



2016 Point of Sale Insights Report

An In-Depth Look Into Retail
Loss at the Point of Sale

A wide-angle photograph of a modern retail store interior. The store is brightly lit with a clean, minimalist aesthetic. Shoppers are seen browsing through clothing racks and displays. The word 'contents' is overlaid in large, bold, black letters across the bottom of the image.

contents

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01 Methodology

The exact cost of loss at the point of sale to retailers until now has been unknown.

Everseen reviewed point of sale data gathered over a six-week period, between the dates **August 7th 2016** and **September 17th 2016**, at multiple locations of five major grocery retailers.

Everseen analyzed over **1 million customer transactions** to determine the frequency and origins of non-scans and other irregularities at self-checkouts and staffed checkouts.

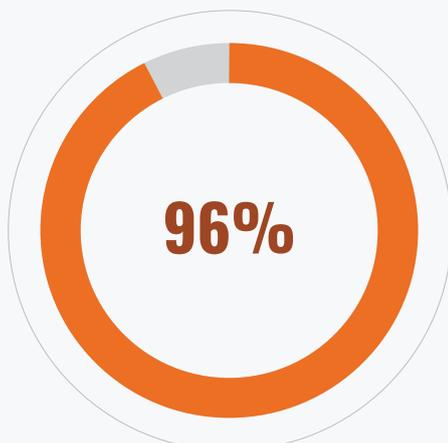
Transaction data was gathered using Everseen's proprietary software—comprised of artificial intelligence algorithms, computer vision systems and big data—which assessed each transaction for irregular scanning events.

Many customer transactions contain multiple line items and, on occasion, a single customer transaction is characterized by multiple non-scans. Everseen treated each individual non-scan as a single incident to calculate the percentage of non scans against total customer transactions.

02 Origin of Error at the Point of Sale

Incident Type

both checkout types



- Non-Scans
- Other Errors

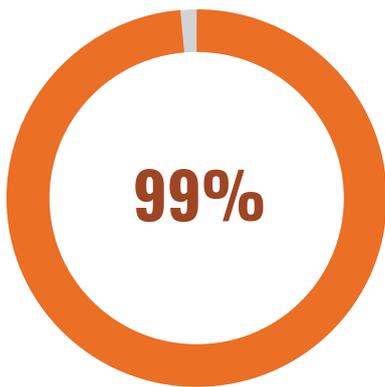
Of all customer transactions processed, 1.75% resulted in error.

Non-scanning was the cause of 96% of these errors.

03

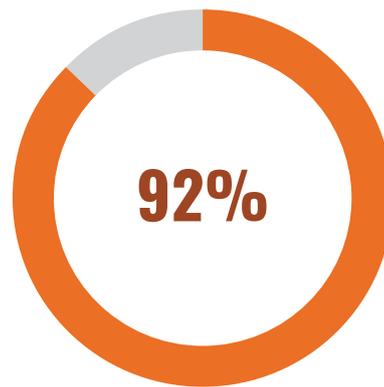
Staffed Checkouts vs. Self-Checkouts

Self-Checkouts



● Non-Scans
● Other Errors

Staffed Checkouts



At Self-Checkouts, 99% of erroneous customer transactions were attributed to non-scans.

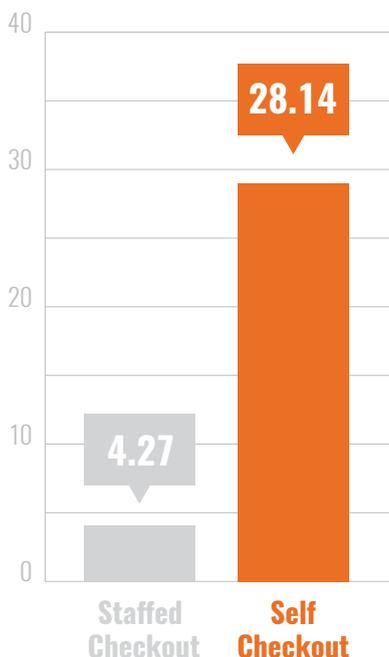
At Staffed Checkouts, 92% of erroneous customer transactions were attributed to non-scans.



04

Frequency of Non-Scans

Non-scanning occurs at a rate of **28.14 times** per 1000 customer transactions at the self service checkout and **4.27 times** per 1000 at the manned checkout.



Number of non-scans per 1000 customer transactions

This means that non-scanning at self-checkout occurs 6.6 times more frequently than at staffed checkouts.

05

The Cost of Non-Scans to Retailers

Value of non-scans per 1000 customer transactions

For every 1000 customer transactions processed, retailers lose an average of \$197 at self-checkouts and \$21 at staffed checkouts.



06 Common Forms of Non-Scanning by Checkout Type

There are many sources of non-scans. The following are examples of common strategies we've identified among both customers and register attendants.

Self-Checkout

Fake Scanning - Pretending to scan an item and then placing it in the bag or cart

Concealment - Holding items during the checkout process to bypass or fool existing weight-based checkout systems

Distraction Schemes - Methods of diverting the self-checkout attendant's attention while another customer fails to scan products

Product Swapping - Holding a cheaper product underneath a more expensive one so that the system charges the customer less while making it seem that the customer is paying for the more expensive item. E.g. holding a candy bar under a meat product

Human Error - Genuine customer error

Sweethearting - The cashier knows the customer and decides not to scan particular product/s

Human Error - Unintentional error by cashier

Barcoding Error - The barcode is illegible or poorly placed, so it isn't read by the point of sale system

System Error - Due to hardware failure or other technology malfunction

Staffed Checkout



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**AI FOR MANAGING SALE PROCESS
INTEGRITY AT THE POINT OF SALE**

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