

[wsj.com](https://www.wsj.com)

Retailers Scale Back Self-Checkouts to Curb Irritation—and Theft

Natasha Khan

6–7 minutes

Attention, shoppers: Retailers are rethinking your cashier job.

Store operators are modifying how they use [self-checkout stations](#) in a bid to boost their bottom lines and improve the shopping experience for customers.

Some retailers are pulling kiosks out of stores as a way to keep a lid on theft. Others, including [Target TGT 0.13%increase; green up pointing triangle ▼](#), [Dollar General DG -1.41%decrease; red down pointing triangle ▼](#) and the regional grocery chain Schnucks, have limited how many items customers can bring to self-checkouts to avoid bottlenecks and alleviate headaches for staff.

In March, [Five Below](#) Chief Executive Officer Joel Anderson said the [retail chain limited the number](#) of open self-checkout registers and positioned employees at more checkout lanes to assist customers.

[Walmart WMT -0.19%decrease; red down pointing triangle ▼](#) pulled self-checkout lanes from a handful of stores in recent months based on feedback from associates and customers, a spokesman said.

“When self-checkouts were first introduced, they were intended for smaller orders,” said Paul Simon, a Schnucks spokesman. When its use grew to more items, there was a need for a rethink, Simon said.

Schnucks now limits its self-checkout lanes to 10 items or fewer. While the primary intention is to improve customer service and checkout efficiency, Simon said the company expects some reduction of theft as well. “This item limit will help us maintain our costs while keeping the prices lower for our customers,” he said.

Shoppers want easy checkout, but labor is often a store’s biggest expense. Self-checkout was introduced to reduce the cost needed to staff registers adequately, with companies such as [CVS Health](#) deploying them 20 years ago. With self-checkout, one worker can monitor and help shoppers at several registers.

Its use accelerated during the Covid-19 pandemic, when human-to-human contact lessened. But self-checkouts have contributed to [increased “shrink”](#)—an industry term used to describe losses from theft, lost inventory or damaged goods—because shoppers make mistakes or steal. Retailers, hesitant to spend more on staffing, are deciding if they prefer to reduce labor costs or combat shrink.

About a fifth of people who used self-checkouts said they accidentally took an item without paying for it, according to a survey of 2,000 shoppers last year by [LendingTree](#). Some 15% of self-checkout users admitted to stealing an item on purpose.

On social media, some users have posted videos of shoppers scanning a lower-price item instead of the higher-price item that should have been scanned.

“Shoplifting used to be mostly invisible,” said David Johnston, vice

president of asset protection and retail operations at the National Retail Federation, a trade group. “What we are seeing today are methods that are open and brazen.”

The average shrink rate for retailers increased in 2022 from the prior year, but it was in line with 2019 and 2020 levels, according to an NRF report in September.

Most of Target’s stores have a policy of restricting customers to 10 items in self-checkout lines. When the retail chain started testing the policy at some stores, it found checkout times were cut in half compared with locations without the limit.

The company rolled out the initiative nationwide starting in March. Staff noticed a reduction in the amount of missing inventory in stores, a company representative said.

Enforcement can vary by location, and some Target shoppers said they weren’t aware of the policy.

“I didn’t really notice that they changed it,” said Lorna David, who made a recent visit to a Target in Manhattan to buy Takis tortilla snacks and some toothpaste.

David said she uses self-checkout regularly and prefers it to going to a cashier. She added that it was slightly quicker to leave the store in recent weeks.

“What they really need to fix is how long I had to wait to get stuff unlocked,” said David, referring to a tactic retailers have used to combat theft—[locking up products](#) such as detergent and deodorant behind plexiglass.

Walmart, the nation’s largest retailer, said it removed self-checkout lanes and replaced them with cashier-staffed lanes at locations

including stores in Cleveland and Shrewsbury, Mo. When checkout access is limited, some stores are designating self-checkout lanes for Walmart+ customers, who pay a membership fee of \$98 a year.

“We believe the changes will improve the in-store shopping experience and give our associates the chance to provide more personalized and efficient service,” said Charles Crowson, a Walmart spokesman.

Walmart added more self-checkouts to stores years ago but quickly found that they came with challenges including higher levels of theft and consumers’ fumbling with the technology. In response, it quietly disabled the [weight sensors at self-checkout scanners](#) because they triggered too many “wait for assistance” messages that annoyed shoppers and staff.

In 2022, Dollar General said self-checkout was so successful and popular with customers that it tried making some stores entirely self-checkout. A year later, CEO Todd Vasos pulled back on those plans.

“We had relied and started to rely too much this year on self-checkout in our stores,” Vasos said on a December earnings call. “We should be using self-checkout as a secondary checkout vehicle, not a primary.”

In March, the company said it would remove self-checkout for stores with the highest levels of shrink. For remaining stores with self-checkout, it would limit customers to scanning five items or fewer.

Sarah Nassauer contributed to this article.

Write to Natasha Khan at natasha.khan@wsj.com

Copyright ©2024 Dow Jones & Company, Inc. All Rights Reserved. 87990cbe856818d5eddac44c7b1cdeb8

Appeared in the May 6, 2024, print edition as 'Retailers Rethink Their Self-Checkouts'.