

Using RFID to Drive Up Business

A car repair franchiser plans to give its customers RFID-enabled loyalty cards as a way to help the company improve efficiency and customer service.

By Jonathan Collins

Aug. 4, 2004—Car repair company All Night Auto is preparing a pilot that will see its customers using RFID loyalty cards as a way to help the company improve efficiency and customer service. During a six-month trial starting in November, All Night Auto will use RFID readers in six of its eight franchise locations—two in each of Michigan, Oklahoma and Arizona. According to the company, the different consumer demographics and requirements among the three states will help determine the effectiveness of RFID ahead of the company's planned expansion to 29 franchise locations across the U.S. by the end of 2005.

All Night Auto franchises specialise in providing convenient car service and repair work with minimum disruption to its customers' routines, with shops staying open until midnight. "We are not a discount or a volume business. Our customers are middle-class and upper-middle-class professionals with a limited amount of time that expect extremely high-quality service," says Nicholas Cocco, chairman, CEO and president of Midnight Autos Holding, which owns the All Night Auto's operations and franchise business.

During the trial, All Night Auto will issue RFID loyalty cards trial to 10,000 of its customers. Currently, when a customer drives up to an All Night Auto shop, a worker brings a tablet PC to the car to record new customer details and to diagnose what work needs to be carried out. Once that information is entered into the tablet PC, the results are entered into the company's IT system by means of Wi-Fi-enabled wireless LAN. During the trial, however, each tablet PCs will be equipped with an RFID reader in the form of a PC card. When a customer waves a loyalty card in front of the reader, the tablet PC uses the Wi-Fi connection to transmit the customer's card number to the company's IT system and retrieve the customer's vehicle information and repair history.

"We prefer customers to stay with their vehicles when they bring their cars in and as we carry out a diagnosis. By using RFID to automatically recognize the customer and the vehicle, we estimate we can eliminate up to 7 minutes per customer on the initial check-in, giving us more one-on-one time with the customer," says Cocco, who believes that if the RFID system can be used to increase the quality of time spent with the consumer, then ultimately, it will increase the willingness of the consumer to purchase products and services. The company also feels that deploying RFID will demonstrate to both existing and potential franchisee's All Night Auto's commitment to new technologies and best practices.

Initially, the customer cards will just carry a unique ID. "When we are satisfied with the safety and security of the system, and our customers are, too, then we will look to add additional data to the cards," says Cocco. That additional information will include a customer profile and a record of the past five service visits. The benefits of storing the data on the card means that regardless which All Night Auto repair shop a customer goes to, that shop will be able to access the customer's records without requiring a data infrastructure shared between each franchise.

The company believes that having customer and vehicle ID information on the card will not only make it

faster and easier to write-up service orders but, most importantly, it will improve the quality of the customer data. Currently, the company routinely has to go through its customer databases manually to remove duplicate information that personnel have entered by hand. For example, when a customer changes addresses, telephone, vehicles or other searchable criteria, the company's service staff often create a new entry for that customer instead of updating the customer's existing records. Also if the customer is new to a particular service facility, the service writer will often create a new entry for that customer instead of searching for the customer's existing record even though the system will signal that the customer is already in the database.

These duplications create a lot of problems for the company, according to Cocco, with regard to warranty issues and parts identification and also waste time in entering duplicate information. By putting detailed customer information on the cards, the company believes it can manage its databases at the front desk more accurately.

The service locations will also each be fitted with a self-service kiosk containing an RFID reader and a Wi-Fi card to connect with the shop's wireless LAN and IT network, and so it can be placed anywhere in the customer reception area. The kiosk will about the size of an airline check-in kiosk and works on the same type of principle, only customers will be recognised by waving their RFID cards. All Night Auto's pilot will help the company determine whether use of its RFID customer card can be extended to a kiosk application that would allow users to choose from a list of loyalty awards. For example, the kiosk could print a coupon that's good for admission to a local movie theater and that the customer could use while waiting for their vehicle. All Night Auto says theater operators and other local businesses decide to participate in cross-marketing opportunities and extend offers targeted to All Night Auto customers, they are waiting to see how customers take to the RFID cards over the next six months.

Plastic-card maker [Arthur Blank](#) will supply the loyalty cards for the RFID pilot, and mobile device developer [Xybernaut](#) will supply the RFID readers.

All Night Auto plans to use an RFID system that will give the cards a read range of 3 to 4 inches. According to Arthur Blank, the credit card-size cards will use MiFARE chips from [Philips Semiconductors](#) with 1 kilobyte of memory. MiFare chips operate at 13.56 MHz and conform to the ISO 14443A standard.

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