

Benetton to Tag 15 Million Items

The Italian retailer plans to put RFID labels on a complete line of clothes and track items from manufacturing plants to the point of sale.

March 12, 2003 - Last month, we asked [RFID: The Next Fashion From Italy?](#) We got the answer yesterday, when [Philips Semiconductors](#) revealed that Benetton, the clothing retailer based in Treviso, Italy, would be tagging a complete line of its clothes at more than 5,000 stores globally.

Philips says it will ship 15 million chips this year for use in labels that will be put on the clothes when they are manufactured. That makes this one of the largest RFID implementations ever by any company. The Gillette Co. recently ordered 500 million RFID tags, but those will be delivered over three years, and the company has only just begun to take delivery.

Clothes produced under Benetton's core brand Sisley will be fitted with RFID labels. The tagged items will be placed in shipping boxes, which will also be tagged. Benetton will be able to track clothes from the time they are produced until the time they are sold. The chips will remain active even after the products are sold, so they can be used to track returns as well.

RFID Journal reported in January that European retailers planned to move to tracking individual pieces of clothing. That Benetton is first is not a surprise. The company controls its own supply chain, so it gets the benefit of the investment in the tag from the time of manufacture to the time of purchase.

By eliminating the need to scan a bar code each time the product is moved to a different point in the supply chain, the company increases order accuracy and reduces labor costs. Stores receiving boxes of mixed goods can quickly scan the items into inventory without manual counting and verification.

And once readers are installed in stores, staff will be able to ensure that each color and size of each style is in stock and be able to locate items when a consumer has returned it to the wrong rack or shelf. The Gap did a trial at one store and found sales rose by more than 5 percent because in-store availability improved.

Philips did not reveal the cost of the tags, but it will likely be 25 cents to 50 cents, based on the order size. The tags will use Philips [I-Code](#) chip, which operates at 13.56 MHz, stores 512 bits, has a read range of three feet and is compatible with ISO 15693. Lab ID will convert the chip into an RFID tag that can be sewn into the garments during the manufacturing process.

[Lab ID](#) will also provide Benetton with readers that can be used on store shelves, which the company has developed over the past 15 months. And [Psion Teklogix](#) will provide Benetton with its wireless LAN netpads, which can be fitted with an RFID antenna to read tags.

It's not clear how long it will take Benetton to install readers in its 5,000 stores, but the retailer, which had sales of \$2 billion last year, is likely to raise privacy concerns. Even though the tags have a read range of just three feet, some privacy groups are concerned about the possible abuse of the technology.

CASPIAN (Consumers Against Supermarket Privacy Invasion and Numbering) has called for a worldwide boycott of Benetton. A Philips's spokesperson told *RFID Journal* that the tags "have a feature that enables the retailer to disable the chip once a product has been purchased. This destroy command deactivates the chip and erases data stored on it thereby granting the privacy of the buyer."

The "self-destruct" command can be used at the discretion of the retailer and depends on the set-up of the project. Benetton has not said whether it will disable the tags at the point of sale.

Unless there is a big public outcry, however, Benetton is not going to be the last retailer to adopt RFID. Most analysts say it makes sense to track items that cost more than \$15 with RFID tags that cost 50 cents. The benefits are greatest for integrated retailers like Benetton, which sell only their own brands, but other retailers can also get significant savings and sales increases from improving order accuracy and in-store availability.

[RFID Journal Home](#)

Copyright ©2005 RFID Journal, Inc. All Rights Reserved