



Will RFID Automate the Point of Sale? NCR Provides Systems to Test Wireless Tags at Checkout

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Research at Auto-ID Center Facility Will Include
`Kill' Options to Address Consumer Privacy Concerns

NCR Corporation (NYSE:NCR) and the Auto-ID Center today announced a test program designed to learn more about the potential for store checkout solutions based on radio frequency identification (RFID) technology, including options for protecting consumer privacy.

RFID tags are tiny computer chips equipped with antennas. The tags can store and transmit an electronic product code (EPC) that provides a unique ID for any object in the supply chain, be it a pallet, case or individual product.

The research is part of the Auto-ID Center's Field Test program to evaluate applications for the EPC and related systems. Expected to begin shortly, the tests will take place in a simulated store environment at the Center's Massachusetts Institute of Technology facilities.

"As RFID systems continue to improve and tags become cheaper, the extension of the EPC network to retail point-of-sale (POS) applications moves closer to reality," said Kevin Ashton, executive director of the Auto-ID Center. "This test is an essential next step in fine-tuning the technology for the benefit of consumers and retailers."

NCR, a global leader in retail store automation technology and a founding sponsor of the Auto-ID Center, is supplying an NCR RealScan(TM) "hybrid" scanner, which reads RFID tags as well as bar codes, for use in the test. In addition, NCR is providing an NCR EasyPoint(TM) self-service kiosk and application software, and will install and support the systems.

The NCR POS solution is designed to show whether or not an RFID tag is read and will interface to Savant, a software technology designed by the Auto-ID Center to act as the nervous system of an EPC network.

The test will include "kill" options that could be employed - if the consumer wishes - to erase information on the wireless RFID tags.

"We understand the concerns of some consumers regarding RFID and privacy, and we plan to evaluate several approaches that address this issue," said Chris Herwig, director of technology management for NCR's Retail Solutions Division. "One of these approaches involves erasing EPCs at the checkout as a transaction is being completed by a cashier. We'll also test an NCR self-service kiosk that consumers could use to kill tags, to verify that EPCs have been erased, or both."

Herwig added that the tests should yield additional information about the use of RFID technology at the checkout.

"Which packaging techniques and materials work best for individual products, and which cause interference? What effect will other wireless, or radio frequency, devices have on the process? How can we assure completely accurate reads 100 percent of the time? We need to resolve these and other challenges as RFID moves into the mainstream of store checkout operations."

In addition to its work with the Auto-ID Center, NCR's Retail Technology Management Center in Atlanta creates and tests proof-of-concept prototypes leveraging a range of new or advanced technologies, including RFID. NCR also offers consulting services to help retailers understand RFID opportunities and potential impacts and to develop RFID strategies that integrate technology, applications, data and business processes.

About NCR Corporation

NCR Corporation (NYSE:NCR) is a leading global technology company helping businesses build stronger relationships with their customers. NCR's ATMs, retail systems, Teradata(R) data warehouses and IT services provide Relationship Technology(TM) solutions that maximize the value of customer interactions. Based in Dayton, Ohio, NCR (www.ncr.com) employs approximately 29,500 people worldwide.

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