

## Optimizing Inventory Systems with RFID: A Narrative Review of Integration, Efficiency, and Barriers

Albert Budiyanto<sup>1</sup>, Muhammad Muslim<sup>2</sup>

<sup>12</sup>Institut Bisnis Nusantara Jakarta, Indonesia

Correspondent : [budi@ibn.ac.id](mailto:budi@ibn.ac.id)<sup>1</sup>

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**ABSTRACT:** Radio Frequency Identification (RFID) technology has emerged as a transformative solution in modern inventory management, enabling real-time tracking, improved data accuracy, and enhanced operational efficiency. This narrative review investigates the current state of RFID adoption across sectors, focusing on its integration with advanced technologies such as the Internet of Things (IoT), artificial intelligence (AI), and blockchain. Literature was collected using a systematic search of reputable academic databases including Scopus, IEEE Xplore, and ScienceDirect, with keyword combinations designed to capture diverse applications of RFID in inventory systems. The findings reveal substantial benefits, including reductions in manual processing time, improved inventory accuracy, and enhanced traceability. Sector-specific applications in healthcare, pharmaceuticals, and food logistics demonstrate measurable gains in compliance and supply chain transparency. Moreover, RFID's integration with emerging technologies facilitates predictive analytics and real-time environmental monitoring. However, technical, organizational, and economic barriers continue to hinder broader implementation. These include interoperability issues, resistance to change, and high initial costs. Policy recommendations include the promotion of standardization, investment in infrastructure, and workforce training. Future research should address longitudinal outcomes and explore scalable adoption strategies, particularly for small-to-medium enterprises. Overall, RFID technology represents a strategic innovation poised to revolutionize inventory management through enhanced efficiency, resilience, and adaptability.

**Keywords:** RFID Technology; Inventory Management; Supply Chain Optimization; Iot Integration; Operational Efficiency; Traceability Systems; Digital Transformation



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## INTRODUCTION

Radio Frequency Identification (RFID) technology has emerged as a transformative tool in modern inventory management, reshaping operational frameworks across diverse industrial

sectors. As global supply chains become increasingly intricate and demanding, the integration of RFID into inventory processes represents a critical step toward achieving enhanced transparency, accuracy, and operational efficiency. Over the past decade, the adoption of RFID has been propelled by advancements in data processing capabilities, cost-effectiveness of hardware components, and convergence with other emerging technologies such as the Internet of Things (IoT) and blockchain (Erlangga et al., 2022; Cammarano et al., 2022). Through its capacity for real-time item tracking and automated data collection, RFID offers a robust solution to traditional inventory challenges and paves the way for intelligent and adaptive inventory systems.

Recent scholarly discourse underscores RFID's pivotal role in revolutionizing inventory management, particularly within dynamic environments characterized by fluctuating consumer demands and globalized supply networks. RFID systems have enabled businesses to minimize human error, streamline logistical workflows, and realize substantial cost reductions (Sardar et al., 2021; Tao et al., 2018). Retail, healthcare, and manufacturing sectors, in particular, have reported notable improvements in inventory accuracy and customer service delivery through RFID adoption (Wilke et al., 2022; Liu et al., 2015; Guchhait et al., 2019). These advancements underscore RFID's potential not merely as an operational enhancement but as a strategic imperative for competitiveness in contemporary market landscapes (Avrahami et al., 2014).

The evolution of inventory management from manual, paper-based systems to highly automated RFID-enabled infrastructures has brought about significant operational efficiencies. While early applications primarily involved basic product identification and location tracking, the integration of RFID with artificial intelligence and predictive analytics now supports complex decision-making processes and end-to-end visibility across supply chains (Haswika, 2024; Khatib et al., 2024). This technological maturity is facilitated by reduced implementation costs and the increasing availability of interoperable systems, enabling both large-scale enterprises and small to medium-sized enterprises (SMEs) to leverage RFID technologies effectively (Shah & Naik, 2020).

