

Metro Readies RFID Rollout

Germany's largest retailer expects its top 100 suppliers to tag pallets and cases by November and establishes timetables for stores and other suppliers.

By Jonathan Collins

Jan. 13, 2004—In a major boost for RFID deployment in Europe, Metro Group says it will roll out an RFID system throughout its German stores' supply chain and have its 100 largest suppliers attach RFID tags to pallets and cases of goods by November.

"With our large-scale introduction of RFID, we will for the first time cover the entire process chain with this technology," says Zygmunt Mierdorf, CIO at Metro Group.

Announcing its RFID deployment at the National Retail Federation Convention & Expo in New York City, the Metro Group, which is Germany's largest retailer and the fifth largest retailer in the world, says that by November it will have deployed RFID networks at its 10 central distribution centers and at approximately 50 of its German stores.

The German retailer's announcement mirrors U.S. retailer Wal-Mart's own plans to have its top 100 retailers delivering tagged pallets of products by 2005.

Further out Metro has set a target of Jan. 1, 2006, to have more than 250 of its stores across Germany equipped to receive RFID-tagged deliveries. That comprises 100 stores from the company's Retail and Extra divisions, 122 Galeria Kaufhof department stores and 59 Metro Cash & Carry stores. By that date, Metro Group expects more than of its 300 suppliers will be delivering goods by means of pallets and cases bearing RFID tags. By 2007, the company hopes to have the system in place across its 800 German stores.

Metro, which will present at RFID Journal Live!, will not say how much its RFID deployment is expected to cost. The retailer has been testing the technology since April, when it opened its Extra Future Store supermarket in Rheinberg, near its Düsseldorf headquarters. That store showcases a range of emerging technologies such as intelligent scales, smart shelves and electronic price labels as well as some item-level RFID tagging.

The firm says partners on its RFID deployment plans are software maker SAP AG, chipmaker Intel, IBM, and 40 other information technology companies. Metro also announced that Microsoft will deliver network software for the project.

So far the company says no decisions have been made as to which RFID readers and tags will be used. In its initial distribution center trials, Metro Group has used readers from Intermec.

The reasons for taking its RFID experience nationwide, according to the company, stems from the success of the technology in that trial, as well as the ongoing push toward a standardized RFID technology through the work of epcGlobal and its members. "We believe that there will be a EPC standard later this year," says Gerd Wolfram, project manager for the Future Store.

While Metro says there are no plans to expand the item-level RFID tagging that it has tested in its Extra Future Store, in November 2004 it will introduce item-level tracking for some clothing items sold at its department stores . In that case, the RFID tags will be lined with EAS security tags.

In a bid to address customer privacy concerns over RFID, the company recently deployed an RFID-tag deactivation device at its Future store and that it expects to add such devices at all other stores carrying RFID-tagged items. Incorporated into deactivation kiosk installed at the Extra Future Store just a few days ago, the device allows customers to overwrite RFID tags to remove all data in a process that requires manual scanning of each tagged item.

"We take the issue of customer privacy very seriously. We will see how much customers use the device," says Mierdorf.

[RFID Journal Home](#)

Copyright ©2005 RFID Journal, Inc. All Rights Reserved