TRACK AND RECOVER STOLEN
ITEMS WITH INCOMM PRODUCT
CONTROL RECORD OF RECEIPT

CASE STUDY

The Challenge:
Deterring Retail Crime and Recovering Stolen Goods

"Shrink"—the loss of inventory to shoplifting, theft by employees, theft by organized retail crime, and operational errors—is a major problem for retailers around the world, costing $112 billion in 2012 alone.[1] For retailers in the U.S., loss from shrink equals roughly 1.5% of total sales.

Dishonest employees and shoplifters are major contributors to shrink. Losses from shoplifting continue to rise, abetted by the ease with which thieves can resell stolen goods anonymously on Internet auction sites.

Especially for high-value goods like tablets, it's important for retailers to deploy every means possible to counter shrink, so long as operational efficiency and customer experience are not jeopardized.

Many retailers track products, especially serialized products, starting at the point of sale; but to counter shrink, retailers must begin tracking products before they are sold. To detect theft from store rooms or display areas, retailers need to track products as soon as they are received into inventory. This way they can establish an objective and verifiable history for products and establish claims for a chain-of-custody argument for proving product ownership.

Whenever possible, product tracking should be automated to ensure efficiency and completeness. Today, some retailers record serial numbers and other product identifiers in notebooks or other handwritten records. Recording transactions by hand is time-consuming and can be prone to errors. Records that are not electronically backed up can be lost or even stolen along with goods themselves.

[1] 2012-2013 Global Retail Theft Barometer. See http://www.securityinfowatch.com/article/11230550/global-retail-theft-barometer-examines-trends-in-global-retail-shrink.

The Solution:
InComm Product Control Record of Receipt

InComm Product Control Record of Receipt is a cloud-based service delivered via web interface or mobile app that enables retailers to record the receipt of products when they arrive at a store. InComm Product Control, the pioneer in electronic registration and comprehensive return validation methodology, stores the records in a secure database. The database is accessible online only to authorized users including users of the Active Recovery Network, a separate IPC-hosted data service that connects retailers, manufacturers, pawn shops, and more than 5,000 local, state, and federal law enforcement agencies for the purposes of identifying and recovering stolen goods.

Record of Receipt data can be implemented along with other InComm Product Control data services, such as OmniTrace™ and ReturnFlex®. OmniTrace tracks the distribution and sale of individual products across all channels and through retailer point-of-sale (POS) systems. Store personnel—and through the Active Recovery Network, other authorized users such as law enforcement officers—can query OmniTrace records to determine if an item has been purchased and if so, where and when. If an item doesn't have a POS record, but has a Record of Receipt history, the item can be recovered by the retailer. ReturnFlex, another POS integrated service, enables retailers to validate returns, ensuring that

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the products being returned have been purchased at the retailer being asked to accept their return, and enables retailers to verify that a specific product is eligible for return based on their policies and warranties currently in force.

In addition to helping curtail shrink, Record of Receipt helps retailers ensure that arriving shipments are complete and that no units are missing due to errors.

Record of Receipt, OmniTrace, and ReturnFlex offer several important advantages over the handwritten records that are still used by many retailers. They can be integrated as systematic prompts into POS and customer service counter transactions, so data recording is never skipped. Data can be checked for errors and omissions automatically. Because the data is stored securely in a remote location, thieves cannot steal it. When manufacturers and retailers share a common electronic tracking solution, retailers can identify short shipments in the supply chain as soon as shipments are received.

Record of Receipt in Action:
An Electronic Trail Leading to the Recovery of Stolen Items

Record of Receipt recently enabled a major U.S. retailer to recover thousands of dollars' worth of consumer electronics that had been shoplifted from two stores and left at a local pawn shop.

The crime began with the shoplifting of an expensive tablet.

Alerted by the employee to the possible theft of a tablet, the retailer's Asset Protection team checked floor inventory and confirmed that a unit was missing.

Reviewing surveillance tapes, they discovered that a pair of individuals had worked together to distract an employee and steal the tablet.

To recover the tablet, the Asset Protection team began by reviewing the facts.

Because the retailer was using Record of Receipt to track items as they arrived in inventory, the Asset Protection team quickly identified the serial number of the stolen tablet. An Asset Protection team member called the police, who then checked local pawn shops for a tablet whose serial number matched that of the tablet that had been stolen.

The police discovered a match, visited the pawn shop, and recovered the tablet. The pawn shop had recorded the ID of the person who had sold them the unit. The police checked to see what other items this person had pawned and discovered another tablet and a high-end television. Checking serial numbers, the police determined that these items, too, had been stolen from the same retailer.

Now the police had everything they needed to proceed with the case: a clear chain of custody for each stolen item, and the identity of one of the thieves. The retailer was able to recover thousands of dollars' worth of stolen electronics.

Record of Receipt enabled the retailer to quickly recover stolen goods and aid local police in the apprehension of repeat criminals. As this case demonstrates, Record of Receipt is a simple and effective solution for retailers who want to combat shrink.