

EFFICIENCY vs. PRIVACY: PERILS AT THE CHECKOUT COUNTER.

ONE OF TODAY'S MOST PROMISING—AND CONTROVERSIAL—NEW TECHNOLOGIES IS RADIO FREQUENCY IDENTIFICATION [RFID]. These microchips are used to track everything from pets to passports to pallets of goods moving through the supply chain. RFID lowers costs but it also raises privacy concerns, an issue Bentley Professor M. Lynne Markus is watching carefully as she studies RFID standards in the retail industry.

M. LYNNE MARKUS, Professor of Information and Process Management



Professor M. Lynne Markus is the John W. Poduska, Sr. Professor of Information and Process Management and Senior Editor, MIS Quarterly Theory and Review Department. Her current research focuses on data and systems integration and the development of vertical industry standards.

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WHY IS RFID ON YOUR RADAR?

We study leading-edge technologies and RFID is a prime example. It offers real benefits to retailers by improving efficiency and reducing theft. But there are issues to be resolved before RFID is universally adopted.

Q•A WHAT ARE THE HOT BUTTONS?

Privacy is the big one. An RFID tagged item transmits information to a remote reader. Some "smart" tags can also collect information—such as the buyer's identity. If the RFID tag remains active after it leaves the store, conceivably it could be tracked without your knowledge.

IS THERE A SOLUTION?

Disabling RFID tags at the checkout counter is one approach. But it has to be done consistently and consumers must be informed.

WILL RFID REPLACE THE BARCODE?

For RFID to become the industry standard, all of the players must work collectively to balance costs, benefits and risks, a process we are currently studying. That said, the barcode is likely to remain useful for years to come.

WHY IS STANDARDIZATION IMPORTANT?

It improves efficiency, streamlines the entire distribution process and standardizes data across the industry, resulting in significant cost savings throughout the supply chain.

MORE Professor Markus discusses her work at www.bentley.edu/research.



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