



Internet of Things (IoT) Market Update 2018: Taming IoT Ecosystem Complexity – A Survival Guide

Digital Services

Market Report – August 2018: Complimentary Abstract / Table of Contents

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- Benchmarking | Pricing, delivery model, skill portfolio
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- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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Background and scope of the research

IoT adoption has increased multi-fold over the last few years and it is expected to maintain this rapid growth rate. The IoT services market is expected to be worth US\$22 billion by 2021 as the number of IoT devices across the globe cross the 30 billion mark. Enterprises are witnessing positive returns from their investments in IoT pilots and Proofs-Of-Concept (POCs). Many of them have shifted gears and are now exploring use cases beyond gaining operational efficiency and cost savings.

As IoT adoption gathers steam, we are witnessing a large number of players enter the market. More competition fuels innovation and competitive bids that will benefit the enterprises, however, this trend also raises some serious concerns. Multiple service providers are developing different solutions for similar use cases using varying connectivity protocols, deploying infrastructure on different cloud platforms, and managing data through different models. These factors make IoT adoption a complex process and we believe the rise in complexity stands in the way of IoT adoption in the future.

In this report, we look at how the market is growing, the existing complexity challenges plaguing enterprises, case studies where enterprises have overcome these challenges, drivers of the rising complexity in the IoT ecosystem, and how enterprises and service providers can hit the ground running to tackle this complexity conundrum.

Scope of this report:

- **Market segment:** IoT services
- **Geography:** Global







Sources leveraged:

- Everest Group's ongoing interaction with IoT service providers and enterprises
- Expert analyst inputs
- Previous Everest Group research

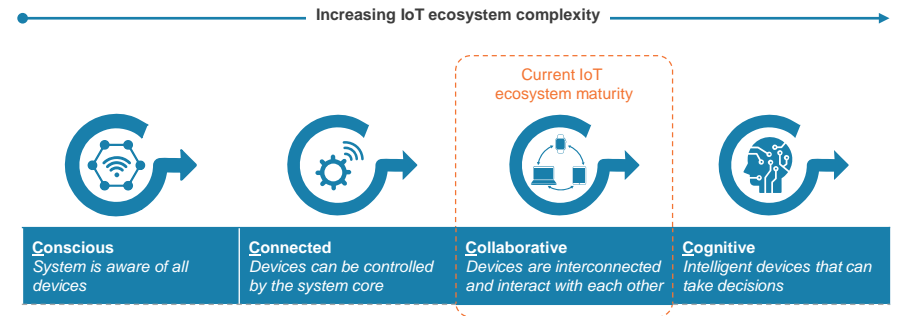
We identified Digital Pinnacle Enterprises™ in retail based on their focus on business outcomes and capability maturity

IoT use case adoption across top industries

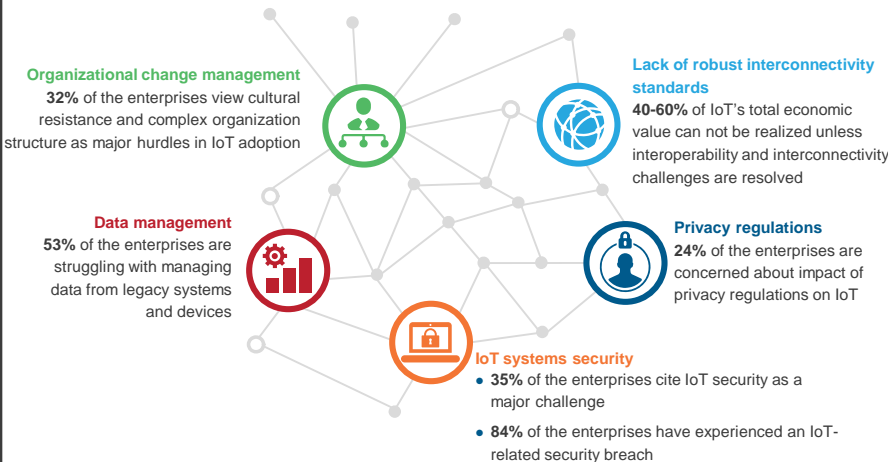
IoT use case adoption: High Medium Low

						
Use cases/ Industries	Manufacturing	Healthcare & life sciences	Retail & CPG	Travel & transportation	Energy & utilities	Telecom, media, & entertainment
Asset management & remote tracking	High	High	High	High	High	High
Supply chain visibility	High	High	High	High	High	High
Process optimization	High	High	High	High	High	High
Employee safety & security	High	High	High	High	High	High
Customer experience/ engagement	High	High	High	High	High	High
New business models	High	High	High	High	High	High
Others	High	High	High	High	High	High

