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FACTS ABOUT THE INDUSTRIAL INTERNET OF THINGS (IIoT)



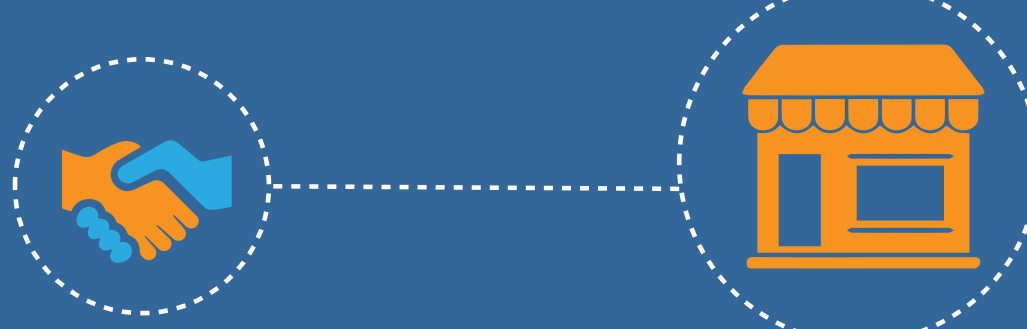
THE INDUSTRIAL INTERNET OF THINGS (IIoT) LEVERAGES THE INTERCONNECTIVITY OF MACHINES AND SYSTEMS WITH SENSORS, INTELLIGENT DATA, AND ANALYTICS TO PROVIDE INCREASED VISIBILITY AND BETTER INSIGHTS INTO THE PERFORMANCE OF EQUIPMENT AND ASSETS. DESPITE WHAT ITS POTENTIAL OFFERS, ATTITUDES SURROUNDING IIoT ARE MIXED. SOME INDUSTRY LEADERS ARE OPTIMISTIC, OTHERS ARE DISMISSIVE. HERE ARE NINE FACTS AND FIGURES ABOUT THE OPINIONS OF INDUSTRY LEADERS RELATED TO THIS TOPIC.



1 ALTHOUGH THE PHRASE WAS COINED AT THE TURN OF THE CENTURY, FOR PRACTICAL PURPOSES THE IIoT BEGAN 10 YEARS AGO WHEN THE ZIGBEE PROTOCOL FOR CONNECTING SMART-HOME DEVICES CAME INTO BEING.



2 A MAJORITY OF RETAILERS WORLDWIDE WITH ABOVE-AVERAGE SALES GROWTH BELIEVE THE IIoT IS POISED TO DRAMATICALLY CHANGE THE WAY COMPANIES DO BUSINESS IN THE NEXT THREE YEARS ACCORDING TO A 2015 STUDY BY RETAIL SYSTEMS.



3 ACCORDING TO A 2015 INTERNATIONAL DATA CORPORATION SURVEY, GLOBAL DECISION-MAKERS IN THE RETAIL INDUSTRY ARE THE MOST FAMILIAR WITH THE IIoT WHEN COMPARED WITH THOSE IN OTHER SECTORS.



4 JUNIPER RESEARCH IN A 2015 STUDY FORECASTED THAT BY 2020, RETAILERS WORLDWIDE WOULD SPEND \$2.5 BILLION IN IIoT-RELATED HARDWARE—including beacons, RFID tags and other types of sensors—and installation costs. THIS REPRESENTS A NEARLY FOURFOLD INCREASE FROM THE \$670 MILLION EXPECTED IN 2015.



5 A MARKETANDMARKETS REPORT ESTIMATED THAT THE GLOBAL MARKET SIZE OF THE RETAIL IIoT—including hardware, software and services—would INCREASE FROM \$14.28 BILLION IN 2015 TO \$35.64 BILLION IN 2020, REPRESENTING A 20.07% COMPOUND ANNUAL GROWTH RATE.



6 IN A 2016 SURVEY CONDUCTED BY JDA SOFTWARE GROUP, A THIRD OF THE 203 US SUPPLY CHAIN PROFESSIONALS IN THE MANUFACTURING AND RETAIL VERTICALS EXPECTED TO INCREASE INVESTMENT IN THE IIoT MODERATELY WHILE 25.9% SAID THEY PLAN TO DO SO SIGNIFICANTLY. MEANWHILE, OF THOSE RESPONDENTS WHO SAID THEY WOULD DECREASE SPEND, 13.8% SAID THEY'VE PUT IN ENOUGH DOLLARS ALREADY. JUST 2.9% FELT DIGITIZATION IS NOT A PRIORITY.



7 IN THE SAME STUDY, MORE THAN HALF OF THOSE SURVEYED SAID SUPPLY CHAIN VISIBILITY (58.6%) AND ADVANCED ANALYTICS (51.9%) HAD A CRITICAL IMPACT. AREAS SUCH AS RADIO-FREQUENCY IDENTIFICATION (RFID) AND AUGMENTED REALITY WERE LESS VALUABLE.



8 ALTHOUGH A STUDY BY GENPACT RESEARCH INSTITUTE AND INDUSTRYWEEK FOUND THAT 81% OF BUSINESS EXECUTIVES BELIEVE THAT SUCCESSFUL ADOPTION OF THE IIoT IS CRITICAL TO THEIR COMPANY'S FUTURE SUCCESS, ONLY 25% HAVE A CLEAR IIoT STRATEGY.



9 THE KEY OBSTACLES BUSINESSES FACE WHEN LEVERAGING IIoT TECHNOLOGY INCLUDE DATA SECURITY AND PRIVACY CONCERNS (CITED AS PROBLEMATIC BY 37% AND 33% OF RESPONDENTS, RESPECTIVELY), INSUFFICIENT SKILLS OF TECHNOLOGY STAFF (35%), USE OF LEGACY SYSTEMS (34%), AND DATA QUALITY (34%) ACCORDING TO THE STUDY BY GENPACT RESEARCH INSTITUTE AND INDUSTRYWEEK.

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