

# TRANSFORMING THE CUSTOMER EXPERIENCE WITH RFID



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## EXECUTIVE SUMMARY

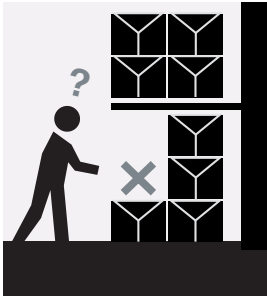
Despite the explosion of online choices, customers still value seeing and touching merchandise firsthand – an experience only available to them in a brick-and-mortar store. When retailers add the cutting-edge benefits of radio frequency identification (RFID) technology to that unique advantage, they help close the all-to-common gaps in service, information and inventory of traditional retail and open more opportunities for sales and customer satisfaction.

RFID empowers retailers like never before, elevating shopping into an enriching and positive experience. With RFID as part of a total solution, retailers can greet customers by name, impress them with a wider selection of merchandise, and better serve them with faster assistance, deeper product information and more personalized promotions. What's more, retailers can turn shopping time into social time with RFID-enabled kiosks that enable customers to interact with their social network of family and friends. And when customers are ready to buy, so are retailers. RFID applications can identify merchandise, recognize loyalty accounts and facilitate mobile transactions. Even fulfilling customers' needs is easier using RFID. Retailers gain real-time visibility into inventory, so they can expedite fulfillment of orders from closer locations. In short, RFID – along with advanced retail technology – can help keep customers happy and coming back in this intensely competitive industry.



# WHY SHOPPERS LEAVE EMPTY HANDED

Today's Internet-savvy shoppers can virtually buy anything, anywhere at anytime. With a world of choices, they need a compelling reason to buy from a brick-and-mortar store. Yet, too often, they are disappointed with the in-store experience.



## Out of stock. Out of favor.

When customers walk in, they are hoping to find what they want. But if locating the items is not fast and easy, they are just as apt to walk out empty handed. In fact, 49% of shoppers are unwilling to spend more than 10 minutes looking for merchandise, and as many as 30% never locate what they want<sup>1</sup> – in part because a typical retailer's inventory is only 65-70% accurate<sup>2</sup>. And when inventory is available, 25 to 40% of the time it's not on the sales floor, but inaccessible in dressing rooms or the stockroom.<sup>3</sup>

## A call for help unanswered

Customer assistance and product information play an essential role in guiding shoppers along a purchasing path. Unfortunately, neither help nor expertise is always readily available. Retail turnover and high labor costs make it difficult for retailers to properly staff stores. And those associates who are hired typically fall short in experience and product knowledge compared to shoppers who research information online beforehand. Little wonder that 41% of surveyed customers are dissatisfied with the lack of available associates and their product know-how.<sup>4</sup>

## The slow lane to satisfaction

Long checkout lines remain a challenge on both sides of the counter. Shoppers now accustomed to the immediate gratification of online shopping are prone to forgo the purchase in order to avoid the wait. And with every customer walkout, retailers lose an average of \$125 in sales and customer confidence<sup>4</sup>. While express lanes and self-checkout counters offer some relief, they don't fully resolve the issue.

## An impersonal experience

The days of interruption marketing are over. Consumers are turning a deaf ear to the bombardment of cookie-cutter messages and one-size-fits-all promotions. Instead, they crave relevant offers, ones tailored to their needs and tastes. As one shopper aptly stated: "If you offer me rewards, make them ones I'm likely to care about. Don't give me technology and call it a better experience. Use technology to give me an actually better experience."

# THE HIGH PRICE OF THE POOR CUSTOMER EXPERIENCE

Disappoint customers, and retailers risk diminishing the brand's value, eroding margins and minimizing market share in an already competitive world.

