Factors driving IoT growth in SA

By Chetan Goshalia
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The Internet of Things (IoT) is a promise of driving benefit through billions of connected devices receiving data for appropriate use. We are already seeing an increase in connected sensors, albeit delayed. IoT has existed for decades, called by different names, in short, we have always lived in a connected world, using available technology. Over time and in recent years we have started using improved, cheaper, and more pervasive technology, providing the means to connect even more things.

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IoT will result in the use of data being used to create intelligent decision-making systems that make our lives simpler in various ways. Despite some false starts and a challenging global economic climate, IoT is forecast to reach an installed base of 21.5 billion active, connected devices by 2025. It's rapidly spreading into consumer devices, smart cities and smart homes, intelligent industrial applications, and automation, and is expected to achieve a global market revenue of $157 billion in the home automation market in just two years.

So, why is it that we have not realised these numbers in South Africa? Is it because the market does not exist? Is it because IoT and the creation of relevant data have not become the KPIs of business executives? Is it because there is limited knowledge and understanding of what value the market can get using sensors to solve real problems? I believe it is due to all the above and more.

Positive change

Even with the above challenges, we are already seeing an increase in customer awareness and "good news" stories making their rounds. Those users who have taken a leap of faith into using IoT are experiencing positive change in their business. In some sectors, South Africa is far ahead because some companies are innovating and using available solutions faster than others. There is also increased awareness of IoT network technologies like Sigfox, LoRa, and NB-IoT and we are seeing an increase in the number of sectors where IoT can deliver tangible value to the business.

There are still challenges impacting the growth of IoT due to a lack of understanding and confidence in what IoT can do for business. Many enterprises are unaware of IoT use cases and therefore cannot visualise what the technology is capable of or its relevance to their specific situations. They're also just starting to figure out their digital strategies which is no small undertaking.

There is a need for increased collaboration between ecosystem players to improve knowledge-sharing and to create new working models to avoid expertise replication. This would potentially allow for ecosystem players to reduce cost burdens and enable them to diversify and create scale.

Influencing IoT use

Tough economic conditions further complicated by the pandemic are currently influencing the uptake of IoT and other technologies in Africa. This has, however, brought a default positive outcome that has forced companies to act fast and innovate quickly which is pushing increased adoption of IoT technologies and a growing realisation of the benefits that come with IoT solutions.

The South African market is currently showing success within the utility sector, providing smart solutions in water management that have the potential to change how municipalities and homeowners manage their consumption and risk. It is also showing gains in stolen vehicle recovery (SVR) and the security industry. There are many other industries that our partners are innovating with which is showing some promise and will drive the next wave of uptake.

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