

New retail crime stats reveal employee theft, customer aggression and fraud in NZ and Australia

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A Griffith University report exposes statistics about theft, fraud and violence experienced by Australia and New Zealand retailers.

Commissioned by the Profit Protection Future Forum, the [2022 Australia & New Zealand Retail Crime Study](#) provides crucial insight into retail [crime](#) and aims to help [retailers](#) mitigate retail crime through evidence-based strategies and prevent losses.

Co-author and Griffith Criminology Institute Professor Michael Townsley said retailers lose thousands of dollars per year because of retail crime, and understanding how and when it is happening is crucial for business planning.

"We estimate crime costs Australian and New Zealand retail economies about \$4.3 billion per year, and that's a 28% increase over four years from when the last similar study was conducted," Professor Townsley said.

"Customer [theft](#) was the largest category of retail crime making up 53% of losses followed by employee theft which made up 24% of losses.

"While employee theft is less frequent than external theft incidents, each employee theft incident is typically of a much higher value.

"On average, an individual external theft incident costs a retailer around \$415 compared to an internal theft incident costing an average value of \$1200.

"We have discovered discount department stores, sports and recreation stores, and hardware stores consistently reported the highest frequency of violent or aggressive behavior from customers.

"In some good news, robbery has seen sustained reductions, and there appears to be a shift from armed robbery to unarmed robbery in the last four years."

Some of Australia and New Zealand's largest retailers responded to the survey, representing a combined \$136 billion in annual revenue, constituting roughly one-third of the retail economies of both countries and more than 8,900 stores were interviewed.

The report also responds to the cultural and economic shift since the COVID-19 pandemic forced many businesses to adopt online trading, while at the same time dealing with panic buying, supply chain disruption, lock-downs, and personnel shortages.

"Retailers reported an increase in customer aggression and violent incidents during the height of COVID-19 and since [verbal abuse](#) and violence without injury are likely to go unreported, the increase is likely higher than official statistics suggest," Professor Townsley said.

"It is fascinating to know the types of items most targeted for theft which include things such as fresh meat, make-up, sports-related clothing, batteries, and connection devices.

"We found thieves employ an extensive range of methods, and their techniques evolve to circumvent each improvement in store and product security.

"However, the most frequently cited methods of theft were not very sophisticated, such as distracting staff while the item is taken, concealing an item on their person, or simply walking straight out of the store."

COVID lock-downs and working from home shifted customer traffic online and retailers responded by rapidly scaling up their online channels and this attracted the attention of new types of criminals.

"We know from other studies that online scams tripled during COVID-19, and bad actors exploited the uncertainty and insecurities of

individuals for monetary gain," Professor Townsley said.

"Retailers were not exempt as many retailers needed to figure out online trading at a scale they hadn't planned for, so it's no surprise some found online security a challenge."

The study also found large differences in retailers' perception of the level of support they received from police.

"75% of retailers felt they received adequate support from the New South Wales Police Service and New Zealand Police Service but only 25% of retailers felt they were supported by Victoria Police," Professor Townsley said.

"The gap between the highest and lowest rated police agencies was quite striking and individual retailers were in agreement that differences in levels of support is substantial.

"Our qualitative data reflected the heart of the issue appears to be the level of engagement at a local level."

Provided by Griffith University

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