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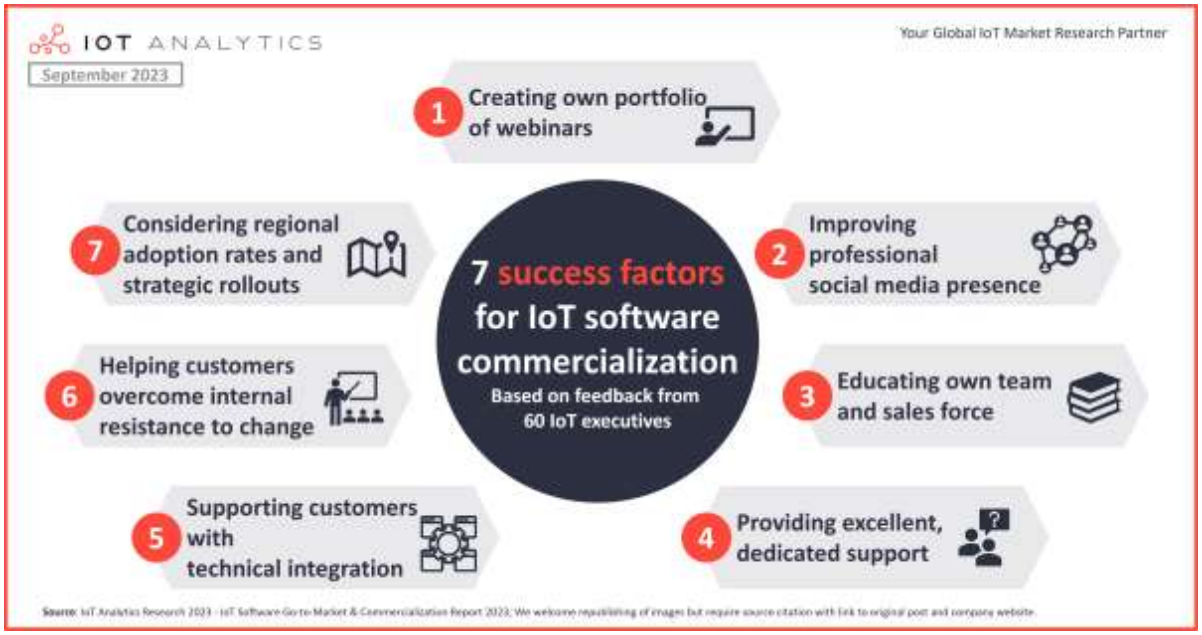
FOR IMMEDIATE RELEASE

New study reveals the hidden secrets of successful IoT software commercialization



Hamburg, Germany, September 7, 2023: A new study conducted by IoT Analytics, a leading provider of market insights and strategic business intelligence for the Internet of Things (IoT), has uncovered the best practices and common pitfalls of IoT software go-to-market and commercialization strategies.

While IoT continues to create winners and losers, excelling at IoT software commercialization is key to being amongst the winners. The study identified seven crucial factors for successfully commercializing IoT software, including running own webinars, deploying social media tactics and helping customers with their most pressing challenges such as IoT integration. Not only this, it also highlights the importance of learning from both successful and unsuccessful IoT commercialization ventures.

The study aims to help IoT software vendors excel at IoT software commercialization and be among the winners in the competitive IoT market. It is part of the IoT Software Go-to-Market & Commercialization Report 2023, highlighting insights from 60 IoT software executives on their current go-to-market strategies, including their views on what works and what does not.

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Key insights:

- 7 factors are considered important for a successful IoT software commercialization according to the IoT Software Go-to-Market & Commercialization Report 2023
- Running own webinars and deploying social media tactics but also helping customers with their most pressing challenges like IoT integration play a key role.

Knud Lasse Lueth, **CEO at IoT Analytics**, comments that "*The complex nature of IoT makes marketing and selling IoT software challenging. Reflecting on past IoT marketing mishaps, such as Android Things, and learning from those that are successful in the market can help avoid repeating mistakes and instead focus on the things that work.*"

Dimitris Paraskevopoulos, **Senior Analyst at IoT Analytics**, added that *"Webinars have emerged as the #1 key factor for a successful go-to-market strategy for IoT software vendors. By leveraging the power of webinars, vendors can simultaneously educate customers and their own teams, improve their professional social media presence, and support customers through the complex IoT integration process. When managed effectively, webinars are a valuable asset for IoT software vendors looking to succeed in the market."*

Successful IoT software commercialization: 7 important considerations according to IoT executives

Learning from IoT software failures and successes

Not every IoT software venture marks a success story, as illustrated by **Google's Android Things**. Google launched the IoT OS platform in 2018 with the vision to empower a nexus of connectivity through an array of smart devices. However, it could not foster community engagement and support. Ultimately, Google ended new device registrations and projects in January 2021 and shut down Android Things in January 2022.

