LOSS PREVENTION OR LOST SALES?

THE IMPACT OF SECURITY MEASURES ON CUSTOMER EXPERIENCE

2024

Executive Summary

Retailers wrestling with rising theft face a critical dilemma: how to protect inventory without creating barriers that drive customers away. Our comprehensive study uncovers the stark realities of how security measures shape consumer behavior, satisfaction, and revenue potential.

Key findings from our research include:

77.3% of consumers encounter locked merchandise at least "Sometimes," with **16.7%** facing this barrier "Usually" or "Always"

46.4% of shoppers report that locked merchandise makes their shopping experience less convenient

44.8% of customers will turn to third-party retailers like Amazon when encountering locked items

83.8% of consumers expect a response time of 4 minutes or less when seeking assistance with locked items

71.8% of shoppers associate security measures with higher theft risk, potentially damaging brand perception

73.5% of consumers feel most secure in well-lit environments, preferring subtle security measures over obvious purchase barriers

This research suggests that while protecting merchandise is essential, aggressive security tactics significantly influence purchasing decisions and brand loyalty. Finding the right balance between protection and accessibility proves crucial for maintaining both assets and customer relationships.

Introduction

Retail theft represents a growing challenge for businesses nationwide. As stores implement increasingly stringent security measures in response, the impact on customer satisfaction and shopping behavior requires careful examination.

Our research investigates the complex relationship between merchandise protection and shopper experience, exploring:

- How consumers react to different security approaches
- The ways locked merchandise affects buying decisions
- Customer tolerance for service wait times
- Perceptions of store safety measures
- Links between security tactics and brand trust
- Alternative protection methods that preserve positive shopping experiences

These insights equip retailers with vital data for developing strategies that safeguard inventory while maintaining strong customer relationships and sales performance.

Methodology

This investigation consisted of two targeted consumer surveys:

Survey 1 examined customer experience and purchasing behavior through **responses from 1,300 U.S. consumers**. Questions focused on shopping patterns, reactions to locked merchandise, and alternative purchasing choices when encountering security measures.

Survey 2 gathered data from **929 respondents** about their perceptions of security measures and resulting behavior changes. This portion investigated how various loss prevention strategies affect both the psychological and practical aspects of shopping.

Both surveys utilized multiple-choice and open-ended questions to capture quantitative and qualitative insights. This dual approach provides a comprehensive understanding of how security measures influence both immediate sales and ongoing customer relationships.

Demographics

Our research participants represented a comprehensive cross-section of U.S. consumers across regions, gender, and age groups. The regional distribution provided insights from all major areas of the country, with the South contributing the largest portion at 38% of respondents, followed by the Northeast at 22%, the Midwest at 20%, and the West at 20%. This geographical spread ensures the findings reflect diverse market conditions and shopping environments.

Demographic Breakdown:

Geographic Distribution (US Regions)

South: 38%
(419 respondents)

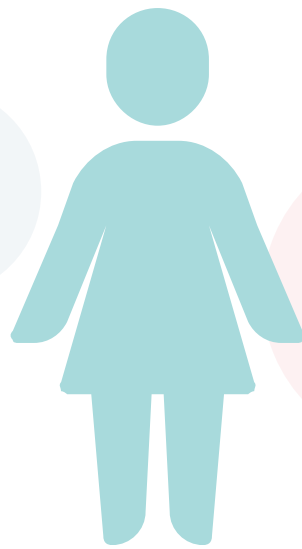**Midwest: 20%**
(223 respondents)

West: 20%
(218 respondents)

Northeast: 22%
(246 respondents)

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Gender & Age Range Distribution

Male: 22%
(241 respondents)

Female: 78%
(856 respondents)

25-34 years (278 Respondents)
25%

35-44 years (246 Respondents)
22%

45-54 years (224 Respondents)
20%

55-64 years (201 Respondents)
25%

65+ years (157 Respondents)
14%

Survey respondents were predominantly female (78%), with male participants accounting for 22%. This composition aligns with typical primary household shopping demographics for routine shopping trips.

Age distribution spanned key consumer segments, with respondents aged 25-34 representing the largest group (25.1%), followed closely by those 35-44 (22.2%). The middle segments included ages 45-54 (20.3%) and 55-64 (18.2%), while those 65 and older comprised 14.2%.

Detailed Findings

The Value of Impulse Purchases to Retail Revenue

Understanding consumer impulse buying behavior provides crucial context for evaluating the impact of security measures. When products are locked away, retailers risk losing significant unplanned purchases that often boost revenue.

Our research reveals that **77.3%** of consumers make impulse purchases at least "Sometimes," with **39.8%** doing so "Often" or "Always." Only **0.62%** of shoppers report never deviating from their planned shopping list. This data demonstrates that impulse purchases represent a substantial portion of retail sales potential.

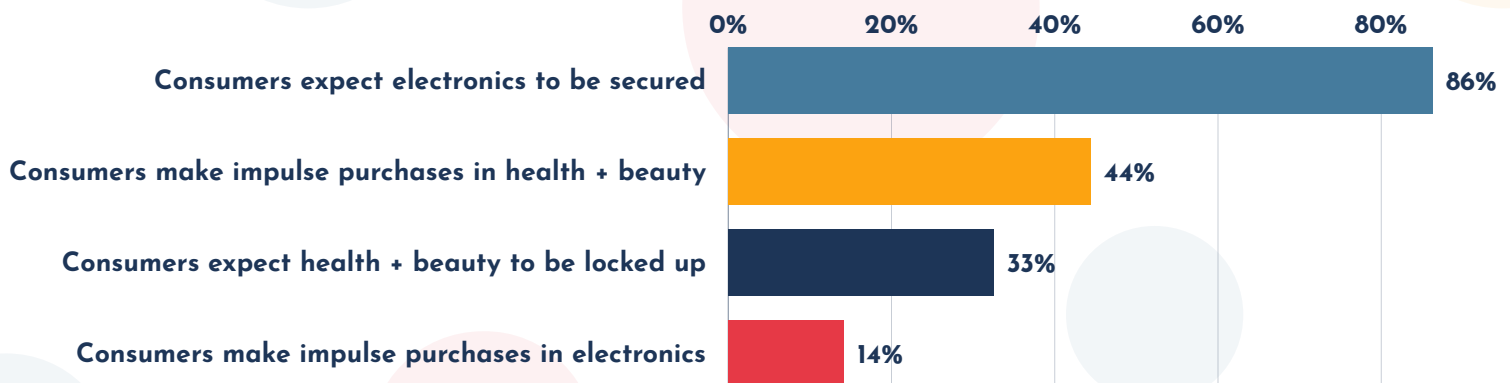|	0%	20%	40%	60%	
Consumers make impulse purchases at least "Sometimes."					77%
Consumers make impulse purchases "Often" or "Always."			40%		
Consumers report never deviating from their planned shopping list	1%				

For retailers, this means that any barrier between customers and products—including security measures—could significantly impact revenue beyond just planned purchases. Each locked display case potentially represents lost opportunities for spontaneous sales.

