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Crime against retail and manufacturing premises: findings from the 2002 Commercial Victimisation Survey

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The 2002 Commercial Victimisation Survey interviewed by telephone around 4,000 managers of retail premises and a further 2,500 managers of manufacturing premises about their businesses' experiences of crime in the previous 12 months. The survey also asked respondents whether they had reported the incidents to the police; the extent of the losses suffered; their crime prevention precautions; and their concerns about problems of crime and antisocial behaviour in the local area. This report is a summary of the findings for both retail and manufacturing premises.

Key points

- Three-quarters of all retailers had been a victim of at least one crime over the previous year compared with half of all manufacturers.
- Overall, the risk of crime to retailers and manufacturers was lower comparing the results of the 2002 survey with those of the 1994 Commercial Victimisation Survey.
- Some premises attracted a disproportionate amount of crime. Larger premises were at greater risk of crime, including violent crime. Those located in deprived areas were also at increased risk.
- The proportion of crimes that were reported to the police varied widely by crime type. For many types of crime half or fewer were reported. However, crimes against retailers and manufacturers were more likely to be reported than were crimes against individuals.
- There was a positive balance of opinion about how the police dealt with crime although those who had been victims of crime in the previous 12 months were more likely than non-victims to express dissatisfaction with the police in this respect.
- Retailers were more likely to express concern about crime and antisocial behaviour than manufacturers. Of greatest concern were teenagers hanging around outside the premises.

Likelihood of victimisation

Victimisation rates are reported in relation to four main crime categories (Figure 1): any crime; burglary (including attempts); property crime (which includes burglary); and violent crime (which includes threats).

The 2002 Commercial Victimisation Survey (CVS) shows that the majority of retailers (74%) had been victims of crime at least once in the previous year (Figure 1). Seven in ten retailers (70%) had suffered crime against their property and a quarter (25%) had been victims of a

burglary specifically (including attempted burglary). Nearly one in four (23%) had been subject to at least one violent crime.

Rates of victimisation for manufacturing businesses were generally lower than for retailers with just over half (53%) being victimised at least once in the same period (Figure 1). Half (48%) of manufacturers had experienced crime against their property (including burglary), 22% had been burgled (including attempts) and 7% had been victim of violent crime.

Figure 1 Percentage of businesses victimised once or more

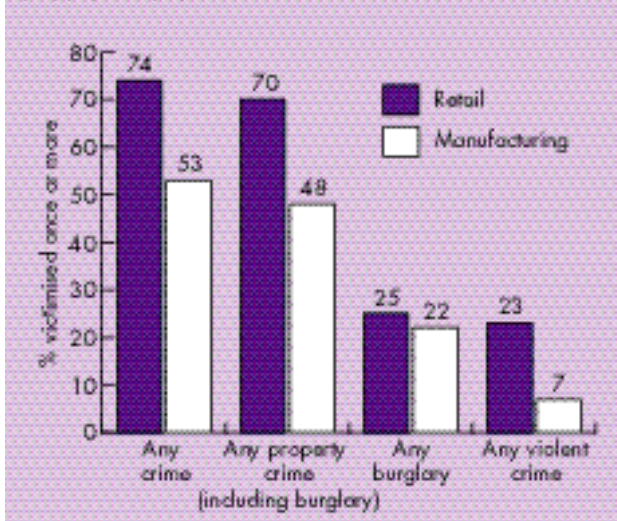


Table 1 gives a more detailed breakdown of victimisation rates by offence type for both retail and manufacturing establishments.

Comparisons with the 1994 Commercial Victimization Survey and crime against individuals

A previous survey of crime against retail and manufacturing premises, conducted in 1994, measured crime experienced during 1993 (Mirrlees-Black and Ross, 1995). Although there are some methodological differences between the two surveys, findings on a core subset of crime types can be compared (crime types not included in the 1994 survey and

therefore excluded from comparisons are: being offered stolen goods; tobacco and alcohol smuggling; bribery and corruption; and electronic crime).

