

The Economy of Things: enabling the monetisation of IoT data

The Economy of Things (EoT) represents the natural transition of the Internet of Things (IoT). Whilst the IoT enables the generation of data from their devices and their sensors, the EoT can provide the means for the data to be transacted and monetised across a multi-participatory ecosystem. By 2030, at STL Partners we forecast that there will be 3.3 billion EoT enabled devices worldwide.

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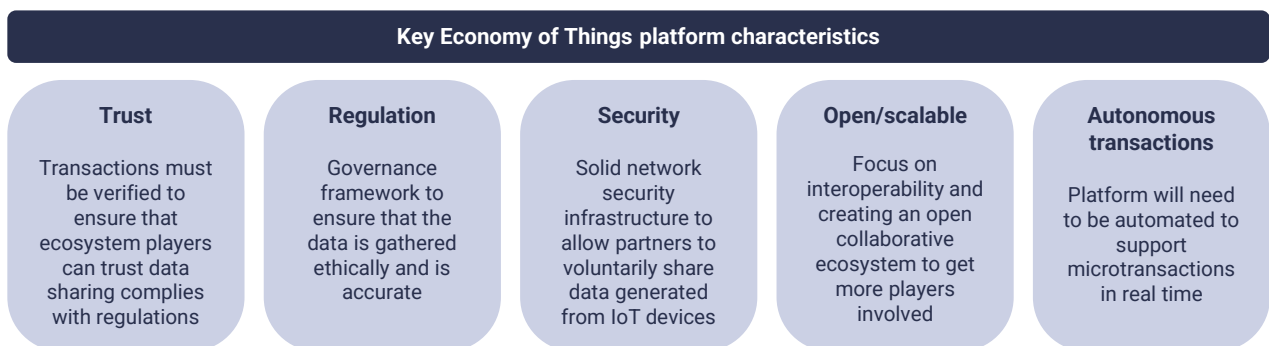
What is the Economy of Things?

We have seen an exponential increase in the number of IoT devices in the last decade. These devices generate exponential amounts of data that hold tremendous value and can be at the heart of many companies' digital transformation journeys. However as of today the data generated is primarily unrealised and not yet business enabled.

The EoT transcends the IoT, enabling the monetisation of IoT data. Traditional IoT provides basic insights around a connected device and their behaviour specific to their application and environment. Transitioning to an EoT provides a means to provide more complex and meaningful insights around that data by making relevant data accessible in other systems and environments. The EoT offers the ability to anchor an identity to an IoT device in order to be able to transact on its own behalf, providing additional layers of transactional and behavioural data that haven't really been there before.

Driving the transition from the IoT to the EoT relies on creating a platform that creates and encourages open participation and collaboration between a cross-industry ecosystem of partners. This helps bring the EoT into reality, creating a multi-participatory marketplace ecosystem and providing the fundamental brokerage of data products, services and IoT data across the platform.

Figure 1: Key characteristics of a successful EoT platform

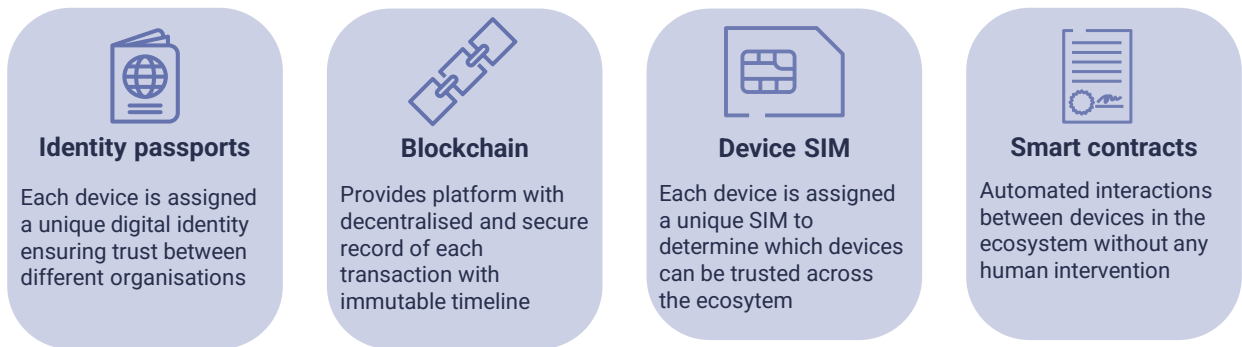


Source: STL Partners

Vodafone are at the forefront of the EoT transition

Vodafone have paved the way in leading the transition to the EoT developing their Digital Asset Broker (DAB) platform which is underpinned by blockchain technology and was launched in 2022. The platform enables IoT devices to interact, transact and authenticate autonomously using a Vodafone enabled device. The unique capabilities of the DAB platform (Figure 2) also help establish an end-to-end trust model ensuring players across the EoT ecosystem rely on the data generated, sent and received from IoT devices.

