

# THE HAYES REPORT ON LOSS PREVENTION

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## In This Issue

### **Role of Customer Service in Preventing Shoplifting...Page 1**

*Technology and security systems play an important role in preventing shoplifting, however one of the most effective tools is exceptional customer service. This article discusses several customer service questions that if answered "Yes", will assist in reducing shoplifting losses.*

### **Importance of Safety During the Holiday Season.....Page 2**

*This article looks at the importance of maintaining a strong safety focus during the busy holiday season. Safety risks are heightened for associates, customers and businesses alike with longer hours, increased foot traffic, and seasonal/temporary associates.*

### **Preventing Shoplifting During Busy Holiday Season.....Page 3**

*Proactive strategies are essential to combatting shoplifting during the holiday season. Seven strategies are discussed in this article.*

### **Testing For Success.....Page 3**

*Take our short quiz to see if your seasonal associates will help protect holiday profits.*

### **The Bulletin Board.....Page 6**

*See the Bulletin Board for the most common passwords used.*

*Mark R. Doyle Talks - - -*

## **It's That Time of Year Again!**



Yes, the holiday season is fast approaching – bringing with it a surge in traffic, sales, and unfortunately, theft. In this issue, we are sharing timely insights and practical tips to help you navigate the busy season while protecting your bottom line profits.

Now is *not* the time to relax your shrink control systems or procedures just because stores are bustling. In fact, it's more important than ever to stay vigilant. The increase in seasonal and temporary staff can introduce new risks, making it crucial to maintain your audit programs and ensure strict adherence to company policies, procedures, and Loss Prevention strategies. Let's finish the year strong – and secure.

**Until next year...**

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*A Most Effective Tool - - -*

## **The Role of Customer Service in Preventing Shoplifting**

By Mark R. Doyle

While technology and security systems play an important role in retail loss prevention, one of the most effective, yet sometimes underestimated, tool in deterring shoplifting is exceptional customer service. Friendly, attentive, and well-trained staff not only create a positive shopping experience but also send a clear message to would-be shoplifters: someone is paying attention.

Can you answer YES to each of these customer service questions?

**Do your associates use customer engagement as a deterrent to shoplifting?** Genuine customer service starts with a warm greeting. A simple "Hello, welcome!" as a customer enters the store is a powerful deterrent. Better yet, ask an open

*Continued on Page 4*

**Did You Know**

Two million shopping carts are stolen on an annual basis, costing US retailers approx. \$175 million in replacement and repair costs

*Food Marketing Institute*

A recent survey revealed the following on self-checkout theft:

. Over 20 million Americans have stolen via self-checkout.

. Of those stealing via self-checkout 44% plan to steal again in this way.

. Only 33% of offenders stated they had been caught stealing via self-checkout.

. States with most dishonest self-checkout customers: Nebraska, Illinois, Oregon and Colorado

. States with least dishonest self-checkout customers: Montana, North Dakota, New Jersey, North Carolina

*Capital one Shopping*

Half of wealthy Gen Zers and Millennials (those making \$100,000+ a year) admit to 'digital shoplifting' and they state inflation and influencer hacks when rationalizing their dishonest activity. Part of digital shoplifting is when a person dupes an online merchant into refunds for products they've received and are keeping but submit a claim that they never received the item(s).

*Fortune.com*

At least 65,000 railroad cargo thefts occurred last year, a 40% increase from 2023, costing the largest rail companies more than \$100 million.

*Assn. of American Railroads*

*Don't Ignore Safety - - -*

## **Importance of Safety During the Holiday Season**

The holiday season is the busiest and most profitable time of year for many retailers, but it also presents heightened safety risks for associates, customers, and businesses alike. With increased foot traffic, longer hours, and seasonal staffing, maintaining a strong focus on safety is essential to ensuring a smooth and successful holiday selling season.

A few major areas to consider:

### **Crowd Control and Store Layout**

High customer volumes, especially during peak times like Black Friday or promotional events, can lead to overcrowded aisles, blocked exits, and even dangerous crowd surges. Retailers should proactively plan for traffic flow by clearly marking entrances and exits, keeping aisles clear, and using signage or floor markings to manage lines, especially at the registers, fitting rooms, and store entrances and exits. Limiting store capacity when needed can also prevent overcrowding and reduce the risk of accidents or altercations.

