

SOLVE FOR X.

***The Role of RFID
in the
IDENTIFICATION
of Things***

Presented by:

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VP & GM, Tag Solution Services



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promatshow.com

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Agenda

- What is RFID?
- Is this a big market yet?
- The Internet of Things vs Identification of Things
- What are the benefits RFID bring to IoT?
- Garbage-in, garbage-out
- Summary

The Role of Alien Technology in RFID

- Mike Hetrick - VP & GM, Tag Solution Services
 - Member of the Alien Executive Staff providing leadership in both the Inlay and IC programs
 - Supported Alien's converter and partner network for their RFID inlay and IC programs since 2006
 - Over 20 years within the printing industry with Checkpoint Systems, NCR Systemedia and RR Donnelley/Wallace Computer Services
 - Graduated from Western Michigan University in 1984 with a Bachelor of Business Administration
- Alien
 - Author of the founding RFID standards
 - Top 3 of all our markets: Readers, Inlays, IC's, Services
 - Based in San Jose, CA
 - 1,500+ customers
 - Has shipped BILLIONS of RFID tags and IC's

IDENTIFICATION
Of Things[™] **IoT**

Alien provides technology that enable the Internet of Things. We specialize in the **IDENTIFICATION** of Things. RFID – the source of quality big data at the heart of successful IoT implementations.

History of RFID (Radio Frequency IDentification)

- RFID technology developed during World War II to identify aircraft
- Transmitter sends signal to transponder which reflects a signal back
- IBM developed UHF RFID system in early 1990s
- The term Internet of Things coined in 1999 referring to objects connected to RFID
- Electronic Product Code (EPC) standard developed in 2002
- Shortly after, Alien Technology Authored the Gen 1 Protocol
- In 2004 Alien had leadership role in the Gen 2 standards definition with EPC Global
- In 2003 Walmart mandated that suppliers use RFID by 2005
 - Accelerated the introduction of RFID to replace barcodes
 - But in early 2009 it dropped the mandate and RFID stagnated
- In 2009 there were < 500 million RFID units sold, in 2015 there were > 4.7 **billion**
- Global RFID market expected to grow at a CAGR of ~40% from 2016-2019



Survey found that most believe more than 1 trillion objects will be connected to the internet by 2022, using RFID and other tech

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RFID is a “Super Bar-Code”

- RFID uniquely identifies an item, not just the SKU
- Line of sight not required e.g. read tags inside boxes/containers
- Read at much greater distances e.g. 30 feet

- Read much faster e.g. forty or more tags per second
- You can write or update information on a tag e.g. maintenance count
- Can be embedded inside the product itself (more rugged)

Bar Codes



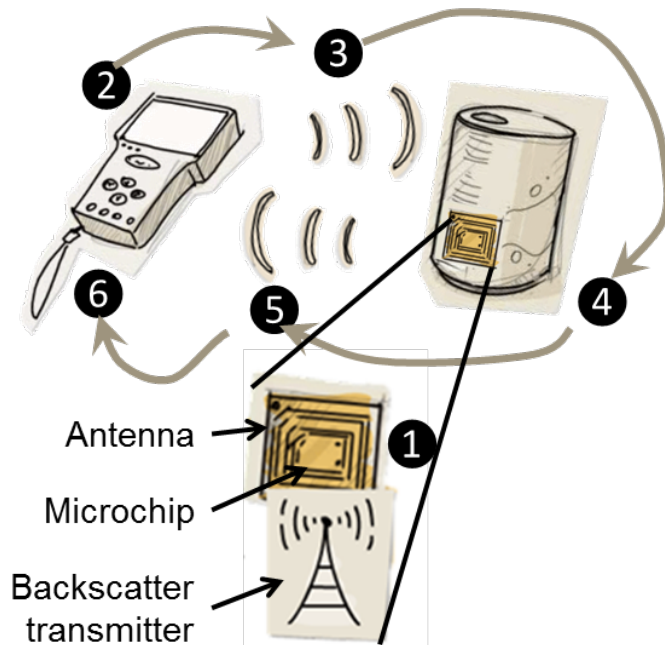
Define the product (a product SKU)
(but not the instance of that product)

RFID



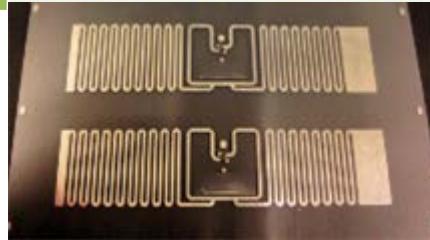
Defines BOTH the product and the specific instance of that product

RFID is the use of a device applied to an object for the purpose of **identification** and tracking using radio waves

