

before the reporting time. "When the police came, the man confessed and he had the money lodged with a relative who was waiting in the mall," says Basuray.

While employee theft is a big problem in both organised and unorganised retail, the former probably have to deal with more casual and professional shoplifters than the latter. In fact, analysts say that the advent of walk-in stores, with aisles piled with goods, and the concept of self-service have helped provide opportunities that did not exist earlier. The fact that the cash counters are at one end of a huge room, the guards are often overworked, and there are changing rooms with no intrusive cameras recording what goes on inside makes it easy for the professional thief. Department stores and hyper-market formats are especially vulnerable as they cover huge areas, have relatively low staff-to-customer ratios, and have all manner of goods that are easy to conceal.

In terms of percentage, vegetables and fresh produce have the highest shrinkage or pilferage rates — as high as 7-9 per cent in some cases. That is because, say retailers, vegetables do not have security tags and can be concealed easily, if they are not being stolen in bulk. And many fruits can be consumed in the store itself.

Apparel is another great favourite of shoplifters. Almost every apparel retailer has stories of well-dressed men and women walking into changing rooms with dozens of things to try out, and walking out wearing some new clothes, underneath their old ones, and with the bar codes

## AGENTS OF LOSS

Shoplifting was the single largest cause of retail shrinkage globally in 2011



Source: Global Retail Theft Survey 2011



## JONATHAN YACH

CEO, MANTRI SQUARE MALL

"Managing the crowd that visits a mall is one of the toughest tasks"

and safety tags snipped off to avoid triggering the detectors at the gates. In one particular case in Mumbai, an obviously pregnant woman was found to be faking her condition with dozens of clothes concealed under her *kameez*.

The difference between professional boosters and amateur shoplifters is in the goods they steal. Professionals stick to expensive stuff that can be easily resold — branded clothing and jewellery and other stuff such as sprays, deodorants, etc. Casual shoplifters do not usually go into a store with the intention of stealing — they simply see the opportunity to take something and do so. It could be expensive stuff, but it could equally be something fairly low in value.

## Gaps in Security

The big reason for Indian retail's high shrinkage is that most players in the organised sector are still on the learning curve. According to Arun Mahajan, founder, Mahajan & Aibara, a retail consultancy in Mumbai, the maximum shrinkage takes place in new stores where the staff is not yet used to security systems. Another reason for shrinkage is new staff or change of management or employees at the store level.

In other cases, it is simply because the security systems are not in place for weeks after the shop has opened. In the Cosmos Mall at Whitefield, Bangalore, the walk-in liquor outlet called Madhulika routinely lost expensive bottles to customers who would conceal an extra bottle while paying. The pilferage continued until the retailer decided to install CCTVs and began monitoring footage. Among the people he caught were young executives who could easily buy all the liquor they stole.

Many retailers, say analysts, also suffer pilferage because they do not train their staff adequately to watch out for suspicious customers. And also because they often deploy a couple of guards at the doorway of the outlet to catch all miscreants. In most malls, the general area

## DUBIOUS DISTINCTION

India has the highest retail shrinkage rate

INDIA	2.38
RUSSIA	1.74
MOROCCO	1.72
S.AFRICA	1.71
BRAZIL	1.69
MEXICO	1.68
THAILAND	1.64
TURKEY	1.63
MALAYSIA	1.62
U.S.	1.59

Figures in per cent