

Metro Calls for Action on RFID Standards

One of the technology's key retailer adopters cautions that until a single data standard emerges, RFID deployment will remain limited.

By Jonathan Collins

Feb. 13, 2006—The German retailer [Metro Group](#) has been among the vanguard of large retailers promoting and deploying RFID for the retail supply chain in Europe and around the world. Speaking at the opening of the [Global Retail Technology Forum](#) in Düsseldorf, Hans-Joachim Körber, Metro's chairman and CEO, stressed that RFID adoption will help retailers improve their customer service and grow business. However, he warns, without a single global numbering system in place, the technology's uptake will be severely limited.

"[RFID] is the future, and it will make retailers' lives easier," he explains, "but there is one precondition: We have to go for common standards. We have to seize the opportunity today to have one worldwide standard. That's why we push so much, on the [EPCglobal](#) board, for one standard that fits pharma, textiles or whatever. It is a single opportunity, and we should not miss it."

Metro has consistently been a key protagonist for RFID development and adoption across the retail industry since 2003. That year, the firm launched its [Future Store](#), which utilizes RFID tags on pallets of goods it receives, as well as on a handful of items it sells (see [Metro Opens Store of the Future](#)). In November 2004, the retailer started using RFID at distribution centers (see [Metro Readies RFID Rollout](#)). However, the company's efforts, Körber says, remain "more or less in the test phase."

The company had expected 100 suppliers to be tagging shipments to its RFID-enabled DCs by the end of 2004, but Körber says that number is only around 40, including such global companies as [Johnson & Johnson](#) and [Procter & Gamble](#).

Agreeing on a single data standard will be critical to speeding up adoption, Körber states. "We have to have the same data on the tag...what we are looking for is one worldwide numbering system—say, 28 digits—that allows us to use RFID in different industries. At the moment, we are still in that process," he says. Although progress is being made (see [Tag Proposal Addresses Industry Needs](#)), he estimates it will likely take another 18 months for EPCglobal, industry groups and retailers such as Metro to complete that work.

Metro believes the more retailers get involved in RFID, the better it will drive standards development. "We expressly welcome the [RFID] activities of our competitors," asserts Körber, "because it is in our interests to achieve an international understanding of uniform standards across all companies and industries."

While waiting for an agreed-upon data standard may be holding up deployments like Metro's, however, in the short-term, the company remains convinced of the value the technology can bring to retailers. "By far, the key technology with the greatest potential to our business—and, therefore, of strategic importance—is radio frequency identification," Körber maintains. "[A single numbering standard] is a precondition for the successful introduction of RFID in international retail, but it is also a major precondition for the success of international retailers expanding their business beyond the borders of their home markets, and beyond

Western Europe.”

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