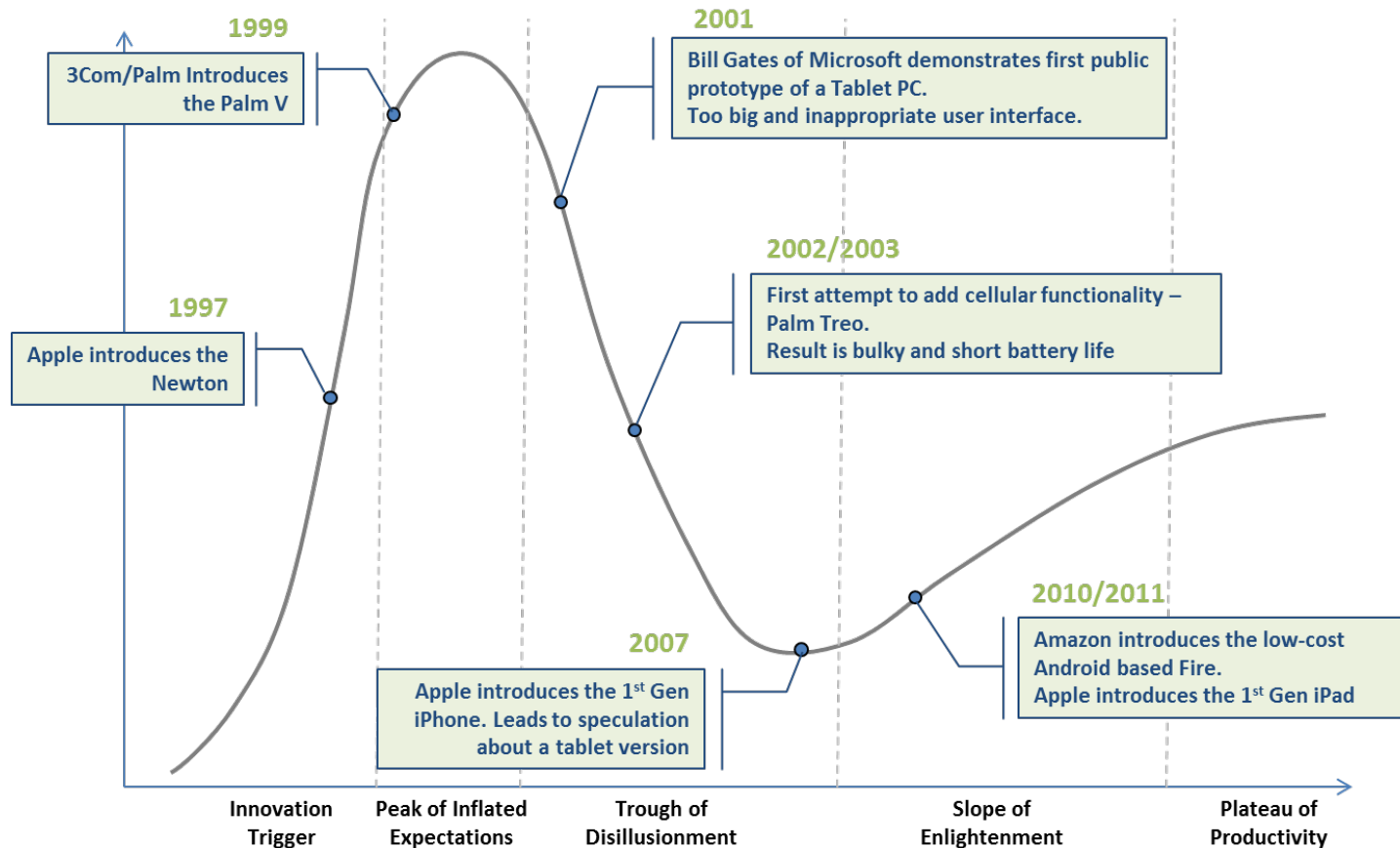


- 1 A **passive** RFID “tag” combines:
 - a) An antenna for receiving both POWER and a REQUEST
 - b) A microchip for accessing stored identification information
 - c) A backscatter transmitter for sending back the informationIt does NOT have a battery.
- 2 An RFID “Reader” enables:
 - a) Sending power to the tag
 - b) Sending a request to “interrogate” the tag
 - c) Receiving and interpreting the information sent back from the tag
- 3 The “Reader” sends **power** and a **request** to the tag.
- 4 The tag validates the reader is genuine and is “allowed” to read the tag
- 5 The tag transmits back the information
- 6 The reader displays the tag data/status

