

The U.S. apparel and footwear industry is examining how best to deploy RFID to track product inventory at the item level.

By Claire Swedberg

June 16, 2005—Industry groups representing U. S. clothing and shoe manufacturers, distributors and retailers are sponsoring a study on how best to deploy radio frequency identification technology to track product inventory at the item level.

The [Voluntary Interindustry Commerce Standards Association \(VICS\)](#) first formed a committee in July 2004, known as the Apparel and Footwear RFID/EPC Committee, to study the use of RFID tagging on clothing and shoes. Other members of the committee include the [American Apparel and Footwear Association \(AAFA\)](#) and consulting firm [Kurt Salmon Associates](#). Throughout the past year, the committee has focused on looking at applications of RFID. Kurt Salmon Associates recommended a study being done on the tagging of individual items, since that is an area of potential benefit for those in the apparel and footwear supply chain, and VICS and AAFA agreed to cosponsor it.



Joe Andraski, VICS

With their cosponsorship, the two trade associations will not provide funding, but rather promote the study and its results to their members—retailers, suppliers and third-party logistics providers—according to Mary Howell, AAFA's vice president of industry relations. Thus far, the committee reports that several clothing manufacturers have conducted RFID studies independently, leasing RFID equipment, but none have established a permanent RFID system yet.

"There are a number [of companies] that are exploring approaches [to RFID tagging]," says Joe Andraski, president and CEO of VICS. "They're doing some tire kicking on their own." The Kurt Salmon study, however, will take a more comprehensive supply chain view.

"The industry as a whole must work in concert to develop standards," says Stephen Bogart, a Kurt Salmon principal, to "create a foundation for inventory efficiency. There's not much value in one-party planning for collaborative capabilities if the others are not going to follow suit."

The Apparel and Footwear RFID/EPC Committee was organized to encourage pilot RFID implementations and communicate their results; determine the type, size and placement of tags; create a data model that deals with the timing, quality and amount of tag data; and develop a program to educate members about RFID, Andraski says.

The new study will examine how best to deploy RFID tagging of each item to benefit distributors, retailers and manufacturers. It will also look into the use of RFID not only to determine whether a product has been shipped or has arrived at the store, but also to match apparel with accessories, for

example.

Therefore, Howell explains, Kurt Salmon is looking beyond case and pallet tagging to see how this kind of "eaches" tagging (the tagging of individual clothing and footwear items) could benefit the industry as a whole. Thus far, Howell says, "only a handful of companies are affected by the [Wal-Mart](#) mandate [to put RFID tags on shipped cases and pallets of products]. This study will provide great information, so when these companies start gearing up, they will have something to work with."

The study will examine RFID's business impact, technical feasibility and cost for a range of retail formats (from small clothing shops to department stores), as well as types of merchandise.

Kurt Salmon will present the study's findings in the form of a white paper that will be made available first to VICS and AAFA members in August 2005, then later to members of the general public who contact VICS or AAFA. "It's a big initiative," says Bogart, who hopes retailers and distributors will be able to use the white paper to plan their RFID deployment.