Categories Most Vulnerable to Lost Impulse Sales

When examining which impulse purchases might be most affected by security measures, the data reveals important overlaps between frequently impulse-bought items and commonly locked merchandise.

Health and Beauty items represent a key concern, with **44.4%** of consumers making impulse purchases in this category, while **32.5%** expect these items to be locked up. This suggests that current trends of securing cosmetics and personal care items could be significantly impacting spontaneous sales. Similarly, electronics account for **14.2%** of impulse purchases, and with **86.3%** of consumers expecting these items to be secured, retailers must balance protection with purchase accessibility.

Consumers expect electronics to be secured	86%
Consumers make impulse purchases in health + beauty	44%
Consumers expect health + beauty to be locked up	33%
Consumers make impulse purchases in electronics	14%

For retailers, this intersection between high-impulse categories and security needs requires careful consideration. When items that consumers might spontaneously purchase require employee assistance, the added friction could mean lost sales opportunities. This is particularly true for health and beauty products, where the decision to lock up merchandise could be directly impacting a significant portion of potential impulse revenue.

Expected vs. Unexpected Security Measures

Beyond the gaps already discussed in health/beauty and electronics categories, consumer expectations vary significantly across other retail categories. While **63.4%** of consumers expect tobacco products to be secured and **42.2%** expect tools/hardware to be locked up, very few anticipate restrictions on household goods **(8.5%)** or food items **(6.1%)**. When these latter categories are secured beyond customer expectations, it creates friction in the shopping experience.

	0%	20%	40%	60%
Expect Tobacco Products to be secured				63%
Expect Tools/Hardware to be locked up			42%	
Expect Household Goods to be secured	9%			
Expect Food Items to be locked up	6%			
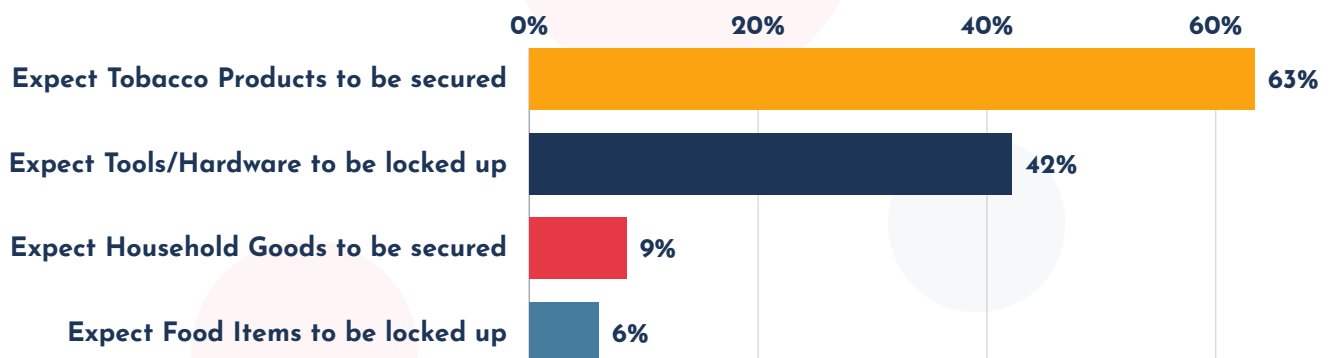
Frequency of Security-Related Purchase Barriers

The prevalence of unexpected security measures reveals how often retailers may be creating unnecessary friction in the shopping experience.

A significant **65.4%** of shoppers encounter locked merchandise at least "Sometimes," with **16.7%** facing this barrier "Usually" or "Always." Only **2.2%** report never encountering locked items. This high frequency of secure merchandise suggests that retailers may be overusing security measures relative to actual risk.

Shoppers encounter locked merchandise at least "Sometimes."	**65.4%**
Shoppers face locked merchandise "Usually" or "Always."	**16.7%**
Shoppers report never encountering locked items.	**2.2%**

For businesses, this indicates a need to reevaluate security strategies. The frequency of locked merchandise may be driving customers toward alternative shopping channels or competitors.

Security Measures and Store Safety Perception

The way retailers implement security measures can significantly influence how customers perceive store safety.

When encountering certain locked-up products, **59%** of consumers interpret this as an indicator of store safety issues. Only **28.2%** do not make this association, while **12.8%** remain uncertain. This suggests that how and which items are secured may send unintended signals to customers about store safety.

|	0%	20%	40%
Consumers think locked products mean the store has safety issues			59%
Do not associate locked products with safety problems	28%		
Are unsure whether locked products indicate safety concerns	13%		

Retailers must carefully consider which products they choose to lock up, as their security decisions might be creating unintended consequences for their brand perception and customer comfort levels.

Most Disruptive Security Measures

Understanding which security measures customers find most problematic helps retailers optimize their loss prevention strategies.

Locking showcases lead customer frustrations at **64.9%**, followed by cables tethering merchandise to shelves at **40.7%**. Purchase card systems, where customers take a card to the register for retrieval, frustrate **32.2%** of shoppers, while restrictive fixtures that only allow removing one item at a time bother **22.7%** of customers.