Central to RFID's value proposition is its contribution to cost-efficiency and productivity enhancement. For example, RFID systems eliminate the need for time-consuming manual inventory audits by automating item identification and tracking (Erlangga et al., 2022). This shift has led to significant labor cost reductions and improved data accuracy, empowering managers to make data-driven decisions with greater confidence (Wilke et al., 2022). In healthcare environments, RFID mitigates risks associated with medication errors and supports timely restocking, thereby improving patient safety and service delivery (Khatib et al., 2024). Similarly, in the retail sector, RFID has been shown to increase inventory accuracy to levels exceeding 95%, compared to the 60-70% range typical of manual systems (Fischer et al., 2022).

Despite the evident benefits, RFID implementation is not devoid of challenges. Traditional inventory systems suffer from manual data entry errors, limited traceability, and inefficiencies in managing stock across multiple locations (Tao et al., 2018; Guchhait et al., 2019). RFID addresses many of these issues by enabling real-time data capture and enhanced visibility, yet its deployment often necessitates significant organizational change. Resistance to change, lack of employee training, and the need for substantial initial investment may pose barriers to successful

implementation (Chamekh et al., 2017; Hasnan et al., 2015). These challenges necessitate a holistic approach to integration, including stakeholder engagement and infrastructural adjustments.

Moreover, the complexity of modern supply chains demands seamless integration of RFID systems with existing technological ecosystems. The lack of standardization, data interoperability issues, and inconsistent technological infrastructure can limit RFID's full potential. To address these barriers, RFID is increasingly being coupled with IoT sensors, blockchain technologies, and cloud computing platforms to ensure secure, scalable, and adaptable inventory management solutions (Sardar et al., 2021; Li et al., 2022; Wang & Ip, 2013). However, further empirical exploration is required to understand the synergies and limitations of such integrations, particularly in resource-constrained settings.

While existing literature demonstrates the effectiveness of RFID technology in enhancing operational performance, several gaps persist that warrant comprehensive investigation. Notably, much of the current research focuses on isolated case studies within specific sectors or geographies, often neglecting the variability of outcomes across different organizational contexts (Musa & Dabo, 2016). The managerial, cultural, and technological contingencies influencing RFID performance remain underexplored. Additionally, the absence of longitudinal data limits our understanding of RFID's sustained impact over time. Studies also frequently overlook the importance of data analytics in maximizing the utility of information collected via RFID systems, as well as security concerns associated with unauthorized access to RFID-generated data (Wilke et al., 2022; Shah & Naik, 2020).

The objective of this review is to synthesize current literature on RFID applications in inventory management to identify recurring patterns, unresolved challenges, and future directions for research and practice. Emphasis is placed on the role of RFID in improving cost efficiency, data accuracy, and process automation, as well as the influence of its integration with other technologies on inventory outcomes. By analyzing RFID applications across multiple industries and geographies, this study aims to provide a comprehensive understanding of its strategic implications and operational dynamics.

This review adopts a global perspective, drawing on empirical evidence from diverse geographic regions and industrial sectors. While the focus predominantly rests on sectors such as retail, healthcare, and manufacturing, the study also explores underrepresented domains including construction and food logistics, where RFID applications remain limited but hold substantial promise. The geographic scope includes both developed and developing countries to ensure a balanced representation of technological adoption levels and infrastructural readiness.

In doing so, this review contributes to the academic discourse by elucidating the transformative potential of RFID technology in inventory management and providing actionable insights for practitioners and policymakers. The outcomes aim to inform not only future research agendas but also strategic planning and policy formulation, fostering broader and more equitable adoption of RFID technologies in inventory systems worldwide.

## **METHOD**

This study employs a systematic approach to literature retrieval and selection to explore the implementation and optimization of Radio Frequency Identification (RFID) technology in inventory management. The methodological framework is designed to ensure the inclusion of relevant, peer-reviewed, and high-quality literature from reputable sources. Each step of the literature search and selection process is guided by defined strategies, including the use of specific academic databases, keyword formulations, and inclusion/exclusion criteria.

