

**THE NATURE AND EXTENT OF
SHOPLIFTING AND THE
IDENTIFICATION OF
STRATEGIES TO CONTROL IT**

R. GILDENHUYS

**THE NATURE AND EXTENT OF SHOPLIFTING
AND THE IDENTIFICATION OF STRATEGIES
TO CONTROL IT**

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by

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5. My family for their continual support and encouragement throughout my period of study.

RONEL GILDENHUYS

OCTOBER 1999

DECLARATION

I declare that:

**“THE NATURE AND EXTENT OF SHOPLIFTING AND THE
IDENTIFICATION OF STRATEGIES TO CONTROL IT”**

is my own work, that all the sources used or quoted have been indicated and acknowledged by means of complete references, and that this dissertation was not previously submitted by me for a degree at another university.

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Prof. P.F. Venter
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Dear Professor Venter

Editing of dissertation for Ronel Gildenhuys.

This letter serves as confirmation of the fact that I was the editor of Mrs Gildenhuys's dissertation. It is difficult to enumerate the changes that I made, but in general I limited these to South Africanizing some of the (American) terms used in the dissertation - and to grammatical problems such as concord, malapropism, and (in a few cases) expanding contracted ideas into more explicit explanations of these.

The original that I received from Mrs Gildenhuys was in no way substantially altered by me: the changes that I made were all to do with expression, and not with the substance of the dissertation.

Please feel free to contact me at the above address.

Yours faithfully

J. A. Goedhals

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CHAPTER ONE

OBJECTIVES AND SCOPE OF THE STUDY

Chapter 1 is an introduction to the whole dissertation. Discussion in this chapter focuses on matters such as the problem to be examined, the demarcation of the field of study, and the research methodology.

1.1 INTRODUCTION

Shoplifting may be called a communicable crime which is often imparted by the shopkeeper to the shoplifter. Walk into any shop whose open shelves and counters are filled to overflowing with desirable and tempting merchandise: it suggests the shopkeeper's subliminal message of "help yourself". However, it is a condition easily - and successfully - ignored by some who understand only the idea of "something for nothing". (Farrel, 1988:1). The use of the term "shoplifting" is unfortunate because it softens the act in the offender's mind, and in the public's perception. It furthermore reduces the criminal offence of theft and makes the shoplifter out to be something less than a criminal because it is only the avaricious retailer who is the victim. (Sennewald & Christman, 1992:3.)

To compensate for losses the retailer may be forced to increase prices - which may render the retailer uncompetitive. According to Naudé (1991:30) retail prices can drop by as much as 20 per cent if shoplifting is controlled effectively. Uncontrolled losses will escalate to the point where the organization simply goes out of business because of the erosion of profit which originates in the failure to control losses (Jones, 1990:1).

Shoplifting may be divided into two categories: customer shoplifting and employee theft. Employee theft is perceived by many to be the most severe problem facing retail organizations today. People think of theft and abuse in organizations as being isolated acts, unfortunately this is untrue. It is also not true that most employees caught stealing take *inexpensive* items such as pens, pencils and paperclips. Every year employees are caught stealing from employers and co-workers. (Hayes, 1998:Internet).

Psychology is a science which can help us to understand, and solve, many of life's problems. Shoplifting, a crime with far-reaching implications, involves psychology in attempts to define deviant behaviour. Research has shown that law-enforcement agencies struggle to control shoplifting by arresting, punishing, and attempting to rehabilitate offenders. The retail organization approaches shoplifting primarily from the standpoint of economics. (Farrel, 1985:1.)

The term shoplifting refers to a rather specific and narrow category of larceny. It is best defined as an act of theft from a retailer committed, during the hours that the store is open to the public, by a person who is - or appears to be - a legitimate customer. Retail employees who steal from employers, vendor representatives who pilfer goods while in the store to restock shelves, and potential customers who hide in the rest-room just before the store closes, in preparation for burglarizing it later, are also shoplifting. Shoplifters fall into two categories, although the distinction between the two sometimes becomes blurred. People shoplifting are either professional shoplifters or amateurs. The motivation for stealing is the determinative factor that places the shoplifter in one or the other category. At the risk of oversimplification, the professional shoplifter's motive is income; that is, the professional shoplifter steals for a living. Those who steal for any other reason are normally categorized as amateurs (see Chapter Two). (Sennewald & Christman, 1992:7.)

According to Baxter (1996:6) shoplifters may work alone, or in groups. While it is impossible to give an infallible rule of thumb, experience has shown that professional shoplifters tend to work in groups, while the amateur shoplifter is a loner. Shoplifters do not like crowds, and usually keep a sharp eye open for other customers or store personnel. Shoplifters also tend to “shop” during hours when there are fewer shop assistants than usual - during lunch breaks, in the early mornings, or just before closing. There are a number of techniques used in shoplifting. Professional shoplifters are skilled practitioners; some employ special devices to assist in stealing. The amateur shoplifter, although crude in technique, represents the majority of shoplifters and causes huge losses to retail companies. (Purpura, 1984:361). The *modus operandi* of the shoplifter, as well as the motives behind shoplifting, will be focussed on in Chapter Two.

According to Jones (1990:1) it is essential that owners and managers of retail organizations - as well as security operatives - realize that losses do not originate from one single cause. In fact, losses can accumulate from all areas of activity, and it is therefore necessary to evaluate precisely the causes and avenues of the losses before efforts can be made to eradicate them, or at least reduce losses to reasonable levels. Retailers and security practitioners have been trying to do this for many years, but it is unlikely that losses can ever be totally eliminated within the content of existing retail organizations.

The retailer's time and money are better spent in preventing crime than in prosecuting criminals. The field of loss-prevention is expanding in many new areas of expertise. With the advent of closed-circuit television cameras, colour monitors, register monitoring, smaller two-way radios, and two-way mirrors, to name only a few technologies, loss prevention has moved from “security” to “asset protection” in the truest sense. (Hamilton, 1996:Internet.)

The research will focus on the nature and extent of customer shoplifting, as well as on

employee theft. It will also identify strategies to control customer shoplifting and employee theft (see Chapter Three).

According to Keenan (1999:16) organizations that keep shrinkage down (as Pick 'n Pay) or manage it downwards (as Clicks has) can significantly increase profits. Shrinkage of up to two per cent in general retail is quite feasible, but with food a retailer would not want to stray over one per cent. Even smart retailers battle to break through the three per cent trading income margin level. So one per cent stolen means a third off profit. Stores do not want to be seen as an easy target - and admitting to theft of above one per cent smacks of slack management control.

Whilst shrinkage is theft, plain and simple, there *is* a funny side to it - though retailers would, undoubtedly, not find any theft amusing. Stories abound of pregnant women suddenly giving birth to a dozen frozen chickens, or of a cowboy with a large hat that begins to bleed as the steak stuck under his hat begins to thaw. (Keenan, 1999:16).

1.2 OBJECTIVES OF THE STUDY

1.2.1 Primary objective

The primary objective of the study is to determine the nature and extent of shoplifting, and to identify strategies to control customer shoplifting and employee theft.

1.2.2 Secondary objectives

To help achieve the main objective of the study, the secondary objectives of this study are:

- ◆ to provide an overview of customer shoplifting and employee theft in order to

indicate the importance of having control over these things;

- ◆ to compare the experiences of retailers concerning customer shoplifting and employee theft;
- ◆ to compare the different methods used by retailers to combat customer shoplifting and employee theft;
- ◆ to evaluate the actual rate of success in controlling customer shoplifting and employee theft;
- ◆ to determine whether it is customer shoplifting or employee theft that accounts for the biggest losses; and
- ◆ to determine the extent, to which retailers increase prices to offset losses.

1.3 DEMARCATION OF THE FIELD OF STUDY

The population examined in this study was restricted to business organizations in the Welkom area (including Riebeeckstad), (see Annexe A on page 102). These organizations include those in the formal retail industry with a turnover of more than one million rand per annum (see Annexe B on page 105). The selection was made for the following reasons:

- ◆ the retail organizations were easily accessible;
- ◆ costs involved in the study were low; and
- ◆ less time needed to be spent on fieldwork as the researcher was close to the organizations.

1.4 RESEARCH METHODOLOGY

This research has been conducted along the lines of using the research process discussed by Kinnear and Taylor (1991:64-66), as a foundation for providing information. Kinnear and Taylor (1991:6) define marketing research as the systematic and objective approach to the development and provision of information for the decision-making process.

Parasuraman (1991:128-129) differentiates between exploratory and descriptive research. Exploratory research intends to develop initial insights, and provides direction for any further research needed. It also includes literature reviews, experience surveys, and focus groups. Descriptive research, on the other hand, intends to verify insights, and aids decision-makers in selecting a course of action.

Kinnear and Taylor (1991:7) classify research as being basic or applied in nature. Basic research seeks to extend the boundaries of knowledge. In contrast, applied research is concerned with assisting managers in making better decisions. Such research is directed towards an organization's specific situation, and is guided by the requirements of the decision-making process.

Depending on the research to be done, qualitative or quantitative methods can be used to carry it out. According to Westell (1992:179) all studies fall into one of the two categories. The difference lies in the number of respondents and in the amount of detail in the questioning sequence. Data collection for qualitative studies usually takes one of several forms - most often a series of one-on-one, in-depth interviews which last from thirty minutes to an hour, or a two-hour focus group discussion facilitated by a moderator. Quantitative research tends to involve some form of set questionnaire, as well as a much larger group of respondents.

The research done in this study is applied in nature, and qualitative research methods were used to obtain information. This aspect of the study is discussed in more detail in Chapter Four. Figure 1.1 sets out the framework for the research process used.

FIGURE 1.1 STEPS IN THE RESEARCH PROCESS

1.	Establish the need for information
2.	Specify research objectives and information needs
3.	Determine research design and sources of data
4.	Develop the data collection procedure
5.	Design the sample
6.	Collect the data
7.	Process the data
8.	Analyze the data
9.	Present the research results

Source: Kinnear & Taylor, (1991:62)

1.4.1 The literature study

The formal literature on shoplifting was studied in order to provide a sound base in to the theoretical and contemporary approaches to the subject.

Useful information was obtained from various publications such as textbooks, journals, the Internet, articles, and previous studies on the subject. Information which was not obtainable from publications, but which was relevant to the study was gathered through the use of questionnaires directed at the target group of the research.

1.4.2 Empirical research

A questionnaire was developed which was directed at the target group of this study. The researcher held personal interviews with respondents: these lasted from an hour to ninety minutes. The questions relevant to this study were selected and adjusted. The contents of the questionnaire was evaluated specifically in terms of non-ambiguity, relevance, general validity and interpretation. Every precaution was taken to ensure that the questions were properly understood and that good quality answers were obtained.

1.5 HYPOTHESIS IN RESPECT OF THE RESEARCH ISSUES

In view of the exploratory nature of this study, an hypothesis was not formulated. The emphasis of the study is on investigating the nature and extent of shoplifting, as well as on looking at strategies that can be used to control it, and identify problem areas. The study does all of these things rather than confirm previously proven views on the subject.

1.6 DIVISION OF CHAPTERS

The dissertation is divided into six chapters, as follows:

Chapter One: This chapter is an introduction to the whole dissertation. Discussion in this chapter focuses on matters such as the problem to be examined in the study, objectives, the demarcation of the field of study, and the research methodology.

Chapter Two: This chapter focuses on the nature and extent of shoplifting. The purpose here is to find the reasons and motivations of shoplifters as well as to consider the extent of the problem being dealt with, so as to identify future actions to solve it.

Chapter Three: This chapter identifies strategies to control customer shoplifting and employee theft.

Chapter Four: The purpose of this chapter is to provide information regarding the nature and scope of the empirical research methodology adopted in the study.

Chapter Five: The findings of the empirical research are discussed in this chapter.

Chapter Six: This is the final chapter in which conclusions are reached and recommendations made, where necessary.

1.7 TERMINOLOGY

The terms listed below, which are all used in the study, need to be clarified in order to eliminate possible confusion.

- ◆ *Retailer*: According to Marx and van der Walt (1993:637), the retailer is regarded as the link between the producer and final consumer. The retailer is the last link in the distribution chain connecting the producer and the consumer.
- ◆ *Social responsibility*: The retailer has a social responsibility towards the welfare of its own employees. Social responsibility means that the retailer will abstain from any action in conflict with current norms or moral or ethical standards. Contravention of the norms of *society* will result in consumer resistance. (Marx & van der Walt, 1993:637).
- ◆ *Shoplifting*: According to Naudé (1976:16) shoplifting refers to the wrongful taking on merchandise (which is held by the retailer), by customers or employees with the intent to deprive the retailer of possession.
- ◆ *Strategies*: A strategy is the broad programme for achieving an organization's objectives and thus implementing its mission. A strategy creates a unified direction for the organization in terms of its many objectives, and it guides the deployment of the resources used to move the organization towards those objectives. (Stoner, 1982:101).
- ◆ *Nature*: According to *The New Elizabethan Reference Dictionary* (1958:964), nature is the essential qualities of anything.

- ◆ *Extent: The New Elizabethan Reference Dictionary (1958:507)*, defines extent as the dimension or degree of the subject.

1.8 GENERAL

- ◆ Annexes are provided at the back of the dissertation.
- ◆ The Harvard method for references is used.
- ◆ Tables and Figures are used on relevant places in the dissertation.
- ◆ Where the “Source” (under Tables and Figures) is not indicated, it must be seen as “Own research”.

CHAPTER TWO

THE NATURE AND EXTENT OF SHOPLIFTING

This chapter focuses on the nature and extent of shoplifting. The purpose is to identify the reasons and motivations behind shoplifting as well as to consider the extent of the problem so as to identify future solutions to it.

2.1 INTRODUCTION

“The incidence of shoplifting is so widespread that one must give serious consideration to the possibility that it is a product of characteristics that are allied to, or are part of, the basic essence of human nature” (Meyer, 1970:295).

Shoplifting has become a major problem that requires serious study and consistent, positive action in order to counteract it. In some areas shoplifting alone makes all the difference between a profitable and an unprofitable retail organization. Why do so many people steal? One observation is that the urge to get something for nothing lies just below the surface of all human beings. Couple this fact with the availability and utility of merchandise, and with the relative privacy that the potential shoplifter can enjoy these days in shops, and the combination produces losses that constitute a staggering blow to profits. (Rogers, 1981:1.)

Shoplifting is everybody's problem. Annual losses in retail organizations from theft of merchandise by customers and employees runs into millions of rand. Since retail prices must be adjusted to cover such losses, law abiding people end up paying a tariff imposed on them

by shoplifters, as these losses are shared by the organization, its customers - and you. (National Retail Merchants Association, 1969:1.)

No retail organization is immune to this problem, although some *are* more vulnerable than others. The impersonality of a retail organization makes it an acceptable target to many. A person who would never dream of breaking into a private house, may not have any scruples when it comes to taking an item from a supermarket.

A youngster caught shoplifting in a department store said: "All my friends do it, it was a dare, but it's not like stealing, is it?" Shoplifting is theft, and must be seen to be as socially unacceptable as any other form of dishonesty. (Bond, 1987:380.)

In the retail trade the terms used for "theft" are so technical that they disguises the horrific impact of the damage that it causes. Whether "shrinkage" or "stock deficiency", these euphemisms boil down to the fact that retailers do not have the full extent of the stock which their books reflect. Accurate averages for stock losses are not readily available because of the differing definitions of "shrinkage". Reserve Bank consumer spending figures on food and semi-durables suggest that South African retailers lost some R700 million in 1989 - through shrinkage. (Kilalea, 1990:24.)

According to Naudé (1976:28) shrinkage can be calculated by ascertaining the difference between the retail price of merchandise and the actual amount realized on the sale. In analyzing the difference Naudé found that shoplifting is only one of many elements when calculating shrinkage losses. These elements are listed as:

- ◆ theft by customers;
- ◆ theft by staff;

- ◆ damaged stock;
- ◆ write-offs due to unsaleable stock;
- ◆ accounting errors;
- ◆ faulty cost and management accounting;
- ◆ faulty stocktaking;
- ◆ mistakes at the cash register; and
- ◆ perishable stock.

This study will, however, concentrate only on two major causes of stock loss within the retail organization - *employee theft* and *shoplifting by customers*. It is therefore necessary to look at who does it, why it is done, what happens, and when it takes place before any recommendations regarding the problem can be made. According to the Quarterly Crime report (1998:Internet) (see Table 2.1 below), shoplifting is a problem in all of the provinces. This study is limited, however, to the problem in the Free State, and Welkom specifically.

Table 2.1 is a break-down of the reported shoplifting cases in all the provinces. The shoplifting figures presented on the next page are for customer and employee theft.