Frustrated by locked showcases — 65%
Dislike cables tethering merchandise to shelves — 41%
Annoyed by purchase card systems — 32%
Frustrated by restrictive fixtures that limit removing one item at a time — 23%
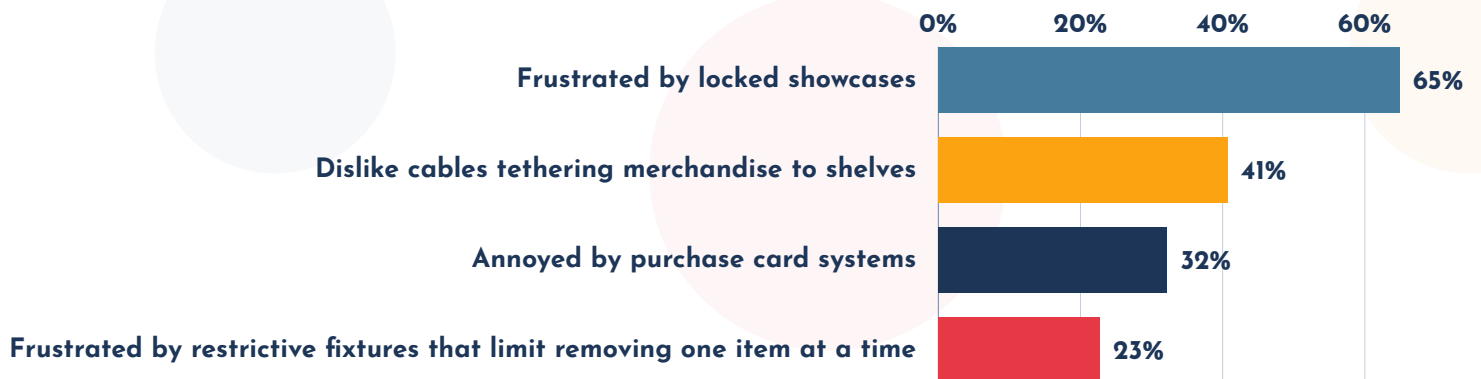
For retailers, this hierarchy of customer frustration provides clear guidance for security measure selection. When possible, choosing less disruptive methods could help maintain customer satisfaction while still protecting merchandise.

Consumer Response to Locked Merchandise

When customers encounter unexpected locked merchandise, their responses reveal the potential impact on sales and customer loyalty.

While **53.1%** of customers will wait in the store for assistance, a significant portion pursue alternative purchasing paths. Nearly half (**44.8%**) of frustrated customers will abandon the retailer entirely in favor of third-party platforms like Amazon - meaning brands not only lose the direct sale but often end up paying up to **15%** in marketplace commissions for a purchase that could have been made in their store. Perhaps most concerning for retailers, **36.2%** of customers will completely abandon their purchase. Other alternatives include purchasing from a different store (**32.8%**), buying online from the same store (**28.9%**), or buying online from a different store (**26.7%**).

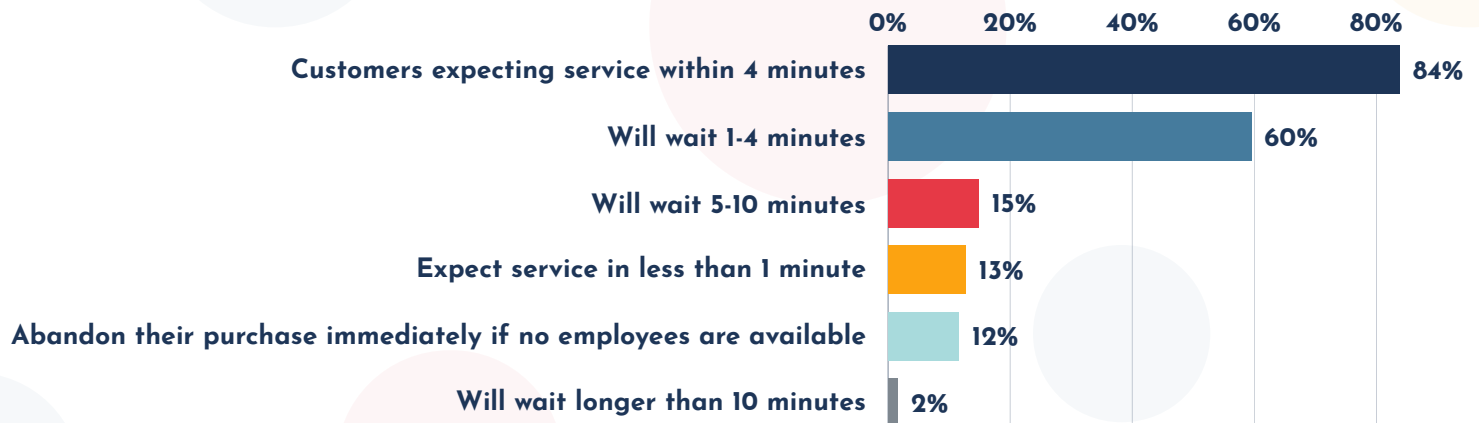|	
Will wait in the store for assistance	53%
Will abandon the store and buy from third-party platforms like Amazon	45%
Will completely abandon their purchase	36%
Will buy the product from a different store	33%
Will buy online from the same store	29%
Will buy online from a different store	27%

These statistics demonstrate how locked merchandise can significantly redirect or completely halt intended purchases, potentially impacting both immediate sales and long-term customer relationships.

Critical Wait Time Thresholds

Understanding customer patience for accessing locked merchandise reveals crucial operational targets for retailers.

A clear majority (**59.5%**) of customers will wait between 1-4 minutes for assistance, while **12.7%** expect service in less than one minute. Only **14.8%** will wait 5-10 minutes, and a mere **1.6%** will wait longer. Notably, **11.6%** abandon their purchase immediately upon seeing no available employees.

For retailers, this data establishes clear service level requirements. With **83.8%** of customers expecting service within 4 minutes, staffing and response processes must align with these expectations to prevent lost sales.

