

MARKS & SPENCER

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Company Profile

- Established 1884
- Leading Retailer of Clothing, Foods, Homeware and Financial Services
- 10 Million Customers per week
- 300 stores in U.K. - 67,000 Employees
- Trading in 30 countries worldwide
- Group Turnover £8 Billion(\$ 14 Billion)
- U.K. Clothing Market Leader (11%)

Marks & Spencer Formats

Departmental Large



High Street



Food Only



Home Lifestore



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Using RFID to Drive Efficiency in the Supply Chain

- **Two separate Business deployments.**
- **FOODS-Introduced RFID tags to 3.5 Million returnable food trays from Autumn 2002.**
- **CLOTHING-Item Level Trials on Clothing**

RFID for Fresh Foods



- 3.5 million metric trays produced with RFID tags by beginning 2004
- 400,000 metric dollies also tagged
- All tags are 13.56 MHz passive tags
- All tags are read/write

In Line Read / Write



RFID Trials on Menswear



- Item level tagging for stock control
- Read only Intelligent Labels.
- Autumn 2003 trial tested the technology
- Spring 2004 trial to prove the business case.

Why Item-level RFID?



- To improve stock availability for our customers
- Through an accurate and efficient supply chain working at Item level.
- Right goods, Right place
Right time.

Stock Control

STOCK CONTROL THROUGH THE AGES

Pre-20th Century



Manual Counting

1940



Kimball Tags

1970



Bar Coding



2003

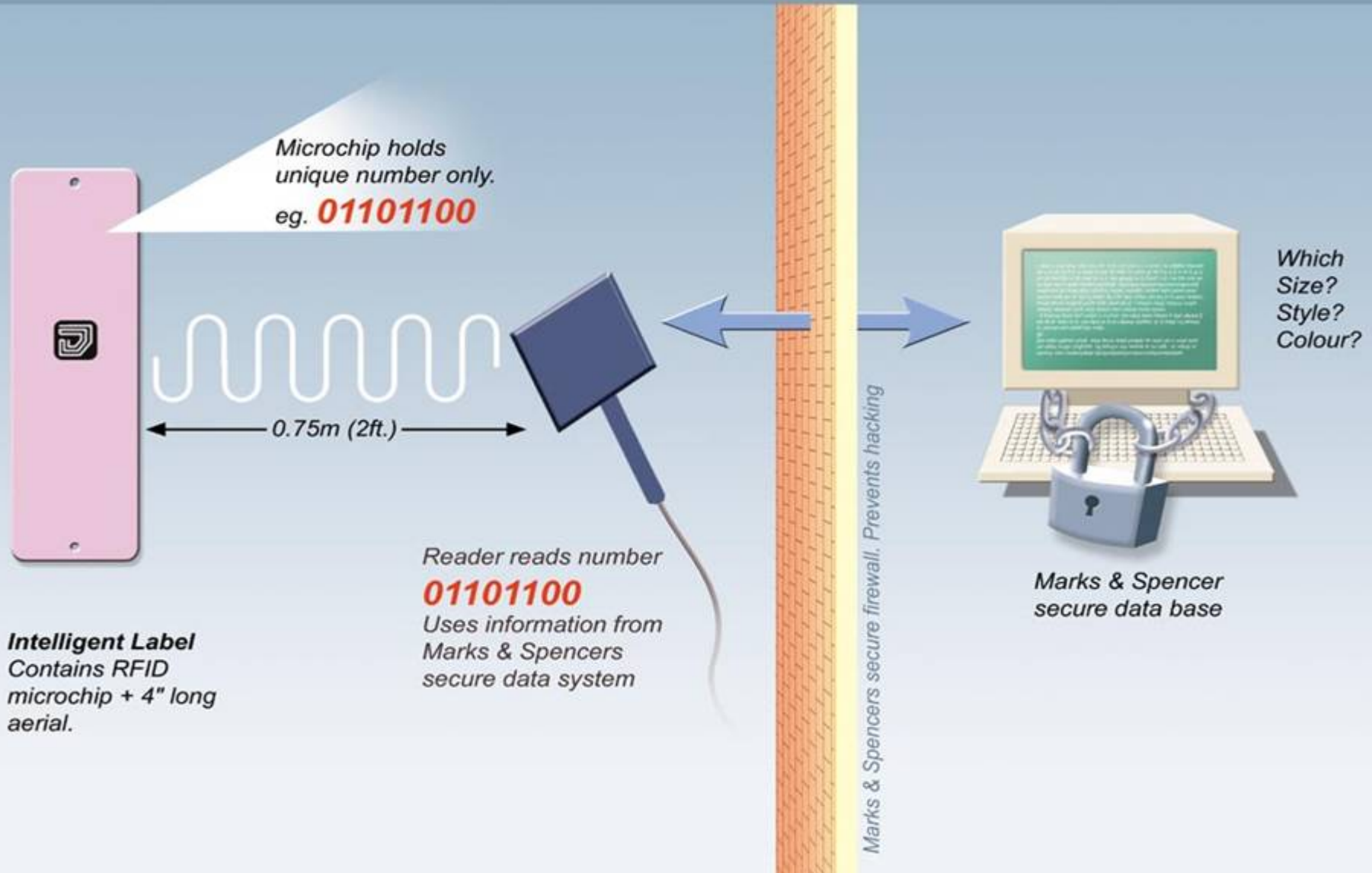


Intelligent Labels

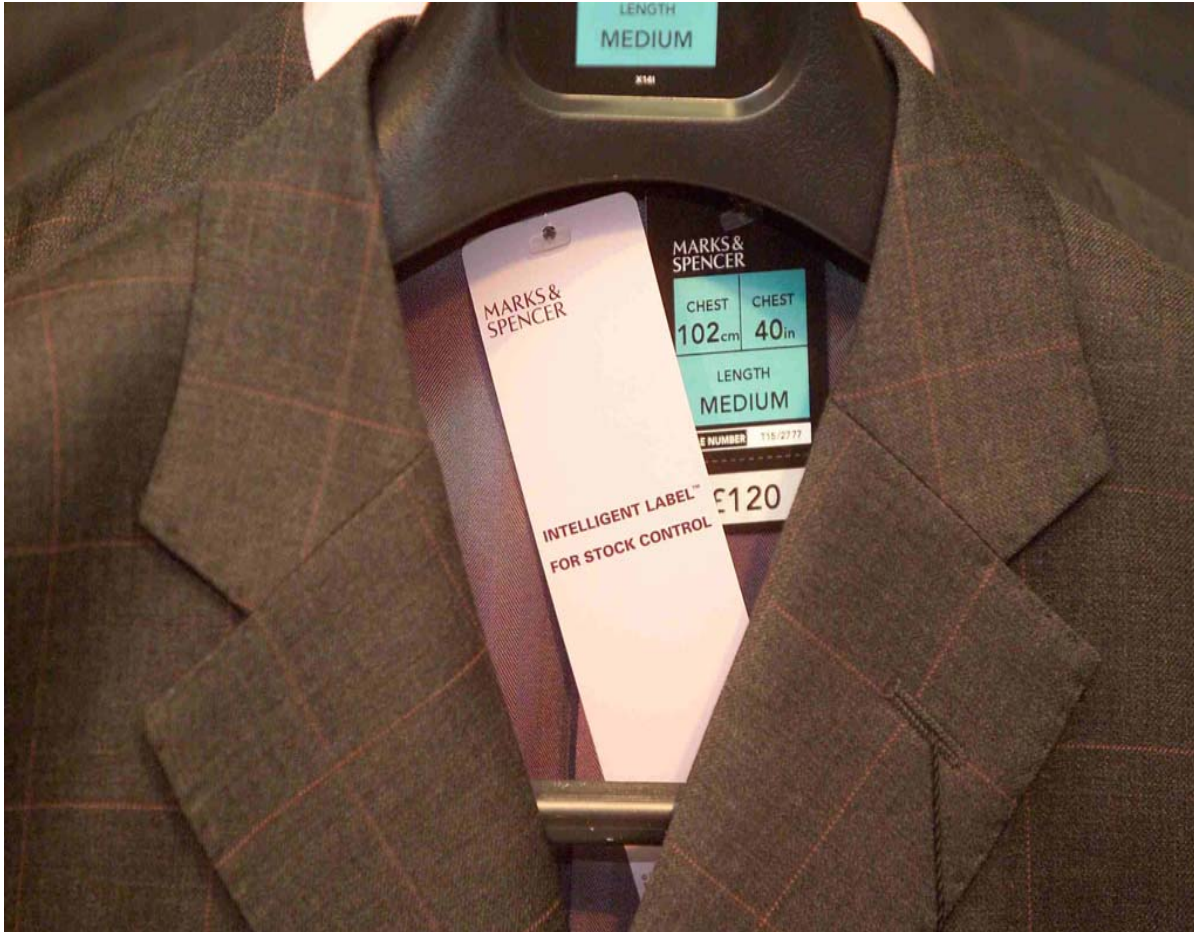


The Intelligent Label

HOW THE INTELLIGENT LABEL WORKS



The Intelligent Label



- Contains microchip and aerial but no battery
- Contains one piece of data - a number unique to the garment
- Unique number - database relates it to style, colour, & size

Mobile Scanner



- Mobile scanner counts stock on the sales floor and transmits to the RFID database.
- Labels contain UHF 868 MHz frequency tags
- Creates associations for new labels, used on refunded items returned in the stores

Customer Leaflet

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Intelligent Labels

