Magic Quadrant for Managed IoT Connectivity Services, Worldwide

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Enhanced by data analytics and AI, managed IoT connectivity services simplify sourcing and integration with IoT devices, edge platforms, and cloud services across regions. CIOs can use this research to evaluate global managed IoT connectivity service providers for IoT-enabled businesses.

Strategic Planning Assumption

By 2028, more than 10 IoT connectivity management platforms will manage private 4G/5G networks, addressing the shift from telco-oriented to end-user-focused private 4G/5G management.

Market Definition/Description

Gartner defines managed IoT connectivity services as a market that enables secured connectivity, data collection, analysis and additional decision services. Managed IoT connectivity services are delivered fully managed, including dedicated help desk and project and service management capabilities, although hybrid managed and self-managed could also apply as delivery models. Self-managed is delivered through a self-service IoT connectivity management portal, including Level 2 and Level 3 back-office support.

Internet of Things (IoT) devices can use various connectivity technologies. Connections can be cellular (2G, 3G, 4G/LTE and 5G); satellite, low-power wide-area (LPWA) networks (3GPP

and non-3GPP); and managed field-area networks (FANs). Managed IoT connectivity services also enable organizations to securely collect, analyze and interact with data streams, therefore providing businesses with the ability to monitor, manage and control (manually and through automation) assets associated with business processes. This includes connected consumer, commercial or industrial products.

Additionally, managed IoT connectivity services may encompass integrated and managed IT infrastructure and systems, operational technology (OT) infrastructure and systems, software, network services (connectivity), and IT services. Managed IoT connectivity services are a solution element within the broader solution sets of digital businesses and OT systems in enterprise environments.

Mandatory Features

The mandatory features for this market include:

- Sourcing and logistics management
- IoT connectivity management portal
- Service management and support
- SIM and subscription management

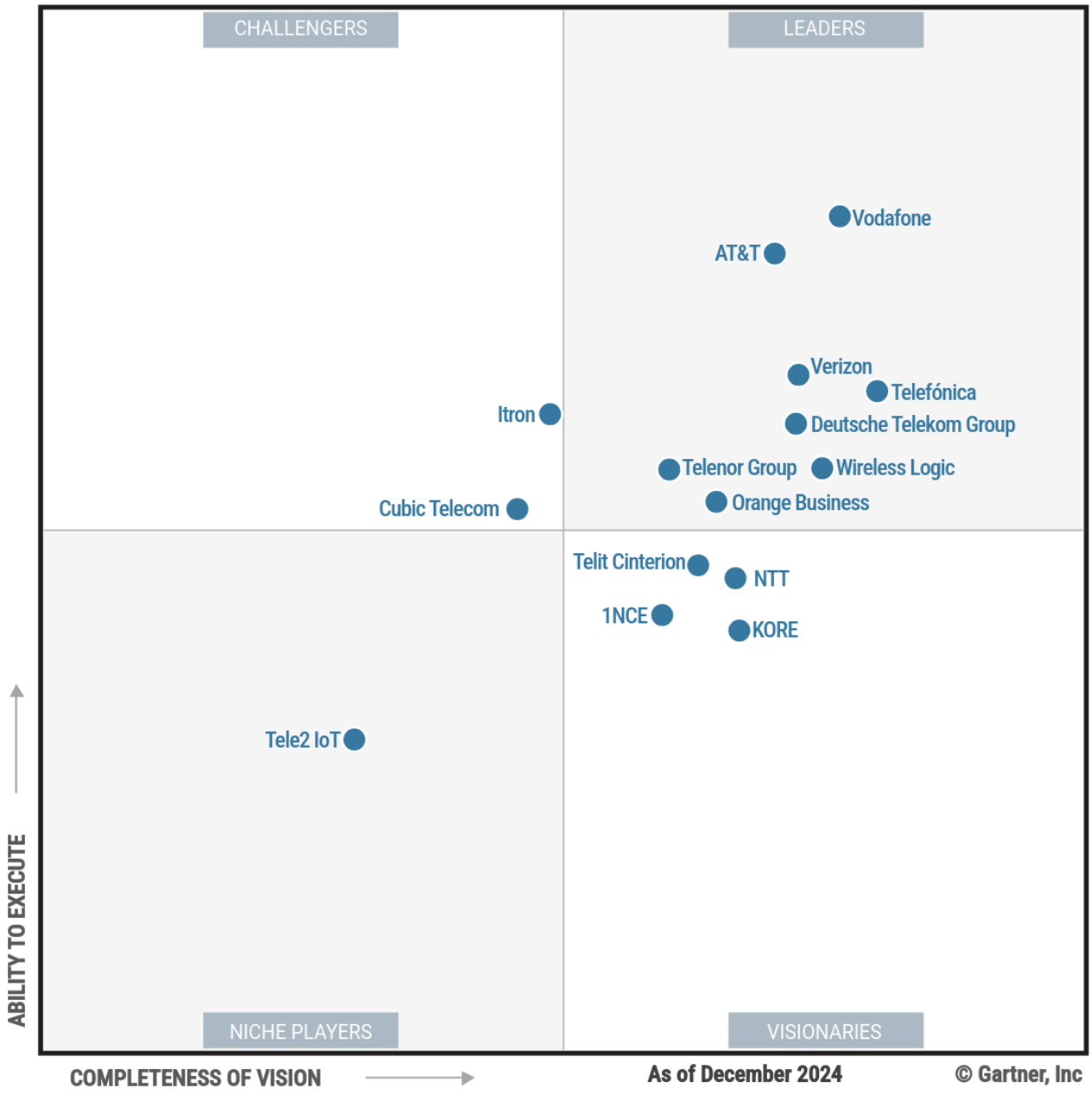
Common Features

The common features for this market include:

- Device management
- Security management
- Application management
- Multisourcing service integration
- Data and analytics
- Private mobile networks interoperability

Magic Quadrant

Figure 1: Magic Quadrant for Managed IoT Connectivity Services, Worldwide



Gartner

Vendor Strengths and Cautions

1NCE

1NCE is a Visionary in this Magic Quadrant. This IoT mobile virtual network operator (MVNO), headquartered in Cologne, Germany, is exclusively focused on IoT, predominantly for low- and mid-data cellular connectivity bandwidth with a focus on use cases such as smart metering, smart farming and fleet telematics.

1NCE reported an increase of 9.35 million managed IoT connections in the first half of 2024, up by 46% over 2023. 1NCE's clients tend to be small and midsize multinational corporations (MNCs) across Europe, the U.S., Asia/Pacific (APAC), and increasingly LATAM after opening its online presence in the Brazilian market.

Strengths

- **Strong partnerships with Tier-1 MNOs:** 1NCE is backed by Tier-1 telcos Deutsche Telekom and SoftBank, leveraging these partnerships for their SMB offerings across diverse markets and accessing more competitive network pricing through their roaming scale and local networks. These investments drive significant year-over-year growth and support 1NCE's global expansion and localization efforts. By 2025, the company aims to further extend its reach in the APAC region and enhance localization in the EU and Canada through the establishment of fully regulated in-country entities.

- **Focus on 3GPP LPWA networks:** 1NCE has reported 5.6 million 3GPP LPWA network connections, reflecting a 73% increase over 2023. Approximately two-thirds of these connections are narrowband (NB)-IoT.

- **Emphasis on SMB and low-bandwidth IoT connectivity:** 1NCE's business model is ideally tailored for low-bandwidth IoT applications and SMBs, which constitute a substantial segment of the market. The company consistently showcases its performance through a seamless online shopping experience and disruptive pricing, exemplified by its IoT Lifetime Flat rate of 10 years for $10/€10. This offering includes additional value-added services under the 1NCE OS umbrella, such as the eSIM service launched in October 2023, all at no extra cost.

Cautions

- **Limited suitability for high data volume:** 1NCE's limited network partnerships and focus on low-bandwidth applications raise concerns about its capability to manage large-scale deployments with high data volume requirements. Its IoT connectivity management portal lacks many of the fundamental features necessary to effectively serve this segment, compared with most vendors in this Magic Quadrant.

- **Constrained network alternatives in some local markets:** 1NCE relies on a limited number of global access partnerships, including Deutsche Telekom in Europe, T-Mobile in the U.S., SoftBank and China Telecom in APAC, Bell Canada, and Claro in Brazil.

- **Reliance on indirect partner channels:** A part of 1NCE's business is reliant on serving indirect Tier-1 partner channels, which account for approximately half of its connections. This may lead to a potential loss of focus on direct end users in the future.

AT&T

AT&T, a Leader in this Magic Quadrant and headquartered in Dallas, offers end-to-end IoT solutions primarily in the U.S. and Mexico. AT&T is expanding its end-to-end solutions to target the SMB segment by introducing simple end-to-end products like connected spaces or video as-a-sensor that build on its existing healthcare and connected assets offerings.

According to Gartner estimates, in the first half of 2024, AT&T managed just under 136 million IoT connections, reflecting a 16% year-over-year growth. Its clients are primarily multinational corporations needing traditional managed connectivity services, with large deployments in North America and smaller ones in Western Europe.

Strengths

- **Leads in connected cars in North America:** Compared to other vendors in this Magic Quadrant, AT&T boasts one of the highest numbers of connections for connected cars. AT&T's connected car business spans more than 60 global automotive brands. The connected car business and industrial IoT device segment are propelling AT&T to achieve one of the strongest year-over-year IoT connection growth rates among all participants in this Magic Quadrant.
- **Enhancing IoT connectivity orchestration and reach:** AT&T is transforming its platform strategy by revamping its IoT console offering. This involves utilizing Simetric as a platform aggregator to enhance flexibility in integrating third-party IoT connectivity platforms and to improve eSIM and financial management capabilities. Additionally, AT&T has started working to establish another IoT connectivity platform to expand global reach and connectivity localization through eSIM (SGP.31/32) and multi-IMSI technologies.
- **Leadership in IoT security:** AT&T provides an extensive portfolio of security services for IoT compared with most vendors in this Magic Quadrant.