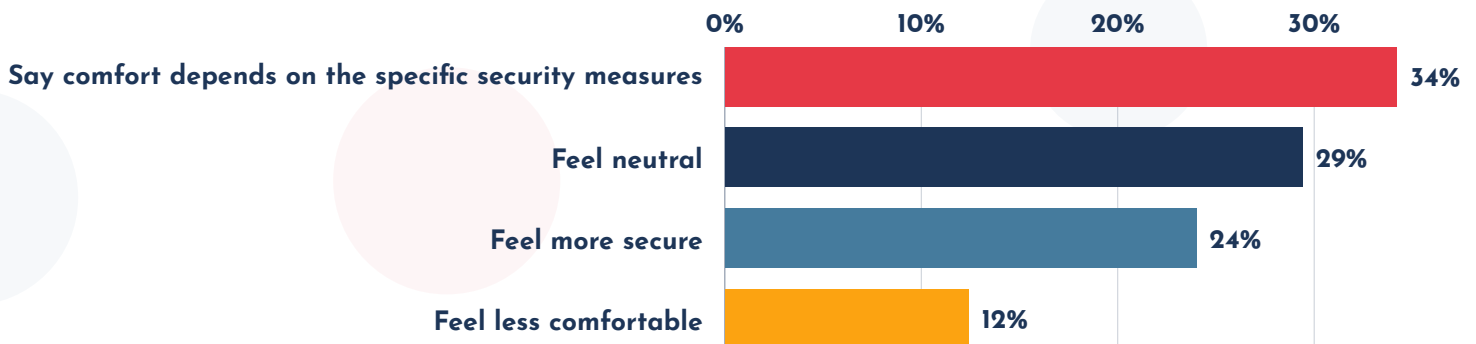| Category	Percentage
Customers expecting service within 4 minutes	84%
Will wait 1-4 minutes	60%
Will wait 5-10 minutes	15%
Expect service in less than 1 minute	13%
Abandon their purchase immediately if no employees are available	12%
Will wait longer than 10 minutes	2%

Security Measures and Shopping Comfort

The presence of security measures affects customer comfort levels in complex ways, with preferences for certain approaches emerging clearly.
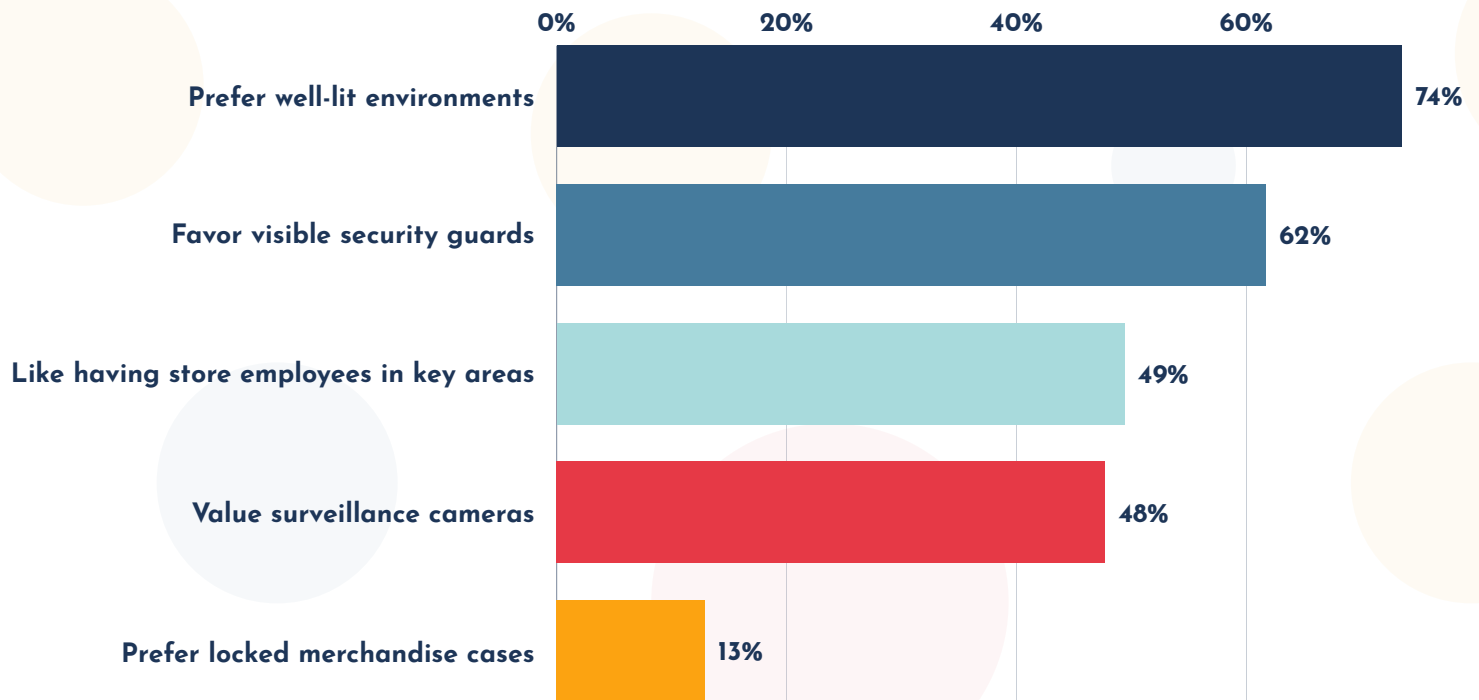
While **24%** of customers feel more secure with visible security measures, **12.4%** report feeling less comfortable. The largest segments either feel neutral (**29.4%**) or say their comfort depends on the specific security measures used (**34.2%**).

When examining specific security measures, customer preferences reveal a clear hierarchy. Well-lit environments lead customer preferences at **73.5%**, followed by visible security guards (**61.7%**). The presence of store employees in key areas (**49.4%**) and surveillance cameras (**47.7%**) also rank highly. Notably, locked merchandise cases rank lowest at 12.9%, suggesting customers prefer less intrusive security measures.

General Comfort with Visible Security Measures:

	0%	10%	20%	30%	
Say comfort depends on the specific security measures					34%
Feel neutral					29%
Feel more secure					24%
Feel less comfortable					12%

Preferences for Specific Security Measures:

Measure	Percentage
Prefer well-lit environments	74%
Favor visible security guards	62%
Like having store employees in key areas	49%
Value surveillance cameras	48%
Prefer locked merchandise cases	13%

These findings indicate retailers should prioritize subtle security approaches that enhance customer comfort. Well-lit spaces and strategic employee presence can create a secure environment without triggering the discomfort that more aggressive measures might cause.