## WHAT TURNS SHOPPERS AWAY?



NEVER LOCATE THE ITEMS THEY WANT



FOUND A BETTER DEAL ELSEWHERE



STATED CHECKOUT LINES TOO LONG



NEEDED MORE PRODUCT INFO



COULDN'T FIND AN AVAILABLE ASSOCIATE

## FROM LOST SALES TO ABANDONED SALES



BOUGHT WITH ORIGINAL RETAILER



BOUGHT AT A COMPETITOR



DIDN'T BUY AT ALL

## IN THE RED WITH OUT OF STOCKS



LOSS IN SALES/YEAR DUE TO OUT OF STOCK ITEMS



GLOBAL OUT OF STOCK RATE

**\$120 BILLION A YEAR:**  
the cost of out of stocks to the global retail market

Source: 1, 4, and 5

# WHY RETAILERS ARE SOLD ON RFID

Radio frequency identification (RFID) technology brings to market tremendous opportunities for retailers. Traditionally used to track inventory along supply chains, retailers placed RFID tags onto pallets. Now retailers are recognizing the value of tagging individual pieces of merchandise. Attaching RFID item-level tags, retailers are increasing inventory accuracy to a robust 99.9% and dropping out of stocks by up to 80%.

That's the power of visibility that RFID offers. Retailers have a precise understanding of their entire inventory and a quick means to assess it. As such, they are equipped to make decisions on which products to carry and which to restock and have an effective means to significantly increase inventory visibility, lower labor costs, decrease operational expenses and slash the high price of shrinkage.

**HALF OF SURVEYED U.S. RETAILERS HAVE ALREADY ADOPTED ITEM-LEVEL RFID** SOURCE: [HTTP://WWW.RFIDJOURNAL.COM/ARTICLE/VIEW/9168](http://www.rfidjournal.com/article/view/9168)





# RFID AND RETAIL: THE PERFECT FIT

Still, there is more in store beyond inventory accuracy. What forward-thinking retailers are realizing is that RFID can radically improve their customers' shopping experience.

## The right product at the right time



Mark is shopping for a digital camera. After reading reviews online, he's eager to purchase a particular make and model. When he arrives at a nearby electronics store, he is thrilled to find it so easily, along with a wide array of accessories within his price range. That's because RFID enabled the sales clerk to do a fast inventory check and fully restock the shelves before the store opened.

The greater the availability and selection of merchandise the greater the chance of a satisfied customer. Using RFID, retailers can stock up on goodwill, as well as opportunity. Fast and accurate, RFID gives retailers the visibility to see and quickly replace merchandise missing from the sales floor. So customers are delighted to find so many choices and so few reasons to walk out empty handed.

## At their beck and call

With RFID, there's never a gap in customer service. As shoppers browse the aisles, RFID-enabled kiosks and fixtures can identify the items and instantly display product information; they can work in sync with mobile devices to request assistance from the appropriate sales associate and extend the aisle with additional online offerings. What's more, they serve as dynamo sales reps, cross selling, up selling, informing and printing product lists. The results? Customers of RFID-enabled stores increased their purchases by up to 21%, along with as much as a 6% uptick in spending per transaction.<sup>3</sup>

## Hello personal shopping



When Margaret enters her favorite department store, her RFID-embedded loyalty card alerts a sales associate that she's in the store and that she's a frequent shopper. Accessing Margaret's shopping history, the associate notices that she prefers petite size business attire. The associate greets Margaret by name and offers to show her the latest arrivals of pant suits in her size. Margaret is impressed by the level of service she receives. She buys a suit and promises to return soon.

This is personal shopping at its best. Now the shopping experience is shaped by the customer's preferences, patterns and needs – information retailers can aggregate utilizing RFID and sophisticated intelligence systems. With RFID solutions, retailers' programs can entice customers to increase their brand loyalty.

## The end of the line

The wait is over. With RFID-enabled kiosks and fixtures throughout the store, customers can enjoy speedier checkouts and greater convenience. This line-busting technology can simply communicate with shoppers' smartphones to complete transactions on the spot via mobile banking. And as customers shop, RFID can collect customer information that retailers can turn into insight to attract them back again and again.

