2 Must-Have IoT Investments for Long-Term Growth

Description

The Internet of Things, or IoT, as its commonly referred to, is set to become one of the biggest shifts in the market in well over a decade. The IoT is the concept of taking everyday devices and connecting them to the internet to allow them to feed information and updates to each other and to us.

The IoT opens a whole new realm of possibilities to turn everyday appliances and devices into smart devices, which industry pundits claim will revolutionize the way we view and interact with devices in the future. **Cisco Systems** has even forecasted that the IoT is a trillion-dollar market with potentially over 50 billion connected things — more than double of what is on the market already today.

The application uses for IoT hardware are nearly endless, but the two constants that are required for IoT to take off are embedded systems to provide that connectivity and a secure backbone connection to the internet that can relay all that information.

Sierra Wireless, Inc. (TSX:SW)(NASDAQ:SWIR) is the first piece of the IoT puzzle. Sierra develops a range of hardware and software solutions that enable devices to connect to the internet, leveraging 4G, LTE, and advanced LTE solutions.

Sierra has long been touted as an IoT core holding, and the company has even shifted over the past year to become an IoT pure play. While that shift has been somewhat painful for investors during earnings time, Sierra is at the point where some real growth may finally start to materialize.

An area of interest for Sierra of late has been the automotive sector. While IoT connectivity in vehicles may not seem, at least initially, like the killer scenario to light a fire on Sierra and set it on a meteoric rise, there is significant untapped potential.

Automotive manufacturers are increasingly looking at connectivity options for new vehicles across a broad range of applications. This could be as simple as a diagnostics and reporting tool that is accessed from a smartphone app, or adding real-time traffic updates, or providing an embedded cellular connection. Either way, there are an increasing number of scenarios for adding connectivityinto vehicles, and manufacturers are no longer looking at that connectivity as an add-on, but rather asa standard feature.

As one of the largest providers of the required embedded modules and modems to enable that connectivity, Sierra is uniquely placed to capitalize on this growing trend in the automotive industry. In fact, Sierra signed agreements with Russian and Chinese automotive manufacturers last year, and additional contracts in Asia and Europe are likely in the future as well.

Amazon.com, Inc. ([NASDAQ:AMZN](#)) is not only a leading retailer, but it's a technological powerhouse that is constantly pushing IoT connectivity into the home. The echo for instance, allows connectivity to a myriad of smart home devices, acting as a hub for an entire smart-home. Additionally, over the past year, the Echo has learned a variety of skills and continues to do so, making it both a virtual assistant and media hub.

Amazon's dash buttons also serve as an inexpensive yet brilliant way to perform a simple task, such as reordering laundry detergent by the push of a button. More importantly, consumers are further being drawn into the Amazon ecosystem, which grows by the day.

Perhaps one of the most promising IoT ventures is the AWS platform that leverages IoT data. The Greenglass platform, which Amazon launched late last year, allows IoT connected devices to be managed remotely and extends the AWS cloud capabilities to those devices. Greenglass is an option that businesses (many of whom are already AWS clients) can leverage.

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