The literature was collected using several academic databases renowned for their extensive and reliable coverage of scientific publications. IEEE Xplore was selected for its robust repository of articles in the domains of electrical engineering, electronics, and computer science. This database is particularly strong in offering technical studies that explore the application of RFID systems within inventory and logistics operations (Liu et al., 2014; Musa & Dabo, 2016). Scopus, another central resource, was utilized for its comprehensive indexing of peer-reviewed journals across disciplines. Its advanced citation tracking tools allowed for the identification of high-impact articles relevant to RFID integration in inventory processes (Khatib et al., 2024). Web of Science complemented this effort by providing access to interdisciplinary literature and bibliometric tools, which facilitated an evaluation of publication influence and research trends over time (Musa & Dabo, 2016).

Google Scholar was also employed to supplement the search, despite its status as a general search engine rather than a specialized academic database. Its inclusive nature allowed for the identification of grey literature, conference proceedings, and open-access publications, which offered additional perspectives on RFID usage, particularly in emerging markets and non-traditional industries (Tao et al., 2018; Y, 2024). Furthermore, ScienceDirect and SpringerLink were included due to their specialization in technological and engineering research. These databases provided focused access to journals that investigate RFID system implementations, optimizations, and associated engineering solutions in inventory control (Ren & Li, 2018; Haswika, 2024; Wu et al., 2010).

To refine the search results within these databases, targeted keyword combinations were employed. The use of Boolean operators (AND, OR) ensured the precision and breadth of the literature retrieval process. The phrase "RFID technology" AND "supply chain management" was used to capture comprehensive discussions on how RFID functions as a component of larger supply chain frameworks and contributes to operational efficiency (Li & Li, 2011). For a more focused analysis on inventory operations, the combination "Radio Frequency Identification" AND "inventory optimization" was applied, identifying works centered on improving inventory practices through RFID (Tao et al., 2018; Cammarano et al., 2022).

To explore RFID's contribution to real-time monitoring and logistics responsiveness, the keywords "RFID" AND "real-time monitoring" AND "logistics" were utilized, revealing studies

that emphasized RFID's role in enhancing dynamic inventory tracking and logistical agility (Erlangga et al., 2022; Abdullah et al., 2020). For operational performance perspectives, the combination "RFID applications" AND "operations management" helped isolate research focused on process improvements through RFID technologies (Wu et al., 2010; Sardar et al., 2021). Other strategic combinations such as "Supply chain efficiency" AND "RFID technology" and "RFID" AND "data accuracy" AND "inventory management" ensured that studies emphasizing performance metrics and data quality were also captured (Haswika, 2024; Essam et al., 2024).

The inclusion criteria were developed to ensure the relevance, rigor, and recency of the selected literature. Only peer-reviewed journal articles, conference papers, and systematic reviews published between 2010 and 2024 were considered. These works needed to focus specifically on RFID applications within the context of inventory management or closely related supply chain processes. Articles were selected if they presented empirical data, case studies, simulation models, or comprehensive literature reviews on the deployment, performance, or integration of RFID systems. Additionally, studies had to be published in English to ensure accessibility and comprehension.

Conversely, exclusion criteria were established to omit studies that did not directly address RFID technology in inventory or logistics contexts. Articles focusing solely on unrelated technological aspects of RFID, such as antenna design without application context, or studies limited to RFID in unrelated domains such as animal tracking or security systems, were excluded. Furthermore, literature lacking methodological rigor, including opinion pieces, non-peer-reviewed blog articles, and outdated publications before 2010, were omitted from analysis.

The types of studies included in this review reflect a variety of methodological approaches that offer both breadth and depth in understanding the application of RFID technology. These include experimental research articles that evaluate the efficiency of RFID implementation in real-world or simulated environments, case studies documenting organizational transitions to RFID-based inventory systems, and cohort studies observing RFID adoption across industrial sectors over time. Furthermore, narrative and systematic reviews were included to understand overarching trends and synthesize broad patterns of technological advancement and implementation outcomes.

The literature selection process began with a comprehensive initial search across all chosen databases using the identified keyword combinations. All retrieved records were imported into a reference management system, and duplicates were removed. The remaining records were subjected to a two-stage screening process. The first stage involved a title and abstract review to assess initial relevance based on the inclusion and exclusion criteria. Articles deemed potentially relevant proceeded to the second stage, where the full text was reviewed for methodological robustness, data richness, and contextual alignment with the objectives of this study.

