Our IoT survey results show that enterprises base their IoT connectivity partner selection on more than price

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Enterprises are realising the benefits of IoT, but still face a number of challenges when deploying IoT solutions. As a result, the ability to help enterprises to overcome these challenges plays a significant role in enterprises' selection process for IoT connectivity providers. Enterprises also use a number of other criteria when selecting an IoT partner (rather than a single over-arching criterion such as price), which indicates that IoT connectivity is not a commodity service and that IoT partners are viewed by enterprises as trusted, long-term advisers.

This article draws on insights from a survey of 200 enterprises conducted by Analysys Mason in early 2022 on behalf of Sierra Wireless. Detailed findings from the survey can be found in *Enterprise requirements for IoT connectivity* on Sierra Wireless's website.[1]

The challenges to deploying IoT will persist

Analysys Mason surveyed 200 enterprises with more than 250 employees between February and March 2022. The survey was conducted in France, Germany, Italy, Spain, the UK and the USA and included organisations in a range of sectors. Importantly, all enterprises either had a fully operational IoT deployment, were in the process of deploying IoT or were planning to deploy IoT.

We asked respondents about the challenges of deploying IoT solutions (Figure 1). Security was the most commonly cited challenge. Indeed, security was ranked either first, second or third by nearly three quarters of respondents.

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[1]   Sierra Wireless (2022), *Enterprise Requirements for IoT Connectivity: An Analysys Mason Survey.* Available at: https://www.sierrawireless.com/resources/report/enterprise-iot-connectivity-requirements/.

Figure 1: Key challenges of developing an IoT solution (challenges ranked either first, second or third), 2022
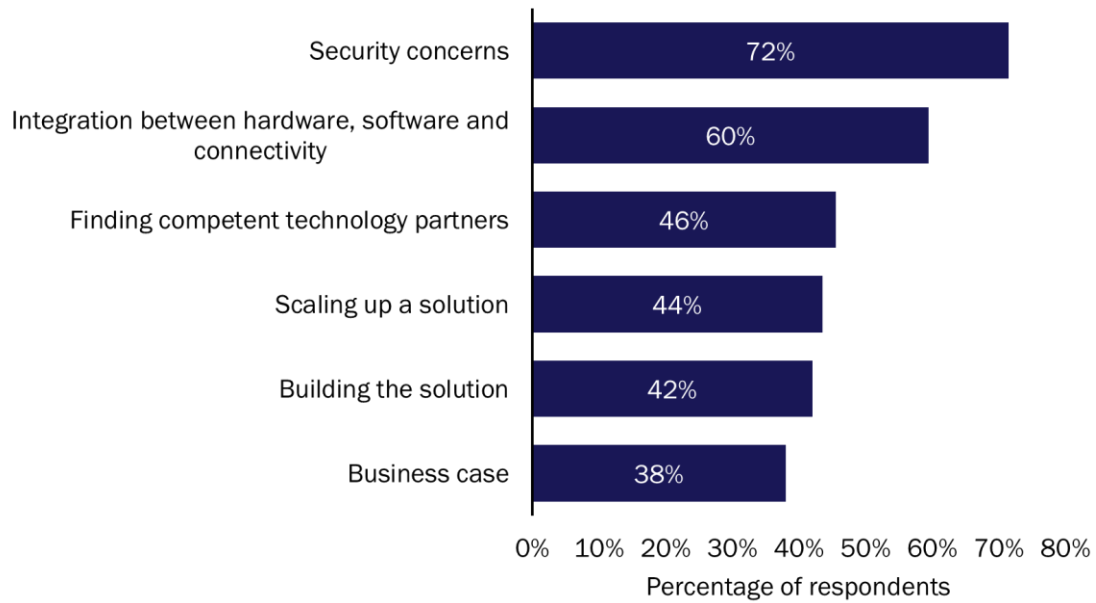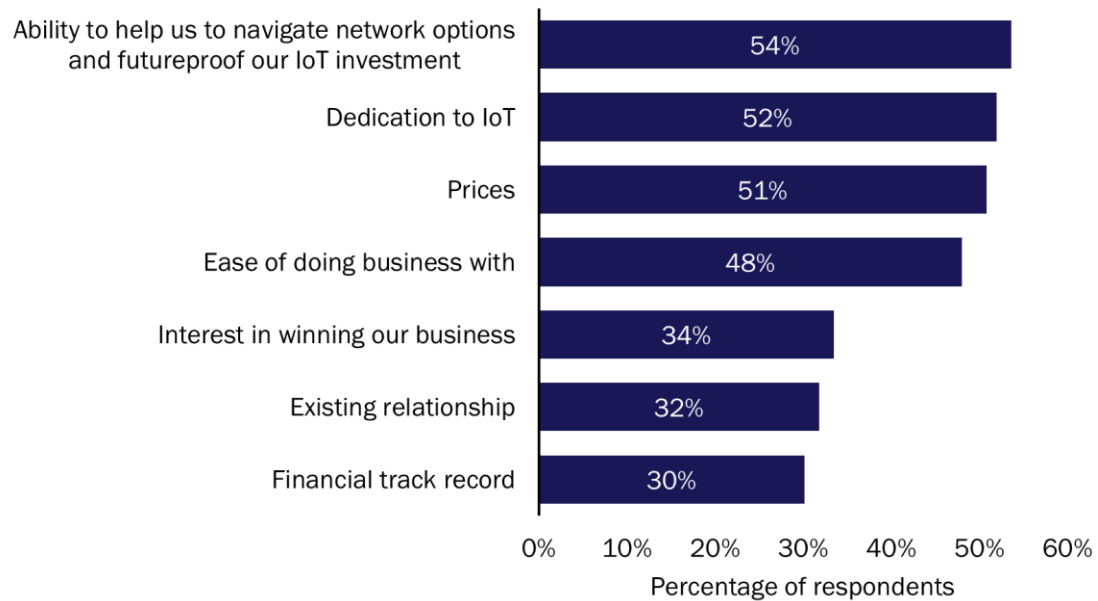