# Store Security: Location and Visibility Impact

Understanding which security measures customers notice most helps retailers gauge their psychological impact.

At store entrances, customers most frequently notice security personnel (**63.3%**), security gates/detectors (**57.5%**), and surveillance cameras (**40.9%**). Within aisles, locked merchandise (**69.4%**) and anti-theft tags (**61.5%**) command the most attention, while surveillance cameras remain noticeable (**47.2%**).

At Entrances:

Notice security personnel	63%
Notice security gates/detectors	58%
Notice surveillance cameras	41%

In Aisles:

Notice locked merchandise	69%
Notice anti-theft tags	62%
Notice surveillance cameras	47%
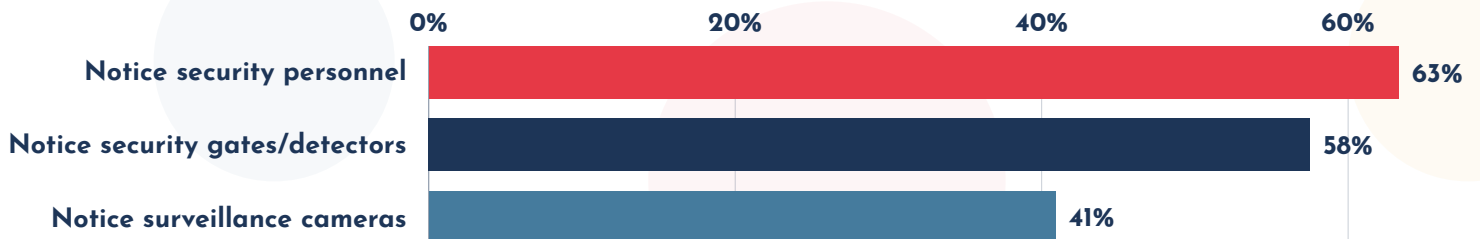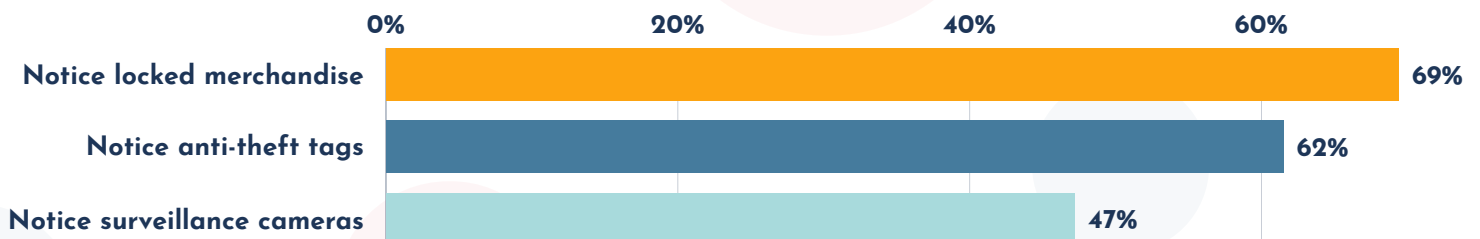
This awareness pattern, combined with customer comfort preferences, suggests retailers should concentrate more obvious security measures at store entrances while maintaining subtler approaches within shopping areas. The high visibility of locked merchandise and anti-theft tags in aisles may explain why these measures have a greater negative impact on the shopping experience.

Consumer Perceptions of Security Measures

Customer assumptions about secured merchandise provide valuable insights into how security measures affect brand perception.

When encountering products with security tags or devices, **71.8%** of consumers believe these items are at higher risk of theft. Beyond this immediate assumption, **41.9%** view it as standard procedure for expensive items, while **37.1%** see it as a general theft deterrent. A notable **30.2%** associate secured merchandise with high-crime areas, while **34.9%** consider it standard practice for certain product categories.

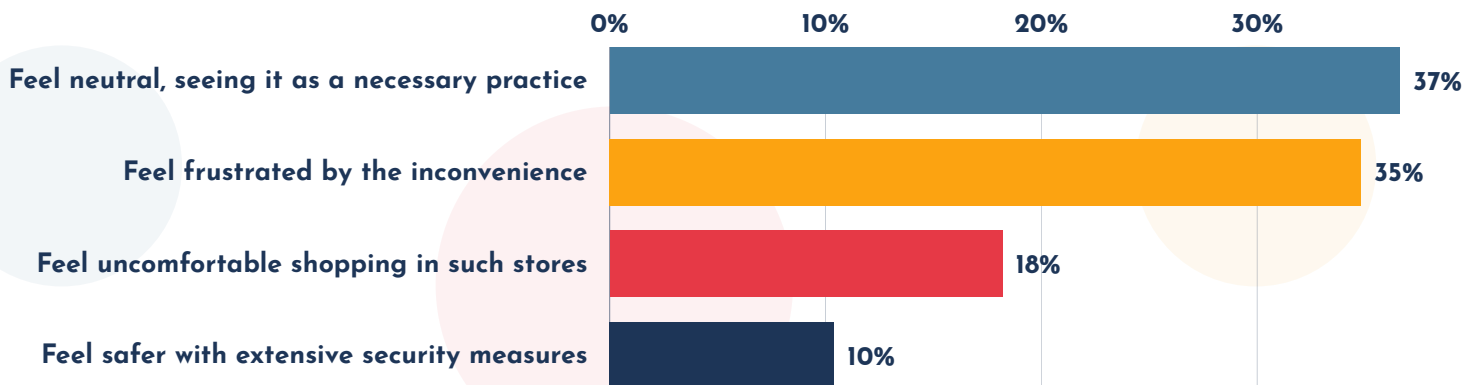|	
Believe items with security tags/devices are at higher risk of theft	72%
View it as standard for expensive items	42%
See it as a general theft deterrent	37%
Think it's standard for specific product categories	35%
Associate it with high-crime areas	30%

These perceptions demonstrate how security measures can inadvertently communicate messages about store location, product value, and neighborhood safety - factors that may influence shopping decisions and brand trust.