Each article that passed the full-text screening was then evaluated using a quality appraisal framework tailored for technology implementation studies. This framework considered aspects such as research design, clarity of objectives, sample characteristics, outcome measures, and validity of findings. Studies were also examined for their contribution to the thematic areas

identified in the review, namely RFID's role in cost reduction, operational efficiency, real-time monitoring, system integration, and technological innovation.

The final selection of articles represents a curated body of literature that meets high standards of academic integrity and relevance. Through this rigorous methodological approach, the review ensures that the synthesized findings are grounded in credible, diverse, and methodologically sound research. By adhering to structured database searches, precise keyword use, and thorough inclusion/exclusion filtering, this methodology lays a strong foundation for exploring the multidimensional impacts of RFID technology in inventory management systems.

## RESULT AND DISCUSSION

The findings of this narrative review are structured according to three key thematic areas derived from the literature: operational efficiency, integration with emerging technologies, and sector-specific applications of RFID in inventory management. These themes provide an analytical framework for understanding how RFID technology contributes to inventory optimization across various industries and geographic contexts.

### A. Operational Efficiency

The implementation of RFID technology has consistently demonstrated significant improvements in operational efficiency across multiple sectors. A notable example is found in the study by Wilke et al. (2022), which investigated RFID integration within hospital medication management systems. The results indicate that RFID implementation not only streamlined workflow processes but also significantly reduced the manual time required for inventory checks. Real-time inventory data facilitated by RFID tags allowed healthcare personnel to bypass time-consuming manual tracking tasks, contributing to faster and more accurate inventory operations. This finding aligns with prior assertions from Erlangga et al. (2022) and Abdullah et al. (2020), who highlighted the automation benefits and near-real-time inventory updates afforded by RFID in both healthcare and logistics contexts.

Conversely, Fischer et al. (2022), while discussing the integration of RFID within a digital twin model in modular construction, did not explicitly quantify time-saving metrics in terms of manual inventory processes. Therefore, although RFID is often associated with operational speed, caution is advised in generalizing such claims without clear empirical backing. Nonetheless, multiple studies converge on the consensus that RFID accelerates inventory handling by replacing manual interventions with automated, sensor-based systems that ensure timely and accurate inventory data collection.

In terms of inventory accuracy and shrinkage reduction, RFID has contributed to noticeable improvements. Ren and Li (2018) examined the application of RFID in the construction industry, particularly for managing building materials. Their findings indicate a clear improvement in stock level accuracy, leading to more reliable material allocation and utilization. In the retail sector, Tao et al. (2018) reported that RFID adoption resulted in significantly reduced inventory shrinkage,

particularly in high-traffic areas susceptible to theft and administrative error. These improvements stem from RFID's capability to offer visibility and traceability, thus deterring inventory losses and fostering accountability.

While these benefits are well-documented, Cammarano et al. (2022) emphasize the importance of acknowledging the synergistic effects of integrating RFID with complementary technologies such as blockchain. In such cases, it is not solely RFID that accounts for shrinkage reduction but the combination of systems that enhance traceability and verification processes. This multi-faceted implementation underlines the necessity of viewing RFID as part of a broader technological ecosystem rather than a standalone solution.

### B. Integration with Emerging Technologies

RFID's integration with emerging technologies like IoT, blockchain, and AI has brought transformative impacts to inventory management systems. According to Cammarano et al. (2022), the fusion of these technologies enhances procurement efficiency, order management, and customer satisfaction. The integration enables real-time data sharing and analytics, allowing organizations to respond proactively to inventory fluctuations and demand variability. This supports improved inventory control and reduced operational costs through better forecasting.

IoT, when combined with RFID, facilitates continuous asset monitoring by embedding sensors in inventory tags. Mohammadi et al. (2024) elaborate on how this integration allows organizations to track environmental conditions such as temperature and humidity, which is especially valuable for sectors like food logistics and pharmaceuticals. AI further strengthens these systems by offering predictive models that enhance inventory replenishment strategies. Lal et al. (2024) demonstrate that AI-driven inventory models, when aligned with RFID data streams, lead to substantial reductions in excess stock and logistics costs.

