



RFID in the Jewelry Industry: A Simple Way to Enhanced Profits

Over the last several years, more and more Jewelry companies have adopted a new way to save time, reduce costs and increase product visibility. They are turning to an exciting and cost effective technology advancement: RFID (Radio Frequency Identification) Tracking.

These companies have leveraged the intelligence from RFID technology to drive profits by eliminating “lost” product, slashing inventory time, creating a “smarter” more enjoyable customer experience and generating sales opportunities which would have otherwise been missed.

Know Your Customers

The use of RFID at the store level focuses on enhancing your customer’s experience. A customer’s experience is deeply rooted in how much you know about them. RFID is the new tool to “know” your customer better than the competition. The insight gathered by RFID is powered by two things: the Customer Loyalty Card and the Smart View. Here’s an example of how it works:

The Card

Jane Smith enters your store. She is greeted by a sales associate named Mark. Mark asks if Jane has a Customer Loyalty Card. If not, Mark quickly enters basic information (name, address, email, and even ring size) and creates a loyalty card. Since Jane does have one, Mark swipes Jane and her husband John’s Customer Loyalty Card.

“RFID in inventory management slashes physical inventory time by 90%”



The Smart View

As Jane views different items, Mark uses his RFID Enabled Smart View to display her selections. The Smart View automatically scans the RFID tag attached to each piece of jewelry. The Smart View then displays the price of each item. This powerful tool can also show if there are matching pieces, even if they are not currently in stock.

Each time Mark scans one of the items Jane views, the item is recorded. One advantage to this is the insight Mark gains into Jane's taste. He can provide a better shopping experience because he can help her quickly find similar items she may like.



The Smart View

Offer Your Customers What They Want

There is another, perhaps even more compelling benefit in using this smart technology. The real power of RFID is in the data captured by the Smart View. It becomes a virtual client 'wish list'. You are now in the position to use this otherwise lost information and drive new sales opportunities.



Gifts The Client Will Love

Here's another example. John Smith enters your store and wants to buy a new piece of jewelry for Jane to celebrate their anniversary. The problem is that he simply does not remember which items he had purchased in the past, more importantly, what jewelry his wife, Jane, had been looking at when she visited the store. Since this data was collected by using the RFID enabled Smart View scans, a sales

associate can easily look up Jane's favorite items, ensuring he will buy something she will love.

Marketing They Will Actually Appreciate

This "Wish List" intelligence is then used to generate emails/mailings for sale items to any customer who has shown previous interest in a particular item. For example, if Jane does not buy the ring that she viewed today, perhaps she will be motivated to purchase if you send her an email or postcard with special pricing on the ring.

Pricing Options That Work

Another benefit of having RFID tagged jewelry is 'dynamic' or 'off ticket' pricing. This pricing concept simply means that you do not print the price of the item on the tag — allowing you to adjust your pricing by changing the prices in a database. This means no more retagging of items.

Since RFID is database driven, you can also have the ability to change your prices according to the time of day, by region, or even to have different prices at different stores in the same city.

Inventory Management

From manufacturing facility to supply chain to the retail store, inventory management is crucial. If just one jewelry item or gemstone goes missing, it can cost thousands of dollars in lost profits and additional costs.

Distribution Visibility

In the supply chain, RFID tagged jewelry or gems can be confirmed (in their shipping boxes) as they are being sent to the store or distribution network. This allows companies to keep an up-to-date inventory of items as they move throughout the distribution process.

Another benefit of RFID in the supply chain is the ability to automatically create advanced shipping notices. Once items are confirmed and advance shipment notices are sent, the end recipient will know what is being shipped and will then be able to quickly confirm shipment receipt using an RFID scanner.

Inventory Cost Control

RFID in inventory management slashes physical inventory time by 90%, making it possible to do a daily inventory

count. RFID technology reduces inventory time because, unlike barcode technology, RFID tagged items do not have to be removed one at a time from their storage containers or display cases to be counted in a physical inventory.

While transferring items in and out of a vault, RFID enabled door readers can automatically scan items as they enter or exit. This information can be fed back into the inventory management system to account for all of the items at the beginning or end of the day.

Enhanced Security

Although RFID has never been touted as a security solution, it does have some features which allow it to help enhance security. With RFID, you can pull up daily sales reports. Along with daily physical inventory counts, these daily sales reports will help management quickly identify missing items, which can lead to faster recovery of lost or stolen items.

RFID tagged items can also alert the associate if there is unauthorized movement or if someone is trying to leave the store with an item that was not purchased.

Conclusion

RFID offers many profit generating/augmenting advantages to companies with the foresight to adopt this simple to deploy and use technology. Among those advantages are:

- ▶ Lost items are minimized at all points in the manufacturing, supply and retail chain.
- ▶ Daily inventory counts become a feasible option.
- ▶ Your sales associates will be empowered to put the "custom" in their customer service.
- ▶ Pricing will always be up to date, without retagging.
- ▶ Data collected opens up cross-selling options which would have otherwise been lost.