

Tesco Deploys Class 1 EPC Tags

The U.K. retailer reveals that it is using tags and readers from Alien Technology to track goods between one distribution center and two stores.

Sept. 22, 2003 - Tesco, one of the largest supermarket chains in the United Kingdom, and Alien Technology have revealed that Tesco is using Alien's Class 1 Electronic Product Code technology to track trays and cases moving from one of Tesco's distribution centers to two of its U.K. stores.

"There has been a tremendous amount of activity around RFID in Europe," says Stav Prodromou, CEO of Alien, a Morgan Hill, Calif. producer of RFID tags and readers based on the EPC specification developed by the Auto-ID Center. "This really establishes a beachhead for EPC Class 1 over there."

The distribution center receives pallets and cases from suppliers and ships them to Tesco stores. When orders come in from the stores for specific items stored in the DC, employees collect the items from the shelf and put them in plastic totes and trays, which are shipped to the store. Tesco has installed Alien UHF readers at the receiving and shipping areas of the DC and put Alien tags on the totes and trays. Suppliers put tags on cases. That way, Tesco can track cases coming into the DC and cases, trays and totes being shipped out.

"This trial is helping us to gain better visibility in the supply chain from when the products leave our distribution center until they arrive at the store," said Colin Cobain, Tesco's IT director in a prepared statement. "It's also helping us improve product availability for customers and [it] makes life simpler for our staff. UHF is the logical choice for supply chain applications, and we are happy to be working with Alien Technology to demonstrate this capability."

Alien worked with IBM Business Consulting Services, Intel and IPI, a U.K. professional services company focused on new technologies to complete the entire project in just 12 weeks. It went live on Sept. 8.

IPI did the process design, site survey, site requirements, design work and implementation to interface with the backend system developed by IBM, which provides network connectivity to RFID readers and antennas. The system is based on Savants created by the Auto-ID Center. Savants are a distributed software system that acts as the operating system for the EPC Network. "This is the first implementation of a Savant-type infrastructure within a retail environment," says Swerdlow. "It exceeded all expectations as to how EPC can work in the real world."

Tesco has been on an expansion program and now has 2,291 retail stores around the world, including 1,982 in the United Kingdom. Its use of Class 1 EPC technology gives a boost to the system developed by the Auto-ID Center. While Wal-Mart, Gillette, Procter & Gamble and others have embraced EPC technology in the United States, the only other European company to announce a major project involving EPC technology is Marks & Spencer, (see EPC in Fashion at Marks & Spencer).

One issue with EPC in Europe has been the lack of RFID readers that operate in accordance with European Telecommunications Standards Institute (ETSI) regulations. Tesco is currently using Alien readers that operate at 915 MHz, the band used in the United States, with a site license that allows for a temporary installation at each of the three sites. Prodromou says Alien will have readers that operate at 868 MHz and

meet ETSI regulations in January. At that time, the readers installed at the three Tesco sites will be replaced with ETSI-compliant readers.

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