## Fulfilling customers' needs

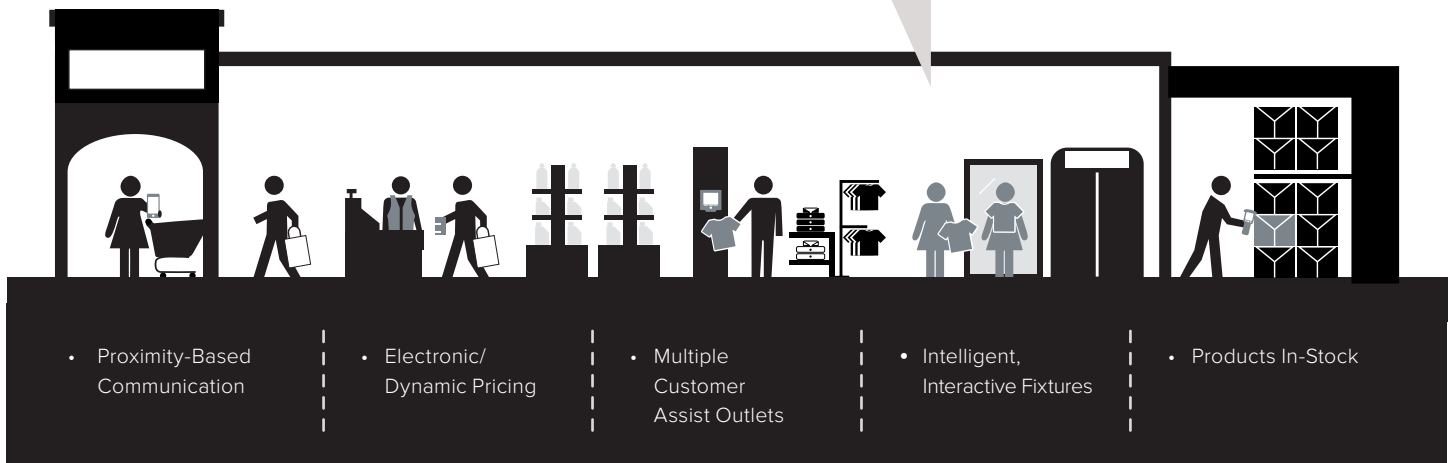
Today's customers demand greater flexibility and convenience. They want the option of purchasing in store or online and either picking up orders in store or having them shipped to them. Enabled by RFID, fulfillment can become a strong differentiator for retailers. By leveraging the inventory visibility that RFID offers, retailers can confidently fulfill orders from local stores – circumventing the potential shipping costs of cross-country distribution and accelerating shipments. Such speeds and savings are just the thing that can deliver greater customer satisfaction.

## Renewing interest faster

More choices. More sizes. More colors. That's what customers notice about RFID-enabled stores. Shelves are always full and selections are plentiful. Utilizing RFID, retailers can speed up the process and close the divide between checkouts and replenishing inventory.

# OMNICHANNEL RETAIL: HOW TOMORROW SHOPS TODAY

Anne is trying on outfits in a department store. As she slips on a pair of jeans, the RFID-smart mirror displays its price, available sizes and colors, as well as stylish belts and blouses that match. Intrigued with one of the options, Anne taps on the RFID-enabled mirror to call for assistance and request it in her size. She tries it on and then taps the mirror again to share her selection with her Facebook friends. With their overwhelming "thumbs up", Anne decides to buy the jeans. She presses the "buy now" button on the mirror, which informs her that she's only 10 points away from a loyalty customer discount. So Anne purchases the belt too. She taps her phone on the mirror to pay and go. She leaves thinking that her experience was fast, fun, and friendly.



## THE BIG PAYOFF OF RFID

**14%-21%**

MORE SALES

**19%**

MORE UNITS SOLD

**06%**

MORE \$ PER TRANSACTION

**92%**

IMPROVED CONVERSION

**18%**

LESS TIME TO LOCATE ITEMS



## WHY ZEBRA

**Zebra Technologies Corporation** is a global leader respected for innovation and reliability. Zebra offers an extensive range of asset-tracking technologies incorporating mobile computing, data capture, barcode, wireless LAN, RFID, location systems and Zatar™, the cloud-based Internet of Things (IoT) platform. These technologies make businesses as smart and connected as the world we live in. Zebra's tracking and visibility solutions transform the physical to digital, creating the data streams businesses need in order to simplify operations, know more about their business, and empower their mobile workforce.

Zebra's products and solutions are used around the world by industries including healthcare, retail, transportation and logistics, manufacturing and sports—for a variety of applications from improving patient safety; to eliminating checkout lines with mobile devices; to streamlining warehouse operations and adding a new dimension to professional sports and entertainment with real time information.

**TO FIND OUT HOW RFID CAN IMPROVE YOUR CUSTOMER SERVICE, VISIT US AT [ZEBRA.COM/RFID](http://ZEBRA.COM/RFID) OR ACCESS OUR GLOBAL DIRECTORY AT [ZEBRA.COM/CONTACT](http://ZEBRA.COM/CONTACT).**

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