SEARCH

ANALYSIS

Internet
of Things

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of Things

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IoT and team

> " As the IoT market evolves, industry players must see past the 'big numbers' hype to pinpoint the right market approach – where to play in the value chain, how to flexibly support multiple technologies and partnerships, how to help different industries manage the impact, and how to reorient business models to maximize benefits from IoT investments "

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The Market Challenge

The IoT Markets and Ecosystems channel helps customers understand major trends driving the IoT market. Focus areas include how different IoT services and component technologies are growing, where to position, and the most important areas for partnering and investment. We provide expert views on which industry verticals are first adopters, fast followers or late arrivals to the IoT party.

Sizing the different elements and opportunities within the IoT market is critical for understanding IoT growth in different geographies and technologies. Enterprise and public sector customers, as well as providers, are also facing the challenge of working with (or being disrupted by) transformational business models enabled by the IoT. Industry enablers – including investment trends, ecosystems around key IoT technologies and verticals, and the impact of regulation – are also important for IoT market development.

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How Ovum helps you

Understand and identify the right positioning in the IoT value chain and ecosystem – Ovum's IoT analysis and forecasts help technology and service providers to leverage their particular strengths, understand the size of the different opportunities and evaluate the options for partnering versus own-build solutions.

Develop successful, informed product and services strategies – our trackers and reports provide examples, case studies and recommendations, whether providers are looking to offer full end-to-end solutions for their customers or instead focus on just one or two layers of the stack, or on specific verticals.

Build go-to-market strategies that cut through the IoT hype – Ovum's competitive analyses, surveys, and market overviews provide a detailed view on market gaps, customer pain points and best-practice marketing and channel strategies, to help providers sharpen and communicate the unique value they are offering.

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87% Of companies deploying iot projects are doing so across multiple areas of their businesses, although only 38% see iot as part of a wider transformation initiative

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Key Deliverables

IoT Market 5-year Forecasts – size the market, prepare for technology and vertical growth, identify key revenue opportunities

IoT Insight Survey 2018 – deep-dive understanding of enterprise buyer trends, preferences, drivers and challenges

IoT Technology, investment and contracts trackers – stay up to date with competitor, investor, and deployment activity

IoT Service Provider and Vendor Strategy profiles – in-depth profiles of the leading market players and how their strategies are evolving

Connected cars and smart cities data and reports – understand these key vertical markets with forecasts, project and partnership databases, forward-looking technology and trends overviews

Themes for 2018

Making the right technology choices

The Internet of Things is not going to be a single-technology market. M2M and LPWA, short-range and satellite – the variety of IoT technologies, platforms, and associated use cases continues to proliferate. There is also a multiplicity of options around analytics, security, and cloud integration. Making informed IoT technology choices is complex, for providers and their enterprise customers. Understanding which technologies suit which IoT use cases and environments will be important for all market players, and critical to maximizing the chance of successful IoT deployments that deliver business and social benefits.

IoT as a multi-speed market

There will be multiple paths to success in the IoT market, as different service providers and technology players are starting from different positions and bring different strengths to the table. For some, it will make sense to build and own as many elements of the IoT solution stack as possible. For others, a wholesale or reseller route may be more effective, or focusing solely on the domestic market or a limited number of verticals may be appropriate. On the demand side, different industries will move at different speeds, for IoT adoption, and providers must be flexible enough to adjust their approach.

Transformational IoT business models

From usage-based insurance to lighting-as-a-service, the IoT is enabling a variety of new business models in both fast-moving and more traditional industries. Service and technology providers need to understand these business models, and help their customers to implement and manage the transformation. As the IoT moves into the next phase, business models built around leveraging IoT data in various ways will also become an important – and disruptive – force in many industries.

The competitive IoT landscape – coopetition and partnering

Partnering and acquisition are important elements of strategy for IoT technology and services providers, allowing players to fill in gaps in their portfolios and deliver end-to-end IoT solutions for customers seeking simple, clear propositions. But partnering for the IoT will require unprecedented breadth and flexibility, as service and technology providers must work with a wide variety of players to address different use cases and customer types. Ovum's 2018 research will explore the most successful strategies for IoT partnering, the ecosystems developing around key verticals and technologies, and how 'coopetition' can be an effective strategy for success.

