

RFID Middleware Market Set For Growth, Change

The RFID middleware market is ever-changing and increasingly competitive, and set to exceed \$190 million by 2010, according to Venture Development Corp.

By Mary Catherine O'Connor

Oct. 11, 2006—Looking for the hot spot in RFID middleware? Check out the firms willing to customize applications to address an end user's unique needs. Sales of such customized RFID middleware applications, according to Louis Bianchin, senior RFID analyst at [Venture Development Corp.](#) (VDC), is where the RFID middleware market is set for the most explosive growth over the next five years. The firm says this market segment was worth \$12 million in annual sales in 2005 and will see a 63 percent compound annual growth rate (CAGR) each year until 2010, when it should hit \$138 million.

The next-largest market segment of RFID middleware products consists of those for data monitoring and management. The report valued this at \$9.6 million in 2005, predicting growth of nearly 38 percent, to \$47.5 million in 2010. The third-biggest segment, device monitoring and management, was worth \$2.8 million last year and should reach \$6 million by 2010, growing at a CAGR of 16 percent.

The report is meant to inform end users about where the middleware market is headed—information that Bianchin says can be useful in making purchase decision. It includes analysis of the different types of middleware products available today and the vendors of those platforms.

Citing BEA System's purchase of middleware provider Connecterra, followed by NCR snapping up IDVelocity (see [BEA Systems Acquires ConnecTerra](#) and [NCR Acquires IDVelocity](#)), the report predicts that the middleware market will see more mergers and acquisitions over the next five years, pointing to IBM and webMethods as possible suitors for small RFID firms. Along with the industry consolidation will come increased reliance on standard data protocols, it says.

The report divides RFID providers into four categories: pure-plays, opportunistic architecture competitors, network architecture competitors and academics. Pure-play architecture competitors, such as [OATSystems](#) and [GlobeRanger](#), are focused solely on RFID middleware. Opportunistic architecture competitors consist of software companies that provide platforms for database management, supply chain management, or application servers, such as IBM, Microsoft, Oracle, SAP or Sun Microsystems.

Network architecture competitors are those that are pushing for RFID device network management models, through the use of hardware products called controllers. California firms [Blue Vector](#) and [Omnitrol](#) both provide these types of network-based approaches to RFID. [Reva Systems](#) also offers this, explains Bianchin, but its Tag Acquisition Network is better suited for large, multi-location deployments of RFID interrogators, whereas Blue Vector and Omnitrol target smaller deployments.

And lastly, VDC notes that middleware products and RFID systems consultation services generated by

universities also account for a growing middleware market. The University of Arkansas has conducted extensive RFID research for Wal-Mart, and the Wireless Internet for the Mobile Enterprise Consortium (WINMEC), an academic-industry consortium based at UCLA, has developed a middleware application. WINMEC's advisory board includes representatives from many large and potential end users of RFID, including Boeing, Hewlett Packard, Maersk Logistics, Nestlé and Warner Brothers.

The full report is available now, in print or on CD-ROM, for \$5,350 from VDC's Web site.

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