



Alec Hudnut, CEO, Evolution Robotics

## Reduce Bottom Of Basket Loss

Over the years, numerous attempts have been made to combat bottom of basket (BOB) loss. Learn how to prevent BOB loss once and for all.

by Erin Harris

**B**OB items are frequently overlooked or forgotten at checkout. Many factors contribute to the problem, including long lines of impatient customers, distracted cashiers, and more. BOB shrink is particularly hard on a store's margins since a single BOB item can cost \$10 or more. The good news is that there are new and improved ways to combat BOB loss. Alec Hudnut, CEO of Evolution Robotics, answers my questions about advancements in BOB technology. Here's what he had to say.

### Has BOB loss increased since the economic downturn?

**Hudnut:** Yes, BOB shrink has increased during the recession. Our typical customer is now losing 10 basis points or more at the front end due to BOB loss.

### Why are BOB items frequently overlooked at checkout?

**Hudnut:** When lines get stacked up, cashiers try to move quickly through the backlog. When they do, mistakes occur, and BOB items are missed. Also, for the customer who is intent on stealing a BOB item, the theft is a perfect crime. If the cashier challenges the customer about the BOB item, the customer says, "Oh, I forgot about that item," and there are no consequences for the customer. Why? Because it is the cashier's responsibility, not the customer's, to ring the item on the bottom of the basket. There are plenty of opportunities for BOB theft with no consequences.

### How can retailers combat BOB loss?

**Hudnut:** Things such as training, mirrors, video cameras in the lane, and prompts at the POS have all been tried. Yet, BOB losses still remain high. If you do not inform the cashier that there is an item in the bottom of the basket, you can exit the store over 60% of the time with an unpaid item. Because a system like LaneHawk from Evolution Robotics can recognize the BOB item without having to see

the bar code and add the item into the transaction in real time, the BOB item gets caught.

### Over the years, we have seen technology influence ROI. Are there any technology advances on the horizon that retailers should look for?

**Hudnut:** Advances in visual pattern recognition technology, spurred by investments from the U.S. government and the robotics industry, have created amazing opportunities for the retail market. Today, with technologies such as Evolution Robotics Retail's ViPR visual pattern recognition system, retailers can scan items without having to read the bar code.



Bottom of basket technologies such as this one help improve front end productivity.

### Is it necessary that BOB technologies work in conjunction with other loss prevention technologies?

**Hudnut:** Overhead video surveillance pairs well with the LaneHawk BOB application. LaneHawk can flag customers or cashiers who "miss" many BOB items and attach video clips to the investigative report. Adding overhead video improves the hit rate of the investigations. LaneHawk shrink savings can also be added to LP dashboards and give those dashboards visibility into reductions in BOB loss.

### How can BOB technologies tighten retailers' business controls?

**Hudnut:** Tighter shrink control means better annual profits — between \$35,000 and \$50,000 for a typical U.S. grocer. An application such as LaneHawk also improves front end productivity as transactions move faster through the lane. And, these technologies help identify problematic cashiers and retrain them or move them out. ■