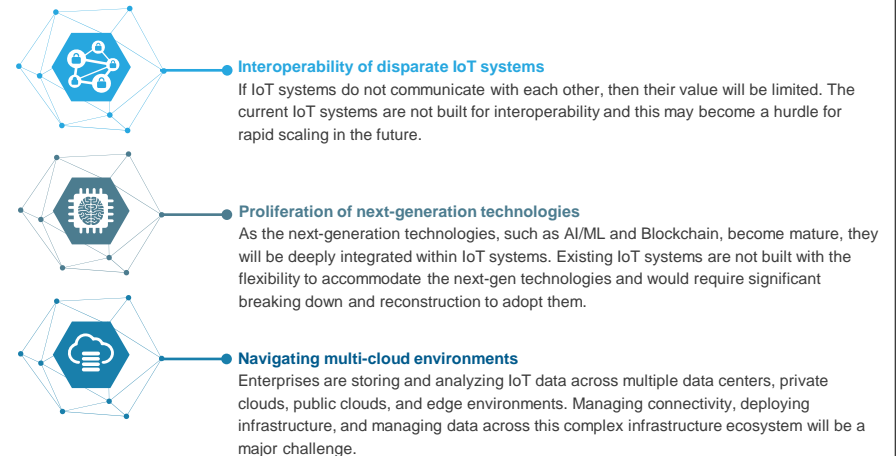
The 4C IoT maturity model



IoT challenges



Drivers of future IoT ecosystem complexity



Research calendar – Digital Services

■ Published ■ Planned ▨ Current release

Flagship Digital Services reports

Release date

Digital Interactive Agencies – Market Report 2018: Digital Marketing in the Cognitive Era	December 2017
Enterprise Digital Adoption in Retail Pinnacle Model™ Analysis 2018	March 2018
Enterprise Digital Adoption in Manufacturing Pinnacle Model™ Analysis 2018	May 2018
Digital Services Annual Report 2018: Future Operating Model to Scale Digital	July 2018
Internet of Things (IoT) Market Update 2018: Taming IoT Ecosystem Complexity – A Survival Guide	August 2018
IoT Services PEAK Matrix™ Assessment and Market Trends 2018	Q3 2018
Digital Services PEAK Matrix™ Assessment and Market Trends 2018	Q3 2018
Customer Experience Pinnacle Model™ Analysis 2018	Q4 2018

Thematic Digital Services reports

Design Thinking: Innovation Catalyst for Digital Transformation	July 2017
Enterprise Bots Adoption	July 2017
AI/Cognitive: Past, Present, and Future	Q3 2018
Big Tech Wars: IoT Platforms	Q3 2018
CX Trailblazers	Q3 2018
Big Tech Wars: Digital Marketing Platforms	Q4 2018

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Additional digital services research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **IoT Services PEAK Matrix™ Assessment and Market Trends 2017: Have You Taken the Plunge in IoT Yet?** ([EGR-2017-4-R-2435](#)); 2017. IoT is fast becoming a strategic priority for large enterprises, and is being viewed as a lever to achieve the desired digital transformation and business growth. With the anticipation of a high ROI and quantified benefits from IoT, the expectations from service providers have also increased manifold. Enterprises expect a partnership-based engagement from service providers. In this research, we present an assessment and detailed profiles of 18 IoT service providers featured on the IoT services PEAK Matrix.
2. **Digital Services – Annual Report 2018: Future Operating Model to Scale Digital** ([EGR-2018-33-R-2735](#)); 2018. Digital is no longer an aspiration but a necessity to survive in the rapidly-evolving market where boundaries between industries and industry players are blurring. However, most of the enterprises tend to take half measures by just focusing on digital strategy. If the enterprise operating model is not aligned with the digital strategy and business model, the desired returns from a transformation initiative cannot be achieved. This research presents an assessment and detailed profiles of 22 IT service providers featured on Everest Group's PEAK Matrix for digital services for 2017.

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About Everest Group

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