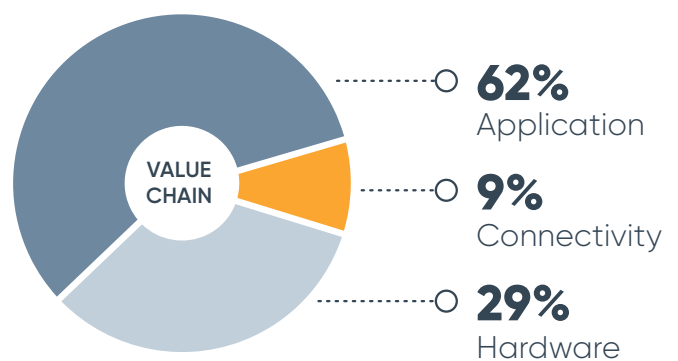


The Business Case for Integrated Hardware & Connectivity

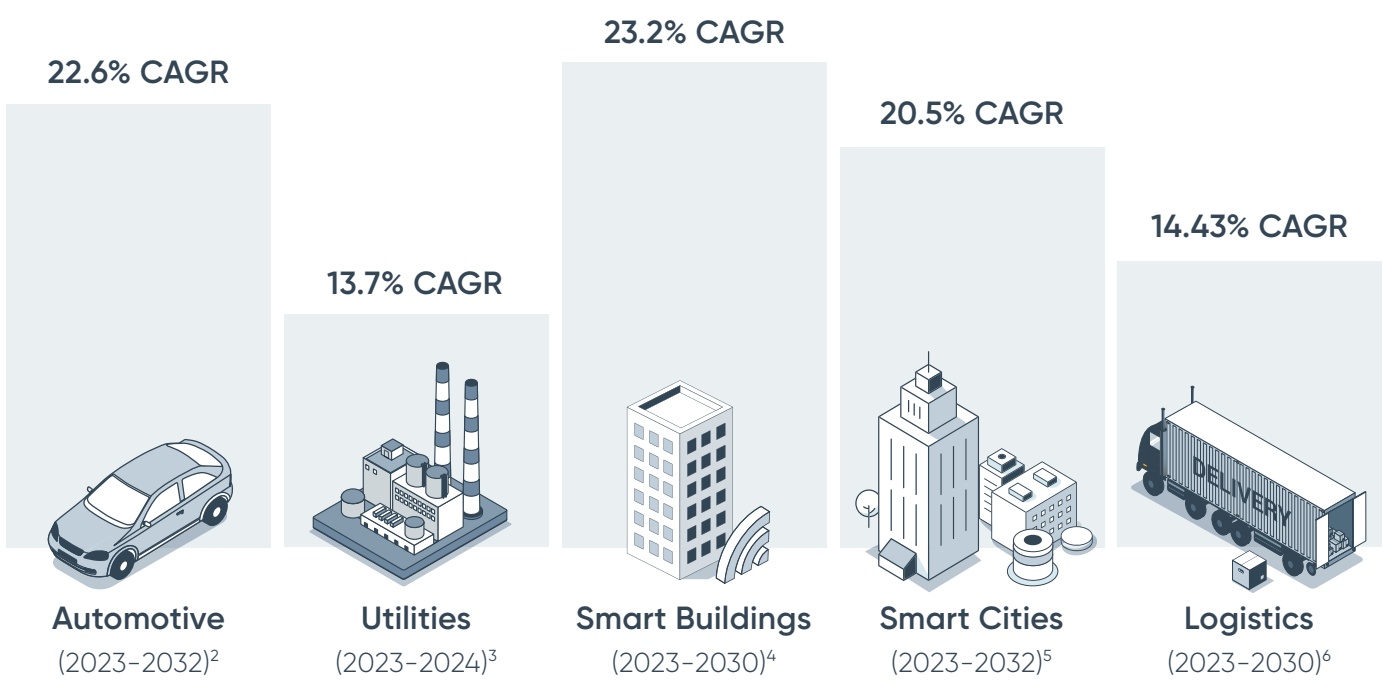
If you're a player in the hardware market, you understand the value IoT and connected devices carries.

While IoT has had a slow start, many emerging technologies and ecosystem partners are helping advance its adoption and its value. By 2030, the cellular IoT value chain is expected to reach \$250B.

The value chain is segmented into the following revenue components¹:

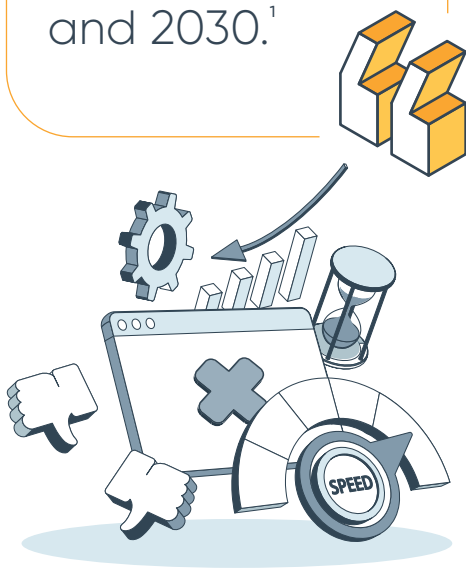


What use cases are driving this growth in the IoT value chain?