Overall, both retailers' and manufacturers' chances of victimisation were lower in 2002 compared with the 1994 survey. Using the reduced list of crime types, the 1994 survey reported that 79% of retailers had experienced crime in 1993. By comparison, 72% of retailers experienced at least one of this reduced list of crimes according to the 2002 survey. The corresponding comparison for manufacturers was 63% of businesses victimised in 1993 and 51% according to the 2002 survey.

The prevalence of property crime was lower according to the 2002 survey compared with 1993 for both retailers (70% and 78% respectively) and manufacturers (48% and 63%). By contrast there was a slightly higher prevalence of violent crime amongst retailers, 23% compared with 20%. However, this may partly reflect changes to employers' recording practices, following the introduction of legislation in 1995, that required employers to report serious incidents to their enforcing authority. There was no change in the rate of violent crime among manufacturers.

These findings are broadly consistent with trends in crime against individuals as reported by the British Crime Survey (BCS). According to the BCS, individuals were also less likely to fall victim to property crime in the early 2000s than they were in the early 1990s, and violence committed by strangers against individuals has more or less stabilised since the mid-1990s (Dodd et al., 2004).

Table 1 Experiences of victimisation amongst retailers and manufacturers

	% victimised once or more		% of victims suffering six or more incidents		% reporting last incident to the police	
	Retailers	Manufacturers	Retailers	Manufacturers	Retailers	Manufacturers
Burglary	16	14	7	3	92	85
Attempted burglary	17	14	6	5	72	60
Vandalism	23	16	20	14	56	47
Theft of vehicles	3	4	–	–	NA	NA
Theft from vehicles	8	11	9	3	61	77
Theft by customers	43	3	58	25	46	40
Theft by employees	10	5	19	23	42	32
Theft by outsiders	9	7	28	10	55	64
Theft by persons unknown	20	10	39	12	44	43
Fraud by employees	4	2	–	–	46	30
Fraud by outsiders	18	8	37	11	41	20
Robbery or attempted robbery	6	2	17	1	78	57
Threats, assault or intimidation	20	6	35	18	41	36
Being offered stolen goods	10	6	30	20	15	10
Tobacco or alcohol smuggling	7	NA	NA	NA	18	NA
Bribery or corruption	2	3	NA	NA	NA	NA
Electronic crime	1	2	–	–	NA	NA

Notes: 1. NA indicates question not asked. 2. – indicates insufficient number of incidents for reliable analysis. 3. Electronic crime defined as 'hacking the computer systems or network hacked or your website altered without permission' only (does not include receiving computer viruses).

Multiple victimisation

Among retailers, repeat victimisation of a particular crime was common for some crimes, with high proportions of victimised retailers suffering the same type of crime on at least six occasions in 12 months (Table 1). This pattern was strongest for theft by customers (58%), theft by persons unknown (39%) and fraud by outsiders (37%).

Although less widespread than for retailers, a significant minority of manufacturers suffered from repeat victimisation of a particular crime (Table 1). This applied particularly in terms of theft by customers (25%), theft by employees (23%) and being offered stolen goods (20%).

The number of crime types experienced

The majority of retailers (53%) experienced more than one crime type and a quarter (23%) were victims of four or more different crime types (Figure 2). The number of different types of crime experienced by manufacturers was lower than for retailers, although over a quarter (27%) experienced at least two crime types and one in twelve (8%) experienced four or more different crime types (Figure 2).

Unequal risk of victimisation

Retailers

Larger retailers were more likely to be victims of crime than were small retailers. Of those establishments with 50 employees or more, nine in every ten (92%) had been victims of at least one crime. The relationship between size of business and risk of victimisation was consistent for all the main crime types, including violent crime. This pattern is as expected due to the increased number of potential crime targets (and thus potential gain for the criminal) found in larger establishments.

