

A Kuwaiti retail chain is using EPC Gen 2 RFID tags to monitor its inventory of Nokia phones and other items, as well as to improve customer service and security.

By Rhea Wessel

July 10, 2009—[Future Communications Co.](#) (FCC), which operates 35 telecommunications retail stores and service centers in Kuwait, has implemented RFID at a Nokia mobile phone store it operates in the Arraya Shopping Center, and the company continues to test the technology. The system speeds and improves the inventory process, as well as providing additional benefits.

The project got its start as a pilot in 2006, making it the first retail RFID deployment in the Middle East and North Africa, according to the company. The pilot, which involved the placement of EPC Gen 2 RFID tags on all electronic devices and accessories, was designed to test the technology's use at the point of sale, in the supply chain and for taking inventory. RFID solutions provider [Future R.F.I.D.](#), a sister company of Future Communications, implemented the system. Based on that pilot's success, the retailer decided to keep the RFID deployment in operation.



Each Future Communications customer loyalty card contains an EPC Gen 2 RFID tag.

RFID Has a Future in Middle Eastern Phone Store

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When new stock arrives at the Arraya store, the staff tags items before they are moved to the sales floor, attaching [UPM Raflatac](#) DogBone tags to mobile phone packages, and UPM Raflatac's ShortDipole and Belt tags to accessories. FCC employs handheld and fixed interrogators from [Motorola](#) to perform inventory, thereby reducing the time it takes to collect inventory data to approximately 20 minutes, compared with half a day when inventory was previously performed manually. (Click [here](#) to watch a video about the application.)



The Future Communications staff use a Motorola handheld reader to inventory goods on the sales floor.

In addition, FCC integrated the RFID application into its electronic article surveillance (EAS) system, installing an RFID reader at the doorway through which customers enter and exit the shop. The RFID-based EAS system provides operators with the unique ID number of each item removed from the store.

"With RFID, we can tell which non-paid item is being taken out of the shop," said Abdullah Almuzaini, an RFID engineer for Future R.F.I.D., at last month's [RFID Journal LIVE! Middle East 2009](#) conference, held in Dubai. "Before, we could only tell that an item was being taken out."

The RFID reader installed at the door also enables the system to identify customers carrying RFID-based loyalty cards as they enter the showroom. This gives sales clerks the opportunity to identify VIP customers, and to quickly access their purchase histories.



An RFID reader installed under the checkout counter automatically identifies a customer's loyalty card and tallies up the items being purchased.

What's more, the system helps monitor stock levels in the backroom, where an RFID interrogator was set up to detect individual items every 10 minutes and report that information back to the computer system. Based on that data, the system sends an e-mail message to the distribution center noting that certain items have reached low stock levels, thus enabling replenishment.



Future R.F.I.D.'s Abdullah Almuzaini

When a customer is ready to make a purchase, items need not be scanned individually. Instead, a clerk moves that person's shopping basket across the checkout counter, under which an interrogator is installed. The patron's bill is calculated automatically, and the purchase history is added to that individual's profile if he participates in the loyalty program.

Salespeople at the store are satisfied with the system, Almuzaini said, due to its ability to save them time and effort in stocking shelves and waiting on customers.

In a separate supply chain pilot that concluded in approximately April of this year, Future R.F.I.D. and FCC tested a system that involved tagging mobile phones at the manufacturer and tracking them until they were received by the store. The purpose of the pilot was to test a system for full visibility from the manufacturer to the end user, Almuzaini told attendees, declining to provide additional details regarding that project.