Executive summary: Vodafone IoT Barometer 2016

Benchmarks and best practices to help achieve the greatest return from Internet of Things projects

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Executive summary

The Vodafone IoT Barometer 2016 is based on interviews with nearly 1,100 business leaders about their experiences with the Internet of Things (IoT). The study is an invaluable resource for anyone planning their own IoT projects. This document summarises our five top findings — to get the full story, download the report now.

1. Bigger commitment, better results

With 63% of businesses expecting to have live IoT projects within a year, IoT is a top business focus. Bigger commitment produces better results.

- **IoT is at the heart of IT strategies.** Businesses spend 24% of the IT budget on IoT, ahead of mobile, cloud and analytics.
- **Interest in IoT is higher than ever.** 76% of businesses say that IoT will be "critical" to future success. 89% of adopters have increased their investment year-on-year.
- **Adopters see strong results.** 63% are seeing "significant" return on investment, up from 59% in 2015.

"Our investment is certainly larger in scale, but also more structured, more strategic"

Manufacturer, USA

IoT ranked first in allocated IT budget

2. IoT supports business transformation

IoT can optimise operational processes. But when you build it into products and use it to transform your business, you'll see greater results.

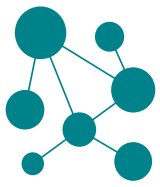
"IoT has become an integral part of the customer strategy. IoT is not just a technical discussion"

Automotive manufacturer, Germany

- **IoT is driving transformation.** 48% of businesses are using IoT to support large-scale business transformation and 29% are using it to connect multiple organisations into ecosystems.
- **Connected products are the growth area.** 46% of all adopters plan to launch connected solutions in the next two years.
- **IoT improves customer experience.** 44% of adopters say IoT has enhanced customer or user experience — the most popular benefit seen.

48%
use IoT to support large-scale business transformation

29%
use IoT to connect organisations into ecosystems



About the research

The Vodafone IoT Barometer is the most robust study of its kind.

We interviewed nearly **1,100** IT decision makers — **70%** more than in 2015. Respondents represented **17** countries and **9** industry sectors, as well as businesses ranging in size from the smallest SMEs to the largest multinationals.

The report also includes exclusive insight from independent analysts Machina Research, and case study excerpts from IoT adopters in their own words, giving you the richest insight into the state of enterprise IoT today.

3. IoT projects drive measurable business outcomes

Top performers treat their IoT initiatives as business projects, not IT purchases.

- **IoT produces measurable results.** Adopters measure a 20% improvement in key business indicators like revenue growth and cost reduction due to IoT.
- **Effective planning is critical.** 68% of adopters set "clear targets" for their IoT projects — top performers are more likely to do so.
- **IoT is a business initiative.** 61% of businesses say they "consistently" see IoT as an integral part of wider business initiatives.

"Our CEO knew that IoT would be a big part of hitting our revenue target"

Aviation, China

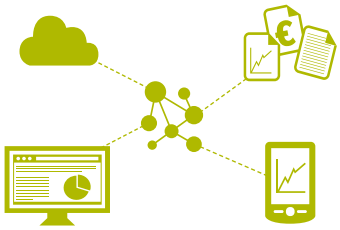
20%
average improvement

4. IT integration is key to using IoT data effectively

"If IoT is about anything it's about data. Integration of IoT data into ERP systems is an inevitable step"

Matt Hatton, Machina Research

90%+
integrate IoT with cloud, big data, core systems and mobile devices



IoT applications are a gold mine of data. Adopters are getting that data to the people and applications that need it.

- **Businesses are integrating IoT with business systems.** More than 90% of adopters integrate IoT with cloud, analytics, ERP and mobile to enable access to data.
- **IoT is the key to big data.** 81% of businesses say that IoT can only deliver real value if you effectively use the data it generates.
- **Sharing data is part of ecosystems.** More than two thirds of those that use IoT say they feel safe sharing their IoT data with other organisations.

5. Security needs end-to-end attention

Security and privacy can't be ignored. Most adopters are cautiously optimistic, working with their IoT providers to control the risk.

- **Organisations invest widely in security.** They're focusing equally on people, process and provider relationships with 42% of organisations investing in training staff and recruiting IoT security specialists.
- **Businesses are cautiously optimistic.** While 30% of businesses say they have changed or restricted the scope of IoT projects to limit security risks, more than 60% of respondents say they already have what it takes to manage IoT security.
- **Providers have a big role to play.** 76% of businesses say that IoT should be secured end-to-end, and 91% say that it's important to work with an end-to-end provider.

42%
People focused

42%
Process focused

41%
Providers focused

"We have addressed security at each of the different layers in the stack — not only are we bringing in the right technology, but making sure that we have the right processes"

Philips Lighting, the Netherlands

Get the full story

To find out more about how enterprises around the world are using IoT to transform their organisations, and how you can get better results from your own IoT initiatives, **download the full report now** or go to **iot-mktg.vodafone.com/barometer2016.**

To learn more about IoT, visit **vodafone.com/iot** or talk to us on Twitter **@VodafoneIoT.**

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