With respect to regional differences in the likelihood of experiencing burglary, property crime and violent crime, Wales was at the higher end of the range (Table 2). Those retailers located in more urban areas were more likely to experience property crime overall and crimes of violence than retailers in more rural areas. However, the experience of burglary specifically was more evenly spread.

Perhaps surprisingly, retailers in more deprived areas (defined as the 10% most deprived wards in England and Wales) were no more likely to have experienced burglary than those elsewhere (27% vs. 25%). However, retailers in these deprived areas were more likely to have experienced property crime overall (75% vs. 69%) and violent crime (29% vs. 22%).

Manufacturers

As with retailers, the likelihood of being a victim rose with the size of the manufacturer for all the main crime types. Overall, eight out of ten (80%) manufacturers employing 50 or more staff had been victims of at least one crime.

In terms of location and its impact on manufacturing businesses' experience of crime, there was considerable variation between different geographical regions (Table 2). Rural areas experienced less crime across all crime types. Manufacturers in the 10% most deprived wards were more likely to experience all types of crime, whether burglary (31% vs. 20% for those elsewhere), property crime (58% vs. 46%) or crimes of violence (12% vs. 6%).

Reporting crime to the police

Businesses were asked, for each type of crime suffered, whether or not they had reported the most recent incident to the police and if not, why not. As Table 1 illustrates there was considerable variation in reporting rates. For instance, the vast majority of retailers and manufacturers experiencing burglary reported it (92% and 85% respectively). Conversely, less than half reported theft by customers (46% and 40%) and only a small minority reported being offered stolen goods (15% and 10%). However, comparisons with the BCS suggest that, for similar crime types covered, retailers and manufacturers were more likely to report crimes to the police than individuals. For example, 81% of domestic burglaries reported to the 2002/03 BCS were reported to the police (Dodd et al., 2004).

For most crime types, the most common reason for not reporting the incident to the police was that it was perceived as too trivial. Lack of faith or confidence in the police was also a commonly cited reason. For example, 22% of retailers who did not report their last incident of customer theft said that the police could not have done anything, 7% said they had not done anything in the past and a further 10% said they would not be interested. In the case of theft and fraud by employees it was often felt that it would have been inappropriate to involve the police.

Figure 2 Number of crime types experienced

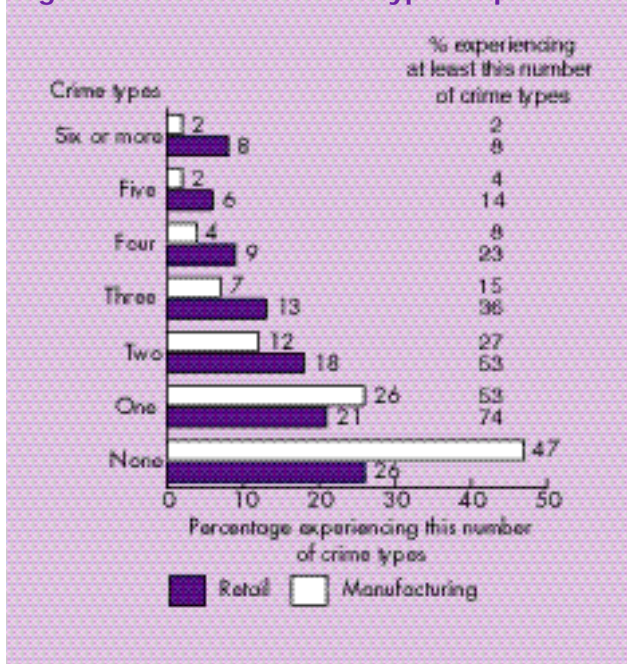


Table 2 Levels of victimisation by geographical region

	% victimised once or more							
	Any crime		Any property crime		Any burglary		Any violent crime	
	Retailers	Manu- facturers	Retailers	Manu- facturers	Retailers	Manu- facturers	Retailers	Manu- facturers
East Midlands	75	58	73	54	33*	22	28	7
Eastern	72	43*	66	39*	24	16*	18*	4*
London	78	52	72	47	24	25	28	9
North East	72	57	69	53	16*	20	25	7
North West	77	60*	72	57*	28	28*	24	9
South East	70	47*	67	42*	22	17*	19*	4*
South West	73	54	71	50	26	18	23	6
West Midlands	71	52	68	48	25	26	20	8
Wales	81*	62	78*	57	35*	25	32*	14
Yorks and Humber	72	57	68	52	22	25	19	8
England & Wales	74	53	70	48	25	22	23	7

