

Consumers More RFID-Aware, Still Wary

A recent survey finds that more U.S. consumers have heard about RFID, but worries about privacy remain.

By Jonathan Collins

Apr. 8, 2005—U.S. consumers are becoming increasingly aware of RFID, and although many remain wary of the technology, a new report maintains that acceptance of the technology is linked to direct benefits to individuals rather than benefits for the businesses deploying RFID.

In most recent of the RFID Consumer Buzz surveys carried out quarterly by Columbus, Ohio-based market intelligence company [BIGresearch](#), 41 percent of the 8,500 adults surveyed in March 2005 said they had heard of RFID. That figure is up from just 28 percent when the same survey was conducted in September 2004.

The growth in awareness has come as RFID and its application has reached the mainstream media. In March, 26 percent answered that they had heard about RFID from TV and radio news, while 23 percent said from the Internet. For September 2004 survey, 23 percent of respondents said that the Internet had been the primary source of information, while TV and radio accounted for just 17 percent (see [Consumer Awareness of RFID Grows](#)).

"In September last year, RFID was primarily a business-to-business issue covered in trade publications, but since then it has reached the broader consumer media and publications," says Linda Stegeman, president of Fremont, Calif.-based [Artafact](#), which works with BIGResearch on the RFID Consumer Buzz surveys.

But while awareness of RFID has grown, worries about the potential application of the technology have remained high, according to the report.

"The number of people concerned about the technology has stayed consistently around 65 percent [from September through March]," says Stegeman. Twenty-five percent of respondents said they were very concerned about the technology and another 42 percent said they were somewhat concerned. The respondents' concerns centered on privacy abuses, especially those involving misuse by the government and insurance companies and the distribution of RFID data over the Internet.

Even so, apprehension is abating in those respondents with greater knowledge of RFID. "Those respondents that knew of RFID were less concerned about RFID applications than those that were unaware of the technology," says Stegeman.

In December, to further examine attitudes toward RFID, Artafact ran a series of four online focus groups involving people who were familiar with RFID. Each group consisted of eight to 10 RFID-aware adults, at least 18 years old. That study found that the degree of concern regarding RFID use depended upon the application and its direct benefit to the individual.

In the focus groups, Artafact provided participants with 14 examples of different RFID applications from

across a range of industries and asked them to say whether each application was a good idea or a bad idea and why. Artafact says it found that the RFID-aware adults respond positively to applications that they perceive as bringing tangible benefits to them. Responses revealed that the level of concern was related to the potential benefits that individuals felt they could derive directly from RFID use.

"They see no benefit at the retail level and have only concern for their privacy. However, in a healthcare setting, where RFID can be used to improve medical care, there is a greater support for the technology—especially if its use is permission based," says Stegeman.

Applications viewed as positive by the focus groups included embedding RFID tags in passports and driver's licenses, and using tags to track seniors and authenticate drugs. But the groups found it difficult to relate to inventory management and other business-only benefits, such as tracking cattle, and responded very negatively to uses for tracking items they personally purchase, says Stegeman.

The March 2005 RFID Consumer Buzz report is available at www.bigresearch.com/rfid.htm as a single report for \$1,000 or as part of four quarterly reports priced at \$3,750.

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