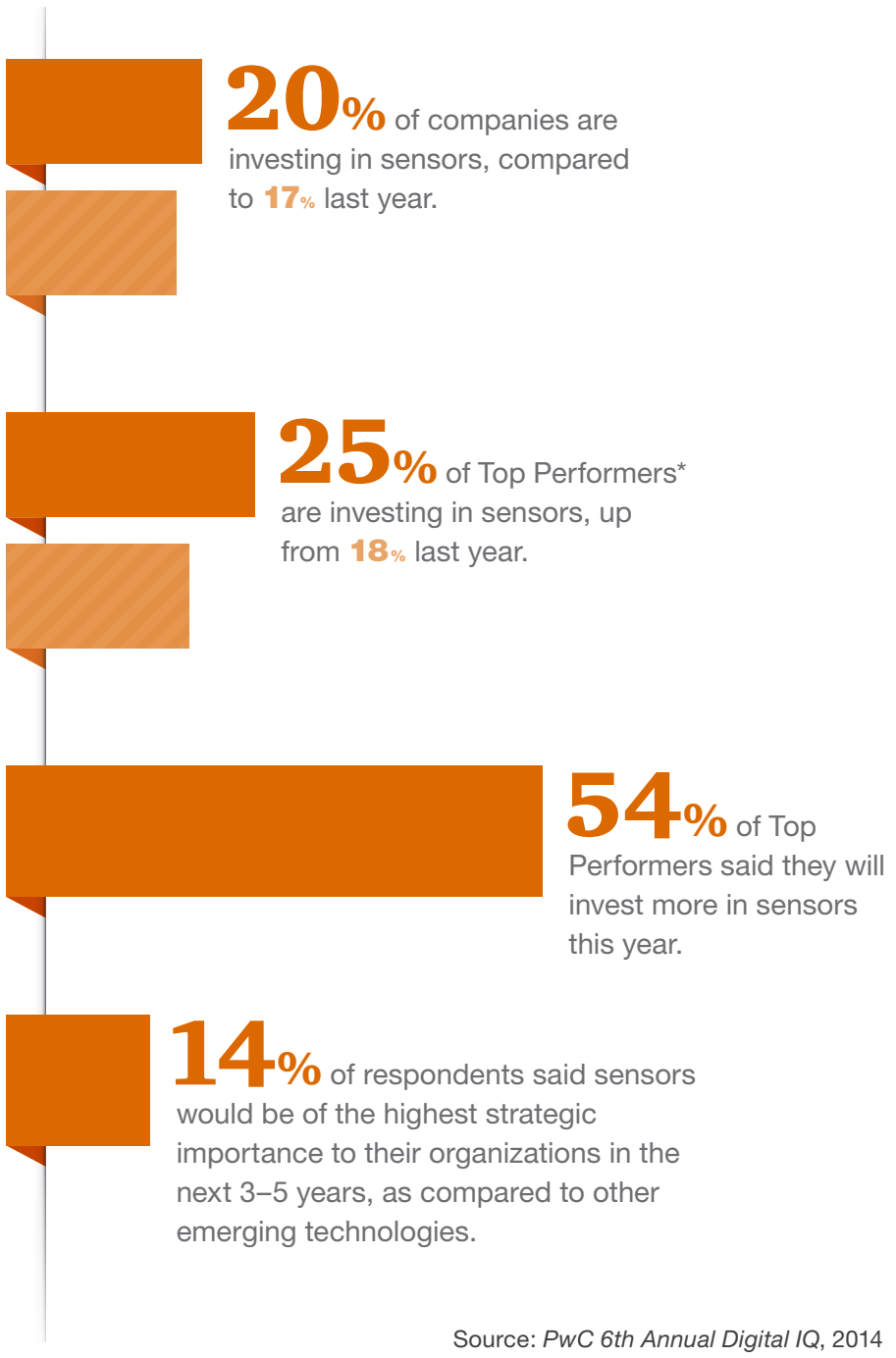
Sensing the future of the Internet of Things

The Internet of Things (IoT) is transforming the everyday physical objects that surround us into an ecosystem of information that will enrich our lives. From refrigerators to parking spaces to houses, the IoT is bringing more and more things into the digital fold every day, which will likely make the IoT a multi-trillion dollar industry in the near future.

While the IoT represents the convergence of advances in miniaturization, wireless connectivity, increased data storage capacity and batteries, the IoT wouldn't be possible without sensors. Sensors detect and measure changes in position, temperature, light, etc. and they are necessary to turn billions of objects into data-generating "things" that can report on their status, and in some cases, interact with their environment.