### **Employee Training and Preparedness**

Many retailers hire seasonal associates who may be unfamiliar with store safety procedures. Proper onboarding should include training on emergency evacuation & exits, fire safety, slip and fall prevention, and how to report suspicious behavior. Staff should also be coached on how to handle difficult customer interactions calmly and professionally, particularly during high-stress situations like returns or out-of-stock conditions.

### **Merchandise and Display Safety**

Holiday displays, decorations, and merchandise stacks can create safety hazards, both on the sales floor and in the stockroom, if not properly secured. Ensure that displays do not obstruct sightlines, emergency exits or pathways to emergency exits and that all items are safely stacked to prevent falling injuries. Extension cords, lighting, and other electrical elements should be safely installed, regularly inspected and surge strips never piggybacked (ie. plugged into one another).

*Continued on Page 5*

### Testing For Success

The 2025 holiday season is upon us, and for many companies that means the hiring of seasonal/temporary associates. Take our short test to see if you have the polices/procedures in place to protect those extra holiday profits.

1. For seasonal/temporary hires, are the same pre-employment screening processes in place as for your regular full-time hires? **Yes No**
2. Will your seasonal/temporary hires be given LP training during their orientation process to ensure they know what to do in case they suspect or encounter a shoplifter or dishonest employee? **Yes No**
3. Will management give extra attention to seasonal/temporary associates to ensure they follow policies/procedures? **Yes No**
4. Are good customer service techniques being taught to seasonal/temporary associates to help reduce shoplifting opportunities? **Yes No**
5. Is high value/highly pilferable inventory adequately secured on the sales floor and in the backroom so it is not easily accessible to just anyone? **Yes No**

Hopefully, you were able to answer 'Yes' to each of the above questions, so your holiday season has a much better chance of being a success! \$

*A Crucial Time of Year for Profits - - -*

## **Preventing Shoplifting During the Busy Holiday Season**

The holiday season brings increased foot traffic, bustling stores, and a surge in sales - but it also heightens the risk of shoplifting. With distracted staff, crowded aisles, and merchandise moving rapidly, retailers become more vulnerable to theft. Implementing proactive strategies is essential to protecting inventory and maintaining profit margins during this critical time of year. Therefore:

- 1. Increase Visible Staff Presence:** One of the most effective deterrents to shoplifting is a strong, visible associate presence throughout the store. Deploy associates near high-value or commonly stolen merchandise and train them to greet customers upon entry. This not only provides customer service but signals to potential shoplifters that they are being watched.
- 2. Leverage Technology:** Invest in surveillance cameras, electronic article surveillance (EAS) systems, and mirrors to cover blind spots. Make sure all devices are operational and monitored, especially during peak shopping hours. Signage that alerts customers to active surveillance can also serve as a deterrent.
- 3. Train Seasonal Staff:** Temporary holiday hires may lack experience in loss prevention. Provide clear guidance on identifying suspicious behaviors, managing fitting rooms and self-checkout stations, and following store protocols for reporting suspected theft. Emphasize the importance of customer engagement as a theft deterrent.
- 4. Improve Store Layout and Signage:** Organize displays to minimize blind spots and avoid overstocking shelves, which can make it easier for items to be concealed. Use clear sightlines from registers and fitting rooms, and limit the number of entrances and exits when possible.
- 5. Monitor Fitting Rooms, Self-Checkouts and Returns:** Fitting rooms, self-checkouts and return counters are frequent targets during the holidays. Assign trained staff to monitor these areas closely and verify returns against receipts and original payment methods.

*Continued on Page 5*

**Believe It or Not**

**Uber Driver Refuses to Provide Ride to Shoplifter**

A woman who shoplifted over \$1,300 from a local drug chain store tried to use an Uber as her get-a-way car. When the police arrived, they found the woman in the parking lot taking her stolen items out of the back seats of the Uber car and placing them back into her shopping cart. When apprehended the woman stated to police the Uber driver refused to provide a ride to her when he noticed her items were stolen.

**Two Robbery Suspects Locked Inside Store-Await Police**

Two men entered a convenience store and attempted to steal several items after a confrontation with the store clerk. As the men headed for the door, the clerk locked the doors so the men could not exit. Upon arrival, police officers observed two men locked inside the convenience store and commanded them to lie on the ground, which they did before being taken into custody. Video footage of the incident was reviewed, and police charged the men with robbery, possession of stolen property and a dangerous weapon.