Cautions

- **Limited presence outside North America:** AT&T's limited installed base of managed IoT connectivity customers outside of North America remains a concern for large MNCs.

- **Lack of focus on local sales and deployments outside the U.S.:** Although AT&T has a global presence across multiple regions, it is not actively focusing on delivering managed IoT connectivity services for companies headquartered outside the U.S. that require local deployments in their respective geographies.

- **NB-IoT strategy:** AT&T's strategy in 3GPP LPWA network, specifically regarding NB-IoT, raises concerns following its recent announcement to shut down its U.S. network in 2025. Despite this, AT&T has established robust NB-IoT roaming agreements, particularly in Europe.

Cubic Telecom

Cubic Telecom, a Challenger in this Magic Quadrant, was founded in 2005 and is headquartered in Dublin. In March 2024, it became a subsidiary of SoftBank, which acquired a 51% equity stake. This enhances Cubic Telecom's presence with Japanese automakers and provides a more neutral position as Volkswagen CARIAD's stake is diluted.

Cubic Telecom reported 20.2 million managed IoT connections at the end of 1H24, reflecting YoY growth of 34.7%. Cubic Telecom's solutions make it suitable for high data consumption connections, particularly needed in the connected vehicles of the automotive, agriculture, heavy machinery and transportation, and for large fleets in Europe and North America and smaller fleets in other regions.

Strengths

- **Automotive IoT growth and innovation:** Cubic Telecom is a leading non-MNO service provider for managed IoT connectivity in the automotive industry, a key driver of its remarkable YoY growth. Annually, its main innovations focus on enhancing data analytics, particularly through its PLXOR product for data traffic and INSIGHTS for advanced analytics.

- **IoT connectivity orchestration:** Cubic Telecom is agnostic to connectivity providers, enabling automotive OEMs to choose the optimal connectivity provider and integrate it seamlessly into a single pane of glass via Cubic Telecom's IoT connectivity management platform, PACE. Among all participants in this Magic Quadrant, Cubic Telecom boasts one of the most extensive partner networks for IoT connectivity orchestration, particularly in eSIM and connectivity management platform aggregation.

- **Geographical expansion strategy:** With SoftBank's investment and by leveraging other SoftBank assets, including vendors in this market, Cubic Telecom is set to accelerate its geographical expansion and strengthen its presence in the APAC and North American markets. Cubic Telecom will focus on innovation in the connected car industry, including vehicle-to-everything (V2X) and satellite technologies, as well as the connected industrial vehicle sector and the evolution of eSIM technology.

Cautions

- **Lack of 3GPP LPWAN and 5G connections:** Cubic Telecom primarily manages 4G cellular-based IoT connections and focuses on higher-bandwidth, high-volume use cases. The company does not currently have a strategy for supporting NB-IoT or other low-bandwidth technologies. However, it has established LTE-M roaming agreements, particularly concentrating on North America and Europe. Cubic is refocusing its strategy to address 5G SA (stand-alone) delivery for roaming scenarios, building on its 5G NSA-ready network.

- **Limited industry scope:** Cubic Telecom primarily focuses on automotive and a small number of industrial or agro-vehicles, without reported connections for other use cases. While its future strategy includes expanding into other high-value assets, the company has yet to demonstrate proof of product evolution or execution at scale in these areas.

- **Lack of focus on small fleets:** Cubic Telecom has a small number of customers, primarily automotive OEMs with fleets averaging around 1 million IoT connections. Enterprises with smaller fleets may fall outside the vendor's primary focus, although Cubic Telecom's standard express product caters to the market of OEMs with more than 5,000 devices, including those in the automotive sector.

Deutsche Telekom Group

Deutsche Telekom Group is a Leader in this Magic Quadrant, serving as a CSP and IT services company headquartered in Bonn, Germany. Beyond its European subsidiaries and T-Mobile for Business in the U.S., its global IoT business, T IoT, operates under the T Digital unit. In 2024, T IoT expanded its market reach in APAC by joining the Bridge Alliance and is enhancing its satellite IoT connectivity offerings.

Deutsche Telekom Group managed 53 million IoT connections in the first half of 2024, reflecting an 11% YoY increase. Its clients are predominantly multinational corporations and

enterprises in Europe and the U.S., primarily within the automotive, manufacturing, transportation, and utilities sectors.

Strengths

- **Automotive leads growth:** T IoT primarily focuses on automotive OEMs seeking to deploy fleets in the U.S. and Europe, offering competitive connectivity prices and the ability to integrate and manage fleets through a single pane of glass. This focus is a key driver of its growth. Compared to other vendors in this research, Deutsche Telekom Group benefits from a substantial joint network presence in North America and Europe, as it controls its own networks.

- **CMP aggregation:** T IoT Hub has become the one-stop shop for Deutsche Telekom Group IoT solutions and has integrated 10 IoT connectivity management platforms, particularly focused on permanent roaming countries apart from its satellite connectivity partners. This strategy can also lay the groundwork for seamlessly integrating clients from APAC under the Bridge Alliance who wish to expand into Europe or the U.S. It allows them to manage their entire IoT fleet through a single pane of glass.

- **Multi-IoT CMP strategy:** Deutsche Telekom Group employs a multiplatform strategy with various suppliers, enabling it to consistently serve a range of clients from SMBs to complex, large automotive enterprises. For example, it offers an online channel for SMBs. This capability distinguishes Deutsche Telekom Group from most Tier 1 CSP Leaders in this Magic Quadrant, who typically lack such a comprehensive approach.

Cautions

- **Growth outside Europe:** Although Deutsche Telekom Group's growth in the U.S. through T IoT and T-Mobile for Business has returned to positive territory, it still lags behind other major MNOs in the U.S. Furthermore, Deutsche Telekom Group lacks a substantial connection base in APAC, the Middle East and Africa.

- **Portfolio outside Europe:** Most of Deutsche Telekom Group's value-added IoT solutions, across verticals, are primarily available in Europe and not in North America. Deutsche Telekom Group's T Digital offering, combining enhancing T IoT capabilities with security and digital applications, is only available in Europe.

- **eSIM agreements:** Despite T IoT's support for consumer and M2M eSIM standards and its proprietary nuSIM, its global IoT connectivity orchestration strategy focuses more on CMP aggregation. It is testing new SGP.31/32 standards for 2025, like most vendors in this

Magic Quadrant. However, T IoT lacks preexisting eSIM agreements compared with other vendors in this Magic Quadrant.

Itron

Itron is a Challenger in this Magic Quadrant. It is a network and IoT solution provider based in Liberty Lake, Washington. Itron's business focuses on implementing infrastructure and systems for utilities and smart cities. Its comprehensive platform solutions include software and managed services for monitoring and managing Itron's mesh and cellular network solutions. Managed IoT connectivity services account for less than 20% of total revenue.

Itron managed 105 million IoT connections by mid-2024, reflecting a YoY growth rate of 13.9%. Its over 8,000 clients tend to be utilities and municipalities with smart lighting, electricity, gas and water solutions in North America, Latin America, Europe and the Asia/Pacific region.

Strengths

- **Leader in the utilities industry:** Itron's core strength is its extensive expertise in helping utilities better manage electricity, gas, water, and streetlight usage and devices worldwide. As a well-established player, it offers a comprehensive suite of IoT solutions, including hardware like smart meters and sensors, software for data management and analytics, and services such as deployment and maintenance. Itron primarily operates across North America, Europe, and Asia/Pacific, with less presence in Latin America, the Middle East and Africa.

- **Reinforcing its IoT cellular connectivity strategy:** Itron is focused on launching a new managed IoT connectivity platform for 2025 based on Simetric to enhance its platform aggregation, eSIM, and financial management capabilities. Itron is also introducing a multicarrier eSIM offering in North America that includes support for private mobile networks, based on the SGP.31/32 standard, that features automated carrier switching if signal strength degrades, applicable to both Itron and non-Itron devices.

- **Focus on IoT security:** Itron's network platform evolution focuses on optimizing scalability and is strengthened by a defense-in-depth security approach, embedding security into hardware, firmware, and software design. Additionally, the company prioritizes protecting customer data, supported by multiple security certifications, including ISO 27001, SOC 2 and SSAE 16/18.

Cautions

- **3GPP LPWA network base growing slower than expected:** Itron's growth is primarily driven by an 11% increase in mesh connections compared with mid-2023. While 3GPP LTE-M and NB-IoT connections doubled last year, reaching 2.4 million, this figure remains relatively low for a company focused on the utility sector. Itron's roaming agreements, particularly for NB-IoT, are less extensive compared with most vendors in this Magic Quadrant.
- **Narrow industry coverage:** Enterprises outside of utilities, smart lighting and other smart city use cases may not find Itron's focus on managed IoT connectivity appealing. Over the past year, Itron's portfolio evolution has remained concentrated solely on value-added solutions for the utilities sector.
- **Losing footprint in Asia/Pacific:** Over the past year, Itron's connections in the region decreased by more than 10%, contrasting with its double-digit growth in North America and Europe.

KORE

KORE is a Visionary in this Magic Quadrant. Headquartered in Atlanta, the vendor has differentiated managed service capabilities after the acquisition of Integron and has expanded reach into the SMB segment by acquiring Twilio's IoT business unit and other small companies in the U.S. KORE also offers a LoRaWAN service in the U.S. and in Brazil.

KORE reported close to 19 million managed IoT connections at the end of 1H24, reflecting YoY growth of 2%. KORE's clients tend to be enterprises of all sizes that use connectivity services in vehicle telematics, healthcare, cross-industry asset monitoring and fleet management, requiring connected fleets of devices around the world.

Strengths

- **Managed IoT connectivity orchestration:** KORE focuses on IoT connectivity orchestration through eSIM and CMP aggregation. It has several preintegrated eSIM networks across North America, Europe, Brazil, and Asia/Pacific, along with nine CMPs integrated in these regions. KORE is testing the SGP.31/32 standard for 2025, and its eSIM capabilities are well-integrated into the KORE One platform.
- **Broad industry-vertical distribution and cross-segment strategy:** KORE's IoT connectivity base spans various industries, with particular strength in healthcare. The company

effectively provides life cycle management services while supporting global regulatory and compliance requirements through its U.S. and EU facilities. Additionally, KORE is enhancing its presence in the SMB and developer segments by launching a new online portal and marketplace. This platform offers hardware, connectivity, and cloud connectors, with a strong focus on supporting developers.

