

POS Blamed for Most Thefts, Study Says

While most retailers know that employees account for most of the shrink that occurs at their stores, researchers say the majority of those thefts occur at the point-of-sale (POS), providing at least some measure of tracking capability.

Employee theft, inefficiency and intentional mishandling account for 74% of all shrink in stores in 2004, according to a study released late last year from Scottsdale, Ariz.-based The

National Retail Research Group, owned by Larry Miller, who also owns Trax Retail Solutions, an automated shrink-tracking and employee-development software package. Only 9% of shrink comes from shoplifting and 3% from drive-offs at the pump, says the report, which interviewed 25 respondent companies (representing 10,000 stores) about their 2004 numbers.

Other interesting points:

▶ Shrink costs the average store 3.37% of sales.

▶ In-store sales accounted for 42% of c-store sales, but 97% of total store shrink.

▶ Of employee theft, 65% was tied to employees on the job less than 90 days.

Some of the research data ties back to the use of technology. Of the cases of employee theft, 68% occur at the POS, Miller says. "A disproportionate amount of theft is going on at the point-of-sale," he says. "Yes, sometimes employees take in a duffel bag and fill it with beer, but 68% of [shrink] is traceable at the POS."

Beyond the survey, additional research is identifying an accelerated trend in 2005–2006 towards transaction-level monitoring via business intelligence tools. Retailers are turning their investment dollars into analyzing their scan data. "It's a reversal of a trend because of the availability and implementation of [scanning] technology," says Janet Herweg, senior analyst for the National Retail Research Group and chief survey architect. "With c-stores, we find most are scanning now, and those retailers with scanning are looking for the next level of technology." ■

WHERE'S THE SHRINK?



WSCO Rolls Out Pinnacle's Auditor System

WSOCO Petroleum Corp. of Portland, Ore., is rolling out The Pinnacle Corp.'s proprietary Auditor retail accounting manager software.

"What strikes me most about Auditor is the ability to customize the audit screens. I get to decide how the system is setup and what is included for each retail location," says WSCO controller Phil Boitz. Auditor allows retailers to customize sets

of rules that validate data related to sales and cash accountability, fuel inventory categories, and cost and retail inventory.

Data that does not pass user-defined exception rules will not be marked as audited. With this software product, exceptions are displayed and easily checked for accuracy. Once data is audited, retailers can use Auditor's Web-based reporting system to extract various types of reports. ■

Wireless ATMs Moving into C-Stores

The technology of wireless ATMs is quietly making its way to the convenience store channel.

Swipe USA, a San Francisco-based provider of ATMs powered by wireless communication technology, has partnered with Transaction Network Services Inc., a Reston, Va.-based provider of data communications services.

"After a pilot program, we expect to

deploy high-speed wireless at all of our ATMs nationwide by 2007," says Ron Christensen, CEO of Swipe. The company currently provides ATMs to chains such as Miami-based Burger King.

TNS has links to the c-store channel, with customers using its high-speed broadband services. Most recently, Worsley Operating Corp., Wilmington, N.C., signed its 138-store network up with TNS. "If successful, there is cer-

tainly the opportunity to expand the solution into future areas, including Internet Protocol telephony, check authorization and security monitoring," says Kevin Kolb, information technology director for Worsley.

In other ATM-related news, Cardtronics Inc., Houston, has entered into an agreement with Sovereign Bancorp to brand 900 ATMs at CVS pharmacy locations. ■

TIO Launches Bill Payment Program

TIO Networks Corp., owners of the self-serve financial kiosks TIO Network based in Burnaby, B.C., entered into an agreement with both San Diego Gas and Electric (SDG&E) and Southern California Gas Company (SCGC) to launch a new self-serve automated bill-payment program that enables SDG&E and SCGC customers to pay their bills

with cash, checks or money orders at 14 terminals in 10 southern California locations.

SDG&E and SCGC customers will be able to use the self-service bill payment technology to scan their bill-payment stubs, and securely make payments that post to their accounts in the same day. ■

PCATS, BP Pursue Card Transaction Standard

The standards effort is moving to card processing. Spearheaded by the Petroleum Convenience Alliance for Technology Standards (PCATS), a new initiative will develop and adopt a domestic standard for managing card payment processing.

Through the use of an electronic payment server (EPS) and based on the International Forecourt Standards Forum (IFSF) standard, the standard will help take the burden off the point-of-sale (POS) and address evolving authorization standards within the banking industry. The EPS will serve as the front end to the acquiring host, eliminating the POS and PIN pad from any recertification process.

PCATS member and global retail marketer BP, London, has already begun deploying an EPS system to its jobber retail locations and is planning to begin deployment in the coming months to its dealer retail sites. The EPS system uses common XML (extensible markup language) messages, based on the IFSF standard, to exchange financial data between the EPS and the POS. ■