

Tesco Picks ADT for RFID readers

The U.K.'s largest retailer signs a deal with ADT Security Services for 4,000 RFID readers and 16,000 RFID antennas for delivery this year.

By Jonathan Collins

Jan. 10, 2005—Placing the largest single order for radio frequency identification (RFID) readers so far in the retail sector, Tesco, the U.K.'s largest retailer, has turned to Tyco Fire & Security's [ADT Security Services](#) unit for 4,000 readers and 16,000 antennas all set for delivery before the fall this year.

The deal is the first part of a three-year contract, which makes ADT Tesco's exclusive supplier of RFID readers and antennas. The value of the deal was not announced.

Unlike other retailers, Tesco has been opting for single-vendor contracts in its RFID rollout. Last year, Tesco announced it would use [OATSystems](#) middleware infrastructure across its RFID system. Retailers including Metro Group and Wal-Mart have stressed they will use hardware from a number of competing vendors in their deployments.

According to ADT, the exclusive nature of the deal signals significant potential for sales to Tesco and its partners over the next few years. "The value of the deal to Tyco is magnified well beyond these 4,000 readers. There are several additional years, and [it positions us well to supply readers to] the Tesco supply base," says George Reynolds, vice president of RFID for Tyco Fire & Security, which is based in Boca Raton, Fla.

In the first phase of that contract, ADT will supply readers for deployment at dock doors and merchandise receipt points at around 1,300 Tesco stores as well as 35 distribution centers across the U.K. Tesco's U.K. national distribution center alone is expected to have 200 read points, and the ADT readers will be part of a network that will be used to track cases and pallets of products.

ADT says it expects to start delivering products to Tesco under the contract in the spring this year after it has met with Tesco to finalize product specifications. "We will be working with Tesco to determine if there will be any hardware and software feature changes to our products to optimize them for its IT infrastructure," says Reynolds.

Tesco will use a number of ADT antenna designs with ADT's Sensormatic SensorID Agile 2 reader—a multiprotocol, multifrequency RFID reader that Tyco Retail Solutions Group produces based on the Agile RFID reader design by Cambridge, Mass., technology design and development company [ThingMagic](#) (see [Tyco to Mass-Produce RFID Readers](#)).

The network will use EPC Generation 1 Class 1 tags, which have previously been supplied for Tesco RFID trials by Alien Technology (see [Tesco Deploys Class 1 EPC Tags](#)). The company has not announced which company will be its tag provider going forward.

Tesco's RFID program is part of its Radio Barcode and Secure Supply Chain programs announced in May 2000, which the retailer says will help it increase product availability, cut operating costs and improve

customer service.

"ADT successfully came up with the solution that meets the specific requirements of our supply chain, and we have been extremely impressed with the trials run to date. Their pan-European capabilities are key to meeting our ambitious rollout plans," Colin Cobain, IT director at Tesco, said in written statement announcing the purchase of the 4,000 RFID readers.

The company selected ADT after testing readers from four vendors in trials that took place at the end of the summer at one Tesco distribution center and 16 of its stores as the company began to roll out RFID in its operations (see [Tesco Begins RFID Rollout](#)).

ADT says it is also looking to separately provide installation services to Tesco as the retailer deploys its planned RFID infrastructure. "With 1,300 stores to be fitted with readers in less than three quarters, it will require a company that can manage deployment at a rate of 30 to 70 stores a week. We have proved our capability in deploying our EAS systems for Tesco. We know the company's people and processes, and that sets us apart," says Reynolds. Tesco has also worked with other RFID integrators, including IBM Business Consulting Services.

Tesco operates more than 2,000 supermarkets, hypermarkets and convenience stores in the U.K., Ireland, Central Europe and Asia, with 1,982 in the United Kingdom alone. According to ADT, Tesco is also looking into further deployments that could include their operations outside the U.K.

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