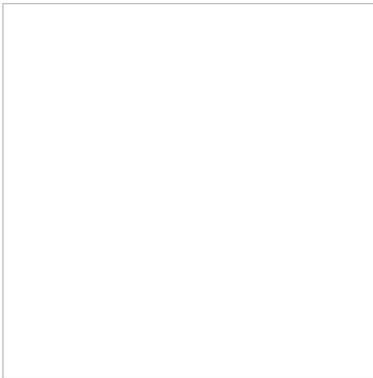


IoT helps distributors attract more customers

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James Carbone, contributing editor

Some distributors are adding more product lines for sensors and enhancing their expertise in IoT technologies By James Carbone.

Many electronics distributors are counting on the Internet of Things (IoT) to boost sales over the next several years by attracting new customers and increasing business with existing ones.

Startups and established OEMs that are designing products that will be connected to the Internet often reach out to distributors for advice on IoT technologies and which components are needed for an application as well as for parts for prototype builds. Once the IoT device goes into production, distributors then supply components to support the manufacturing of the product.

Distributors are right to be optimistic about the impact that IoT will have on business. Semico Research, based in Phoenix, Ariz., forecasts that the number of products connected to the Internet will increase from 15 billion units in 2016 to 36 billion in 2020. Those newly designed products will require billions of wireless ICs, microcontrollers, sensors, power management ICs, passives and connectors.

Many distributors say that IoT is already having a positive impact on business.

“IoT has definitely played a role with increasing our sales and adding new business opportunities,” said David Beck, vice president of marketing for Symmetry Electronics, based in Hawthorne, Calif.

Beck said the new opportunities are coming from existing customers and new ones. He said it’s just not design engineers that are Symmetry’s IoT customers.

“The IoT customer may be a top-level business executive or a group leader looking to expand the features of their existing products,” said Beck.

He said one of the exciting things about IoT is that almost anybody with an idea can become an IoT customer. However, not all customers have the engineering knowledge and look for help from distributors.

Beck noted that IoT involves many customer segments, so there is huge potential for continuing growth. “IoT can fit everywhere and there are countless opportunities for connecting devices to control or monitor them,” said Beck.

He said some of the segments that have seen immediate growth from IoT are home health and fitness such as wearables, asset tracking, smart home, drones, and agricultural. But industrial IoT will have an even greater impact on distribution.

More IoT growth coming

“When you see the statistics about the many billions of connected IoT devices over the next five years, a big part of this number comes from the almost countless potential consumer applications,” said Beck. However, the value surrounding all of these consumer applications isn’t as strong as some of the industrial applications, he said.

“For example, having a kitchen appliance connected to the cloud and communicating with a phone or other appliances is exciting to think about, but how much money is a consumer willing to spend to make use of that feature,” Beck asked. However, if a company owns a fleet of vehicles or high-dollar equipment and they want to track their assets or monitor usage and anticipate failure before something actually breaks, “this has tremendous value and can save companies lots of money,” he said. “We see a large potential opportunity for industrial IoT applications.”

Anja Schaal, product marketing manager at Rutronik, based in Ispringen, Germany, agrees. She noted that the consumer market is and will remain a big market for IoT-related products such as sensors and wireless ICs. “But the industrial market will for sure experience a great growth in the coming years,” said Schaal.

She said a lot of industrial customers have just started the “development and evaluation process” of how to participate in IoT. “I expect a rapid growth in sales figures for this segment in the coming years.”

Cliff Ortmeier, director and global head of technology product marketing and solutions development for Premier Farnell, said one reason industrial IoT is growing is because expansion of low power sensing and wireless capabilities is offering new application and business mode for all industrial applications.

“This applies to both industrial automation, which can more easily monitor and control processes remotely to wider industrial applications where the ability to store and analyse data on the cloud is lowering the individual product cost due to reduced computing resources,” said Ortmeier.



“Companies are continuing to expand their wireless connectivity options and determine what and how to be use the cloud to reduce their standalone computing needs where it makes sense,” said Cliff Ortmeier, direct and global head of technology product marketing and solutions development for Premier Farnell.



“The automotive and smart metering segment is currently a big (IoT) market due to government regulations/guidelines in many countries all over the world,” said Anja Schaal, product marketing manager at Rutronik.

The right stuff

Whether it is for consumer or industrial applications, distributors say the key to serving IoT customers is having components, expertise, tools and services that customers need.

Premier Farnell has seen strong demand for parts from engineers developing IoT products. There is also robust demand for IoT solution kits that contain the “gateway with some type of external sensing combined with an out-of-the-box cloud solution,” according to Ortmeier.

Demand for products and kits related to IoT is bringing in new customers and new business from existing ones, said Ortmeier. “Existing companies are continuing to expand their wireless connectivity options and determine what and how to best use the cloud to reduce their standalone computing needs where it makes sense,” he said.

Additionally, new customers—established OEMs and startups— are coming to Premier Farnell looking to take “advantage of our design and manufacturing services as well as researching the latest IoT solutions on our element14 community and our design center,” said Ortmeier.

He added that requirements of IoT customers are similar to other customers, although there is additional

emphasis on wireless communication, low power usage and “helping them effectively utilise the cloud.”

Of course, Premier Farnell isn't the only distributor that is attracting new customers because of IoT.

Schaal of Rutronik said the distributor's IoT sales are growing and she expects growth to continue as more customers look for technical advice about IoT technologies and parts. She said most of those requests come from startup companies, but established OEMs are also looking for parts and advice because they need to have their products connected to the Internet.

IoT interest growing

She said besides the industrial segment, interest in IoT is also coming from automotive, smart metering, home and building automation, medical and consumer. “The automotive and smart metering segment is currently a big market due to government regulations/guidelines in many countries all over the world,” she said.

Because of growing interest in IoT, distributors are adding products, services and tools. For instance, Ortmeier said Premier Farnell is investing in core products related to gateways and endpoint nodes and in software and “partnerships that allow us to provide everything necessary for our customers to develop a complete IoT solution.” That includes partnerships with the leading cloud providers to “bring their IoT solutions to market quicker with fewer resource investments.”

Symmetry is also expanding its IoT solutions, according to Beck. Symmetry has added product lines including MediaTek for its multi-radio SoCs; Ethertronics, a supplier of high performance antennas; Digi International, a supplier for networking, RF, and connectivity products and Monolithic Power Systems (MPS), which makes highly efficient, low-noise power management ICs.

He added that besides parts, IoT customers need advice on the latest IoT technologies and not just “semiconductor based products. “IoT requires a full understanding and partnerships throughout the IoT ecosystem, including hardware design support all the way to a customer's unique application running on their chosen platform,” said Beck.

He noted that the IoT ecosystem consists of modules and devices, including wireless ICs and sensors. There are many IoT platforms available and identifying the right one for a customer's application is not straightforward, said Beck.

“There is a large and still growing number of IoT platforms focused on managing data along with several large company platforms such as Microsoft Azure, Amazon's AWS, and Google's latest Android Things,” he said.

Symmetry's website provides information on IoT technologies and the different platforms Symmetry also has engineering support team, which includes technical salespeople in the field for “local face-to-face support,” said Beck. Symmetry has application engineers, who specialise in supporting the newest technologies and standards for wireless and video, such as 4G/LTE, Bluetooth Low Energy, LoRA, WiFi and HDMI and HEVC for video.

“IoT demand has increased our need to understand these technologies,” said Beck.

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