Figure 2: Key characteristics of the Vodafone DAB platform

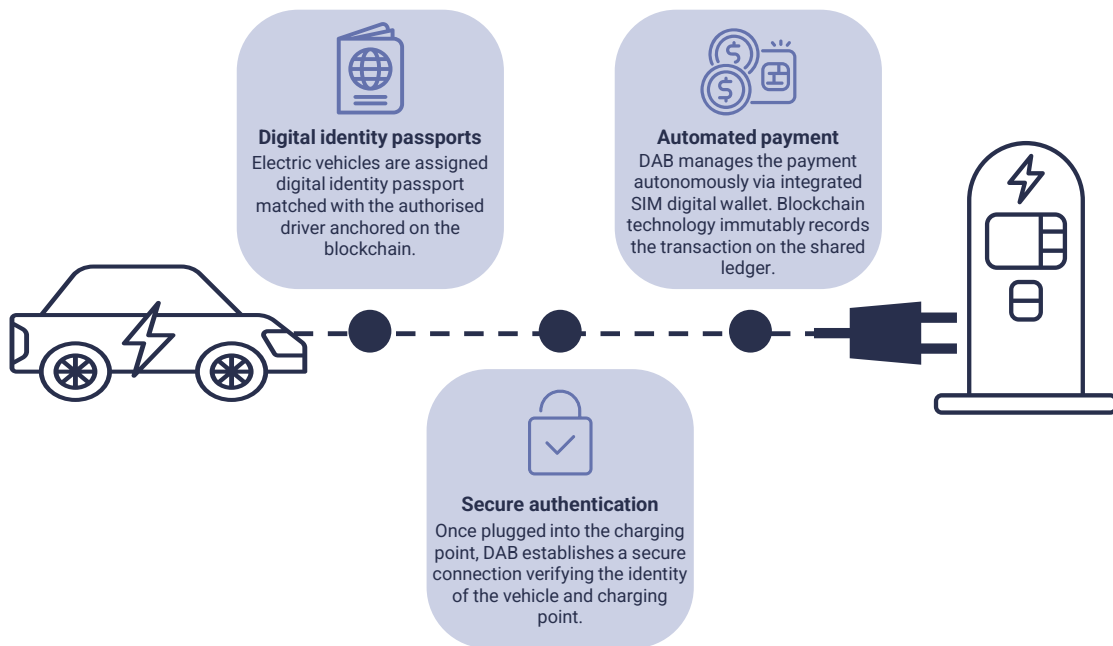


Source: STL Partners

Vodafone debut use case: EV charging

Vodafone’s debut use Electric Vehicle (EV) use case represents one of the leading industries capturing the EoT opportunity. This example allows an electric vehicle to autonomously transact with a charging point (Figure 3).

Figure 3: DAB platform enables autonomous payments over secure connection



Source: STL Partners

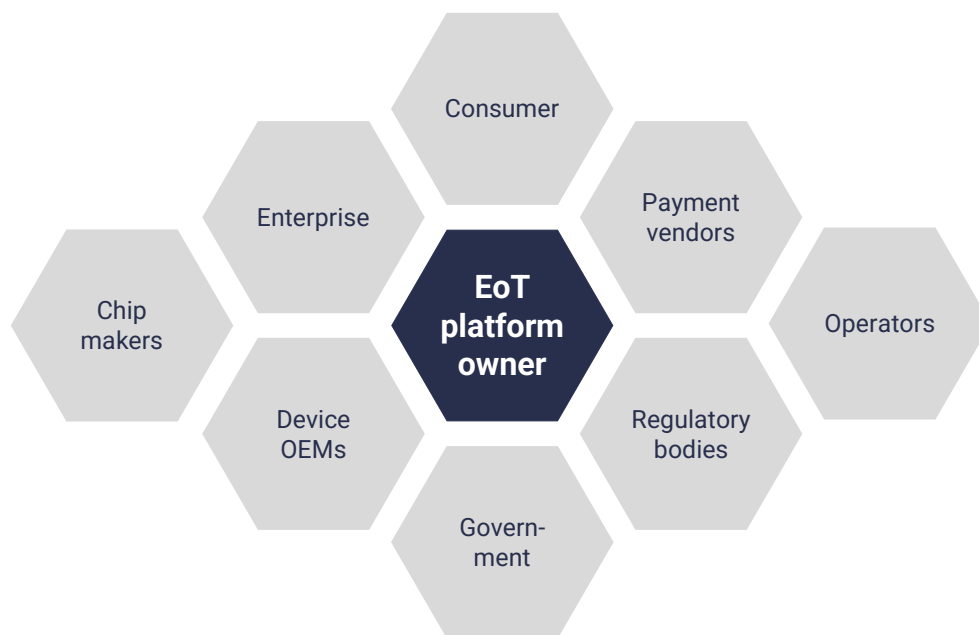
The use case provides several benefits across the EoT ecosystem. Motorists are notified of the real-time availability and status of nearby charging points eliminating ‘range anxiety’, the fear of running out of battery. The single application also eliminates the need for the multiple different apps that are currently required for different EV charging providers. The service is

also particularly beneficial for fleet management companies as it provides a means to centralise and streamline their charging transactions across their company in a secure way.