**Shoplifters Walk Free in NYC**

Serial NYC shoplifters walk free despite being arrested over 200 times! One man has been arrested a whopping 254 times; while another shoplifter has been arrested 235 times; and a third 203 times. One stated he doesn't mind being arrested, because they are just going to let him go.

*Continued From Page 1*

**The Role of Customer Service in Preventing Shoplifting**

ended question to the customer such as “Are you looking for anything particular today?”, or “do you know about are current promotions?”. It signals that the staff is alert, aware of who is in the store, and available to assist. Shoplifters tend to avoid environments where they feel observed and are more likely to target stores with inattentive or disengaged associates.

**Are your associates staying visible and approachable?**

Sales associates should be visible throughout the store, not just behind counters or at registers. Walking the floor, tidying displays, and checking in with customers not only enhances the shopping experience but allows staff to keep an eye on merchandise and behavior. When associates frequently approach customers with offers of help, it reduces opportunities for theft and disrupts the anonymity that shoplifters seek.

**Has your staff been trained to recognize “red flags”?**

Providing loss prevention training as part of customer service orientation is essential. Associates should be taught how to spot suspicious behavior such as nervous movements, watching staff rather than shopping, or carrying large, wrinkled or not in center/mall bags. They should also be trained on how to respond to these “red flags” without confrontation. Role-playing different scenarios can prepare associates to handle situations with professionalism and discretion.

**Are fitting rooms and self-checkout areas high on your customer service practice?**

Customer service plays a critical role in areas where shoplifting risk is high, such as fitting rooms and self-checkout stations. Staff assigned to these areas should remain attentive, maintain a friendly presence, and follow procedures for item counts and receipts without making honest shoppers feel uncomfortable.

**Does your customer service create a culture of awareness and honesty?**

Ultimately, customer service sets the tone for the store. A helpful, alert, and engaged team can dramatically reduce theft opportunities by making potential shoplifters feel noticed and unwelcome. When customers feel valued and shoplifters feel watched, everyone benefits. \$

**Advisory Board**

**Mark R. Doyle**

President/Owner of Jack L. Hayes International. For over 39 years has consulted with some of the finest companies in the world assisting them in the design and implementation of programs to control inventory shrinkage and loss.

**Jack L. Hayes**

Internationally recognized expert on Asset Protection who has consulted for some of the finest retail companies world-wide over his 50 years in the industry.

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Globally recognized advisor to America's favorite franchised, retail & food service brands. For 30 years, has advised on & designed solutions which improve franchise sales reporting, brand compliance, and inventory shrink.

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**Importance of Safety During the Holiday Season**

**Parking Lot and Exterior Safety**

Increased shopping activity means busier parking lots, which can present additional risks. Retailers should ensure exterior areas are well-lit, free of hazards like ice or debris, and monitored with cameras or security patrols. Encourage associates to park in designated, well-lit areas and consider escorting them to their cars after dark if necessary.

**Associate Fatigue**

Extended hours and high customer volume can lead to associate burnout. Tired workers are more prone to mistakes, accidents and poor judgement. Allow for adequate breaks, rotate shifts, and encourage open communication about stress and workload to reduce the chances of burnout-related incidents.

A strong safety culture during the holiday season protects more than just people - it protects your brand, your inventory, and your bottom-line. By planning ahead, training staff, and addressing common risks, retailers can create a secure environment that allows customers and associates to enjoy a productive and safe holiday shopping experience. \$

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**Preventing Shoplifting During the Busy Holiday Season**

**6. Stay Organized and Keep Inventory Tight:** Disorganized displays can make it easier for items to go unnoticed. Keep merchandise neatly arranged and perform regular inventory checks – especially during busy hours.

**7. Partner with Local Law Enforcement:** Coordinate with local police departments for added visibility and quicker response times. Consider participating in community retail theft prevention programs or holiday crime reduction initiatives.