TABLE 2.1 REPORTED SHOPLIFTING CASES

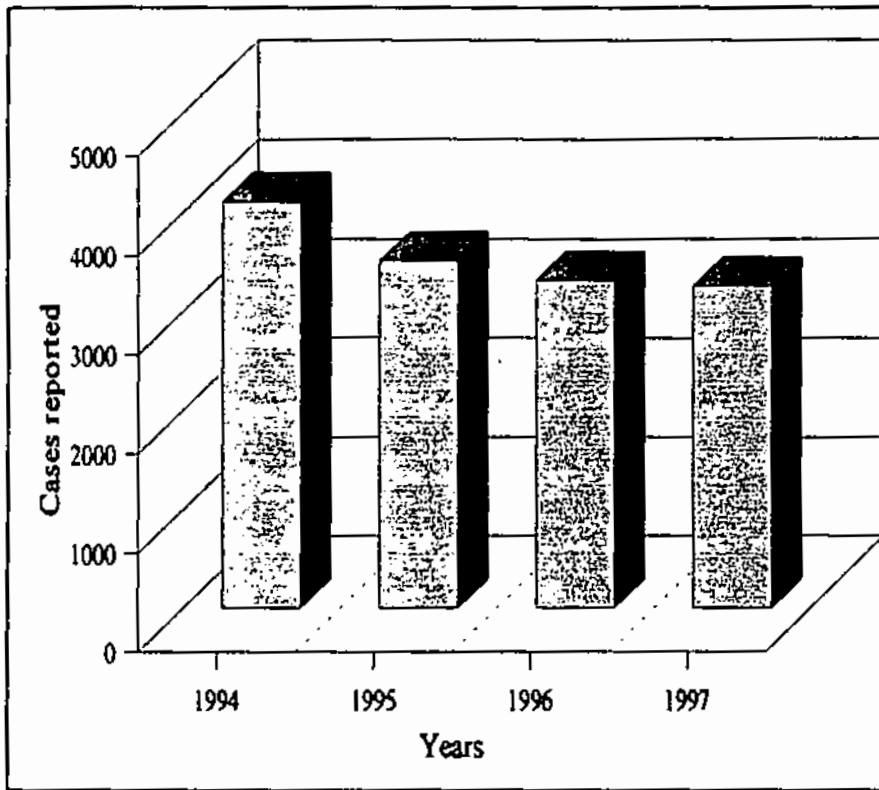
AREA		CASES REPORTED : JAN - SEP				
		1994	1995	1996	1997	% Increase (Decrease)
Shoplifting	Eastern Cape	7096	5833	6390	7147	12
	Free State	4111	3514	3320	3263	(2)
	Gauteng	11935	11425	10836	11482	6
	Kwazulu-Natal	8798	8841	9091	9236	2
	Mpumalanga	3324	3458	3379	2994	(11)
	North West Province	2292	2161	2326	2095	(10)
	Northern Cape	1978	1764	1711	1479	(14)
	Northern Province	2501	2067	2238	2538	13
	Western Cape	8123	7255	6792	7483	10
	TOTAL	50158	46318	46083	47717	4

Source: Adapted from Quarterly Crime report, (1998:Internet)

According to Table 2.1 it can be seen that there is an increase of four per cent in the reported shoplifting cases from 1996 to 1997. Northern Province shows the highest percentage increase of 13 per cent, followed by the Eastern Cape with twelve per cent and the Western Cape with ten per cent. The Free State, however, shows a decrease of two per cent in the reported shoplifting cases.

Figure 2.1 is an illustration of the reported shoplifting cases in the *Free State* and is presented on the next page.

FIGURE 2.1 REPORTED SHOPLIFTING CASES (FREE STATE)



Source: Quarterly Crime report, (1998:Internet)

The reported shoplifting cases in the Free State shows a decrease of two per cent from 1996 to 1997. This study, however, concentrates on the Welkom area (including Riebeeckstad). For the period 1997 to 1998 Table 2.2 shows an increase of three per cent in the reported shoplifting cases in the Welkom area.

In a personal interview, Captain A. Dippenaar (1999:Personal interview) of the Welkom Police said that shoplifting is considered to be a very serious crime in Welkom, as can be seen from Table 2.2 on the next page.

Table 2.2 is presented on the next page.

TABLE 2.2 REPORTED SHOPLIFTING CASES IN WELKOM

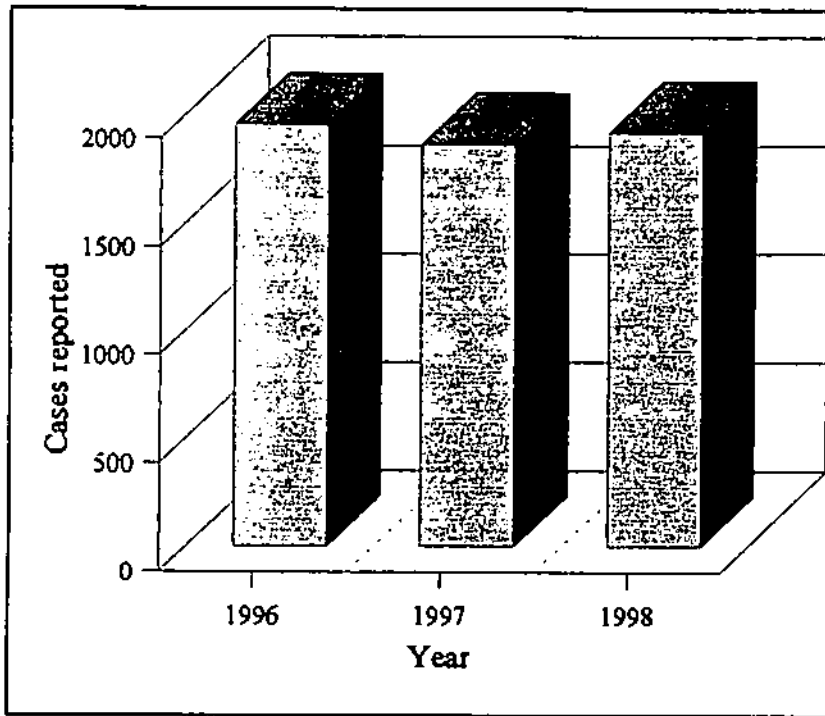
Month:	1996	1997	1998	% of Total
January	142	134	122	6
February	169	150	160	8
March	176	128	121	6
April	160	152	124	6
May	168	159	147	8
June	177	129	143	7
July	171	187	159	8
August	168	196	190	10
September	152	171	183	10
October	150	168	158	8
November	160	147	199	11
December	156	140	208	12
TOTAL	1949	1861	1914	100

Source: Dippenaar (1999:Personal interview)

As can be seen from Table 2.2, the reported shoplifting cases in Welkom shows a three per cent increase from 1997 to 1998. During November 1998, eleven per cent of the year's shoplifting cases were reported and twelve per cent during December. This is an indication of an increase during the festive season. See Chapter Five (Figure 5.6) for a graphical illustration of these figures.

Figure 2.2 is presented on the next page.

FIGURE 2.2 REPORTED SHOPLIFTING CASES IN WELKOM



Source: Dippenaar (1999:Personal interview)

As a result of the fact that customer shoplifting figures as well as employee theft figures, are tied up with inventory shrinkage, which - as we have seen - can have several causes, it is impossible for retailers to calculate accurate figures for those two elements in isolation.

This is further aggravated by the fact that no retail organization can ever assess the full extent of customer shoplifting and employee theft - not even if it keeps proper records of every apprehended shoplifter (something which is seldom done). This fact arises out of several random studies undertaken in America to gauge the incidence of undetected shoplifting. (Naudé, 1976:31.)

2.2 THEFT BY CUSTOMERS

Shoplifting is a peculiar sort of crime because it is an uninsurable risk as opposed to burglary. This is largely because it is impossible to determine exactly how much of any stock shrinkage can be attributed to actual theft. It is furthermore peculiar because nobody knows whether it is a need, or a greed, or something entirely different that tempts millions of people to steal from retailers each year. The vast majority of adult offenders have no idea of how, or why, they become thieves. Nor do they understand why they continue to shoplift, even after getting caught. (Berlin, 1996:1.) By looking at the different categories and motivations of shoplifters, one can attempt to clear up some of these uncertainties.

2.2.1 The categories of shoplifters and what motivates them

Rogers (1981:3) is of the opinion that shoplifters can be grouped as follow:

- ◆ *The Amateur Adult Shoplifter* gives in to sudden temptations. This theft reflects a genuine need for the item, although the amateur is usually quite self-conscious and nervous. Given time, the amateur shoplifter can become as skilled as a professional shoplifter. The distinguishing difference between the amateur and the professional thief is that the former shoplifts for personal use, while the latter shoplifts to sell the goods for a profit (Purpura, 1984:356).

- ◆ *The Juvenile Shoplifter* takes small luxury items for his or her own use. The juvenile shoplifts as a “dare”, or in order “to belong” to a group and may range in age down to pre-school. According to crime statistics for 1987/88 children under the age of 17 accounted for 39 per cent of shoplifters (Naudé, 1990:567).

- ◆ *The Professional Shoplifter* is usually talkative, polite and deliberate. This shoplifter makes a career of theft and takes pride in his or her skill, having no desire to reform. When shoplifting, the professional shoplifter does not take many chances and likes to take valuable merchandise for re-sale. Professional shoplifters usually have a long record of arrests.

- ◆ *The Kleptomaniac* takes items without regard to their value or usefulness and steals compulsively, often, and openly. Repetition of this behaviour may occur even after several apprehensions.

- ◆ *The Shoplifter-Addict* is a drug addict-turned-shoplifter, and the most dangerous to apprehend because of his or her desperate need for money and fear of imprisonment. This shoplifter takes big chances, snatches merchandise, makes a quick getaway, is dangerous to handle, and is often violent.

- ◆ *The Vagrant and the Alcoholic Shoplifter* usually steals out of need while under the influence of liquor. This shoplifter often has a police record and is easy to spot because of his or her dishevelled appearance.

There is no such thing as a “typical” shoplifter (Taylor, 1979:21). Thieves - be they male or female - come in all sizes, shapes, ages, religions, colours, and from all sorts of family backgrounds. Taylor (1979:22) also categorizes shoplifters in the same way that Rogers (1981:3) does but goes on to say that amateur shoplifters are the primary concern since amateurs constitute 95 per cent of all shoplifters.

Another type of shoplifter can be added to the list: the “female shoplifter”. According to a top forensic psychiatrist this is one group of shoplifters whose activities have genuine

psychiatric connotations - for the female shoplifter it is undoubtedly a cry for help. (Paice, 1993:84.) It is clear to see from the above categories that shoplifters are clever, cunning and daring criminals who feast like parasites on retailers and honest shoppers. This is a feast which can, and should, be turned into a famine. (Farrell, 1985:20.)

According to Rogers (1981:12) shoplifters work in groups. Ways in which accomplices facilitate shoplifting include:

- ◆ Standing as a shield; acting as a lookout.
- ◆ Engaging the attention of the salesperson while the “husband” or “wife” strolls about the store.
- ◆ Moving high-value merchandise to another rack which is easier to steal from and more remote from salespeople.
- ◆ Holding the pilfered merchandise. Transferring stolen items to a confederate is an old dodge that is still all too successful.
- ◆ Creating a disturbance. This can range from the man who accompanies his wife to noisy disturbances by gangs or teenagers. Besides their usefulness for shoplifting, disturbances are also used to cloak thefts from cash registers.
- ◆ The “unseen” confederate. The customer who attracts suspicion and, hence, attention, or who takes a lot of waiting on, may be giving a confederate a chance to get away with valuable merchandise. Fainting and falling are other ruses that fit into this category.

According to Berlin (1996:Internet), to most shoplifters getting something for nothing is like receiving a “gift” - which in turn gives the shoplifter a “lift”. Many people need a “lift” just to get through the week, or even the day. It is important to understand that getting something for nothing always represents something more to the shoplifter than merely the value of the merchandise. It can signify any of the following things:

- ◆ It is a substitute for a loss in which the shoplifter is unfairly deprived in some way: a divorce situation, a serious illness, the death of a loved one, for example.
- ◆ It is a justified payback in the eyes of the shoplifter for everything that he or she has given to others in return for little.
- ◆ It is a relief mechanism for anxiety, frustration, boredom, or depression.

Several studies have found diagnosed depression to exist in approximately 33 per cent of the shoplifters studied. Depression was the most frequently found psychological problem. This helps to explain why so many shoplifters steal from retail organizations on birthdays and around holiday times. (Berlin, 1996:Internet.)

Although there is a need for additional research into the problem of shoplifting, the literature at this time presents some contradictions regarding the reasons given for stealing - as well as interesting findings - that can be utilized in anti-shoplifting programmes as well as to provide directions for future research. (Purpura, 1984:358.)

2.2.2 What is stolen

In a study done in the United States of America, Hayes (1998:Internet) indicates that

nationally the most frequently stolen items (of those confiscated from shoplifters, that is) are tobacco products, athletics shoes, brand-name apparel, designer jeans, health and beauty aids, videos, and compact discs. It is well documented that shoplifters target merchandise either for their own consumption or for quick conversion to cash. Thus, the items most frequently stolen tend to be expensive and in great demand.

According to Naudé (1990:568) the following generalizations can be made from a South African study:

- ◆ children between 7 and 17 steal clothing;
- ◆ young adults between the ages of 18 and 20 focus on cosmetics and toiletries; and
- ◆ pensioners are just interested in stealing food.

The departments which suffer most frequently from shoplifting are set out in Table 2.3.

TABLE 2.3 DEPARTMENTS AFFECTED BY SHOPLIFTING

DEPARTMENT	DESCRIPTION
Jewellery Cosmetics Compact discs Small leather goods	The first three are favourites of teenage shoplifters, who usually want things for personal use.

DEPARTMENT	DESCRIPTION
Sportswear Dresses Sweaters Blouses Teenage outerwear Men's furnishings	These things are the favourite targets of young thieves, but are well up, also, on the "wanted" list among shoplifters of all ages.
Lingerie Gloves Hosiery Handbags	These things are useful and often expensive accessories for all kinds of thieves.
Sporting goods Cameras and camera equipment Small electrical items Tools and other hardware items	These things are most often taken by male shoplifters and the professional thieves, but are attractive to many shoplifters.

Source: National Retail Merchants Association, (1969:4)

Clearly (1989:150) interviewed 1000 people in Travis County in Austin, Texas, who had been caught shoplifting. The items stolen were:

- ◆ cosmetics: 23 per cent;
- ◆ clothing: 17 per cent;
- ◆ miscellaneous: 16 per cent;

- ◆ food: 15 per cent;
- ◆ medicine: 13 per cent;
- ◆ tools and hardware: 11 per cent; and
- ◆ household products: 5 per cent.

Interestingly enough the study found that 88 per cent of the shoplifters had the money to pay for the items they stole.

2.2.3 Times during which shoplifting occurs

There are definite patterns to the times when shoplifting is most prevalent - the hours, days and seasons. Almost every detailed study of shoplifting finds that theft occurs mostly on Saturdays, followed by Fridays and Thursdays, with the least amount of theft on Tuesdays and Wednesdays. (Taylor, 1979:26.) Pitt (1976:52) suggests the possibility of a “broke shoplifter” who will more likely steal on any day of the week before payday.

The main reason why Saturday is the day on which most theft takes place is that it is the busiest day of the week, and shop assistants are usually too busy to notice shoplifting. Using the same logic the busiest time of the day will also indicate the highest incidence of shoplifting. According to Taylor (1979:26) who analysed 4000 shoplifting apprehensions, the statistical breakdown of the times during which theft occurs is as follows:

- ◆ between 14:00 and 18:00 - nearly half (47 per cent) of all thefts take place;

- ◆ after 18:00 - almost 30 per cent;
- ◆ between 12:00 and 14:00 - only 15 per cent; and
- ◆ before 12:00 - only 8 per cent.

There may be several reasons for this breakdown: working people shop during their lunch breaks; some women work only in the mornings; it is more common to take an afternoon off than a morning; and there is no schooling in the afternoon. The above data on hourly activity are probably a bit skewed as most stores in South Africa are not open around-the-clock and our trading hours differ from those in America. A typical local phenomenon is the so-called “last-minute rush” in which shoplifters take advantage of the great number of customers who rush in to buy that last little something before going home. (Pitt, 1976:53.)

When viewed on a monthly basis, March and December show the highest number of apprehensions - about ten per cent each. In contrast, January and September experience the lowest number of apprehensions - seven per cent for both months with the remaining eight months consistently in the eight per cent range. (Berlin, 1996:Internet.)

While the reason for the rise in apprehensions towards the latter part of the year may be due to sharpened security, most retailers are of the opinion that shoplifting *does* increase during the last three months of the year, and particularly in December. Being the festive season, together with the fact of long school vacations when many children are on the streets with nothing to do, there are simply more shoppers in the shops. (Pitt, 1976:51.)

Although the complete elimination of customer shoplifting is impossible, it can be controlled to a certain extent, provided that there is a close liaison between interested parties (including *all* sectors of commerce) and the public at large. In this respect the accent must be on

prevention rather than on detection, as it is less costly and more effective. (Naudé, 1976:189.)

2.3 THEFT BY EMPLOYEES

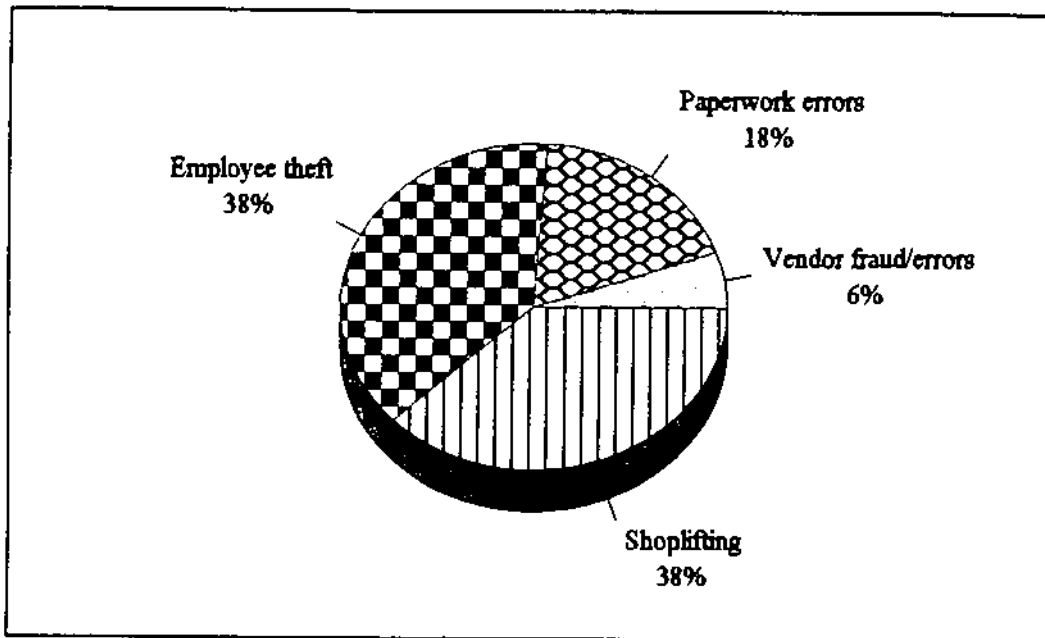
There can surely be little doubt that at any gathering of disgruntled employers one of the loudest and most commonly voiced complaints is that of employees who steal. The extent and scale of the problem is so vast as to be almost unquantifiable; and the incidence of theft by employees is so high that many employers budget specifically for this kind of loss. (Levy, 1991:50.)