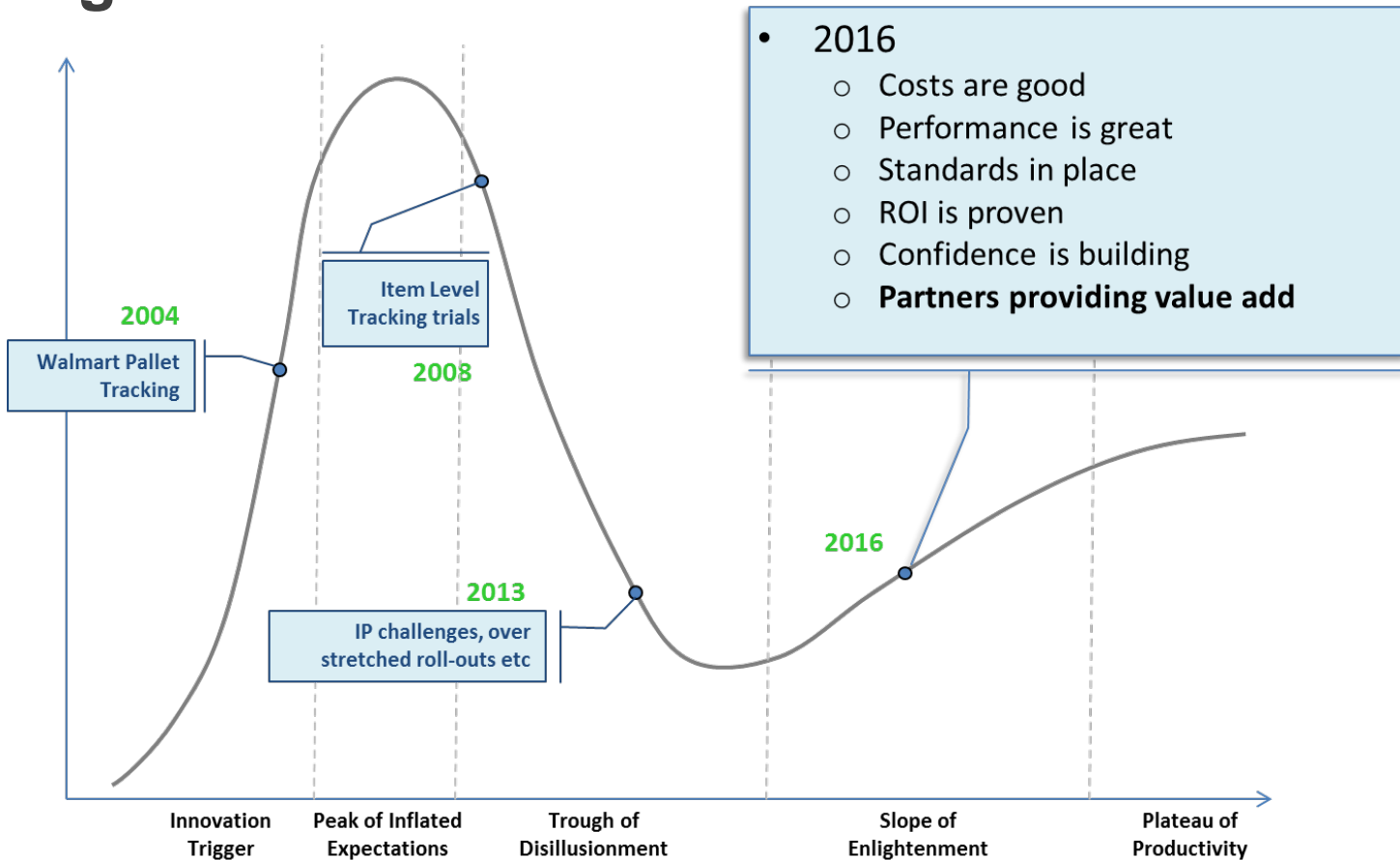
	Passive	Battery Assisted Passive "BAP"	Active
Power Source	From the reader at read time	Internal battery	Internal battery
Power Availability	Only on reading	On reading (continuous for sensors)	Continuous transmit
Read distance	Short (up to 10m)	Medium (10m+)	Very Long (100m+)
Data Storage	Small (100's of bits)	Medium (K bits)	Huge (Mb's or MB's)
Life time	Indefinite	1-4 years	1-12 Months
Sensor support	None	Some	Many large sensors
Cost	A few pennies	Dollars	Tens/Hundreds \$'s
Size	Very small and thin	Large	Huge



Jumping from the Trough of Disillusionment to Slope of Enlightenment – Historical Example: Tablets