Shoplifting during the holidays is a significant risk, but with preparation, vigilance, and well-trained staff, retailers can minimize losses while ensuring a safe and positive shopping experience for legitimate customers. \$



**Jack L. Hayes International, Inc.** is widely recognized as the leading consulting firm specializing in loss prevention and inventory shrinkage control worldwide. For decades, the company has provided proven strategies, services, and products that are trusted by top retail, industrial and manufacturing organizations across the globe.

**Consulting Services/Products:**

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- LP Organizational Review
- The Hayes Report on Loss Prevention Newsletter (quarterly)
- Annual Retail Theft Survey (35<sup>th</sup>)

For additional information on Hayes International's loss prevention/shrinkage control and safety services, including consulting and outsourced LP Services, visit our website at:

<https://hayesinternational.com/>

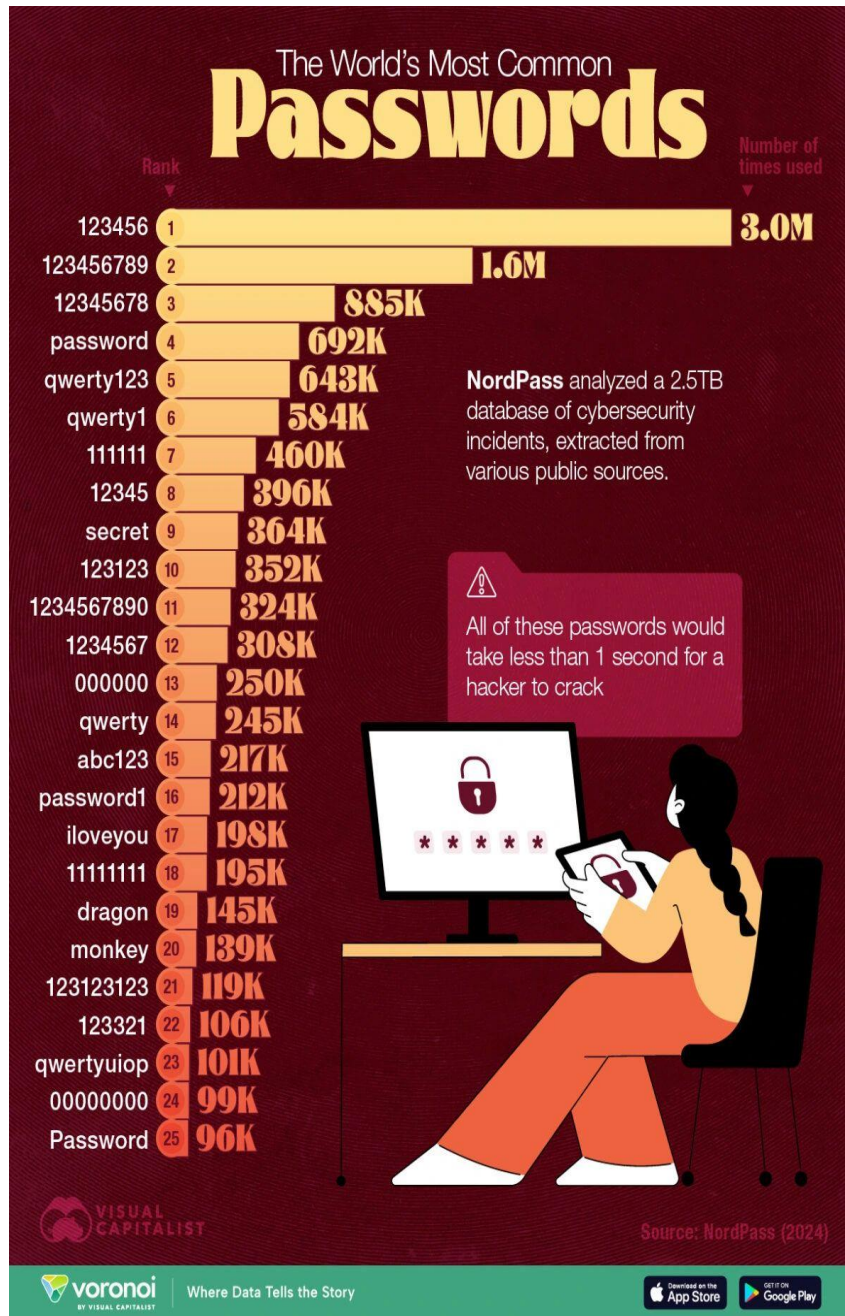
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