

## **IoT Professional Services - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029**

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### **Report description:**

The IoT Professional Services Market size is estimated at USD 128.71 billion in 2024, and is expected to reach USD 180.61 billion by 2029, growing at a CAGR of 7.01% during the forecast period (2024-2029).

#### Key Highlights

- Smart city initiatives are expected to spearhead IoT growth over the coming years. IoT devices and systems are expected to increase as part of transportation, utilities, and infrastructure. Government initiatives are expected to boost the adoption rates of IoT devices, leading to more organizations relying on professional services for deployment and further management.
- For instance, the European Union's directive required all EU member states to roll out smart electricity meters to 80% of consumers by 2020. Due to such developments, countries are increasingly adopting smart metering solutions. For instance, according to the Department for Business, Energy & Industrial Strategy, at the end of Q3 2021, 26.4 million smart and advanced meters were operating in homes and small businesses across Great Britain, with 21.6 million of all meters operating in smart mode. This factor indicates the increasing dependency on deployment services for IoT devices.
- Global connectivity initiatives by various governments are pushing the adoption rates of IoT. For instance, Horizon 2020, one of the most significant EU research and innovation programs, with EUR 80 billion in funding between 2014 and 2020, significantly impacted technological developments in Europe. As part of the project launch of e-sim, developing interoperability with technologies such as Sigfox, LoRa, NB-IoT, and LTE-M was undertaken. Government initiatives positively influence the IoT market, creating an ancillary demand for professional services.
- With the advent of 5G, the global number of IoT in consumer and industrial space is expected to increase significantly, creating new avenues of growth for IoT professional services. According to Ericsson, in 2020, the 5G device volumes are expected to reach 160 million. By 2025, the 5G subscription base will reach 2.6 billion and cover up to 65% of the population, generating 45% of global mobile data traffic.

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- Adding several devices, like IoT, increases the surface area of a network, thereby creating more potential attack vectors in the process. Even a single unsecured device connected to a network may serve as a point of entry for an active attack on the web. Data security concern has, thus, presented themselves as a significant challenge as players navigate to strengthen their security offering to gain customer confidence and prevent breaches.
- During the COVID-19 outbreak, the global supply chain and demand for electronics were disrupted. Thus, the IoT market's hardware adoption was severely influenced by 2020, directly impacting the demand for deployment services connected to the installation of IoT devices. Due to the production shutdown in countries like China, the electronics industry observed a shortage of electronics supply during February and March of 2020.

## IoT Professional Services Market Trends

### The Proliferation of Connected Devices across the World to Drive the Market Growth

- The proliferation of connected devices generates massive amounts of data. IoT professional services providers help organizations manage data, including data collection, storage, processing, and analysis. They assist in developing data analytics strategies and implementing tools and technologies to derive actionable insights from IoT-generated data. Organizations can make informed decisions, optimize processes, and drive innovation by leveraging advanced analytics.
- The growing trend of adopting connected devices in the industrial sectors positively influences the market studied. According to Ericsson, the number of massive IoT connections is expected to have doubled, reaching nearly 200 million contacts. According to the same source, by the end of 2027, 40% of cellular IoT connections will be broadband IoT, with 4G connecting the majority. However, with the introduction of 5G New Radio (NR) in the old and new spectrum, this segment's throughput data rates are expected to increase substantially.
- Emerging applications, business models, and falling device costs have been instrumental in driving IoT adoption, consequently increasing the number of connected devices and endpoints globally. The massive IoT technologies NB-IoT and Cat-M1 continue to be rolled out globally. The massive IoT technologies are anticipated to comprise 51% of all cellular IoT connections overtaking broadband IoT cellular connections.
- The proliferation of connected devices is not limited to a specific industry but spans various sectors, including manufacturing, healthcare, transportation, energy, and agriculture. Each industry has unique requirements and use cases for IoT. IoT professional services providers with industry-specific expertise can offer tailored solutions to address each sector's specific challenges and opportunities. They understand the intricacies of industry-specific IoT implementations and can provide specialized guidance and support. For instance, as per GSMA Mobility Report 2022, the total number of IoT connections in 2021 was recorded at around 15.1 billion, and these connections are anticipated to reach 23.3 billion by 2025. Such significant growth rates would considerably necessitate IoT professional services across various industries, thereby driving the market growth.
- Moreover, in the industrial sector, the adoption has penetrated across industries. For instance, according to Aruba Networks, IoT devices have become increasingly pervasive, with 85% of businesses expected to have implemented the technology.
- Overall, the proliferation of connected devices fuels the demand for IoT professional services by introducing complexity, integration challenges, scalability needs, security concerns, and data management requirements. IoT professional services providers play a critical role in helping organizations navigate these complexities and maximize the value of their IoT investments.