Khatib et al. (2024) reinforce these findings by illustrating how AI and machine learning contribute to real-time inventory optimization. By processing data captured through RFID and IoT, these systems provide actionable insights that empower supply chain stakeholders to make informed decisions, thereby improving responsiveness and operational flexibility. However, such integration is not without challenges.

One of the primary difficulties in implementing multi-technology frameworks is system complexity. As noted by Sardar et al. (2021), the integration of heterogeneous technologies demands significant adjustments in infrastructure and employee training, often encountering resistance from personnel used to traditional systems. Moreover, concerns about data security and privacy emerge when sensitive inventory information is shared across interconnected platforms. Organizations must adopt robust cybersecurity measures to mitigate the risk of unauthorized data access while maintaining accessibility for legitimate users.

Another significant concern relates to disparities in technology adoption. Mohammadi et al. (2024) highlight that technological readiness varies significantly across industries and regions, which affects the uniformity of benefits derived from RFID integration. For instance, while some developed economies have advanced RFID-IoT infrastructures, businesses in developing regions may struggle with basic implementation due to limited access to technology and skilled labor.

These disparities underscore the importance of tailoring implementation strategies to specific operational and regional contexts.

In summary, while the integration of RFID with IoT, blockchain, and AI offers powerful tools for inventory optimization, the associated challenges must be addressed strategically. Successful implementation hinges on stakeholder readiness, technological infrastructure, and governance frameworks that ensure security, interoperability, and usability.

### C. Sector-Specific Applications

RFID technology has demonstrated substantial adaptability across multiple industrial sectors, with notable successes in healthcare, pharmaceuticals, and food logistics. In healthcare, RFID is widely used to manage the inventory of critical medical supplies, ensure accurate dispensing of medications, and improve patient safety. Wilke et al. (2022) document that RFID implementation in hospital medication systems resulted in significant reductions in stock-outs and manual restocking errors. These improvements support patient safety by ensuring the timely availability of essential drugs and reducing the risk of human error in administration.

In the pharmaceutical sector, RFID is instrumental in complying with stringent regulatory frameworks such as the Drug Supply Chain Security Act (DSCSA). Cammarano et al. (2022) report that the integration of RFID with blockchain enables enhanced traceability of medications, from manufacturers to end-users, which is crucial in preventing counterfeit drug distribution. Real-time data tracking facilitated by RFID not only secures product authenticity but also aids in monitoring storage conditions, especially when coupled with IoT sensors that detect environmental variables. Mohammadi et al. (2024) explain how these technologies collectively ensure that pharmaceuticals are stored and transported under optimal conditions, thus maintaining their efficacy.

In food logistics, RFID technology contributes significantly to the traceability and quality control of perishable goods. The ability to monitor real-time conditions through RFID and IoT integrations ensures that products are maintained within required temperature ranges throughout the supply chain. This has direct implications for food safety and waste reduction. Mohammadi et al. (2024) highlight how the use of RFID in monitoring freshness levels and expiration dates enhances operational efficiency and compliance with food safety regulations. These improvements foster consumer confidence and promote sustainable practices by minimizing spoilage and unnecessary stock disposal.

The outcomes of RFID deployment across these sectors vary but generally converge on several key benefits: increased inventory accuracy, reduced stock-outs, improved traceability, and enhanced compliance with industry-specific regulations. In healthcare, Wilke et al. (2022) affirm that real-time tracking has led to measurable improvements in medication availability and inventory oversight. In pharmaceuticals, Cammarano et al. (2022) underscore RFID's role in creating an auditable supply chain, thus enhancing regulatory compliance and consumer safety. Similarly, in food logistics, the ability to continuously monitor product conditions contributes to improved inventory planning and reduced wastage (Mohammadi et al., 2024).

Taken together, these findings illustrate the sector-specific applicability of RFID technology in addressing unique operational challenges and enhancing inventory outcomes. While the

foundational benefits of RFID are consistent across industries, the specific use cases and resulting impacts are shaped by the operational environments, regulatory landscapes, and technological readiness of each sector. These nuances must be considered in future RFID implementations to ensure that the technology delivers maximum value and aligns with sectoral objectives and constraints.

