

# Best Buy Eager to Use RFID to Eliminate Checkout Lines

The greatest obstacle to deployment, according to Best Buy CIO Bob Willett, is the current cost of tags and readers.

By Claire Swedberg

June 20, 2007—Technology costs are the greatest obstacle to the store of the future, according to Best Buy's CIO, Bob Willett. In fact, he says, once the price of RFID tags and other hardware comes down to an affordable level, Best Buy plans to adopt an automated system designed to eliminate checkout lines.

Willett envisions a scenario, within the next few years, in which customers could locate an item in the store, pay for it with a credit card at a station located in the department in which they're shopping and request the item be home-delivered or prepared for pick up at the store front—either way, without having to wait for a cashier's assistance. This could be managed, he explains, through the placement of RFID tags on items and the installation of interrogators throughout the store—to quickly identify an item's specific location—as well as at point-of-sale devices that would read credit cards or Best Buy preferred-customer cards containing embedded RFID tags.

To that end, Willett says he challenges vendors to create a system economical to retailers, including lower-cost readers and tags. Such a development, he predicts, could be accomplished within the next one or two years.

"The technology is out there to produce a checkout-less store now, but it is not yet cost-effective," Willett says. However, he adds, Best Buy (if not other retailers) is seeking this low-cost solution as soon as possible, to improve customer service. In describing the current shopping experience at Best Buy, Willett says, "We create a wonderful environment for customers and then, like all other retailers, ask them to line up for checkout." Such a scenario is not only inconvenient for Best Buy's customers, he states, but also frustrating for its staff, who could put their time to better use.

"Could you imagine how many people would be relieved from working on checkout to help other customers in the store with the products?" he asks. "Really, this is all about enhancing the customers' experience."

Consumer education, Willett says, is another obstacle to automated checkout. He says retailers need to better educate their customers about RFID and how it is being used. That includes convincing them RFID can improve their in-store experience without being used in a way that poses a threat to their privacy.

Best Buy has 750 stores throughout the United States and has been involved in RFID deployment, both at the supply-chain and item levels, for the past several years. In 2004, the retailer issued an RFID mandate similar to those of Wal-Mart and Target, initially seeking full compliance by all of its suppliers by May 2007, including the tagging of all cases and pallets shipped to Best Buy stores (see Best Buy to Deploy RFID).

Although Best Buy has not met its original goal, Willett says, supplier RFID deployment efforts continue. "We are still on a limited pilot with pallets and cases, not near to a full-scale rollout," he says. "We're still working toward our deadlines, but this isn't a sprint—it's a marathon, it's about a long-distance race."

With an eye toward item-level tagging, the electronics retailer has been piloting systems to expedite the process of locating items in store fronts and back rooms when customers request them. In 2006, Best Buy completed a 50-store pilot using EPC Gen 1 RFID tags for video games on store shelves (see [RFID Gets Itemized](#)).

RELATED\_ARTICLES Willett says that with RFID-tagged products, staff spent less time refilling stock on shelves and, instead, spent more time with customers on the sales floor. Additionally, according to statistics Willett provided at the 2007 [Retail Systems Alert Group](#) (RSAG) conference and tradeshow, sales of the tagged videos increased by 18.7 percent and product availability grew to 98 percent, up from less than 90 percent.

While the retailer has no RFID pilots currently underway, Willett says, it will likely carry out new ones in the months ahead, using EPC Gen 2 technology. With further RFID deployments, he adds, "I think we'll continue to create a wonderful experience in the store."

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