Note: * indicates statistically significant difference from the average for England and Wales at the 5% level (two-tailed test).

Satisfaction with the way police deal with crime

The above findings suggest that, in some cases, businesses were not satisfied with the way the police had dealt with previous incidents. To examine this in more detail the 2002 CVS asked further questions of all businesses on their views of the way the police dealt with crime in their area. On balance, businesses were satisfied with the way police dealt with crime (63% of retailers and 66% of manufacturers said they were satisfied). However, there were higher levels of dissatisfaction amongst those who had been victims of crime in the past 12 months compared with those who had not (41% vs. 24% for retailers and 40% vs. 24% for manufacturers).

The most commonly cited reason for dissatisfaction was that the police took too long to react to incidents (40% of retailers and 30% of manufacturers who expressed dissatisfaction). Other key reasons for dissatisfaction were that:

- the police were not interested in crimes which were reported to them (25% of retailers and 26% of manufacturers who expressed dissatisfaction)
- there were not enough police (23% of retailers and 22% of manufacturers)
- the police were not seen in the area (20% and 18%)
- the police did not catch or prosecute offenders (20% and 15%).

More businesses agreed than disagreed with the statement 'the police are becoming less responsive to crime against businesses in this area' (42% of retailers agreed, 31% disagreed; 37% of manufacturers agreed, 25% disagreed). Views on police responsiveness were highly correlated with levels of satisfaction. Those businesses which believed the police were becoming less responsive were far more likely to express dissatisfaction with the police more generally.

Costs of business crime

In terms of individual incidents, the most expensive on average (defined using the median value) was theft of vehicles where the vehicle was not recovered (£7,000 for retailers and £5,000 for manufacturers). This is perhaps to be expected given the high value of vehicles. Burglary also attracted high average costs (for both sectors) and, in the case of manufacturers, fraud by outsiders. For most crime types the cost of any one incident was much lower. For example the median cost of theft by customers (shoplifting) for retailers was £35.

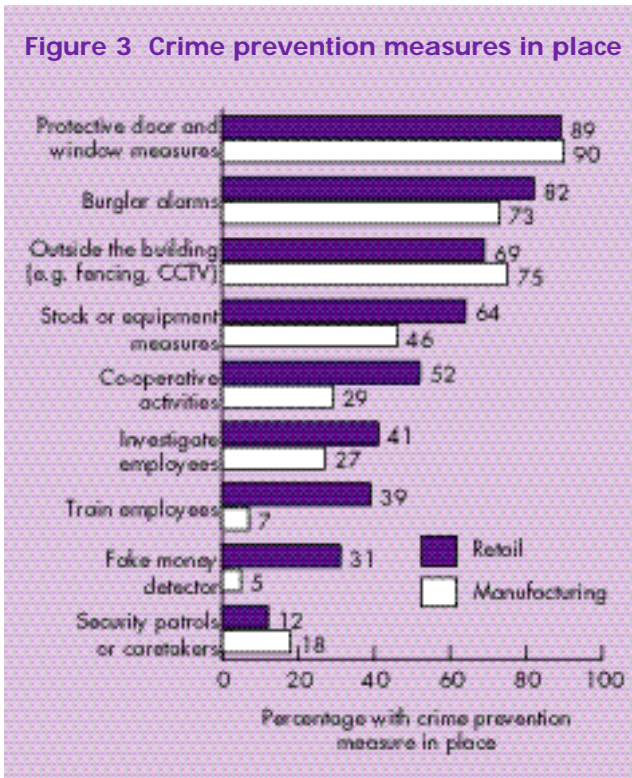
It should be noted that the financial cost of the crime is a function not just of the cost of individual incidents, but also their frequency. Additionally, while the financial costs of one incident taken in isolation can appear relatively low, the costs of some incidents of crime were sufficient to have an impact on the financial viability of the business. Crime against businesses can have other costs than simply direct financial ones. For example, the time it takes to deal with the effects of an incident can be substantial. The problem of multiple victimisation can lead to (increased) difficulties with insurance, staff retention and staff time. More detailed analysis of the costs of crime including the effects of multiple victimisation and staff time can be found in Shury et al. (forthcoming).

