

The RFID-enabled system uses EPC Gen 2 tags to allow retailers and product suppliers to track not only new promotional displays, but also the individual items they contain.

By Mary Catherine O'Connor

Apr. 24, 2009—[Alliance](#), the merchandising and displays division of [Rock-Tenn Co.](#) (one of North America's largest manufacturers of paperboard, containerboard, packaging and merchandising displays), has developed a hardware and service offering that would take promotions management to a new level. Partnering with [Seeonic](#), a provider of inventory-management software, and RFID tag manufacturer [UPM Raflatac](#), Alliance has developed an RFID-enabled system that would allow retailers and producers to track not only new promotional displays, but also the individual items featured on those displays. According to Seeonic, the system could also be used in conjunction with a theft-deterrence system.

The pairing of RFID with promotional displays represents one of the technology's success stories in the retail industry. Tracking the location of promotional displays using real-time visibility enabled by RFID has allowed consumer packaged goods companies, such as [Procter & Gamble](#) and [Kimberly-Clark](#), to improve the marketing of their products (see [Kimberly-Clark Gets an Early Win](#)). What's more, better promotions execution means better sales opportunities for retailers, such as [Wal-Mart](#) and [Walgreens](#).

Alliance's new offering builds on the company's existing reusable product display system, known as MAXRPM, which reduces the packaging waste and shipping costs associated with single-use promotional displays. Produced with metal frames, MAXRPM displays accommodate corrugated shelving and signage swapped out with each new product promotion. The frame is continuously reused, and requires less corrugate for each promotion, thus lowering the size and weight of the promotional elements shipped to retail stores.

Working with Seeonic, Alliance is mounting a battery-powered EPC Gen 2 RFID interrogator onto the metal frame. The reader's antennas are positioned so that RFID tags attached to the products placed on the display will be interrogated when the device is powered on. The reader would then forward this data, via a Wi-Fi-enabled Internet connection, to a Web-accessible business intelligence service and relational database, SmartWatch, hosted by Seeonic.

Using SmartWatch, the manufacturer can monitor the quantity of new products on each display shelf, in real time. This provides much more detailed visibility than just tagging the display and not the items it contains, which is how promotion display tracking has been performed, to date, at major retail locations (see [Walgreens, Revlon Affirm Value in Tagging Promotional Displays](#) and [P&G Finds RFID 'Sweet Spot'](#)).

SmartWatch could be employed to automatically alert store managers and product suppliers, through e-mail or other communications, when stock levels on the displays fall too low and need to be replenished. Maternity apparel company Tomorrow's Mother has used Seeonic's system to track its

products sold in department stores, (see [Maternity Apparel Maker Gives Birth to Smart Displays in Stores](#)).

Additionally, the SmartWatch software can be programmed to alert store managers when many of the same products are removed from a shelf on the display at once. This could signify that a type of theft called a sweep—in which thieves remove large numbers of the same product and toss them into a bag or otherwise conceal them—is in progress. Based on a sweep alert from SmartWatch, store managers might send security personnel to the display area, or review security camera tapes to determine whether a theft is taking place.

In 2006, Alliance acquired partial ownership of [Goliath Solutions](#), which provides Walgreens with its promotional-display tracking system. But the Goliath system is dissimilar from what Alliance hopes to accomplish with Seeonic. "The two approaches are very different—like night and day," says Jim Einstein, Alliance's executive VP and general manager. "Seeonic is all about inventory control on a real-time basis, but Goliath is about helping retailers comply with point-of-sale display programs."

Technology alone can not improve business operations, however. Even with the help of an automated system, retail store employees need to act on the data collected and ensure the physical sales-floor inventory is adequate. This was evident in Procter & Gamble's decision, earlier this year, to halt its promotional-display tagging project, wherein contract manufacturers placed RFID tags on displays sent to RFID-enabled Wal-Mart stores (see [Procter & Gamble Halts Tagging of Promotional Displays](#)). While P&G's pilot program showed that RFID had the potential to improve promotional effectiveness, it was not leading to better promotional compliance among Wal-Mart's sales associates, according to one anonymous who had spoken to *RFID Journal*.

According to Einstein, one retailer—which he could not name—plans to launch a test of the MAXRPM/Seeonic system this summer. The system, he says, could be deployed in a number of ways—the retailer could purchase the reusable frame and RFID components outright, or a third-party merchandizing company could buy them and lease them to the retailer, or the retailer could lease the system direct from Alliance.

Placing an RFID tag on each product placed on a display would not make good business sense for all products, however. Manufacturers would have a hard time justifying the added expense of tagging low-cost items, such as soap or snack foods. But one product category in which this item-level approach may be embraced, Einstein says, is entertainment—specifically, movie DVDs. Because they are relatively expensive (compared with many consumer packaged goods), often the target of thieves, and in high demand for just a short amount of time following their release, movie DVDs make a good candidate for item-level tagging and real-time tracking during their initial promotional period. [Tesco](#), in fact, has tested an item-level tagging system with RFID-enabled shelves (see [Tesco to Expand Item-Level RFID Trial](#)).

"We have talked to [DVD] replicators about the [MAXRPM/Seeonic] system, and we're talking to some

retailers about it now," Einstein states. "There is a prototype of the system at the [University of Arkansas' RFID lab](#) right now. I don't know how much traffic that lab gets, but I know that [representatives from] Wal-Mart go there, so we hope to expose them to the system."

A prototype of the MAXRPM/Seeonic system will also be on display at UPM Raflatac's exhibit area (Booth 1804) at [RFID Journal LIVE! 2009](#), being held next week in Orlando, Fla. At the show, Alliance will distribute prototypes of RFID-enabled loyalty cards that retailers could use to offer discounts to shoppers who present their cards to RFID-enabled displays in a retail store. The company will then select attendees carrying the loyalty cards at random, and award them movie DVD as prizes.