

**Protos Security Whitepaper** 

# HOLIDAY SEASON SECURITY STRATEGIES FOR RETAILERS & DISTRIBUTION

Reducing Risk, Scaling Coverage & Securing Assets



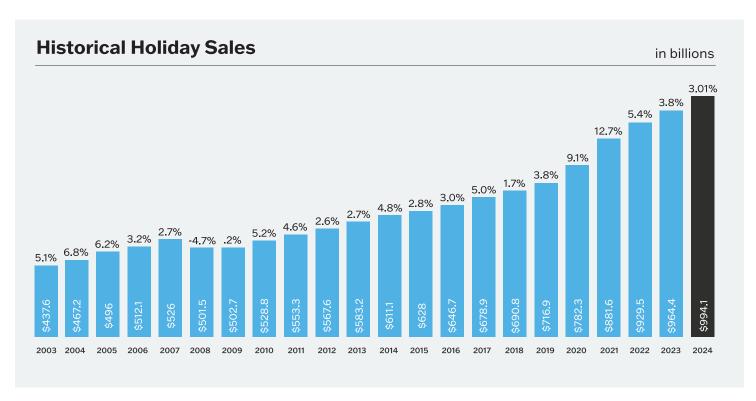
The 2025 holiday season is expected to set new records for retail sales, but with rising consumer demand comes unprecedented security challenges for retailers, distribution centers and logistics providers. As transaction volumes surge, so do threats like organized retail crime and cargo theft, making it critical for businesses to rethink traditional security strategies.

In our latest whitepaper, Protos Security explores the latest trends shaping the risk landscape and provides actionable strategies to protect your people, products and profits. This whitepaper highlights how organized retail crime is becoming more sophisticated, with theft rings targeting both retail stores and distribution hubs at alarming rates. It also examines the financial and operational impact of rising cargo theft and explains how seasonal hiring surges introduce new vulnerabilities across stores and supply chains. Finally, we outline why a layered security approach, combining trained security officers, off-duty

law enforcement and remote video monitoring is essential for reducing losses, maintaining operational continuity and strengthening customer trust during the busiest shopping period of the year.

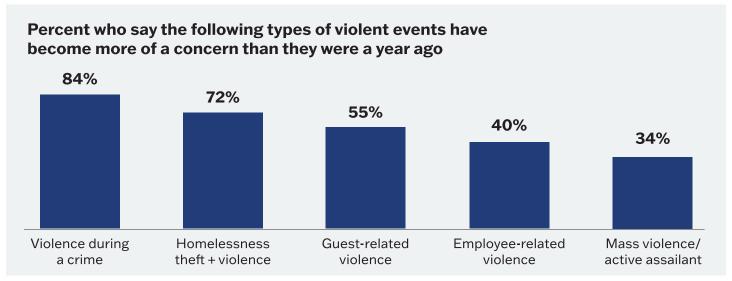
## TRENDS: WHAT ARE WE SEEING? Record Holiday Spending

The 2025 holiday season brings recordbreaking retail activity, but also unprecedented security challenges. The <u>U.S. Census Bureau</u> reported that retail sales during the 2024 holiday season surged 4% year-over-year to a record \$994 billion. While this growth reflects consumer confidence and economic resilience, it also introduces operational and security challenges for retailers, distribution centers and logistics providers. As transaction volumes rise, so does the opportunity for theft, fraud and organized criminal activity across every stage of the retail supply chain.



Source: National Retail Federation (NRF)





Source: National Retail Federation (NRF)

### Retail Crime and Inventory Shrink Are Reaching Crisis Levels

Retailers are facing unprecedented losses due to theft, violence and organized retail crime (ORC). According to a study by the <u>National Retail Federation (NRF)</u>, shoplifting incidents increased by 93% in 2023 compared to pre-COVID levels, averaging 177 incidents per day across the industry, with certain sectors experiencing over 1,000 incidents daily.

