



# 2021 Retail Security Survey

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**NRF Members-Only Appendix**

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# *Appendix*

# Table of Contents

Introduction	1
Theft and Fraud	2
Loss Prevention Department	3
Dishonest Employee Cases	6
AP Programs and Systems	8
Shoplifting	10
Robberies	11
Organized Retail Crime	12
Disaster Recovery	15

# Introduction

NRF's Retail Security Survey, now in its 30th year, is an annual survey of retail loss prevention professionals that covers national retail security issues such as inventory shrink, employee integrity and external retail crime. This year's report also includes an update on the state of organized retail crime. The report serves the retail and solution provider communities and our law enforcement partners, and helps inform policymakers and the media.

Topline findings were shared in a publicly released report available for download on [NRF.com](https://www.nrf.com).

This NRF members-only appendix contains additional insights and data from the survey, including usage of AP programs and systems, LP staffing and budgets and further detail on key benchmarking statistics.

# Appendix: Theft *and* Fraud

A slight majority of retailers have been a victim of cargo theft in the past year, mostly en route from a manufacturer to a distribution center or from a distribution center to a store, or in third-party centers. A larger majority of retailers have experienced return fraud, with about half of retailers finding merchandise credit and gift cards online.

## Question 7

Within the past 12 months, where has your company been the victim of cargo theft?

Response	Percent
We haven't been a victim of cargo theft in the past 12 months	45.8%
En route from the distribution center to a store	26.4%
En route from the manufacturer to the distribution center	20.8%
Third-party centers	20.8%
At the distribution center	16.7%
At the store	13.9%
En route from one store to another store	12.5%

## Question 8

Within the past 12 months, has your company experienced boosters stealing merchandise, returning it for merchandise credit or gift cards, then selling the merchandise credit/cards to secondary market buyers/sellers (internet, kiosk, pawn shops, check cashing stores) for cash?

Response	Percent
Yes - we have found them on websites	51.4%
Yes - we have found them in pawn shops	19.4%
Yes - we have found them in check cashing stores	8.3%
Yes - we have found them in other venues	8.3%
Not sure	15.3%
No	27.8%

# Appendix: Loss Prevention Department

Analytics, investigative and leadership skills are the most desirable qualities for asset protection/loss prevention professionals. Most retailers' AP/LP teams and budgets are holding steady or growing slightly compared with last year.

## Question 12

What skills do you believe you need more of in your asset protection/loss prevention department for your programs to be successful or grow?

Response	Percent
Analytical	73.6%
Investigative	41.7%
Leadership	36.1%
Cybersecurity	33.3%
Computer skills	29.2%
Emotional intelligence	29.2%
Interviewing	18.1%

### Question 13

Compared to last year, are your AP/LP teams in 2021 growing, decreasing or remaining the same in regards to number of employees?

Response	Percent
Growing significantly	9.7%
Growing somewhat	34.7%
Remaining flat	40.3%
Decreasing somewhat	8.3%
Decreasing significantly	6.9%

### Question 14

Compared to last year, is your AP/LP budget in 2021 increasing, decreasing, or remaining the same?

Response	Percent
Increasing significantly (20% or more over 2020 levels)	11.1%
Increasing somewhat (1% to less than 20% over 2020 levels)	34.7%
Remaining flat	37.5%
Decreasing somewhat (1 to 20% LESS than 2020 levels)	13.9%
Decreasing significantly (Over 20% LESS than 2020 levels)	2.8%

## Question 15

For threat prevention purposes, has your company implemented any of the following LP-related emerging technology countermeasures?

	We have implemented already across all our stores	We are in pilot (limited rollout/testing)	We plan to implement this year (2021)	We plan to implement next year (2022)	We have no current plans to implement
Fingerprint ID at POS	4.2%	0.0%	1.4%	2.8%	91.7%
Facial recognition	4.2%	5.6%	0.0%	2.8%	87.5%
Solution provider video analytics	20.8%	19.4%	5.6%	13.9%	40.3%
POS analytics	56.9%	13.9%	5.6%	12.5%	11.1%
RFID merchandise tags for inventory control	8.3%	16.7%	1.4%	2.8%	70.8%

## Question 16

Is your AP/LP department evaluated or held responsible for shrink and thus part of your goals, objectives or performance measures?

