

Vendors Offer Free Retail Display Tracking

A trio of companies believe tracking promotional displays with RFID will demonstrate to retailers and consumer packaged goods companies an ROI that is easy to attain.

By Mary Catherine O'Connor

May 22, 2006—Three RFID product and services vendors—[ADT](#), [Intel](#) and [OATSystems](#)—have announced a new program to track promotional displays. The companies hope the program, called Promotions-on-Standards, will show retailers and consumer packaged goods (CPG) firms how they can generate a return on investment by deploying RFID for something as simple as tracking the movement of promotional displays onto a sales floor in a timely manner. They believe the program will result in a significant increase in promotion effectiveness and product sell-through for retailers and CPG firms.

For the six-month program, the three vendors will donate all the RFID interrogators, antennas, portal frames, software and services needed to tag and track promotional displays between the distribution centers of participating CPG manufacturers and up to 10 stores of each participating retailer. The trio has already signed up one undisclosed retailer, and is in negotiations with five others.

[Procter & Gamble](#) (P&G) and [Kimberly Clark](#) are the CPG firms committed to participate so far, but the RFID vendors hope to attract up to seven more. The CPG companies will be responsible for tagging displays with any EPC UHF Gen 2 tags of their choosing. The cost to do this will be minimal, says Marc Osofsky, OATSystem's vice president of marketing and product management. A CPG company will need to tag a single display for each of the 10 retail store locations for each participating retailer.

Using RFID in promotions monitoring, by tagging and tracking displays designed to help launch new products, has proven to be the most profitable application of RFID for Procter & Gamble (see [P & G Finds RFID 'Sweet Spot'](#)). Improving product promotions and ensuring that new products are on sales floors at launch time can reportedly result in a 20 percent sales lift, on average.

ADT will survey each retail site to determine the optimal placement of ADT's interrogators, antennas and portal frames. It will also work with the CPG firms to tag select displays, which will be read at their DCs, then once again upon arrival at the retail store. Readers in both locations will feed data into OATxpress software, which will filter and manage the RFID data.

Manufacturers and retailers will be able to track when the tagged displays reach a store, when they're moved to the sales floor and how long they remain there—all in near-real time, the companies say. This information will then be integrated across many stores and processed by analytic tools that are part of OATaxiom software residing on Intel Itanium 2 processor-based servers at a central location. The analysis, which evaluates the success of promotional programs, will be shared with the participating retailers and suppliers.

"This is an example of hardware, software and services companies coming together, working with suppliers and encouraging retailers to use RFID," says Randy Dunn, director of RFID for ADT Security Services. "It'll be a great way to demonstrate an ROI to retailers." He notes that because the RFID infrastructure to be

deployed is standards-based (all readers and tags will be UHF EPC Gen 2), this will discourage retailers from deploying proprietary systems preventing suppliers from leveraging their existing RFID infrastructures.

The three RFID product and services vendors say they will work with the retailers to select one or more academic institutions to run a study of the program. They will then deliver a final report to participants evaluating the program's effectiveness, such as whether the use of RFID data led to improved promotions execution.

"If we can work with just one [academic institution], that'll be great—but the retailers might request different ones," says Eric Townsend, who works in RFID business development at Intel. The study will include control groups consisting of promotional displays not tracked with RFID. The researchers will compare sales for control groups with those for the RFID-tracked promotional displays, providing analysis at the end of the six-month trial.

The three firms are collaborating on the program, which will kick off a product and services offering called Real-time Promotion Execution (RPE). The same products and services the vendors are providing to subsidize the Promotions-on-Standards program will be available in the RPE offering.

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