



2 Internet of Things Investments for Every Portfolio

Description

The Internet of Things (IoT) is viewed by many as the most exciting and revolutionary advancement in technology since the advent of the internet.

For those unfamiliar with it, the IoT is the concept of connecting everyday devices over the internet to feed information, updates, and diagnostics to each other and to us.

The possibilities for IoT advancement are nearly endless. You could have lights that automatically dim or blink when your favourite program is about to start, just like at the opera. Your alarm clock could tell your coffee maker that you've stopped hitting the snooze button and to start brewing a cup of coffee. Your refrigerator could send you a message letting you know you need to pick up milk and eggs on the way home from work.

With every use case you can think of, there are 10 others that could apply. That's the potential of IoT, which industry pundits peg as a trillion-dollar market that could explode with billions of interconnected devices within a decade.

That creates a massive opportunity for investment, and there are already a handful of companies leading the charge.

Sierra Wireless, Inc. ([TSX:SW](#))([NASDAQ:SWIR](#)) is a manufacturer of embedded modules, modems, and software that is needed for devices to connect to the internet. Sierra realized the massive opportunity that the IoT space represented and moved to become a pure-play IoT manufacturer.

While the IoT segment is set to revolutionize all aspects of our connected universe and make it larger, one area where Sierra has made considerable progress in the past year is in the automotive space. Connected automobiles represent the largest shift in the automotive space since ABS braking systems and airbags.

Changing consumer tastes with respect to applications and connectivity are evolving to the point that they are no longer seen as add-ons, but rather core features of the vehicle. This is especially true as more vehicle systems begin to tie into that connectivity; they could provide weather and traffic updates,

send diagnostics and error codes to the automobile manufacturer, or even download computer system updates when the vehicle is not in use.

That's not even taking into consideration the next big evolution of driving that is currently being developed: self-driving cars.

Sierra has already forged agreements with several large automotive manufacturers over the past year, providing the requisite hardware and support for those vehicles to connect to the internet. As connectivity options will only increase, Sierra's exposure to additional manufacturers seems only natural, and Sierra's long-time investors are counting on that.

You can't really mention the IoT without thinking of **Amazon.com, Inc.** ([NASDAQ:AMZN](#)). The online retail giant has been dabbling with various IoT products for several years; its Dash Buttons and Echo home assistant are the most well-known examples.

The Dash Buttons in particular are brilliant, inexpensive devices that are programmed to accomplish a single, mundane task. This is, by definition, what the IoT is intended to do; these little buttons keep customers well embedded within Amazon's growing ecosystem.

Another lesser-known area of growth for Amazon is the AWS platform that leverages all of that IoT data. This is significant because unlike other companies that are releasing devices that are IoT-compliant, Amazon is actually building a backbone for other companies to leverage, much like the AWS platform itself, which already houses data for thousands of companies worldwide. The IoT offering, dubbed Greenglass is something that should begin to see more usage over time.

Sierra and Amazon are leading the charge in the IoT, so consider the investment opportunity they offer today.

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