According to Blickman (1996:1) employee theft is alleged to be the cause of one business in every three failing. The price-tag on employee theft is over \$120 billion a year. This is the estimated value of the equipment, material, cash, and other property stolen annually by employees from American employers. According to Blickman the American Management Association expects that this figure will increase annually at a rate of 15 per cent.

There are many aspects of employee dishonesty which are of great concern to the retailer. Dishonesty manifests itself as fraud, cash theft, or inventory theft (Purpura, 1984:127). The present research will focus only on the latter because of the direct relationship it bears to shoplifting. As can be seen from Figure 2.3, that, customer shoplifting and employee theft are the two main sources of shrinkage, and account for 76 per cent of this (Anon., 1993:11).

Figure 2.3 is presented on the next page.

FIGURE 2.3 SOURCES OF SHRINKAGE



Source: Anon., (1993:11)

2.3.1 Why do employees steal?

According to Purpura (1984:127) the two major reasons why employees steal are:

- ◆ Firstly, personal problems have a definite effect on job behaviour - excessive gambling, drug abuse, domestic discord, financial troubles, to name but a few that contribute to theft. To say that every employee who has such problems will steal is not realistic, but it *is* still a good idea for employer to be alert to these signs and suggest referral to professional help where necessary.
- ◆ Secondly, living in a society filled with crime makes the environment the strongest factor influencing internal theft. The media - which tend to dwell on negativity -

create false impression that stealing is the norm: people who do not steal are therefore the deviants, and are looked upon as outcasts. It is thus that theft becomes normal and honesty becomes abnormal. Employees observe managerial illegalities and then act similarly. Some managers feel that employee theft improves morale and makes boring jobs exciting.

When employees steal, a hotchpotch of rationalizations are adduced to relieve any guilty feelings. Purpura (1984:129) lists such rationalizations:

- ◆ Everybody does it.
- ◆ The company has a lot of money and so it will not be missed.
- ◆ It's a fringe benefit.
- ◆ The company is not paying me enough.
- ◆ If I don't steal, I'll be an outcast.
- ◆ Stealing will give me a chance to get back at the boss.
- ◆ Management expects it.

Since there is no fail-safe technique for recognizing the potentially dishonest employee on sight, it is important to try to gain some insight into the reasons why employees steal. There is no easy answer to the question of why previously honest men and women suddenly start to steal from employers. According to the theft triangle, theft - much like fire - occurs when

three elements are present: (1) motive, (2) desire, and (3) opportunity. (Fisher, 1989:166).

Motive is the reason why somebody steals. It can be the resentment of an employee who feels underpaid, or the vengefulness of an employee who has been passed over for promotion. Desire builds on motive when an employee imagines the satisfaction that would arise from a potential action. Opportunity is the absence of barriers that prevent someone from taking an item - and this is the responsibility of security operatives. A large percentage of employee thefts begin with opportunities that are regularly presented to the potential thief. If security systems are lax, or supervision indifferent, the temptation to steal may be too great to resist. Experts agree that the fear of discovery is the most important deterrent to internal theft. When the potential for discovery is eliminated, theft is bound to follow. (Fisher, 1989:167.)

The retail industry provides employment for all kinds of people. To some it is a lifelong career, and to others it is a step on the way up - or down. There is a constant turnover of personnel because of holiday build-ups, and changes in availability of temporary student workers. This flow of people into and out of retailing is the cause of some of the loss-related problems, because untrained people frequently make errors. Part of the internal theft problem is that retailing is a low-paying industry. People who are new and earn minimum wages are neither loyal nor sympathetic to companies. Today, more employees than ever before are stealing. (Seedman, 1989:429.)

2.3.2 What employees steal

The employee thief will take anything that may be useful or has a resale value. The thief can get at the organizations funds in many ways - directly or indirectly - through fake invoices, receipting for goods never received, falsifying inventories, payroll padding, false certification of overtime, padded expense accounts, cash register manipulation, overcharging,

undercharging, or simply by gaining access to a cashbox. (Fischer, 1989:168.)

Significant losses do occur in unexpected areas. Shop furniture frequently disappears. Desks, chairs, office equipment, paintings, rugs - all of these things can be carried away by the enterprising employee thief. Office supplies can be another problem if not properly supervised. Beyond the anticipated attrition in pencils, paperclips, notepads, and rubber bands, these materials are often stolen in bulk packs. Many firms that buy supplies at discount are in fact buying stolen merchandise. This market of stolen office supplies is a brisk one, and is becoming more so as the price of such supplies soars. (Fischer, 1989:168.)

The inside thief is also quick to respond to the office equipment market. Typewriters, calculators, and minicomputer units make tempting and easy targets. Not only company property but also personal property gets stolen. The company has a very real stake in this kind of theft, since personal tragedy and decline in morale follow in its wake. (Fisher, 1989:168.)

2.4 THE *MODUS OPERANDI* OF SHOPLIFTERS

In order to protect a shop the retailer has the very important task of *preventing* crime. In order to accomplish this, knowledge of the criminal's *modus operandi* is imperative - stated simply: "know your enemy". Knowing the enemy means understanding the problem so that it becomes possible, in time, to make use of personnel and equipment not only to detect and arrest shoplifters, but also to prevent crime from occurring in the first place. (Farrell, 1985:15.)

Farrell (1985:13) lists the “customer’s” commonly used tools and tactics:

- ◆ a newspaper, magazine, umbrella, loose coat, baby-stroller, baggy pants, pleated skirt, boots, long and wide coat sleeves all of which may be used to conceal a purloined article of merchandise;
- ◆ a booster box (an empty box wrapped and tied so as to appear closed, which contains a false end held shut by an internal spring) into which stolen merchandise is easily slipped via its false end;
- ◆ a booster belt which is worn around the waist and contains hooks on to which items may be hung. This tool may be worn with any loose coat, sweater or jacket;
- ◆ a maternity dress worn as a ruse to cover an inside bag or container into which merchandise is dropped;
- ◆ price-tag switching (as a method more used by amateurs than by professional shoplifters);
- ◆ hide merchandise between thighs under a full skirt;
- ◆ “hit-and-run” whereby the thief grabs an armful of merchandise near a store exit and runs to escape. Usually an accomplice is waiting outside in a getaway car;
- ◆ an empty soft drink can into which items such as lipstick earrings and cigarette lighters are dropped;

- ◆ the switching of rings or other expensive jewellery;
- ◆ discounted merchandise bought “as is” is returned for a full refund without a sales receipt;
- ◆ shoplifters in collusion with dishonest clerks present sales receipts and receive refunds without returning merchandise;
- ◆ removing the contents of a package into a pocket or purse and then returning the empty container to the shelf;
- ◆ placing old shoes into a shoe box and walking out wearing the new shoes; and
- ◆ sliding a necklace or other jewellery inside a dress.

From the employee’s side the methods used to steal items from an employer are limited only by the employee’s imagination. The type of item to be taken (e.g. pocket radio, cash) and the obstacles (i.e. the loss-prevention strategies) dictate the method of theft. (Purpura, 1984:130.)

Purpura (1984:130) lists the following employee theft methods:

- ◆ wearing stolen items when leaving the workplace;
- ◆ smuggling out pilfered items by placing them in lunch boxes, pocket-books, bundles of work clothes, radios, umbrellas, newspapers, hats, or hair;
- ◆ hiding merchandise in rubbish bins, dumpsters or rubbish heaps so that it can be

retrieved later;

- ◆ employees return to the workplace after hours and take goods;
- ◆ employees return fictitious bills for fuel and repairs;
- ◆ executives pad expense accounts;
- ◆ employees pocket money from a cash sale and do not record the transaction;
- ◆ employees steal from the cash register and then tamper with the tape; and
- ◆ employees pocket unclaimed wages.

2.5 WHAT TO WATCH FOR

Since shoplifters “work with their hands”, retailers must take note of what is happening. The shoplifter may over-handle the merchandise, “accidentally” dropping some on the floor - and the rest into an oversized bag. A customer with the intent to steal may ask to be shown more items than a shop assistant can monitor. The shoplifter may rely on a distraction in order to steal, or work with an accomplice who creates one. (Outcalt, 1990:60).

While an honest customer can sometimes wear very loose garments, a coat in warm weather, act nervously, walk awkwardly, and otherwise do the things that shoplifters do, these are nevertheless “odd” characteristics that deserve increased attention on the part of shop assistants. A clear recollection of the overall appearance of suspected shoplifters can be a valuable safeguard. The features and manners of a person performing an illegal act and

trying to conceal it are clues which can reveal the intent of that person.

These include:

- ◆ perspiring even though the shop is cool;
- ◆ a flushed face with lips that constantly need moistening;
- ◆ being startled when surveillance is discovered;
- ◆ looking quickly about the room, rather than at the article under inspection; and
- ◆ undue haste in leaving. (Rogers, 1981:13.)

According to Purpura (1984:130) certain factors may serve as indicators that theft has occurred. Scrutinizing for the following indicators may prevent even greater losses:

- ◆ inventory records and physical counts that differ;
- ◆ mistakes in the shipping and receiving of goods;
- ◆ merchandise missing from boxes;
- ◆ things placed in inappropriate locations;
- ◆ security devices found to be damaged or inoperative;

- ◆ people (ex employees, truck drivers, repair personnel) in unauthorized areas;
- ◆ employees who come in early and leave late;
- ◆ customers who absolutely have to be served by a particular employee;
- ◆ employees who are sensitive about routine questions concerning their performance of tasks; and
- ◆ employees who are living beyond their income.

2.6 CONCLUSION

The retail industry must recognize and meet its responsibility to society, the community, and the shoplifter as well. It is every citizen's civic duty and responsibility to help prevent crime. A merchant who does everything to prevent shoplifting is not merely serving selfish interests but is acting in the interests of society as a whole. Merchants should not to be regarded strictly as profiteers, but as public benefactors. If the public is made to realize this fact, the battle becomes easier for the merchant who will find shoppers more willing and ready to help in the effort to prevent theft. Everyone needs assistance to stay on the straight and narrow. (Farrell, 1985:6.)

Loss-prevention practitioners who hope to have a successful anti-shoplifting programme must take cognizance of the causes of shoplifting, of the types of shoplifters, of their motives and of the techniques that they use. Knowledge of these things is an important prerequisite for planning, implementing, and monitoring an anti-shoplifting programme. (Purpura, 1984:355.) Employers should also be proactive in dealing with the losses arising out of employee fraud

and dishonesty. Although this appears, sadly, to be a growing problem in the workplace, employers who adopt effective preventive programmes can protect the organization and reduce the risk dramatically. Even more importantly, an employer must create and maintain the “culture of honesty” in order to achieve a climate which minimizes the risk that a organization will fall victim to dishonest employees. (Blickman, 1996:13.)

There is much to be gained in an effective anti-shoplifting effort, including the possibility of lower prices for the consumer. It is in everyone’s best interests to take shoplifting and employee theft seriously, and do everything possible to prevent it. (Farrell, 1985:7.)

The strategies and devices to control customer shoplifting and employee theft will be discussed in the following chapter.

CHAPTER THREE

STRATEGIES TO CONTROL CUSTOMER SHOPLIFTING AND EMPLOYEE THEFT

This chapter focuses on the strategies that can be used to control customer shoplifting and employee theft.

3.1 INTRODUCTION

Increasing the number of arrests of shoplifters will not prevent crime: arresting thieves is a course of action which addresses the effects of the problem, but *not* its causes. This study will indicate that to *secure* merchandise is the more effective approach in reducing theft. (Payner & Woodall, 1987:37.)

An important aspect of the shoplifting problem is the perpetual conflict within retail organizations of establishing sufficient security controls and presence to discourage shoplifting while *simultaneously* maintaining a pleasant and inviting atmosphere for customers. Retailing is a very competitive business, and retailers spend much time and effort to devising individual approaches to entice customers into stores and encourage them to purchase. Inappropriate or excessive use of security devices such as mirrors, cameras and signs may be oppressive; and when such devices are coupled with the obvious presence of uniformed or plain-clothes security personnel, it is not conducive to a pleasant shopping experience. (Sennewald & Christman, 1992:4.)

There is, in practice, a wide range of measures which can be taken to secure merchandise.

Where the nature of the business permits this, direct forms of security are probably the most effective. The actual choice of methods must be left to the business sense of the retailer. (Payner & Woodall, 1987:38.) Effective methods of controlling and deterring shoplifters *do* exist. *Some* security techniques are, however, appropriate - perhaps even mandatory - in certain situations, but totally inappropriate in others. For example, it *is* appropriate to use anti-shoplifting closed-circuit television cameras on the selling floor, but it would be absolutely inappropriate - and, very likely, illegal - to place these in a fitting-room. Similarly, it might be desirable to fasten the latest range in teenage jeans to the selling fixture with cables, but the customers of exclusive boutiques which sell expensive women's wear might find this procedure offensive. (Sennewald & Christman, 1992:4.)

3.2 PREVENTION AND REDUCTION OF CUSTOMER SHOPLIFTING

People are the retailer's primary asset for reducing shoplifting opportunities. The proper utilization of people is the means of success in preventing shoplifting. Management, salespeople, store detectives, uniformed officers and customers can all provide assistance. Also useful is a reward programme for reporting shoplifters, and placing of personnel according to time and location where shoplifting is most likely to occur. Furthermore, loss-prevention managers must become involved in community programmes aimed at reducing the shoplifting problem. (Purpura, 1984:362.)

According to Purpura (1984:363) the following people must be utilized in preventing shoplifting:

- ◆ *Management.* Management is responsible for the effective planning, implementation and monitoring of anti-shoplifting programmes.

- ◆ *Salespeople.* An anti-shoplifting programme must increase a shoplifter's anxiety. One method of accomplishing this is to have salespeople approach customers. This will inform the potential shoplifter that the salespeople are on the alert and ready.
- ◆ *Store detectives.* A good store detective must have the ability to observe without being observed. Store detectives must blend in with the shopping crowd and look like shoppers.
- ◆ *Uniformed officers.* Unlike store detectives, the uniformed officer watches the shopper in an overt manner, and only the foolish shoplifter will steal in the presence of an officer. His or her physical presence at the doorway will remind shoppers of the presence of a loss-prevention programme, increase the anxiety of a potential shoplifter and, thus, deter shoplifters.

3.2.1 Educate children

No matter how young children are, they must be taught that to take anything without paying for it is a wrongful act. If a child does not realize this at an early stage, it may set a pattern that could develop in adulthood, with disturbing consequences. The simplest way to prevent a child from stealing is to watch that child at all times and reprimand him or her when the act takes place. If it fails, take the child to the store manager or another authoritative member of staff and say something like: "My son took this. Would you please tell him what happens to people who steal". Naturally it is a more serious problem when teenagers and adults engage in shoplifting. A friend or family member may be extremely secretive about their shoplifting, but if *teenagers* steal regularly, there are usually certain give-away clues:

- ◆ unexplained extra income;

- ◆ possession of luxuries which they cannot afford;
 - ◆ secretive habits during certain times of the day; and
 - ◆ lavish gifts given to friends and acquaintances.
- (Concord Police Department, 1998:Internet.)

In recent years a trend has developed to prevent juvenile shoplifting through widespread education programmes. Prevention is infinitely preferable to apprehension and prosecution by merchants, security officers, or juvenile authorities. One key idea behind such information programmes is the widely held belief that the large majority of young people who steal from stores have no real conception of the serious consequences that will follow if they are caught. (Taylor, 1979:56.)

The Richmond Police Department (1999:Internet) in America appeals to parents to do the following:

- ◆ explain that shoplifting is against the law. It is not a game or a joke. Emphasize that going along with “the crowd” is less mature - and takes less courage - than making a personal decision to be law-abiding;
- ◆ know where the children are and what they are doing. Know what the children bring into the house, and where it comes from;
- ◆ set an example. Children must look up to parents and obey the law; and
- ◆ if a shoplifting problem *does* occurs, face it and get help if necessary.

3.2.2 Educate employees

If a retail establishment or organization is to achieve any success with a loss-control programme, it is essential that the whole work-force become involved in that programme as a matter of routine, and on a day-to-day basis. This means that security or loss-control must be included in the job description of every employee at a level appropriate to that person's appointed status within the organization. (Jones, 1990:11.)

Employees must realize the economic impact of shoplifting and other crimes, and also understand that if crime is not prevented the retail organization may go out of business and jobs will be lost. Thus *everyone* should play a role in reducing the crime problem. At frequent training sessions employees should become familiar with various crimes and associated techniques. Sessions should include discussion of company policies and procedures, as well as simulated shoplifting incidents which will give employees the opportunity to make mistakes and learn. Furthermore, a store newsletter can be used as an additional educational tool. (Purpura, 1984:365.)

According to Outcalt (1990:63) employees should know the following:

- ◆ Attentive service to all customers is probably the best, and least expensive, deterrent to theft.
- ◆ Knowing how potential thieves are likely to behave in the store can help employees to know what to look for. Train the staff to develop a watchful eye.
- ◆ Employees should have a general idea of the prices of items and be on the lookout for switched price-tags.

- ◆ A warning signal agreed upon by all employees can be the code to alert other shop assistants to an impending theft.

According to Rogers (1981:14) employees must be educated in the following countermeasures against shoplifting:

- ◆ *Courtesy.* It cannot be emphasized enough that courteous attention to customers by salespeople is the greatest deterrent to shoplifting.
- ◆ *Carrying merchandise.* Shoplifters often carry merchandise openly for a while, as though undecided or examining it, or waiting for a shop assistant. They are simply looking for an opportunity to hide the article.
- ◆ *Display arrangements.* Displaying items in groups of three, arranging high-value items in a circle, or maintaining a limit of not more, or less, than a specified number of items in a display, allows salespeople to constantly check at a glance for missing items.
- ◆ *Special sales and rush seasons.* Both qualified salespeople and security personnel should be added at times when there are more customers than usual in the shop. Understaffing contributes significantly to shoplifting.
- ◆ *Know the merchandise, know the prices.* With the rise in the incidence of price-tag switching as a shoplifting technique, knowledge of the value of merchandise becomes very important in reducing theft.
- ◆ *Employees must be educated in the use of mirrors and one-way viewing windows.*

Management's attitude is the place to begin: one cannot expect employees to be dedicated to reducing theft unless *management* is committed to it. Employees need the support of management, and, according to Outcalt (1990:60), this is what is expected from management:

- ◆ *Communication.* Communicate the concerns about shoplifting and announce to employees the reduction in shoplifting that management aims to achieve. Let the employees know that there is a team working together on the problem.
- ◆ *Support the concerns with action.* Direct the employees' focus to the customers and to the merchandise most often stolen. Give the employees feedback on crime prevention initiatives and recognize employees' efforts.
- ◆ *Act within an established routine.* Management must inform employees regularly on how their involvement contributes to reducing the shoplifting problem. Employees should be informed about how this increases profits.
- ◆ *Provide specific direction.* Management must establish a safe plan of action to be followed if an employee suspects a person of shoplifting. Without this, employees may find it easier to look the other way.