Violence continues to be a significant concern for the retail industry. Nearly three-quarters of retailers (73%) report that shoplifters are showing more violence and aggression than they were a year ago. Compared to the previous year, 71% have increased their budgets to enhance employee training focused on preventing and managing workplace violence.

Retail crime is becoming increasingly sophisticated. As the retail landscape evolves, so do the tactics used by offenders. More than half of retailers report heightened concerns over ORC, shoplifting, e-commerce theft, repeat offenders and various types of fraud.

Percent who say the following types of theft or crime events have become more of a concern in the last year:	
ORC shoplifting	Internal theft
76%	44%
Shoplifting	Smash-and-grab
71%	40%
Ecommerce theft + fraud 68%	ORC burglaries 38%
Repeat offenders	Mob theft
66%	36%
BOPIS/BORIS fraud	Juvenile offender
57%	35%
Return fraud	Burglary
57%	23%
Cargo theft	Robbery
44%	20%

Source: <u>The National Retail Federation, Impact of</u>
<u>Retail Theft and Violence 2024 Report</u>





Source: Verisk CargoNet

### **Cargo Theft Ascends to New Highs**

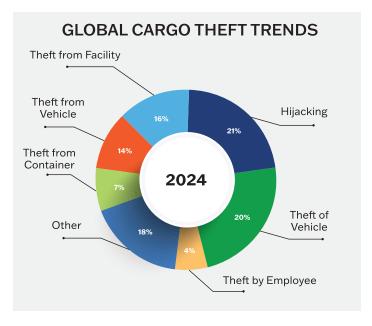
According to Freightwaves, cargo theft is rising at an alarming rate. In 2024, incidents surged 27% to 3,625 across North America, driving losses to nearly \$455 million, an average of more than \$200,000 per theft. The overall economic burden, estimated between \$15 and \$35 billion annually, ripples through supply chains, raising costs for businesses and consumers alike.

### **Cargo Theft Trends**

Cargo theft remains a persistent and rapidly evolving global threat, with criminal tactics becoming increasingly sophisticated. According to the 2024 BSI Consulting & TT Club Cargo Theft Report, organized crime groups are leveraging technology and insider collaboration to exploit vulnerabilities in the supply chain. As economic pressures, fluctuating freight volumes and geopolitical conditions reshape logistics, criminals are adapting at pace, targeting high-value goods and critical transit points with precision.

The methods used by criminals are becoming more diverse and complex.

Hijackings lead as the most common type of theft, making up 21% of incidents, followed closely by vehicle theft at 20%, facility theft at 16% and theft from parked vehicles at 14%. However, one of the most significant emerging threats is the rise of strategic cargo theft, which increased to 18% of all U.S. incidents in 2024.



Source: BSI Consulting and TT Club 2024 Cargo Theft Report



### RISKS: WHAT'S AT STAKE THIS HOLIDAY SEASON?

### Seasonal Hiring Surges Create New Security Vulnerabilities

It's predicted that retailers will hire between 400,000 and 500,000 seasonal employees during November and December 2025 to meet unprecedented consumer demand (NRF). These workers play an essential role in managing increased foot traffic, fulfilling online orders, restocking shelves and supporting distribution center operations. However, this rapid influx of short-term staff introduces significant security challenges for both retail locations and supply chain facilities during the busiest shopping period of the year.

Unlike permanent employees, seasonal hires often go through shorter onboarding programs due to time constraints and urgent staffing needs. While critical to meeting demand, rapid onboarding creates security blind spots such as:

- Limited training leads to procedural lapses in loss prevention and access control.
- Incomplete background checks increase insider theft risks.
- High turnover makes enforcing protocols more challenging.
- Temporary credentials for stockrooms, docks and cash-handling areas create access control gaps.

