



Fighting ORC With Technology

The August issue of California Grocer updated the industry's fight against Organized Retail Crime. New technology is helping retailers curtail this growing threat. Here is just one example.

Organized Retail Crime (ORC) is a tough nut to crack.

It is a sophisticated enemy, with more time to plan than retailers, a lucrative payday that attracts and retains more associates, and laws that occasionally favor the criminal.

The United States faces a similar threat to ORC - terrorism. Terrorists are a tough enemy with ample time to plan and a payday of notoriety.

What lessons can retail learn from the government's anti-terrorism efforts?

The federal government has taken numerous approaches to combat terrorism. The one most relevant to retail is technology, specifically, visual pattern recognition technologies.



In the past decade the U.S. military and the Department of Homeland Security have experimented with a number of visual pattern recognition systems to detect threats. Unmanned Aerial Vehicles (UAVs) are being tested to identify potential targets including tanks, ships, truck and cars. At border crossings, your face is being looked at and sometimes, at secure facilities, your iris, too. How can visual pattern recognition technology be used to combat ORC?

Here are a few ideas:

1. Speed reaction time to shelf sweeps. Typically, retailers are unaware of a sweep until well after the event. Some of the newer video analytics systems allow retailers to know exactly what's on the shelf. From a distance of 50-plus feet, it can recognize the object and scan/read the item without having to detect the UPC. It knows what items are on the shelf and in what quantity. When a sweep occurs, the system alerts store personnel in real time of the items removed, thus increasing the likelihood of apprehension.

2. Stop barcode switching. Some visual pattern recognition systems can scan product without detecting a barcode. If an individual attempts to purchase a \$49 electric razor fitted with a \$4 UPC from another product, the system recognizes the package as the more expensive razor and store personnel are notified in real time that a barcode switch has occurred at the register.

3. Stop the virtual fences. By gathering the images of high-ORC items on product sale websites (Craigslist, Google, eBay) and using a visual pattern recognition search engine, the images can be scanned for a retailer's anti theft sticker or etching. If found, the online retailer can be notified of the fraudulent reseller and law enforcement can be contacted.

These are only a few of the ways visual pattern recognition technology can reduce shrink and stop ORC at the shelf, register and online. By implementing such technology in an overall ORC prevention strategy, all retailers can begin to make a dent in this costly and growing crime. ■