It must always be remembered that alert and wide-awake salespeople who are aware of what is going on are the most effective deterrent possible to shoplifting. Prompt and attentive service not only discourages shoplifters, but pleases regular customers and builds business for the organization. (National Retail Merchants Association, 1969:22.)

3.2.3 The use of anti-shoplifting devices

According to Farrell (1985:32) the current anti-shoplifting scenario is characterized by *random* attempts at control. Such efforts are often without form or substance. Measures and devices vary greatly from shop to shop, thus evidencing the retail industry's frantic, haphazard, and often fruitless search for some measure of protection against the elusive daily shoplifter. Farrell goes on to list the devices presently used:

◆ Security tags

This system, offered by several manufacturers, involves a large, easily visible, and hard sensitized plastic tag. Usually it is round in shape and off-white in colour. It is affixed to a garment or other item of merchandise on display, and is removed by the check-out clerk with the use of a special device. At each of the store's exits is placed an overhead, or pedestal, scanning device which sets up an energy field. Should a shoplifter exit with merchandise that is still tagged, the coil and condenser (or other elements in the tag) disrupt the field, triggering an audible and/or visual alarm. According to Purpura (1984:369) this system is the only innovative and effective method of thwarting shoplifting.

◆ "Clerk alert" and chains

Various means are used to protect merchandise by using cable, chain, string or cord attachments which lock the article to be protected to its hanger or display rack. In "clerk alert" a cable is looped through an article of merchandise and connected to other items in series, or to its display rack. Any attempt at removal by cutting this cable breaks its flow of current, sounding the alarm.

◆ Mirrors

According to Farrell (1985:37) this is one of the most worthless anti-shoplifting devices ever used. The reflection provided is so distorted and it causes eyestrain for the person watching it. However, the minimal extent of its use hides its true potential. It can become the shopkeeper's most effective and least expensive means of keeping losses to a minimum. Much more can, and should, be done with mirrors.

◆ Peep-holes and pillboxes

Peep-holes used on outside doors of flats and houses serve well as a security device. When properly placed and designed these may also serve a retailer's security needs in preventing or detecting employee dishonesty. However, when used as an anti-shoplifting device, the peep-hole becomes obnoxious, offensive and void of any positive value. It serves only to demonstrate a retailer's weak surrender to a sterile device which obviously can have no real impact in combatting even the most amateur of shoplifters. Pillboxes may also be found in use, though not to any great extent. These are openings or slits in the side or rear walls, which are used as observation points, in, for example supermarkets.

◆ Closed-circuit televisions and videotape recordings

According to Purpura (1984:369) closed-circuit television (CCTV) has become a popular anti-shoplifting device. Cameras with remote controls and zoom lenses can be strategically located within the store. Comprehensive systems allow personnel to actually follow people around the store. Close communication between the television monitor station and personnel throughout the store is necessary.

◆ Signs

In a study by Housel (1977:65) anti-shoplifting signs were placed throughout two department stores and a supermarket. The signs explained what action customers should take if they saw a shoplifter (i.e. report the shoplifter). Shoplifting incidents were staged to examine the effects of the signs. The results of this research are shown in Table 3.1.

TABLE 3.1 RESULTS OF DISPLAYING ANTI-SHOPLIFTING SIGNS

Customers:	Before displaying signs:	After displaying signs:	Positive (Negative) effects
Customers younger than 30 years who reported shoplifters	17	41	24
Customers older than 30 years who reported shoplifters	35	22	(13)
Male customers who reported shoplifters	25	35	10
Female customers who reported shoplifters	31	22	(9)

Source: Adapted from Housel, (1977:65)

Housel makes the following observations based on the results from Table 3.1:

- ◆ The signs encouraged the reporting of shoplifters by younger customers, which indicates that before the signs were displayed, many young customers were not sure of what action to take.
- ◆ The signs reduced the number of shoplifting reports by older customers. A possible explanation is that signs may have made too strong a demand on older customers to react in a specific way, resulting in the rejection of the demand.
- ◆ Concerning the male and female reporting rates, the male may have felt he still had some freedom of choice, while the female may have been more inclined to feel the signs were an attempt to intimidate her.
- ◆ The sign should be phrased to make the message a request rather than a harsh, intimidating demand. One suggestion from interviews was: "Report shoplifters: They are costing you money".

According to a study done by the Concord Police Department (1998:Internet) strategies must be implemented to prove that shoplifters will get caught when shoplifting. The following tips require forethought and ingenuity, but cost little:

- ◆ Alert employees may be the best defence. Have employees greet customers when they enter the store.
- ◆ Make sure everything that goes on in the store can be seen.
- ◆ Make it hard to leave the store without paying. Place expensive items in the centre

of the store, away from exits.

- ◆ Arrange the displays so that missing items are easily noticed. Place small items in neat rows or clearly defined patterns.
- ◆ Announce a policy to prosecute shoplifters. The threat of being caught, questioned by police, put on trial, and maybe even put in jail, is enough to turn most shoplifters away.

3.2.4 Anti-shoplifting techniques

Anti-shoplifting techniques represent theory in action, as well as the psychology and physics of merchandising and shoplifting.

The technique of combining colour and lighting is one of the most creative ways to decorate and shoplift-proof a store. This can be achieved with paint, tiles and wallpaper. Black, or any dark colour as a dominant theme not only enhances merchandising by contrasting with goods, but provides an unexpected side-effect: it propels potential thieves into other stores where the surroundings are more familiar and comfortable. Metallic colours shimmer in the light, giving an iridescent glow and creating the impression of movement - which emphasizes design and commands attention. Light reflecting off such surfaces triggers attraction in the visual sense. While it enhances merchandising appeal, it also has a negative effect on the person contemplating shoplifting, again initiating the flight response. (Farrell, 1985:109.)

Another way to use colour effectively is to alter the expected colour. When a familiar object, such as the red and white Coca-Cola can's colour is changed in a commercial advertisement or display, the viewer is instantly aware of something unusual. This could be the motivation

for a potential shoplifter to purchase instead of steal. The use of colour is dependent upon lighting. The ways in which lighting can augment merchandising displays and sell goods are well recognized; putting light to work as a watch-dog, however, has been overlooked. (Farrell,1985:111.)

3.2.5 Store design and layout

Physical design includes architectural design and store layout. One objective of a physical design is to create “defensible space”. This term is used to describe a series of physical design characteristics which prevent crime. Store layout can lead to additional loss-prevention features. Cashier locations that are raised a few inches increase visibility. Counters containing merchandise should be set up to allow employees at cash registers to observe activities down the aisles. Adequate lighting is also essential.

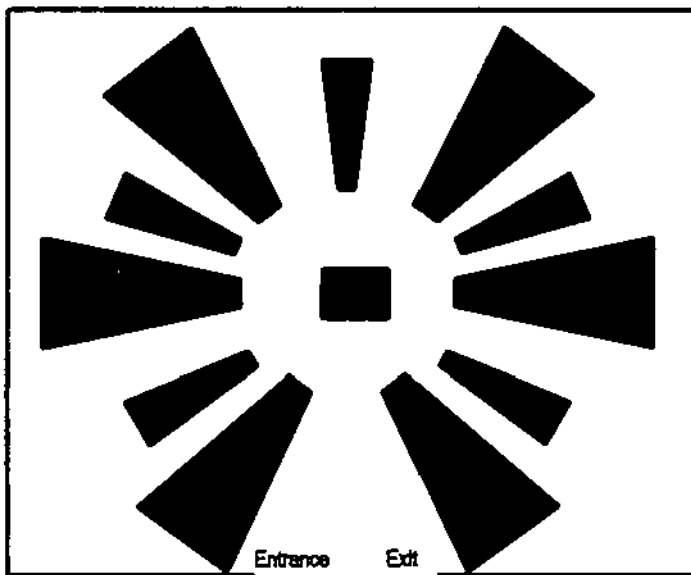
According to Outcalt (1990:61) the manner in which merchandise is placed in the store can deter - or encourage - potential thieves. Particularly vulnerable are counter items, loose merchandise, and open or revolving displays because items so displayed are easily accessible. Outcalt emphasizes the importance of the following considerations:

- ◆ Locate cash registers near the main entrance and with a good view of the entire store.
- ◆ Avoid narrow, cluttered aisles by keeping everything open, visible, and as neat as possible.
- ◆ Keep more expensive merchandise far from entrances and exits and, if appropriate, under lock and key.

- ◆ Keep the entrances to non-selling areas blocked off and locked.
- ◆ Locate telephones where they can be used by employees while keeping an eye on the customers.

Shoppers are attracted into a store because the design and layout are inviting, interesting and exciting. The full and proper function of store design and layout is both to encourage sales *and* discourage losses to shoplifters. Farrell (1985:129) discusses a new approach and design for gondolas and aisles, offering “shopping in the round” as an alternative to the traditional grid or free-flow concepts. This concept, as illustrated in Figure 3.1, centralizes check-outs, thus opening the view to all aisles and walls for check-out clerks. This prevents shoplifting *and* facilitates clerks helping customers search for items of interest.

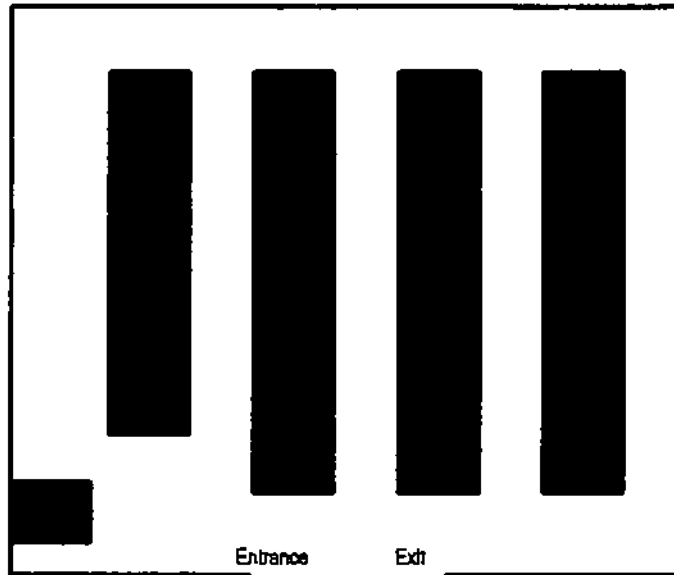
FIGURE 3.1 SHOPPING IN THE ROUND



Source: Farrell,(1985:130)

On the other hand, Figure 3.2 shows a traditional vertical grid positioning of gondolas that causes a series of blind spots, and gives cover for shoplifting activities. At the same time the customer's range of view is restricted, and convenience and impulse buying are not facilitated.

FIGURE 3.2 TRADITIONAL VERTICAL GRID GONDOLAS



Source: Farrell,(1985:131)

3.3 PREVENTION AND REDUCTION OF EMPLOYEE THEFT

According to Baxter (1995:13) dishonest employees account for about two-thirds of retail theft. The encouraging thing is that even though internal theft cannot be eliminated entirely, positive steps can be taken to keep it to a minimum. The key lies, therefore, in the proper mix of the right controls. The best profit safeguard is having employees with integrity that is beyond question. The trouble is that too many retailers take integrity for granted. But the fact remains that the store with the greatest proportion of honest employees suffers the least

from theft. The trick is to take every precaution to ensure that employees are honest to begin with, and then take pains to maintain the kind of store climate that will encourage employees to remain honest.

3.3.1 Management countermeasures

The problem of internal theft is reduced by successful preventive strategies. Preventive strategies are important not only to prevent internal theft, but also for loss-prevention programmes in general. Purpura (1984:131) lists the strategies as follows:

- ◆ *Management support.* A good management team sets both a foundation for strategies and an atmosphere in which theft is not tolerated.
- ◆ *Effective planning and analysis.* Before implementing measures against internal theft, a thorough analysis of the problem is necessary.
- ◆ *Internal and external relations.* Good internal and external relations can play a role in preventing employee theft. Loss-prevention practitioners who maintain the appropriate courtesy, demeanor and appearance are respected by employees.
- ◆ *Job applicant screening and employee socialization.* The screening of job applicants is a major theft-prevention technique. Whatever steps are taken, an atmosphere of loss-prevention should exist from the applicant's initial contact with the organization.
- ◆ *Investigation.* Employee-thieves are often familiar with the "ins and outs" of an organization's operation and can easily conceal theft. An undercover investigation is an effective method to outwit and expose crafty employee-thieves and/or

conspiracies.

- ◆ *Signs.* Carefully designed signs can produce good results. Employees are more receptive to positive messages than negative ones. Suppose management designed a sign that read: “Employee-Thieves Are Bad Employees”. Such signs with negative connotations are commonly met by employees with resentment and anger. A more positive sign would say: “Let’s All Work Together to Reduce Losses”.
- ◆ *Property losses and theft detection.* To remedy property or equipment losses within a store, the three recommendations are: having an inventory system, marking property, and using metal detectors.

In any organization which exists by the co-operative efforts of all its members, it is important that each member feels like an important part of the operation (Fischer, 1989:169).

Employers can and should be proactive in dealing with the losses arising out of employee theft and dishonesty. Although losses sadly appears to be a growing problem, employers who adopt effective preventive programmes, through pre-employment screening policies, and employers who engage in well developed and well implemented investigations can dramatically reduce the risk of dishonesty. Even more importantly, an employer must create and maintain a “culture of honesty” in order to achieve a climate which minimizes the risk that business will become the victim of dishonest employees. (Blickman, 1996:13).

3.3.2 Multi-phase shrinkage strategy

According to Talbott (1976:29) Reliable Stores, Inc. (RCI), based in Baltimore, Maryland, has for its first ninety-eight years in business prospered without loss-prevention staff. It was not until March 1990 (after loss rates spiralled out of control and culminated in two consecutive years of escalated inventory shrinkage) that company executives realized something had to be done to address the problem. RCI implemented a multi-phase shrinkage strategy to solve the problem, which had to do, mainly, with employee theft.

Talbott (1976:29) examined the strategy and concluded that RCI's success in combating losses came after addressing the following areas:

- ◆ *Resolving all pending internal theft issues.* The first step is to pursue, identify, isolate, and resolve all pending internal theft issues.
- ◆ *Developing and implementing a loss reporting policy.* An effective loss reporting programme enables staff to react quickly to problems and to assess their root causes.
- ◆ *Creating a realistic pre-employment screening programme.* In addition to the interview and reference-check process all final applicants must be screened using psychological honesty testing, and credit bureau enquiries.
- ◆ *Upgrading physical security.* Before upgrading current security services an investigation must be done as to what security services are really needed, highlighting sensitive areas and testing the reliability of any solutions.

3.4 IMPROVING THE QUALITY OF PERSONNEL

According to Baxter (1995:14) improving the quality of retail personnel is largely a matter of careful personnel screening and selection. In doing this, and sticking to the basic principles of employee motivation, management can help to generate a store atmosphere that discourages employee theft.

The first line of defence against theft is to make every effort to employ only honest people. All too frequently former employers and references are not checked, nor is any real screening done. (Seedman, 1989:429.)

To improve the quality of personnel management needs, firstly, to implement a pre-employment screening policy. One hiring mistake could prove to be a devastating profit drain for months or years to come. The second important step in upgrading the quality of the personnel is setting a tone or atmosphere which encourages honesty. Because customers and employees respect high standards, management should not settle for less. It is therefore important to adopt a “zero shortage” attitude. Management should also avoid having double standards when it comes to moral and ethical conduct. The last step in upgrading the quality of personnel is to enable employees to live up to management’s expectations of them. It is important to make sure that each employee is matched to an appropriate job. Employees should not be put in positions where it is necessary for them to lie or cheat about their performance. Lying and cheating, even on a small scale, are just one step away from theft. (Baxter, 1995:15.)

3.5 PHYSICAL SECURITY COUNTERMEASURES

The use of security hardware and security personnel complements and reinforces the

strategies adopted by management. Unlike procedural countermeasures, security equipment can be costly, but when it is used properly its effectiveness is well worth the cost.

Purpura (1984:137) lists the following measures that can be used to combat internal theft:

- ◆ *Controlling employee traffic.* The fewer entrances and exits the better. This permits security officers to observe people entering and departing. If possible, employees should be routed through places which are away from valuable merchandise.
- ◆ *Searching employees.* Careful planning and legal assistance are two important prerequisites for employee searches. Because of the sensitivity involved, management should communicate the issues to employee representatives prior to the formulation of the policy and procedures which govern employee searches. Searches should also be extended to employee locker areas as these are frequently used as a hiding place for pilfered items.
- ◆ *Visitors.* Visitors include customers, salespeople, service people, and contractors. They should be kept away from valuable merchandise.
- ◆ *Security.* Security officers make use of closed-circuit television and mirrors to check on employees.
- ◆ *Personal property.* Employees should be provided with lockers or other safe places to store coats, handbags and packages. These articles should never be allowed to be kept on the selling floor or in stock areas.
- ◆ *Rubbish disposal.* A favourite method of theft where employees hide merchandise

in empty boxes or bags to be discarded. When the refuse is thrown out at the end of the day, and employees return to pick up the loot. To prevent this, all refuse must be inspected before it is taken out.

- ◆ *Receiving and shipping departments.* Receiving and shipping departments are particularly vulnerable to theft. Receiving personnel and truck drivers can easily arrange for a shipment delivered to the store to be “incomplete”. All shipments should be counted and verified by at least two people besides the driver.