Yes	80.6%
No	19.4%

# Appendix: Dishonest Employee Cases

Average loss per dishonest employee case is the highest it has been in the past 6 years. This is due in part to one outlier in the luxury segment who reported a significantly higher average dollar loss per employee. Without the outlier, the average loss per employee case is in line with historical norms.

## Question 20, excluding outliers

What is the average dollar loss per dishonest employee case?

Range	Percent
Up to \$249	16.7%
\$250 - \$399	14.6%
\$400 - \$499	6.3%
\$500 - \$749	4.2%
\$750 - \$999	8.3%
\$1,000 - \$1,999	27.1%
\$2,000 - \$4,999	10.4%
\$5,000 and above	12.5%

  

<b>Average</b>	<b>\$1,551.66</b>
<b>Median</b>	<b>\$987.50</b>



## Question 20, including outliers

What is the average dollar loss per dishonest employee case?

Range	Percent
Up to \$249	16.3%
\$250 - \$399	14.3%
\$400 - \$499	6.1%
\$500 - \$749	4.1%
\$750 - \$999	8.2%
\$1,000 - \$1,999	26.5%
\$2,000 - \$4,999	10.2%
\$5,000 and above	14.3%

Average	\$2,066.93
Median	\$1,000

# Appendix: AP Programs *and* Systems

Usage of more traditional awareness programs such as a code of conduct, anonymous hotlines, and bulletin board notices and posters remains widespread. Retailers also continue to use technologies such as burglar alarms, video recorders and CCTV.

## Question 21

What are the AP/LP awareness programs that your company currently utilizes?

Response	Percent
Code of conduct	96.4%
Anonymous telephone "hotline"	89.1%
Active Shooter training program	83.6%
Discussion during new hire orientation	83.6%
Bulletin board notices and posters	76.4%
Internet-based training, videos, etc.	70.9%
Anonymous online / email notification system	61.8%
Honesty incentives (e.g., cash & gifts)	41.8%
In-store, employee LP committees	21.8%
None of the above	0.0%

## Question 22

Which of the following AP/LP systems does your company currently utilize? Please check all that apply.

### Top 20

Burglar alarms	92.7%
Digital video recorders	83.6%
Background checks	81.8%
Armored car deposit pickups	80.0%
Live customer-visible CCTV	76.4%
Remote IP CCTV monitoring	74.6%
POS analytics*	69.1%
Uniformed guards	56.4%
Web-based case management and reporting	56.4%
Live, hidden CCTV	50.9%
Drop safes	47.3%
Merchandise alarms/electronic security tags	47.3%
Check approval database screening systems	45.5%
Cables, locks and chains	38.2%
IP analytics	36.4%
Theft deterrent devices (spider wraps, keepers, etc.)	36.4%
Acousto-magnetic, electronic security tags	32.7%
POS exception-based CCTV interface	30.9%
Secured display fixtures	30.9%
Plainclothes store detectives	27.3%

\* Originally phrased as "POS data mining," but based on feedback from LP/AP experts changed to "POS analytics" for consistency with Question 15 in the report.

# Appendix: Shoplifting

Apprehensions are the highest we've seen in the last 6 years. This is primarily due to three outliers that reported apprehensions of 40,000 or higher. Without the outliers, the average number of apprehensions is 507.8. Prosecutions are down from last year and significantly below the average of the last 5 years (838.3).

## Question 24, excluding outliers

How many shoplifting apprehensions (i.e. stops), prosecutions and civil demands were made in 2020?

	Apprehensions	Prosecutions	Civil demands
<b>Average</b>	507.8	323.3	42.6
<b>Median</b>	0	5	0

## Question 24, including outliers

How many shoplifting apprehensions (i.e. stops), prosecutions and civil demands were made in 2020?

