

NFC: The Contactless Possibilities are Endless!

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29 February 2008 – NFC payments and ticketing will take NFC to mass market and IMS Research has forecast that NFC penetration rates into handsets will reach 12% in 2013. However according to Filomena Berardi, Research Analyst with IMS Research; “The additional value that NFC could bring consumers in other applications beyond ticketing and payments are often overlooked.”

“The fact of the matter is that NFC is technically viable, but the value chain issues surrounding NFC in payments and ticketing are preventing its deployment into other applications. In other applications, such as photo frames and NFC posters, these barriers do not exist. With value chain issues eliminated, NFC can be realised for its innovative capabilities.”

“For starters NFC could be used in conjunction with a variety of other wireless technologies such as Bluetooth technology®, UWB and WLAN. When used with these technologies, NFC would act as the initial “handshake”. This would eliminate the need for pairing and authenticating when setting up devices. With this in mind, the use case-scenarios for NFC in other applications are endless.”

IMS Research predicts that NFC will feature in over 30,000 non-handset Bluetooth devices in 2013. NFC compliments Bluetooth’s long-range and higher data rates. To name just a few NFC/Bluetooth applications, NFC and Bluetooth could be used for handsfree connection, image sharing and gaming.

Beyond pairing and authenticating, NFC has tremendous potential in other sectors of the market such as health care, car rental, coupons, smart posters and many more. Many interesting use-cases for NFC have emerged in the press recently, such as the winning application from Innovision Research & Technology, “Health Buddy”. The Health Buddy uses NFC to encourage outdoor physical activity. It tracks the activity and progress of the user on a set exercise course, triggered each time the user scans an NFC tag at specific locations with an NFC-enabled phone. The location information is linked to pre-calculated calorie-burning, timing and effort data for various physical activities. The device will motivate the user during exercise and will provide a historical view of activities, including distances covered and energy consumed.

These are all very promising signs. However, IMS Research feels that to some extent the situation is still up in the air. If value chain issues are not resolved, then will NFC feature in enough handsets to allow for these exciting applications? For more information please refer to IMS Research’s new report; “NFC-Roads to Mass Market.”

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