

## Case Study

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# Big Y Stops Sweethearting

New England's largest independent food retailer effectively counters shrink

Service and value are at the core of the independent supermarket chain Big Y Foods, a popular 57-store food chain that operates under the banners Big Y World Class Markets, Table and Vine and its namesake banner. The chain's forte is specialty and gourmet foods, but beyond perishables, several Big Y stores offer child care, dry cleaning, health services, floral shops, photo processing, and even banking.

The family-owned and operated food chain concept was developed by the D'Amour family and is New England's largest independent food chain. The retailer continues to strive to meet its customer's home food needs.

### Countering Theft

In order to better protect its brand and deter unwarranted theft at its stores, Big Y invested in an emerging fraud technology that reduces "sweethearting" at checkout.

The chain installed StopLift's Checkout Vision Systems' video recognition software in early 2009 to catch "sweethearting," or when cashiers pretend to scan merchandise but deliberately bypass the scanner, thus not charging the customer for the merchandise. Store associates often "sweetheart" merchandise when the customer is a friend, family member, or fellow employee.

The fraud software works in tandem with security cameras that watch over checkout registers. When the "sweethearting" incident occurs, the software flags the transaction as suspicious, reports the incident and is then able to identify the cashier involved as well as the date and time of the theft.

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Big Y cuts mis-scans by 86 percent after adding sophisticated "sweethearting" technology.

Prior to installing StopLift, Big Y already had CCTV and exception reporting in place, but according to Mark Gaudette, director of loss prevention at Big Y, "a big void existed when it came to identifying shrink since much of the 'sweethearting' that took place in our stores was being found by accident."

Gaudette describes the scene prior to adding "sweethearting" technology: "When a store supervisor was not present, items were slid through the checkout and we were losing a lot of money."

For four months, the retailer tested out the "sweethearting" technology and let all events happen naturally without interference so the stores could establish a baseline. "We realized that the majority of our problem was that employees needed additional training and uncovered unintentional missed SKUs," says Gaudette. "We found dishonest employees, but we also realized we had to take a deeper look at our training process."

Gaudette adds, "We thought we had state-of-the-art training, but it became evident that many of our cashiers were missing scans. Our focus from that point on has been training and educating our staff, so we developed a communication process so employees could watch themselves in a video as the incident occurred."

The new process has proven very effective for the Big Y chain, which has 47 of its 57 stores up-and-running on the software. "We've reduced our mis-scans by 86 percent," says Gaudette. "The best part of the process has been that it has helped us identify the mis-scans and bottom-of-the-basket (BOB) issues when customers don't bring products up to the counter."

Big Y stores associates have been quick to do their part in combating fraud at checkout. "Our stores have really embraced this initiative and we've had a real positive response," continues Gaudette. "StopLift filters out things that are unique to our business and has reduced the number of false positives. We are extremely happy with this technology. There haven't been a whole lot of giant leaps since digital CCTV and finally there's something out there to help us do our jobs better." **RIS**