- **Brand recognition:** KORE is among the vendors evaluated in this Magic Quadrant with notable brand recognition for managed IoT connectivity services across North America, Europe, Latin America and Asia/Pacific.

Cautions

- **Growth performance in Europe:** KORE has the lowest connection year-over-year growth among participants in this Magic Quadrant, with fewer than 400,000 connections, which is notably low for a globally present vendor. While KORE maintains some growth in North America, it has experienced a significant decline in connections in Europe. Organizations should assess KORE's focus during the sales process, as the company targets multiple segments and initiatives simultaneously, potentially diluting its focus.

- **Focus on North America and Europe:** Organizations considering KORE as a global IoT connectivity provider should carefully evaluate how connectivity and related managed services are delivered in its limited installed base across the Middle East, Latin America, Africa and the Asia/Pacific regions.

- **LPWA network and 5G performance:** KORE's NB-IoT and 5G roaming agreements are limited compared with other vendors in this Magic Quadrant. Additionally, KORE has not made significant progress in expanding its IoT LPWA network and 5G connection base.

NTT

NTT is a Visionary in this Magic Quadrant. It is headquartered in Japan and provides information and communication technology solutions and international communications services. NTT provides managed IoT connectivity services through NTT DOCOMO in Japan and NTT DATA in the rest of the world. NTT offers a comprehensive end-to-end stack of IoT solutions and is expanding local breakouts out of the Asia/Pacific region and its multivendor satellite strategy for IoT.

Gartner estimates that NTT had more than 24.7 million managed IoT connections at the end of 1H24, adding 3.7 million compared with the previous Magic Quadrant, with 21% of this net

growth coming from Europe. NTT's clients tend to be in the automotive and manufacturing sectors across the Asia/Pacific region and Europe.

Strengths

- **End-to-end industry vertical capabilities:** NTT DATA provides comprehensive capabilities by complementing its managed IoT connectivity services with private 4G/5G services, managed network and security services, edge computing and edge AI portfolios, enterprise IoT services, application development, and system integration. Additionally, it offers a catalog of preintegrated industry-vertical solutions, such as connected workforce, machine vision and digital twins.
- **Global focus on automotive:** NTT is enhancing its global presence in the automotive industry by leveraging NTT DATA's end-to-end consulting and integration services, along with the Ubigi consumer brand service for connected cars. This penetration is expanding from Asia/Pacific to Europe and Latin America, where its subsidiary company, Transatel, has established itself as a registered local MVNO in Brazil. NTT has secured significant automotive contracts in Europe, set to be progressively rolled out in both Europe and Latin America over the coming years. This expansion will bolster its capabilities and presence in these regions.
- **Asia/Pacific relevance:** NTT has a significant presence of IoT connections in the Asia/Pacific region, primarily in Japan, compared with most vendors in this Magic Quadrant.

Cautions

- **Brand alignment challenges in IoT:** NTT continues to operate different IoT brands, such as Transatel, which manages connectivity businesses beyond IoT connectivity, along with NTT DATA and NTT DOCOMO in Japan. This diversity could be a limitation for buyers across all segments in identifying the appropriate NTT teams from which to purchase managed IoT connectivity services.
- **Main focus on Asia/Pacific:** NTT's primary installed base of managed IoT connectivity connections is in the Asia/Pacific region, representing a significant portion of its overall IoT connectivity business.
- **No NB-IoT services:** NTT has reported no connections related to NB-IoT, as the vendor's future focus concerning 3GPP LPWA network technologies is solely on LTE-M, not NB-IoT.

However, it is one of the four vendors in this Magic Quadrant that supports LoRaWAN connections.

Orange Business

Orange Business is a Leader in this Magic Quadrant. It is the enterprise service unit of Orange Group, a global CSP headquartered in Paris. Its IoT business focuses on end-to-end managed IoT connectivity service implementation, device engineering, consulting, application development and integration, security, and analytics.

Orange Business reported 40.3 million connected objects at the end of the first half of 2024, a 10.6% increase from midyear 2023. The increase excludes Spain, as Spanish operations are part of the joint venture between Orange and MasMovil, finalized in March 2024, in which Orange holds a 50% stake. The vendor's clients tend to have large fleets in Europe and smaller fleets in other regions for the automotive, transportation, industrial, manufacturing and smart city sectors.

Strengths

- **Focus on bringing global automakers to Europe:** Orange Business is strengthening its presence in the European automotive sector by successfully attracting customers from the U.S. and APAC, while also expanding its footprint in these areas. Through its Internet On The Move offering, a B2C and B2B2C portal for automakers across Europe, Orange Business ensures compliance with EU regulations. Notably, Orange has successfully migrated 1 million eSIMs for a single client, showcasing its eSIM capability in large-scale deployments.

- **Growth across multiple regions:** Orange Business has achieved YoY IoT connection growth primarily from Europe and Asia/Pacific, with notable contributions also coming from the Middle East and Africa.

- **End-to-end industry vertical capabilities:** Orange Business continues its partnership activities to increase its relevance in IT/OT integration. With its cybersecurity, 4G/5G private mobile network (PMN) and edge computing offerings in Europe, it's becoming an attractive end-to-end solution provider for Industry 4.0 use cases.

Cautions

- **Global NB-IoT strategy:** While Orange Business has achieved significant growth with NB-IoT connections surpassing one million, it lacks roaming agreements for NB-IoT. This

indicates that the growth primarily stems from European countries where Orange owns the network and NB-IoT is available (Belgium, Luxembourg, Spain, Slovakia and Romania).

- **Lack of proactive IoT connectivity orchestration:** Orange Business does not implement a proactive eSIM or CMP aggregation strategy to localize profiles beyond permanent roaming or automotive scenarios. Customers requesting these options are managed on a project-by-project basis.

- **Upcoming changes in its IoT IT stack:** The Orange Business IoT IT solutions are embedded in the group's broader transformation toward digital services. Organizations should consider the potential impact of this transformation when renewing or entering into new contracts with Orange Business.

Tele2 IoT

Tele2 IoT is a Niche Player in this Magic Quadrant. The IoT division of Tele2 AB in Sweden, Tele2 IoT specializes in global IoT connectivity, offering agnostic connectivity services worldwide, and is positioned as a horizontal managed IoT connectivity provider. The company uses Cisco IoT Control Center as its IoT CMP. Tele2's latest investments in IoT technologies include VoLTE, NB-IoT, LTE-M or eSIM, and an increasing number of local breakouts. It has also expanded into Southern Europe and other continents.

By mid-2024, Tele2 IoT managed 17 million IoT connections, with a 24% YoY revenue increase. Gartner identifies Tele2 IoT as suitable for verticals such as manufacturing, healthcare, transportation, retail and energy. It serves MNCs needing connectivity across Europe and small fleets in other parts of the world.

Strengths

- **Healthy growth:** Tele2 IoT is experiencing robust growth, with performance increasing at double-digit rates year over year. The company has effectively demonstrated its capability to deliver IoT solutions globally for European organizations, securing new clients across multiple verticals and regions.

- **Strong European vendor:** Tele2 IoT is a leading provider of managed IoT connectivity services in Europe. The company offers a comprehensive portfolio of managed services, which includes assigning technical service managers to most major clients. Tele2 IoT has a local presence in the U.K., DACH, Benelux, the Baltics, Southern Europe, and the Nordics. It also maintains a very small sales presence in Israel, Türkiye, Mexico and China.

- **Diverse industry-vertical IoT connections:** Although Tele2 IoT operates as a horizontal managed IoT connectivity provider, it covers various industries, such as security, smart cities, asset tracking and fleet management, the electric vehicle ecosystem, and connected care.

Cautions

- **Lack of global presence outside of Europe:** Tele2 IoT manages a substantial installed base primarily in Europe, with a significantly smaller presence in North America. Beyond Europe, the company maintains a limited commercial presence and lacks field deployment capabilities.
- **Single IoT CMP provider:** Tele2's IoT CMP strategy relies solely on the Cisco Control Center platform. This dependency could present challenges in delivering tailored solutions across diverse segments and industries, as it involves relying on a third-party platform to drive innovation. While many vendors in this Magic Quadrant use Cisco Control Center, especially in the automotive industry, they also employ other IoT CMPs that might be more cost-effective or better suited for small and midsize segments or other industries. However, Tele2 IoT has recently strengthened its partnership with Cisco, potentially benefiting organizations seeking a simpler and more cost-effective version of the Cisco Control Center platform. Tele2 IoT also offers its proprietary portal, which is independent of the Control Center, for handling ordering and incident management.
- **Standard managed IoT connectivity services:** Tele2 IoT does not offer device or application management, and its IoT security services are standard compared to most vendors in this Magic Quadrant.

Telefónica

Telefónica is a Leader in this Magic Quadrant. It is a global CSP headquartered in Madrid, and it leverages its strong direct presence in Europe and Latin America to build its managed IoT service business, which is organized within the Telefónica Tech company.

Gartner estimates that Telefónica had about 63.8 million IoT connections under management by midyear 2024, a 12.1% YoY growth rate. Its clients tend to be in the energy and utilities, automotive, retail, manufacturing, agriculture, and transportation sectors. Clients also tend to be involved in smart city initiatives that focus on end-to-end deliverables for MNCs across Europe and Latin America.