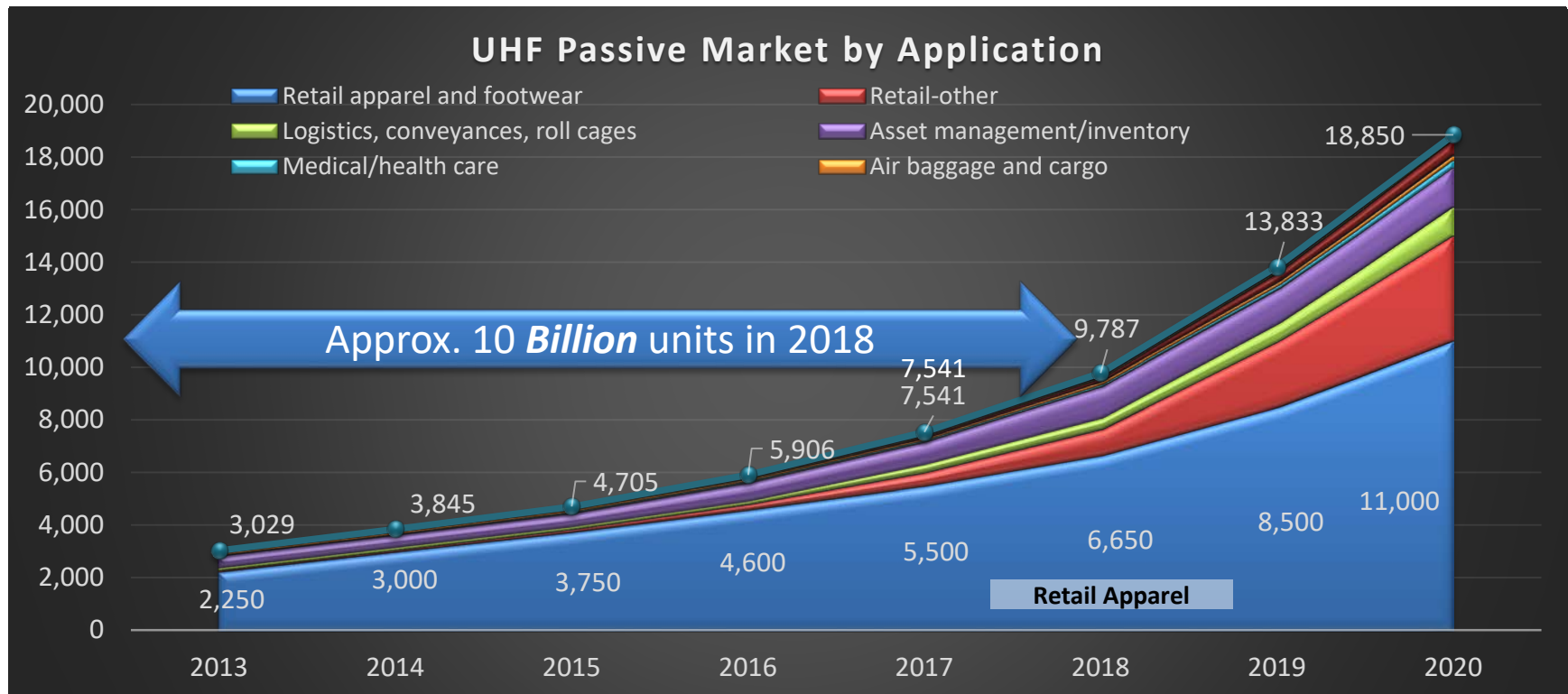


Jumping from the Trough of Disillusionment to Slope of Enlightenment - RFID



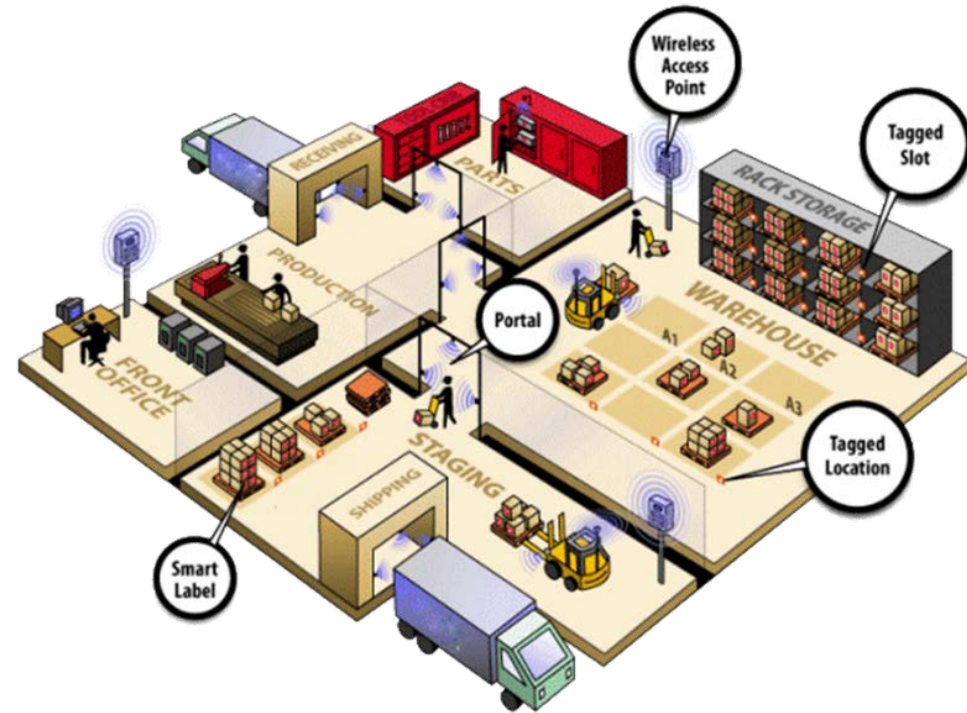
Source: Gartner and Alien

UHF Passive IC/Inlay Growth (Millions of Units)



Supply Chain Tagging Example

- RFID “Smart” labels are placed on products, cases, pallets and other aggregated containers.
 - No line of sight required
- RFID readers are positioned at stations and choke points.
- As products/pallets pass by readers, the reader antenna sends out RF energy and the tag data is read by the antenna.
- Data is sent to a database for business analytics, visibility, decision tools, etc.