Insurance and crime prevention

Insurance

Just over half of all businesses were insured against all types of crime (57% of retailers and 53% of manufacturers). However, 8% of retailers and 10% of manufacturers were not insured at all. Crimes most likely to be covered were burglary (76% of retailers and 77% of manufacturers had cover for the full amount of any loss or

Figure 3 Crime prevention measures in place



damage) and robbery (73% of retailers and 77% of manufacturers). Fraud was least likely to be covered (49% of retailers and 36% of manufacturers). The reasons for non-cover varied according to the type of crime but the cost and refusal by insurers were often cited.

Crime prevention

A wide variety of crime prevention measures were used by businesses (Figure 3). The vast majority reported having protective door and/or window measures. Burglar alarms and measures to protect the outside of the premises such as CCTV or fencing were also commonplace. Around half (52%) of retailers and nearly a third (29%) of manufacturers took part in some form of co-operative crime prevention activity. Participation in such schemes was often spurred by victimisation, with 35% of retailers

and 23% of manufacturers who belonged to a co-operative activity saying they had become involved following an offence at their premises.

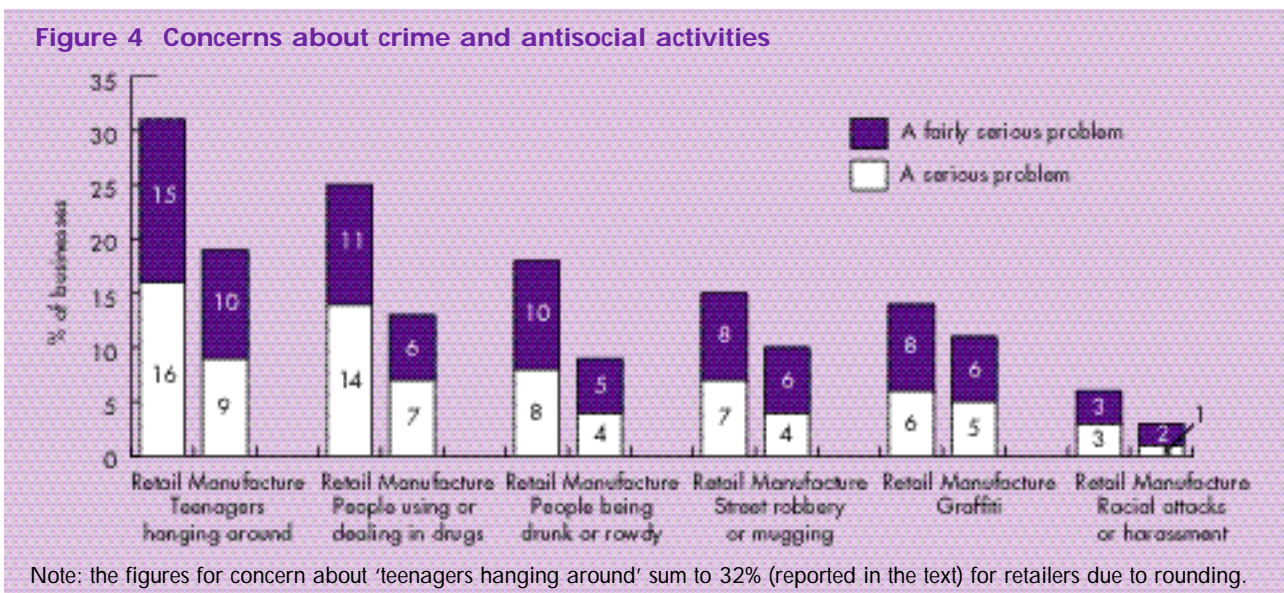
Businesses, particularly independent businesses, cannot be expected to be experts themselves in crime prevention and can therefore benefit from advice. The survey asked establishments if they had received advice from various sources. The most common source was the police (43% of retailers, 31% of manufacturers), with the vast majority (86% of retailers, 84% of manufacturers) acting on at least part of the advice received. Advice from the local authority was only received by a small minority of businesses (13% of retailers and 10% of manufacturers) and was less likely to be taken up (74% and 63% respectively of businesses that received advice acted on at least part). A few businesses also received advice from a business watch scheme (9% of retailers and 5% of manufacturers). Again however, this was less likely to be acted upon than police advice (78% and 68% respectively).