Strengths

- **IoT connectivity orchestration:** Telefónica stands out in this Magic Quadrant with a well-balanced strategy for eSIM, multi-IMSI, and IoT CMP aggregation. Its Kite Platform supports a significant number of preintegrated networks and platforms beyond its footprint, surpassing most vendors in this Magic Quadrant. Additionally, the percentage of eSIMs deployed over its installed base is among the highest in this Magic Quadrant.
- **3GPP LPWA network performance:** Telefónica is one of the top vendors in 3GPP LPWAN growth, particularly in NB-IoT, in this Magic Quadrant. This growth comes mainly from its local operating company (OpCos). Telefónica has also significantly grown its LTE Cat 1bis installed base.
- **5G and industrial IoT solutions:** Within its European and Latin American footprint, Telefónica is delivering managed IoT services alongside private mobile networks and industrial solutions. This effort is partly bolstered by the acquisition of Geprom in Spain, which enhances its industrial operational technology (OT) capabilities. Telefónica has also demonstrated strong performance in its 5G IoT connections compared to the previous year.

Cautions

- **Presence outside of home region:** Telefónica reported limited YoY growth in the Asia/Pacific region, the Middle East and Africa, where it collaborates with local partners to provide managed connectivity. However, Telefónica's growth in North America has increased significantly year over year.
- **Solution delivery outside its footprint:** Although Telefónica has made progress in various managed IoT connectivity solutions and technologies, such as 3GPP LPWA networks and 5G, the majority of its projects remain concentrated in countries where the company operates an OpCo.
- **Fragmented SMB focus:** Despite offering a reduced version of its Kite Platform for SMBs, Telefónica has not yet developed an accessible digital channel that provides a seamless experience for organizations to contact and access services, regardless of location. The SMB strategy is dependent on its local OpCos and their integration with local systems, as well as the company's curated indirect channel strategy.

Telenor Group

Telenor Group is a Leader in this Magic Quadrant. It is a CSP headquartered in Fornebu, Norway, and it provides IoT services through Telenor Connexion, as well as via its operating companies across the Nordics and Asia. Telenor Connexion is part of the Telenor AMP portfolio, which focuses on IoT and security.

Gartner estimates that Telenor Group had about 26 million managed connections at the end of 1H24, up from 21 million the prior year. Telenor's IoT service tends to be for large-scale utility solutions, connected vehicles/products, smart cities, fleet management and third-party logistics solutions for MNCs across Europe and the Asia/Pacific region.

Strengths

- **Strong performance in Europe and Asia/Pacific:** Following a couple of years of steady growth in IoT connections and some changes in its internal IoT organization, Telenor has significantly accelerated its IoT connections growth in both Europe and APAC. This increase aligns Telenor with the solid performers in this Magic Quadrant.

- **Innovation in the IoT CMP:** Telenor is making continuous enhancements to its own IoT connectivity orchestrator, which operates on top of the Aeris IoT Accelerator, its primary IoT CMP. Telenor is upgrading the portal's capabilities with advanced analytics and AI-based features to address various client use cases, including network sunset planning, fraud detection, and improved troubleshooting. These improvements demonstrate Telenor's consistent commitment to innovation, following last year's launch of IoT Complete, the company's fully integrated device-to-cloud service.

- **Telenor global support and presence:** Clients of Telenor report a high-level customer experience within this Magic Quadrant. This is bolstered by the company's initiatives to enhance local support in North America and the Asia/Pacific region, particularly in China, Korea, and Japan, where local resources provide support in local languages. Telenor has integrated AI into its internal operations to enhance efficiency and optimize client response. Telenor's brand for managed IoT connectivity services is gaining increasing recognition in North America, Europe and Latin America.

Cautions

- **Main installed base in Europe:** Telenor's connections are predominantly located in Europe, which constitutes the majority of its overall installed base. This is followed by its presence in the Asia/Pacific region.

- **Lack of global SMB or industrial solutions:** Telenor's strategies for SMBs and value-added services, such as private 5G or end-to-end applications, are primarily concentrated in markets where it owns the networks. This focus is evident in the Nordics and APAC for SMBs, and specifically in the Nordics for advanced private 4G/5G and industrial solutions.
- **Global 3GPP LPWA network deployments:** Telenor has not yet demonstrated the ability to deploy 3GPP LPWAN projects at scale outside of its home countries.

Telit Cinterion

Telit Cinterion, a Visionary in the Magic Quadrant, is based in Irvine, California. It manufactures wireless connectivity modules and operates as an IoT service provider and full IoT MVNO in the U.S, Europe and Brazil. In January 2024, Telit Cinterion partnered with floLIVE and Skylo to offer global cellular IoT connectivity with satellite, featuring 3GPP Release-17 NB-IoT-over-NTN compliant modules and hybrid connectivity services.

Gartner estimates Telit Cinterion managed over 11.8 million IoT connections by the end of 1H24. Its primary focus is Europe and North America, with growth in the Middle East, Africa, APAC, and LATAM. Clients are primarily in manufacturing, communications, transportation and utilities.

Strengths

- **Focus on North America and Europe:** Telit Cinterion has a strong presence in these two regions, with sales resources available worldwide. Telit Cinterion also operates its own network in Brazil.
- **IoT hardware expertise:** Telit Cinterion is recognized for its strong hardware expertise among all participants in this Magic Quadrant. Approximately half of Telit Cinterion's IoT operations headcount is focused on hardware engineering. Organizations seeking to integrate hardware and connectivity seamlessly, where Telit Cinterion represents a significant portion of their hardware choice, may find greater synergies and a better experience by contracting hardware, connectivity and services with Telit Cinterion rather than sourcing them separately from different vendors.
- **Focus on IoT security:** Telit Cinterion is building on its acquisition of the Thales IoT business by aligning its security strategy and implementation with Thales' expertise in cybersecurity and data protection, providing enhanced secure-by-design products and services.

Cautions

- **Moderate absolute growth with declining presence outside focus regions:** Telit Cinterion has demonstrated the second lowest YoY growth in overall IoT connections under management among all participants in this Magic Quadrant. Telit Cinterion's main growth came from Europe, followed by North America, with a decreasing presence in other regions. However, Telit Cinterion's year-over-year relative growth is aligned to market performance and shows solid performance in 3GPP LPWAN and 5G.
- **Focus on IoT hardware:** Organizations considering Telit Cinterion's services should be aware that it is less focused on managed IoT connectivity services than on hardware within the overall Telit Cinterion business.
- **Lack of 3GPP LPWAN focus:** Telit Cinterion's connections are primarily cellular, with a significant portion being 2G connections, which may present challenges during 2G network shutdowns. While 3GPP LPWAN is a natural replacement for 2G, Telit Cinterion is among the participants in this Magic Quadrant with relatively fewer 3GPP LPWAN connections under management. Addressing this weakness, the company has established a substantial number of roaming agreements for both NB-IoT and LTE-M, particularly in Europe, and is launching bundled offerings of hardware and connectivity in the segment, such as the NExT connected modules announced early in 2024.

Verizon

Verizon is a Leader in this Magic Quadrant. Headquartered in New York, this CSP offers a comprehensive portfolio of value-added IoT applications, including fleet management, utility solutions, and asset monitoring. Verizon has recently made strategic advancements in key areas such as 5G integration and expansion, private 4G/5G, edge computing capabilities, and enhanced security features.

According to Gartner estimates, Verizon managed just under 63 million IoT connections by mid-2024, reflecting a 15% year-over-year increase. Gartner considers Verizon's services well-suited for sectors like manufacturing, automotive, logistics, transportation management, smart grid and smart meter solutions, and smart cities, catering to enterprises of all sizes that require connected products within the U.S. and Europe.

Strengths

- **Strong growth in North America:** After the CDMA shutdown in North America, Verizon is back to solid growth in that region, but has shown decline in IoT connections everywhere

else.

- **End-to-end solutions:** Verizon integrates its managed IoT connectivity offering with private 4G/5G, fixed wireless access, security, edge computing, and sensor insights, including low-range connectivity technologies and video analytics solutions. Verizon is also integrating an expanding partner ecosystem for applications such as asset tracking, condition-based monitoring, quality detection and worker safety.

- **Solid performance in 3GPP LPWA, LTE Cat 1 networks and 5G security:** Verizon's growth in 3GPP LPWA networks is comparatively higher among participants in this Magic Quadrant, and it demonstrates solid performance in LTE Cat 1 with a substantial installed base of several million connections. Additionally, Verizon is a top performer for 5G IoT connections compared with most participants in this Magic Quadrant. Its 5G offering includes enhancements to IoT security through encryption, network virtualization and tailored security protocols.

Cautions

- **Loss of sales focus outside North America:** Verizon's installed base lacks geographic diversity, and the company continues to face challenges in expanding its managed IoT connections outside of the U.S. There have been year-over-year decreases in device numbers across all regions, despite securing side business such as local private 4G/5G contracts in Europe.

- **IoT connectivity orchestration strategy outside North America:** Despite significant investments in expanding its eSIM and multi-IMSI orchestration, as well as IoT CMP aggregation capabilities in Europe, there is limited evidence of real implementations by organizations utilizing these capabilities, according to Gartner.

- **Demonstrated operations and support for large IoT deployments outside North America:** The small number of connections that Verizon has deployed globally may raise concerns for organizations seeking experience and expertise in multisourcing service integration and deployments at scale. This limitation could restrict opportunities for enterprises that want their connectivity provider to act as a broker on their behalf for product procurement, integration and deployment with third-party providers.

Vodafone

Vodafone is a Leader in this Magic Quadrant. It is a global CSP headquartered in the U.K. that provides a wide range of value-added services to its customers beyond pure connectivity. However, the vendor has spun off its pure IoT connectivity business as a separate legal entity, Vodafone IoT, including the GDSP platform from the rest of IoT value added services that are part of Vodafone Business and the OpCos.

Vodafone reported 204.2 million managed IoT connections across 190 countries at the end of June 2024, which represents a 10.4% YoY growth in connections. Vodafone's clients tend to be in multiple vertical markets globally, including automotive, energy and utilities, health, insurance, agriculture, industry, public sector, transportation, natural resources, and retail.

Strengths

- **Solid year-over-year growth:** Vodafone has achieved the highest year-over-year growth in managed IoT connections among all vendors evaluated in this Magic Quadrant. The majority of this growth is driven by Europe, followed by significant contributions from North America, and a smaller contribution from the Asia/Pacific region.