SOLVE FOR X. The Moving RFID Markets



Apparel

- Jeans
- Intimates

200 billion items
 @5% penetration.
 95% to grow!

VDC ⁽¹⁾



Other Retail

- Electronics
- Boxed goods
- Batteries
- Cosmetics

2 billion units, a
 60% CAGR

VDC ⁽²⁾



High Value Item Level

- Wine
- Tobacco

5.5 trillion
cigarettes a year

BAT Group ⁽³⁾



Manufacturing / Industrial

- Construction
- Automotive
- Other "JIT" industries

>60 million cars⁽⁴⁾ each with
 up to 30,000 parts⁽⁵⁾ – which is
1.8 Trillion parts

Worldometers ⁽⁴⁾
 Toyota ⁽⁵⁾



Transportation

- Ticketing
- Tracking

500 million RFID
 transit tickets

IDTechEx ⁽⁶⁾



Healthcare

- Pharma
- Medical Records

\$70.5 billion
 from 2012-2017

ABI ⁽⁷⁾

The Benefits of RFID



Stock Count Speed
Stock Counting
Accuracy Level

300 items/hour
1 to 4 times/year
55 to 80%



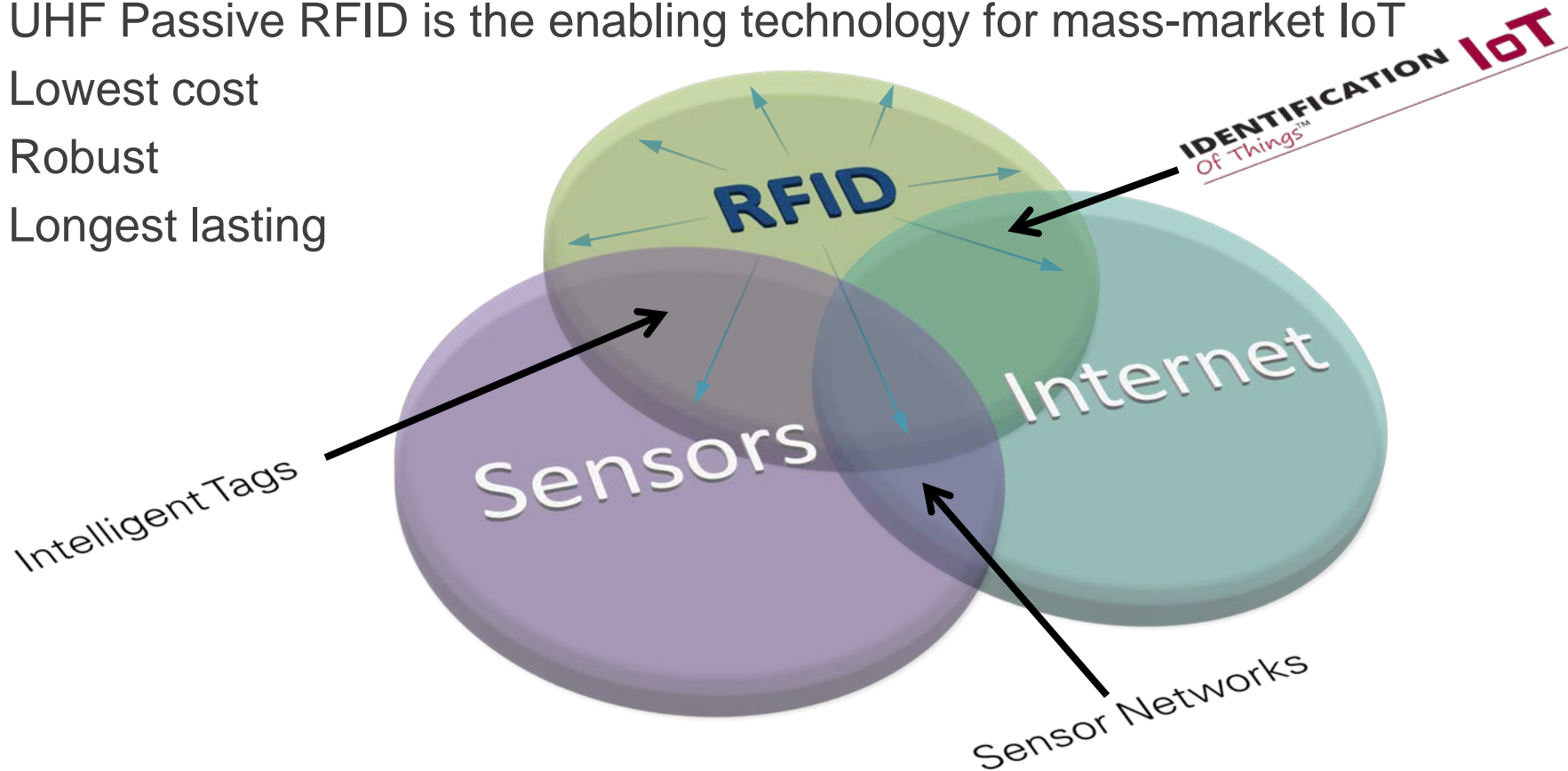
7,000 items/hour *
1 time / week
97 to 99%

