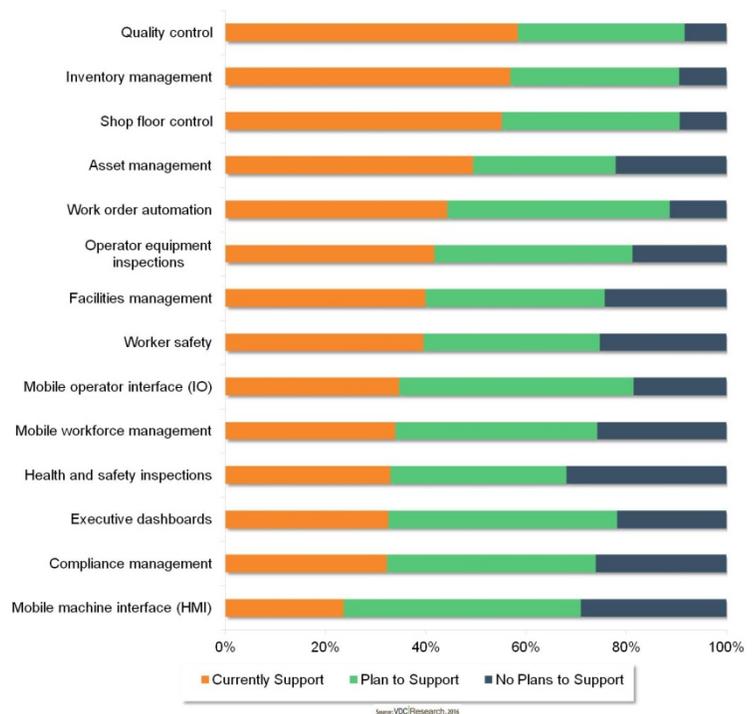


## Rise in Connected Factory Installments Give Mobile Solutions Growth Opportunities, According to VDC Research

*Demand for Internet of Things (IoT) and other digital technologies to improve competitiveness and increase efficiency coincides with, and encourages, continued demand for mobile solutions.*

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Manufacturing shop floor technology spending (mobile hardware, software and services) will total over \$4.5 billion this year and will experience double-digit growth through 2020, according to a new report by VDC Research ([click here](#) for more info). While many organizations in the manufacturing sector are pursuing a “wait and see” approach to technology investment, the pressures to modernize the shop floor environment are, nevertheless, present and convincing. Hesitant about making large capital expenditures, manufacturers have shown partiality for operational expenditures and the use of vendor services. To respond to these evolving preferences, vendors have invested and quickly brought to market new product offerings employing digital and cloud technologies. Adoption among end-users remains fairly tepid as numerous concerns (security and control) and barriers (technical skills, cost, etc.) impede investment at this still early stage. Mobile technology investment, on the other hand, continues in earnest as a crucial component of any digital strategy.



The nature of manufacturing environments has, historically, proven a roadblock to mobile investment. Today, however, rugged and intrinsically safe devices with impressive computing capabilities allow even the harshest environments to experience the benefits of mobility. Moreover, the enterprise mobile software market continues to grow at an impressive rate, enabling mobile devices to integrate into line of business processes and digitalize previously paper-based processes. From human machine interfaces (HMI) to inventory management to machine inspection and maintenance, mobile solutions are playing a greater role on the shop floor and integrating with more and more manufacturing systems. Mobile devices and software’s value stems, in large part, from their ability to increase the visibility of factory operations; a capability of great interest as manufacturers move systems to the cloud and invest in IoT.

In terms of hardware, consumer devices represent the bulk of deployments to the shop floor and, over the next five years, are expected to grow at about four times the rate of rugged devices. Small form factors—smartphones and rugged handhelds—are responsible for the majority of hardware revenues in any given year due to their prevalence in the enterprise market and their shorter lifespan. Moreover, smaller devices are frequently equipped with barcode scanners to support inventory management, a process employed in most manufacturing environments. Over the next five years,

wearable solutions are expected to increase their nascent presence in the manufacturing sector, while tablets and 2 in 1 devices continue to eat away at rugged PCs market share.

“Admittedly, the shop floor has not, traditionally, been an environment that is either conducive for, or archetypal of, mobile technology,” said Matt Hopkins, an Enterprise Mobility and Connected Devices Research Associate at VDC Research. “Automated activities conducted by complex equipment reduce the need for mobile solutions, while often hazardous and unconnected conditions made mobile deployments all but impossible and greatly diminished the benefits that mobile technology could provide. This situation, however, is changing as equipment and facilities are modernized, internet protocols and cloud technology are implemented, and mobile devices improve in both durability and processing power.”

#### **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.