

Hardware-in-the-Loop Opportunities Growing Outside of Legacy Base Use, According to VDC Research

Hardware-in-the-loop is evolving as its use becomes more widely established, particularly outside of traditional industries such as aerospace/defense and automotive.

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The global commercial hardware-in-the-loop (HIL) tools market will expand at a CAGR of 7.9% from a base of \$175.8M in 2014 to reach \$238.6M in 2018, according to a new report by VDC Research ([click here](#) for more info). Increasing use in the automotive and aerospace industry, which accounted for 80% of the overall HIL revenues in 2014, is a significant driver of this growth. However, HIL adoption is accelerating outside of this legacy use base.

HIL revenues gains in industries such as energy/power, industrial automation, medical, and rail/transportation are all projected to significantly outpace growth rates in the legacy markets. New suppliers or vendors targeting a niche application will have a greater opportunity to gain market share than in industries with longer-standing HIL use.

“The majority of HIL market revenue will continue to be generated by use in the legacy markets of automotive and aerospace,” says André Girard, Senior Analyst in the IoT & Embedded Technologies practice at VDC. “However, this should not obscure the spread of HIL testing in new applications and markets. Brand name recognition of the leading HIL vendors will have less of an impact on the decision-makers in these expanding markets, giving a greater opportunity for newer competitors to gain market share.”

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.