How Customers Feel About Heavily Secured Stores

When asked how they feel about stores with abundant secured merchandise, consumers expressed mixed reactions. The largest group (**36.6%**) maintain a neutral stance, understanding it as a necessary business practice. However, **34.8%** report feeling frustrated by the inconvenience, while **18.2%** say it makes them uncomfortable about shopping in the store. Only **10.4%** report feeling safer with extensive security measures.

Response	Percentage
Feel neutral, seeing it as a necessary practice	37%
Feel frustrated by the inconvenience	35%
Feel uncomfortable shopping in such stores	18%
Feel safer with extensive security measures	10%

These reactions suggest that while some customers accept security as necessary, excessive measures risk alienating over half of potential shoppers through frustration or discomfort.
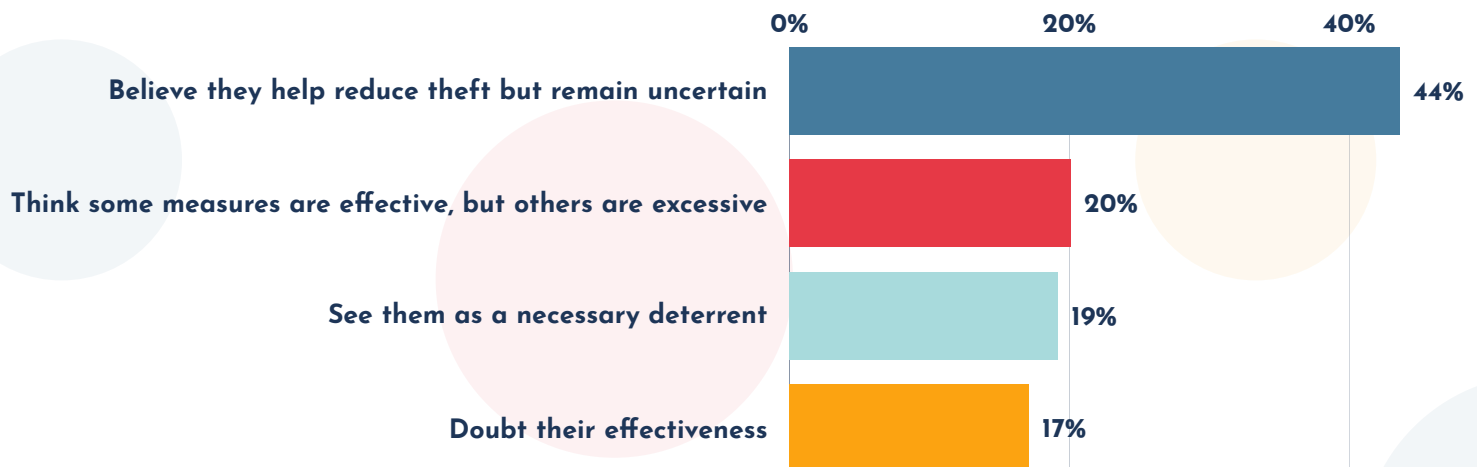
Consumer Views on Security Effectiveness

Customer perspectives on loss prevention measures reveal mixed confidence in current security approaches.

While **19.2%** believe security measures are a necessary deterrent, **17.1%** doubt their effectiveness. The largest group (**43.6%**) remains uncertain but believes security measures help reduce theft, while **20.1%** feel some measures are effective but others excessive.

| Category	Percentage
Believe they help reduce theft but remain uncertain	44%
Think some measures are effective, but others are excessive	20%
See them as a necessary deterrent	19%
Doubt their effectiveness	17%

This divided opinion suggests retailers must better communicate the necessity of their security choices while ensuring measures align with customer comfort levels.

How Store Theft Affects Shopping Choices

When asked if knowledge of shoplifting problems would affect their decision to shop at a store, only **27.9%** of consumers say it would not impact their choice. The majority would alter their behavior, with **33.4%** becoming more cautious while shopping, **18.3%** avoiding the store entirely, and **20.4%** basing their decision on the specific store and location.


- **20.4%**
- **27.9%**
- **18.3%**
- **33.4%**
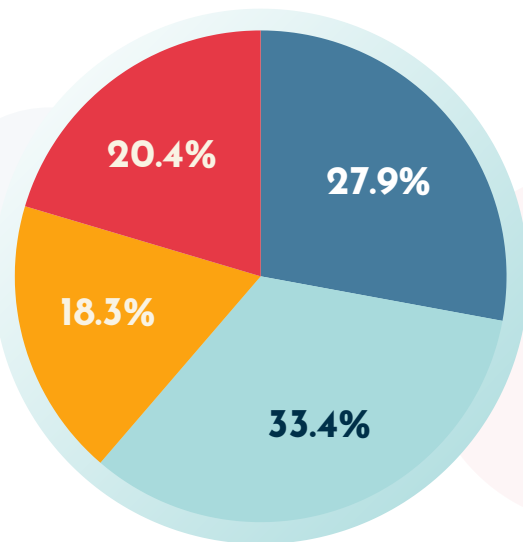
- Say it would not affect their choice
- Would shop more cautiously
- Would avoid the store entirely
- Would base their decision on the store and location

For retailers, this suggests that visible theft problems - or even the perception of them through excessive security measures - could drive away nearly one-fifth of potential customers.

Impact of Security on Shopping Experience

The presence of locked merchandise significantly affects the overall shopping experience for most customers. Nearly half (**46.4%**) report that locked items make their shopping experience less convenient, while **25.4%** say it doesn't affect their experience much. The remaining **27%** indicate that the impact depends on the type of item and how often they encounter locked merchandise.