	Apprehensions	Prosecutions	Civil demands
<b>Average</b>	3514.4	376.5	585.5
<b>Median</b>	0	6	0

# Appendix: Robberies

Two-thirds of respondents reported experiencing at least one robbery in 2020. The number of robberies experienced varies significantly across respondents. On average respondents reported they experienced 21 robberies in 2020; however, one-third (34%) experienced fewer than 10.

## Question 25

How many robberies did your company experience in 2020 ?

Range	Percent
0	34%
1 - 4	22%
5 - 9	12%
10 - 24	14%
25 - 49	8%
50 - 99	4%
100+	6%
<b>At least 1 robbery</b>	<b>66%</b>
<b>Average</b>	<b>21</b>

# Appendix: Organized Retail Crime

The majority of retailers haven't changed and don't have plans to change their company policies to address ORC. In regards to established ORC laws, retailers are more satisfied with support from local and county law enforcement than federal agencies.

## Question 32

Within the past 12 months, has your company changed any of the following policies to address ORC?

	Have changed	Plan to change	Don't have plans to change	Don't have policy for this
Return policy	13.0%	16.7%	70.4%	0.0%
Point-of-sale policy	22.2%	18.5%	59.3%	0.0%
Trespass policy	9.3%	5.6%	75.9%	9.3%
Employee screening policy	3.7%	5.6%	90.7%	0.0%

## Question 33

In states that do currently have ORC laws and where your company has a presence, how satisfied have you been with the support you receive from each of the below law enforcement agencies?

	Very satisfied	Somewhat satisfied	Not very satisfied	Not satisfied at all
Local/county law enforcement	5.6%	46.3%	29.6%	7.4%
State law enforcement	3.7%	44.4%	25.9%	5.6%
Federal law enforcement	7.4%	35.2%	27.8%	9.3%

### Question 36

In order to maintain a current list of the top areas affected by ORC, please indicate up to 10 areas where your stores/distribution centers are affected most.

Top 20	
CA - Los Angeles	64.8%
CA - San Francisco/Oakland	40.7%
IL - Chicago	40.7%
NY - New York	40.7%
FL - Miami	37.0%
TX - Houston	37.0%
GA - Atlanta	31.5%
CA - Sacramento	29.6%
MD - Baltimore	22.2%
NV - Las Vegas	20.4%
WA - Seattle	20.4%
DC - Washington	18.5%
PA - Philadelphia	18.5%
TX - Arlington/Dallas/Fort Worth	18.5%
AZ - Phoenix	16.7%
CA - Orange County	16.7%
CA - San Diego	14.8%
CA - San Jose	14.8%
FL - Orlando	14.8%
NJ - Northern NJ	13.0%
OR - Portland	13.0%

### Question 38

What are the top stolen items by ORC gangs?

Response	Percent
Designer clothes	22.2%
Laundry detergent	16.7%
Designer handbags	14.8%
Allergy medicine	14.8%
Razors	14.8%
High-end liquor	14.8%
Denim pants	14.8%
Pain relievers	13.0%
Infant formula	11.1%
Teeth whitening strips	11.1%
Energy drinks	9.3%
Deodorant	7.4%
Contraceptives	5.6%
High-end vacuums	5.6%
Laptops/tablets	5.6%
High-end appliances	5.6%
Children's toys	5.6%
Pregnancy tests	3.7%
Cell phones	1.9%
Weight loss pills	1.9%
Cigarettes	0.0%



# Appendix: Disaster Recovery

Most retailers have established recovery plans in case of natural disasters or other national emergencies. All participating retailers successfully executed their existing recovery plans in the face of turmoil in 2020.

## Question 40

Does your organization already have existing recovery plans in place, e.g. from natural disasters or other national emergencies, that could apply?

Response	Percent
Yes	88.9%
No, but it is in the works	5.6%
No, but we are looking for resources to develop them	1.9%
No, and we have no current plans to create them	1.9%
Unsure	1.9%

## Question 41

Were you able to successfully execute these plans with all the turmoil in 2020? For example, COVID-19, wildfires, civil unrest, etc.

Yes	100%
No	0%