



NEWS RELEASE

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CQCD – ECONOMIC LOSSES IN QUEBEC RETAIL ESTABLISHMENTS, 2006- 2007

Montréal, October 23, 2007 – During a news conference held today, the Conseil québécois du commerce de détail/Retail Council of Quebec (CQCD) released the results of a survey conducted on its behalf by Géocom Recherche on economic losses in Quebec retail establishments.

➤ **Levels of retail losses**

Quebec's retail sector registers economic losses of nearly \$1 billion annually. This figure represents a slight increase in 2007, at 1.79%, compared with 1.72% in 2005. The estimate is based on the losses incurred by chain stores and independent retailers in Quebec, but excludes automobile dealers. Average daily losses total more than \$1 million from employee theft and nearly \$1 million from shoplifting.

➤ **Sources of the losses**

Theft and fraud by employees account for 40% of the losses incurred, while 43% of losses are attributable to shoplifting and consumer fraud. Administrative errors and supplier fraud or errors constitute 15% of the total losses.

➤ **Cyber fraud**

Among those retailers (57 %) that offer their customers the possibility to purchase goods through their Internet site, 83% have been victims of cyber fraud.

➤ **Prevention tools used**

Human prevention measures

Human prevention measures used by retailers include employee training/awareness (91%), bag checks (78%), "mystery" shoppers (65%) and control or monitoring of the receipt of merchandise (65 %).

Physical measures

Safes are still one of the means of prevention most frequently used by retailers (96 %), followed by visible simulated closed-circuit systems (52%) and cables, locks, chains, etc. (48 %).

Electronic measures

Traditional alarm systems (91 %) and closed-circuit cameras (83 %) remain retailers' first and second choices for electronic anti-theft measures. Anti-theft tags are in third place, at 78%, and security devices for merchandise displays (65 %) are also widely used.

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In the next twelve (12) months, retailers intend to rely on employee training/awareness (22%), the addition of anti-theft tags (13%) and the use of “mystery” shoppers (also 13%) as effective prevention tools.

➤ **Increase in the number of incidents**

Overall, retailers estimate that the number of incidents has increased (44%) in 2007. Moreover, the average value of the goods lost through shoplifting is \$138.50.

“Prevention remains the best means of combatting this scourge. To that end, a shoplifting awareness campaign targeting the public at large can have a positive impact in the short and medium terms, as this is a problem that concerns us all,” notes CQCD president Me Gaston Lafleur.

The CQCD wishes to thank Scantronic and Géocom Recherche and their teams for carrying out this survey. The survey polled respondents representing some 87 000 employees in more than 1 930 stores in Quebec, between July and September 2007. The survey respondents’ sales are estimated at more than \$16.2 billion in 2005-2006 in Quebec alone.

The Conseil québécois du commerce de détail/Retail Council of Quebec (CQCD) is proud to promote, represent and enhance the image of the retail sector and its members in order to ensure the sound development and prosperity of the sector. The CQCD is an association of retail and distribution enterprises representing more than 70% of retail activity in Quebec. It is an indispensable interlocutor for the sector it represents.

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Source: Conseil québécois du commerce de détail/Retail Council of Quebec
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