

## Retail/Hospitality

### Hannaford detects fraud with software Supermarket reduces sweethearting at front end with analytics solution

BY RHIANNA DANIELS

PORTLAND, Maine—Hannaford Bros. is using a software-based solution that detects sweethearting, a technology its loss prevention director hopes will serve as a long-term deterrent.

The grocery chain, which operates stores throughout New England, is piloting software from StopLift Checkout Vision Systems, which the company says is the “first-ever” solution that detects sweethearting. Its software-based computer vision technology determines what occurs during each transaction to identify loss at the checkout level. Cashiers are identified through video

When Hannaford began evaluating the StopLift product, Perkins wanted to identify cases initially.

“One of the things important to me was that we weren’t going to have to conduct an investigation on the first case we identified,” Tom Perkins, director of loss prevention at Hannaford, said. “We wanted to gather data for ourselves to understand the problem and over a period of time understand what it was doing at the front end.”

The company then evaluated the data to be able to educate its associates and use the solution as a deterrent.

Perkins said the technology is one of the most significant advancements aimed at cutting down on retail losses that he has seen in a decade.

There was little technology to help detect this fraud scam in the past, he said. Although some

LP leaders use an exception-based reporting formula that will help identify sweethearting, Perkins said he “never found that to be true.”

“We had a tool to identify most cashier theft, but not a tool to indicate sweethearting,” he said. “And if you don’t scan it there is no record of it so you cannot search through the data because there is no record of it.”

Historically, Perkins said, stores would get tips from other employees or managers as to what cashiers were involved and that was the way to identify an issue that is a “large



Hannaford is using a software-based program to detect sweethearting scams at its front registers.

contributor to front-end shrink.”

Malay Kundu, founder and CEO of Stoplift, said he found a need for a software-based application that could detect sweethearting at the front end of a store after interviewing loss prevention professionals from various retailers at Harvard Business School. SDN