### **Customer Experience & Retention**

Over 65% of retail workers expect to be understaffed this holiday season, conditions that shoppers can feel the moment they walk in (Motorola Solutions second annual U.S. Retail Worker Safety Report). Less coverage changes how security shows up on the floor: more locked cases, bag checks, cordoned aisles

and long waits for someone with a key. Instead of reassurance, these cues often signal that "something isn't safe here."

Customers pick up on lone associates managing crowds, self-checkout alarms chiming without prompt resolution and a lack of visible patrols in parking lots. The effect on a brand's reputation is a heightened perception of risk that undermines trust before a purchase even begins.

Strategic security touring – regular, visible patrols by trained staff or officers – can counter these effects. Touring replaces reactive signals of control with a proactive, reassuring presence. A circulating patrol not only deters potential offenders but also reassures shoppers and employees that someone is watching over the environment. This visibility helps restore balance and signals safety without signaling threat.

When combined with technology, touring can be even more impactful. Smart scheduling of patrols, randomized routes and integration with incident alerts ensure coverage feels present rather than predictable. For retailers navigating thin staffing, it's a way to amplify presence, reduce perceived vulnerability and turn what might feel like an understaffed environment into one that feels actively cared for.

### **Employee Safety & Morale Risk**

According to Motorola Solutions' safety report, 57% of American retail employees entered the peak holiday season feeling unsafe. High-threat environments contribute to anxiety, turnover and liability. Without robust security presence and training, frontline staff face theft-related threats without support, raising HR and reputational risk.



### The Financial and Operational Impact of Cargo Theft

The true cost of cargo theft extends far beyond the immediate financial losses. Businesses often face long-term disruptions, including reputation damage, employee turnover, safety concerns, increased liability and insurance premiums, reduced productivity and even loss of customers. Many of these impacts are difficult to measure and may not be directly linked to a single incident, but their cumulative effect can be significant.

In a recent FreightWaves survey of 64 carriers and shippers, findings indicate that:

- 31% of respondents reported losses exceeding \$1 million due to cargo theft.
- Another 31% experienced losses below \$50,000, demonstrating how smaller incidents can quickly add up to substantial financial harm.
- 29% indicated they lost employees, customers or business relationships as a direct result of cargo theft or propertyrelated crime.

### Operational Disruptions & Resource Drain

Cargo diversions and chain breaches create ripple delays including lost inventory, failed orders and rerouted shipments. Theft of high-demand products during the holiday rush can disrupt retail launches and strain staffing. For example, the increases in shrink lead to operational bottlenecks and heavily burden loss prevention teams, who often divert attention from proactive security planning.

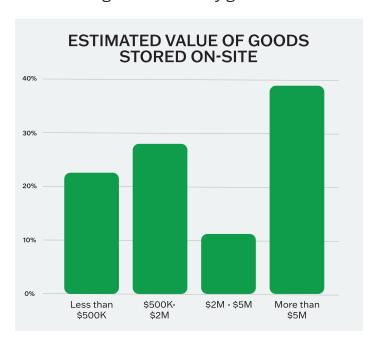
#### Yard & Trailer Vulnerabilities

Overflow yards, temporary fencing and poorly lit perimeters widen exposure to

trailer burglaries and seal tampering. Global patterns reinforce this risk profile: 76% of thefts involved trucks and 41% occurred in-transit, which includes yard staging and short dwell at distribution center gateways, where peak pressure concentrates inventory (BSI Consulting and TT Club 2024 Cargo Theft Report). That same report shows hijackings as the single largest category of thefts (21%), underscoring the need to treat perimeter and yard control as part of the in-transit threat surface.

### The Rising Stakes of Cargo and Inventory Protection

As supply chains grow increasingly complex, the value of goods stored within distribution centers, warehouses and fulfillment facilities continues to rise, especially during the holiday season. Findings from Freightwaves' survey highlight just how critical it has become for organizations to implement strategic, riskadjusted security measures. A significant portion of facilities store high-value goods or a high volume of goods, with 39% of respondents reporting that they have more than \$5 million worth of cargo on-site at any given time.



