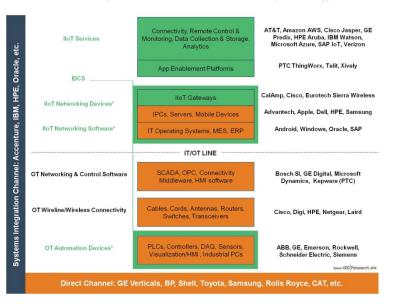# Industrial Gateways, Application Development Platforms, and IoT Services Set to Fuel IIoT and Connected Factory Growth, According to VDC Research

Amidst a backdrop of macroeconomic headwinds and volatility in key markets and regions, vendors look to the IoT to improve efficiency and create new applications and markets.

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The global Industrial IoT (IIoT) and connected factory market is set to grow from $6.0B in 2015 to $20.7B in 2020, according to a new report by VDC Research (click here for more info). Of the markets studied in this report, IIoT services will start from the largest revenue base and see the fastest growth through the forecast period, as value-added analytics, storage, and connectivity services proliferate throughout increasingly-connected industrial plants and sites. The mature embedded integrated computer systems (EICS) market will grow at a moderate pace, with the gateway subset of the EICS market emerging as a crucial form factor where traditionally separate IT and embedded vendors are now scrambling to form alliances and secure market share. The application development and deployment platform market is relatively small, but is on a similar growth trajectory as the IIoT services market. The accompanying graphic provides an overview of the markets covered in the report, which are highlighted in green. The report also includes profiles of more than a dozen key IIoT and connected factor vendors.

Markets Covered by VDC within the IIoT/Connected Factory Technology Stack

The overall IIoT and connected factory market is in a rare period of rapid change as industrial power, automation, control, and networking vendors face macroeconomic headwinds and volatility across key industries (oil & gas) and regions (EU). Traditional automation and control vendors are arming themselves through acquisitions and/or partnerships in order to shift their offerings into more lucrative software and services-defined markets. IT and enterprise networking/cloud vendors are attempting to leverage one another's cloud services while simultaneously pushing intelligence down into OT networks through the IIoT gateway form factor.

"The gateway is optimally positioned in the industrial OT/IT/cloud network architectures to bridge the large EICS and cloud services markets, but security and liability concerns emerge in every conversation we have with industrial embedded vendors, customers, and end-users," said IoT & Embedded research associate Roy Murdock of VDC Research. "We are seeing some interesting and unorthodox partnerships playing out as vendors attempt to differentiate their offerings and improve margins, largely through software and connectivity solutions."

About VDC Research

Founded in 1971, VDC Research provides in-depth insights to technology vendors, end users, and investors across the globe. As a market research and consulting firm, VDC's coverage of AutoID, enterprise mobility, industrial automation, and

IoT and embedded technologies is among the most advanced in the industry, helping our clients make critical decisions with confidence. Offering syndicated reports and custom consultation, our methodologies consistently provide accurate forecasts and unmatched thought leadership for deeply technical markets. Located in Natick, Massachusetts, VDC prides itself on its close personal relationships with clients, delivering an attention to detail and a unique perspective that is second to none.