Analyzing global services contracts

We track the evolution of ICT managed services as these expand to include applications services and performance management, and cloud-based service delivery. Ovum maintains an IT services contracts database (ITSCA) as well as uniquely monitoring global services deals from telcos. Together, these provide the most comprehensive picture of the changing shape of the deal in enterprise managed services, in region and globally.
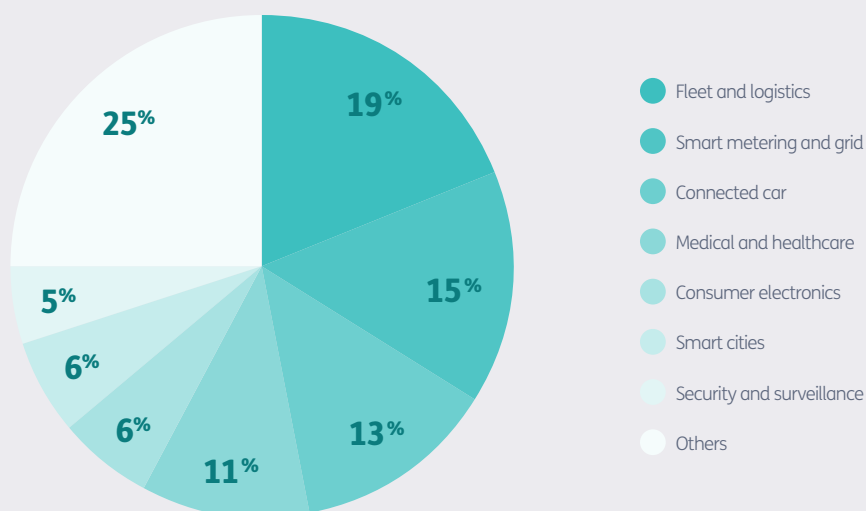
What's new

IoT Total Addressable Market Forecast – Vertical, technology, applications breakouts

Connected Car deep-dive coverage – detailed sector forecasts, trends analysis for autonomous driving and connected car ecosystems, competitive and OEM strategies

Smart Cities database and strategy reports – detailed smart cities project database, investment opportunities analysis, and holistic views of smart cities opportunities, strategies, go-to-market and procurement approaches

Enabling Next-Gen Technologies report – IoT and AI, IoT Analytics, IoT Security, IoT and Blockchain

Share of contract awards by application vertical, 2009 - 16

- Fleet and logistics — 19%
- Smart metering and grid — 15%
- Connected car — 13%
- Medical and healthcare — 11%
- Consumer electronics — 6%
- Smart cities — 6%
- Security and surveillance — 5%
- Others — 25%

Platforms & Technologies

The Market Challenge

Platforms and technologies sit at the heart of the transformational capabilities of the IoT. Making appropriate technology choices for IoT deployments and applications, and understanding which technologies suit which verticals and situations, are critical for both providers and end customers. Likewise, gaining a view on the initial and ongoing costs of both hardware and services are core challenges. Understanding the options and implications of associated and enabling IoT technologies including security, analytics, blockchain and AI, is also critical.

For providers, the challenge is to deliver flexibility and functional differentiation in IoT technology offerings, in the context of a maturing but still highly-charged IoT market. Success requires a clear view on M2M and LPWA technology deployments and take-up, the most important IoT platforms and how these are evolving and becoming more modular, and the different technology strategies of leading industry players.

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Service Provider Strategies

The Market Challenge

Competitive and partner analysis of the strategies of leading communications service providers in the IoT market is a key ingredient for any successful IoT provider. Service providers have many choices to make in developing IoT strategies. Fundamentally, how (and how far) to move beyond the connectivity-only approach to serving IoT customers is the core question. There are a number of potential paths to success depending on the service provider's positioning, relationships, technology strategy and overall approach to market.

Competitive analysis and best-practice case studies offer insight on how leading players are building their IoT organizations, how partnerships are struck and structured, which areas service providers are investing in, and where they sit on the 'build-vs-buy-vs-partner' spectrum in their approach to the IoT market – all core questions for market players.

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The Market Challenge

Vendors targeting the IoT market face a number of important challenges. These include how to develop, and support, multiple technologies for IoT; how to ensure smooth integration with a much wider variety of customers, partners and existing IT and operational environments; and how far to progress down the path to service delivery vs hardware provisioning. The IoT demands a more flexible and software-centric approach to network and application deployment – and a far deeper understanding of customer business processes.

At the same time, vendors need to find a path to scalability, in building out their IoT solutions. Doing so, in a diverse, complex, and rapidly evolving IoT market, will depend heavily on making the right choices – for investment, for partnering and for market positioning.

Industry Verticals

The Market Challenge

The key challenge for end-user organizations, and for providers, is that IoT take-up, applications, technologies and business models look very different across different vertical industries. Understanding how to accelerate IoT adoption and impact in those verticals where it is most appropriate to do so, and what technologies and business models can enable that, will be a key differentiator for technology providers.

The most important questions in each vertical include: what is the benefit of IoT for our organization and customers? How can we translate this to a compelling, sustainable business case? How much will the IoT disrupt our business and my industry – and how can we position to benefit from that rather than being left behind? And how can we leverage it to deliver not only cost savings and efficiency, but greater customer satisfaction and new revenue streams?

About Ovum

Ovum is a market-leading research and consulting firm focused on helping digital service providers and their technology partners thrive in the connected digital economy.

Through our 150 analysts and consultants worldwide, we offer expert analysis and strategic insight across the telecoms, media and technology industries. Founded in 1985, Ovum has one of the most experienced analyst teams in the industry and is a respected source of guidance for business leaders, CIOs, vendors, service providers, and regulators looking for comprehensive, accurate, and insightful market data, research, and consulting.

With 23 locations across six continents, Ovum offers a truly global perspective and works with organizations on every continent. We can also help you create business advantage by supporting your business planning, product development and go-to-market initiatives.

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