- **27%**
- **46.4%**
- **25.4%**
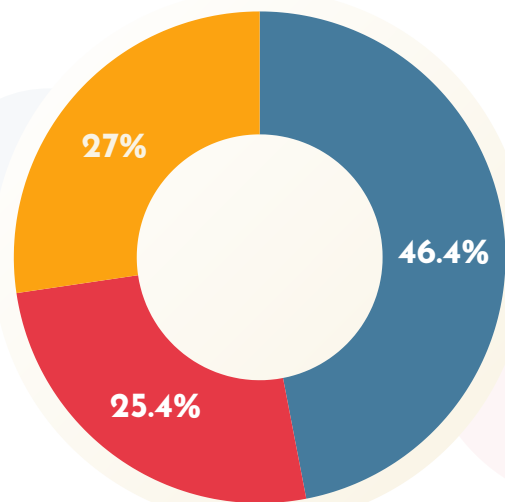
- Find it less convenient
- Say it doesn't affect their experience much
- Feel the impact depends on the item and frequency of encountering locked merchandise

These findings reinforce the need for retailers to carefully consider which items truly require secured displays, as nearly half their customers feel inconvenienced by these measures.

Customer Engagement in Loss Prevention

Understanding customer involvement in reporting theft provides insight into how shoppers engage with store security.

A significant **50.1%** of customers report always notifying stores about shoplifting incidents, while **14.6%** only report serious cases. However, **25.7%** avoid involvement, and **9.7%** wouldn't know how to report incidents.

Always notify stores about incidents	50%
Avoid involvement	26%
Report only serious cases	15%
Are unsure how to report	10%
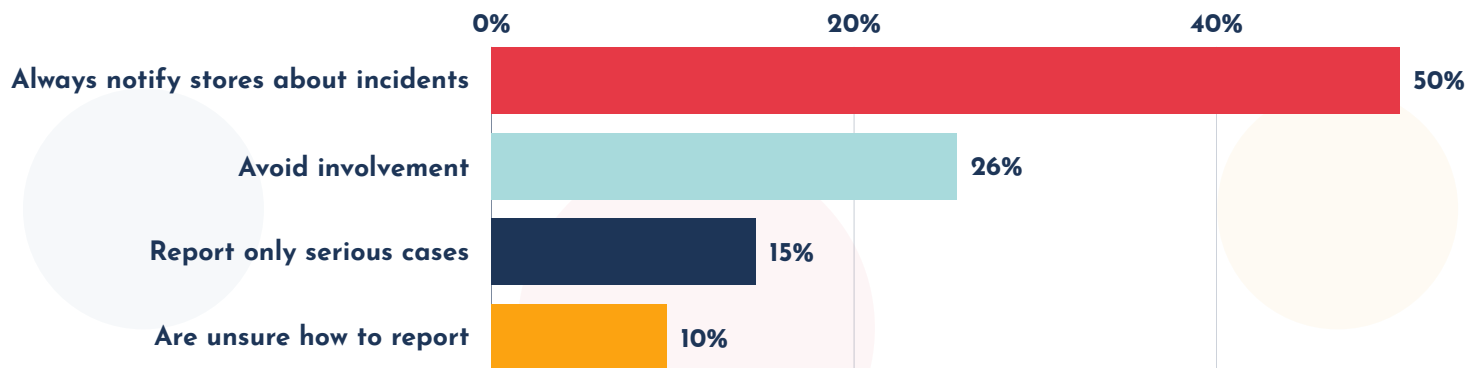
Retailers can engage the **65%** willing to assist while improving reporting accessibility

These findings suggest an opportunity for retailers to better engage the **65%** of customers willing to assist with loss prevention, while making reporting processes more accessible to others.
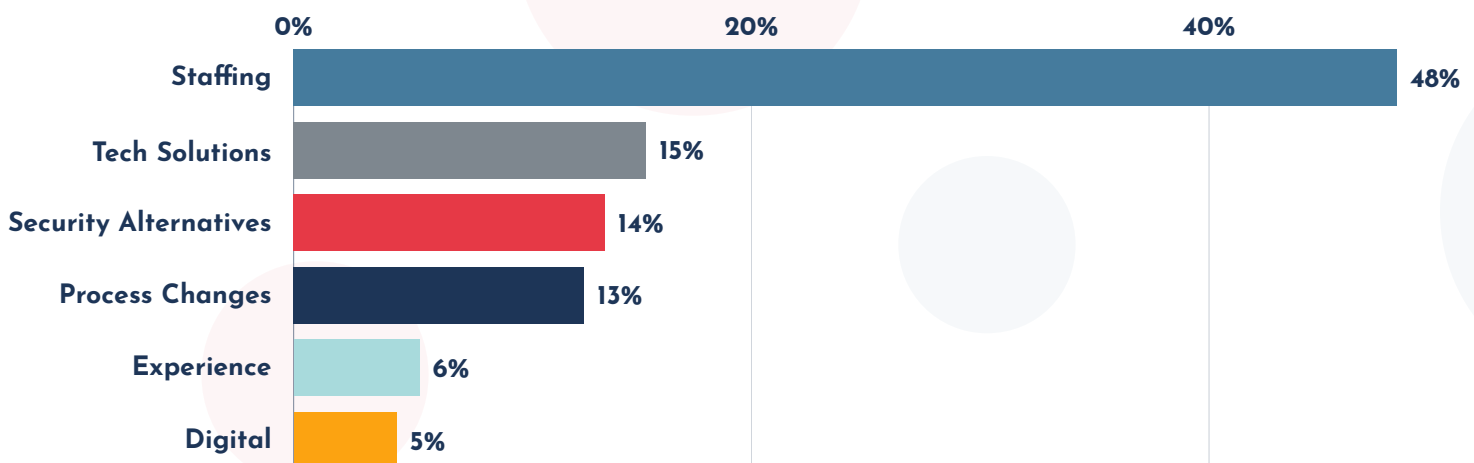
Customer Suggestions for Secured Merchandise

When asked how stores could improve sales of locked items, staffing solutions emerged as the clear priority. Nearly half of customers (**48.2%**) emphasized the need for better employee availability, including dedicated staff near locked items, faster response times, and improved overall staffing levels. Installation of call buttons or alert systems for assistance ranked second at **15.4%.**

For alternative security methods (**13.6%**), customers suggested using security tags instead of locks, better security personnel, more cameras, and anti-theft devices. Process improvements (**12.7%**) included using product cards for purchase, moving secured items closer to registers, and creating dedicated secure areas. Customer experience suggestions (**5.5%**) focused on better product displays, sample products, and clear signage, while digital solutions (**4.5%**) included online ordering options and QR code systems for secured items.

