

# Right-sizing Inventory to

## Improve Omnichannel with RFID

RFID offers retailers and brand owners improved inventory visibility and accuracy, driving increased POS transactions, decreased out-of-stocks and reduced cycle count time for retailers, and improved shipping and picking accuracy, reduced receiving time and the ability to implement granular electronic proof of delivery for brands.<sup>1</sup>

### Retailers can achieve 95% accuracy with item-level tagging

(vs. 63%). With this level of inventory intelligence, they can gain quick insight and make speedier decisions about the type and quantity of inventory required at any specific e-tail or brick-and-mortar location.<sup>1</sup>

With this “last-item view,” **retailers can respond quickly to optimize inventory location** and maximize sales by providing the best “always-on, always open” consumer shopping experience.<sup>1</sup>



### WITH RFID APPAREL RETAILERS CAN:

- ▶ Expand inventory count rates from **200 to 20,000+ items per hour<sup>1</sup>**
- ▶ Cut out-of-stocks by **up to 50%<sup>1</sup>**
- ▶ Increase item availability to boost sales from **2% to 20%<sup>1</sup>**
- ▶ Improve inventory labor productivity by **96%<sup>1</sup>**
- ▶ Reduce cycle count time by **96%<sup>1</sup>**
- ▶ Improve inventory carrying costs by **40%<sup>2</sup>**
- ▶ Reduce receiving time by **90%<sup>2</sup>**
- ▶ Reduce markdowns by **10% to 25%<sup>2</sup>**
- ▶ Reduce inventory carrying costs by **40%<sup>2</sup>**
- ▶ Increase conversion rate by **10% to 50%<sup>2</sup>**
- ▶ Reduce omnichannel order fulfillment time by **75%<sup>2</sup>**



of U.S. shoppers go to a competitor's website or app for the same or similar product when an item is out of stock. These numbers are similar globally.<sup>5</sup>

OUT OF STOCK ITEMS = LOSS OF CUSTOMER<sup>5</sup>

**More than 40%** of U.S. apparel brands are source tagging with RFID. It is the new requirement for omnichannel operations.<sup>3</sup>

**More than 50%** of U.S. apparel retailers are using RFID in some form.<sup>4</sup>



### WITH RFID APPAREL BRANDS CAN:

- ▶ Deliver an **80% improvement** in shipping/picking accuracy<sup>1</sup>
- ▶ Shrink **claims and returns<sup>1</sup>**
- ▶ Reinforce authenticity/anti-counterfeiting for luxury brands<sup>1</sup>
- ▶ Decrease inspection time by **90%<sup>1</sup>**
- ▶ Enable **electronic proof** of delivery<sup>1</sup>
- ▶ Raise receiving accuracy<sup>1</sup>



RFID should not be viewed as an independent initiative or a competing priority to any omnichannel initiative. RFID is the foundation upon which any omnichannel strategy must be built.<sup>6</sup>

Sources: **1** EPC-enabled Item Level RFID Transforms the Omnichannel Shopping Experience, Auburn University, RFID Lab, GS1; **2** ChainLink Research, December 2015; **3** Bob Carpenter, GS1 US CEO, Connect Conference, June 2016; **4** Dr. Bill Hardgrave, Dean, Auburn University Harbert College of Business, Connect Conference, June 2016; **5** UPS/ComScore Pulse of the Online Shopper Study, March 2015; **6** “Retailers Must Reframe Their Thinking,” RFID Journal, Bill Hardgrave, Dean, Auburn University’s Harbert College of Business