According to Seedman(1989:437)all retailers should implement loss-prevention procedures. The procedures are proactive, they act as a precaution, and they help prevent customer shoplifting and employee theft:

- ◆ Keep small articles of high value behind counters, and locked.
- ◆ Keep aisles clear and do not create high displays which block the view.
- ◆ Inspect contents of all boxes when making a sale.
- ◆ Ascertain that price-tags are firmly affixed.
- ◆ Make sure that the shop assistants are available to serve all customers.
- ◆ Use surveillance tags, chains, mirrors, and cameras.
- ◆ Inspect boxes and frequently take stock of merchandise in storage rooms.

- ◆ Use store detectives, if possible.
- ◆ Maintain constant training programmes for all employees.
- ◆ Keep non-employees out of stock areas or offices.
- ◆ Do not allow teenagers to loiter in the store.

3.6 CONCLUSION

Anti-shoplifting devices currently utilized by the retail industry must continuously be reviewed, examined and evaluated so as to prove that shoplifting by customers and employee theft are taken seriously (Farrell, 1985:97).

Devices are only as good as the people operating them. A retail organization can spend millions of rands on anti-shoplifting devices - for employees *and* customers - but if personnel are not loyal, or are not knowledgeable about the maintenance, operation, limitations and advantages of these devices, then their usefulness will be limited. (Purpura, 1984:367).

The next chapter provides information about the nature and scope of the empirical research methodology of this study.

CHAPTER FOUR

EMPIRICAL RESEARCH METHODOLOGY

The purpose of this chapter is to provide information about the nature and scope of the empirical research methodology adopted in this study.

4.1 INTRODUCTION

Applied research studies or investigations are concerned with assisting the researcher in making better decisions, and will therefore be directed towards the researcher's specific situation (Kinnear & Taylor, 1991:7). Applied research is conducted when a decision must be made about a *specific* real-life problem. It encompasses studies undertaken to answer questions about specific problems, or to make decisions about a particular course of action or policy. (Zikmund, 1994:7.)

In addition to applied research, the purpose of *exploratory* research is intertwined with the need for a clear and precise statement of the recognized problem. Three interrelation purposes for exploratory research exist:

- ◆ diagnosing the situation;
- ◆ screening alternatives; and
- ◆ discovering new ideas. (Zikmund, 1994:89.)

According to Churchill (1992:48) the choice of research design depends on how much is known about the problem. If relatively little is known about the phenomenon to be investigated, exploratory research is warranted. It may involve reviewing published data, interviewing knowledgeable people, or investigating literature that deals with similar cases. However the most important characteristic of exploratory research is its flexibility.

This study includes both applied and exploratory research. This will become evident in the discussion of the empirical research methodology adopted in the study.

The empirical research in this study was done in such a way as to enhance its scientific value and accountability. This was achieved by conducting and reporting the research as it became necessary to do so during this study. The research process is made up of:

- ◆ construction of the sampling survey;
- ◆ designing questionnaires containing both open and close-ended questions;
- ◆ piloting the questionnaires; and
- ◆ data analysis and interpretation.

4.2 CONSTRUCTION OF THE SAMPLING SURVEY

Kinnear and Taylor (1991:396) identify five steps in selecting a sample. These steps are listed in Figure 4.1.

FIGURE 4.1 STEPS IN SELECTING A SAMPLE

Step One	Define the population	
	<ul style="list-style-type: none"> • elements 	
	<ul style="list-style-type: none"> • units 	sample units
		observation units
	<ul style="list-style-type: none"> • extent 	
	<ul style="list-style-type: none"> • time 	
Step Two	Identify the sampling frame	
Step Three	Determine the sample size	
Step Four	Select a sampling procedure	
Step Five	Select the sample	

Source: Kinnear & Taylor, (1991:396)

Defining the population (Step One) includes determining the elements, sampling units, the extent, and the time. The population, or universe, is any complete group of people - companies, hospitals, stores, or the like - which shares some set of characteristics (Zikmund, 1994:356). The element is the unit about which information is sought. It constitutes the basis of the analysis that the researcher will undertake. A sample unit is the element, or elements, available for selection at some stage in the sampling process. (Kinnear & Taylor, 1991:393.)

The sampling frame is then identified (Step Two). A sampling frame is a list or other record of the population from which the sampling units are drawn. Depending on the size of the population under consideration, the entire population can be used. (Hussey & Hussey, 1997:144.)

The size of the sample (Step Three) is determined by deciding on the number of elements to include in the sample. Due to the nature and area of the present investigation the size of the sample was determined by the number of elements (formal retailers) that were available for this research. It stands to reason that the larger the sample the more accurate the research. (Zikmund, 1994:406.)

According to Kinnear and Taylor (1991:397) there are many different procedures by which researchers may select sampling procedures (Step Four), but one fundamental concept must be established at the outset - the distinction between a probability sample and a non-probability sample. In a probability sample each element of the population has a known chance of being selected. In a non-probability sample, the selection of a population element to be part of the sample is based on the judgement of the researcher. Non-probability sampling procedures include the convenience sample, the judgment sample, and the quota sample. In this study the judgment sample non-probability procedure was used: the

participants were selected by the researcher on the strength of their experience of the phenomenon in question in this study.

The last step (Step Five) involves the physical selection of the sample based on the procedure described in Step Four. All the formal retailers in the Welkom area (including Riebeeckstad) whose retail organizations have a turnover of more than one million rand per annum were selected (see Annexe B on page 105). This was done because the researcher considers such large retailers to have a stake in future developments in the retail trade.

4.3 QUESTIONNAIRE DESIGN

A survey questionnaire was developed after a literature review of similar research projects. The questionnaire was compiled to simplify the data collected and, in most cases, close-ended questions were used. Open-ended questions were included to gain further insight, but were kept to a minimum to simplify the data analysis and interpretation process. Questions appropriate to this study were selected and adjusted. The format and contents of the questionnaire were finalized only after the questionnaire was presented. Its contents were evaluated specifically in terms of non-ambiguity, relevance, general validity and interpretability. The final questionnaire is included in this study as Annexe C on page 107.

4.4 PILOTING THE QUESTIONNAIRES

Personal interviews were arranged and the researcher visited formal retailers in the Welkom area (including Riebeeckstad). A total of 10 retailers were visited with a 100 per cent response rate was achieved (see Annexe A on page 102 for locality maps). Every precaution was taken to ensure that the questions were understood and that quality answers were obtained. No personal details about respondents were recorded. This was done to ensure

anonymity, and thereby encouraging honesty and ensuring the reliability of the information obtained.

4.5 STATISTICAL ANALYSIS

For the purposes of the study the data gathered during the research process needs to be described and analyzed. The quantitative information gathered is summarized and described by using actual figures or percentages to suit the ordinal level of measurement used in this study. Graphical presentations are used to illustrate data. Tables are also used to arrange and represent information.

4.6 CONCLUSION

Chapter Four described the empirical research methodology that was followed in this study. It explained the steps followed in selecting samples. The chapter also included a discussion of the measures that were utilized to summarize and describe the data. In the following chapter (Chapter Five) data obtained from this study is summarized statistically according to percentages and actual figures. This chapter provides a statistical picture of the responses obtained from the completed questionnaires.

CHAPTER FIVE

ASSESSMENT OF DATA

In this chapter the findings of the empirical research undertaken are analyzed and discussed. Where possible, the findings are compared with the theoretical background provided in the preceding chapters.

5.1 INTRODUCTION

As mentioned in Chapter Four, quantitative research methods were used to gather information. The information is presented in actual figures, or percentages for statistical purposes. Tables are used to arrange and present information. Graphical representations are also used to illustrate data.

The first set of data analyzed pertains to customer shoplifting, the second to employee theft. In both sections the *extent* of the problem, the *nature* of the problem, and, finally, *prevention strategies* are presented.

5.2 CUSTOMER SHOPLIFTING

5.2.1 Extent

The following questions (see Annexe C on page 107) were used to collect data about the extent of the problem of customer shoplifting:

Question 1: Do you consider customer shoplifting to have a serious effect on your business?

Question 2: Are you able to identify your losses from shoplifting?
If yes, what percentage of turnover?

The data collected is presented in Table 5.1.

TABLE 5.1 CUSTOMER SHOPLIFTING: EXTENT PROFILE

VARIABLE	FREQUENCY	PER CENT
Effect on business: Yes	10	100
No	–	–
Identify losses: Yes	10	100
No	–	–
Loss percentage:		
0 - 1	6	60
Over 1 - 2	4	40
Over 2 - 3	–	–
Over 3	–	–

Source: Own research

From the above table, it is clear that shoplifting is regarded as a serious problem in all the retail organizations consulted. The results showed that 100 per cent of the organizations could identify the losses associated with customer shoplifting, and that 60 per cent of the organizations saw a loss percentage between zero and one per cent of their turnover. The

remaining 40 per cent estimated the loss due to customer shoplifting at between one and two per cent of their turnover. In rands, such losses vary between R 8 000 to R10 000 per month per retail organization.

5.2.2 The nature of customer shoplifting

Data on the nature of the shoplifting focuses on the methods used, the age of the shoplifters, the value of item stolen, the time of the day and the month in which theft occurs most, as well as the reason given for stealing.

The following questions were asked to collect this information (see Annexe C on page 107).

Question 3: What methods do shoplifters use?

Question 4: In what age category would you place the shoplifter?

Question 5: What is the value of items stolen?

Question 6: What items do you consider to be stolen the most, and is there a correlation between the age of the shoplifter and items stolen?

Question 7: What is the gender of the shoplifter?

Question 8: What time of the day does most shoplifting occur?

Question 9: In which months do most of the shoplifting occur?

Question 10: What are the main reasons given for shoplifting?

The data collected is presented in Tables 5.2 to 5.6.

Question 3 touched on the different methods that were used in customer shoplifting. The following methods were used:

- ◆ handbags, jackets with false linings, tracksuit pants;
- ◆ hide merchandise under a baby, whether in a stroller or on the mother's back;
- ◆ switch price-tags;
- ◆ hide merchandise under arms, between legs, in socks, under hats;
- ◆ cashier does not ring-up certain items, or under rings; and
- ◆ eating food while shopping accounted for approximately R200 per day per retailer.

Table 5.2 is an analysis of the age categories of customer shoplifters and is presented on the next page.

TABLE 5.2 AGE CATEGORY OF CUSTOMER SHOPLIFTERS

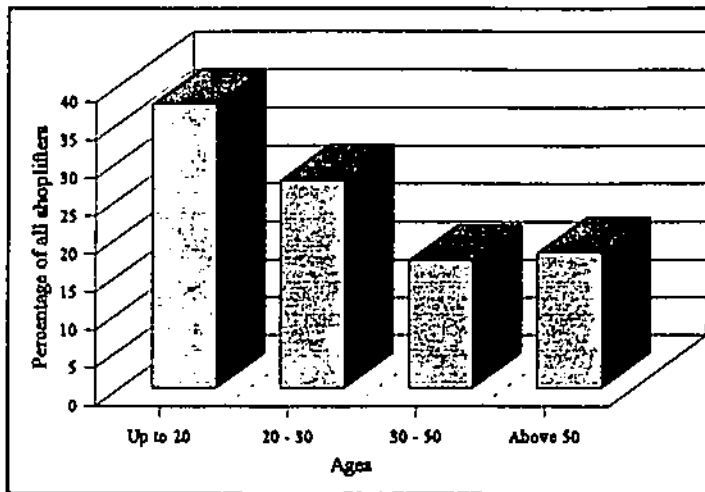
RETAILER	Up to 20	20 - 30	30 - 50	Above 50	TOTAL
No. 1: Pick 'n Pay Welkom	5	20	35	40	100
No. 2: Spar Supermarket Riebeeckstad	30	20	10	40	100
No. 3: Rite Value Riebeeckstad	50	35	10	5	100
No. 4: Continental Riebeeckstad	30	50	15	5	100
No. 5: Shoprite Welkom	50	25	20	5	100
No. 6: Ckeckers Welkom	55	20	15	10	100
No. 7: Saints Spar Welkom	40	30	20	10	100
No. 8: Dagbreek Spar Welkom	30	35	10	25	100
No. 9: Pink Palace Riebeeckstad	40	20	15	25	100
No. 10: Sylvania Spar Welkom	45	20	20	15	100
TOTAL	375	275	170	180	1000
PER CENT	38	27	17	18	100

Source: Own research

Table 5.2 sets out the different age categories of the shoppers. According to the retailers who took part in the study, 38 per cent of all shoppers were not older than 20 years. This was followed by 27 per cent of all the shoppers were in the age group between 20 and 30 years. Eighteen per cent of all the shoppers were above 50 years old - an alarming statistic as these people are mostly pensioners. The remaining 17 per cent of all shoppers were between 30 and 50 years. The results are illustrated in Figure 5.1.

Figure 5.1 is presented on the next page.

FIGURE 5.1 AGE CATEGORY OF CUSTOMER SHOPLIFTERS



Source: Own research

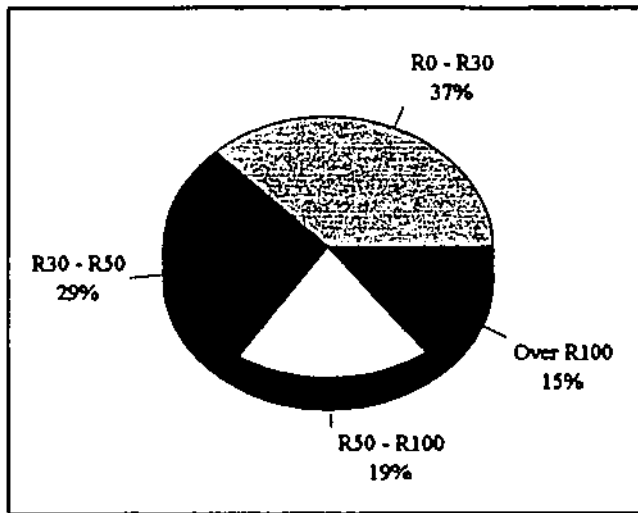
TABLE 5.3 VALUE OF ITEMS BY CUSTOMERS STOLEN

RETAILER	R0 - R30	R30 - R50	R50 - R100	Over R100	TOTAL
No. 1: Pick 'n Pay Welkom	10	25	20	45	100
No. 2: Spar Supermarket Riebeeckstad	80	10	5	5	100
No. 3: Rite Value Riebeeckstad	40	20	20	20	100
No. 4: Continental Riebeeckstad	90	5	5	-	100
No. 5: Shoprite Welkom	15	50	30	5	100
No. 6: Checkers Welkom	15	50	30	5	100
No. 7: Saints Spar Welkom	55	30	10	5	100
No. 8: Dagbreek Spar Welkom	40	20	20	20	100
No. 9: Pink Palace Riebeeckstad	10	25	20	45	100
No. 10: Sylvania Spar Welkom	15	50	30	5	100
TOTAL	370	285	190	155	1000
PER CENT	37	29	19	15	100

Source: Own research

The results depicted in Table 5.3 indicate that 37 per cent of merchandise stolen had a value of less than R30. The results show that the more expensive the item, the less often it was stolen. Twenty-nine per cent of items stolen were valued between R30 and R50, 19 per cent of items stolen were valued between R50 and R100 - and only 15 per cent of stolen goods had a value above R100. The results are illustrated in Figure 5.2.

FIGURE 5.2 VALUE OF ITEMS STOLEN BY CUSTOMERS



Source: Own research

Table 5.4 is an analysis of the different items stolen by customers and is presented on the next page.

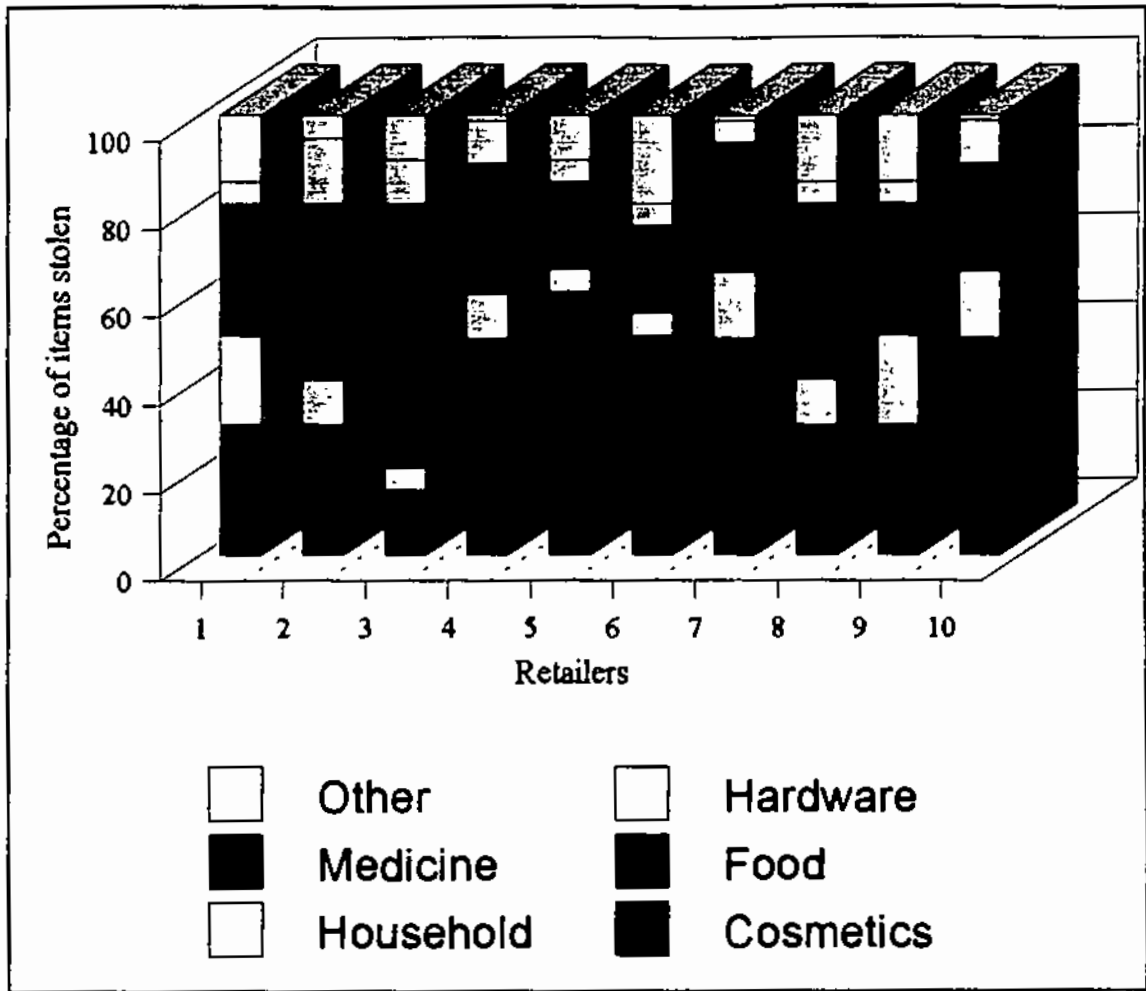
TABLE 5.4 ITEMS STOLEN BY CUSTOMERS

RETAILER	Cosmetics %	Household %	Food %	Medicine %	Hardware %	Other %	TOTAL
No. 1: Pick 'n Pay Welkom	30	20	20	10	5	15	100
No. 2: Spar Welkom	30	10	20	20	15	5	100
No. 3: Rite Value	15	5	50	10	10	10	100
No. 4: Continental	50	10	10	20	10	-	100
No. 5: Shoprite Welkom	60	5	5	15	5	10	100
No. 6: Checkers Welkom	50	5	5	15	5	20	100
No. 7: Saints Spar Welkom	50	15	10	20	5	-	100
No. 8: Dagbreek Spar	30	10	20	20	5	15	100
No. 9: Pink Palace	30	20	20	10	5	15	100
No. 10: Sylvania Spar	50	15	15	10	10	-	100
TOTAL	395	115	175	150	75	90	1000
PER CENT	40	11	18	15	7	9	100

Source: Own research

As reflected in Table 5.4, cosmetic items are the most likely to be stolen (40 per cent). Cosmetics are taken mostly by shoplifters not older than 30 years. Food is the second most popular item at 18 per cent. Here the shoplifters range from young children taking sweets, to pensioners. Medicine (at 15 per cent) is more likely to be taken during winter months by young mothers and older people. Household products account for eleven per cent of items stolen, and hardware for seven per cent. Hardware is a favourite for men between the ages of 30 to 50 years. Under "Other" (nine per cent), items such as toys, videos, clothes and baby products were recorded. The results are illustrated in Figure 5.3 on the next page.

