

Implementing fingerprint biometrics in the retail industry

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Shoplifting, employee theft and fraud and operational errors cost merchants millions of dollars each year. It's a major issue that costs businesses more than \$61 billion a year, or around 1.62 percent of total sales - and much more for fashion stores.



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“Shrinkage” – a term which refers to these losses – has always been a primary objective for retailers, but in South Africa, retailers struggle with employee theft. In fact, according to a [recent study](#), employee theft accounted for 43% of shrinkage. A declining economy and an increase in hardships have created the perfect storm for people to look towards other means to supplement their income and unfortunately unethical behaviour by employees is one of the consequences.

While there are several precautions in place to prevent employee theft, there is also a way to provide all employees access to even the most valuable merchandise without risking employee theft. Most retailers agree that increased security must be simple for staff to handle while still avoiding fraud, and fingerprint biometrics can help with this.

Biometric solutions

Biometric solutions enable simple, secure and irrefutable proof-of-presence without passwords to remember or ID cards that can be lost or borrowed. Retailers can make use of a fast and easy-to-use optical USB fingerprint reader in a compact form factor that is perfect for desktop or point-of-sale environments.

Fingerprint biometrics provide a convenient and cost-effective way to stop employee fraud and theft in both point-of-sale (POS) and time and attendance applications. By knowing the identities of employees allows retailers to hold employees accountable for their actions, which plays a vital role in preventing fraud and theft.



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Biometric-enabled POS terminals address a number of challenges. Employees cannot share credentials, they must be present to clock in, and managers must be present to approve voids, return authorisations, and discounts. With a simple touch of a finger, biometrics stop employee theft at the POS terminal. Today, many retailers are realising additional cost savings by eliminating lost-password and log-in difficulties as well as speeding customer service transactions and minimizing unnecessary delays.

Fingerprint biometrics are the easiest type of biometrics to implement from a hardware, software, IT support and overall cost standpoint. Both store employees and managers may be resistant to new programmes and procedures such as biometrics, but implementing loss prevention programmes and operational controls normally requires a change in company behaviour.

Fingerprint authentication is simply the lowest risk, easiest to implement and most reliable form of biometrics to adopt.

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