Source: Freightwaves Survey



#### **Supply Chain Instability**

High theft rates destabilize supply confidence. Retailers may red-flag certain suppliers or routes, resulting in congested logistics and increased operational costs. The industry increasingly views freight identity fraud as systemic, one that demands stronger vetting, technology and oversight.

### INTEGRATED PROTECTION WITH MARKET LAYERED SECURITY

The most effective security strategies combine security officers, off-duty law enforcement expertise and remote monitoring technologies into a layered defense model. Businesses that deploy this integrated approach gain:

- Comprehensive risk coverage from theft, fraud and insider threats
- Operational resilience during peak retail seasons and supply chain disruptions
- Improved customer trust and brand reputation through secure, reliable operations

### OFF-DUTY LAW ENFORCEMENT: ELEVATED PROTECTION FOR HIGH-VALUE ASSETS

During the high-risk holiday period, deploying off-duty or retired law enforcement offers businesses an elevated level of protection that goes beyond traditional security staffing.

These professionals bring specialized training, crisis management expertise and instant credibility that organized theft groups recognize and respect. Their presence signals a higher level of preparedness, making them a critical asset for safeguarding high-value shipments, facilities and inventory during peak shopping windows.

# WHERE OFF-DUTY LAW ENFORCEMENT MAKE THE BIGGEST DIFFERENCE DURING THE HOLIDAYS

High-value freight such as luxury goods, electronics, copper and pharmaceuticals faces heightened risks during peak retail seasons and holiday surges. To protect rail shipments, truckloads and warehouse inventories, organizations rely on layered security measures like GPS tracking, real-time monitoring and off-duty law enforcement. These strategies are especially critical during disruption-prone events like Black Friday, Cyber Monday and December shopping, as well as during labor shortages, severe weather and port delays.

Distribution centers are frequent targets for organized theft rings during high-volume shipping periods. Enhanced surveillance, access control and off-duty law enforcement skilled in threat assessment and crisis response help deter theft and improve incident management. Beyond protecting shipments and inventory, these proactive measures reduce liability, lower insurance costs and strengthen customer confidence during the busiest time of the year.

Hear firsthand how a Protos Security client describes their experience with a high-value transport project:

"Transportation and security for a High Valued Asset (HVA) to a public event was unfamiliar territory for us. Since we already have a strong relationship and utilize Protos for much of our security needs, they were our first choice for consultation. From planning to pick-up and return, they were there as a trusted advisor every step of the way to not only provide effective and secure services, but to render a piece of mind that our HVA was secure and in great hands. Additionally, the security provided during the event was top-shelf, we never had to worry, enabling us to focus on the event."

- Denny DeMarcy, Senior Director LP COE, Field Central of Dick's Sporting Goods



# WHY SECURITY OFFICERS ARE ESSENTIAL DURING PEAK SHOPPING PERIODS

From organized retail crime and cargo theft to employee safety concerns, the demand for highly trained security officers peaks during the holiday season. Deploying uniformed officers across retail locations and distribution centers provides a visible, proactive layer of protection.

### **Visible Deterrence Against Theft**

Uniformed officers send a clear signal to shoplifters, organized theft groups and cargo thieves that your site is secure and actively monitored.

#### **Crowd Management and Customer Safety**

Officers manage long lines, high-traffic entrances and congested checkout areas, helping maintain a safe shopping environment. Trained to de-escalate conflicts, they protect employees and customers while minimizing disruptions during peak hours.

### **Protection of High-Value Inventory**

Officers provide enhanced coverage for luxury goods, electronics and other high-value products that are frequent targets during the holidays. By monitoring backrooms, loading docks and secured stock areas, they reduce internal and external theft risks.

### **Enhanced Security for Distribution Centers**

At distribution centers, security officers oversee loading docks, secured yards and high-value freight zones where shipments are most vulnerable. By managing access points and verifying credentials, they help prevent unauthorized personnel from entering sensitive areas.

