

“Wardrobing”

The act of purchasing an item, using it, and then returning it to the store for a refund.



The Problem:

- > One in three women admit to “wardrobing” or “freestyle” shopping
- > Average price points: £70, \$112.00 or 77.40 Euros
- > Wardrobing takes place in all retail arenas including apparel, DIY, sporting goods, jewelry and electronics
- > 62% of retailers report wardrobing issues*
- > In 2010 returns averaged \$194 billion dollars*
- > In 2010 65% of retailers indicated they had changed their return policy at some point due to return fraud issues*
- > In 2010 retailers estimated 3.89% of returns with receipts were fraudulent*
- > Current estimates indicate wardrobing is now an \$11 billion dollar a year problem and growing. Wardrobing hits on-line retailers as well as brick and mortar stores and those who operate both may be especially vulnerable (R. Hollinger, Univ. of Fla.)

*2010 NRF Survey

Facts About Online Retailers:

- > The online channel remains the fastest-growing segment in the retailing industry
- > In 2010, total U.S. retail sales grew 6.9%, while the top 500 U.S. on-line retailers had an increase of 20%
- > “Toys ‘R Us expects aggressive growth online because that’s where customers are spending more time and money. There’s a change in the paradigm for how we think about the Internet, and this change has arrived. What did we sell online or in the store? Everyone has to stop thinking like that. I almost always check online first before going to a store.”
- Jerry Storch, Toys ‘R Us CEO

The Solution: Shark Tag

- > Alpha’s Shark Tag makes it impossible to return merchandise that has been used for a full refund
- > Red Shark Tag placed on front of garment in conspicuous position to prevent anyone from wearing garment with tag intact
- > On hard goods, Shark Tag is placed on item in way that prevents use without removal of the Shark Tag
- > Consumer can easily remove Shark Tag at home with household scissors by cutting across the living hinge but once removed, Shark Tag cannot be replaced on the item
- > Our retail customers make intact Shark Tag part of their return policy on selected items, without an intact Shark Tag, consumer cannot get a full refund on the garment or item. Honest shoppers will not be impacted, only “wardrobers”

Articles:

- > Internet Retailer’s top 50 from the top 500 list (US & Canada)
- > Internet Retailer’s top 300 list (Europe)
- > Is ‘Wardrobing’ Thrifty Or Is It Theft? - MSN Money
- > Eliminate the Practice of Wardrobing in Your Store
- > Retailers Crack Down On Serial Returns - The Boston Globe

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