FIGURE 5.3 ITEMS STOLEN BY CUSTOMERS



Source: Own research

Table 5.5 is an analysis of the gender of customer shoppers and is presented on the next page.

TABLE 5.5 GENDER OF CUSTOMER SHOPLIFTERS

RETAILER	Male %	Female %	TOTAL
No. 1: Pick 'n Pay Welkom	40	60	100
No. 2: Spar Supermarket Riebeeckstad	60	40	100
No. 3: Rite Value Riebeeckstad	50	50	100
No. 4: Continental Riebeeckstad	60	40	100
No. 5: Shoprite Welkom	60	40	100
No. 6: Checkers Welkom	60	40	100
No. 7: Saints Spar Welkom	50	50	100
No. 8: Dagbreek Spar Welkom	40	60	100
No. 9: Pink Palace Riebeeckstad	50	50	100
No. 10: Sylvania Spar Welkom	60	40	100
TOTAL	530	470	1000
PER CENT	53	47	100

Source: Own research

As shown in Table 5.5, men are more likely to shoplift than females. Fifty-three per cent of all shoplifters were male, and 47 per cent female.

The results are illustrated in Figure 5.4 on the next page.

FIGURE 5.4 GENDER OF CUSTOMER SHOPLIFTERS

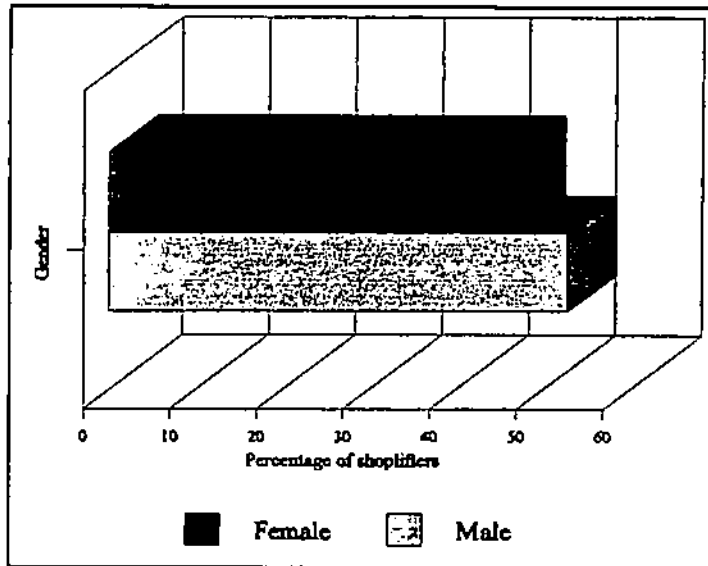


TABLE 5.6 TIME OF DAY THAT CUSTOMER SHOPLIFTING TAKES PLACE

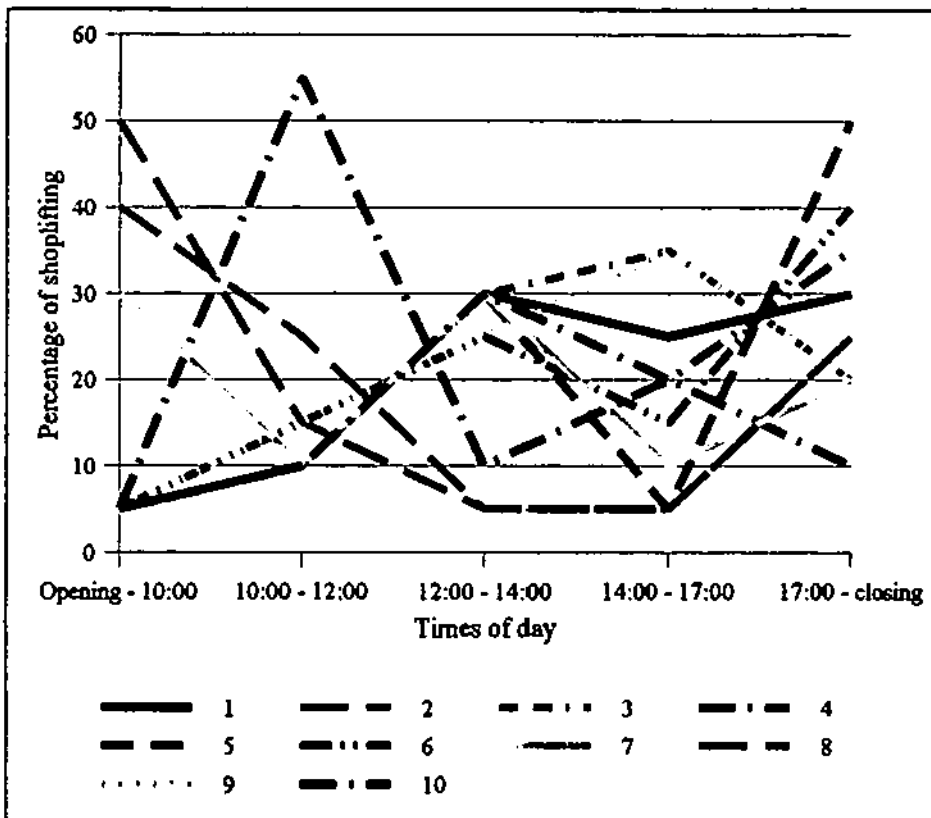
RETAILER	Opening - 10:00	10:00 - 12:00	12:00 - 14:00	14:00 - 17:00	17:00 - closing	TOTAL
No. 1: Pick 'n Pay Welkom	5	10	30	25	30	100
No. 2: Spar Supermarket	50	15	5	5	25	100
No. 3: Rite Value Riebeeckstad	5	10	30	35	20	100
No. 4: Continental Riebeeckstad	5	55	10	20	10	100
No. 5: Shoprite Welkom	5	10	30	5	50	100
No. 6: Checkers Welkom	5	15	25	15	40	100
No. 7: Saints Spar Welkom	30	10	30	10	20	100
No. 8: Dagbreek Spar Welkom	40	25	5	5	25	100
No. 9: Pink Palace Riebeeckstad	5	15	25	35	20	100
No. 10: Sylvania Spar Welkom	5	10	30	20	35	100
TOTAL	155	175	220	175	275	1000
PER CENT	16	17	22	17	28	100

Source: Own research

Table 5.6 depicts the time of day when customer shoplifting is most likely to take place. It can be seen from the results that during the last-minute rush, before closing time, 28 per cent of shoplifting takes place. Twenty-two per cent of it takes place between 12:00 and 14:00, and an even spread of 17 per cent just before 12:00 and just after 14:00. Only 16 per cent of all shoplifting takes place before 10:00. It was also noted that shoplifting is more likely to occur on Saturdays and Sundays when only skeleton staff are working.

The results are illustrated in Figure 5.5.

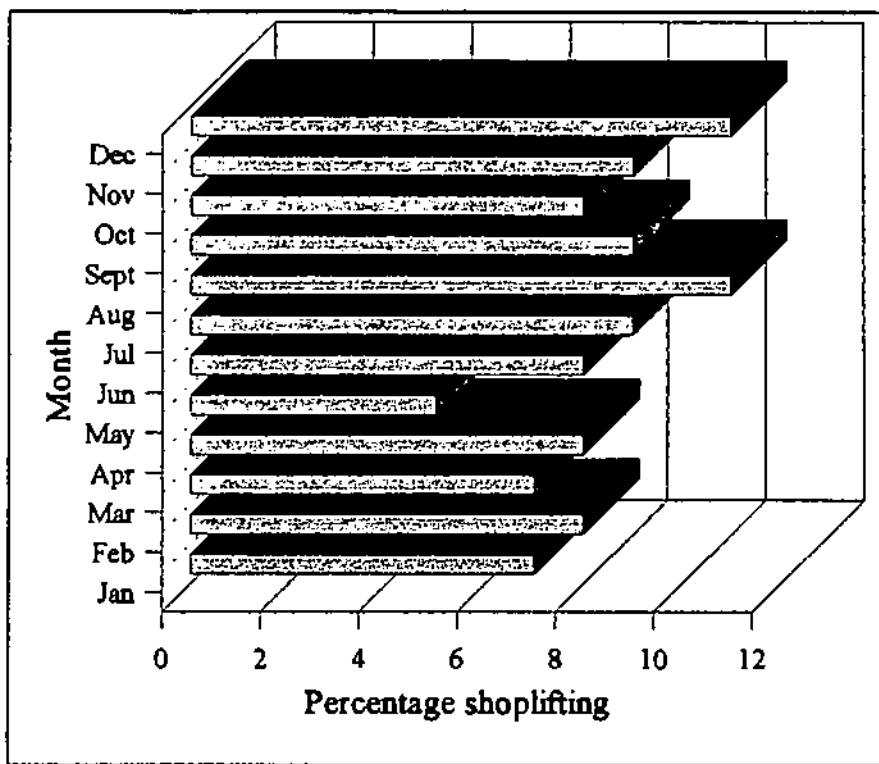
FIGURE 5.5 TIME OF DAY THAT CUSTOMER SHOPLIFTING TAKES PLACE



Source: Own research

Question 9 (see Annexe C on page 107) came up with the same pattern, in all cases, concerning the months in which customer shoplifting is most likely to occur. According to the retailers, customer shoplifting takes place in all the months, but increases during the holidays. Although the retailers could not provide the researcher with the necessary figures, the data recorded during a personal interview with Captain A. Dippenaar were used (see Table 2.2). Figure 5.6 illustrates the months in which customer shoplifting takes place.

FIGURE 5.6 MONTH OF THE YEAR



Source: Own research

Question 10 (see Annexe C on page 107) gathered the reasons why customers shoplifted and found the following:

- ◆ unemployment;

- ◆ group pressure or a “dare”;
- ◆ stealing for own use;
- ◆ stealing for resale; and
- ◆ no reason.

5.2.3 Prevention

This section is concerned with the prevention of customer shoplifting, and focuses on the methods used, as well as on the success of these methods. The following questions were asked to collect the relevant information (see Annexe C on page 107).

Question 11: What methods do you use to prevent customer shoplifting?

Question 12: How far are you able to evaluate the success of the methods?

The data collected is presented in Tables 5.7 and 5.8.

TABLE 5.7 METHODS USED TO PREVENT SHOPLIFTING

VARIABLE	FREQUENCY	PER CENT
Educate children	1	10
Educate employees	8	80
Anti-shoplifting devices	7	70
Anti-shoplifting techniques	4	40
Security personnel	9	90

Source: Own research

As shown in Table 5.7, 90 per cent of retailers make use of security personnel as the main form of prevention, and 80 per cent of the retailers also educate employees to combat shoplifting. Seventy per cent use anti-shoplifting devices like mirrors and closed-circuit television. Forty per cent make use of store layout as an anti-shoplifting technique, and only ten per cent take part in programmes to educate children.

TABLE 5.8 EVALUATION OF THE SUCCESS OF THE ANTI-SHOPLIFTING METHODS USED

VARIABLE	FREQUENCY	PER CENT
Can evaluate	7	70
Unable to evaluate	3	30
Believe methods effective	–	–

Source: Own research

After implementing preventive measures, only 70 per cent of retailers said that they could evaluate the success of such measures, and 30 per cent of them said that they were not able to evaluate the effectiveness of the measures.

5.3 EMPLOYEE THEFT

5.3.1 Extent

The following questions (see Annexe C on page 107) were used to collect data about the extent of the problem of employee theft:

Question 13: Do you consider employee theft to have a serious effect on your business?

Question 14: Are you able to identify your losses from employee theft?

If yes, what percentage of turnover?

The data collected is presented in Table 5.9.

TABLE 5.9 EMPLOYEE THEFT: EXTENT PROFILE

VARIABLE	FREQUENCY	PER CENT
Effect on business: Yes	10	100
No	–	–
Identify losses: Yes	9	90
No	1	10
Loss percentage:		
0 - 1	7	70
Over 1 - 2	3	30
Over 2 - 3	–	–
Over 3	–	–

Source: Own research

From the above table, it is clear that employee theft is also regarded to have a serious effect on retail organization. Ninety per cent of the retailers could identify losses, and of these retailers 70 per cent could account for a loss of less than one per cent of turnover. The remaining 30 per cent saw losses of between one and two per cent of turnover.

5.3.2 The nature of the employee theft

Data on the nature of employee theft focuses on the methods used, the age of employee-thieves, the value of items stolen, the time of day and the month as well as the reasons given for stealing.

The following questions were asked to collect this information (see Annexe C on page 107).

Question 15: What methods do employees use?

Question 16: How old is the employee?

Question 17: What is the value of items stolen?

Question 18: What items do you consider to be stolen the most?

Question 19: What is the gender of the employee?

Question 20: What time of the day does most of the employee theft occur?

Question 21: In which months do most employee theft occur?

Question 22: What are the main reasons given for employee theft?

The data collected is presented in Tables 5.10 to 5.14.

Question 15 asked about the different methods used by employees in stealing. The following

turned out to be the most serious:

- ◆ hide merchandise in extractor fans for later recovery;
- ◆ use hidden straps, belts, or hide merchandise in clothes;
- ◆ hide merchandise between legs or near any other part that cannot be searched;
- ◆ give merchandise to friends at pay point so that it can be collected later;
- ◆ employees leave stolen items in the bathrooms; and
- ◆ truck drivers work together with employees to steal at the point of delivery.

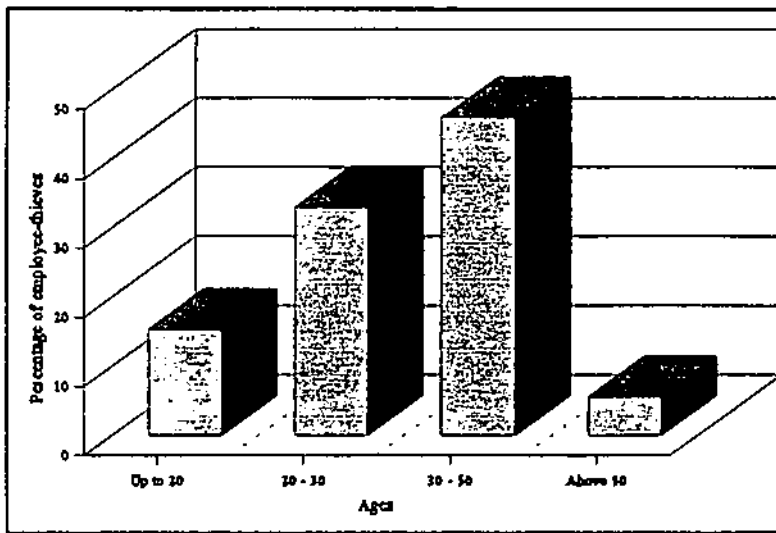
TABLE 5.10 AGE CATEGORY OF EMPLOYEE

RETAILER	Up to 20	20 - 30	30 - 50	Above 50	TOTAL
No. 1: Pick 'n Pay Welkom	10	50	35	5	100
No. 2: Spar Supermarket Riebeeckstad	50	30	15	5	100
No. 3: Rite Value Riebeeckstad	10	60	25	5	100
No. 4: Continental Riebeeckstad	2	20	70	8	100
No. 5: Shoprite Welkom	5	15	75	5	100
No. 6: Checkers Welkom	15	15	65	5	100
No. 7: Saints Spar Welkom	2	65	25	8	100
No. 8: Dagbreek Spar Welkom	45	35	15	5	100
No. 9: Pink Palace Riebeeckstad	5	20	70	5	100
No. 10: Sylvania Spar Welkom	10	20	65	5	100
TOTAL	154	330	460	56	1000
PER CENT	15	33	46	6	100

Source: Own research

Differing from Table 5.2 on customer shoplifting, the highest percentage of employees caught stealing were between the ages of 30 and 50 (46 per cent). This declines to 33 per cent between 20 and 30 years, 15 per cent younger than 20 years, and a small percentage (6 per cent) over 50 years. These percentages are, however, closely related to the employment policy of the organizations regarding age. Some organizations had only a few workers younger than 20 and even fewer who are older than 50. This explains the low percentages of thieves in these two age-groups. The results are illustrated in Figure 5.7

FIGURE 5.7 AGE CATEGORY OF EMPLOYEE



Source: Own research

Table 5.11 is an analysis of the value of items stolen by employees and is presented on the next page.

