Inventory visibility with EPC-enabled RFID
Item Level Tagging (ILT) Solution

Get ready for the future of retail chain management

It's more important than ever to have the right product on the right shelf, at the right time – and to implement new technology the right way. For this reason, numerous companies across multiple industries have turned to item-level tagging drawing on RFID technology based on Electronic Product Code standards. The benefits include more accurate forecasts of inventory trends, efficient collaboration with global trading partners and improvements to inventory management and accuracy. On the whole, the initiative can help raise inventory visibility greatly.

> EPC-enabled RFID adoption can raise inventory accuracy from an average of 63% to 95% and minimize out-of-stocks (OOS) at retail up to 50%.
>
> *University of Arkansas RFID Research Center studies*

The use of EPC-enabled RFID solutions is projected for a twenty-fold increase from 2011 and 2015, during which 40 billion tags will be put into service. In 2011, 40 billion EPC-based RFID tags were used in the apparel industry alone. Increasingly, it has become obvious that retailers and brand owners have experienced an appreciable increase in sales and customer satisfaction following the use of such standards-based RFID technology in supply-chain applications.

According to studies conducted by the University of Arkansas RFID Research Center in the United States, the adoption of EPC-enabled RFID technology for item-level tagging offers cost and time savings, combined with enhanced supply-chain efficiencies, in quantifiable terms:

- ☐ Increase in inventory accuracy from 63% to **95%**
- ☐ Reduction of inventory cycle counting time by **96%**
- ☐ Increase in inventory count rate from 200 to **12,000+** items per hour
- ☐ Reduction in the time used for product location by **18%**
- ☐ Reduction in out-of-stock (OOS) rate at retail up to **50%**
- ☐ Increase in item availability at retail from 2% to **20%** to boost sales.

ILT Supplier Support Program

Despite the exponential increase in EPC-enabled RFID ILT programmes in the United States and Europe since 2011, most suppliers from Hong Kong and the Asian region are still new to this emerging industry standard and technology. Drawing on the experience abroad, GS1® Hong Kong has launched an ILT Supplier Support Program, designed to help local apparel suppliers comply with EPC standards from source to store, in order to meet the latest global industry requirements.

> "Our vendors are joining with us to adopt this technology, knowing the more precise inventory counts through RFID will reduce stock-outs and drive incremental sales opportunities. This is one of those genuine win-win-win situations in which customers, vendors and our company all benefit"
> -Tom Cole, Chief Administrative Officer, Macy's, Inc

Venturing into new frontiers

Under the ILT Supplier Support Programme, participants from the apparel industry will be offered the assistance they need to fulfill the key item-level tagging requirements, including:

☐ Sourcing of GS1 certified solution partners as well as EPC certified tag & inlay providers
☐ Implementation of proper tagging placement and process
☐ Proper EPC encoding
☐ Unique and non-duplicated serial number management
☐ Tag verification and testing to ensure tag readability

GS1 Hong Kong's initiatives to promote EPC-enabled RFID ILT

☐ **Training and Education** – Enable suppliers and other stakeholders to understand the value of EPC-enabled RFID ILT and comply with these requirements of their trading partners
☐ **Knowledge Sharing** – Drawing on the experience of forerunners to help minimize integration requirements for newcomers

☐ **Certified Solution Partners Pool** – Helping suppliers to select certified ILT solutions to meet their implementation needs
☐ **GS1 EPC membership** – Facilitating widespread adoption of EPC standards and their implementation to improve overall supply-chain efficiency
☐ **Optional consultation and on-site training services** – Helping suppliers draw on GS1 Hong Kong resources, with customized services tailored to their businesses

> "Although we implemented item-level tagging in our distribution center, we strongly believe that the benefits will come with its future expansion to tagging at the source"
> -Maidenform team

About GS1 Hong Kong

Founded in 1989 by the Hong Kong General Chamber of Commerce (HKGCC), GS1 Hong Kong is the local chapter of GS1, a not-for-profit, global supply chain standards organization headquartered in Brussels, Belgium, with over 110 national chapters in 150 countries.

GS1 Hong Kong's mission is to enable Hong Kong enterprises to have more efficient, visible and safer supply chains through the provision of global standards and a full spectrum of standards-based solutions and services, thus making possible business optimization and value creation. Currently, GS1 Hong Kong has more than 6,500 corporate members covering close to 20 industries including retail, apparel, wine, food, healthcare, logistics and ICT.

Interested in learning more about this service?
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