

## Preparing your ticketing and tagging for a post- Amazon world

NiceLabel White Paper

# Introduction

The apparel and garment industry is under pressure. Granted, retail has always been a competitive space, and it certainly is no stranger to change. Retailers have always had to deal with rapidly shifting consumer preferences. The disruptions that the first Industrial Revolution brought to garment manufacturing required retailers to embrace technology, and with globalization came the need for retailers to adjust business models and go-to-market strategies. Then came the infamous [Amazon effect](#), and the nature of the game changed. Not only did Amazon challenge the traditional brick-and-mortar concept and open up entirely new channels, they are now [redefining delivery](#) through those channels. This pressures apparel and garment retailers to rethink how they leverage their touchpoints and redefine the role their physical stores play in their interaction with customers.

In the midst of all this change, redefinition and reinvention, it's imperative that apparel and garment retailers not overlook one of their most business-critical systems: the ticketing system.

This white paper will outline four key trends that illustrate the importance of modernizing the ticketing system.

## Trend #1: The increasing obsession with speed

As Amazon Prime continues its global roll-out, retailers everywhere are feeling the pressure of rising consumer expectations regarding delivery. First, it was two-day delivery. Now we're down to same-day delivery, and in some cases, a [two-hour delivery window](#). And, not to keep you up at night, but when Amazon [filed for a US patent for delivery drones](#), they spoke of their goal to get customers packages within 30 minutes of order placement.

The growing need for speed isn't just confined to the world of eCommerce. Apparel and garment companies are realizing that they need agility in every aspect of their supply chain. According to a [recent McKinsey survey](#), almost two-thirds of respondents said improving speed-to-market was the highest priority or a top priority for their company. The same study of top-performing companies revealed that the high-flyers can deliver products to market in less than 6-8 weeks, while the typical industry lead time is more than 40 weeks.

### How this impacts ticketing

Whether you're talking about order fulfillment time or time-to-market, achieving optimal speed requires top-performing, agile systems. It also requires an agile ticketing process. To achieve maximum speed and agility, increasing numbers of garment retailers are retaking control of previously-outsourced aspects of their processes. We see the same trend in ticketing and tagging. What retailers are realizing is that the legacy approach to ticket and tag printing, working with external ticketing agents or bureaus, is making it difficult to be agile. Sending pricing information back-and-forth between external suppliers and internal departments, waiting weeks for printed tickets to arrive, making allowances for outdated or immature IT systems – all of these factors impact a retailer's ability to react to rapidly changing market conditions and deliver goods quickly to target markets. A post-Amazon retail industry requires a different approach, where retailers take charge of their ticketing processes, modernize them and move them closer to the rack and the customer.

## Trend #2: The rising rate of returns

The return story is a multi-faceted one. For many retailers, returns have been a necessary evil. A customer purchases a garment in the store, and then returns it for some reason. Then it needs to be placed back on the rack to be sold again. End of story. Yet, not quite. The explosion of online shopping has only increased the number of returns that retailers have to deal with. While a large portion of returns are due to unmet customer expectations, such as improper fit or color, returns also indicate consumer experimentation. One of our clients, an international retailer, experiences 15,000 returns a day in China alone. They see the same customer ordering the same garment in multiple sizes and colors, leading them to the realization that returns are an inevitable part of online shopping. Perhaps that's why Amazon has just announced [Prime Wardrobe](#), a service that lets customers try on clothes prior to purchasing them.

All of these developments place new demands on the way retailers process these garments when they return. Retailers have to consider where they want to process these returns, whether they will accept them in the stores or if they will limit returns to mail-only. Placing order fulfillment and return processing in the stores has its advantages, as it can enable retailers to save on shipping costs, something that is almost a must in the free-shipping eCommerce space. Yet, retailers need the flexibility to be able to create the most optimal setup for their business and customers.

### How this impacts ticketing

Once again, the ticketing process is in focus. Returned items need to be reticketed and tagged so they can be sold again. If retailers decide to allow online orders to be returned in-store, they need to be able to transfer returned garments to other stores or place them on the rack in the store in which they're returned, which requires an in-store ticketing solution. Ideally, retailers need a system that can handle all aspects of ticketing and tagging, from printing the labels that are sent with the initial order, to reprinting the tags for returned items. They need a system where they can print tags on-demand, and a system that can be deployed across distribution centers, warehouses, stores and even external suppliers. They need to be able to take control of this process, so they aren't dependent upon ordering tags from external printing agencies, but where they can print tags when and where in the supply chain it makes sense for them.

