

The top half of the page features a blue-tinted background image of a hand scanning a fingerprint on a device. The fingerprint sensor is highlighted with a white glow, and the hand is positioned as if about to scan. The overall aesthetic is clean and technological.

How Forward-Thinking Retailers are Using Biometrics to Solve Their Biggest Problems

According to the [National Retail Security Survey](#), shrink cost retailers \$61.7 billion in 2019 alone. In fact, shrink averaged 1.62% of sales during 2019, up from 1.38% in 2018.

This isn't news to retailers feeling the crunch and its effect on their bottom line. That's why companies from international giants to small local chains are investing in technology to reduce their biggest and most complex shrink problems. Leading these technological solutions is biometrics — the strongest proof of presence available.

Biometrics, most often fingerprint readers, combat the three biggest shrink challenges of theft, failure to pay and noncompliance. This white paper dives into these three threats and how biometrics meets them head on by dramatically reducing the opportunities available to would-be thieves and fraudsters.

THEFT: THE MULTIFACETED MONSTER

Employee theft is a particularly complex challenge with often extreme consequences to retailers. Employee theft has two facets:

Product theft. National Retail Security Survey respondents reported a shockingly high average of 560 employee theft apprehensions every year. This number is on the rise each year and difficult to combat. After all, employees must receive a certain amount of trust to do their jobs well; at a minimum, they need easy access to cash registers, credit card information and products of varying values. Limiting product and register access to high-ranking employees only causes bottlenecks that inconvenience both staff and customers. If an employee can't access a high-value product or a register function, the customer may not wait for someone else.

Biometrics solves the problem of employee theft while empowering employees to better serve customers. Fingerprint readers like the HID Global DigitalPersona 4500 can be installed to protect:

- Areas with high value products, allowing quick but secure access that verifies exactly which employee had what item and when
- Sensitive customer and employee information, like HR, customer or credit card data
- External doors, establishing time and date records for when each employee entered or left the store

Time theft. Time theft costs US business \$11 billion every year. Without biometrics, employees most often use PIN or ID card systems to log their hours — and their friends' hours. This buddy punching, where one employee clocks in or out for another employee, costs retailers \$373 million each year. It's far too easy for a team member to share their PIN, paper card or badge. It's impossible, however, to clock in or out with their fingerprint if they're not actually present.

Biometric time clocks are not just beneficial to the employer's bottom line, either. A fingerprint scan is quick and easy, allowing an employee to accurately log hours and get on with their day. It also maintains the secrecy of their PINs and passwords, which they often use in other, non-work systems.

"Crossmatch biometrics allow our management to know for sure that an adequate number of team members are present at each store to ensure responsive customer service."

"Our associates are now able to sign in quickly and are held accountable for their POS transactions."

Wayne Pederson,
Fazoli's Executive
IT Director



BIOMETRICS AND AGE VERIFICATION

When Norway's largest supermarket chains installed self-checkouts, they were faced with the challenge of accurately verifying age for alcohol and tobacco purchases. Discover how biometrics helped them solve this problem without employee intervention in this success story.

FAILURE TO PAY: WHEN A TRANSACTION DOESN'T MEAN A SALE

In a perfect world, every transaction would result in a payment to the retailer. Unfortunately, criminals — both employees and customers — often find security gaps in the system, costing retailers billions each year. Biometrics ensure goods and services are paid for by:

Providing proof-of-presence at the POS. Employees are much less likely to commit fraud at the POS when every transaction can be irrefutably tracked back to them. This all but eliminates false voids and returns, where an employee claims a customer returned or canceled a transaction, but the money or goods went to their own pocket. It also provides accountability to prevent misuse of discount codes.

Strengthening self-checkouts. Installing self-checkouts may reduce labor costs, but also causes theft to double — either through intentional bad actors or simple human error. In addition, far too many “self”-checkout transactions need some sort of staff intervention anyway. Biometrics can be used to enroll customers once, then verify every time they return to make a purchase, holding them accountable for their actions while speeding future checkouts. This proof-of-presence not only prevents theft but can help with age verification on items like tobacco and alcohol.

COMPLIANCE CONCERNS

Store policies: great in theory, often ignored in practice. With biometrics, employees are held accountable for adherence to compliance policies. Operations managers can receive insight into who performed which procedure and when for tasks like:

- Daily on-site operations audits
- Opening the cash register
- Recording waste

Like theft, noncompliance is often a crime of opportunity; when you remove the opportunity, you remove the crime. Tying actions to specific employees at specific moments prevents problems and helps keep honest people honest.

SAVING TIME, MONEY AND FRUSTRATION WITH BIOMETRICS

There's a sweet spot to be found at the intersection of user experience and security — and it's there that biometrics reigns supreme. By providing irrefutable proof-of-presence that's also simple and fast, biometrics prevents the rising costs associated with shrink.

HID Global's [broad portfolio of fingerprint readers](#) ensures a perfect-fit biometrics program for your organization. Interested in learning more about biometrics and retail? Check out our blog post, [Preventing Retail Shrink With Biometrics](#).