Because sensor endpoints fundamentally enable the IoT, sensor investments are an early indicator of the IoT's progress. And, according to PwC's *6th Annual Digital IQ* survey of nearly 1,500 business and technology executives, the IoT movement is underway.



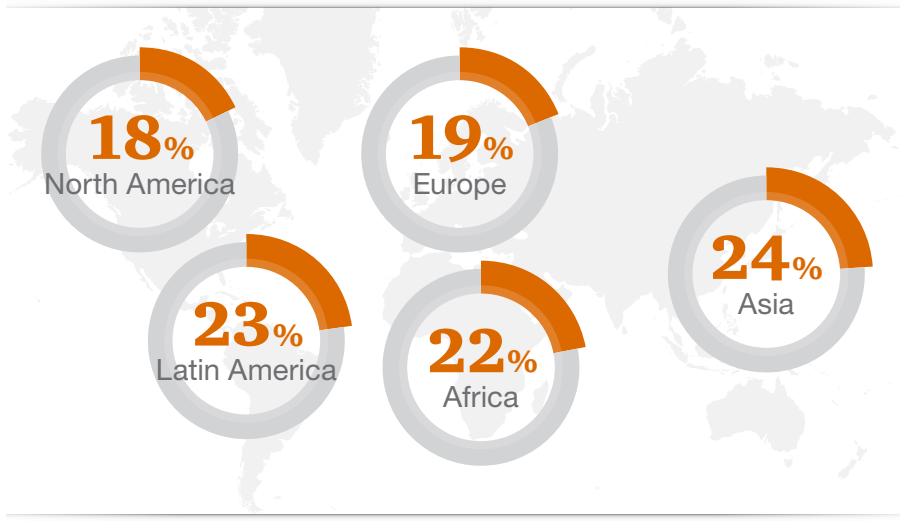
Source: *PwC 6th Annual Digital IQ*, 2014

Why the Internet of Things matters to consumers and businesses

The IoT can help consumers achieve goals by greatly improving their decision-making capacity via the augmented intelligence of the IoT. For businesses, the Internet of Business Things (IoBT) helps companies achieve enhanced process optimization and efficiencies by collecting and reporting on data collected from the business environment. More and more businesses are adding sensors to people, places, processes and products to gather and analyze information to make better decisions and increase transparency.

Global sensor adoption: Asia leads; North America lags

Our respondents from Asia were more likely to say their companies are investing in sensors, followed closely by Latin America. On the flipside, North American respondents were least likely to say their companies are investing in sensors and they have no plans to close the global gap. Asia (26%) and Africa (18%) expect to invest more in sensors this year. Only 8% of respondents from European companies and 7% of respondents from North American businesses said they plan to boost their investments.



Source: *PwC 6th Annual Digital IQ*, 2014

**Top Performers are survey respondents whose companies are in the top quartile for revenue growth, profitability, and innovation.*

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Top 10 industries investing in sensors

Undoubtedly, the Internet of Things is poised to disrupt industries. If it is THE next big thing—then getting in soon will be critical to success.

33% Energy & Mining

Sensors continuously monitor and detect dangerous carbon monoxide levels in mines to improve workplace safety.

32% Power & Utilities

In the past the power usage was measured on a yearly basis: one-way communication. Now, Internet-connected smart meters measure power usage every 15 minutes and provide feedback to the power consumer, sometimes automatically adjusting the system's parameters.

31% Automotive

Sensors and beacons embedded in the road working together with car-based sensors are used for hands-free driving, traffic pattern optimization and accident avoidance.

25% Industrial

A manufacturing plant distributes plant monitoring and optimization tasks across several remote, interconnected control points. Specialists once needed to maintain, service and optimize distributed plant operations are no longer required to be physically present at the plant location, providing economies of scale.

22% Hospitality

Electronic doorbells silently scan hotel rooms with infrared sensors to detect body heat, so the staff can clean when guests have left the room.

20% Healthcare

EKG sensors work together with patients' smartphones to monitor and transmit patient physical environment and vital signs to a central cloud-based system.

20% Retail

Product and shelf sensors collect data throughout the entire supply chain—from dock to shelf. Predictive analytics applications process this data and optimize the supply chain.

18% Entertainment

In the gaming world, companies use tracking sensors to transfer the movements of users onto the screen and into the action.

17% Technology

Hardware manufacturers continue to innovate by embedding sensors to measure performance and predict maintenance needs before they happen.

13% Financial Services

Telematics allows devices installed in the car to transmit data to drivers and insurers. Applications like stolen vehicle recovery, automatic crash notification, and vehicle data recording can minimize both direct and indirect costs while providing effective risk management.

Source: *PwC 6th Annual Digital IQ*, 2014

To have a deeper conversation about how this subject may affect your business, please contact:

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