

PROTECTING ASSETS

Cart Security



Rocateq

Protecting assets.

One of the goals of Loss Prevention should be to protect their assets to reduce the loss of shopping carts. Protecting assets like shopping carts will increase the amount of sales significantly. Keeping in mind that an average shopping cart costs **\$75-150**, depending upon cart size, design, construction materials and number of carts being purchased, and a store loses annually about **\$6,000 to \$12,000** due to shopping cart theft the average of stolen carts is **80 per year**. The fact that shopping carts are stolen is well known among store managers and their staff because they encounter this problem on a daily basis. However most Loss Prevention departments do not include the loss of shopping carts as a specific loss of asset but this is included in the overall shrinkage. Many Loss Prevention professionals may not be aware that shopping cart theft is a problem. In some neighborhoods, shopping cart theft is more prevalent than in others, but when looked at under a financial microscope, it is undeniably a problem that many retailers are not even looking at. Not many Loss Prevention professionals would consider a shopping cart an exciting asset to protect.

Many may not even know they have a shopping cart theft issue because most Loss Prevention executives do not ever see the financial loss information regarding shopping carts. Shopping carts are not only stolen for scrap, but many are stolen for varying personal use. They have been stolen to be transformed into grills, go-karts, and for just plain mischief by neighborhood teens.

The Food Marketing Institute reports that nearly 2 million shopping carts in the food industry are stolen each year. These figures refer only to the food industry, it will be even higher losses when DIY stores are also included in this study.

According to the Herald News a store in Fall River sends out its employees three times a week to pick up the shopping carts that are left in public spaces to ensure that their property is returned and so that the carts do not create a nuisance in the community. In Fall River there's even a local ordinance that exclusively pertains to the taking and abandonment of shopping carts. Article III states that the city's director of the Department of Community Maintenance, or a designee, can authorize DCM staff to collect and remove abandoned shopping carts. If an owner fails to respond within 30 days to the notice of impoundment, the DCM director can then impose a **\$100** fine and dispose of the unclaimed cart.



“Shopping carts are not only **stolen for scrap**, but many are stolen for **varying personal use**”

Impact of shrinkage on sales.

According to Centre for Retail Research shrinkage measures losses as the difference between actual sales and theoretical sales (based on actual deliveries). Shrinkage is the difference between the two figures. The Centre for Retail Research investigated how much shrinkage and losses were caused by crime. The average shrinkage as percentage of sales in the U.S. was **1.48%** (2019). Based on this number a supermarket with an annual revenue of **\$15 million** does have an average shrinkage of **\$220,000** annually. Imagine that the loss of shopping carts is **0.2%** of this shrinkage, protecting shopping carts will brings **\$44,000** in savings

Beyond the great savings for a supermarket, shopping carts are indispensable for supermarket sales. Cahill, a staff reporter for The Wall Street Journal, revealed that customers with shopping carts in mass- market retail stores purchase an average of 7.2 items versus 6.1 items without a shopping cart. That is an **18%** increase in item count – an incredible feat by any retailers standards.

Savings and increasing sales are very important for supermarket profitability. In addition, customers are essential for a supermarket. Customers count on there always being shopping carts available when they visit the supermarket. Poor customer experience otherwise leads them to look for another store.



Rocateq is a **leading** international cart security, check out security, basket security, and business intelligence solution provider. Rocateq is committed to providing retailer's quality, valuable and actionable technology, and software that contributes to smarter shrink control solutions and profit enhancement. As any retailer knows, smarter shrink control equals profit growth.

To find out more visit www.rocateq.com