

*In Europe, shoplifters primarily target expensive goods, and brands.*

### Technology that secures at the source

An even more efficient system is to integrate a form of technological security into the packaging. The manufacturer integrates a protective element, such as a chip or a sticker, during the packaging process. This invisible device is impossible to remove and generates an alarm at the exit of a shop if it is not scanned at the cashier. These new 'microscopic' technologies enable the reduction of certain packaging elements previously used to fight shoplifting. The distribution sector and security companies are currently preparing a joint action plan and recommendations to spread this technology. The target is to achieve a wide deployment of this type of protection, particularly for products that are most subject to shoplifting.

### Developing electronic surveillance

European retailers continue to look for new integrated security methods to fight shoplifting. In 2006, they invested around 8 billion euros in the development of secure solutions. There is indeed a direct relation between increased investments in protection and reduced financial losses related to theft. The use of Electric Article Surveillance (EAS) is developing rapidly. Such devices are installed by the supplier to protect a product at all stages of the distribution chain. Radio Frequency Identification (RFID), which is invisible to consumers, is one example of EAS.



### For additional information :

- Global Retail Theft Barometer (GRTB) carried out by Check Point Europe: <http://www.checkpointeurope.com>
- Belgian federation of retailers (COMEOS) – <http://www.comeos.be>