Forecast: IT Services for IoT, Worldwide, 2019-2025

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Initiatives: Technology Market Essentials

The IT Services for IoT market will represent a 58 billion dollar opportunity in 2025, up at a 34% CAGR from 2020. The largest revenue segment will be in the build phase, while the highest growth will occur in the run phase.

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Overview

This forecast identifies IT services opportunities associated with IoT projects. The services are provided by external firms at the design, build and run services stages of IoT applications (see Note 1). The forecast represents a subset of the total enterprise opportunity for Digital Business and Digital Technology services.

The IT Services for IoT market will represent a 58 billion dollar opportunity by 2025, growing at a 34% CAGR from 2020. The largest revenue segment from a service type standpoint will be in the build phase, followed by run and design. By sector, the largest opportunities will be in manufacturing and natural resources, transportation and energy and utilities, driven by the complexity of implementations into asset-intensive heavy industries. Manufacturing and natural resources includes the connected product use case, which represents services provided to all types of IoT endpoint product manufacturers (see Note 2).

Regionally, North America will continue to lead through 2025, followed by Western Europe and the Greater China region driven by the degree of IoT project investment in these regions. The fastest growing region will be Sub-Saharan Africa (41% CAGR) as it increasingly invests, but in relatively low volumes. North America, Western Europe and Greater China will contribute 36%, 18% and 16%, respectively of the absolute dollar growth between 2020 and 2025.

Notes

Note 1: Definition of Design, Build and Run Services

Design services are advisory services by external providers that help organizations identify IoT opportunities. In doing so, these services help align technology strategies with business or process strategies. Build services customize or develop IoT solutions, assets and processes, and then integrate these solutions, assets and processes with existing infrastructure and processes. Run services provide day-to-day management and operation of IoT assets and processes. These include related software and IoT hardware support services, as applicable (including general patching and maintenance).

Note 2: Connected Product Use Case

We have collected all spending by OEMs in a 'Connected Product use case', which is classified under the Manufacturing and Natural Resources sector.The spending for all other use cases, outside of the Connected Product use case, is associated with end-user organizations deploying these use cases.The Connected Product use case is only broken out for software and services forecasts and is not shown in the underlying IoT endpoints forecast.

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