The Always-On, Always-Open Omni-Channel Shopping Experience Delivered by EPC-Enabled Item Level RFID

As omni-channel increasingly defines the future of retail, businesses are finding they must adopt new standards and technologies or risk losing sales, their stores, and their customers.

In today’s hyper-connected consumer world, retailers and brands are looking for new ways to help them forecast trends more accurately, collaborate with global trading partners more efficiently, and improve inventory management. Within the GS1 System of Standards, EPC-enabled RFID helps to deliver the omni-channel experience by taking item identification a step further to connect the digital and physical worlds that consumers continue to straddle in their browsing and shopping experiences.

- Macy’s CEO, Terry Lundgren reported that their “buy online/pick-up in-store results totaled 125% of intended order,” demonstrating that consumers are adding to the basket when they come in the store to pick up an order placed online.

- A recent survey from Accenture and Hybris stated that 71% of shoppers expect to view in-store inventory online, and 50% expect to buy online and pick up their purchase in a physical store; yet only one-third of retailers surveyed are able to provide customers with such services.

- “The reach of RFID is far beyond just inventory control. It is just the starting point. RFID’s ability to help provide visibility—throughout the whole supply chain through to the retail point-of-purchase—to create value for the consumer, has endless possibilities. We have new learnings every day and see new opportunities to gain insights into better management of our brands,” said Jay Craft, Vice President of Product Development VF Jeanswear at VF Corporation. “We are proud to be early adopters and are helping to champion this technology and guideline.”

The GS1 US EPC Item Level Readiness Program provides the education, training, tools, and community support that apparel and general merchandise companies need to implement item level tagging in day-to-day operations.

To learn more, visit: www.gs1us.org/EPCItemLevelReadiness
EPC-Enabled Item Level RFID
Delivering the Always-On, Always-Open Omni-Channel Shopping Experience

According to research firm IDTechEx, the market for passive RFID tags expanded by 132 billion in 2014, growing to 6.9 billion total tags consumed. Retail apparel will remain the sweet spot for years to come. In its new forecast, IDTechEx says that 25 billion RFID tags will be used in retail apparel and shoes in 2020, with a similar number on other “high value, high complexity mix” items.

**Manufacturer Benefits**
EPC-enabled RFID tagging helps brand owners realize supply chain and logistics benefits.

**Retailer Benefits**
Aside from improved fulfillment, EPC-enabled RFID adoption is exploding in retail because its benefits have already been proven in the real world.

- **6.9 billion** total RFID tags in 2014
- **25 billion** RFID tags in 2020 in retail apparel and shoes

By implementing RFID technology based on EPC and taking advantage of existing systems that are set up to process U.P.C. codes and other GS1 Standards, companies can reduce their integration time by 25%.

**Expanding Inventory Count Rate**

- 200 items per hour
- 20,000+ items per hour

- **Raising Inventory Accuracy**
Using item level tagging enables 95% accuracy in the tracking of every piece of merchandise, in every retail stock location (raising inventory accuracy from an average of 63% to 95%).

- **In one major retailer’s case, their RFID-enabled departments outperformed controls by 10% between September 2013 and May 2014, and their display rates improved from 70% to 95%**.

- **Cutting out-of-stocks at retail by up to 50%**

- **Removing inspection costs**

- **Enabling electronic proof of delivery**

- **Raising receiving accuracy**

- **Enhancing loss prevention capabilities**

- **Improving inventory labor productivity by 96%**

- **Reducing cycle count time by 96%**

- **Improving receiving time by 90%**

- **Cutting out-of-stocks at retail by up to 50%**

- **Delivering an 80% improvement in shipping/picking accuracy**

- **Reduction in claims and returns**

- **Raising inventory accuracy from an average of 63% to 95%**

- **Increasing item availability to boost sales from 2% to 20%—enabling the retailer to expose every product to the maximum number of consumers and sell it at the most profitable price**

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Front Cover

Inside Poster