Item level RFID inventory management

Improve inventory accuracy and increase sales
WHY RFID ADDS VALUE

Item-level RFID tracking for retail is proven to have significant benefits, including dramatically enhanced visibility which leads to increased efficiency and cost reductions.

Benefits:

- **Reduction in out of stocks**
  Retailers make up-to-date re-stocking decisions based on an accurate real-time inventory system and can therefore enable out of stocks or over stocks.

- **Increased sales**
  Enhanced visibility in the retail store ensures that the right item is available at the right time to increase sales. Ordering too little can lead to missed opportunities and lost sales. Lost sales due to the inability to locate inventory are eliminated.

- **Eliminate shipping errors**
  By replacing manual processes with automatic data capture technology, high levels of precision and accuracy can be achieved. Data entry errors can be eliminated, reducing inventory and the costs associated with human error. Using RFID, critical shipments are tracked through the supply chain to pinpoint product location and eliminate errors.

- **Reduction in shrink**
  Improvements to inventory accuracy allows for reduced back of store stock levels, increased sales and better customer service. This provides a greater return on investment. Just in time inventory in the store increases retail floor space and reduces back of stock real estate.

- **Elimination of 3rd party inventory audits**
  No need for annual or biannual third party stock takes.

- **Enhanced customer experience**
  Reduces inventory related demands on retailers enabling them to better assist customers and ensure products are available for purchase at the right place and right time.

Managing Retail Inventory with item Level RFID

Counting inventory fast, often and accurately enables you to gain an understanding of your actual stock. As a result, empty shelves can be replenished and the cause of stock differences can be identified and dealt with quickly.

With RFID you can take full control of your inventory from point of manufacture, to sale from a retail store.

With RFID readers at key locations, you will know exactly which items have been delivered, which items have been moved to the sales floor and which items need to be replenished. You can even identify which items have left the store without being paid for.

This insight enables you to maximise on-shelf availability and prevent out-of-stock situations without having to overstock, thereby boosting sales.

**RFID Retail Solutions**

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Benefits of Enhanced Inventory Accuracy

**Increase Sales**
- Increase sales by up-to 14%
- Cut Out-of-Stocks by as much as 80%
- Minimise mark-downs
- Improve customer service
- Increase SKUs/SqFt by 10%-50%

**Reduce Inventory**
- Reduce inventory levels by 10% - 20%
- Reduce safety stock
- Reduce inventory carrying costs by as much as 59%
- Standardised inventory management business processes

**Slash Shrink**
- Reduce internal shrink by more than 50%
- Eliminate shipping errors
  - Item-level box auditing of all shipments received
  - Item-level box auditing and dispatching of all shipments to stores
- Eliminate returns fraud

**Enhance Omni-Channel capabilities**
- Fulfil online orders from stores
- Implement Click and Collect
- Reduce online inventory thresholds
- Improve online distribution process

**Eliminate Costly Audits**
- No need for annual or bi-annual third party stock-takes.
- Store staff can perform accurate stock-takes daily/weekly

<table>
<thead>
<tr>
<th></th>
<th>BAR CODE</th>
<th>VS</th>
<th>RFID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory Accuracy</td>
<td>~80%</td>
<td></td>
<td>&gt;98%</td>
</tr>
<tr>
<td>Inventory Cycle Count</td>
<td>2x per year</td>
<td></td>
<td>up to 200x per year</td>
</tr>
<tr>
<td>Receive Audits</td>
<td>1-5% (random sample)</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Internal Shrink</td>
<td>0.5 - 1%</td>
<td></td>
<td>70% reduction</td>
</tr>
<tr>
<td>Out-of-stocks (Sales Floor)</td>
<td>10-25%</td>
<td></td>
<td>&lt;5% (2-14% sales lift)</td>
</tr>
<tr>
<td>3rd Party Audit Costs</td>
<td>$3K - 30K per store / year</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Sales Floor Density</td>
<td>2 SKUs/ft²</td>
<td></td>
<td>3 SKUs/ft² (50% increase)</td>
</tr>
</tbody>
</table>
Deployed By Innovative Retailers

Item Level RFID has been deployed by innovative retailers like American Apparel throughout their supply chain. By deploying item-level RFID to every store in its global chain, American apparel have realised significant return on investment and cited RFID as a key factor due to:

- Sales lift of > 5%
- Reduced out-of-stocks by 50%
- Inventory reduction 9%
- Internal shrink cut by 50%
- Enhanced omni-channel capabilities, like ship-from-store
- Increased employee morale