Concern about crime

Over a third (36%) of retailers and 29% of manufacturers thought crime was a very or fairly serious problem for their business premises and the area around it. Half (50%) of all retailers agreed with the statement 'crime against business in general is increasing in this area' compared with just a quarter (27%) who disagreed (the remainder were neutral). Again manufacturers were more positive with 37% agreeing and 29% disagreeing.

The 2002 CVS also asked whether specific types of crime and antisocial behaviour were perceived as a problem in the local area – defined as five minutes' walk (Figure 4). Retailers were more likely than manufacturers to be concerned about the full range of crimes and antisocial behaviour. Teenagers hanging around the local area was the most likely cause of concern (32% of retailers said this was a serious or fairly serious problem).

Figure 4 Concerns about crime and antisocial activities



Note: the figures for concern about 'teenagers hanging around' sum to 32% (reported in the text) for retailers due to rounding.

Respondents were also asked about their own feelings of personal safety whilst working at the premises. The vast majority felt safe at work during the day, but over a quarter (28%) of retailers and a fifth (22%) of manufacturers said they felt some concern about their personal safety after dark (defined as very or a bit unsafe).

Practice recommendations

- Retailers and their crime prevention advisors should consider different types of crimes in combination as victimisation by one type of crime suggests there is increased vulnerability to certain other types.

- Improvements in police response times and a greater involvement in local businesses could have a positive effect on satisfaction with the police and perhaps also on the levels of crimes reported.
- An ongoing fostering of a positive and proactive (on both sides) relationship between police and local businesses should be encouraged, for where it does exist positive results seem apparent.

Crime prevention advice

For good practice lessons in tackling crime against small businesses, see Parkinson (2004). Further business crime prevention advice can be found at: http://www.homeoffice.gov.uk/docs3/crime_business.html

Methodological note

Fieldwork for the telephone survey was conducted by IFF Research. Premises in England and Wales were selected randomly from Yell Data (formally British Telecom's Business Database) according to their Standard Industrial Classification code, number of employees and whether the establishment was located in a deprived area (defined as the 10% most deprived wards by DETR's Indices of Deprivation 2000). As with the first sweep of the CVS in 1994, only small and medium sized establishments (employing less than 250 staff) were eligible. All findings presented here are weighted to reflect national population characteristics.

The principal respondent was the senior person responsible for security issues. Generally, in establishments with 50 or more employees this was the head of security or office manager. In establishments with fewer than 50 employees it was the owner, proprietor or general manager.

There were 3,955 telephone interviews with retailing premises and 2,561 with manufacturers. The response rate was 61%. The survey took place between 4 November 2002 and 6 January 2003 and asked respondents about their experiences of crime in the 12 months prior to interview.

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Joanna Taylor was formerly a principal researcher in the Crime Reduction and Community Safety Group of the Home Office Research, Development and Statistics Directorate.