"I should have heard about Android Things. I had not"

While some of the criticism for Android Things relates to the product itself, such as Android Things devices being bigger and more expensive than typical IoT form factors or exhibiting integration challenges with various different types of hardware, it apparently faced IoT software commercialization issues as well. For starters, there seems to have been an awareness issue. As one Android developer in a public forum

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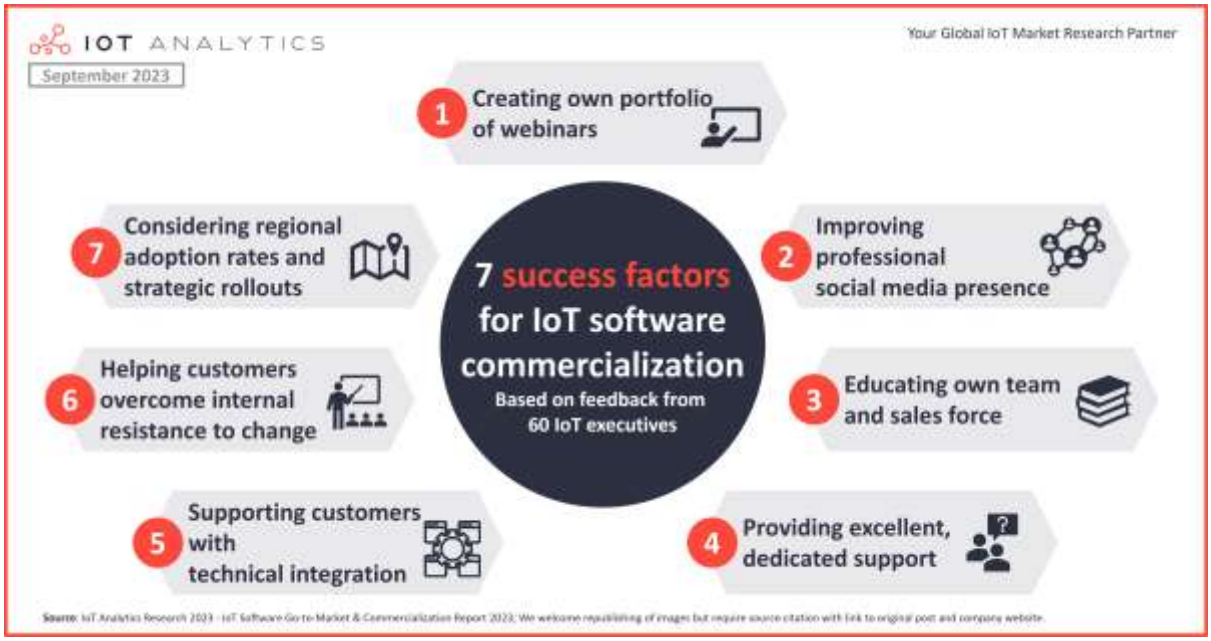
stated, “I have Android Studio installed and do a little Android development. I should have heard about Android Things. I had not.” Another IoT marketing-related issue that users brought forward was the lack of community support, especially for specific IoT use cases and common IoT devices in various verticals.

Experiences like this showcase why it is important to learn from successful and unsuccessful IoT commercialization ventures. IoT Analytics’ 160-page IoT Software Go-to-Market & Commercialization Report 2023 (published in August 2023) highlights insights from 60 IoT software executives on their current go-to-market strategies, including their views on what works and what does not.

Here are the 7 important considerations which, based on our research, improve a company’s chances of being successful in the IoT software market. (Note: The report discusses these and many other aspects in detail)



1. Creating own portfolio of webinars

The number 1 tool that IoT software executives said worked for their companies is running their own webinars *(Note: We queried for 19 different marketing tools).* 81% of surveyed vendors indicated that this tool brought success in terms of ROI, with 50% of the respondents marking “very successful.”

Webinars offer a great opportunity for a company’s technical experts to present information about the products and answer technical questions, making the webinars engaging and interactive. By managing their own webinars, companies get to own the script and format, providing them with the time they need to offer demonstrations or run a thorough Q&A.

Further, companies can build a portfolio of webinar recordings that customers can access later. With a portfolio, the marketing teams can decide on general categories

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that are of interest to their company's target industries and provide content within those categories. Examples of such categories include introduction to IoT topics, IoT in business topics, IoT case studies, and hands-on workshops.