Source: Analysys Mason, 2022

The challenge of 'integration between hardware, software and connectivity' also ranked highly; 60% of respondents ranked it either first, second or third in terms of importance. This challenge appears to be a particular issue for manufacturing firms (it was cited in the top-three challenges by 71% of firms in this sector), possibly due to the high use of proprietary technologies in this sector as well as the use of very specialised devices and solutions.

The lack of compatibility between hardware and connectivity in particular often results in delays to the launch of IoT projects, and additional costs are incurred to resolve the issues. The challenge of integration was also reflected in respondents' answers to a question about why they had chosen their current connectivity solution. The most common response (56% of respondents) was that the solution provider sold connectivity as a bundle with hardware and software.

Enterprises base their IoT connectivity partner selection on several factors

We asked enterprises about the commercial and technical criteria they use to select their connectivity partners. Figure 2 shows the responses for commercial factors.

Figure 2: Key commercial reasons for partner selection (options ranked either first, second or third), 2022

It is unsurprising that 54% of respondents reported that the 'ability to help us to navigate network options and futureproof our IoT investment' is important. Connectivity providers have sometimes not given their IoT customers sufficient notice of planned network closures (2G and 3G), for example, which can have a detrimental impact on the business case for IoT devices that might be in the field for 5 years or more.

Furthermore, enterprises often need to support more than one IoT application, and each application may have different connectivity requirements or attributes. Indeed, the survey results show that a significant proportion of enterprises already use more than one network technology: 31% deploy two types of connectivity, 23% deploy three types of connectivity and 16% deploy four or more types of connectivity. Enterprises require support from their connectivity partners when deciding which technology to use for each application.

Inevitably, pricing is important. However, 'ability to help us to navigate network options and futureproof our IoT investment', 'dedication to IoT' and 'ease of doing business with' were all ranked similarly to price. These results show that IoT connectivity is not a commodity service that is sold on price alone. The qualities that organisations assess when selecting a provider are different to those for a transactional or commodity product; one provider cannot be easily replaced by another.

We also asked about the technical considerations that are part of enterprises' connectivity provider selection process. Respondents cited a provider's ability to demonstrate robust 'security and privacy policies' as the most important factor: 55% of respondents ranked it either first, second or third. As discussed above, security is still the primary challenge to IoT adoption, and it is therefore unsurprising that it is ranked above all other factors. However, enterprises also ranked a number of other factors as similarly important. Providers' 'capabilities in other aspects of IoT' (47%), 'track record in IoT' (47%) and 'technology leadership and innovation' (44%) were all deemed to be very important, which suggests that enterprises view IoT providers as long-term partners, that the partnership is more consultative than transactional and that enterprises want to build trusted partnerships with their suppliers.

Selecting the right connectivity provider is key to addressing the challenges of IoT deployment

80% of enterprises indicated that they are satisfied or extremely satisfied with their IoT solution. As such, the enterprises included in our survey already have significant experience in selecting IoT partners, and their experience indicates that the IoT connectivity partner selection process should remain central to IoT project planning.

Enterprises need trusted advisers that can deliver complex, secure solutions that will be in place for several years. It is essential that connectivity providers can advise enterprises on the options for different network technologies to ensure that their IoT deployment is supported for the duration of the project lifecycle in order to futureproof the investment.

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