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# Issues with Supply Chain and RFID in the Retail Industry

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## ABSTRACT

Supply chain issues with no formal collaboration between the retailer and supplier. Demand uncertainty in the supply chain, known as the "bullwhip effect," results in excess inventory and inefficiencies in the supply chain. Demand forecasts and orders are often distorted unless developed jointly by the partners. This creates a need for supply-chain integration and provides supporting collaborative forecasting and replenishment processes, with the goals of increasing sales and reducing inventory investments and cycle time. Collaboration can reduce waste in the supply chain, but can also increase market responsiveness, customer satisfaction, and competitiveness among all members of the partnership. Retailers can expect extensive inventory and labor cost savings from the adoption of RF benefits from adopting RFID technology. RFID has the most potential to offer in streamlining the value-chain management but there are critical risk factors in implementing RFID in the retail industry like cost and return on investment, middleware issues, massive data integration, and unique identifiers. Alleviating those risk factors to impact business performance in customer service, merchandising strategy, distribution and supplier network, and market strategy, RFID can enhance the supply chain. RFID provides a major advantage to supply-chain management which has issues but implementing supply chain collaboration along with risk free RFID can enable the retailers to achieve the true level of business performance. SAS® Retail Intelligence Solutions is RFID-compliant and can handle huge RFID data which are additional benefits of supply-chain collaboration and risk-free RFID.

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