### **Business Impact During the Holiday Rush**

 Reduced Shrinkage and Theft Losses – Lower financial exposure from organized

- retail crime and opportunistic theft.
- Improved Employee and Customer Safety – Builds trust and creates a secure shopping environment.
- Stronger Operational Continuity –
   Fewer disruptions across retail floors,
   backrooms and distribution hubs.
- Enhanced Brand Reputation –
   Demonstrates proactive protection of customers, employees and inventory.

# REMOTE MONITORING: EXTENDING PROTECTION FOR RETAIL AND DISTRIBUTION CENTERS DURING THE HOLIDAY SEASON

Remote monitoring combines video analytics and real-time alerts to detect, verify and escalate threats instantly, even when security officers aren't physically present. This technology provides always-on visibility, enabling retailers and distribution centers to secure multiple facilities, retail locations and freight yards simultaneously during the busiest shopping period of the year.

### **Key Benefits of Remote Monitoring**

#### 24/7 Video Surveillance

Continuous video monitoring provides around-the-clock oversight of critical areas such as gates, loading docks, storage yards and warehouse perimeters. By maintaining constant visibility, organizations can identify vulnerabilities and potential threats before they result in losses. This level of surveillance also supports incident investigations and helps ensure compliance with safety and security protocols.

#### **Holiday Coverage for Retail Stores**

Retail environments face heightened security challenges during holiday seasons when stores often close for extended periods or



operate on modified schedules. Enhanced monitoring during these times helps protect customer-facing inventory, backroom stock and high-demand products. Security measures are especially critical during store closures, extended hours and overnight operations when staffing levels are reduced, ensuring assets remain safeguarded even with minimal on-site personnel.

#### **Enhanced Security for Distribution Centers**

Distribution centers benefit from stronger perimeter protections and improved visibility into daily operations. Advanced security systems help reduce insider-related risks, monitor high-value freight and oversee storage zones and delivery activities. By integrating surveillance with analytics, organizations can better manage complex logistics environments while ensuring that sensitive areas remain secure.

### BUILDING A SMARTER, STRONGER SECURITY STRATEGY FOR THE 2025 HOLIDAY SEASON

As the 2025 holiday season approaches, retailers, distribution centers and logistics providers face one of the most complex security environments ever. Record-breaking sales, surging shipment volumes and increasingly sophisticated organized retail crime are converging to create unprecedented risks. Traditional, single-layer security models are no longer sufficient to protect high-value freight and ensure customer and employee safety during peak shopping periods.

A layered security strategy that integrates trained security officers, off-duty law enforcement personnel and 24/7 remote monitoring offers the strongest defense against evolving threats. By combining human expertise with technology-driven solutions

like real-time video analytics, store alarms and integrated retail theft solutions, businesses can proactively prevent theft, respond quickly to incidents and protect both assets and people.

Investing in comprehensive security doesn't just reduce shrinkage and cargo theft; it improves operational continuity, supports employee safety, lowers liability and enhances customer trust. Retailers and distribution networks that adopt adaptive, technology-supported security strategies will be better equipped to navigate peak season challenges, deter organized retail crime and safeguard profitability well beyond the holidays.

#### **ABOUT PROTOS SECURITY**

Protos promises a modern security experience that never settles and dynamically adapts when, where and how it's needed. By vetting, training and orchestrating thousands of local owner/operator security vendors, plus the largest off-duty law enforcement network, Protos delivers scalable protection in any situation. Our proprietary platform puts improved staffing, vetting, training, visibility, accountability and flexibility at your fingertips, including custom reporting and actual-time billing. From the C-team to the field team, our organization is committed to hassle-free and always-accountable customer experience across all four of our security service lines: guarding, off-duty, specialized and remote.



For more information on Protos, please visit <a href="https://www.protossecurity.com">www.protossecurity.com</a>.

