

Screening solutions for retail in Latin America

The retail sector in Latin America continues to expand rapidly, driven by strong consumer demand and digital transformation. Retail sales in the region are projected to grow at approximately 5–7% annually through 2027¹, led by major markets such as Brazil and Mexico.

Retail organizations face unique challenges, including high employee turnover, seasonal hiring spikes, and increasing risks related to fraud and loss prevention.

Employee turnover rate

Retail continues to experience one of the highest turnover rates across industries. In Latin America, turnover in retail roles can exceed 30% annually², with frontline positions often reaching even higher levels.

Seasonal hiring spikes

Retail hiring demand increases significantly during peak seasons such as holidays and major sales events. Companies may experience 30% to 50% increases in hiring demand³, requiring fast, scalable, and reliable hiring processes.

At the same time, the growth of digital commerce is transforming workforce needs.

E-commerce in Latin America is growing over 20% year-over-year and is expected to surpass \$700 billion by 2027⁴, increasing demand for digitally skilled employees.

Loss prevention

Retailers face ongoing challenges related to shrinkage and fraud.

- Globally, retail shrinkage averages ~1.6% of total sales, with higher rates often observed in emerging markets.⁵
- Total global retail losses exceed \$110 billion annually.⁶

A significant portion of these losses is linked to internal and external fraud, administrative errors, and operational inefficiencies.



Fraud prevention can be particularly complex when it involves trusted or long-term employees. As employees are promoted into higher-responsibility roles, it becomes critical to reassess risk.

Conducting additional background checks during promotions helps mitigate internal risk and protect business operations.

30%+

Annual retail employee turnover in Latin America

30–50%

Increase in hiring demand during peak seasons

1.6%

Average retail revenue lost to shrinkage globally

Understanding fraud risk in retail

Internal fraud remains one of the most significant risks for retail organizations. Understanding behavioral patterns and risk factors is essential to preventing losses and protecting operations.

Why do we say that?

- Organizations lose approximately 5% of annual revenue to fraud globally, translating to more than US\$5.5 trillion in global losses every year.⁷
- The longer an employee remains within an organization, the greater the potential impact of fraud. Employees with longer tenure are associated with significantly higher median losses, due to increased access, trust, and system knowledge.

Who carries out this fraud?

Fraud occurs across all organizational levels⁷:

- 41% — Managers
- 41% — Employees
- 16% — Owners / Executives

While less frequent, fraud committed by executives results in up to 9.5x higher financial losses⁷.

Behavioral warning signs⁷

- 84% of fraudsters display at least one behavioral red flag before detection
- 52% display multiple warning signs

Most common red flags⁷

- 39% Living beyond their means
- 29% Experiencing financial difficulties
- 17% Unusually close relationships with vendors or customers

¹Statista – [Retail Market Outlook LATAM](#)

²Mercer – [Workforce Turnover Trends](#)

³ManpowerGroup – [Employment Outlook](#)

⁴Insider Intelligence (eMarketer) – [LATAM Ecommerce Forecast](#)

⁵National Retail Federation – [Retail Security Survey](#)

⁶Retail Research – [Global Shrinkage Report](#)

⁷ACFE – [Report to the Nations 2026](#)

This content is offered for informational purposes only. First Advantage is not a law firm, and this content does not, and is not intended to, constitute legal advice. Information in this may not constitute the most up-to-date legal or other information. Readers of this content should contact their own legal advisors concerning their particular circumstances. No reader, or user of this content, should act or refrain from acting on the basis of information in this content. Only your individual attorney or legal advisor can provide assurances that the information contained herein – and your interpretation of it – is applicable or appropriate to your particular situation. Use of, and access to, this content does not create an attorney-client relationship between the reader or user of this presentation and First Advantage.

Streamline hiring

To help minimize risks, employers must conduct rigorous processes to hire or promote the ideal applicant.

At First Advantage, we help employers address these challenges, while also speeding up and standardizing the hiring/promotion process.

Our innovative solutions help retailers to:

- Make the best decisions based on more and better data.
- Quickly and cost-effectively hire/promote better employees using advanced technology and automation that instantly routes search requests to the most efficient source.
- Reduce risk with complete, easy-to-understand and actionable data that is verified any time matching records are found.
- Streamline and simplify hiring with an integrated filter for common names that returns only the most relevant information to help reduce the amount of time spent reviewing results.

Hire productive, responsible employees

Our drug testing solutions combine web technology and lab-quality, point-of-care testing for fast, accurate results with little or no hiring interruption.

This helps retailers to:

- Make faster, better-informed decisions
- Support drug-free workplace initiatives

Learn more

To learn how First Advantage can help retail organizations across Latin America reduce hiring risks and build stronger workforces, [contact us](#).

