IoT Testing - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

Market Report | 2025-04-28 | 100 pages | Mordor Intelligence

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Report description:

The IoT Testing Market is expected to register a CAGR of 32.34% during the forecast period.

Key Highlights
- Due to the increasing adoption of smartphones and mobile devices, coupled with the growing internet penetration, the evolution of IoT has witnessed immense growth in recent years. The same factor is expected to continue driving the demand for IoT solutions in the future as well. The rise in these devices leads to increased data being generated.
- IoT testing tools are widely used for open-source applications and to help monitor the traffic between the sender and the receiver. Hence, IoT testing tools, along with IoT solutions, are likely to become a significant factor in driving the market demand.
- Moreover, IoT testing services play a vital role in testing smart components and IoT applications to offer end users superior quality experiences and services. IoT testing involves real-time intelligence and communication to ensure perfect harmony between hardware and software throughout the connected network.
- The increased deployment of microservices is primarily driving the market for IoT testing. The growing need for DevOps to improve an organization's capacity to provide apps and services at a high velocity compared to conventional software development is also accelerating the market's expansion.
- In addition, the increasing use of ingress protection (IP) testing for improved IoT devices and the growing consumer awareness of the many advantages offered by IoT testing, such as network security, the usability of connected devices, connectivity, system performance overall, etc., are significant growth-inducing factors.
- However, as the IoT ecosystem expands, it will likely face problems scaling the testing process. With microservices test automation in IoT, the complexity of testing a massive architecture is expected to reduce, as each microservice can be tested as a separate process. Utilizing microservices for IoT testing also offers the benefits of testing the IoT system's extensibility, scalability, and integrations.

- The growing demand for IoT during the pandemic increased the opportunities for the growth of the IoT testing market. Owing to the outbreak of COVID-19, the global supply chain and demand for multiple products have experienced disruption. The IoT adoption was significantly affected until the end of 2020. In later stages, the implementation of IoT technologies in healthcare during the epidemic for better information coordination and real-time patient monitoring significantly boosted the recovery of the IoT testing industry.

IoT Testing Market Trends

The Growing Number of IoT Devices may Drive the Market Growth

- The growing demand for IoT devices has boosted the requirement for effective testing services. Before a product is released onto the market, it is essential to assess its quality since even a small defect might significantly impact both the consumers and the company.
- For example, according to Ericsson's report, in 2022, the total IoT connections were reported to be valued at around 13.2 billion. These technologies enabled a significant increase in the number of connected devices in 2021, projected to reach about 500 million by the end of 2022. Increased network capabilities promote the development of Massive IoT technologies by enabling spectrum sharing between Massive IoT and 4G and 5G in FDD bands.
- Managed IoT testing service providers see emerging technology as a significant business opportunity for the next few years. Among managed IoT testing services, security testing will have a more substantial market share than other testing services.
- The increasing adoption of smart city concepts has evolved the great potential of IoT in energy and utilities, waste management, and infrastructure. The investment in IoT-enabled infrastructure is expected to accentuate the demand for security testing services for those assets, which may further foster the demand for managed services in these sectors.
- Moreover, smart devices and IoT in the retail sector help companies enhance the customer experience to drive more conversions, altering the day-to-day store operations and increasing the managed services in this sector.
- This encourages many companies operating in the manufacturing, healthcare, or government sectors to subscribe to security services instead of additionally investing in acquiring the hardware and software required to establish a security system.

North America Occupies the Largest Market Share

- By geography, the North American region is anticipated to hold a significant share, thereby dominating the IoT testing market. The region has substantial dominance over sustainable and well-established economies, empowering them to actively invest in R&D activities. Thus, it contributes to developing new technologies, such as IoT, Big Data, DevOps, and mobility.
- With rising consumers embracing the smart home environment in the United States, IoT is further expanding across the North American region. According to a study by Stanford University researchers, around 66% of North American households possess at least one IoT device, more than a quarter of the global average of 40%. Although these technologies are increasingly on the radar of hackers, the level of security of these smart homes has also been amplified. The increased adoption of IoT impacted the growth of the testing services market extensively.
- Moreover, organizations are keen to incorporate IoT technologies into their processes, which is expected to boost the IoT testing market's growth significantly. For instance, in October 2022, the Biden administration produced an information sheet on measures to improve and protect United States cybersecurity, including developing a cybersecurity standards label for IoT devices.
- Further, the market is growing in the region due to expanding IoT systems, testing technologies, and applications for smart, connected devices. The need for IoT testing solutions is driven by the region's significant technological advancements and demand for 5G IoT across all business sectors.

- The availability of highly reliable Internet access and the quick adoption of interconnected devices in manufacturing industries also contribute to the market's growth. Significant R&D expenditures are being made to enhance the necessary network connectivity infrastructure and IoT testing technologies & services, which support the region's market shares.
- Further, several IoT testing service providers across the region have emerged in the market, providing various managed or professional services, such as compatibility testing, pilot testing, regulatory testing, and upgrade testing.

IoT Testing Industry Overview

The IoT testing market is moderately competitive and consists of several significant players. Some players currently dominating the market in terms of market share include Novacoast, Inc., Keysight Technologies, Inc., Praetorian Security, Inc., AFour Technologies Pvt. Ltd. (ACL Digital), and Apica Systems. However, the IoT testing solution providers are focusing on creating a point of difference among their competitors to sustain the global market's competitive landscape. Several players are expanding their offerings through investments in new product development backed by research and development spending.

In January 2023, Happiest Minds Technologies Limited announced the signing of formal agreements to purchase 100% of SMI, a prominent IT services firm with headquarters in Madurai, India, for a total consideration of upfront and deferred equity consideration of INR 111 crores (USD 13.5 million). SMI has 400+ offshore workers and an annual sales run rate of about USD 9 Million.

In December 2022, ACL Digital, a player in design-driven engineering services, solutions, and digital transformation, declared the acquisition of AFour Technologies. ACL Digitala 's product engineering and digital solutions are strengthened by this purchase of the AFour Technologies company, and it will be able to speed up its clients' journeys toward digital transformation.

Additional Benefits:

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

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