

# Leveraging RFID to lead retail recovery

## Optimising stock inventory management drives omnichannel sales

### Detego and Zebra: a partnership underpinned by experience

The strong partnership between Detego and Zebra offers dramatic inventory management efficiency improvements to help forward-thinking retailers navigate the challenges created by the COVID-19 pandemic, while maximising opportunities as they transition to an omnichannel digital world.

Detego is a long-established retail software specialist boasting some of the biggest brands in the world as its customers, including adidas, Levi's, REISS, Marc O'Polo, UPS and BESTSELLER. The company's cloud-based Radio Frequency Identification (RFID) software platform digitises traditional stock management processes, increasing inventory accuracy and ensuring optimal product availability across all channels. Utilising AI and the Internet of Things, the platform covers the entire value chain to include real-time analytics, consumer engagement and efficient processes for factories, warehouses and stores.

By joining forces with Zebra, which has half a century of expertise in designing high-performance retail solutions, Detego has created a partnership that can deliver the industry's broadest, field-proven cohesive RFID portfolio for unmatched accuracy and interoperability. Bringing together Zebra's leading hardware range - including label printers and both mobile and stationary readers - and Detego's flexible and powerful cloud-based software platform has created a best-of-breed portfolio of services and solutions.

Pooling the unrivalled knowledge, creativity and technical prowess of these two retail giants has created an ecosystem that is uniquely positioned to help retailers develop and implement a successful digitalisation strategy in an industry that is experiencing unprecedented change and development.

### Proactively turning disruption into opportunity

Savvy companies have taken a "quantum leap" accelerating the digitisation of their customer and supply chain interactions and of their internal operations by three to four years, according to an October 2020 McKinsey poll of global executives. It notes that during the pandemic, consumers



### The RFID revolution

Radio Frequency Identification (RFID) is fast gaining traction in retail, with **69% of global retailers** citing a significant level of RFID adoption. The technology dramatically improves stock inventory accuracy by assigning individual items of merchandise unique digital tags so they can be identified and tracked with ease. Due to the ease and accuracy of RFID stock counts, **retailers using the technology can reliably achieve full item-level inventory visibility across their stores and supply chains.** Crucially, due to the speed of RFID inventory counts, this can be achieved whilst actively reducing the labour intensity of operational processes.

Source: [https://www.accenture.com/\\_acnmedia/PDF-84/Accenture-Transforming-Modern-Retail-RFID-in-Retail-Study-POV-2018.pdf](https://www.accenture.com/_acnmedia/PDF-84/Accenture-Transforming-Modern-Retail-RFID-in-Retail-Study-POV-2018.pdf)



## RFID delivers compelling business benefits

67.3%

**67.3% of shoppers said they 'Couldn't find what they needed' as the reason for leaving a store without a purchase**

Source: "Global Path to Purchase Report - How the Modern Path to Purchase Differs Around the World" - iVend Retail, 2018

63-95%

**RFID raises inventory accuracy from an average of 63% to 95%**

Source: EPC-Enabled Item Level RFID Supply Chain Brand / Retailer Data Exchange Study "Project Zipper" (2018)

96%

**RFID cuts cycle count times by 96%**

Source: EPC-Enabled Item Level RFID Supply Chain Brand / Retailer Data Exchange Study "Project Zipper" (2018)

have moved dramatically toward online channels, and companies and industries have responded in turn. The survey results confirm the rapid shift towards interacting with customers through digital channels.

This digital disruption has been compounded by the impact of the COVID-19, which is creating specific pain points for retailers. Detego's retail specialist Mit Pandya reveals that the pandemic has particularly impacted retail's ability to monitor and manage stock levels: "Pre-2020 retailers' estimates of inventory accuracy were around 70%, but this has fallen dramatically lower because stores have been closed and many companies just don't know what stock is held in them. Opening has been sporadic and highly disrupted, so when some retailers have been offering services during the pandemic like click and collect there have been widespread issues associated with updating and maintaining the accuracy of stock inventory records."

He explains that using RFID can immediately address these issues and, as companies in the UK prepare to come out of COVID-19 lockdowns, vital lessons are being learned that can help retailers around the globe optimise their digital strategies for the future.

## RFID: the 'glue' to hold together 21<sup>st</sup> Century digital retailing

The business value of RFID was highlighted by the new University of Leicester report, Measuring the Impact of RFID in Retailing: Keys Lessons from 10 Case-study Companies.

While the research identified different contexts and drivers for RFID investment, most had the same core principles. "How can the business evolve to remain competitive through continuing to delight the consumer in ways that are both efficient and profitable? Improving the visibility of merchandise across the retail environment was viewed as a key factor in enabling this to happen - in many respects, it was seen as the glue that will hold together much of the architecture of 21<sup>st</sup> Century retailing," notes the study's author, Emeritus Professor Adrian Beck.

It is clear that globally retail is experiencing profound change and disruption, but there is also a substantial opportunity for forward-thinking retailers. The winners will be those who recognise the need to replace legacy and inefficient processes with digitalised platforms that can optimise the connection of products from multiple locations to customers in stores and online. RFID sits at the heart of this new retail digital paradigm by allowing companies to leverage data to inform smarter decision making across the entire retail value chain.



“Detego is our “single point of truth” in terms of instore inventory. As a result, we are able to improve our omnichannel services such as click & collect, returns from e-commerce in the store or directly deliver to consumers from the store in a very efficient way. These are exactly the services our consumers expect today.”

**Tobias Steinhoff,**

Senior Director Business Solutions Sales Strategy and Excellence, adidas

## The RFID revolution

The University of Leicester report, Source: Measuring the Impact of RFID in Retailing: Keys Lessons from 10 Case-study Companies, reveals the principal drivers behind investment in RFID technology:

- **Boosting Sales:** The primary goal of investing in RFID was to deliver improvements in inventory visibility and accuracy, which in turn would grow sales.
- **Optimising Stock Holding:** Respondents recognised the potential of RFID to enable them to optimise their stock holding, reducing capital outlay and improving staff productivity.
- **Fewer Markdowns:** Most case-study companies regarded RFID as a key tool in helping to reduce the amount of stock they offered at discounted prices.
- **Helping to Drive Innovation and Business Efficiencies:** RFID was frequently viewed as part of a broader organisational change project focussed on putting enabling technologies in place to drive transformational change to achieve future success.
- **Recognising the Omnichannel Imperative:** This technology was viewed as a key driver in developing the capacity to deliver a profitable omni-channel consumer experience.



**75-80%**

Retailers report that they are on average in-stock for 92% of merchandise. However, when surveyed consumers report that companies range between 75-80% of being in stock for what they actually want to buy.

Source: 'Out of Stock, Out of Luck' IHL services 2018

Retailers are reporting that RFID reduces retail out-of-stocks by **up to 50%**, contact us today and discover how we can help you increasing your stock accuracy.

**Contact Detego for a demo of how our software can help you [marketing@detego.com](mailto:marketing@detego.com), call +44 20 3507 1821 or visit [detego.com](https://detego.com)**