



NEWS RELEASE

Economic losses in Quebec retail businesses, 2010- 2011

Montréal, October 18, 2011 – At a news conference held today, the Conseil québécois du commerce de détail/Retail Council of Québec (CQCD) released the results of a biennial survey on economic losses incurred by Quebec retail businesses. The survey, conducted by Altus Group on behalf of the CQCD, covers chains and independent retailers but excludes automobile dealers.

➤ **Levels of retail losses**

In 2010-2011, Quebec's retail sector registered annual economic losses of nearly \$800 million. Stores of basic consumer goods* suffered the greatest losses, estimated at over than \$418 million per year. Semi-durable and durable goods** are in second place, with annual losses of over \$166 million.

➤ **Sources of the losses**

Shoplifting accounts for 38% of losses incurred, while 36% are attributable to theft and fraud by employees. Consumer fraud constitutes 8% of all losses. Administrative errors and suppliers frauds or errors also represent 15%.

➤ **Characteristics and motivation of shoplifters**

The majority of shoplifters are adults, 53% men and 33% women. Teenagers (aged 13-17) make up 12% of the shoplifters. Personal use of the item stolen is the main motive for shoplifting (42%) and internal theft (50%). Gang affiliation is the motive for 15% of acts of shoplifting and 4% of internal thefts.

➤ **Cyber fraud**

Among those retailers (59%) that offer their customers the opportunity to purchase goods through their Internet site, 77% were victims of credit card fraud and 6% experienced other types of fraud.

➤ **Prevention tools used**

Human prevention measures

Human prevention measures most used by retailers include employee training/awareness (83%), control or monitoring of receipt of goods (55%), handbag checks (50 %), and "mystery" shoppers (50%).

* Basic consumer goods: Supermarkets and grocery stores, convenience stores and specialty stores, pharmacies

** Semi-durable and durable goods: Furniture, home furnishings, computers and software, home electronics and appliances, home centres and hardware stores, specialized building materials and garden stores, sporting goods, hobby, book and music stores, general merchandise stores, department stores.

Physical prevention measures

Safes are still one of the methods most widely used by retailers (78%), followed by anti-theft signs (68%), cables, locks, chains, etc. (58%), and surveillance mirrors (48%).

Electronic prevention measures

Traditional alarm systems (83%) and closed-circuit cameras (73%) are still retailers' first and second choices for electronic theft-prevention measures. Anti-theft tags are in third place, at 55%, and security devices for merchandise displays are used by 53% of retailers.

In the next twelve (12) months, retailers intend to focus mainly on employee training/awareness (18%), handbag checks (18%), "mystery" shoppers (13%), and the surveillance of the collection of waste (13%), as effective prevention tools.

➤ Decrease in the number of incidents

Overall, 32% of retailers estimate that the number of incidents has decreased by 22 points of percentage compared to the previous survey (2009). Moreover, the average value of the goods lost through shoplifting is \$247, \$20 higher than in 2009 (\$227), for an increase of 8.8%.

"Prevention is still the best way to combat this scourge that shoplifting represents, as this is a costly problem that concerns us all" notes the CQCD's president and CEO, Me Gaston Lafleur.

This survey carried out between June and September 2011 and polled respondents representing 115,800 employees working in more than 3,750 stores in Quebec. The survey respondents' sales are estimated at more than \$23 billion in 2010 in Quebec alone.

The Conseil québécois du commerce de détail/Retail Council of Québec (CQCD) is proud to promote, represent and enhance the image of the retail sector and the retailers who belong to it in order to ensure the development and prosperity of the sector. The CQCD is an association of retail and distribution businesses representing more than 70% of retail-related activities in Quebec and is an indispensable voice for this major sector the economy.

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