

Retail point-of-sale systems supplier Fujitsu Transaction Solutions says it will provide RFID integration services to its retail customers, and resell ThingMagic's Mercury4 interrogator.

By Mary Catherine O'Connor

Jan. 17, 2006—[Fujitsu Transaction Solutions](#), a Frisco, Texas, provider of point-of-sale hardware and software systems to retailers, is rolling out a new menu of RFID integration services. The company, a subsidiary of IT services provider [Fujitsu Ltd.](#), is offering these services in connection with an announcement that it will resell the [ThingMagic](#) Mercury 4 RFID interrogator to its customers, while also providing ongoing technical support for the interrogator. ThingMagic is an RFID technology company based in Cambridge, Mass.

According to Steve Beecher, vice president of network solutions and customer marketing for Fujitsu Transaction Solutions, the company is taking an approach to RFID that sets it apart from most RFID integration firms. Such firms tend to focus on RFID in the supply chain, specifically in distribution centers, where integrators work mainly with suppliers of consumer packaged goods (CPG).

"We place the focus on technology in the store, where we think retailers will see the most value from RFID," he says. "So we're really taking a bottom-up approach, looking at how RFID can be utilized in the store to push value—and then, of course, up through the back docks of the store, up the distribution channel to the distribution centers." He adds that Fujitsu's RFID services and products will be interoperable with those being used by CPGs for RFID applications in initiatives such as the [Wal-Mart](#) mandate.

Beecher says his company will initiate its first RFID technology trial with a customer in the coming weeks. He could not name the customer, but the [Fujitsu Transaction Solutions Web site](#) references a long list of large retailer customers. Among them are the following: Canadian Tire, Chevron, Kroger, Marks & Spencer, Nordstrom, Payless ShoeSource, PetCo, OfficeMax, Regal Cinema, REI, Ross Dress for Less and Staples.

According to Beecher, Fujitsu Transaction Solutions will provide RFID integration services for goods tagged not only at the case and pallet level, but also (as it becomes more widely tested) at the item level. The upcoming pilot, however, will involve only tagged cases and pallets.

"Tag pricing and the difficulty of getting value out of [item-level] tagging, especially for low-margin retailers," are going to be hurdles, he says. "I would say that if we're talking about grocery stores, it's going to be a traditional back end of the store receiving tagged products [tagged cases and pallets] from the distribution centers. Where we see the real potential for item-level is in the higher-margin products, such as specialty clothing, consumer electronics, home appliances—that kind of thing, where you can justify the price of the tag."

Fujitsu Transaction Solutions sells hardware and software solutions that can be used, together or

independently, to enable retailers to process transactions and manage inventory flow. Its GlobalSTORE software platform is a point-of-sale and inventory-control application. The company also sells Fujitsu point-of-sale terminals, scanners, printers and displays, as well as third-party products, including servers and networking products. Additionally, it offers self-checkout systems, which customers use to scan the bar codes on products and process their own transactions, as well as handheld devices that store employees can use for mobile retail applications.

The ThingMagic Mercury4 interrogator reads any passive RFID tags compliant with ISO and EPC standards, including the EPC Gen 2 Class 1 protocol. Beecher says that while his company's reseller contract with ThingMagic presently includes only the Mercury 4 interrogator, Fujitsu is also interested in ThingMagic's Mercury4e, a smaller, embeddable device.

"We will be looking at if and how we can integrate the embedded product into existing Fujitsu products, like self-checkout devices, or our handheld platform or point-of-sale terminals," says Beecher. These applications would be used for reading item-level RFID tags.

Kevin Ashton, vice president of marketing for ThingMagic, says this alliance with Fujitsu Transaction Solutions will help make ThingMagic products more accessible to users of RFID in the retail industry. "The most exciting part with respect to this [announcement] is that Fujitsu Transaction Solutions is a major player with major retailer customers, and we're very pleased to be selected as the reader provider," he says.