

**Stifled by the limitations of UHF RFID in Europe, Tesco has fallen behind in its planned RFID deployment and reinvented its RFID strategy.**

By Jonathan Collins

Apr. 7, 2006—[Tesco](#), the United Kingdom's largest supermarket chain and one of the key early UHF RFID adopters in Europe, has changed its plans for the technology within its operations, claiming complications from using UHF RFID under [European Union](#) (EU) regulations have hampered its use of the technology.

Tesco's Secure Supply Chain trial began in October 2003, with the retailer planning to deploy RFID in its 1,400 stores and 30 distribution centers in the United Kingdom by November 2005. In January 2005, Tesco selected [ADT Security Services](#) to be the sole supplier of the 4,000 RFID interrogators (readers) and 16,000 reader antennas it would use in its Secure Supply Chain program. This rollout, which focused on tracking tagged trays of high-value goods transported from the DCs to the stores, was initially expected to be complete by the end of 2005, but that deadline was later revised to mid-2006. Currently, Tesco says, only 40 stores and one DC have so far been thus equipped.

"There have been significant challenges with regard to EU standards and operating in dense-reader environments," says Deborah Watson, Tesco's press officer, "but we are working with standards bodies and our partners to deliver the right solution."

Tesco has long bemoaned the problems of using UHF RFID within Europe, especially the EU regulations that limit RFID deployments on that continent to a far smaller slice of spectrum than comparable implementations in the United States, (see [Tesco CTO Describes Europe's Hurdles](#)). In July 2005, when the initial deployment timetable was extended to mid-2006, the firm cited both reader and tag performance as problem areas.

Now, instead of using disposable EPC-compliant tags in its shipping trays and on pallets, Tesco reports that the Secure Supply Chain program has evolved into what it calls its Unit of Delivery plan, which will utilize reusable tags attached to roll cages and dollies. The company hopes this will result in RFID being more widely implemented across Tesco's operations instead of being restricted to certain shipments.

According to Tesco, the change in strategy builds on the lessons learned in its Secure Supply Chain project. The company says the project proved RFID can provide greater supply chain visibility and simpler processes for its staff, while resulting in improved product availability, better service and cheaper prices for its customers.

The new Unit of Delivery plan calls for the tagging of returnable transport items delivered to stores from distribution centers. Initially, these will consist of roll cages and dollies, but in the future, the plan will also include all returnable transport items.

Initially, the new Unit of Delivery strategy will be implemented at the one distribution center and 40 stores already equipped with RFID infrastructure. Tesco, however, is reticent about giving a deadline for the RFID rollout to all its stores and DCs, indicating only that it would be completed "in the next few years."