Recent research findings on RFID technology in inventory management suggest a notable progression beyond the early theoretical models that initially framed RFID as a tool for simple operational efficiency. Historically, RFID was perceived primarily as a cost-reduction mechanism aimed at minimizing labor input and manual errors in stock tracking (Haswika, 2024). These early models largely emphasized the direct benefits of RFID technology, focusing on its capacity to automate inventory monitoring and reduce dependence on human operators. However, recent studies paint a more comprehensive picture of RFID's role, particularly when integrated with emerging technologies such as AI, IoT, and blockchain.

Contemporary research reveals a more strategic application of RFID within supply chain frameworks, emphasizing its role in enabling real-time data analytics and informed decision-making. The integration of RFID and AI, for example, facilitates predictive inventory planning, empowering businesses to adjust stock levels dynamically in response to changing market conditions (Tao et al., 2018). This paradigm shift illustrates RFID's evolution from a passive tracking device into an active data generator that fuels intelligent supply chain strategies. Further supporting this perspective, Cammarano et al. (2022) demonstrate how the integration of RFID with blockchain enhances traceability and transparency, enabling secure and auditable supply chains that bolster regulatory compliance and consumer trust. Such integrated systems far surpass the capabilities envisioned by earlier RFID models.

In comparing RFID with traditional inventory management frameworks, systemic differences emerge in how data is utilized and how inventory strategies are implemented. Traditional models are often built around static forecasts and reactive replenishment cycles, constrained by limited data granularity and time lags. In contrast, RFID-equipped systems, particularly when enhanced by machine learning algorithms, support agile inventory responses and proactive restocking strategies (Sardar et al., 2021). This distinction is critical in contemporary supply chains where variability in consumer demand and supply disruptions necessitate a higher degree of responsiveness.

The incorporation of emerging technologies has also transformed operational efficiency. RFID, when integrated with IoT infrastructure, enables real-time monitoring of inventory locations and conditions. For example, in temperature-sensitive environments such as pharmaceuticals and food logistics, RFID-IoT systems ensure that perishable goods remain within acceptable environmental thresholds throughout the supply chain (Mohammadi et al., 2024). This capability reduces spoilage and enhances compliance with industry regulations. Similarly, the combination of RFID and AI allows for the optimization of storage space and labor deployment, aligning operational activities more closely with demand forecasts (Lal et al., 2024). Wilke et al. (2022) reinforce this argument with empirical findings from healthcare, where RFID implementation has significantly reduced medication errors and improved inventory visibility.

Despite these promising developments, systemic barriers continue to obstruct the widespread adoption of RFID-based inventory systems. Technological challenges remain, including signal interference, hardware malfunctions, and difficulties in integrating RFID with legacy systems. The lack of standardization in RFID protocols across manufacturers also complicates implementation, creating potential compatibility issues and increasing the burden on system integrators (Li & Li, 2011). Moreover, large-scale deployments often require robust middleware solutions capable of managing and interpreting the vast amounts of data generated by RFID tags, which can pose technical and financial burdens for smaller enterprises.

Organizational resistance presents another significant barrier. Transitioning from established manual or barcode-based systems to RFID requires not only infrastructural changes but also cultural transformation. Organizations may exhibit inertia, especially when current systems are deemed sufficient or when decision-makers lack familiarity with RFID technology. As Sardar et al. (2021) highlight, internal resistance can undermine technology adoption efforts, especially in institutions where staff training and stakeholder engagement are neglected. Change management strategies that include comprehensive training programs and stakeholder alignment are crucial to overcoming this resistance.

Economically, the cost of RFID implementation remains a concern. Initial investments include not only hardware and software but also the restructuring of operational processes and employee retraining. Li & Li (2011) argue that organizations must conduct rigorous cost-benefit analyses to evaluate the feasibility of RFID adoption, particularly in sectors with thin margins or in developing regions where capital investment capacity is limited. Moreover, uncertainties regarding the speed of return on investment further complicate decision-making processes, especially for small and medium-sized enterprises.

