

HDE Statement

Informationsform RFID

A Sign for RFID – Increasing Transparency through Information

24. November 2008 in Brussels

„Experiences with consumer logos in other retail areas, pro and cons of the use of logos”

Dear Ladies and Gentlemen,

First of all I would like to thank you for the invitation to this round table on the issue of a sign for RFID. Let me congratulate you on the excellent initiative to prepare the matter pro-actively with the logo-competition before the concrete legislative discussion has started.

Before I turn to the heart of the matter let me briefly introduce the HDE: The HDE is the organisation of the German retail sector, which consists of about 400,000 independent companies with a total of 2.7 million employees and a yearly turnover of around 400 billion Euros.

Retail trade is the third biggest economic sector in Germany, after industry and the crafts. We have 100 000 business members from all sectors, locations and sizes, which together produce more than 300 billion Euros turnover a year. Many of our companies do not only sell quality products for good value, however they produce and sell as well retail brands.

The retail sector is the direct interface to consumers - 500 billion in Europe. Because of the fact that the consumers come to our businesses daily to do their shopping we are in a special position. We are the link to the consumers! Enabling the consumer to make a responsible choice is part of our job. Together with other stakeholders, NGOs and the authorities we are working on this issue in order to see more well informed consumers in our shops.

Consequently signs and labelling discussions are of utmost importance for our sector. In fact, we have already many signs today. Just to give you some examples:

- Organic logo on food indicating a special organic production
- Eco-efficiency label informing the consumers on the usage of energy when they buy refrigerators or washing machines or any other energy intensive products
- Eco-label – EU flower or blue angel in Germany – these are voluntary schemes designed to encourage businesses to market products that are environment friendly
- CE-Label highlighting the compliance of a product with technical standards
- GS-Label in Germany for proven safety of a product

But there might be more: Currently, we are discussing about animal welfare labels for food, CO₂ Labels for highlighting the carbon footprint of certain products and we do have a discussion about nutrition labelling for food products.

Could labels as such be a solution for environmental protection, climate change, obesity or other future challenges? Let me answer this question later.

Using too many logos could confuse the consumer. The consequence could be that they do not see the wood for the trees! Therefore, we have to think about the potential and limits of signs and logos.

Labels and signs can have many functions – for example:

- Highlighting special product characteristics
- Product information about production methods, treatments or ingredients
- Facilitate comparison of products
- Brand recognition
- Or information about the usage of a special technology.

Signs and labels are alternative means informing consumers quickly - at a glance. One label can replace many words and can be a smart solution even for multilingual packages.

A sign has to raise consumers' awareness not just once but in a sustainable manner on the one hand and has to meet business expectations on the other hand.

Therefore, a label, logo or sign must fulfil several requirements:

- Transparency of the conditions behind a label
The conditions must be clear, accessible and accepted by users and the target group
- Credibility of the organisation behind a label
the “author” must be broadly accepted, it could be the legislator, or an independent body or an NGO
- Scientific basis
the conditions must be reasonable and reliable
- Attractiveness for producers and shops to use the sign
users must be interested in using the sign – it must have an added value not only for the target group but as well for producers or retailers
- And finally it must be accompanied by information campaigns.
Coming back to the question if logos as such are solutions for environmental protection, climate change, obesity or other future challenges: The answer is no.

A sign or logo cannot fulfil its function on its own. It must be accompanied by information campaigns or communication strategies using other means informing the target group on its significance and purposes. A logo or sign as such is not able to fulfil all expectations like stopping the increase of overweighted people, reversing climate change or convincing sceptical people about technical innovations.

Some general words about RFID from the retail side:

We fully welcome the efforts to raise awareness both within companies – in particular SMEs – and the wider public on the use and benefits of RFID technology. We see this as essential to build the trust of consumers and avoid misconceptions and unjustified fears.

RFID represents a significant technological progress, in particular to optimise the supply chain. It also plays an important role in ensuring product traceability over the supply chain, in particular in the food chain. It is already used in a wide number of sectors in Europe, and worldwide: in logistics, retail, manufacturing services, health and research for example. RFID increases safety (in the food industry for example). It also ensures authenticity, theft prevention and counterfeit detection.

The list of RFID applications is endless and it should be noted that all of these examples are adequately covered by the current European Union data protection and privacy legislation and do not imply any breach of privacy for the European citizens.

The European Commission and national authorities should focus on how to best facilitate the deployment of RFID across Europe. Information campaigns aiming at helping the industry to gain consumers' acceptance of this technology should be put in place.

Indeed, most of the fears that consumers have about RFID are founded on incomplete or inaccurate information; campaigns based on real facts would help alleviate most of these misconceptions. These campaigns should also outline the individual benefits that RFID can bring to European citizens such as increasing food safety through better and more accurate tracking and tracing of food products, providing easy access to product information or fighting counterfeit pharmaceutical products.

An RFID-Logo could have the potential to boost an upcoming technology, to inform the consumers, to create transparency. The Challenge is, linking the logo with an information campaign which raises the awareness and of consumers!

Britta Gallus

Brussels November 2008

Director HDE Brussels

gallus.europa@hde.de

Tel: +32 2 7354379

Fax: +32 2 2308497