

How Much Progress was made in Retail RFID in 2008?

New AIM Research Brief Says Past Year saw Many Significant Developments

SCDigest Editorial Staff

In a year in which Wal-Mart significantly pulled back and revamped its own RFID initiatives, 2008 was one in which globally many advances were made in RFID adoption in retail, according to a new research brief from the AIM Global, an industry trade association.

Interestingly, the brief says that use of RFID in retail is as much about "enhancing the consumer's experience by making shopping easier and more interesting" as it is about reducing supply chain costs.

For example, RFID can help retailers implement the "one stop shop" by enabling consumers to use dressing rooms equipped with "magic mirrors" allow consumers to visualize and check store availability of a garment in another color or size. RFID's contribution would be to provide that accurate, real-time perpetual store inventory.

RFID can also help the consumer experience by enabling much more rapid and simple processing of returned merchandise. "RFID has the ability to capture product data, including product serial number, date of sale and retailer, so that the purchaser does not need to be concerned with an accompanying sales receipt or other documentation to process a return of a defective item," AIM Global says.

Concerns about product authenticity is another area in retail where RFID can have a big impact on consumers. RFID can decrease the likelihood that a consumer will purchase a "knockoff" through authentication and tracking of the product through its path from manufacture to purchase, meaning consumers have less worry that the product they are paying good money for isn't the real deal.

There have been a number of other RFID-based application deployments in retail in Europe. led by Germany's Metro Stores group, the world's most aggressive retail adopter of RFID in retail. In general, it seems Europe is much more aggressive overall and especially in retail versus the progress in the US.

AIM Global sites the following retail-related applications as illustrating the progress made in retail RFID in 2008:

- Popular coffee retailer Tully's gets customers their java faster with RFID-enabled credit or debit cards at retail locations.
- Finnish apparel company NP Collection's stores have RFID-enabled "intelligent changing rooms" where customers use touch screens to browse additional product information, view suggestions for matching clothes and accessories and have alternative products or sizes brought to them.
- American Apparel has achieved greater than 99% inventory accuracy at RFID-enabled stores, giving customers better selection and reducing stock-outs.

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