### North America is Expected to Hold the Largest Market Share

- The North America region is expected to hold significant market shares owing to the presence of prominent players in the

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telecom industry, such as AT&T, IBM, and General Electric, which continuously invest in building up and advancing their infrastructure to keep pace with technological advancements. This is expected to boost the adoption of IoT professional services over the forecast period.

- Fast and secure 5G connectivity is expected to accelerate the adoption of IoT devices, allowing agile operations and flexible production. This technology will facilitate automated assembly, warehouses, connected logistics, packing, product handling, and autonomous carts. Moreover, North America's awareness of IoT and digital solutions in industries is significantly higher. According to a recent study by Mendix, 78% of US manufacturing workers welcome digitalization. In addition, eight in 10 manufacturing workers are interested in learning new digital skills.

- Additionally, with smart grids planning to take over the entire energy industry in the country, IoT utilities are expected to gain traction over the forecast period. For instance, Landis+Gyr, which specializes in smart meter deployments, and Cisco's Catalyst routers for IoT are helping companies manage their grids and collect and make sense of large volumes of data. The latest 5G industrial routers will give utilities an offering to support the next 15-20 years of an endpoint's life.

- The popularity of IoT devices, combined with tax incentives and home insurance discounts, has encouraged consumers and utility companies to make their services intelligent and suitable for the new age of home builders and owners and remain competitive in such an evolving market. According to the Institute for Electric Efficiency, by the end of 2022, around 124 million smart meters were recorded to be installed in the United States, an increase of 117 million units compared to 2007. With the increasing installation of smart meters, the tendency for IoT services adoption might increase significantly during the forecast period.

- Nearly all (96%) Canadian organizations value IoT and new technologies, according to a CDW Canada survey, yet more than one-third (37%) are not implementing them. Artificial intelligence, the Internet of Things, and business process transformation tools like ServiceNow were the top three most heavily invested new technologies (60 percent, 59 percent, and 58 percent, respectively). With the growing digitalization and usage of connected devices in business and industry, IoT applications and sales are anticipated to increase in the region. As the company moves toward digitalization and IoT-based products, professional services such as deployment and consulting will increase.

#### IoT Professional Services Industry Overview

The competitive rivalry in the IoT professional services market remains high due to the presence of various global and local players. A few of the prominent players include IBM Corporation, General Electric Company, AT&T Inc., and GE. Through strategic partnerships, mergers, and acquisitions, the players in the market are actively gaining a more substantial footprint.

In April 2023, Ericsson, a Swedish telecom equipment manufacturer, finished transferring its IoT Accelerator (IoT-A) and Connected Vehicle Cloud (CVC) operations to Aeris, a prominent IoT solution provider. The firms believe that the combined capabilities allow for the global deployment and management of IoT programs at a new level of scale, reliability, and security.

In January 2023, Mobic, a provider of IoT software engineering services with its headquarters in Manchester, United Kingdom, agreed to be acquired by Cognizant, a prominent American IT services firm. Mobic's services include the whole software development life cycle, focusing on clients' strategic internal research and development initiatives and core expertise in embedded software development, implementation, testing, and deployment. This acquisition considerably broadens Cognizant's IoT-embedded software engineering capabilities and offers clients a broader range of end-to-end support to facilitate digital transformation.

#### Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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