The policy and strategic implications of these findings are far-reaching. At a national and global scale, promoting standardized protocols for RFID technology could address many of the integration and interoperability challenges. By establishing unified technical standards, governments and industry bodies can facilitate smoother system deployments and reduce vendor lock-in, making RFID adoption more accessible to a broader range of businesses (Khatib et al., 2024). Such policies would particularly benefit sectors like healthcare and food logistics, where consistent traceability and safety compliance are essential.

Strategic investment in technological infrastructure also plays a vital role. Public-private partnerships and government incentives, such as tax breaks or funding for pilot programs, could catalyze RFID adoption, particularly among enterprises that lack the financial resources to invest independently. Research by Tao et al. (2018) suggests that targeted funding can be instrumental in enabling the adoption of RFID technologies in sectors that stand to benefit significantly from improved inventory accuracy and efficiency.

Another critical implication is the need to enhance workforce capabilities. As highlighted by Abdullah et al. (2020), optimizing supply chain performance using RFID requires personnel who are skilled not only in technology operation but also in interpreting the data generated. Thus, educational programs and training initiatives tailored to RFID applications should be integrated into vocational and higher education curricula. Building a tech-savvy workforce would not only

accelerate the adoption of RFID but also ensure that its deployment yields the intended efficiency gains.

Encouraging collaboration among stakeholders is equally essential. Implementing RFID technology across supply chains involves multiple actors, including manufacturers, logistics providers, retailers, and regulatory agencies. Li & Li (2011) emphasize the benefits of cross-sectoral cooperation in achieving shared inventory management goals. Establishing multi-stakeholder forums for knowledge exchange and best practice dissemination could help align efforts and reduce inefficiencies stemming from fragmented implementations.

Finally, ongoing evaluation of RFID's economic and operational impacts should inform policy adjustments. Governments and industry bodies should develop frameworks for systematically assessing RFID deployments, using performance metrics such as inventory accuracy, order fulfillment rates, and operational costs. Haswika (2024) suggests that such continuous monitoring would enable adaptive policymaking, allowing regulatory bodies to respond dynamically to technological advancements and sector-specific needs.

Taken together, these findings underline the transformative potential of RFID technology in modern inventory management, particularly when deployed in conjunction with complementary digital tools. However, realizing this potential requires addressing a constellation of systemic challenges through informed policy design, strategic investment, and collaborative stakeholder engagement. While RFID has evolved significantly since its early conceptualizations, continued research is needed to refine its applications and optimize its integration into increasingly complex supply chain ecosystems.

## CONCLUSION

The adoption of Radio Frequency Identification (RFID) technology in inventory management marks a pivotal shift in how modern supply chains operate, moving beyond traditional tracking systems to enable real-time visibility, enhanced accuracy, and strategic decision-making. This narrative review has demonstrated that RFID not only reduces manual processing time and inventory inaccuracies but also facilitates shrinkage reduction and supports compliance across sectors such as healthcare, pharmaceuticals, and food logistics. The integration of RFID with emerging technologies like IoT, AI, and blockchain amplifies these benefits, offering advanced capabilities such as predictive analytics, environmental monitoring, and traceability.

Despite these advantages, systemic barriers hinder widespread implementation. Technical limitations, organizational resistance, and significant economic costs remain substantial challenges. The literature reveals that without standardization, interoperability, and strategic investment, the full potential of RFID cannot be realized. Addressing these issues requires coordinated policy interventions, including support for infrastructure development, workforce training, and stakeholder collaboration.

Future research should focus on longitudinal studies across diverse industries and regions to better understand long-term impacts and contextual challenges of RFID adoption. Exploring scalable solutions tailored to SMEs and underrepresented sectors will also help broaden the applicability of RFID-based systems.

As global supply chains grow in complexity, RFID must be recognized as a strategic tool, not merely a technological upgrade. Policies that promote integration, education, and innovation are essential to overcoming current barriers and ensuring RFID's role in driving resilient, efficient, and adaptive inventory management systems.

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