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## Radio Frequency Identification System and Its Effect on Retailing Sector

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**Abstract :** In this study, the effects of radio frequency identification system on the retailing sector were theoretically analysed. The technology of Radio Frequency Identification (RFID) is a method enabling to identify the objects individually and automatically, using radio frequency. RFID generally consists of a tag and reader. RFID tags can be programmed to receive, store, and send the information of object such as Electronic Product Code (EPC). Having read the tags placed on product by the reader, the information associated with the management of supply chain can be automatically recorded and replaced. Recently, RFID technology used in many areas has particularly important effects on the businesses that are active in the retailing sector. The most important disadvantage of this technology is that the cost of installation and operation is higher compared to its alternatives. However, it provides important advantages to the business enterprises in the application process. At present, it is especially adopted by the large sized enterprises and with chain stores in the international areas. The application results point out that RFID technology provides business enterprises with the important competitive advantage.

**Keywords:** RFID, retailing sector, RFID technologies, electronic product code

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