CD Tracking Project Deemed A Hit

All indications are that Phase 1 of the UK's CD.id project, in which music CDs were tracked through the supply chain, was a success.

Oct. 24, 2002 - An estimated total of 1.9 billion pirated CDs and cassettes were sold worldwide in 2001, according to a report by the International Federation of the Phonographic Industry. The U.K.'s Home Office is trying to do something about the problem. As part of the government's Chipping of Goods initiative, some 7,000 CDs were tracked with RFID tags to see if the technology could reduce supply chain theft.

The live phase of the CD.id project concluded this week. The final results and recommendations will be released next spring. But all indications are that the project was a success.

"It went well," says Stuart Dean, who managed the project for e.center, a U.K. e-business and supply chain standards association. "The technology held up incredibly well. What the project partners can see for the future of the technology is exciting."

The project began on July 15, when Handleman U.K., a music distributor, began putting RFID tags in CDs it received from EMI Distribution, the distribution arm of the EMI music studio. The tags were scanned as they left the Handleman facility and again when they arrived at a retail store owned by ASDA, one of the U.K.'s largest retailers. ASDA scanned the tags again when they were moved from the stockroom to the retail floor and then at the point of sale when the CDs were purchased.

Returns are a big headache in the music industry. EMI says about 10 percent of all CDs are returned. So the CDs were also scanned at the point of return and then at each point as they made their way back through the supply chain to EMI Distribution.

The CDs were tagged using passive UHF tags from BiStar, a South African company. All 7,000 CDs were in the supply chain as of Oct. 21, marking the end of the project. During the past three months, the partners could visit a secure Web site to find the location of the CDs as they moved through the supply chain or were returned.

The Home Office wanted to show that RFID tags could reduce theft and property crime while improving supply chain efficiency. The final report is unlikely to have detailed statistics on how much RFID tags reduced theft because there is no existing data to compare the loss of tagged CDs to. But the project partners felt the visibility they got from the system would be invaluable in curtailing theft.

"If they can see the product in real time, then they can manage it far more effectively," says Dean. "If it has gone missing between the time it was scanned out of Handleman's facility and the time it was scanned in at ASDA, they can follow that up to the day, to the time and to the person on duty when it happened, and they can change procedures if necessary."

e.center, the U.K. arm of EAN International, was also eager to show the benefits of having an open standard for tracking items with RFID tags. The tags used conformed closely to the GTag standard, which is based on

ISO 18000-6. The data structures used by the IT systems conformed to the standards EAN has created for tracking goods with bar codes. A serial number was added to the Global Trade Identification Number to track the unique CDs.

"The live phase, for us, was a way to demonstration that this technology works in the real world environments that it will need to be used in day to day for supply chain applications and that we have developed standards that make it possible to interpret the data anywhere in the world," says Dean. "We met all of our objects. I think well have a lot of good things to say in our final report."