

WHITE PAPER

## STOPLIFT IS GONE:

**Five Things Grocers Need to Know** 

dragonfruit.ai

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## **Executive Summary**

The rise of Video Al is reshaping retail as we know it. What was once a promising but nascent technology has now matured into a powerful, enterprise-ready solution capable of transforming loss prevention.

By combining real-time video analytics, computer vision, and machine learning, today's Video Al systems do more than just record footage. They understand what's happening in every lane, at every moment. They detect risk patterns, verify transactions, and even anticipate losses before they occur

First-generation tools like StopLift introduced retailers to the potential of Al-powered checkout loss prevention. They provided early insights into automated fraud detection and became an integral part of many grocers' loss management programs.

However, StopLift has now reached end-of-life, marking a pivotal moment for retailers: they must either find a similar replacement or embrace next-generation solutions that unlock greater accuracy, flexibility, and ROI.

Today's Al-powered checkout solutions deliver capabilities and performance that were out of reach just a few years ago. Retailers that have already embraced this evolution are **reporting** 15%–25% shrink reduction and significant productivity gains for their loss prevention (LP) teams.

Multiple upgrade paths are available, enabling smooth integration with existing systems while modernizing operations for the next decade.



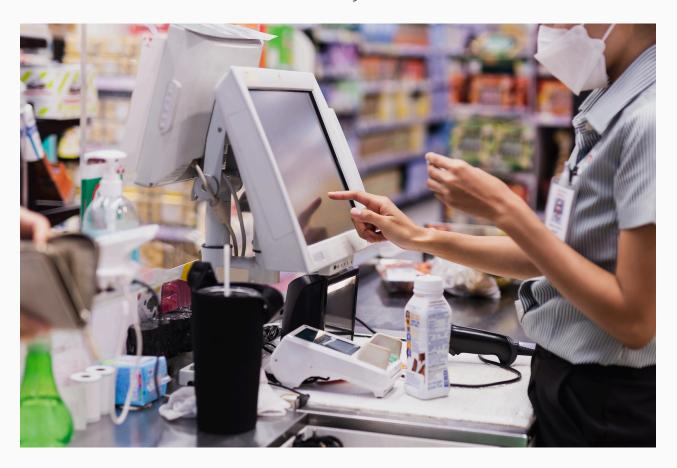
#### This whitepaper explores:

- What StopLift's end-of-life means for retailers
- The risks of standing still or simply "replacing"
- How next-gen Al addresses today's challenges and future-proofs loss prevention
- Key use cases where video Al delivers measurable ROI
- · Considerations for choosing the right solution

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### 1.Introduction

Shrinkage has always been a challenge, but its impact is now magnified by rising costs, tighter margins, and growing complexity across omnichannel operations. Industry figures from the National Retail Federation <a href="mailto:show">show</a> that shrink costs U.S. retailers over \$100 billion each year, driven in large part by manned-lane fraud, missed scans, and sweethearting at checkout.



At the same time, grocers are under pressure to do more with less. In an environment of rising costs and tighter margins, grocers need loss prevention solutions that reduce capital expenditure yet deliver measurable ROI, without compromising on compliance or operational efficiency.

Many first-generation checkout loss prevention tools struggle to keep up. They require manual intervention, generate high false-positive rates, and lack the scalability needed for today's dynamic environment. Video Al solutions in the market today address these challenges head-on, offering intelligent, adaptive detection that evolves with emerging theft tactics and provides a comprehensive, enterprise-ready approach to loss prevention.



## 2. The End of StopLift: Implications for Retailers

For many grocers, StopLift has been running quietly in the background for years, flagging staffed lane checkout incidents and supporting investigations. Its retirement leaves a gap that has both operational and financial consequences.

#### 2.1 Why Standing Still Is Risky

Failing to act quickly can quickly become a financial and operational liability:

- Margin impact: Even a 1% rise in shrink can erase profits for a typical grocery operation.
- **Labor drain:** Without automation, loss prevention teams are forced to spend hours reviewing footage and conducting manual audits, slowing investigations and reducing store productivity.
- **Regulatory risk:** Fragmented or incomplete audit trails make compliance reporting harder and open the door to disputes.



