



PRESS RELEASE

ConMoto study: customers want RFID for theft protection

Consumers accept higher prices for products with RFID chips

Munich, 22 June 2010. Germany's consumers are prepared to spend more money on products with RFID technology. They would pay up to five percent of the purchase price in addition if a product is fitted with an RFID chip. This is the result of a representative study called "End customer benefits from RFID technology" carried out by the ConMoto Consulting Group in Munich.

The readiness to pay extra is particularly pronounced for high value goods such as laptops or watches. 67 percent of those asked favoured RFID chips as "supplementary equipment" for such valuables. These chips identify the origin of a product without any doubts and thus protect against fakes but also against theft, because they can save details of the owner's identity.

Laptops are at the top of the wish list, followed by mobile phones, cameras, watches and handbags/suitcases – all objects that are typically lost quickly. In contrast, there is less demand for the use of RFIDs in branded clothing. "Consumers primarily want to secure those valuables that they carry around against loss or theft with RFID technology," says Dr Marc Heinisch, the head of the study and a Senior Partner at the ConMoto Consulting Group in Munich.

RFID chips make stolen items recognisable as such: during maintenance or repairs the built in chip will reveal the origins of the goods and identify the "real" owner. This "alarm function" deters thieves - but only if the valuable item is labelled with a corresponding notice about the RFID protection. Consumers are prepared to spend more money on "built in theft protection". Almost 70 percent of consumers want to pay up to five percent of the end price for this "security service". This would mean a premium of fifty euros for a laptop costing one thousand euros. Amounts that retail and industry could use to part finance the infrastructure costs for introducing RFID technology.

Because in cost effectiveness comparisons between RFID technology and bar codes, the infrastructure costs for the expected economies of an RFID



system cannot be offset. "For the first time our study shows that RFID technology will be willingly co-financed by end consumers," says Heinish. "Cost effectiveness comparisons had not reckoned on such a high willingness of customer to pay."

Incidentally, this also applies to many experts from retail and industry who have been surveyed by ConMoto in qualitative interviews. A slight majority (54 percent) answered the question of whether the customer would be prepared to pay a higher price for using an RFID chip with "No".

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