



Consumer Interaction with RFID Fashion Labels

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RFID fashion labels - Consumer Interaction

Today, RFID labels are predominantly used for inventory management on the shop floor.

After point of sale, the labels often experience a sudden end of life. Either because the point of sales RFID device performs the EPC kill command, or because the customer tears the label off and throws it into the waste bin.

The good news is, that at this point, the RFID label has already delivered substantial return of investment to the retailer:

- Reduction of shrinkage : up to 50 % less shrinkage
- Improved shelf inventory accuracy : boosted from 65% to more than 90% with RFID
- Increased sales due product availability: up to 14% more sales
- Enable Omni-Channel retailing through accurate inventory in store
Your shop becomes your DC
Order per internet, pick up at nearest store

The reason for destroying the label shortly after POS, is perceived to have its origin in consumer privacy concerns. However, even today many customers consciously decide to leave the RFID label on the garment at least until they arrive at home, respectively until they are certain to keep product.

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So, what else could we do with the fashion label ?

We do have several different categories of consumers. She or he can be a teenager, a working mom, a student , business man, anything else, or a mix of several types.

Most of them are frequent users of smart phones and tablets, and use the internet as information source and instant cure for almost everything. For them the step to tap the RFID label to an in store terminal is not big at all.

No rocket science:

To install an RFID consumer interaction application does not have to be a big investment, nor is it rocket science.

There are a number of small size UHF readers available that simply plug into the USB or earphone connection of a tablet .

The fact that only short communication distances are required does bring the cost of hardware down to very low levels.

One label – multiple use cases:

Retailers that are using RFID labels today for the main purpose of inventory management, can built upon the installed HW and SW base, which makes the business case even more attractive to them.



A choice of use cases per customer profile (1/2)

Young and Playful:

- ❑ Collect and remedy loyalty points.
- ❑ Participate in daily store lottery game (shopper number 100 gets a lip-stick set for free, ...)
- ❑ Instant style rating by the customer : post your opinion about the newest design in the store



Cool and stylish professional

- ❑ Product authenticity check before purchasing.
- ❑ Use the stylish jacket from brand XYZ as entrance ticket for the after business clubbing
- ❑ Socialize with other XYZ wearers on face book.



Working Mom and Dad:

- ❑ Display the washing instructions
- ❑ Average shrink rate after first washing cycle
- ❑ Safe time. Do self checkout and payment directly at the RFID kiosk and leave the store.



A choice of use cases per customer profile (2/2)

For a better world:

- ❑ What is it made of ?
- ❑ How was it produced ? Where has it been produced ?
- ❑ Recycling instructions.

All types of customers:

- ❑ Dynamic pricing : Is right now the store's happy hour ?
- ❑ Are there price reductions, since I have already a lot of products in my basket ?
- ❑ I couldn't find my size. Is it still somewhere available in the store or backroom ?
- ❑ See a professional model wearing it
- ❑ See myself wearing it
- ❑ Does it contain materials I am allergic to ?

To conclude

While having the big RFID rollouts in place it's a pity to use the labels just for logistic purpose and inventory management. At the end of the day I am convince that consumers will embrace RFID as much in fashion stores as they do already in other areas where a life without RFID is almost unthinkable.

“Is that all far away in the future ?”

Well, some retailers are more innovative than others.

Don't miss the train !