## 2.2 Why a Simple "Replacement" May Not Be Enough

Replacing StopLift with a like-for-like solution might seem like the safest path, but it risks locking retailers into yesterday's technology. As theft tactics have grown more sophisticated and omnichannel retail has expanded, the limitations of legacy systems have become clear:

#### **Too Narrow in Scope**

Legacy solutions often focus on a fixed set of products or a limited subset of loss types, such as scan avoidance. They fail to detect broader mannedlane fraud. Advanced checkout loss management software covers multiple loss types in one place.

### Limited Product Differentiation

Traditional surveillance struggles to accurately recognize visually similar items based on attributes like shape, color, or size, increasing mis-scanning risks and missed detections.

#### **Outdated Detection Models**

Rule-based CV & POS matching can't keep pace with new fraud patterns and generates more false positives. Advanced AI uses behavioral modeling and continuous learning to adapt automatically and cut noise.

## Limited Integration & Flexibility

Legacy tools often tie you to specific POS ecosystems. Modern solutions are vendor-neutral, integrate with any POS/SCO, and support modular expansion (self-checkout, shoplifting detection, traffic analytics).

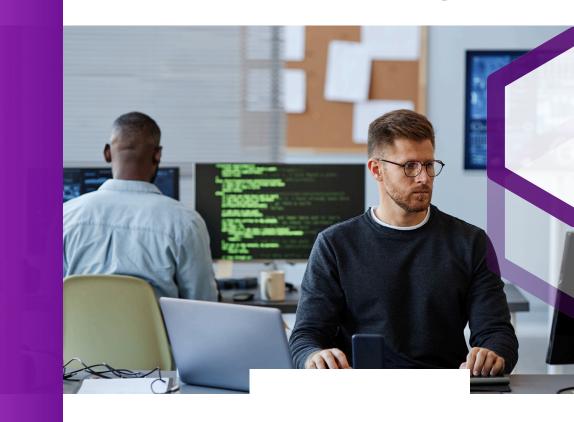
### Higher False Alerts, Slower Teams

Without context-aware filtering, teams waste hours on manual review and disrupt customers unnecessarily. Newer platforms prioritize high-value alerts and sync video with POS data for faster resolution.

#### Longer Time-to-Value

Legacy deployments require site-by-site calibration and months of tuning. Cloud- and edge-based solutions can be live in weeks, delivering measurable ROI in the first quarter.





#### 2.3 Market Forces Driving Change

At the same time, as retail operations become increasingly complex, new challenges and risks intensify the pressure to replace first-generation solutions:

- Escalation of Organized Retail Crime (ORC): ORC incidents have <u>surged</u> by 57% from 2022 to 2023, with 73% of retailers reporting increased violence and aggression associated with these crimes. These sophisticated, multi-store, and cross-channel operations highlight the need for computer vision solutions capable of correlating patterns across various sites, rather than focusing solely on single-lane events.
- Rise of Hybrid & Omnichannel Shopping: Click-and-collect, mobile self-checkout, and delivery create new theft vectors that older systems were never designed to monitor. Advanced Al solutions can track transactions across physical and digital touchpoints.
- **Growth of Self-Checkout:** According to a recent <u>study</u>, 77% of shoppers choose self-checkout for faster service, which is also a major source of shrink. Al can monitor these lanes in real time and detect even the most subtle theft patterns that rules-based systems miss.
- Increased Data Volume & Complexity: Retailers now collect more video and transaction data than ever before. Manual auditing is no longer feasible. Automated, Al-powered analysis is essential to extract actionable insights from this data flood.
- Need for Real-Time Decision-Making: Theft prevention is moving from post-event investigation to inthe-moment intervention. Retailers want instant alerts that allow staff to stop losses before they leave the store.

