

OATSystems Launches Solutions for Tracking In-Store Product Promotions

Kimberly-Clark is the first CPG company to use the OAT Mobile Tag system and Real-Time Promotion Execution software.

By Claire Swedberg

March 21, 2007—RFID system provider OATSystems has released a real-time tracking system for in-store product promotions, designed to alert consumer packaged goods (CPG) providers immediately if a promotion is not placed on the retail floor at the appointed time. Health and hygiene product maker Kimberly-Clark is the first CPG company to use OAT's Real-Time Promotion Execution (RPE) software and Mobile Tag system.

OAT's Mobile Tag solution and RPE software enable Kimberly-Clark and other CPG companies to track RFID-tagged promotional displays. Interrogators deployed in the back rooms and front areas of stores, as well as at box crushers, gather data related to the displays' locations. The system sends that data to the companies so they'll know when their displays are being placed at the front of each store, and when they're removed. The companies can then compare this information against the actual schedule for the promotion.

OATSystems' Mobile Tag consists of software for managing the tagging and encoding process, as well as exchanging data between a firm's remote facilities and corporate headquarters. It also incorporates ADASA's Mobile Tagging Station, which consists of ADASA's PAD3500 mobile RFID tag encoder, which can be worn on a belt and used to commission Gen 2 RFID tags; a laptop computer running OAT software; and a Motorola handheld interrogator able to read both RFID tags and bar-code labels.

K-C's contracted promotional-display manufacturers are using the OAT Mobile Tag system to tag promotional displays. The Mobile Tag software provides K-C with tracking data and can work independently of the RPE solution. However, RPE gives CPG companies and stores the added ability to aggregate data and share it with retailers and other parties. It also provides them the data they need to react to problems at a store as they happen. RPE software can send an alert as soon as the time and date of a scheduled promotion display begin if the display is not where it should be. That data (and the alert) can be sent to either the CPG, the store itself or both.

Delays in deploying promotional displays are costly, says Paul Cataldo, OATSystems' vice president of marketing. Item promotions often remain in the back room of a store at a time when they are scheduled to on the sales floor, promoting a product. According to OATSystems, between 15 and 40 percent of stores do not set up their promotion displays on time. Kimberly-Clark invests significantly in in-store product promotions, which are typically shipped directly to retail stores by K-C's contracted promotional-display manufacturers.

Kimberly-Clark began a test of the Mobile Tag and RPE solutions at numerous stores in mid 2006, and went live with the system in the fourth quarter. The company's promotional-display manufacturers use the Motorola RFID and bar-code handheld reader to scan the bar-coded SKU number on the product being promoted, then

apply a passive EPC UHF Gen 2 tag to cardboard promotional display being shipped and use the PAD3500 device to encode the tag. The Motorola reader then captures the RFID number. In this manner, the tag's unique ID number can be permanently linked to the product SKU and sent via OATSystems' Foundation Suite software to Kimberly-Clark's information management system, indicating the shipment is on its way from the manufacturer.

RELATED_ARTICLES If a display being shipped passes through a distribution center, an RFID interrogator at that site can read the display's RFID tag as it arrives and then leaves for a store. There, the system reads the tag again in the back room, indicating the product has arrived at the store and is awaiting the scheduled date and time to be placed on the sales floor. With an RFID system that does not use RPE, a CPG company could look up a display's supply-chain route in its database using OATSystems' software. With RPE, however, Kimberly-Clark and store management can be alerted automatically whenever a promotional display is not deployed on time.

K-C has signed an enterprise licensing agreement to purchase OATSystems' OAT Foundation Suite, Cataldo says, which includes both the Mobile Tag solution and RPE. "Kimberly-Clark is very innovative in its use of RFID," he says. "They're one of the first CPG makers moving beyond compliance to become competitive [through use of RFID technology]." Other CPG companies, adds Cataldo, are also using the RPE but have asked not to be named.

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