## Trend #3: The need for price agility

As we've already discussed, the changing nature of the retail industry demands that retailers take more control of their supply chain. It's not enough to have the best garments, if you can't get them in the hands of the customers faster than the competition. There's another aspect to this as well. In a legacy ticketing process, prices are set and the information is then forwarded to external ticketing agencies or bureaus. Typically, three, four, even six weeks can go by before the printed tags arrive and are placed on garments. In the fast-paced, post-Amazon world of retail, that's an eternity. Retailers are realizing that they need price agility. Pricing and ticketing have to be moved closer to the rack, so retailers have the flexibility to alter prices to respond to changing market conditions. The time gained by making this transition can be the difference between selling garments at the optimal price – or having to offload them to off-price retailers.

### How this impacts ticketing

To attain pricing agility, retailers need to be able to print tickets and tags on-demand. They need a ticketing system that brings ticket printing closer to the business, integrating it with other critical business functions and systems. They need a system that automates change and approval workflows, so adjustments in pricing can be implemented quickly. And they need a system with solid quality assurance measures to verify pricing information before tags are printed.

## Trend #4: The changing role of the distribution center (DC)

This trend is really a byproduct of all the trends we've discussed so far. As a result of the need for a faster time-to-market, increased pricing agility and a tighter, more controlled supply chain, increasing numbers of retailers are changing the way they use their DCs. They are moving ticketing in-house, placing it in the DC in an effort to move this vital process closer to the rack and the customer. This shift offers retailers a number of advantages. It enables them to move pricing closer to the rack, which is the price agility story. Ticketing in the DC means they can move goods more quickly in between markets or stores, as they don't have to rely on ordering new tickets from external printing suppliers or ticketing agents, and the processing time that process entails. Bringing ticketing in-house also helps the retailer ensure greater ticket accuracy and, with the right system in place, can lead to improved quality assurance.

### How this impacts ticketing

Moving ticketing and tagging to the DC can only be done successfully if the right ticketing system is in place. This move almost certainly requires IT system and process modernization. To experience the benefits of moving ticketing in-house, retailers need to select a best-of-breed ticketing system that can integrate with their existing workflows, systems and printers, and make all of these existing systems better, through optimizing performance and automation.

## How to select a modern ticketing system

As this white paper has demonstrated, the secret is in the ticketing. If retailers want to compete in one of the most challenging business environments in recent memory and survive the tectonic shift occurring in the apparel and garment industry, they must transform their ticketing and tagging processes. That transformation begins with implementing a modern ticketing system. Here are seven tips for selecting the right system.

- #1. Choose a system that can integrate with your existing business systems, such as your warehouse management system (WMS). This will help you to reduce your overall system footprint and avoid complexity.
- #2. Choose a centralized system that you can deploy across your DCs, stores and with your suppliers. The system should be able to handle ticket, tag and label printing, so it can cover all of your retail channels, both in-store and eCommerce.
- #3. Choose a system built for purpose. Beware of the built-in printing modules you can find in other business systems, supply chain systems or WMS. Most business systems include this as one basic element in a larger system, but it's not their core business. Using a system that's not built for ticketing is the first step towards an inefficient ticket printing process.
- #4. Choose a system that can modernize your processes by streamlining and automating workflows.
- #5. Choose a system that is printer-agnostic. This will reduce implementation costs and make it easier for you to extend the system to external suppliers.
- #6. Choose a system that supports mobility, including RF guns, mobile computers and mobile "hip" printers. This will give you the flexibility to print what you need where you need it, simply by scanning an item.
- #7. Choose a system that eliminates errors and improves quality assurance. Look for things like role-based access, secure ticket and tag templates, built-in approval workflows, comprehensive print history and print preview functions. All of these measures will ensure that you can prevent errors, rather than catch them.

## Final thoughts

While modernizing your ticketing system is an important step, don't miss out on the opportunity to modernize your processes as well. Of course, process improvement takes time, and it involves a certain amount of risk. Which is why it's important to have an experienced partner at your side.

NiceLabel has over 25 years' experience with large-scale retail ticketing implementations for the apparel and garment industry. We understand the workflows and processes used in distribution centers. And we understand large-scale ticketing volumes. For example, one of our retail customers printed 1 million labels on Black Friday in 3 hours and 55 minutes. On average, 71 print requests were handled per second. Another international retailer prints 7.2 billion tags a year. We are the leading provider of ticketing and tagging solutions, and we're here to help you modernize your ticketing and tagging processes.

[Contact a NiceLabel representative](#)

## Learn more

To find out more about how to modernize your ticketing processes, check out our interview with Puneet Gupta, Director, Supply Chain at Neiman Marcus. He discusses how the company made the decision to print tickets in their distribution centers and what their plans are for the future.

[Read the interview](#)

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