Grocers that adopt next-generation checkout loss prevention gain more than just protection—they unlock operational efficiency, actionable insights, and strategic agility.

## 3. Video Al as the Frontline Against Checkout Shrink

The landscape of retail checkout is undergoing a significant transformation, driven by advancements in computer vision and AI technologies. These innovations are reshaping how retailers approach loss prevention, offering more efficient and scalable solutions.

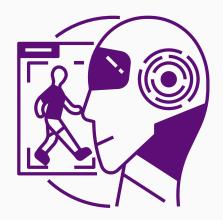
#### 3.1 Emerging Capabilities in Al Video Intelligence

Recent developments have expanded the scope and capabilities of video Al solutions:

## Global Expansion of Computer Vision Checkout

Retailers worldwide are adopting computer vision-powered checkout systems. For **instance**, German grocer REWE launched Europe's largest computer-vision-powered checkout store, Pick&Go, in Hamburg, utilizing advanced Al technology to enable seamless shopping experiences.

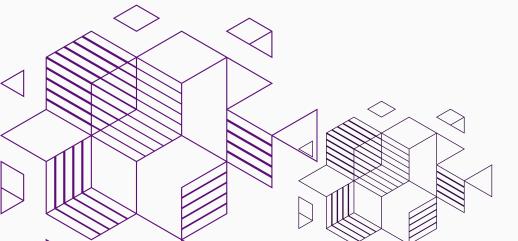




#### Advancements in Object Detection Models

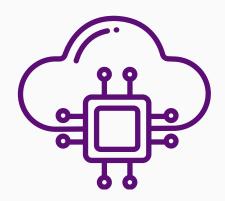
The introduction of improved models like <u>YOLOv10</u> has enhanced the accuracy and efficiency of object detection in **retail environments**.

By leveraging advanced detection architectures, these models achieve higher accuracy in product recognition, maintaining performance even under occlusion or in visually crowded scenes.



#### **Edge Al for Real-Time Processing**

To address latency issues and reduce dependency on cloud infrastructure, edge Al solutions are being implemented. By processing data at the edge—closer to the camera sensors—these systems enable real-time detection while minimizing the costs tied to cloud-based GPU operations.





#### **Innovations in Video Annotation**

Advances in automated video annotation are accelerating Al model development. Emerging methods for detecting keyframes in retail footage reduce manual labeling effort and drive greater precision in model performance.

#### **Continuous Learning and Adaptability**

Al models now incorporate continuous learning mechanisms, allowing them to adapt to changing store layouts, operational workflows, and emerging theft tactics. As the system processes new data and scenarios, it updates its algorithms, enhancing theft detection and minimizing false positives. This adaptability ensures that the system remains effective as retail operations grow and evolve.





#### **Behavior Analysis**

Beyond object recognition, Al systems now incorporate behavioral analysis to detect suspicious activities. By establishing baseline behaviors through machine learning, these systems can identify deviations such as sweethearting, mis-scanning, or unusual item handling. This dynamic approach allows for the detection of complex theft tactics that were previously challenging to identify.

## **3.2 Preventing Shrink with Intelligent Checkout Monitoring**



Today's checkout loss prevention tools provide comprehensive, real-time visibility across every checkout lane, format, and store zone. By combining advanced analytics, computer vision, and predictive modeling, retailers can detect, prevent, and respond to shrink across the entire operation.

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#### Multi-Lane, Multi-Format Monitoring

Advanced checkout loss prevention tools observe all checkout environments: manned lanes, self-checkout, express lanes, and even online channels, simultaneously. This enables loss prevention teams to spot patterns across lanes and stores, uncovering vulnerabilities that single-use tools often miss.

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#### **Proactive Shrink Prevention**

Predictive models identify high-risk times, lanes, and behaviors before losses occur. Retailers can allocate resources strategically, adjust staffing, and deploy targeted interventions to prevent shrink rather than simply responding after the fact.