IoT software commercialization success example: The What is IoT? webinar that Israel-based **Friendly Technologies** ran in November 2017 has led to widespread awareness for the company. As of September 2023, the YouTube upload of the webinar—which discusses various IoT standards and IoT device management practices—has been viewed by more than 176,000 people.

2. Improving professional social media presence

76% of the IoT executives indicated that managing their own social media content for professionals (e.g., LinkedIn) brought success in terms of ROI (18% "very successful" and 58% "somewhat successful"). Though not as high in the "very successful" category, its overall performance suggests that IoT software vendors can find success with this tool. This can be especially true if a vendor pairs this channel with another marketing tool—e.g., marketing own webinars on LinkedIn.

Managing professional-oriented social media content can be as simple as having the main company account discuss new technology and software, but several vendors found higher engagement by leveraging employee and advocate posts, especially when using third-party communications management platforms. Employee advocacy is a cost-effective approach that can establish trust and credibility, as people in an employee's network are more likely to trust what their employee connection says, and it can help with reach and visibility.

IoT software commercialization success example: Microsoft is known to run a global employee advocacy program, allowing employees to access content tailored either to their region or to a global scale and expand the reach of social media campaigns. The former CMO of Microsoft France, Sébastien Imbert, estimates that with 10,000 employees in the program, Microsoft could see 350 million–500 million impressions per year and achieve $5 million–$10 million in equivalent advertising value.

3. Educating own team and sales force

The (perhaps surprising) top success factor for driving customer adoption, according to IoT software executives, is companies educating their own teams (not their customers), especially their own sales forces, about their products (rated 4.3 out of 5, with 1 being not important at all and 5 being extremely important). The following are 3 best practices identified in the report to support team/sales force education:

1. **Tailored training:** Tailor training sessions based on each team's involvement and needs. For instance, sales teams require training on how new software works and how customers can get engaged.
2. **Access to resources:** Ensure their teams have access to resources like eBooks, white papers, toolkits, and internal experts that can assist their learning journeys.

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3. **Hands-on, cross-functional workshops:** Run interactive sessions with practical learning and real-life scenarios specific to the new IoT software.

IoT software commercialization success example: The product manager of one IoT software vendor noted that communication and education between their sales team and the product management team, including their leadership was crucial. Further, the product manager added that service-level agreements for product managers to respond to sales inquiries quickly, a library of documentation for repetitive inquiries, and a "single source of truth" to capture customer requests and feedback proved to be very valuable.

4. Providing excellent, dedicated support

Overall, IoT software executives marked providing dedicated support as the second most important factor for customer adoption (4.2/5 on average). It is interesting to note that while North American and European IoT software executives remained aligned on their top three customer adoption factors, APAC executives only aligned with them on providing dedicated support, marking it as their most important adoption factor (4.4/5 on average).

This point of regional alignment is not surprising. As customers adopt and implement IoT solutions, having direct access to excellent, knowledgeable, and specialized support becomes an important factor for them. Dedicated customer support ensures customers receive tailored, specialized support for their needs, especially when the support team is well-trained and educated on the products. Further, since customers are likely making a significant investment in their IoT solutions, having the vendor–customer relationship feel more like a partnership can help with overall customer satisfaction.

IoT software commercialization success example: An example of excellent customer support, discussed in the report, is from **Red Hat**, with 5 key elements identified:

1. **Customer portal:** An online portal offering access to product documentation, knowledge base articles, and video classrooms.
2. **Technical account managers:** A service for customers requiring a more tailored level of support, offering a dedicated technical advisor who understands their customers' unique environment and needs.
3. **Support policies:** Policies detailing the lifecycle and levels of support so customers know how long the products will receive updates and support.
4. **Global reach:** With a global presence, Red Hat offers timely support regardless of where a customer is located.
5. **Certified ecosystem:** Red Hat works with a vast ecosystem of certified partners, ensuring that third-party applications and hardware work seamlessly with Red Hat products, and if an issue arises, Red Hat can often collaborate with these partners to find solutions.

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5. Supporting customers with technical integration

The number 1 customer adoption roadblock, according to IoT software executives, is "complexity of technical integration." The VP of manufacturing/operations in a North American company provided that their "customers report that they often must deal with multiple vendors with overlapping service, [which] usually results in significant slowdowns."

The following are 4 things IoT software vendors can do to help their customers master technical integration:

1. **Provide comprehensive documentation and support:** Along with offering excellent, dedicated customer support, detailed user manuals can help customers through the integration process. Further, community forums enable customers to gain insights from others who have faced and overcome similar integration challenges.
2. **Offer dedicated training and education:** Provide on-site training and online courses specifically addressing integration into common tools and frameworks.
3. **Build integration-specific customer feedback loops:** Customer support teams can establish feedback loops with customers to learn about their integration challenges and work with development teams to improve integration capabilities based on the feedback.
4. **Offer IoT integration services:** Build internal teams or partner with reliable system integrators so that various "integration" services can be offered to customers.

