

**Companies that have deployed the technology are convincing other firms of its many benefits.**

By Mark Roberti

Nov. 14, 2011—Last week, I visited Medellin, Colombia, to co-host the [RFID in Textil and Confección](#) event with our partner, [LOGyCA](#). During a break, I interviewed a speaker, Laura Leal, who is in charge of the RFID team at Crystal Vestimundo, a Colombian retailer with 76 stores.

I asked Leal how her company became interested in radio frequency identification. "Actually, in 2004, we bought some equipment to do a little testing, but we didn't get very far," she said. "Last year, we attended the [RFID Journal LIVE! Latin America](#) event, and we got our RFID certification. We also went to [RFID Journal LIVE!](#), in Orlando, in April." At both conferences, she listened to a number of apparel retailers discuss their successful deployments. Then, the company's VP of operations picked her and two other executives to lead an RFID pilot, about which I'll be writing soon.



In 2009, Zander Livingston, who was then running [American Apparel's](#) RFID efforts, said this on stage at RFID Journal LIVE!: "About a year and a half ago, our CEO came to me and said, 'I heard about RFID. I have lost stock all over my stores—about 10 percent. Can RFID help me locate my lost stock?' I went to an *RFID Journal* event in New York City, and was sitting out there where you guys are now. [After listening to end-user case studies], I went back to the CEO and said, 'Absolutely, RFID can help you locate that 10 percent of lost stock for you.'"

These are just two anecdotes—there are many more. In fact, I can often draw a straight line from any current RFID deployment back to someone at that company attending an *RFID Journal* event. I bring this up not because we have two upcoming events this year—[RFID in Defense and Security 2011](#), in Washington, D.C., and RFID Journal LIVE! Latin America 2011, in Mexico City—as well as LIVE! 2012, in Orlando, but rather because it illustrates a point about how new technologies are adopted that many end users and vendors do not understand. Frankly, I didn't understand it either, until I read Geoffrey Moore's best-selling books *Crossing the Chasm* and *Inside the Tornado* (my thanks to [RFID Recruiters'](#) Mike Shiff for turning me on to Moore's work).

According to Moore, as a new technology matures, vendors must win new customers one at a time until one vendor becomes the dominant technology provider—the "gorilla"—and the rest of the industry then follows. Vendors would like to advertise on [Google](#), or attend large industry events and scoop up large numbers of leads, hoping to convert some into business. But the reality is that there aren't yet large numbers of companies out there that are eager to deploy RFID, and it usually takes three to four years from the time that a company starts investigating in RFID until it deploys the technology (that timeline will begin to shrink now that solutions are more mature, and there are a greater number of success stories).

The company most likely to deploy an RFID system is one that had a person sitting in the audience of an RFID event, listening to another business like his or hers discussing how it is benefiting from radio frequency identification. At the end of the Medellin conference, for example, a gentleman came up to me and said, "I own a few stores in Colombia with my brother. I think we should start a pilot. How do we get started?" Another gentleman e-mailed me after the conference, saying his firm manufactures mattresses, and that he would like to employ RFID to track work-in-process. He, too, wanted to know how to get started.

The reality is that salespeople can't sell RFID, or any other new technology. In fact, a lot of technology providers waste money on sales strategies—such as Google or industry trade shows—that deliver little or no success, because they focus on selling to the unconvinced. Moore explains it best: The most important thing for a company selling a new technology is a customer reference—someone who can validate that the technology does, indeed, solve business problems or deliver business benefits. That's why many vendors at this year's LIVE! event reported that they received verbal—and signed—commitments for tags, readers and software (see [Something Happened Last Week in Orlando](#)).

The RFID industry needs companies that have deployed the technology to share their success stories. Many firms would like to see their entire industry adopt RFID, because they know there are huge benefits that can best be achieved when all products are tagged at the source and tracked through to consumption. Additionally, as a greater number of companies adopt RFID, that will lower product costs.

But there's a Catch-22 here. While these companies—often industry leaders—want their competitors and suppliers to adopt RFID, they also want to keep their own successes quiet, perceiving that to be a competitive advantage. Instead, they hope the rest of the industry will somehow embrace RFID. But as I've said before, competitive advantage comes from constantly improving products, marketing and execution (see [Understanding the Competitive Advantage](#)).

When I host or participate in events at which end users stand up and tell a great RFID success story, it is a huge thrill for me. It's the reward for all of the hard work I put in, because I get to hear how the speaker's company became convinced that RFID could deliver, and I know there will be a few more converts in the audience—and *they* will eventually speak up and create *more* converts. And that is how we will eventually get to critical mass.

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