#### **Unified Enterprise Insights**

Al can easily aggregate data from POS, video, inventory, and e-commerce platforms to provide a single, actionable view of risk.

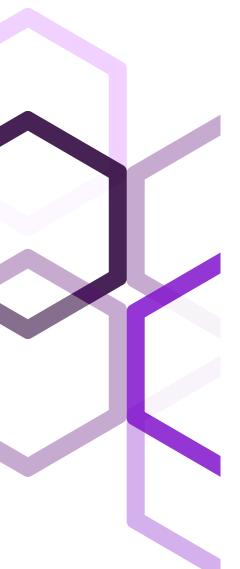
Trend analysis, hotspot mapping, and predictive scoring help retailers understand where shrink is occurring, why it's happening, and how to address it across the entire enterprise.

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### Streamlined Investigations & Audits

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## 4. Key Considerations for Grocers



Transitioning to a new checkout loss software is more than a technology swap, it's a strategic move that touches infrastructure, operations, and ROI. To ensure a smooth transition and maximize impact, retailers should evaluate solutions across three key dimensions: technical fit, financial impact, and organizational readiness.

#### 4.1 Technical Requirements for Success

- Seamless Integration: It's crucial to assess how the AI platform will work with your existing POS systems, camera setups, and ERP platforms. Look for solutions that don't require a full infrastructure overhaul, as those can extend deployment timelines. Platforms that integrate easily allow you to get the AI up and running quickly, often within days, while working effectively on your own data.
- Scalability and Flexibility: Consider solutions that can scale across 100+ locations without slowing performance. Video processing and analytics should be designed to handle multiple lanes, self-checkout stations, and back-office feeds without bottlenecks.
- Intelligent Video Translation: Ensure the system can process and interpret video data accurately across varying store layouts, camera angles, and lighting conditions. This ensures consistent detection and minimal false alerts regardless of store size or environment.
- Proven Latency: While real-time intervention is valuable, look for solutions that can deliver
  actionable alerts with sub-second to a few-second latency—enough for staff to respond
  immediately and prevent losses before they occur.



#### 4.2 Financial Analysis Framework

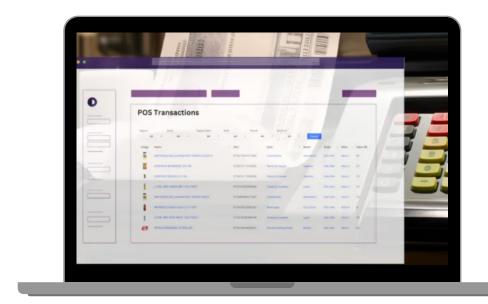
- Balanced ROI Considerations: Different solutions balance software costs, hardware requirements, and operational efficiency differently. Some platforms can demonstrate greater ROI within a single quarter, depending on shrink reduction and productivity gains. It's important to evaluate both upfront investment and the speed of value realization.
- **Deployment Efficiency:** Shorter implementation timelines can accelerate ROI. Look for solutions that allow phased rollouts or pilot programs to validate results and optimize workflows without impacting day-to-day operations.
- TCO Awareness: Beyond licensing and hardware, consider ongoing maintenance, model updates, and cloud computing costs. Some solutions reduce total cost by leveraging lightweight edge devices and cloud-based processing rather than requiring expensive on-premise infrastructure.

#### 4.3 Organizational Change Management

- **Stakeholder Alignment:** Successful adoption requires collaboration across IT, Operations, Loss Prevention, and Store Management. Early alignment ensures clarity on responsibilities, workflows, and response protocols.
- **Training and Adoption:** Ensure store-level teams understand how to respond to Al alerts, while technical teams are comfortable configuring models and integrating data sources. Effective onboarding accelerates adoption and impact.
- **Performance Measurement:** Establish KPIs such as incident resolution time, system uptime, etc.. Reporting cadence should balance operational insights with executive-level visibility.
- Continuous Improvement: Al systems should evolve alongside retail operations. Regular model
  retraining, workflow optimization, and feature expansion ensure continued effectiveness against
  emerging theft tactics. Evaluate solutions that learn and adapt over time, retraining models to
  account for evolving theft patterns and operational changes. Platforms with analytics dashboards
  and reporting allow teams to refine strategies continuously.



