

Report by VDC Research Finds International Growth for Data Acquisition Products Strong, but Uneven and Vulnerable

With particular DAQ technology segments growing faster than others, suppliers face challenging times within regional markets.

Data Acquisition Market Global Forecast in USD Millions

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Strong secular trends will buoy demand within the Data Acquisition market over the next several years; however, growth trends are uneven across regions, according to a [new report](#) from VDC Research, published in March 2014. While the Chassis & Modules and Software segments will see growth, the market for Plug-In I/O Boards has stagnated in comparison. Suppliers operating within these spaces should proceed with caution, especially when looking to expand into new markets. No longer can whole regions be thought of as homogenous growth markets; each country's market opportunities must now be evaluated individually.



VDC's Industrial Automation and Sensors lead analyst, Frank Bertini, assesses the market going forward as, "speculative...right now the risk of not expanding is starting to outweigh the benefits of maintaining a stable core business strategy. These companies need to invest before being overrun by new international competition." While the market remains top-heavy in terms of market share, there are new threats that need to be taken into consideration.

As part of its research, VDC surveyed and interviewed end users as well as suppliers to build a confident understanding of what is happening within the marketplace. "Companies still need to use a min/max approach when analyzing all aspects of their business," said Bertini. "You can have the best technology and value today, but are you prepared to have an international competitor undercut you by 10% because they have a currency advantage?" While certain developments can be out of a company's ability to control, VDC recommends being ready for them by mitigating risk. "A few suppliers are working with tiered product offerings," Bertini said. "Not everybody can afford or even needs the Cadillac. The Asian suppliers seem to be doing this best. They are much more aggressive when it comes to customizing a solution for their customers."

VDC expects stable growth over the medium term for the Data Acquisition market. However, there will be quite a bit of rearranging of market share chairs after the top 5 to 10 suppliers. With the overall market not growing as fast as it was pre-Recession, there will be consolidation at the lower end of the market share spectrum. According to Bertini, "When the pie is not growing quickly there is less opportunity for smaller suppliers to acquire a market position. Most of the growth is happening within the DAQ software space, which is less exposed to commoditization trends where economies of scale favor the bigger players. The software segment of the DAQ market will see the most growth and will prove to be the most innovative and dynamic."

About VDC Research

VDC Research is a leading technology market analyst firm, with a longstanding practice covering Data Acquisition and other Industrial Automation focus areas. Founded in 1971, the firm provides critical market intelligence to the world's leading technology vendors, who rely on its analysts for the data, ideas and insights they need to make impactful strategic decisions with confidence.