- **Increased focus on managed IoT connectivity:** Gartner expects that by spinning off its IoT connectivity business into a separate legal entity, Vodafone will gain greater flexibility to align with global MVNO players in key markets while maintaining its strong MNO position in home markets for the horizontal managed IoT connectivity business. However, organizations need to evaluate how Vodafone will execute this strategy, particularly regarding significant changes required in its managed IoT connectivity platform strategy, which currently relies solely on its Global Data Service Platform (GDSP), and its digital channels.

- **Strong 5G and private 4G/5G performance:** Vodafone is one of the vendors in this Magic Quadrant with among the most 5G connections under management, all located in Europe. The company also excels in private 5G, where it has demonstrated projects with private/public handover. However, the responsibility for private 4G/5G within Vodafone lies outside the newly created Vodafone IoT company.

Cautions

- **IoT connectivity orchestration:** Vodafone's GDSP managed IoT connectivity platform does not include an active IoT connectivity orchestration strategy role for eSIM or CMP aggregation, as it primarily offers roaming as the main option for countries without

permanent roaming restrictions. Vodafone is addressing the localization of connectivity based on discrete project requirements, primarily in the automotive sector.

- **End-to-end IoT integration:** Enterprises should assess Vodafone's ability to integrate end-to-end IoT solutions, especially now that Vodafone has spun off its IoT connectivity business into a separate legal entity. This separation may lead to a different level of integration compared with what Vodafone previously demonstrated in the IoT business.

- **2G migration:** Vodafone has the largest 2G installed base among all participants in this Magic Quadrant. A significant portion of Vodafone's installed base is in 2G, particularly in Europe, and to a lesser extent in the Middle East and Asia/Pacific. This may present challenges during 2G network shutdowns. While 3GPP LPWAN is a natural replacement for 2G, Vodafone is not actively promoting this migration, as its 3GPP LPWAN installed base primarily consists of new business. Although the company is confident in expanding the availability of these networks over time, particularly in the utilities sector, organizations should collaborate with the vendor to assess migration strategies as 2G shutdowns progress in these regions.

Wireless Logic

Wireless Logic is a Leader in this Magic Quadrant. It is a privately held global IoT MVNO headquartered in Berkshire, U.K., that offers managed IoT connectivity services. In 2H23, Wireless Logic acquired Israel-based Webbing, a global MVNO vendor, to provide enterprise mobility and IoT application connectivity focused on the shift toward the new GSMA eSIM SGP.31/32 standard for IoT.

Wireless Logic reported more than 14.4 million connections at the end of June 2024, an increase of 22% over 2023. Wireless Logic's solutions tend to be suitable for clients' connectivity services in healthcare, transportation, energy and utilities, physical security, asset monitoring, and retail. The acquisition of Webbing is expected to increase Wireless Logic's presence in the automotive and logistics industries.

Strengths

- **IoT connectivity orchestration:** The vendor offers advanced OTA automation for multi-IMSI, eSIM, and iSIM. With the Webbing acquisition, it leads in remote SIM provisioning (RSP), converging consumer, M2M, and new IoT standards into a unified approach, including SGP.31/32, SGP.22, and SGP.02. Wireless Logic stands out in this Magic

Quadrant by integrating its own technology for SGP.31/32 as well as utilizing third-party vendors for consumer and M2M eSIM standards.

- **Geographical growth on high-value assets across various industries:** The company has consistently secured new wins across multiple industries, particularly in IoT use cases that involve high data volumes and emerging technologies such as robotics, maritime operations, AI-based surveillance, and augmented workers. While the company's YoY IoT connections under management growth in absolute terms is low within this Magic Quadrant, its relative growth is high, driven mainly by Europe and North America, with less impact from other regions.

- **Strong value-added services performance:** Wireless Logic has made significant progress in acquiring new clients in its security business, transportation and digital twin practice for the cold chain. The company stands out in this Magic Quadrant for its robust security approach, anchored by its IoT Security Framework. This framework includes AI-powered anomaly and threat detection, multiple security certifications, IoT SAFE, and Cloud Secure.

Cautions

- **Global commercial presence:** Wireless Logic's commercial presence is unbalanced. While it does maintain a sales presence in Asia/Pacific and North America, its presence in Europe is stronger, and Europe is the only region where the company is growing its sales headcount. The company lacks a sales presence in Latin America, the Middle East and Africa.

- **Integration of acquired companies:** Wireless Logic has acquired several companies in recent years to enhance its capabilities and market presence. However, this could pose integration challenges, and organizations should evaluate the capabilities each subsidiary offers under its separate brand, as they may vary by region.

- **Lack of focus on 3GPP LPWAN:** 3GPP LPWAN is not a primary technology focus, as evidenced by a decrease in its overall IoT connections under management for 3GPP LPWA networks, particularly in NB-IoT. Meanwhile, LTE-M shows slight growth, supported by more extensive roaming agreements. The company is planning significant investment to support a 5G SA core with capabilities for private networks.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

- **Tele2 IoT**

Dropped

- **Aeris Communications** did not meet the Magic Quadrant criterion of having at least 20% of its managed IoT devices under direct end-user contract (versus under partner/channel contract, independent of the support the vendor is providing to this partner) by 30 June 2024.
- **Eseye** did not meet the Magic Quadrant criterion of having at least 20% of its managed IoT devices under direct end-user contract (versus under partner/channel contract, independent of the support the vendor is providing to this partner) by 30 June 2024.

Inclusion and Exclusion Criteria

All of the following criteria were met by the vendors included in this Magic Quadrant assessment:

- Providers had at least 8,500,000 connected IoT devices under management by the cut-off date of this Magic Quadrant (30 June 2024). These connections should be uploaded into the managed IoT connectivity platform (not just contracted or committed). Connections could be cellular (2G, 3G, 4G, 5G), LPWA network (3GPP and non-3GPP), satellite and managed FANs. However, public hot spots were not acceptable. Laptops, tablets or smartphones that could have the purpose of mobile broadband connections and belong in mobile voice and data subscriptions together with Mi-Fi devices were also not acceptable. This applied unless their exclusive use was to function as a gateway for an IoT solution or act as a human-machine-interface (HMI) terminal to access asset data and visualizations.

- Providers must have solicited and delivered panregional or global services. Panregional services required delivery of services to at least three of the following five geographies, including direct local commercial presence in those regions by the cut-off date of this research:
  - Asia/Pacific region
  - Europe
  - Latin America
  - The Middle East and Africa
  - North America
- Providers must have had at least 20% of their managed IoT devices under direct end-user contract (versus under partner/channel contract, independent of the support the providers are providing to this partner) by 30 June 2024 (for CSPs, this number did not reflect IoT connection under management by partner MVNOs. In addition to this, for all providers, connections hosted in the platform but not directly managed by the provider for the end user *don't* count as *direct*. Example: A vendor provides the IoT connectivity platform to a telco or an IoT MVNO that uses it to sign contracts to end-user organizations).
- Providers must have had at least $35 million in managed IoT connectivity-related revenue by the cut-off date of this research. Revenue could include bundled connectivity, IT (hardware and software), and IT services for IoT connectivity and IoT solutions.
- Providers need to have won at least four new clients in at least three different regions since 30 June 2024 and support at least five unique customers that have presence in at least three geographies simultaneously.
- Providers need to have at least 100,000 managed IoT connections in at least two industries (100,000 managed IoT connections minimum in each industry).
- Providers must have offered life cycle management services, including professional and support services (inclusive of reverse logistics), as a component of their managed IoT connectivity solution. Examples include device engineering, consulting and advisory services, service contract management, device warranty management, management software/middleware integration, device disposal and recycling, depot repair, kitting, on-

site support, help desk and service desk. These services may have been delivered via partners, but the evaluated vendor must have acted as the prime contractor.

- Providers must have extended a portal to enterprises for accessing data related to monitored assets/processes. Providers must also have offered the ability to administer and control network services related to the monitored assets, as well as the ability to provide change and release management relating to connectivity, connectivity modules, gateways and other support systems.

- Providers must have maintained infrastructure and network systems that add value to the resale of network services and SIMs (often referred to as heavy or full MVNOs). Providers that resell network services were considered for this Magic Quadrant. However, resellers of connectivity services must have provided life cycle management of the relevant contracts. Gartner prefers resellers that bundle IoT connectivity and IoT solutions, and own the service contracts (service novation). Such reseller providers are often referred to as “light MVNOs.”

- Providers may have sold bundled solutions. However, they must also have made IoT hardware and IoT connectivity management available as separate saleable offerings.

Honorable Mentions

A1 Digital, part of A1 Telekom Austria Group (A1 Group) and América Móvil, is a digital solution provider headquartered in Austria. It helps customers deliver industry-specific IoT applications, and also advises companies on issues of digital transformation. Its offering includes managed connectivity, hardware and firmware, the provision of IoT/ML technology, and business analytics platform as a service (PaaS), on top of Exoscale, its own European infrastructure as a service (IaaS). Its offering also includes vertical and professional services. The vendor did not meet the Magic Quadrant criterion of having a direct local commercial presence in at least three regions.

Proximus Global is a global communication platform company, providing international connectivity, interoperability and IoT solutions for mobile operators, MVNOs and enterprises. Headquartered in Belgium, BICS, a subsidiary of Proximus Group, manages nearly 10 million IoT connections. While a significant portion of these connections are located in Europe, followed by Asia/Pacific and, to a lesser extent, North America, BICS maintains worldwide IoT connections deployed. In 2024, its SIM for Things solution was extended with an agreement with satellite provider Skylo for NTN to NB-IoT services. BICS is also a pioneer in

integrating public and private 4G/5G networks, and its global network infrastructure offers more than 120 points of presence, network operations centers, and support teams in all key regions. The vendor didn't meet the criterion of having at least 20% of its managed IoT devices under direct end-user contract.