- Less Manual Work
- Less Costs
- Improved Visibility
- Improved Planning
- Visibility of Accurate Real-Time Information
- Fast Locating of Products
- Possibility to Record Losses
- Ability to Plan Product Locations Strategically
- Offers Visibility of Real-Time Stock Movement
- Improves Efficiency
- Increase Accuracy
- Accelerates the Speed of Delivery
- Improves Efficiency
- Increases Accuracy
- Reduces Distribution Costs
- Object authentication

* From Macy's actual store data

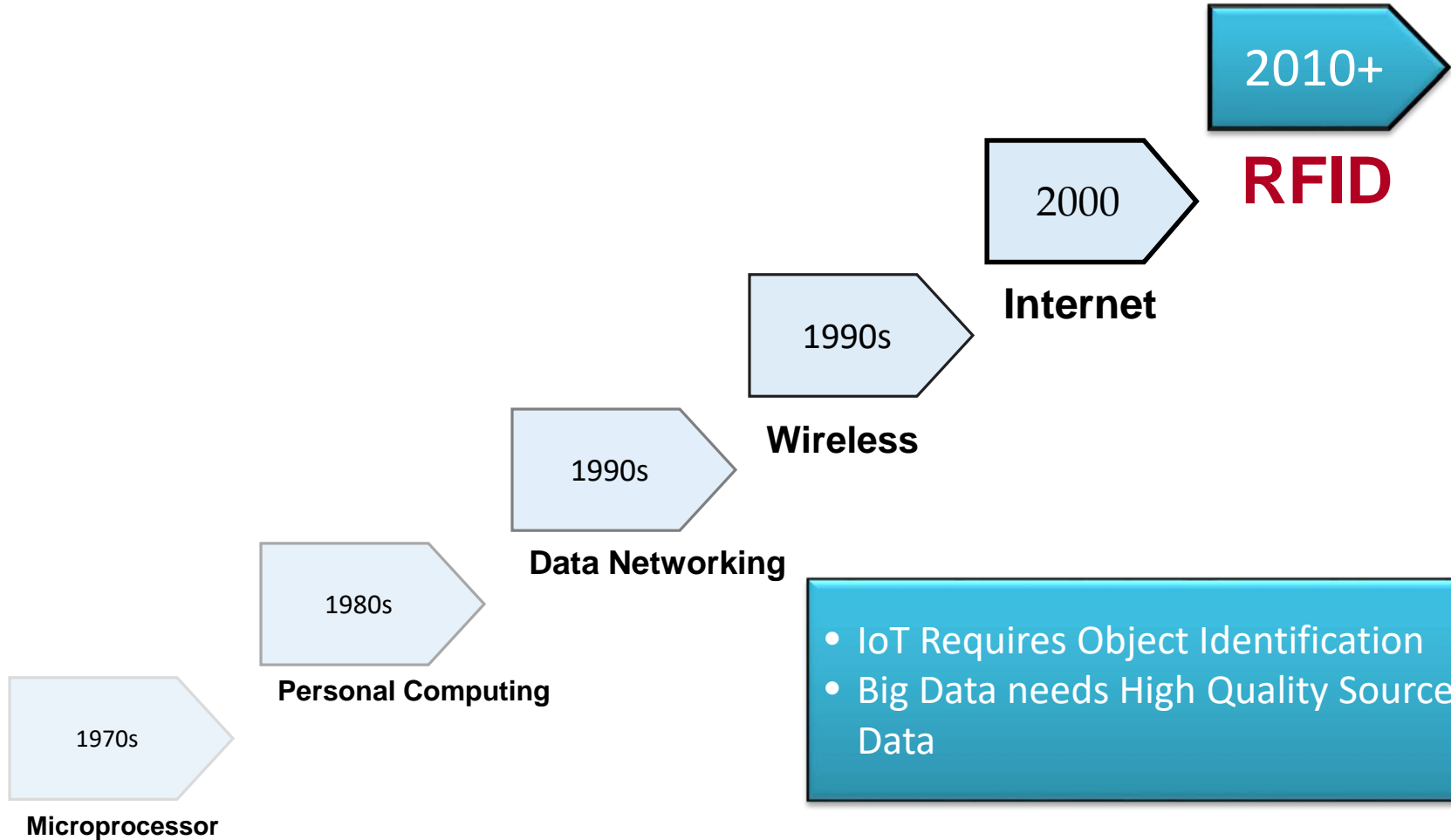
SOLVE FOR X. RFID and IoT Overlap

- Explosive RFID growth is a cornerstone to IoT success
- UHF Passive RFID is the enabling technology for mass-market IoT
- Lowest cost
- Robust
- Longest lasting



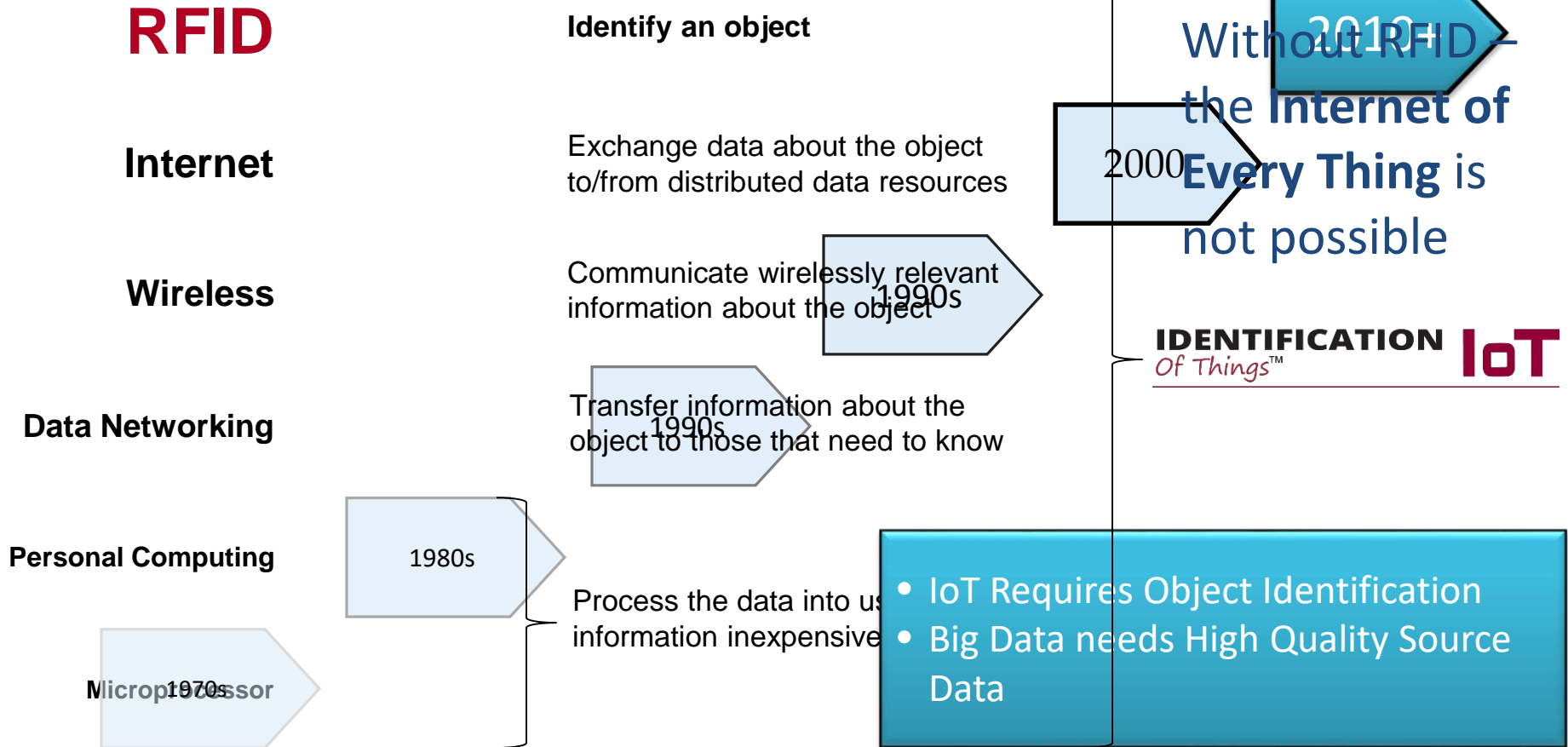
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Technologies at the Foundation of IoT



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Technologies at the Foundation of IoT