You may notice a new kind of paper label attached to the jackets and trousers of men's suits. This is an Intelligent Label for stock control and is a part of a new technology we are testing in a few of our stores to see if we can deliver improved product availability for our customers.

The Intelligent Label is made of paper because it is designed to be thrown away following purchase. Our refund and exchange policy is unchanged.

Some Technical Background

On the back of each new label you will see the outline of a Radio Frequency Identification (RFID) tag. The black dot is a tiny microchip and the black line is an antenna. The microchip holds a unique reference number for the garment to which it's attached.



It is only when our specially designed scanner is passed close by that the antenna bounces back the reference number to our stock control system. We will be scanning the Intelligent Labels in a few stores each evening at closing time. Instructions can then be automatically issued ensuring that correct deliveries are made to the store by the following day. This process is potentially quicker and more accurate than anything we can currently achieve.

If you have any questions about the label or our use of RFID, please do not hesitate to ask a member of staff.

COMMITMENTS TO OUR CUSTOMERS

We believe every new technology must be used responsibly. We are therefore committed to using Intelligent Labels in a manner which is acceptable to our customers.

During the trial of this new technology we are making the following commitments to customers:

- Intelligent Labels will be clearly identifiable and visible paper labels
- Our Intelligent Labels do not contain a battery, cannot emit any power or signal and are completely harmless
- Customers do not need to keep the Intelligent Label in order to return or exchange items
- We will not link garment information on the Intelligent Label with customer details
- We will not scan the Intelligent Labels at the till
- Customers may throwaway the Intelligent Label after purchase

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