TABLE 5.11 VALUE OF ITEMS STOLEN

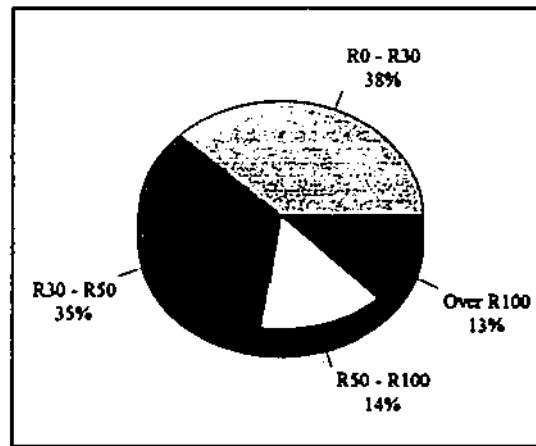
RETAILER	R0 - R30	R30 - R50	R50 - R100	Over R100	TOTAL
No. 1: Pick 'n Pay Welkom	10	30	20	40	100
No. 2: Spar Supermarket Riebeeckstad	20	40	25	15	100
No. 3: Rite value Riebeeckstad	70	10	5	15	100
No. 4: Continental Riebeeckstad	80	10	5	5	100
No. 5: Shoprite Welkom	10	65	15	10	100
No. 6: Checkers Welkom	15	55	25	5	100
No. 7: Saints Spar Welkom	70	20	5	5	100
No. 8: Dagbreek Spar Welkom	75	15	5	5	100
No. 9: Pink Palace Riebeeckstad	15	60	15	10	100
No. 10: Sylvania Spar Welkom	20	45	20	15	100
TOTAL	385	350	140	125	1000
PER CENT	38	35	14	13	100

Source: Own research

In a similar scenario to that presented in Table 5.3 on customer shoplifting, 38 per cent of all items stolen by employees was valued at less than R30. This is followed by 35 per cent of items stolen being between R30 to R50, and 14 per cent being between R50 and R100. Only twelve per cent of all items stolen were valued at over R100. The results are illustrated in Figure 5.8.

Figure 5.8 is presented on the next page.

FIGURE 5.8 VALUE OF ITEMS STOLEN BY EMPLOYEES



Source: Own research

TABLE 5.12 ITEMS STOLEN BY EMPLOYEES

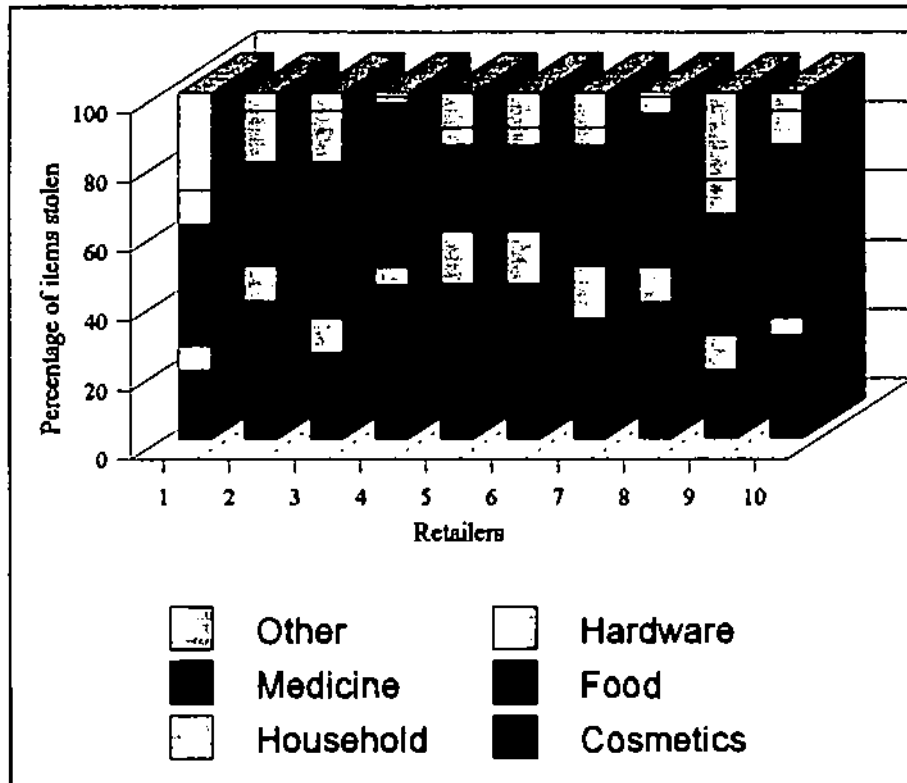
RETAILER	Cosmetics %	Household %	Food %	Medicine %	Hardware %	Other %	TOTAL
No. 1: Pick 'n Pay Welkom	20	7	30	5	10	28	100
No. 2: Spar Supermarket	40	10	5	25	15	5	100
No. 3: Rite Value	25	10	25	20	15	5	100
No. 4: Continental	45	5	40	8	2	-	100
No. 5: Shoprite Welkom	45	15	10	15	5	10	100
No. 6: Checkers Welkom	45	15	10	15	5	10	100
No. 7: Saints Spar Welkom	35	15	20	15	5	10	100
No. 8: Dagbreek Spar	40	10	40	5	5	-	100
No. 9: Pink Palace	20	10	30	5	10	25	100
No. 10: Sylvania Spar	30	5	25	25	10	5	100
TOTAL	345	102	235	138	82	98	1000
PER CENT	35	10	23	14	8	10	100

Source: Own research

Similarly to customer shoplifting (see Table 5.4), employees favour cosmetic items (35 per cent). Food (23 per cent) is normally eaten while working, and medicine (14 per cent) is used while in the shop. Household products account for only ten per cent of items stolen. “Other” items such as videos, toys, clothes and baby products (ten per cent), together with hardware (eight per cent) make up the remainder of items stolen by employees.

The results are illustrated in Figure 5.9.

FIGURE 5.9 ITEMS STOLEN BY EMPLOYEES



Source: Own research

TABLE 5.13 GENDER OF EMPLOYEES WHO STEAL

RETAILER	Male %	Female %	TOTAL
No. 1: Pick 'n Pay Welkom	40	60	100
No. 2: Spar Supermarket Riebeeckstad	40	60	100
No. 3: Rite Value Riebeeckstad	40	60	100
No. 4: Continental Riebeeckstad	20	80	100
No. 5: Shoprite Welkom	50	50	100
No. 6: Checkers Welkom	50	50	100
No. 7: Saints Spar Welkom	20	80	100
No. 8: Dagbreek Spar Welkom	20	80	100
No. 9: Pink Palace Welkom	50	50	100
No. 10: Sylvania Spar Welkom	30	70	100
TOTAL	360	640	1000
PER CENT	36	64	100

Source: Own research

As shown in Table 5.13 female employees are more likely to steal than male employees. The females accounted for 64 per cent of theft and the males for 36 per cent.

The results are illustrated in Figure 5.10.

Figure 5.10 is presented on the next page.

FIGURE 5.10 GENDER OF EMPLOYEE WHO STEAL

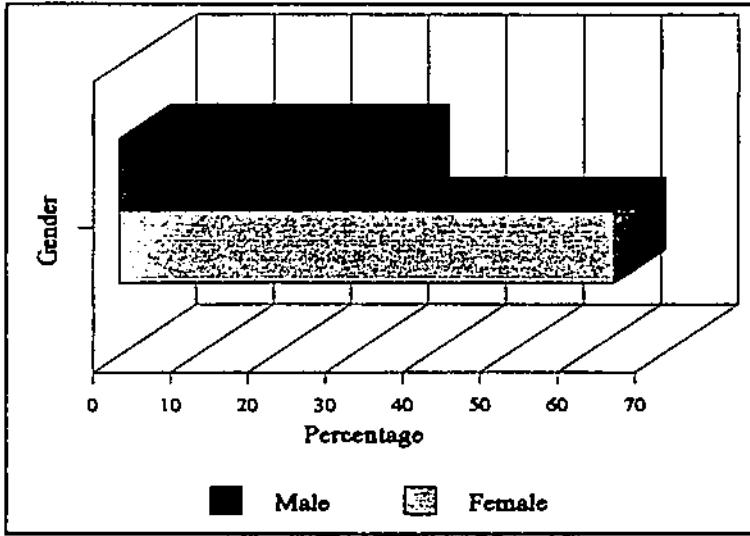


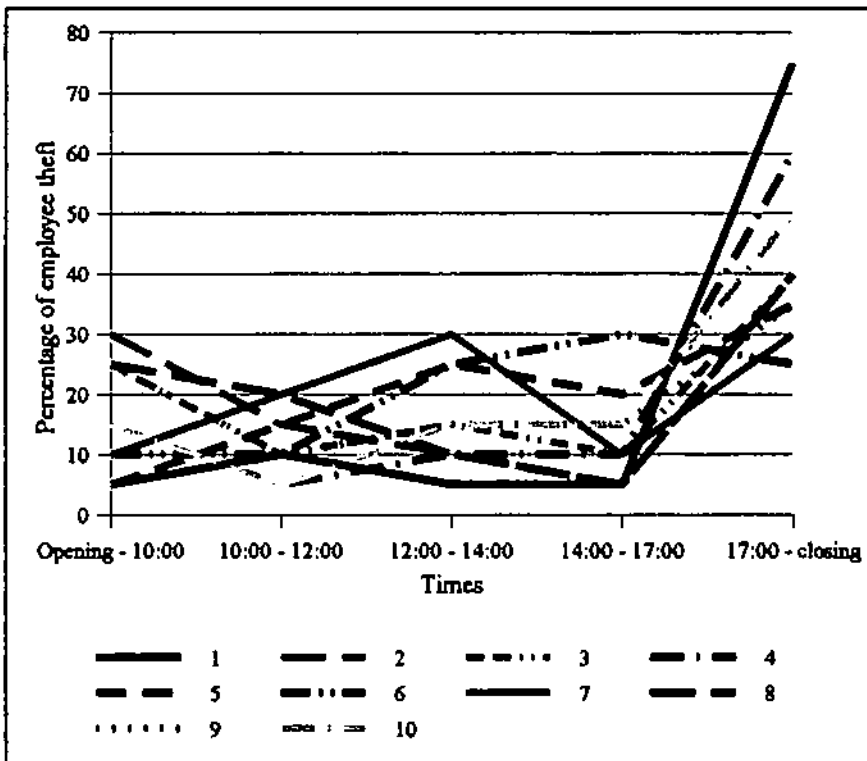
TABLE 5.14 TIME OF DAY THAT EMPLOYEE THEFT TAKES PLACE

RETAILER	Opening - 10:00	10:00 - 12:00	12:00 - 14:00	14:00 - 17:00	17:00 - closing	TOTAL
No. 1: Pick 'n Pay Welkom	5	10	5	5	75	100
No. 2: Spar Supermarket	30	15	10	5	40	100
No. 3: Rite Value Riebeeckstad	25	10	15	10	40	100
No. 4: Continental Riebeeckstad	15	5	10	10	60	100
No. 5: Shoprite Welkom	5	15	25	20	35	100
No. 6: Checkers Welkom	10	10	25	30	25	100
No. 7: Saints Spar Welkom	10	20	30	10	30	100
No. 8: Dagbreek Spar Welkom	25	20	10	5	40	100
No. 9: Pink Palace Riebeeckstad	25	10	15	15	35	100
No. 10: Sylvania Spar Welkom	15	5	15	15	50	100
TOTAL	165	120	160	125	430	1000
PER CENT	17	12	16	12	43	100

Source: Own research

As with the picture for customer shoplifting (see Table 5.6), 43 per cent of employee theft takes place just before closing time. Between opening time and 10:00, 17 per cent of theft takes place. Sixteen per cent of theft occurs during the busy times between 12:00 and 14:00, and an evenly balanced 12 per cent of it takes place before 12:00 and after 14:00, respectively. The results are illustrated in Figure 5.11.

FIGURE 5.11 TIME OF DAY THAT EMPLOYEE THEFT TAKES PLACE



Source: Own research

Employee theft takes place during all the months of the year and, based on data similar to those in Figure 5.6, it seems that retailers considered shoplifting and employee theft to show the same pattern in this regard.

Question 22 (see Annexe C on page 107) gathered the reasons for employee theft and found the following:

- ◆ to support unemployed family member;
- ◆ for resale;
- ◆ group pressure or to pay off debt; and
- ◆ having no money to pay for items stolen.

5.3.3 Prevention

This section is concerned with the prevention of employee theft, and focuses on the methods used, as well as on the success of these methods. The following questions were asked to collect the relevant information (see Annexe C on page 107).

Question 23: What methods do you use to prevent employee theft?

Question 24: How far are you able to evaluate the success of the methods?

The data collected is presented in Tables 5.15 and 5.16.

Table 5.15 is an analysis of the methods used to prevent employee theft and is presented on the next page.

TABLE 5.15 METHODS USED TO PREVENT EMPLOYEE THEFT

VARIABLE	FREQUENCY	PER CENT
Management support	5	50
Educate employees	6	60
Anti-shoplifting devices	5	50
Job applicant screening	7	70
Security personnel	10	100

Source: Own research

As shown in Table 5.15, all the retailers make use of security personnel to control employee theft. Only 70 per cent of the retailers do job applicant screening, and 60 per cent educate employees about the consequences of stealing. Fifty per cent of the retailers say that management example and support plays an important role in preventing theft. Closed-circuit television and security tags were only used in 50 per cent of the cases.

TABLE 5.16 EVALUATION OF THE SUCCESS OF THE ANTI-THEFT METHODS USED

VARIABLE	FREQUENCY	PER CENT
Can evaluate	2	20
Unable to evaluate	2	20
Believe methods effective	6	60

Source: Own research

As shown in Table 5.16, 60 per cent of retailers said that they believed the preventive measures were successful, 20 per cent were unable to evaluate their success, and only 20 per cent of all businesses could actually evaluate the real effectiveness of their methods.

Question 25 was asked to determine to what extent organizations increase their prices to offset customer shoplifting *and* employee theft (see Annexe C on page 107).

Question 25: To what extent do you increase prices to offset losses?

TABLE 5.17 PRICE INCREASES TO OFFSET LOSSES

VARIABLE	FREQUENCY	PER CENT
Not at all	5	50
To cover some losses	5	50
To cover all losses	—	—

Source: Own research

Table 5.17 shows that there is an even division between those retail organizations who do not increase retail prices to cover losses and those who do increase prices to cover some of their losses.

5.4 CONCLUSION

Chapter Five provided a statistical picture of the data obtained from the research process. The information was summarized, using tables and graphic illustrations to present the responses of retailers. The retailers were quite helpful and co-operative in their replies and

responses. Tables and illustrations were accompanied also by brief descriptions of the data. The data obtained from the questionnaires were dealt with in a systematic manner, and presented in clearly defined sections. This chapter sets the stage for the last chapter.

The next chapter will evaluate the data collected against the theory discussed in previous chapters. Chapter Six starts off with a summary of the study. This is followed by the recommendations of the study and, finally, by the conclusion that the study reaches.

CHAPTER SIX

SUMMARY, RECOMMENDATIONS AND CONCLUSION

This chapter summarizes the main findings of the dissertation. Recommendations are made to indicate how strategies can be implemented to reduce customer shoplifting and employee theft.

6.1 SUMMARY

The most encouraging thing about customer shoplifting and employee theft is that even though one cannot eliminate stealing entirely, positive steps can be taken to keep it to a minimum. Management has the responsibility for planning, implementing, and monitoring anti-shoplifting programmes. The ability to lead people and to motivate them is of paramount importance. Management relies on feedback as an essential aspect of loss-prevention policies and procedures. Participatory management, whereby subordinates aid in decision making, and intelligence from shoplifters, can become a part of feedback to management. Many retail organizations have a weekly shrinkage meeting that includes various levels of employees from all departments. These meetings can facilitate the sharing of information and suggestions. (Purpura, 1984:137.)

The researcher found that the managers of many retail organizations pay insufficient attention to the ways of preventing losses. Provided that turnover and profits are rising, managers appear to be prepared to ignore such losses. It has been claimed repeatedly throughout this study that the incidence of customer shoplifting and employee theft is increasing. It was therefore important to the researcher to achieve all the objectives as laid

down in Chapter One, in order to make a positive contribution on what strategies to use in controlling customer shoplifting and employee theft.

The secondary objectives of the study were met in the following ways:

- ◆ the literature study provided as background a fair amount of theory on customer shoplifting and employee theft;
- ◆ the empirical research compared retailers' experience of customer shoplifting and employee theft;
- ◆ the different methods used in shoplifting were analysed in Chapter Two;
- ◆ the methods used by managers to prevent customer shoplifting and employee theft were dealt with in Chapter Five; and
- ◆ it was discovered that retailers claim they do *not* increase prices to offset all their losses (see Chapter Five).

6.2 RECOMMENDATIONS

Crime-prevention recommendations will most likely be ignored if they are not cost-effective. It must be remembered, however, that an initial outlay of money will reap the benefits, later, of increased profits. Recommendations are based on the theoretical background in Chapters Two and Three, as well as on what the researcher found during the empirical research.

From the research it became clear that customer shoplifting causes greater losses than

employee theft (see Table 5.1 and Table 5.9). Retailers responded in all instances that both customer shoplifting and employee theft have serious effects on their businesses.

6.2.1 Customer shoplifting

The methods used to shoplift correspond with those outlined in the theoretical analysis in Chapter Two. Retailers must take the following into account when identifying strategies:

- ◆ The largest percentage (65 per cent) of shoplifters are younger than 30 years and therefore very innovative in their methods.
- ◆ The most commonly stolen items (66 per cent) do not cost more than R50. These items are either cosmetics or food, and so special attention should be paid to these by security.
- ◆ The main reason given for stealing, i.e. being unemployed, corresponds with the fact that the researcher recorded more male than female shoplifters.
- ◆ In Paragraph 2.2.3, the researcher discussed the “last-minute rush” just before closing time. Retailers in Welkom area (including Riebeeckstad) also experienced an increase in shoplifting shortly before closing. This finding must therefore be used as an indication of when extra security methods need to be put in place.
- ◆ Greater emphasis must be placed on anti-shoplifting devices. Retailers rely too much on security personnel (90 per cent of all retailers do) and not enough on, for example, techniques such as shop layout and displaying signs.