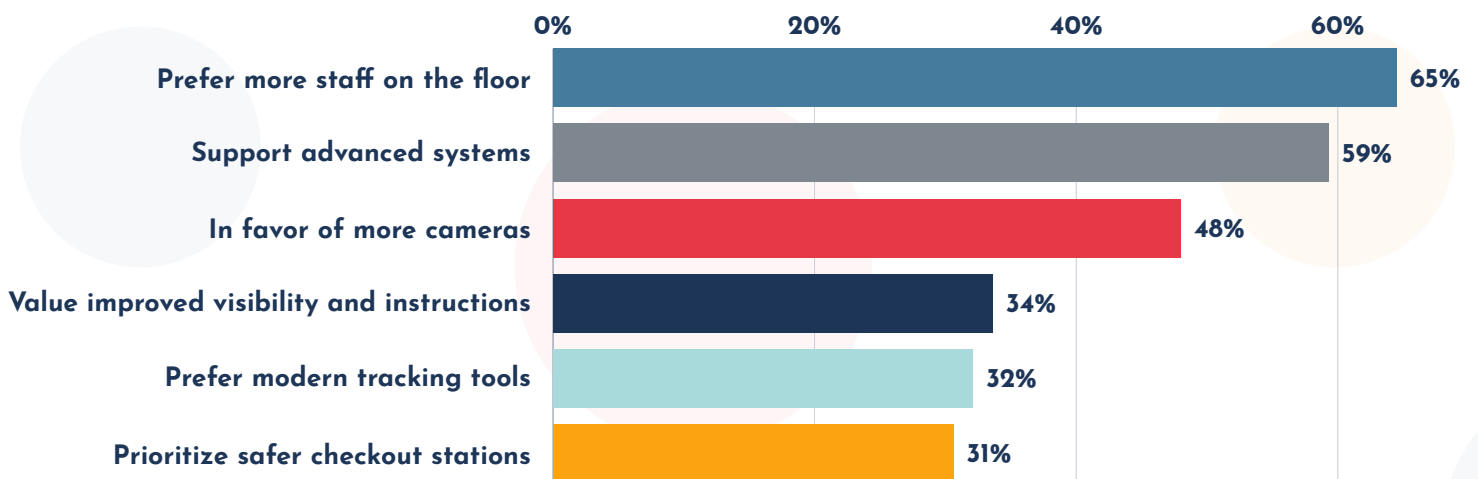| Category	Percentage
Staffing	48%
Tech Solutions	15%
Security Alternatives	14%
Process Changes	13%
Experience	6%
Digital	5%

These suggestions align with customer wait-time expectations and highlight the critical role of adequate staffing in managing secured merchandise effectively.

Customer-Preferred Alternative Security Approaches

When asked about acceptable security measures that wouldn't interfere with shopping, customers favor less intrusive approaches.

Store associates on the floor rank highest at **64.5%**, followed by automated theft-detection systems (**59.3%**). Additional surveillance cameras (**48%**), improved lighting and signage (**33.6%**), RFID tags (**32.1%**), and secure self-checkout stations (**30.6%**) complete the list of preferred alternatives.

Measure	Percentage
Prefer more staff on the floor	65%
Support advanced systems	59%
In favor of more cameras	48%
Value improved visibility and instructions	34%
Prefer modern tracking tools	32%
Prioritize safer checkout stations	31%

This hierarchy of preferences suggests retailers could improve customer experience by shifting from physical barriers to more service-oriented and technology-based security solutions.

These insights reveal a clear path forward: customers prefer security measures that enhance rather than impede their shopping experience, particularly through increased staff presence and innovative technology solutions.

Maximizing Sales While Maintaining Security

To strike the optimal balance between security and sales, retailers should consider the following strategic recommendations:

1. Strategic Staff Placement: Implement strategic staff placement by positioning dedicated employees near frequently accessed secured merchandise and creating mobile teams trained in quick retrieval. Establish clear response time goals based on the 4-minute threshold most customers will tolerate.

2. Enhanced Training: Enhance employee training with protocols for quick response to security assistance requests, positive customer engagement, and clear escalation procedures for peak shopping times.

3. Customer-Preferred Security: Prioritize customer-preferred security approaches, such as well-lit environments and strategic employee presence, over physical barriers. Consider implementing automated theft-detection systems and RFID technology as alternatives to locked cases.

4. Refined Protection Strategy: Refine merchandise protection strategies by reviewing currently secured items against customer expectations and considering alternative security methods for lower-risk items.

5. Improved Communication: Improve communication through clear signage, call buttons or digital assistance requests, and visible indicators of wait times or staff availability.

6. Alternative Purchase Methods: Develop alternative purchase methods, such as efficient pickup systems for secured items, hybrid solutions combining security with self-service options, and streamlined processes for high-demand secured merchandise

To measure the success of these initiatives, establish baseline metrics, conduct regular assessments, and continuously review and adjust strategies based on data-driven insights.

The Path Forward: Building Customer Trust Through Balanced Security

To foster customer trust in a security-conscious retail environment, retailers should focus on the following principles:

- **Customer-Centric Approach:** Understand that customers value both security and convenience. Tailoring security measures to meet their expectations can enhance their shopping experience.

- **Transparent Communication:** Clearly inform customers about security protocols and assistance options. Effective communication builds confidence and reassures customers about their safety while shopping.

- **Technology Integration:** Leverage innovative technologies that enhance security without disrupting the shopping experience. Solutions like RFID and automated systems can protect merchandise while improving customer satisfaction.

- **Trust Building:** Prioritize creating a secure environment that resonates with customers, fostering loyalty and encouraging repeat business. A focus on customer experience alongside security can strengthen relationships and drive sales.

By embracing these principles, retailers can create a shopping atmosphere that not only prioritizes security but also enhances customer trust and satisfaction, ultimately leading to improved sales performance.

Transform Your Customer Experience

Take action today to optimize your security approach while maintaining customer satisfaction and sales performance.

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to gain valuable insights through comprehensive research solutions, helping you measure customer experiences, evaluate security effectiveness, and develop data-driven strategies tailored to your specific retail environment.

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