

A Look Back at 2005

It was a year with both positives and negatives for RFID.

By Mark Roberti

Dec. 19, 2005—This is my last column of 2005, as we won't publish a newsletter next week, though we will post news if there is any. As such, it's a good time to look back and evaluate the major developments in radio frequency identification over the past year—a particularly difficult task, because there were many positives and also many negatives. First I'll provide a little perspective, and then I'll list the top ten news stories of the past 12 months.

One big negative this year was that the RFID industry continues to over-promise and under-deliver. Many vendors promised Gen 2 RFID tags by the second quarter of 2005, yet some of those still don't have tags available. What's more, the supply of Gen 1 tags remains spotty in many cases. Needless to say, end users are frustrated.

The other big negative is that there were no major announcements by companies committing to RFID. The early adopters, including [Wal-Mart](#), [Metro](#), [Tesco](#) and the [U.S. Department of Defense](#), remain fully committed to the technology. Most manufacturers that supply retailers, however, remain unconvinced that RFID is going to provide much, if any, benefit.

This is not a total surprise. In the January/February 2005 issue of our magazine, I wrote: "Expect companies to struggle this year with exactly how they can extract value from RFID systems." It's going to take time for RFID, like other technologies, to reach a price-performance ratio that justifies the investment dollars required.

Still, there were also many positives. The most exciting story of the year for me was the news that Wal-Mart and [Target](#) were sharing Electronic Product Code data about certain products in a standardized format with the manufacturer that supplied those products. Sharing data about the location of products in the supply chain is, after all, what it's all about. And that was an important first step toward realizing the vision that so many have promoted for the past four years.

There were many other positives during the year, as well. Here's 's list of the top news stories for 2005:

Walgreen to Use Tagged Displays

Nationwide drugstore chain operator [Walgreen](#) entered into a multiyear, chain-wide agreement to implement [Goliath Solutions'](#) RFID-based system for tracking the use and effectiveness of in-store product displays. The retailer recently completed a yearlong pilot of the system in 50 of its stores. Presently, Goliath is integrating RFID tags into product displays provided by 15 consumer packaged goods (CPG) companies, and Goliath expects more of Walgreen's suppliers to join. Walgreen says the Goliath system will be installed in all 5,000 stores by the first half of 2007, as per the recent chain-wide agreement.

EPC Reduces Out-of-Stocks at Wal-Mart

An independent study by the [University of Arkansas](#) finds that, on average, the use of EPC technologies at 10

Wal-Mart stores reduces out-of-stocks by 16 percent—proving for the first time that RFID could have an impact on this long-standing bane of retailers.

Boeing Wants Dreamliner Parts Tagged

Boeing announces that suppliers of many parts used in its 787 Dreamliners—a new family of high-capacity, low-emission passenger planes—will be required to place RFID tags on the parts before shipping them to Boeing.

Avery Dennison Sells Gen 2 Tags for 7.9 Cents

Avery Dennison offers its AD-220 Gen 2 inlays—just the transponders with no labels—for 7.9 cents each in quantities of 1 million. The company also says it's selling its EPC Gen 1 Class 1 tags for the same price, lowering one barrier to adoption.

Target, Wal-Mart Share EPC Data

The two retailers launch a pilot with 13 manufacturers to share data in a standardized format, paving the way for greater collaboration over the EPCglobal Network.

EPCglobal Ratifies ALE Software Standard

EPCglobal ratifies an Application-Level Events (ALE) software standard for managing EPC data. ALE-based software can process tag data from Gen 1 or Gen 2 EPC tags and provide an interface for filtering and consolidating EPC data from interrogators.

Intermec, Symbol Reach Major Agreement

Intermec Technologies and Symbol Technologies settle one lawsuit and adopt a plan to resolve four additional suits between the two companies. The agreement reassures end users that adoption won't be slowed by lawsuits. Several vendors also form a patent pool to manage IP.

Chase Offers Contactless Cards

Chase's credit card division becomes the first credit card issuer to offer MasterCard and Visa cards embedded with RFID tags, which consumers can use to make cashless payments at RFID-enabled terminals.

FAA Approves Use of Passive Tags on Planes

The Federal Aviation Administration (FAA) announces it will allow passive tags to be used on airplanes, paving the way for the tagging of parts, baggage and cargo.

Marks & Spencer Expands Item-Level Tagging

Marks & Spencer, a leading retailer in the United Kingdom, announces plans to expand its RFID trial to 53 stores, starting in the spring of 2006. The move is based on the success of a year-long RFID trial in which the retailer tracked men's suits at nine of its stores to ensure availability.

Gen 2 Finds a Path to ISO Approval

An EPCglobal committee resolves an issue in the EPC UHF Gen 2 standard's numbering scheme, enabling the submission of the EPC protocol to the International Organization for Standardization (ISO) for approval as an international standard.

In my first column of 2006, to be published on Jan. 2, I'll make some forecasts about the year ahead. In the meantime, I wish all our readers around the world a joyous holiday and a Happy New Year from all of us at *RFID Journal*.

Mark Roberti is the founder and editor of RFID Journal. If you would like to comment on this article, click on the link below.