The researcher recommends the following:

- ◆ Evaluate the effectiveness of your crime-prevention measures by regularly monitoring your rate of loss. If one method appears to be losing its effectiveness, try using it in a different way.
- ◆ Post signs at the store entry warning customers that all shoplifters will be prosecuted and that shoplifting is a crime.
- ◆ Use corner mirrors so that employees can see blind spots in the store. Mirrors serve as a good deterrent as well as an effective observation device. Pay attention to more effective store layout.
- ◆ Assign each employee to watch a “zone of responsibility”. It is easier to watch a smaller portion of the store than to try and watch the whole shop.
- ◆ Make sure that an employee is positioned as close to the entry and exit points as possible, and increase security during rush seasons or sales.
- ◆ Have employees greet each customer at the entry with a smile, while looking the customer directly in the eye.
- ◆ If you have a counter area, keep the counter clear. Small items near the edge of the counter can easily be brushed off into a shopping bag or handbag. Identify items that need extra security.
- ◆ Employees must be trained to watch for shoplifting. Employees must also know the

stock so well that no swopping of price-tags can deceive them as to the true price of an article.

6.2.2 Employee theft

Methods used by employees to hide merchandise vary from the use of hidden straps to being in cahoots with truck drivers at points of delivery. The researcher recorded that similar methods were used to those discussed in Chapter Two. The following must be taken into account before anti-shoplifting strategies can be identified:

- ◆ Seventy-nine per cent of employees who steal are between the ages of 20 and 50 years. The employment policy of the retailer has a direct influence on the ages of workers in service, and might therefore affect the number of potential thieves working for the business.
- ◆ Smaller items (cosmetics brands) need more security because 73 per cent of all items stolen were in the price range of below R50.
- ◆ Retailers have more female employees than male employees. Strategies must be implemented to deal specifically with areas targeted by female employees.
- ◆ Similarly to customer shoplifting, employee theft increases during the hour just before closing. Additional measures need to be identified and implemented for use during this time slot.
- ◆ To reduce employee theft, retailers need to create an atmosphere of honesty within the organizations. Retailers need to concentrate more on job applicant screening

(currently 70 per cent), management support (currently 50 per cent) and on education programmes for employees. Employees must know that a culture of honesty is to their advantage.

The researcher recommends the following:

- ◆ Introduce a policy that termination of employment and prosecution will follow if an employee is caught stealing.
- ◆ Make sure employees know the organization's policy. Be a good example to employees. If management takes free stamps, food, or merchandise, it sends a message that this sort of behaviour is acceptable, even though employees are told differently.
- ◆ Tighten the hiring practice. Require job applicants to fill out a detailed application form, then use it to contact all references and former employers.
- ◆ Watch for products going out the back door during deliveries. Staff and delivery people may use this opportunity to take property outside during working hours.
- ◆ Talk to disgruntled employees about the issues that are upsetting them. Distraught employees will often use their "poor" working conditions to justify internal theft.
- ◆ Keep employee morale high. Employees who are treated fairly and generously are far less likely to "rip off" the boss. Management must get to know employees better. Ask for their opinions and suggestions and seriously consider these. Involve the employees in effective crime-prevention practices. Consider starting a profit-sharing

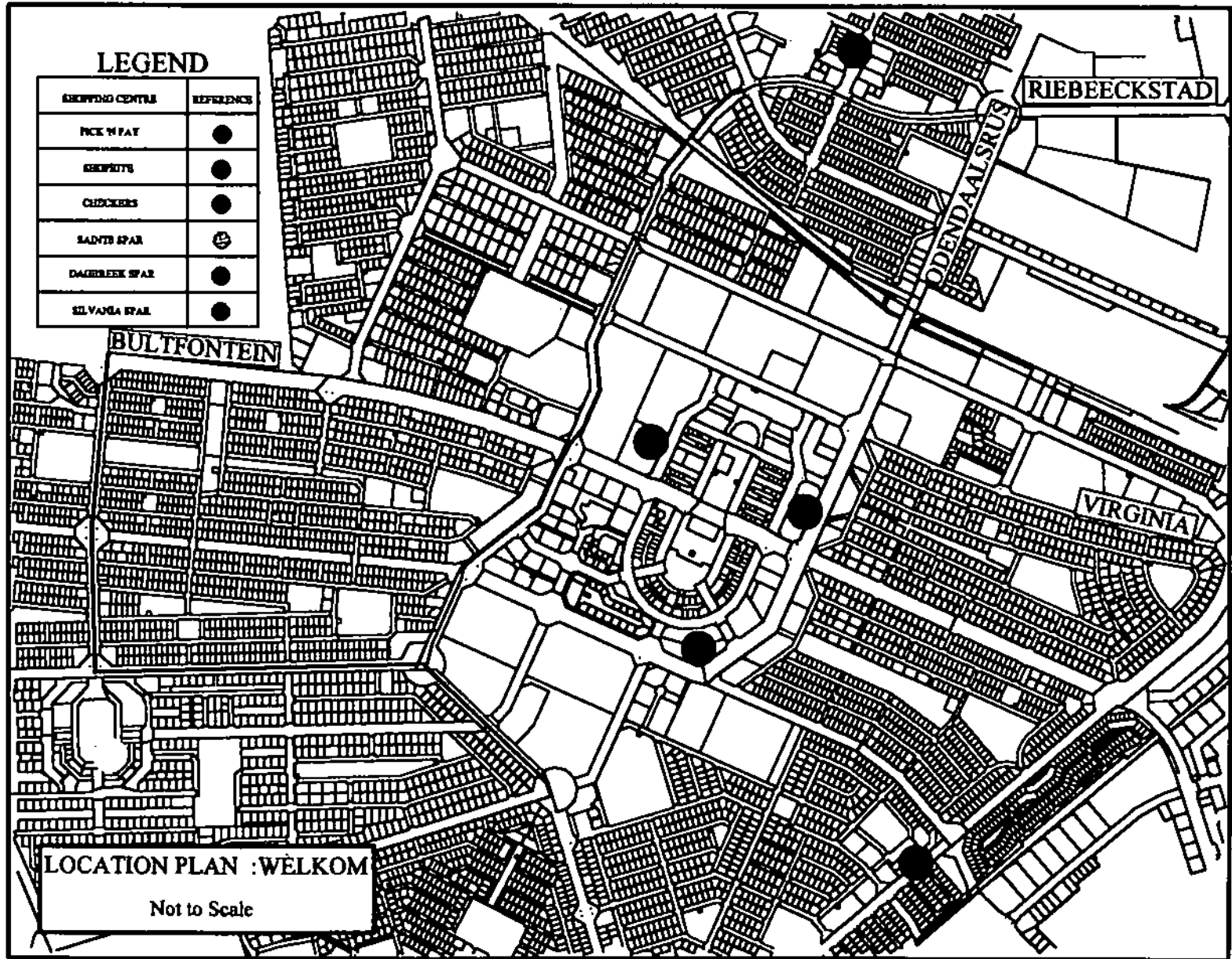
programme. Make sure the salaries are competitive - an underpaid employee may feel that stealing from the boss merely “makes up the difference”.

6.3 CONCLUSION

Customer shoplifting and *employee theft* are here to stay. The encouraging thing, though, is that even if theft cannot be eliminated entirely, management can take positive steps to keep it to a minimum. The key lies in the proper mix of the right controls. The best safeguard a retailer can have in a store is an employee whose integrity is beyond question. Honest employees will not only help prevent customer shoplifting, but will not be part of internal theft either. One fact is obvious - the store with the greatest proportion of honest employees suffers the least from theft. The trick is to take every precaution to ensure that the people you hire are honest to begin with. Then take the necessary actions to maintain the kind of store climate that will encourage customers and employees to stay honest.

It is however very difficult, however, to prove the cost-effectiveness of crime-prevention measures *before* implementing them. This emphasizes the importance to the retailer of making sure exactly what the losses are. Without this information the retailer will not be able to determine how much he or she can afford to spend in preventing shoplifting.

Notwithstanding the avowed necessity of considering costs, the researcher believes that cost-effectiveness is not the only criterion by which crime-prevention measures should be judged. Although there are employees who *systematically* steal from their employers, and although there are *professional* shoplifters, the bulk of offences are opportunistic, and therefore preventable. Retailers, like other members of the community, have a public duty to reduce the opportunities for crime on their premises.

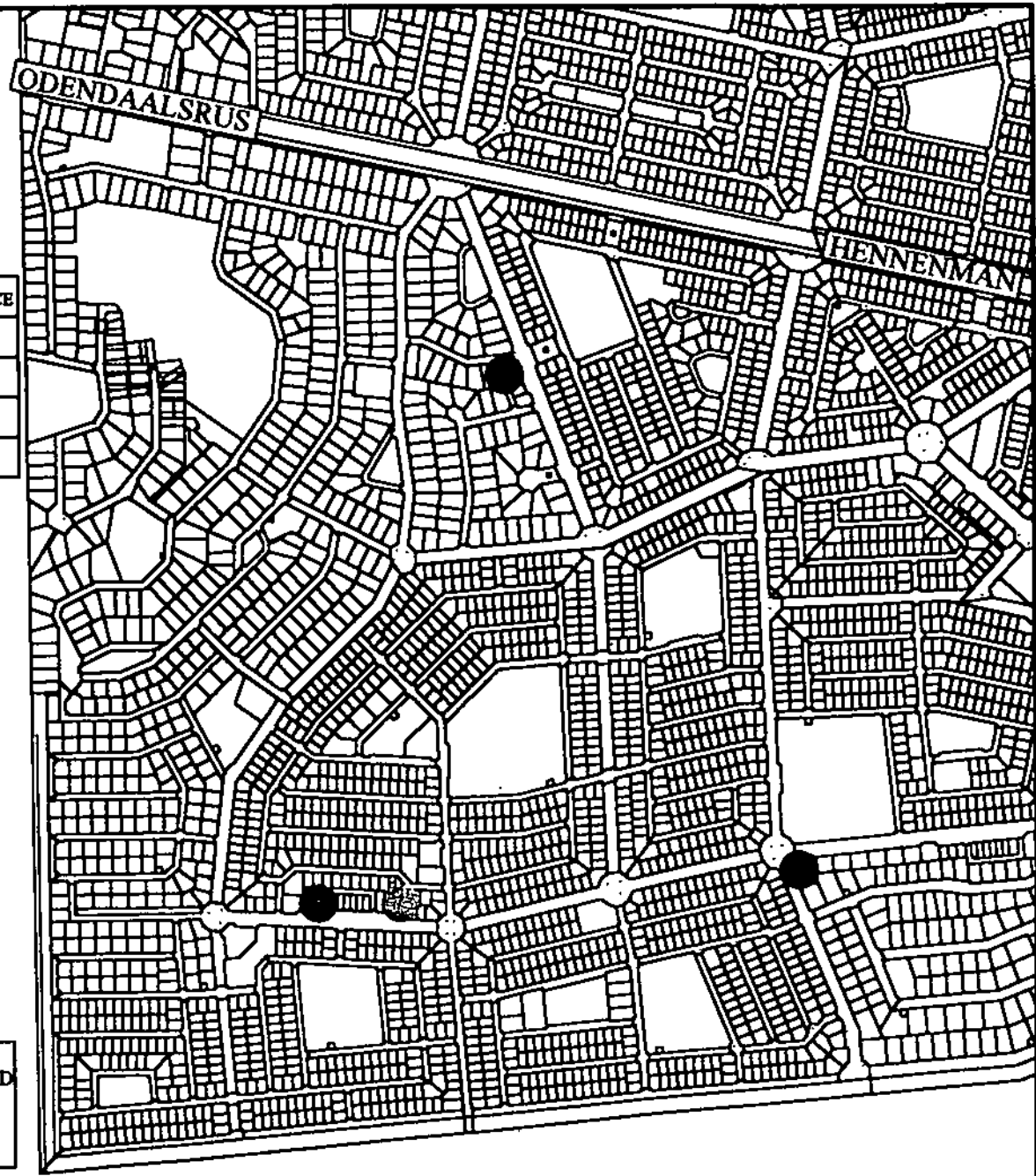


ANNEXE A

Locality maps

LEGEND

SHOPPING CENTRE	REFERENCE
SPAR SUPERMARKET	●
RITE VALUE	●
CONTINENTAL SUPERMARKET	●
PINK PALACE	●



LOCATION PLAN : RIEBEECKSTAD
Not to Scale

ANNEXE B

Retailers who took part in the study

LIST OF RETAILERS

The following retailers took part in the study:

- No. 1 Pick 'n Pay - Welkom
- No. 2 Spar Supermarket - Riebeeckstad
- No. 3 Rite Value - Riebeeckstad
- No. 4 Continental Supermarket - Riebeeckstad
- No. 5 Shoprite - Welkom
- No. 6 Checkers - Welkom
- No. 7 Saints Spar Supermarket - Welkom
- No. 8 Dagbreek Spar Supermarket - Welkom
- No. 9 Pink Palace Supermarket - Riebeeckstad
- No. 10 Sylvania Spar Supermarket - Welkom

ANNEXE C
Research Questionnaire

QUESTIONNAIRE

SHOPLIFTING : Extent				
1.	Do you consider shoplifting to have a serious effect on your business?	Yes	No	
If no, why not?				
2.	Are you able to identify your losses from shoplifting?	Partially	Yes	No
If yes, what percentage turnover?				
• 0 - 1%				
• Over 1 - 2%				
• Over 2 - 3%				
• Over 3%				
If no, why not?				
SHOPLIFTING : Nature				
3.	What methods do shoplifters use to do so?			
4.	In what age category would you place the shoplifter?			
• Up to 20 years				
				%
• Between 21 - 30 years				
				%
• Between 31 - 50 years				
				%
• Above 51 years				
				%

5.	Rand value of items stolen?					
	• R0 - R30				%	
	• Between R31 - R50				%	
	• Between R51 - R100				%	
	• Over R101				%	
6.	What items do you consider to be stolen the most, and is there a correlation between age and item stolen?					
	• Cosmetics	%	Age category			
	• Household products	%	Age category			
	• Food	%	Age category			
	• Medicine	%	Age category			
	• Tools & Hardware	%	Age category			
	• Other, specify	%	Age category			
7.	Gender of the shoplifter?					
	Male	%	Female		%	
8.	What time of the day does most of the shoplifting occur?					
	• Opening time - 10:00				%	
	• Between 10:01 - 12:00				%	
	• Between 12:01 - 14:00				%	
	• Between 14:01 - 17:00				%	
	• Between 17:01 - closing				%	
9.	What month of the year does most of the shoplifting occur?					
	January	%	February	%	March	%
	April	%	May	%	June	%
	July	%	August	%	September	%
	October	%	November	%	December	%

10.	What are the main reasons given for shoplifting?

SHOPLIFTING : Prevention	
11.	What methods do you use to prevent shoplifting?
	<ul style="list-style-type: none"> • Educate children
	<ul style="list-style-type: none"> • Educate employees
	<ul style="list-style-type: none"> • Use anti-shoplifting devices (e.g. security tags, mirrors, peepholes, closed circuit television, use of signs)
	<ul style="list-style-type: none"> • Use anti-shoplifting techniques (e.g. combination of colour and lighting, store design and layout)
	<ul style="list-style-type: none"> • Security personnel (how many)
12.	How far are you able to evaluate the success of your preventative methods?
	<ul style="list-style-type: none"> • Can evaluate
	<ul style="list-style-type: none"> • Unable to evaluate
	<ul style="list-style-type: none"> • Believe methods effective

EMPLOYEE THEFT : Extent			
13.	Do you consider employee theft to have a serious effect on your business?	Yes	No
If no, why not?			
14.	Are you able to identify your losses from employee theft?	Partially	Yes No
If yes, what percentage turnover?			
	<ul style="list-style-type: none"> • 0 - 1,0% 		
	<ul style="list-style-type: none"> • Over 1 - 2% 		
	<ul style="list-style-type: none"> • Over 2 - 3% 		
	<ul style="list-style-type: none"> • Over 3% 		
If no, why not?			

EMPLOYEE THEFT - Nature


15.	What methods do employees use to do so?		
16.	In what age category would you place the employee?		
	• Up to 20 years		%
	• Between 21 - 30 years		%
	• Between 31 - 50 years		%
	• Above 51 years		%
17.	Rand value of items stolen?		
	• R0 - R30		%
	• Between R31 - R50		%
	• Between R51 - R100		%
	• Over R101		%
18.	What items do you consider to be stolen the most?		
	• Cosmetics		%
	• Household products		%
	• Food		%
	• Medicine		%
	• Tools & Hardware		%
	• Other, specify		%
19.	Gender of the employee?		
	Male	%	Female
			%
20.	What time of the day does most of the employee occur?		
	• Opening time - 10:00		%
	• Between 10:01 - 12:00		%
	• Between 12:01 - 14:00		%

	• Between 14:01 - 17:00					%
	• Between 17:01 - closing					%
21.	What month of the year does most of the employee theft occur?					
	January	%	February	%	March	%
	April	%	May	%	June	%
	July	%	August	%	September	%
	October	%	November	%	December	%
22.	What are the main reasons given for employee theft?					

EMPLOYEE THEFT : Prevention						
23.	What methods do you use to prevent employee theft?					
	• Management support					
	• Educate employees					
	• Use anti-theft devices (e.g. security tags, mirrors, peepholes, closed circuit television, use of signs)					
	• Job applicant screening					
	• Security personnel (how many)					
24.	How far are you able to evaluate the success of your preventative methods?					
	• Can evaluate					
	• Unable to evaluate					
	• Believe methods effective					

GENERAL : Shoplifting and Employee theft						
25.	To what extent do you increase prices to offset losses?					
	• Not at all					
	• To cover some of the losses					
	• To cover all the losses					

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