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**FOR IMMEDIATE RELEASE**

**VICS and AAFA Release Item-Level RFID Study Performed by KSA**  
***Significant Payback can be Achieved Quickly in Retail Store Environment***

**Atlanta, December 13, 2005** — The Voluntary Interindustry Commerce Standards Committee (VICS) and the American Apparel & Footwear Association (AAFA) announced this week the release of a report titled, “Moving Forward with Item-Level Radio Frequency Identification in Apparel/Footwear.”

Prepared by Kurt Salmon Associates (KSA) with assistance from industry members, the report highlights: 1) Where Radio Frequency Identification (RFID) item-level tagging provides the greatest value along the value chain, 2) Who stands to benefit most from RFID, and 3) Which merchandise categories are best-suited to deriving tangible benefits.

The report is the result of a four-month study of business practices and process impacts of RFID on manufacturing, distribution/logistics, inventory management, store operations, finance, loss prevention, and merchandising, to help member companies determine the right starting point for RFID evaluation.

The study asserts that for companies to derive benefits from item-level tagging they should look first to the retail store environment, where significant payback can be achieved quickly and provide funding for upstream RFID-enabled processes. “The results of the white paper indicate clear benefits for RFID item-level tagging for the apparel and footwear value chain, especially at the store level. Companies running pilots are beginning to realize the potential benefits of this technology,” said Mary Howell, Vice President, Industry Relations, American Apparel & Footwear Association.

Another key finding is that no single upstream process can absorb the tag and infrastructure investment of RFID, but when combined with retail-level benefits, incremental costs can be offset by improvements in operational efficiencies, shipment

and billing integrity, and brand margin performance. According to Joe Andraski, President and CEO of VICS, “Item-level RFID has the potential to bring new levels of inventory visibility and profit improvement, which could not be achieved through conventional means, across the apparel industry. We encourage retailers and suppliers who embark on item-level RFID to responsibly address consumer privacy concerns by adhering to EPCglobal’s Guidelines for Consumer Privacy.” ([www.epcglobalinc.org](http://www.epcglobalinc.org))

The full report is available through VICS ([www.vics.org](http://www.vics.org)), AAFA ([www.apparelandfootwear.org](http://www.apparelandfootwear.org)), and KSA ([www.kurtsalmon.com](http://www.kurtsalmon.com)).

### **About KSA**

Kurt Salmon Associates (KSA) is the premier global solutions provider focused exclusively on the retail, consumer products, and health care industries. Celebrating 70 years of excellence, KSA helps clients achieve significant gains through strategic growth initiatives, superior product performance, and comprehensive enabling technologies. From concept to consumer, KSA's portfolio of services helps clients in the Americas, Europe, and Asia-Pacific achieve lasting, meaningful improvements that create true distinction in the marketplace.

### **About AAFA**

The American Apparel & Footwear Association (AAFA) is the national trade association representing apparel, footwear, and other sewn products companies, and their suppliers, which compete in the global market. AAFA’s mission is to promote and enhance its members' competitiveness, productivity, and profitability in the global market by minimizing regulatory, legal, commercial, political, and trade restraints.

### **About VICS**

The mission of the Voluntary Interindustry Commerce Standards (VICS) Association is to take a global leadership role in the ongoing improvement of the flow of product and information about the product throughout the entire supply chain in the retail industry. The Association’s overall global objective is to improve product availability to the consumer by providing leadership and encouragement in the identification, development and implementation of volunteer standards, protocols, guidelines, and other mechanisms.