KPN is a CSP based in the Netherlands. KPN manages over 12 million IoT connections, mainly located in the Netherlands and Western Europe. In the field of IoT, KPN serves automotive, manufacturing, healthcare, utilities, agriculture and government (including smart cities, public transportation and critical communications). KPN extends value on top of managed IoT connectivity for its IoT customers globally, and offers end-to-end IoT solutions together with domain-specific partners. These solutions include hardware devices, connectivity, vertical applications and data management under the KPN Things Portal. In 2024, KPN partnered with Austrian MVNO Freeeway to offer an IoT monetization platform for the automotive market. Additionally, KPN has extended the 2G network shutdown in the Netherlands until December 2027. The vendor did not meet the Magic Quadrant criterion of having a direct local commercial presence in at least three regions.

Pelion is an IoT MVNO headquartered in the U.K., experiencing profitable growth aligned with year-over-year market evolution. It provides global managed IoT connectivity services through its Pelion IoT platform, which includes connectivity management, eSIM and secure networking services. Pelion manages nearly 2 million connections worldwide, primarily focusing on the U.K. and Europe, while actively expanding into North America. The company is evolving its value proposition with a special focus on the eSIM standard SGP.31/32. Pelion didn't meet the criterion of having at least 8,500,000 connected IoT devices under management.

Soracom, the cloud-native IoT MVNO provider headquartered in Tokyo, became a publicly traded company in 2024, keeping KDDI as main investor. Soracom manages approximately 7 million IoT connections, primarily utilizing 4G and LPWAN technologies, mainly LTE-M and Sigfox. These connections are predominantly distributed across Asia/Pacific, Europe and North America, with a lesser presence in Latin America. Soracom is regarded by Gartner as one of the leading innovators in managed IoT connectivity services. Gartner's clients have consistently ranked Soracom's CMP highly for customer experience. In 2024, Soracom expanded its satellite offerings through a partnership with Skylo, launched Soracom Query Intelligence to simplify platform management using GenAI, and entered the connected-car sector with a specialized offering leveraging eSIM SGP.31/32. Soracom didn't meet the criterion of having at least 8,500,000 connected IoT devices under management.

UnaBiz is a global IoT service provider and integrator, owner of Sigfox technology, headquartered in Singapore specializing in massive low-data bandwidth solutions, including design, manufacturing, and data platform services. It operates across a hybrid of network communication technologies such as Sigfox, LoRaWAN, LTE-M, and NB-IoT, and offers support for other cellular and satellite networks. UnaBiz manages over 13 million connections, primarily Sigfox, deployed in Europe and Asia/Pacific. UnaBiz didn't meet the criterion of having panregional services, which requires delivery of services to at least three geographies, including direct local commercial presence in those regions. However, a smaller portion of its installed base is in the Middle East that contributes to more than 10% of its revenue, and Latin America, with a minimal presence in North America.

Evaluation Criteria

Ability to Execute

Gartner evaluates vendors on the quality and efficacy of the processes, systems, methods or procedures that enable IT provider performance to be competitive, efficient and effective, and to positively impact revenue, retention and reputation within Gartner's view of the market. Ability to Execute is judged by seven main criteria.

Product or Service:

- Vendor's current product and services for the managed IoT connectivity services market with an emphasis on value-added IT services beyond pure connectivity
- Ecosystem partners across product offering layers
- Balanced portfolio execution across industry verticals
- Balanced portfolio execution across connectivity technologies

Overall Viability: Viability includes an assessment of the organization's overall financial health, as well as the financial and practical success of the business unit. It also views the likelihood of the organization to continue to offer and invest in the product as well as the product position in the current portfolio.

Sales Execution/Pricing: This includes the organization's capabilities in all presales activities and the structure that supports them. This also includes deal management, pricing and

negotiation, presales support, and the overall effectiveness of the sales channel:

- Balanced sales execution across industry verticals, regions and technologies
- Pricing models
- Direct versus indirect channel execution

Market Responsiveness/Record: This includes the ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the provider's history of responsiveness to changing market demands. We looked for the provider's response to COVID-19, macroeconomic and geopolitical turbulence, hybrid management models, and moving from a technology-driven approach to a customer-driven approach based on business outcomes.

Marketing Execution: This includes the clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand, increase awareness of products and establish a positive identification in the minds of customers. This mind share can be driven by a combination of publicity, promotional activity, thought leadership, social media, referrals and sales activities. We specifically looked for quantified activity to increase market awareness (social media, websites, offline and online events).

Customer Experience: Customer experience includes products and services and/or programs that enable customers to achieve anticipated results with the products evaluated. Specifically, this includes quality supplier/buyer interactions, technical support or account support. This may also include ancillary tools, customer support programs, availability of user groups and service-level agreements. We specifically looked for quantified customer feedback (internal and external to Gartner and Net Promoter Score progress).

Operations: Operations includes the ability of the organization to meet goals and commitments. Factors include the quality of the organizational structure, skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently. We specifically looked for:

- Organization and articulated processes for help desk levels, project management and service management (self, hybrid, fully managed services)
- SLAs

- AI/ML operations optimization
- Financial management
- Geographical balance, including language support across operations roles

Ability to Execute Evaluation Criteria

Evaluation Criteria	*Weighting*
Product or Service	High
Overall Viability	Low
Sales Execution/Pricing	High
Market Responsiveness/Record	Medium
Marketing Execution	Medium
Customer Experience	High
Operations	High

Source: Gartner (March 2025)

Completeness of Vision

Gartner evaluates service providers on their ability to articulate logical statements convincingly about the market's current and future direction, innovations, customer needs, and competitive forces, and on how well these correspond to Gartner's position. Ultimately, we rate providers on their understanding of how they can exploit market forces to create opportunities to better serve their customers.

Market Understanding: This includes the ability to understand customer needs and translate them into products and services, and show a clear vision of the market — listen, understand

customer demands and shape or enhance market changes with added vision. We are specifically looking for:

- Global reach, acting as a prime contractor, including local connectivity (permanent roaming, eSIM and platform aggregation strategy)
- Ecosystem play, particularly with OEMs, IoT platform providers, hyperscalers, ISVs, resellers, MNO-IoT MVNO relationships and other partners that accelerate growth
- API and developer strategy
- LPWAN strategy
- Value provided beyond pure connectivity on a consistent global basis, particularly on managed services, hardware and integration services
- SMB, private 4G/5G and edge strategy

Marketing Strategy: This includes clear, differentiated messaging consistently communicated internally, and externalized through social media, advertising, customer programs and positioning statements. We specifically looked for:

- A homogeneous worldwide marketing organization, lead generation process and customer journeys
- Activities to increase market awareness (social media, websites, offline and online events)

Sales Strategy: This includes a sound strategy for selling that uses the appropriate networks, including direct and indirect sales, marketing, service and communication. Partners extend the scope and depth of market reach, expertise, technologies, services and their customer base. We specifically looked for:

- A homogeneous worldwide selling strategy and organization across the entire service portfolio both for the direct and indirect channel
- Sales strategy for 3GPP LPWAN and SMBs
- Movement toward being a solution-oriented company, rather than a pure connectivity vendor, where IoT is one component of the solution together with PMNs, MEC, cloud, security, or other technologies and services

Offering (Product) Strategy: This is an approach to product development and delivery that emphasizes market differentiation, functionality, methodology, and features as they map to current and future requirements. We specifically looked for:

- Maturity in bring-your-own-connectivity, subscription management and eSIM
- IoT connectivity management portal and level of simplicity (integration of other systems and capabilities in one single portal, such as ordering systems or device management)
- Offerings related to hyperscalers
- Use of AI/ML to enhance the configuration and capabilities of the IoT connectivity management portal
- 3GPP LPWAN offering
- IoT security, including standards like IoT SAFE
- Global reach, including roaming and local agreements with specific focus on 3GPP LPWAN
- Planned evolution to 5G, edge and private 4G/5G that connects with public networks or unlicensed networks (CBRS type)

Business Model: This includes the design, logic and execution of the organization's business proposition to achieve continued success. We looked for:

- Business model for 3GPP LPWAN and local connectivity out of the home networks
- Evolution to a platform business
- Agility to combine horizontal and industry-vertical business models

Vertical/Industry Strategy: This includes the strategy to direct resources (sales, product, development), skills and products to meet the specific needs of individual market segments, including verticals. We looked for:

- Strategy of the vendor beyond the traditional three verticals this market covers: automotive, transportation/global asset tracking and utilities
- Industry-vertical skills and customized value proposition

Innovation: This includes the direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or preemptive purposes. We looked for:

- Alignment between investments and evolution of portfolio and sales capabilities (network, innovation labs, integration and professional services, platforms, local agreements, industry verticals or M&A)
- IoT monetization, including developer ecosystems and other ecosystem partners
- Combination of 5G, edge, private 4G/5G and managed IoT connectivity capabilities with demonstrable projects or PoCs

Geographic Strategy: The provider's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries, as appropriate for that geography and market. We specifically looked for homogeneous geographical capabilities for sales, coverage of the offering and operations.

Completeness of Vision Evaluation Criteria

Evaluation Criteria	*Weighting*
Market Understanding	High
Marketing Strategy	Medium
Sales Strategy	High
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	High
Innovation	High

Evaluation Criteria	*Weighting*
Geographic Strategy	High

Source: Gartner (March 2025)

Quadrant Descriptions

Leaders

Leaders invest in the future of IoT that includes a continuum of value from IoT edge device to IoT platforms and related analytics. Leaders perform skillfully and often exceed expectations. They have a clear vision of the market's direction and develop competencies to maintain their leadership. Leaders engage customers and provide value across multiple geographies. They shape the market, rather than follow it, and they often set the benchma for market growth. Leaders have the size and scale (for example, operations, sales and marketing, formal bid, and product management) to pursue large panregional and multinational opportunities for IoT connectivity. They have established a robust and diverse ecosystem of technology alliances and service delivery partnerships spanning IT, OT and Io to meet broad market requirements.