With so much growth potential and the market share for hardware, it stands to reason that hardware should have a significant CAGR, but it doesn't.

Hardware will grow at a CAGR of just 2 percent between 2022 and 2030.¹



Why?

Because OEMs and module makers are not tapping into their entire addressable revenue by selling integrated connectivity.

But most module makers have been reluctant to sell IoT connectivity and those who have made the decision haven't reaped the full benefits due to the complex requirements of connectivity, including:

- Licensing and regulation
- Wholesale and roaming relationships
- Logistics for the SIM and subscription management
- Customer support
- Adherence to data privacy acts
- Global coverage with high performance

The landscape is shifting, however, and the demand for integrated hardware and connectivity solutions is growing, which could lead to benefits for both module makers and hardware OEMs.

Module Makers

- Recurring revenue
- Greater customer stickiness
- Options to provide other services

Device OEMs

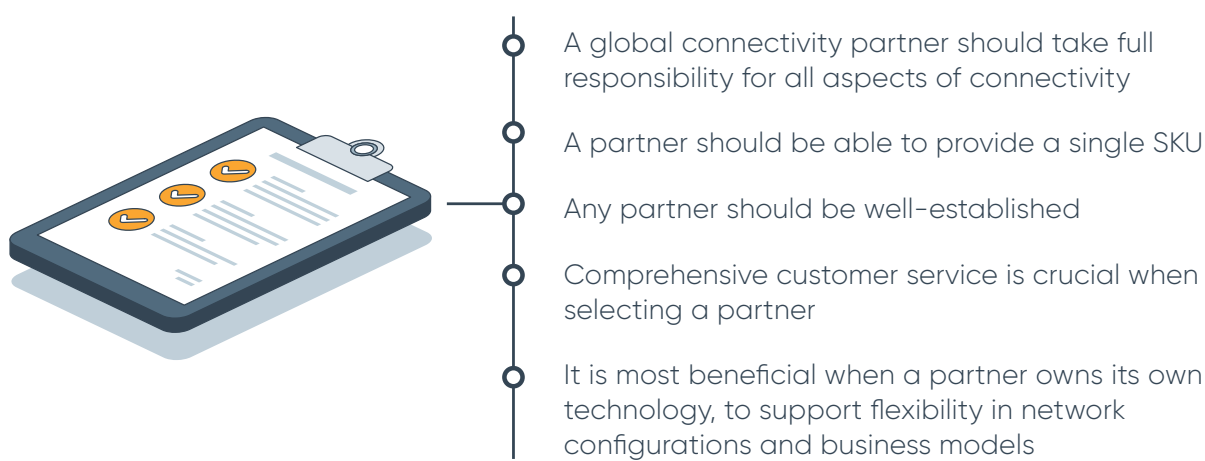
- Recurring revenue
- Simpler procurement process
- Simplified logistics
- Fewer connectivity and device issues

Module makers and device OEMs have three options for providing connectivity:



*MVNO Mobile Virtual Network Operator

With building or acquiring an MVNO, there is risk, complexity, financial, and time issues. A partner is the simpler path, but there are key considerations:



IoT is a steadily growing market and paths to lessen complexity to improve profitability are becoming more prevalent. It's imperative to select a trusted partner with industry expertise, proprietary technology, follow-the-sun customer service, and global reach.

Get the full report from [Analysys Mason here](#). And if you want to learn more about how floLIVE intersects these elements in the ecosystem, [reach out!](#)

¹ Analysys Mason "How is the opportunity for module makers to sell integrated IoT connectivity maturing?"

² <https://www.prnewswire.com/news-releases/iot-in-automotive-market-to-reach-760-3-billion-globally-by-2032-at-22-6-cagr-allied-market-research-301896666.html#:~:text=According%20to%20the%20report%2C%20the,22.6%25%20from%202023%20to%202032.>

³ <https://www.iotm2mcouncil.org/iot-library/news/smart-energy-news/iot-in-utilities-to-see-13-7-cagr/>

⁴ <https://www.fortunebusinessinsights.com/industry-reports/smart-building-market-101198>

⁵ <https://www.globenewswire.com/en/news-release/2023/10/05/2755365/0/en/iot-in-smart-cities-market-to-reach-931-5-billion-globally-by-2032-at-20-5-cagr-allied-market-research.html>

⁶ <https://www.360research.com/library/intelligence/internet-of-things-in-logistics>