



Organized Retail Crime Significantly Impacts Operations

Organized retail crime (ORC) has had a significant impact on retailers across the U.S., resulting in extra security measures and store closures. ORC costs businesses an average of \$700,000 per \$1 billion in sales, according to a 2020 study by the National Retail Federation.

Another federation report cited that theft reached a high of \$61.7 billion in 2019, a 22% increase from the previous year.

In October 2021, Walgreens announced it was closing five stores in San Francisco, California, due to the impact ORC was having on its business. The Deerfield, Illinois-based drug store chain closed 10 stores in the city since early 2019, SFGATE reported.

A month later, a large group of people ransacked a Nordstrom store near the city, the latest in a string of organized thefts in the area. Thieves took \$120,000 in merchandise from a Louis Vuitton store in Illinois.

ORC Defined

ORC involves two or more people engaged in illegally obtaining merchandise in substantial quantities through theft and fraud for the purpose of turning stolen goods into financial gain, as defined by several sources. These activities are typically well coordinated and can operate on a local or even international scale.

Types of crimes can include supply chain theft, fraudulent returns, cyber frauds, counterfeiting, identity theft, and more, Loss Prevention Media reported.

In recent years, more of these stolen goods are being sold online.

“This is a professional criminal,” Jason Brewer, spokesman for the Buy Safe America Coalition, told Business Insider. “They are stealing specific items that they know they can resell online.”

According to NRF research, ORC groups target designer clothing, laundry detergent, allergy medicine, high-end alcohol, and a variety of other items. About half of retailers said they were allocating additional technology resources or equipment to combat ORC shrinkage, the organization reported.

INDUSTRY

Retail

LOCATION

USA

About OpenEye

OpenEye is an innovator in the design and development of cloud-centric software solutions for video management, business intelligence, and loss prevention. All OpenEye Web Services platform software is developed in Liberty Lake, Washington, and many of OpenEye’s products are made in the U.S. OpenEye is a subsidiary of Alarm.com. For information, visit www.openeye.net.

Solutions

OpenEye, the cloud video platform company, offers several solutions to help prevent or provide evidence for such criminal activity.

Cloud-based Video Surveillance

OpenEye provides a cloud video platform that empowers users to improve operational efficiency, identify actionable insights, and achieve great return on investment. It offers the benefits of the cloud with the performance and reliability of local recording. Intelligent search options help loss prevention or security staff locate incidents faster. Video is tied to analytics and alarm events to immediately pull up relevant incidents. Thumbnail and object search options also allow rapid scanning of large periods of data to locate critical events for investigation. Video can be exported to the cloud and shared via password protected links with law enforcement or insurance companies. [Read more here.](#)

POS Integration

OpenEye offers point-of-sale (POS) system integration to help identify costly problems of fraud, operator error, or poor customer experiences so they can be corrected. OWS's powerful cloud video platform provides tools to get a better return on loss prevention efforts and improve security, both cyber and physical, while reducing the burden on IT and operations.

Retail Case Study

When Bargain Hunt experienced rapid growth in recent years, it acquired many legacy security systems that were complex and required specialized training. The Tennessee-based chain of 80 stores wanted to make operations more efficient and easier for users to manage. Bargain Hunt consolidated their security system by selecting Alarm.com to monitor intrusion and access control of their distribution centers and stores, and OpenEye Web Services (OWS) for commercial video surveillance. As a cloud-managed solution, OWS brought all the chain's locations together in a single portal. [Read more here.](#)

QSR Case Study

CKE Restaurants Holdings Inc., which operates quick service restaurant brands including Carl's Jr., Hardee's, and others, wanted to improve operational control and sought an easy-to-use platform that was scalable across more than 900 of its corporate locations. It partnered with SSD Systems to deploy OpenEye recorders at all corporate stores across the U.S. OpenEye's products integrated with CKE's existing video surveillance system and allowed the company to gather data from POS systems across the country to identify the root cause of theft. Using OpenEye's software, CKE noticed a higher rate of cash admissions in cases that used the platform. Within a few short months, CKE saved more than \$40,000 in cash and food fraud. [Read more here.](#)



A group of thieves burglarize a Louis Vuitton store near Chicago, Illinois. Photo source: ABC7 News



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