INFOGRAM

UNLOCKING THE FRICTIONLESS SHOPPING EXPERIENCE VIA OMNICHANNEL

Omnichannel is about connecting product availability to consumer demand. That requires confidence in the accuracy of your inventory.

One **out-of-stock** on a paid-for item or a single trip to the store for an item that is no longer there can quickly **cost a customer's loyalty and severely dampen the perception of brand** on social networks.[1]

71% of multichannel shoppers say store inventory visibility is important.[1]

39% of customers are unlikely to visit a store without inventory information.[1]

52% of retailers, inventory accuracy issues are a major barrier to enabling pick up in store.[1]

88% of retailers are concerned about their inventory.[1]

49% of retailers' greatest challenge is store-level inventory accuracy.[1]

50% of customers expect BOPIS.[1]

Retailers are using RFID to support omnichannel initiatives such as BOPIS and ship-from-store, and to address top challenges identified as:[2]

48% Increasing ordering options

28% Combating increased out-of-stock levels

28% Poor inventory visibility

Accurate inventory data can reduce split shipments, overall shipping costs and labor hours, allowing for more focus on a customer-centric environment.[2]

Today, **50+%** of leading apparel brands, department stores and mass merchant retailers are **assessing**, **testing** or **adopting RFID** due to its proven business case.[3]

At UK retailer **John Lewis, RFID has been rolled out** in 34 John Lewis stores. This has resulted in **inventory count-time dropping** from 35 hours to **just 3 hours**.[4]

At yoga and athletic wear retailer **lululemon, Inventory accuracy improved from 70% to 98% with RFID**, which also enabled omnichannel operations, including BOPIS.[4]

At **Macy's, omnichannel sales were up 325%** because of "pick to the last unit," and **RFID-enabled back-to-front replenishment** resulted in up to **9x more sales**.[5]

55% of retail customers are **omnichannel shoppers**.[6]

Omnichannel shoppers spend an average of **4% more** on every shopping occasion **in the store** and **10% more online** than single-channel customers.[7]

8.7% of **total sales**, on average, are **lost to lack of inventory accuracy**.[2]

RFID improves inventory accuracy by **25.4%**.[2]

Retailers reported **67.4% inventory accuracy before RFID** and **84.5% accuracy after** implementation.[2]

After RFID implementation, Retailers report.[2]

11% Increase in customer satisfaction

40.6% Decrease in out-of-stocks

33.7% Reduction in shrinkage

60.7% Boost in profit margin

67% of CEOs say that costs to fulfill orders have continued to increase over the past few years. Current cost per order is 70% of the average order value![6]

Rapid and frequent changes in shopper preferences, the need to shorten speed to market timelines, and increased revenue and inventory turnover requirements can put upward pressure on raw materials, transportation, quality control and labor costs. Even with these pressures, fashion and apparel companies need to remain focused on re-defining the shopper experience and streamlining operations.[8]

Sources: 1 Omnichannel Inventory Accuracy: Implications and Customer Impact, The Parker Avery Group, 2015. **2** Kurt Salmon RFID in Retail Study 2016, Kurt Salmon, Part of Accenture Strategy. **3** Auburn University RFID Lab, via RFID Industry Solutions, Avery Dennison. **4** Avery Dennison, RFID Industry Solutions. **5** "Quantifiable Benefits and Analytical Application of RFID Data," Platt Retail Institute. **6** Strategies for agile, profitable and secure omnichannel execution, EKN Research, 2017. **7** A Study of 46,000 Shoppers Shows That Omnichannel Retailing Works, Harvard Business Review, Jan. 3, 2017. **8** Fashion & apparel: Achieving a frictionless shopper experience and streamlined operations, EKN Research, 2017.