

Surveys Reveal Dubious Consumers

Recent surveys in the U.S. and in Europe show a need for more thorough public education on the uses and capabilities of RFID.

By Mary Catherine O'Connor

Feb. 17, 2005—A recent survey of U.S. consumers points to a growth in awareness of RFID technology, thanks to increased attention by the mainstream, non-Internet-based media. A different survey conducted among consumers in Europe seems to indicate that consumer awareness there is lagging behind awareness in the U.S. Both surveys, however, reveal that concerns over the use of the technology are still prevalent.

The number of U.S. consumers who are aware of RFID technology is growing steadily, but so are negative perceptions of the technology—especially among women. These are the findings of the latest RFID Consumer Buzz report, based on a quantitative survey of more than 7,000 consumers and on focus groups involving 40 of the respondents conducted during December 2004 and January 2005. These were the second in a quarterly series of consumer surveys and focus groups facilitated by Fremont, Calif.-based online research company [Artafact](#) and [BIGresearch](#), a Columbus, Ohio-based market intelligence company. Since the first survey of the series, conducted in September, distrust over the use of RFID has increased and TV and radio news surpassed the Internet as the most common way people learn about RFID. And Linda Stegeman, president of Artafact, says there are correlations between the means by which consumers are becoming aware, the gender of the consumer and the consumer's perception of the technology.

Of respondents to the December survey who said they were aware of RFID technology, 44.7 percent said using RFID to track products is a good thing, down from the 50.6 percent of RFID-aware respondents in the first survey who said it was a good thing. Among women surveyed in December, 67.2 percent either feel RFID for tracking products is not good, or they are not sure whether it is good. Among men surveyed in December, 47.3 percent either feel RFID for tracking products is not good, or they are not sure whether it is good. In both surveys the percentage of men who were aware of the technology was much higher than the percentage of women who were aware of the technology, though there were more RFID-aware women in the second survey than in the first. In September, 39.7 percent of men and 17.6 percent of women were aware; in December, 50 percent of men and 24.9 percent of women.

"There is a gender gap between men and women here," says Stegeman, who conducted online focus groups of 20 men and 20 women who took the quantitative survey and said they were aware of RFID. "Women are less aware of the technology and are therefore less secure about. Women hear about RFID on the news and from friends and family. Men tend to learn about RFID in the workplace." By learning about it at work, men tend to get more complete information about the technology and how it works, and that leads to less concern over its use in tracking products.

As with the first survey (see [Consumers Awareness of RFID Grows](#)), consumer's concerns around RFID are based on fears that retailers might track their shopping habits and share information with other businesses and government agencies.

The latest survey also shows that consumers are taking a proactive stance on technology in general, including RFID. "Consumers are likely to take action against technology encroaching on their privacy, just as they have with the 'Do Not Call' list and antispam e-mail policies," Stegeman says. "They have learned to protect their privacy and will take active measures to do so in the future."

When asked about the use of RFID in nonretail applications, survey respondents answered they are comfortable with applications such as using RFID wrist bracelets to identify patients in hospitals or using RFID transponders for automated highway toll payments. But with regard to the notion of using RFID to maintain information in databases that is linked to information pertaining to people, respondents said they have more trust in manufacturers and retailers than in government.

Stegeman says survey respondents feel that retailers or service providers react to customers' wishes, but that if the government wants to use a certain technology, it will use it no matter what. "The government keeps coming up as the biggest, baddest wolf in these scenarios," she says.

Big Research and Artafact will conduct its third survey and focus group series in March. The current report is available for purchase [online](#). A single report is available for \$1,000; four quarterly reports purchased together cost \$3,750.

European Survey Points to Low Awareness

A survey of more than 2,000 consumers in the U.K., France, Germany and the Netherlands conducted by business consultancy [Capgemini](#) in November 2004 revealed that awareness of the technology is markedly low in those EU countries. Overall, just 18 percent of European respondents to the Capgemini survey had heard of RFID, with the lowest awareness recorded in the Netherlands and the highest in the U.K.

In October of 2003, Capgemini conducted a similar survey of U.S. consumers (see [Consumers Voice Opinions on RFID](#)). According to that study, 23 percent of the 1,000 U.S. consumers surveyed were aware of RFID—indicating a higher awareness in the U.S. more than a year ago than in Europe today. The Capgemini report points to Wal-Mart and U.S. Department of Defense mandates as reasons behind the higher awareness of RFID in the U.S. The technology is also being used in Europe, however, in many of the same applications as it is in the U.S., from automatic-payment tollway transponders to tags on retail items. Europe's largest retailer, the Metro Group, is using RFID in stores today. European retailer Marks & Spencer is testing the technology.

Among those Europeans surveyed who are aware of RFID, however, the approval rating was high. Fifty-two percent said they have a favorable perception, while 8 percent have negative perceptions. Eighteen percent have no opinion and 32 percent are unsure. France had the highest percentage of respondents who have positive perceptions (65 percent), while 11 percent of French respondents claim negative perceptions.

As in the U.S., the loss of consumer privacy through the use of RFID technology tops the surveyed Europeans' concerns. In the survey report, Capgemini says it's very important for industry leaders who are promoting the use of RFID to educate consumers as early and as thoroughly as possible.

When asked about specific issues involving the use of RFID, such as its use in direct marketing efforts or consumer data being shared with third parties, the U.K. had the greatest percentage of respondents who are "concerned" or "very concerned."

The full report on the Capgemini survey is available free online at http://www.capgemini.com/news/2005/Capgemini_European_RFID_report.pdf.