Challengers

Challengers execute well today and maintain a sizable, geographically diverse installed base. However, they have a view of the market's direction that is not aligned with the largest and most demanding customers. This can be in terms of the breadth of value, service delivery operations, or the continuum of investment for resources and value that a broader IoT platform and portfolio offer. Challengers in the market for managed IoT connectivity services need to be more aggressive in outlining and communicating their strategy for the future outside of their core focus on connectivity services and associated customer support. They must also be more aggressive in how they invest in innovative offerings. Such offerings include areas like end-to-end IoT solutions predicated on the capabilities to offer a complete service-based IoT platform, or the market partnerships to resell and manage on the customer's behalf. Challengers must also work to extend into adjacent market capabilities, leveraging the experience gained to offer more value and reduce the friction of adoption for their customers and prospects.

Visionaries

Visionaries have a clear view of the market's requirements and direction. They focus on providing a broader continuum of value to meet future market needs and effectively upsell and cross-sell within their installed base through trust and the extension of recognizable, iterative value. Visionaries expand their capabilities through acquisitions, internal development and, increasingly, robust partnering. Visionaries need to improve their ability to meet customer expectations through process improvement and service center investment. Visionaries also should onboard executives and personnel with valuable market experience. Where investment resources do not exist, Visionaries must work to expand through service delivery partnerships and technology alliances (for example, resell and OEM agreements). Additionally, Visionaries must work to expand their market focus through catalog expansion, sales force growth in key geographies and/or industry-specific expansion to penetrate the market for global managed IoT connectivity services.

Niche Players

Niche Players focus successfully on a constricted channel to market, a particular service, a particular set of industry markets, a limited number of regional markets or a combination of all of these strategies. The narrower focus of Niche Players may affect their ability to outperform or innovate. Often, their revenue and installed base growth rates lag behind the market average, or they may be unprofitable or exhibit extremely low operating profits in a market that is enjoying relatively high margins. A provider can be successful in a single capability focused on a single market industry or segment, or a single geography, or selling through partners only. However, Niche Players may have difficulty expanding into alternative geographies or upselling broader value to their installed base. Niche Players are still very much viable providers of managed connectivity services for managed IoT connectivity and IoT use cases. However, users must be aware that broader IoT expansion may not be possible with these providers.

Context

Multinational enterprises requiring managed IoT connectivity services across (see Note 1 for the difference between managed IoT connectivity and broader IoT) different countries and regions are still facing a number of challenges:

- There is a lack of homogeneous service across countries for certain IoT connectivity technologies, such as NB-IoT or LTE-M, and for certain capabilities, such as multisourcing

service integration (MSI) or sourcing and logistics.

- MNOs are still reluctant to adopt bring-your-own-connectivity scenarios at scale or enable eSIM at scale beyond giving it to enterprises as an insurance policy in the automotive vertical. However, Gartner has observed an increasing trend among MNOs to start partnering with IoT MVNOs or even working on launching their own MVNOs to overcome this challenge and improve the response to multinational enterprises. Some Tier 1 MNOs participating in this iteration of the Magic Quadrant have shown progress in starting to adapt their systems to add third-party managed IoT connectivity platforms, but they are still in a very early phase.

- Connectivity is a commodity. Elements such as IoT connectivity platform simplification, integration, APIs, a vendor's partner ecosystem or managed service depth provide elements that enterprises need to assess in order to identify providers that could better serve regional or global deals.

- There is a lack of understanding of IoT security best practices and the need for a comprehensive security approach for devices, communications infrastructure and applications.

At the same time, businesses are becoming more mature in the way they interoperate IoT and OT. However, many connected solutions are planned, deployed and maintained within invisible silos in business units such as product marketing, or in regional business units or operations and engineering.

CIOs must insert themselves in the process of solution and vendor selection to determine whether providers of managed IoT connectivity services can also provide a broader, preintegrated IoT solution. This strategy will ensure the cost-effectiveness and security of these solutions, as well as potentially reduce the opportunity costs of due diligence.

This Magic Quadrant assesses the Ability to Execute and Completeness of Vision of 15 managed IoT connectivity service providers (see Note 2 for the different types of providers). CIOs building IoT-enabled businesses can use this information and analysis to help them select provider contracts that support critical functions and business objectives. They can also use this information to assess the provider for future capabilities as the enterprises work toward broader IoT solutions.

Market Overview

The managed IoT connectivity services market has continued its rapid growth and evolution with a new emphasis in efficiency, security and AI optimization. Most vendors in this Magic Quadrant are experiencing double-digit connection growth, which, in most cases, translates into double-digit revenue growth. As vendors seek to offer advanced features that drive efficiency and innovation, capability enhancements through data and analytics (D&A) and AI have emerged as a new differentiator in the market. However, the market's rapid growth also introduced security challenges, heightening the importance and demand for proactive mitigation measures for IoT security.

While the market grew rapidly, global IoT pricing moderately decreased or remained stable across most regions and services. In North America, connectivity pricing generally decreased with most reductions under 10%, a trend mirrored in Latin America. IoT platform software pricing also decreased in North America (primarily by less than 10%), indicating a shift toward more competitive or bundled offerings. Europe and Asia/Pacific also experienced moderate reductions in connectivity costs. Meanwhile, IoT vertical applications and hardware pricing remained relatively stable, with a slight increase in hardware costs across most regions. IoT security pricing also remained largely unchanged across all regions, reflecting a steady demand and a consistent value proposition.

As IoT connectivity becomes commoditized year over year and revolutionizes various sectors, prospective buyers should consider several influencing trends in the managed IoT connectivity services market:

- Enhanced capabilities with D&A and AI
- Safeguarding IoT security challenges
- Repositioning as smart managed connectivity enablers for IoT
- LTE Cat 1 and Cat 1bis as alternatives to 3GPP LPWA networks (NB-IoT, LTE-M)
- Bridging 5G, private mobile networks and edge computing

Enhanced Capabilities With D&A and AI Integrations

Vendors in the managed IoT connectivity space are significantly enhancing their platforms to deliver robust data and analytics capabilities that enable operational efficiency, innovation and secure IoT device deployments. Most notable benefits of D&A and AI integration in managed IoT connectivity services include:

- **Predictive maintenance:** AI algorithms enable organizations to proactively schedule maintenance activities at optimal times by analyzing vast amounts of data from IoT devices, identifying patterns and predicting potential failures before they happen. This minimizes unexpected downtime and reduces maintenance costs while preserving the equipment's integrity and extending its lifespan.
- **Enhanced security:** Organizations can bolster their security for sensitive data and reliability of IoT networks by leveraging AI-driven real-time security systems that continuously monitor network traffic and device behavior to detect anomalies indicating a security threat. Machine learning models further provide a dynamic defense mechanism against cyberattacks by adapting to new types of threats over time. Some vendors are also leveraging AI to create self-healing networks that autonomously diagnose and rectify issues, reducing the need for human intervention and ensuring continuous network reliability.
- **Optimized resource management:** Organizations can leverage real-time data analysis and AI to optimize network performance and resource allocation. For instance, AI can dynamically adjust connectivity parameters to ensure efficient use of bandwidth and energy, reducing operational costs and improving overall system performance. This level of optimization is particularly beneficial for large-scale IoT deployments, where resource efficiency can significantly impact the bottom line.

Vendors are also extending AI capabilities to improve customer support in their IoT CMPs via AI agents and chatbots that handle routine inquiries and provide instant assistance. This not only enhances the customer experience but also frees human resources for more complex problem-solving tasks, allowing organizations to focus on strategic initiatives. In addition, automated content management processes and intelligent suggestions driven by GenAI are streamlining business operations and improving efficiency for customers, reducing routine tasks and enabling customers to concentrate on innovation and growth.

As AI technologies continue to evolve, organizations can expect more integrated solutions that offer seamless interaction between AI and IoT systems and democratized access to advanced analytics (e.g., natural language processing capabilities allowing users to interact with complex data through simple queries). AI-integrated solutions can empower all levels of the organization to contribute to data-driven decision making to enhance agility, innovation, and market responsiveness, representing a significant competitive advantage in a data-

driven world. However, overall D&A and AI/GenAI capabilities vary significantly among vendors and are still in the early stages of development within this market.

Safeguarding Against the Challenges of IoT Security

IoT's rapid growth presented significant security challenges that persisted into 2025, demanding proactive mitigation strategies from vendors to ensure the security of their customers' connected devices and data. Key IoT security challenges influencing the market include:

- **Device vulnerability** driven by limited device resources, the need for regular software updates and potential supply chain attacks.
- **Data privacy and security:** Adhering to evolving applicable data privacy and cybersecurity regulations (e.g., GDPR, CRA and NIS2) is becoming essential to prevent and mitigate attacks against IoT devices, as attackers see them as high-value targets.
- **Lack of standardization:** The fragmented nature of the IoT landscape makes it challenging to develop and deploy unified security solutions. This lack of standardization further complicates the implementation of consistent security measures across different IoT ecosystems.
- **Emerging and evolving threats:** IoT devices are increasingly targeted by ransomware and AI-powered attacks among other attack vectors. The rise of quantum computing also poses a significant threat to traditional encryption methods, requiring improved solutions to counterbalance these threats.

Vendors are adopting more proactive and comprehensive safeguards to build trust and differentiate themselves in a competitive market. Examples of multifaceted safeguards for IoT ecosystems include:

- **Strong security architecture** that leverages security controls such as a zero-trust security model, microsegmentation, and continuous monitoring and assessment of the IoT environment.
- **Enhanced device security** that implements standardized secure boot mechanisms, such as the GSMA's IoT SAFE (IoT SIM Applet For Secure End-to-End Communication) technology. It also involves maintaining a regular cadence for IoT device firmware

updates and incorporating hardware-based security mechanisms like Trusted Platform Modules (TPMs) to further enhance device security.

- **Improved data privacy and security** that implements data minimization practices to reduce the attack surface, utilizes strong encryption algorithms for data in transit and at rest, and deploys secure communication protocols such as TLS/SSL and VPN.

- **Proactive threat intelligence** that actively searches for and investigates potential threats within the IoT environment while also conducting regular security audits and penetration testing to identify and address vulnerabilities.

