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## News Release

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### Employees Trump Organized Crime as Source of Retail Shrink, Study Finds

*RSR's most recent benchmark report: "Winning Trends in Loss Prevention: Benchmark Study 2008" reveals that despite media hype around Organized Crime as a driver of shrink, retail's reality is vastly different. The sources of shrink remain unchanged. Employees steal cash and merchandise, "sweetheart" friends at the Point of Sale and make administrative errors, while customers still steal merchandise. Retailers believe their best hope to solving these seemingly intractable problems lies in adding more business intelligence to existing technology implementations.*

**MIAMI, FL — December 21, 2007** — It's incredibly hard to create a customer-centric store when your core belief is that your employees, who are your company's face to the world, will steal from you at the first opportunity. Nonetheless, according to a new RSR Benchmark report, sponsored by Micros Retail and Sensormatic: **Winning Trends in Loss Prevention: Benchmark study 2008**, this is the pervasive retailing condition.

Ironically, the worst performing retailers are more concerned about employee theft than their peers. While 56% of retail winners believe employee theft of merchandise is one of the top-three sources of shrink, *a stunning 80% of average performers and 70% of laggards believe their employees are stealing from them.* This trumps customers as a source of shrink by a wide margin.

"New Loss Prevention initiatives have to be cost-effective in both human and financial terms", said Paula Rosenblum, Managing Director and author of the report. "Retailers are looking to add business intelligence to existing technologies and provide exception-based reports from video and text-based data to the responsible party. They believe new LP initiatives can reduce their shrink by 10-25%"

RSR's new study, **Winning Trends in Loss Prevention: Benchmark Study 2008**, identifies the internal obstacles retailers face in driving new LP initiatives and the methods retail winners use to overcome those obstacles. It also provides recommendations for improving results without intruding on the core tenet of customer-centricity.

To obtain a complimentary copy of the report, click [here](#) or:

<[http://www.retailsystemsresearch.com/\\_document/summary/398](http://www.retailsystemsresearch.com/_document/summary/398)>

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### **About Retail Systems Research**

Retail Systems Research ("RSR") is the only research company run by retailers for the retail industry. RSR provides insight into business and technology challenges facing the extended retail industry, and thought leadership and advice on navigating these challenges for specific companies and the industry at large. To learn more about RSR, visit [www.rsresearch.com](http://www.rsresearch.com).

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