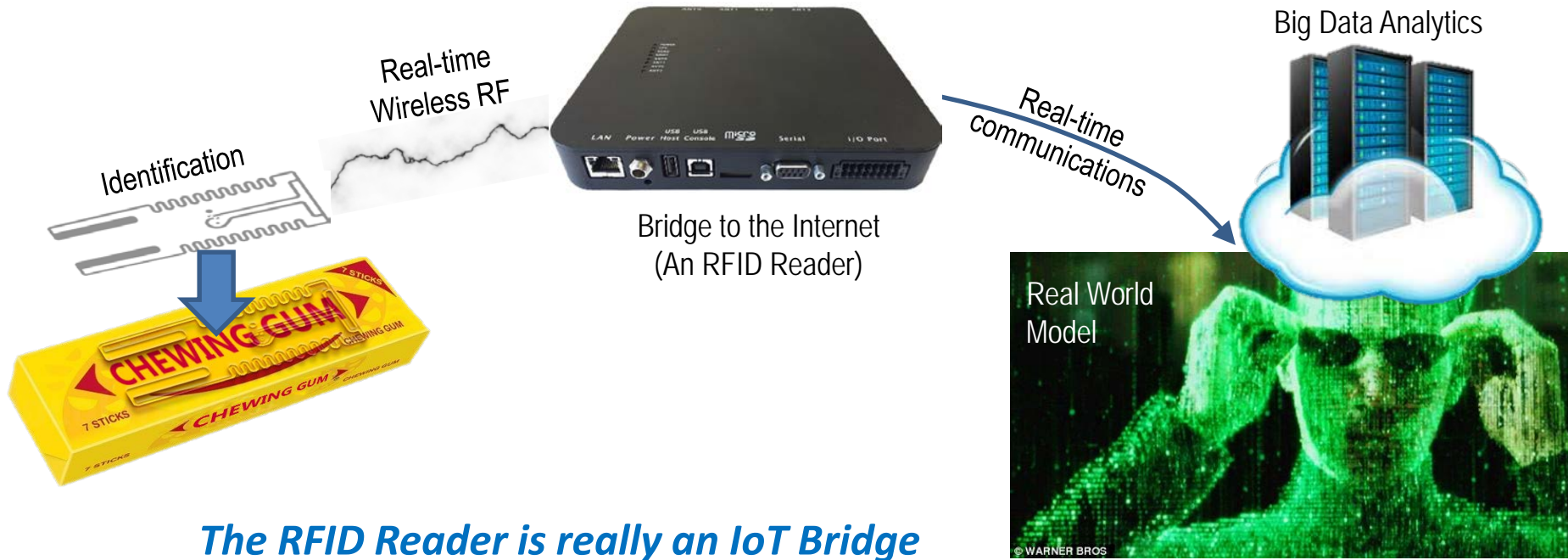
The IDENTIFICATION of THINGS (IoT)



The IDENTIFICATION of THINGS (IoT)

- Internet of “everything” isn’t complete unless you include both “smart”/electronic and “dumb”/non-electronic objects
- Problems:
 - How do you IDENTIFY these objects?
 - How do you CONNECT “dumb” objects to the internet?
 - How do you AUTOMATICALLY model REAL-WORLD “dumb” objects?
 - How do you keep this accurate in REAL-TIME?
 - What happens when you turn off your “smart” device?

The Solution



Only RFID can autonomously and seamlessly identify non-electronic devices (or unpowered smart devices)

Garbage-in, Garbage out...

- An incorrect identification number would confuse the computer
 - An object of type X (shirt?) is actually of type Y (pencil)!
- A duplication of an ID number would cause the same object to be sold to two people
- Quality of data at all stage is critical
 - RFID tag IC source
 - RFID inlay source
 - High quality RFID reader
 - Managing of huge volumes of quality data

The Fusion of Retail RFID and IoT

- **Todays** business ROI needs are driving the identification of individual items in **retail** and other markets
- IoT infrastructure will leverage this
 - Passive RFID gets you 80% of what is needed for a virtual representation
 - Passive RFID is 50x-1,000x less-expensive than BAPs and active technology
- Now IoT applications become a reality
 - Virtual warehouse and retail show floor
 - Know **what** is **where** and **when** *without GPS* (and inside buildings)
 - Status can be stored in each tag (no battery required)
 - Electronic devices do NOT need to be turned on (conserving battery) to enable this functionality

**An object identification infrastructure is part of the store or the stores supply chain ...
IoT can leverage from this infrastructure enabling IoT to be brought to market more
efficiently and quickly**

Summary

- RFID is a mature proven technology
 - With a proven ROI & proven benefits
- Adoption in the BILLIONS today (and growing at 40%+)
- IoT will leverage this infrastructure
- RFID enables the Identification of “dumb” objects
 - Non-electronic objects
 - Very low cost objects
 - Smart electronic when in the “off mode”

For More Information:

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www.alientechnology.com

Or visit  **ALIEN**® at Booth S3485

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Of Things™