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## Analyzing One Billion Tag Reads

A couple of weeks ago, the folks at T3Ci told me they'd analyzed more than one billion tag reads for some 30 customers in the retail/consumer packaged goods industry. I suggested they host a "Thanks a Billion" cocktail reception at RFID Journal LIVE! 2007 to make it not just a T3Ci celebration, but

an industry celebration as well. They thought it was a great idea—and if you are coming to the event, you're invited to the reception on the evening of April 30.

The one-billion figure certainly indicates T3Ci is doing very well as a company. But it also shows some momentum for EPC tagging in the retail/CPG supply chain. It took the company almost four years to analyze the first billion tag reads, but the company says it will reach the second billion in a matter of months (see T3Ci Processes Billionth RFID Tag Read).



To be clear, we are talking about tag reads here, not individual tags. The same tag is read as it arrives at the distribution center, then as it leaves the DC, arrives at the back of the store and moves from the back room to the sales floor. Still, if each tag is read five times, a billion reads is equivalent to 200 million cases moving through the supply chain in a matter of months, from a limited number of companies. Add in companies not using T3Ci's analytical services and you realize that there are a lot of tagged cases moving through the supply chain.

There has, of course, been speculation that Wal-Mart has been slowing down its deployments. In fact, the retailer has been focusing its deployments on areas that deliver real business value, such as reducing out-of-stocks. And Wal-Mart has been working with partners to track promotions because the data from T3Ci and other analytics software providers shows there are real benefits from using RFID to make sure that promotional displays are on the retail sales floor when

promotional advertising hits (see Don't Let Misperceptions of RFID Become Reality).

The billion-tag-read mark is significant because it shows there is enough data being generated now to analyze and act on. Slapping tags on a small number of stock-keeping units and shipping them to Wal-Mart, Target or the U.S. Department of Defense is not going to reveal any great insights. It was only after CPG companies tagged enough cases and promotions that they started getting back sufficient data to see where they could gain benefits (as well as areas where there are no benefits today).

Even Wal-Mart didn't know exactly where the biggest benefits would be until it got companies to tag SKUs. Once it reached a point where enough meaningful data was being collected, it could see where those benefits were—and as a result, it shifted its focus toward applications that deliver business benefits today, such as promotions management and improving the on-shelf availability of goods that are most often out of stock.

I thank T3Ci for sponsoring the reception. I think it will be a fun night that will encourage attendees to think about what's behind the numbers. Tagging cases in the supply chain just for the sake of moving to RFID is a bad idea, but tagging cases or promotional displays because doing so delivers the data that companies can analyze and use to dramatically improve supply chain execution...that's a lot more practical.

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



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