

The Real Scandal

The *Chicago Sun Times* has uncovered a “secret” smart-shelf test run by Wal-Mart and Procter & Gamble. One privacy group calls it a scandal. The real scandal is the way the public is being misled about RFID by journalists more interested in a sexy story than the facts.

By Mark Roberti

Nov. 17, 2003—I get three or four hundred e-mails a day, but one that appeared in my in box last week caught my eye. The subject line was: “Scandal: Wal-Mart, P&G Involved in Secret RFID Testing.” I opened it right away because I love a good scandal (what journalist doesn’t). It was a press release from Consumers Against Supermarket Privacy Invasion and Numbering (CASPIAN) about a *Chicago Sun Times* story “exposing” a smart-shelf test.

The *Sun Times* story was headlined “Procter and Gamble, Wal-Mart store did secret test of RFID” and it was actually a sidebar to an article entitled “Chipping Away at Your Privacy” (there’s an unbiased headline for you). The smart-shelf story opened with this line: “Shoppers in a suburban Tulsa, Okla., Wal-Mart were unwitting guinea pigs earlier this year in a secret study that two of America’s largest corporations never expected you’d know about.” Wow! It sounds as bad as those tests the U.S. military conducted during the Cold War, in which African-American soldiers were exposed to high levels of radiation without their knowledge.

The story explained that researchers from Procter & Gamble and Wal-Mart “concealed” RFID readers in contact paper placed under store shelves and embedded RFID antenna chips in packages of Max Factor Lipfinity lipstick. A camera trained on the shelves enabled P&G executives to view Webcam images from 750 miles away in Cincinnati. The P&G researchers “could tell when lipsticks were removed from the shelves and could even watch consumers in action.”

The CASPIAN press release riffed on this theme of evil corporate giants spying on people. “It proves what we’ve been saying all along,” Katherine Albrecht, founder and director of CASPIAN, says in the release. “Wal-Mart, Procter & Gamble and others have experimented on shoppers with controversial spy chip technology and tried to cover it up. Consumers and members of the press should be upset to learn that they’ve been lied to.”

Sounds pretty ugly. Except it’s all nonsense. Let’s examine the facts. The test was not secret. The *Sun Times* quoted a P&G spokesperson as saying there was a sign at the Lipfinity display that “alerted customers that closed-circuit televisions and electronic merchandise security systems are in place in the store.” The paper doesn’t dispute this. If it’s “secret” because Wal-Mart and P&G didn’t put out a press release, then there is an awful lot of secret testing going on in the world. Most companies want a competitive advantage so they don’t advertise every time they try some new technology or business process.

Albrecht says in CASPIAN’s press release: “This trial is a perfect illustration of how easy it is to set up a secret RFID infrastructure and use it to spy on people.” The only problem is that P&G and Wal-Mart weren’t spying on people. The test was designed to determine whether the shelf could help the companies ensure that

the lipstick was always in stock and, perhaps, to determine what improvement in sales could result from that. Let's look at the facts the *Sun Times* left out of the story.

1. The shelf was not connected to any back-end computer database; therefore, there was no way to determine who might be picking up the lipstick.
2. There were no point-of-sales readers, so no data was collected on any shopper.
3. The camera wasn't set up to spy on customers but to spy on the shelf. How could P&G know if the shelf was accurately forecasting out-of-stocks unless researchers could check inventory on the shelf visually? The images from the camera, which captured backs of heads, were not saved, according to P&G.
4. The tags were placed in the packaging, not on the lipsticks. That was done because it was expected that the consumer would throw the packaging—and the RFID tag—away.
5. The tags had a read range of less than an inch, and the serial number on the tag was not associated with information in any database.

Net result: No data was collected on any shopper. No shopper was identified as the purchaser of the lipstick. And even if the tags could be read in the packaging after someone left the store, the serial number on the tag was meaningless.

The *Sun Times* story didn't provide any information that showed P&G and Wal-Mart invaded anyone's privacy. But by using words such as "concealed" and "secret," it suggested these companies had some nefarious intent. In fact, all they wanted to do was determine whether there's a better way to make sure products are on the shelf.

The public is entitled to have *all* the facts about RFID—facts about the potential for abuses by retailers and manufacturers and facts about consumers benefits, including lower costs, safer food and drugs, and better product availability (for starters). I have no doubt that if people have access to objective information about RFID, they will make intelligent choices about what they will and won't accept. But that's not going to happen if journalists misrepresent the facts in an effort to write sexy stories. To me, that's the real scandal.

Mark Roberti is the Editor of RFID Journal. If you would like to comment on this article, click on the link below.

[RFID Journal Home](#)

Copyright ©2005 RFID Journal, Inc. All Rights Reserved