

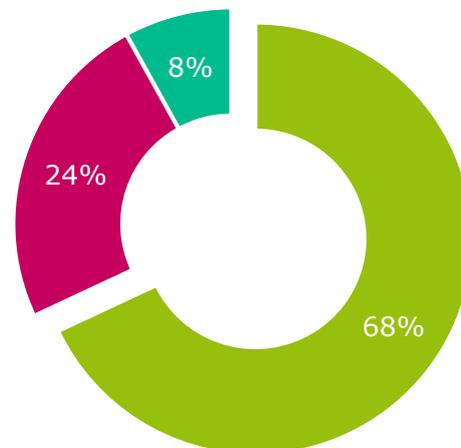
The Internet of Things (IoT)

Over recent years, the Internet of Things (IoT) has emerged as an IT trend that is sweeping across the business world even though the concept of IoT has been around for decades. IoT is an evolution of the Machine-to-Machine (M2M) market, which focused largely on industrial industries. Today, M2M has evolved into IoT and is now starting to infiltrate organizations across the globe and all industries are being affected.

It also goes by many other terms. GE focuses on a portion of IoT that it calls the [Industrial Internet](#). Cisco calls it the [Internet of Everything \(IoE\)](#) and Microsoft dreamed up [the Internet of Your Things \(IoYT\)](#). All of these terms describe an ever-expanding universe of connected devices and data causing broad computing challenges (and opportunities).

Despite the inevitable challenges of embracing a new technology, the possibilities for organizations could be numerous. One thing businesses can be certain of: it would be unwise to ignore IoT.

The IoT increases connectivity among all devices from cars to smart phones, industrial machinery to fridges and everything in between. This is leading to a massive increase in data collection for businesses. Most decision makers recognize that their organization has already been impacted by the growth of the IoT. Around seven in ten (68%) respondents say that trends such as IoT has significantly increased the flow of data into their organization.



■ Agree ■ Neither agree or disagree ■ Disagree

Figure 1: "To what extent do you agree that areas such as the growth of the Internet of Things, mobile platforms and social media channels have caused a significant increase in the flow of information into and through your organization", asked to all respondents (750 respondents)

However, the majority of respondents' organizations already find analyzing a lot of data a major challenge (73%) and the ability to analyze big data in real time very difficult to achieve (65%). Unless organizations have robust and advanced solutions in place, they will continue to find extracting meaningful insights from the sorts of data gathered through IoT a challenge. If organizations are able to overcome challenges with the collection and analysis of data, and successfully deal with the increased volume of data that IoT brings, the benefits could be significant.

Over nine in ten (95%) surveyed decision makers expect to experience benefits in the next two years as a result of the emergence of the IoT.



Figure 2: "What benefits do you believe your organization is likely to experience from the emergence of the Internet of Things in the next two years?", asked to all respondents (750 respondents)

According to respondents, cost efficiencies (60%), improved customer experience management (52%), and increased revenues (42%) are among the most likely benefits expected from this trend. Around two fifths (42%) also believe that their organization's forecast accuracy could be improved. At present, almost half (47%) of respondents' organizations primarily use data to look at and analyze past performance rather than make informed business decisions and projections for the future. Successfully implementing IoT

solutions could finally help organizations to confidently look forward.

This may be easier said than done as 92% of respondents say that their organization did, or would, face challenges to implementing an IoT solution.

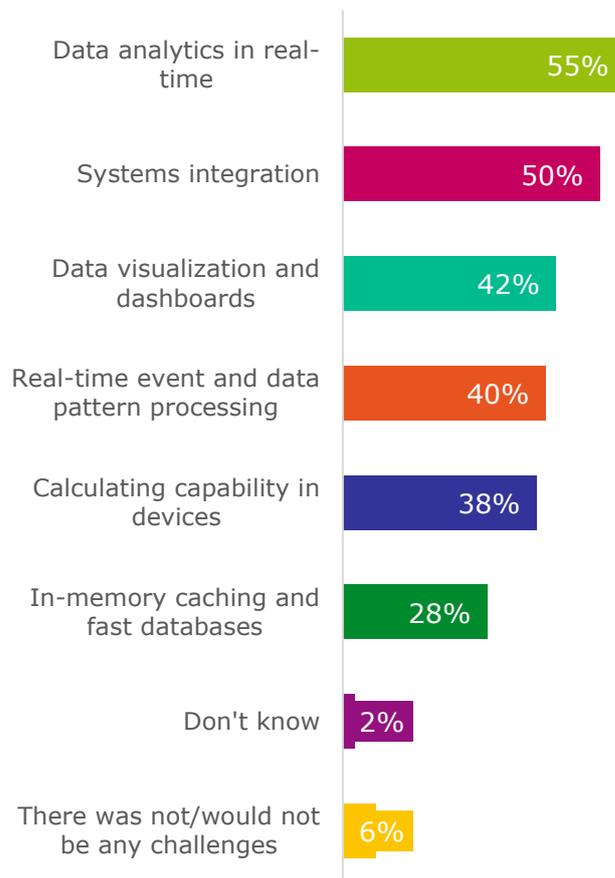


Figure 3: "What challenges did/would your organization face to implement an Internet of Things solution that supported the business decision process?", asked to all respondents (750 respondents)

Achieving data analytics in real-time (55%) is the most common obstacle that respondents' organizations experience. This is already problematic as the majority of respondents' organizations cannot monitor processes (68%), mine (61%) or act on real-time data (57%). The IoT now provides another source of real-time data which organizations need to analyze. The benefits are significant, but until organizations can cope with the current amount of data coming into their organization and make provisions for the additional data that IoT will generate, they will fail to capitalize on IoT.

In summary

Most (68%) of those surveyed are already seeing that the IoT has significantly increased the data coming into their organization. If organizations are able to embrace the emergence of this trend, which may involve reviewing and improving current solutions, they could make both cost savings and business gains. However, this will only be possible if businesses can overcome challenges with implementing an IoT solution, challenges that the vast majority of organizations are likely to experience. Organizations should be asking themselves:

- Are their current solutions up to the task?
- Can the business manage the implementation of an IoT solution themselves?
- What role can vendors play in ensuring that they do not miss this very real opportunity for their organization?

Country differences

- Respondents from China (76%), France (74%) and Singapore (74%) are most likely to report that trends such as the IoT has significantly increased the flow of data into their organization. Only half (50%) from the UK report this
- More benefits are expected from the emergence of the IoT over the next two years on average according to those surveyed from China (6) and Singapore (5), compared to other regions
- Respondents from Brazil (82%) and Germany (81%) are less likely to say that their organization has, or would, experience challenges with implementing an IoT solution. 95% from China and France have already experienced challenges or believe that they would

Methodology

During June and July 2014, 750 decision makers were interviewed using a mixture of online and telephone interviewing. Respondents came from nine countries across the globe:

- US – 326 interviews
- Canada – 74 interviews
- UK – 50 interviews
- France – 50 interviews
- Germany – 50 interviews
- Singapore – 50 interviews
- Australia – 50 interviews
- Brazil – 50 interviews
- China – 50 interviews

To qualify for the research, respondents' organizations could be from a range of sectors, including public and private, but their organization must have an annual revenue in excess of \$500 million. The research was carried out in the following sectors: manufacturing, financial services, retail, healthcare (public and private), energy, telecommunications, utilities and the public sector.

A robust multi-level screening process was used to ensure only appropriate respondents participated in the project.



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