## 5. Dragonfruit Al: How We Deliver Value



As grocers move on from legacy systems, Dragonfruit AI provides a true next-generation upgrade, detecting fraud, recovering revenue, and giving loss prevention and asset protection (LP/AP) teams the tools to act in real time.

Our Sales Analysis solution combines behavior AI, video data, and transactions together, not just POS triggers, providing broader context to detect real loss and reduce false alarms. Every flagged transaction is linked to corresponding video footage, receipts, and terminal data, making investigation and resolution fast and defensible.

Manned-Lane Loss Detection + Exception-Based Reporting

Monitors cashier and customer behavior to detect sweethearting, barcode swapping, item skipping, overbagging, bottom-of-basket concealment, etc.

Matches POS data to video evidence

Automatic Exception Flagging ensures that patterns like voids, and discount stacking are automatically surfaced—no manual report pulls required.

Customer-notpresent Transactions

Flags scenarios where a cashier may exploit customer-not-present transactions.

Detects unauthorized price overrides, refund abuse, no-sale transactions, or other forms of internal fraud. Automated monitoring ensures these exceptions are immediately visible to loss prevention teams.

Self-Checkout Loss Mitigation

Self-checkout lanes are continuously monitored

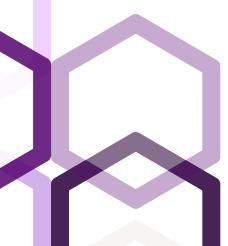
Al models detect unscanned items, duplicate scanning, irregular bagging, unattended transactions, and more. Enables targeted staff interventions that maximize operational efficiency.

## 5.1 Why Retailers Choose Dragonfruit's Sales Analysis Solution

- Real-Time Smart Alerts: Delivered in under five seconds, enabling proactive intervention.
- Patented Split Al™: Splits processing between edge devices and cloud to minimize bandwidth costs and boost speed.
- **Seamless Integration:** Works with your existing cameras and POS—no costly infrastructure overhaul.
- Scalable & Modular: Easily extend to shoplifting detection, traffic analysis, case management, and investigations, all remotely activated.
- **Lower TCO:** Eliminates the need for expensive on-prem GPU servers while delivering enterprise-grade performance.
- True Product Recognition™: Detects and identifies items based on shape, size, and packaging—not just barcodes.
- 100% PLU Coverage: Our AI learns all items as they are scanned, across all grocers.
- 95%+ Al Accuracy: Al learns from live retail scenarios, not lab simulations, for unmatched accuracy and relevance.
- **Staff vs. Customer Differentiation:** Distinguishes between cashier and shopper actions, so accountability is always clear.
- **Complete Transaction Coverage:** Reviews the entire checkout flow, not just individual scans, so alerts are accurate and customer experience stays smooth.

#### 5.2 Measurable Outcomes\*

- **20–30% Shrink Reduction:** Real-time detection and proactive interventions reduce retail loss at the source.
- 10x Expected ROI: Reductions in fraud, shrink, and operational inefficiencies drive measurable returns.
- **30% Labor Efficiency Improvement:** Real-time alerts and video-linked insights free teams from manual investigations and false alarms.
- 80%+ Reduction in Investigation Time: Automated exception reporting and linked video footage accelerate investigations and resolution.
- 99.9% Fewer False Alarms: High precision ensures LP/AP teams focus on genuine incidents without distraction.



## 6. Conclusion

StopLift may be retiring, but your loss prevention strategy doesn't have to. This is the perfect moment to not just replace, but reimagine your approach to shrink. Retailers who act now will set the standard for operational efficiency, margin protection, and customer trust in the years ahead.

#### Ready to take the next step?

Contact Dragonfruit AI to learn how you can transition to a future-ready solution.



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