

## Low-Cost, Wide Area RFID System Tracks Inventory, Reduces Shrinkage, and Increases Sales up to 10 Percent\*

Unique “no-touch” solution eliminates the need to manually count inventory, use barcode or RFID handheld readers

Brick and mortar retailers who are fighting to win back customers from the Internet have one weapon that web sites cannot duplicate: the actual item that’s for sale. Apparel is a perfect example. All the panning, zooming and video techniques now available to display garments online are no match for the experience of touching and examining the real thing. And once customers have made a decision to buy, the item they want can be theirs in just a few minutes. It’s a level of impulse buying and instant gratification that’s only available at the mall.

Success in exploiting the “instant gratification” weapon, however, depends on one crucial capability: having the right item in stock and on the floor when the right customer walks by. The unique capabilities of the Mojix STAR System provide all the data necessary for “touchless” inventory tracking of every tagged item in the store – in real time.

**Merchandising.** Full sales floor visibility can be used to alert managers (or even employees directly) when an out-of-stock situation exists so that it can be corrected immediately. This is particularly important in high-visibility areas where stores may have promotional arrangements with vendors. The ability to keep hot items appropriately stocked has a most dramatic impact on store performance, increasing sales by as much as 10 percent in some cases. There are, however, a number of other capabilities that are also important.

**Backroom Inventory.** Full visibility in the backroom enables rapid location of items in storage bins or racks. If a customer likes a dress on the sales floor but wants a size 6 instead of size 4, the right dress can be located without a long search, which not only increases the chance that the sale will indeed take place, but also improves the customer experience by eliminating wait time. On a broader scale, this visibility helps optimize inventory and increases the efficiency of every employee who is tasked with restocking a shelf or rounder, or could even initiate a call for replenishment to a vendor for more stock. Finally, RFID tracking prevents items from simply getting lost. This is particularly important with fashion or seasonal items, since once their time slot has passed they can only be liquidated through deep mark-downs.



**Misplaced Product.** Rounders and other hangers can be tagged, and the tags on individual garments can be associated with those rounder tags to ensure that items are displayed as intended. Employees can confirm that they have put the right items in the right place via visual displays on PDAs. Software associated with the system can be programmed to alert managers or employees when a shopper puts a garment back on the wrong rack.

**Signage Compliance.** By tagging "SALE" and "CLEARANCE" signs, a store can ensure that all such signs have been removed or updated once a sale has ended, and that the pricing on store signage matches the pricing in the POS system. This capability, combined with the ability to locate items that have been misplaced (inadvertently put on a FOR SALE rack) during the course of the day, has two benefits: 1) it prevents disputes with customers when they reach the POS counter, and 2) it reduces the cost of fines applied by state governments for refusing to sell an item at its advertised price.

**Automated Price Displays.** Mojix STAR System can write to passive RFID tags as well as read them, and technology now exists that enables a passive RFID tag to transmit text to electrophoretic (eBook style) displays. This approach to price-related signage, which is lower in cost than wi-fi or infrared systems, enables prices to be centrally controlled and adjusted instantly – without any involvement by store employees. Purchasing managers gain more control of product flow, as well as the ability to manage price against market conditions in very sophisticated ways.

**Automated Employee Tasking.** If employees are furnished with RFID-enabled name tags or access cards, their location can be factored into a variety of business processes. As fast moving items leave the sales floor, the nearest employee can be tasked to replenish them via a PDA (or monitor in the work area) so that the correct size and inventory mix on a particular rack can be maintained. With more sophistication in the middleware, the various locations needing restocking can be prioritized based on predetermined business rules.

**Theft Prevention.** Shrinkage, whether due to shoplifting or employee theft, is an ongoing problem for all retail stores. With full sales floor visibility via Mojix's RFID tracking, "pre-theft events" can be

detected, such as unusual product movement. Such movement can trigger visual surveillance, or the deployment of loss prevention staff to essentially stop the theft before it occurs, and prevent a potentially hostile confrontation. RFID tags have been developed with a tamper detection loop that signals – in real time – that a tag has been improperly removed, as well as providing the location of that tag and triggering surveillance or personnel intervention.

Stockroom visibility enables employees to be monitored for theft as well as customers. Employee activity in combination with product movement and chain of custody can help managers identify problem employees or problem areas in a store.

**The Bottom Line.** With the Mojix STAR System, a combination of low total cost and wide area coverage actually does impact the bottom line, by increasing sales while limiting loss and theft. Systems can coexist with existing RFID deployments, and are compatible with EPC Class 1 Gen2 as well as all major enterprise applications for the retail sector.

**For more information....**



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