Successful use cases are based around collective value

Whilst the possibilities of the EoT are endless, the real opportunities will come from where this is a focus on driving collective value across the ecosystem. All marketplace participants across the ecosystem, from the consumer to the enterprise must commercially benefit for the use case to be a success. (Figure 4).

Figure 4: Key players across the EoT ecosystem



Source: STL Partners

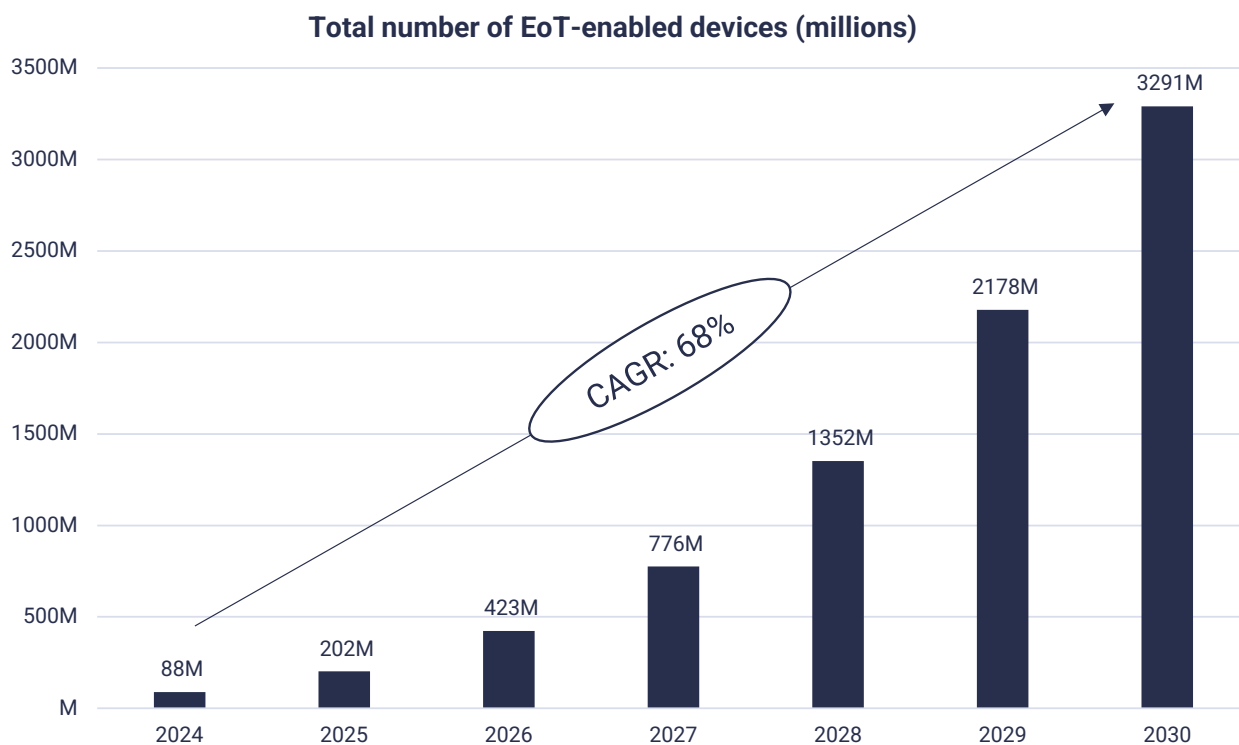
Subsequently, the primary and predicted leading EoT use cases are focused on connected vehicles and asset tracking and monitoring. These use cases have the potential to generate exponential cross-vertical revenue based around data monetisation. For example, across the supply chain, an IoT device can identify where there is around 50% spare capacity in a particular vehicle and create an 'monetisable event' where this spare delivery capacity could be sold to the EoT marketplace ecosystem, benefiting players across the ecosystem.

What is the future of the EoT?

The growth of the EoT relies on building the ecosystem and promoting participation to facilitate true interoperability between different platforms, industries, and systems. Currently Vodafone has been the market leader for the transition to the EoT. As other operators transition from 'telco to techco', they could set up trusted marketplaces or license DAB

technology to further propel the opportunity. Within the next five years, we predict that the EoT opportunity will really take-off fuelled by a continuing proliferation of IoT devices continuing to generate tremendous amounts of data, the value of which can be unlocked by the EoT (Figure 5). The timeline can only be further accelerated depending on how many ecosystem players can be onboarded.

Figure 5: STL Forecasts there will be over 3 billion EoT enabled devices by 2030



Source: STL Partners

You can read about this in more depth in our full research report, which can be found here: <https://stlpartners.com/research/the-economy-of-things-unlocking-the-true-value-of-iot-data/>

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