IoT software commercialization success example: German IoT platform provider **Software AG** offers a number of IoT professional services to help companies adopt, learn, and manage their digital transformation solutions, and it also offers a readiness guide that explains the typical digital transformation journey, the pain points, and other considerations.

6. Helping customers overcome internal resistance to change

IoT software executives marked "resistance to change" as the second-ranked customer adoption roadblock. A core theme in the survey responses revolved around familiarity with old and new software. The VP of a company in the UK noted "[t]here is a tendency to not want to adopt new solutions, especially by relatively older employees."

The following are 5 things IoT software vendors can do to help their customers reduce internal resistance to change:

1. **Provide data that supports the value proposition:** Offer data-driven evidence on how the software can improve efficiency, save time, reduce costs, or provide any other tangible benefits.

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2. **Engage key stakeholders early:** Identify and engage decision-makers and influencers within the customer's organization from the onset. If they see value in the software, they can become champions who drive adoption.
3. **Offer pilots:** Allow customers to run pilot programs. This lets them test the software in a limited capacity, reducing risk and giving them a taste of the potential benefits.
4. **Share case studies:** Share success stories from other similar enterprises. When potential users see that their peers have benefited, they may be more inclined to adopt.
5. **Provide communication templates:** Provide the enterprise with communication templates or tools they can use to convey the importance and benefits of the software to their teams.

IoT software commercialization success example: The IT manager of an IoT software vendor in the Philippines shared the following successful strategy: "Usually, the customer's concerns are around familiarity. They are so used to an old model that when we introduce new software, they are afraid/overwhelmed. We can alleviate that by having highly trained individuals who can explain the new systems thoroughly and point out similarities of the new software to the one that the customer is already familiar with so that they can better understand." This goes back to vendors putting emphasis on training and educating their own teams as well as building up knowledge to understand other software and how it compares.

7. Considering regional adoption rates and strategic rollouts

When designing a go-to-market strategy, IoT software vendors should consider in which region they roll out their software first. 70% of the surveyed vendors indicated that North America had "very quick" or "quick" adoption of software, with Central Europe and East Asia following at 58% and 54%, respectively.

Regions with faster IoT software adoption typically have a higher demand for the software and a willingness to invest in IoT solutions. Focusing on these regions that have faster adoption rates can help vendors realize ROI faster. However, this does not mean that other regions should be ignored. Rather, when going to market, focusing on regions with faster adoption rates affords vendors more customer success stories that they can reference for potential customers in other, slower regions.

10 questions IoT software vendors should ask themselves now

This article highlights 7 of many insights that IoT software executives in *the* IoT Software Go-to-Market & Commercialization Report 2023. Based on the insights presented here, executives at IoT software vendors should discuss these questions to help avoid becoming the next Android Things:

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1. How can we **expand our portfolio of IoT webinars** and ensure that they address the specific needs and interests of potential and existing customers more effectively?
2. Are we utilizing the **potential of our own employees** to enhance our presence on professional social media platforms like LinkedIn?
3. How can we **improve our team education strategies** to make sure every member is not only informed but also adept at communicating the unique selling points of our products?
4. Are our **support teams sufficiently equipped with the resources** and training to offer exceptional, dedicated support to our customers?
5. How can we **innovate our integration tools** to reduce complexity and facilitate a smoother transition for customers shifting from legacy systems?
6. What strategies are we implementing to **lessen resistance to change among customers** (e.g., helping customers involve key stakeholders)?
7. Are we considering the **regional adoption rates** adequately while strategizing our market rollouts?
8. How can we foster a **community where customers can share their experiences** and learn from each other, potentially reducing the resistance to change?
9. How effective are the mechanisms we have put in place to gather **continuous feedback from our customers**, ensuring that our products are constantly evolving to address their pain points (e.g., technical integration)?
10. How can we leverage **customer success stories** more effectively to build trust and accelerate adoption (e.g., in regions with slower uptake rates)?

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For further reading please visit:

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About IoT Analytics

IoT Analytics, founded and operating out of Germany, is a leading global provider of market insights and strategic business intelligence for the IoT, AI, Cloud, Edge, and Industry 4.0.
Our key workstreams across the tech stack include IoT applications, IoT platforms and software, IoT connectivity and hardware, and industrial IoT.
We are trusted by 1000+ leading companies around the world for our market insights, including globally leading software, telecommunications, consulting, semiconductor, and industrial players.

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