Vendors Repositioning as Smart Managed Connectivity Enablers for IoT

IoT projects are becoming more complex as they scale, making the seamless device and connectivity experience critical for prospective buyers. This complexity is also giving rise to new use cases that increase data transfer models from the cloud to the edge for control, updates, and even the deployment of AI functionality to the edge, where IoT connectivity may become a critical enabler. Yet, enterprises are resistant to changing their IoT connectivity platform provider (or connectivity providers) due to simplicity, cost drivers and deployment challenges.

As a result, vendors are continuing to reposition themselves as smart managed connectivity enablers that guarantee the best hardware and connectivity experience in deploying IoT projects in the cloud. This continuing trend, also reflected in the previous year's research, consists of several influencing elements (e.g., hardware, connectivity, IoT orchestration, seamless integration with hyperscalers, improved troubleshooting). Of these elements, **IoT orchestration** saw the most significant changes in this year's research:

- **SIM orchestration:** enables enterprises and CSPs to access local connectivity provided by local CSPs in each country. This provides flexibility to multinational enterprises to bring their own connectivity agreements through multiple alternatives, such as multi-IMSI or eSIM, or by directly integrating third-party IoT connectivity platforms under a single pane of glass. Vendors in this Magic Quadrant continue evolving their eSIM propositions to the new SPG.31/32 eSIM standard announced by GSMA in 2022, and the first commercial launches are expected by 2025.

- **Managed IoT connectivity platform aggregation:** allows multinational enterprises to integrate or aggregate multiple managed IoT connectivity platforms under a single pane

of glass. This enables enterprises to create a sustainable strategy, integrating the managed IoT connectivity platforms with the rest of their IoT infrastructure and ecosystem (hyperscalers, IoT platforms, single API) only once, and avoiding integration replication several times. This also simplifies the customer journey for connected-product strategies across multiple regions. In this iteration of the Magic Quadrant, Gartner continues observing efforts from both IoT MVNOs and MNOs to start building managed IoT connectivity portals that aggregate third-party connectivity portals.

LTE Cat 1 and Cat 1bis Continue as Alternatives to 3GPP LPWA Networks (NB-IoT, LTE-M)

The connections reported by vendors in this year's Magic Quadrant show that 3GPP LPWAN increased to 51 million from 42.7 million, a 19.44% slowdown in YoY growth. Namely, adoption in Europe has slowed down due to the lack of in-country end-to-end value propositions that benefit industries such as utilities, healthcare and trackers for smart cities. Organizations see 3GPP LPWA networks with LTE-M and NB-IoT as the right alternative to replace existing 2G/3G deployments in countries where these networks are being phased out.

LTE-M is now 52% of 3GPP LPWA networks, with NB-IoT connections representing 48% of the overall 3GPP LPWA network installed base reported by vendors. Organizations continue to prefer LTE-M for multicountry deployments, with vendors reporting that most of their roaming agreements are established with LTE-M rather than NB-IoT. While some vendors are using ad hoc developments to overcome NB-IoT roaming and eSIM standard challenges (mainly for SMS support), LTE-M remains as the organizations' chosen option for roaming with some backhaul 2G, 3G or 4G. As a result, vendors are continuing to use LTE Cat 1 and Cat 1bis as alternatives.

Managed IoT Connectivity as a Bridge to 5G, Private Mobile Networks and Edge Computing

Managed IoT connectivity services continue to offer unique benefits and synergies for organizations expanding their digital transformation into 4G/5G private mobile networks, which opens up new and complex environments. The evolution into 5G has introduced new alternatives for organizations wanting more control of their IoT network infrastructure, including SIs, MSPs, niche PMN providers and hyperscalers as compared with CSPs and traditional IoT MVNOs. However, managed IoT connectivity providers are integrating 4G/5G

private mobile network management capabilities into their platforms to bridge the gap created by the new environments.

For instance, organizations seeking to increase security for OT assets exposed beyond standard public cellular networks can benefit from cloud-native IoT networks that can provide cost-effective deployments with a private virtualized core network using pay-as-you-grow models. However, because the overall complexity of this environment requires skills most organizations lack, organizations can benefit from reusing existing managed IoT connectivity providers for these deployments. This is especially true for organizations undertaking international or multisite deployments that can include these initiatives as an extension of their managed IoT connectivity strategies.

However, managed IoT connectivity providers integrating 4G/5G private mobile network management capabilities are still in an embryonic phase. Only Tier 1 MNOs are able to offer these capabilities, including end-to-end capabilities, as a separate service for certain industries (e.g., manufacturing, logistics, mining, oil and gas, utilities, media entertainment, healthcare). Some Tier 1 MNOs are partnering with hyperscalers to deliver a portion of these capabilities by using them as private mobile network infrastructure providers or as relevant providers in their edge strategies. Other MNO deployments are still in the POC phase that includes limited edge capabilities without proactively deploying edge industry-vertical ecosystems.

⊕ Evidence

Note 1: Distinguishing Managed IoT Connectivity Services and IoT

The technology and service functions defined below fulfill critical parts of typical IoT solutions with a particular focus on the IoT edge, which encompasses IoT endpoints, gateways, edge computing and connectivity services. Many providers in this Magic Quadrant have moved away from references to machine-to-machine (M2M) in their messaging and catalog descriptions to create the perception that their solutions are more IoT-aligned, labeling them as “IoT solutions.” In fact, most have changed their business unit names to include IoT in the title.

The market for managed IoT connectivity services is mature and doesn't present the attention and buzz of broader IoT solutions. These rebranding efforts are meant to convey broader solution value to the market. However, relabeling their offers and business units to "IoT" or "IoT connectivity" does not make their solutions IoT solutions.

While not explicitly codified, what distinguishes typical managed IoT connectivity solutions from IoT solutions is the existence of broader platform capabilities in an IoT solution. An example includes the capability for IoT endpoint and device management, where most vendors in this Magic Quadrant manage the SIM card and related data, rather than IoT edge device OSs and agents, and other management capabilities. Also, offerings and definitions for IoT solutions include an application enablement and management capability within the IoT platform (see **Magic Quadrant for Global Industrial IoT Platforms** for a further discussion on the components of an IoT solution).

A key offering of competitive IoT solutions and platforms in the market also focuses on integration capabilities. Examples include integration platform as a service (iPaaS), API management, various software development kits (SDKs), and software connectors and extensions to facilitate integration and interoperability with third-party software and applications.

Increasingly, we see CSPs and MVNOs choosing to ignore the build-out of broader and higher-value IoT platforms. Rather, they favor creating and acquiring IoT vertical applications (such as fleet, smart meter and energy demand management), which can be integrated into enterprise applications. Without a broader, true IoT platform, CSPs and MVNOs are forced to sell these vertical applications as point services that require the user to explore, validate and acquire IoT platform elements, such as device management and data management. This happens when these point solutions don't cover the enterprise use case beyond the horizontal connectivity and value added, such as security or managed services that these vendors provide.

Note 2: Provider Models

Communications Service Providers

CSPs typically bundle connectivity services (such as cellular, LTE and connectivity management). However, some providers offer cloud-based IoT platforms composed of messaging, device management, and storage and base-level analytics (utilization reporting

and asset tracking). The enterprise service organization of some CSPs amortizes device charges across the term of an agreement as a recurring add-on charge. Additionally, some providers offer application enablement platforms and a modest catalog of vertical applications (most commonly fleet management and asset monitoring). For noncellular use cases, most CSPs provide managed services for wireless LAN (WLAN), some LPWA networks (3GPP and non-3GPP), limited satellite and managed security services for IoT gateways. Most CSPs have created access partnerships to augment their global IoT connectivity management capabilities. Examples of this type of provider include AT&T and Vodafone.

Mobile Virtual Network Operators

The immediate value that MVNOs bring to customers is the aggregation and management of multiple CSP networks to provide regional and global connectivity coverage. Additionally, as with the CSPs, hosted and cloud-based connectivity management applications provide users with device metadata, status information and diagnostics information.

The management platform also extends to users of the self-management capabilities, such as SIM management actions for bulk operations on many devices. Some IoT MVNOs have been acquired by CSPs to address specific segments and verticals to complement their IoT capabilities. Examples of this type of provider include Aeris Communications, Cubic Telecom, KORE and Wireless Logic.

Hardware Module Manufacturers and Hardware Intellectual Property Companies

Traditional hardware module manufacturers and hardware intellectual property companies are shifting their strategies to leverage their hardware (or hardware they power) and bundle it with connectivity, cloud access, device management and, in some cases, data management. This strategy brings to hardware-related manufacturers the ability to provide powerful device management capabilities on top of managed IoT connectivity services.

Due to their hardware capabilities, these vendors integrate some device and data management capabilities into their own connectivity platforms. These vendors try to tie customers to their own hardware-related modules, so the offer can be reduced when not using their own hardware or hardware modules they power. Examples of this type of provider includeTelit Cinterion and Sierra Wireless.

IT Outsourcers and Integrators

These providers offer traditional IT outsourcing and managed IT services, but they now have practices that focus on delivering managed and professional services for IoT technology management. Many of these providers enter the IoT solution market with the advantage of legacy vertical-centric go-to-market structures that provide subject matter expertise presale and postsale. Many of these providers also own vertical-centric back-office applications (such as manufacturing execution systems and insurance industry applications) that will leverage IoT data.

The number of IT outsourcers and integrators that maintain and manage MVNO operations is still small, but is increasing slowly. As managed IoT service adoption increases in the market, and the price to build and manage MVNO capabilities decreases because of cloud and virtualized technologies, the number is expected to increase over the next three to five years. Examples of this type of provider include Accenture and Fujitsu.

Dedicated IoT Network Providers

This segment represents providers based on public and private networks in the unlicensed spectrum. These providers sometimes manufacture their own IoT edge equipment and develop their own IoT platforms and IoT vertical applications. These providers present focused offerings, usually predicated on use cases such as automated meter infrastructure, fleet management, smart parking and smart lighting.

While there is no stand-alone vendor from this category for this Magic Quadrant iteration, an example of such a provider from previous research was Silver Spring Networks, acquired by Itron (which is included in this research). Another example is companies that only manage LoRa networks or proprietary systems.

⊕ Evaluation Criteria Definitions