

Metro Pushes Pallet Tagging

The retailer has told its top suppliers they will need to put RFID tags on all pallets shipped to 180 Metro locations within Germany starting Oct. 1.

By Mark Roberti

May 25, 2007—At a meeting held last week in Düsseldorf, Germany, Metro, the world's fourth largest retailer, told its top suppliers that starting Oct. 1, they would be required to place RFID tags—based on EPCglobal's second-generation Electronic Product Code standard—on all pallets shipped to 180 locations in Germany.

For several years, Metro has worked with a number of suppliers to tag pallets. With the introduction of EPC Gen 2 technology in 2006, performance improved significantly. Tests done at a Metro distribution center showed that many readers could operate simultaneously in a facility without interfering with one another. "Now, it is time for a broadscale rollout of RFID," says Gerd Wolfram, managing director of Metro Group Information Technology.

Metro has reported that it can save roughly \$8 million per year in Germany alone, from reading tags on pallets automatically. With that benefit in mind, Metro made the decision to move forward and require suppliers to tag pallets. Those that choose not to apply the tags will be charged an additional handling cost, Wolfram says, though he declines to specify the amount.

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