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## How to Grow the RFID Market, Part 2

Two weeks ago, I wrote about how to grow the radio frequency identification market (see [How to Grow the RFID Market, Part 1](#)). It's critical to target the companies that are actively seeking an RFID solution to solve their business issues, and to help them achieve successful deployments. But the truth is,

this alone will not lead to the mass adoption of RFID technologies.

In his seminal books about the technology adoption life cycle, Geoffrey Moore says five conditions must exist before the use of a new technology explodes. There must be:

- A global standard (it can be a de facto standard)
- A problem that no other technology can solve
- A whole product (that is, an integrated solution that does what users require)
- A dominant technology provider—what Moore calls a “gorilla”—the market can embrace
- A critical mass of end users



When I look at the use of RFID worldwide, it's clear that different industries are at different stages of adoption. Health care has a problem no other technology can solve (the real-time location of medical equipment), and it has whole products that deliver what customers want. But there is no agreement on which type of active RFID should be used. Some hospitals employ Wi-Fi-based real-time location system (RTLS) technology, some use ZigBee systems, and others use proprietary active technology or even ultrasound. There is no gorilla yet, and we have not reached critical mass (the lack of consensus on the standard is inhibiting users from adopting, which is preventing the industry from reaching critical mass).

Retail apparel is probably closest to achieving mass adoption. There is agreement on a standard: Everyone is using passive ultrahigh-frequency (UHF) based on the Electronic Product Code

(EPC) air-interface protocol standard. There is a problem no other technology can solve (at a reasonable cost). The problem is inventory accuracy, which stands at roughly 65 percent in most stores.

But there is no whole product yet. You can buy tags, readers and software and put together a product, but that creates risk that many retailers are reluctant to take on. There is no gorilla that dominates the market, and we have not achieved critical mass. To achieve critical mass, I believe that the industry needs a whole product and a gorilla.

The gorilla can be a group of companies. Microsoft, Intel and IBM combined to give us the personal computer. But you didn't have to buy a microprocessor from Intel, insert it into a machine manufactured by IBM, and then install the operating system and software from Microsoft. Had those companies asked the world to do that, I'd likely be writing this column on a typewriter.

If RFID solution providers want to see RFID become ubiquitous, they need to take steps to create an integrated solution that is easy to deploy and use. I see signs that that is happening, due to pressure from users that don't want to take on the risk involved with integrating RFID systems themselves. Once we have one or two whole products, the market will need to decide which one is better, and that one will become the gorilla. Then we will reach critical mass and—voilà!—everyone will be using RFID.

*Mark Roberti is the founder and editor of RFID Journal. If you would like to comment on this article, click on the link below. To read more of Mark's opinions, visit the RFID Journal Blog, the Editor's Note archive or RFID Connect.*



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