

# Walgreens' new store format seeks to curtail retail theft

Article

**The news:** Walgreens is testing a new store format in Chicago's South Loop neighborhood that seeks to cut down on retail theft by placing most merchandise behind counters, [per](#) the Chicago Sun-Times.

- There are just two low-rise aisles featuring low-cost items such as over-the-counter medicine, soap, and snacks.
- Shoppers can use a kiosk to order items that are not displayed in the aisles, then wait for staff members to fulfill the request.

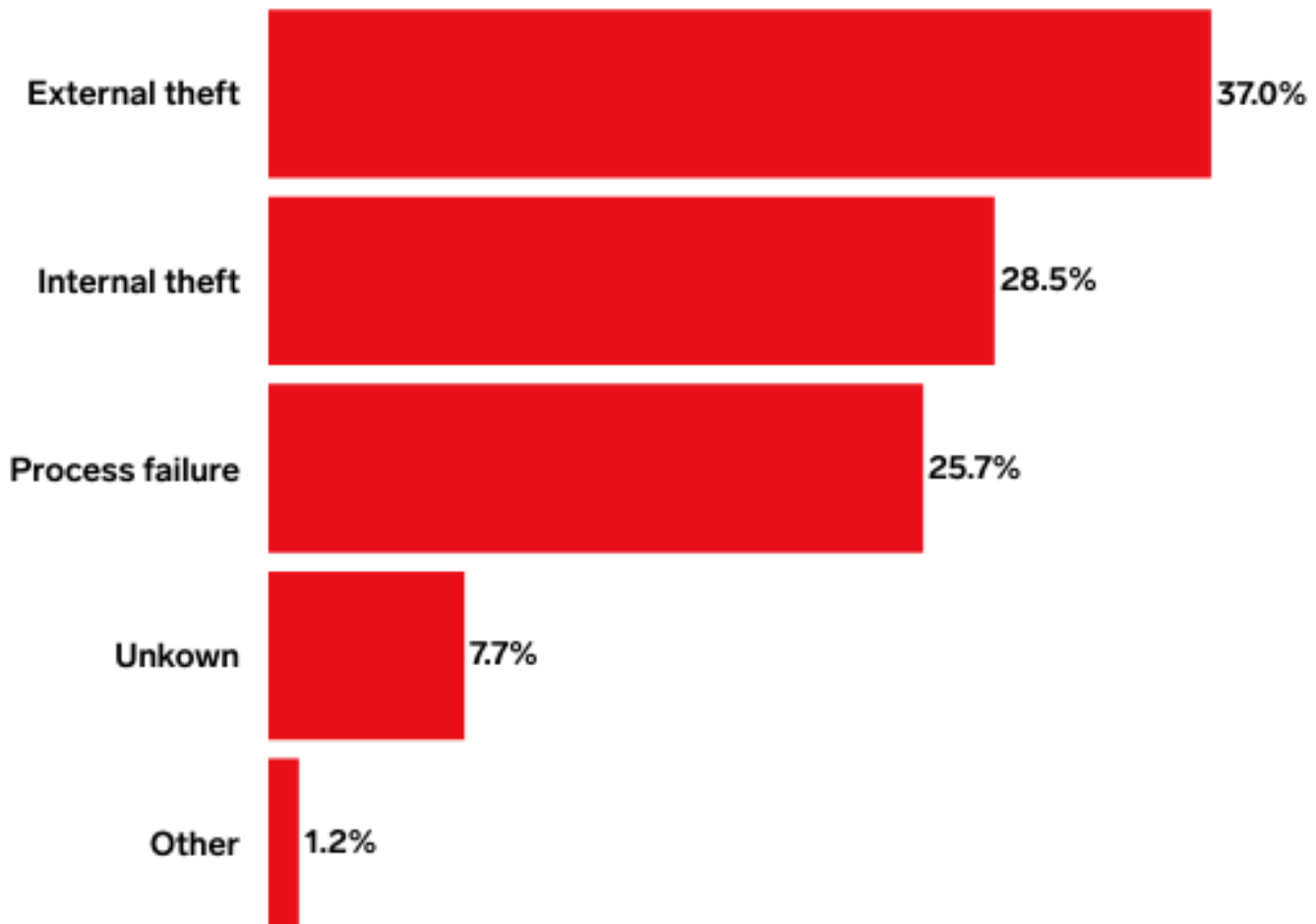
**Why it matters:** The store redesign represents one of the highest-profile attempts by a large retail chain to address organized retail theft.

- Retailers ranging from **Target** to **TJX** to **Foot Locker** all recently noted that theft has hurt their bottom lines.
- More than half (55%) of consumers believe retail crimes such as shoplifting and looting have increased in their community since the onset of the pandemic, per the National Retail Federation.
- However, that may stem in part from measures retailers have taken to address theft. For example, 75% of consumers have shopped in stores where products were kept in locked cabinets to avoid theft.

**The big takeaway:** Fewer items will likely be stolen from Walgreens' new store format than one of its typical stores. But its sales will also suffer as many consumers may be unwilling to put up with the added friction from the purchase process, especially with ecommerce alternatives like Amazon at their disposal.

## US Retail Inventory Shrink, by Source, FY 2021

% of respondents



Note: n=63 retailers

Source: NRF and Loss Prevention Research Council, "2022 Retail Security Survey," Sep 2022

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