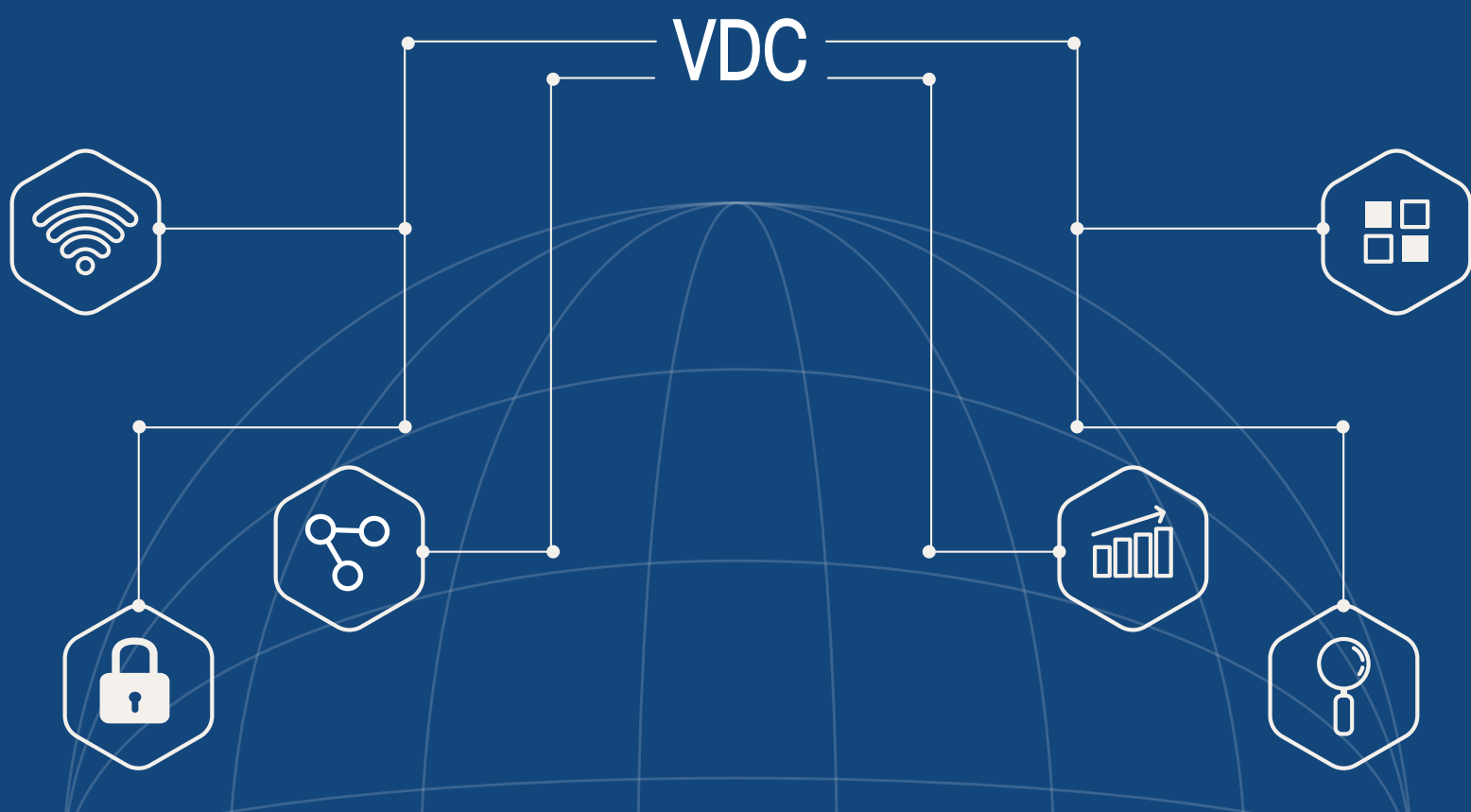


# OEM Barcode Scan Engines & Software-Based Scanning Solutions

## PROFILE OF SCANDIT



# ABOUT THIS REPORT

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VDC Research publishes an annual report analyzing the key strategic issues, trends, and market drivers for OEM Scan Engines (hardware) and software-based scanning solutions. The report includes market analysis (current size and five year forecasts of revenues and unit shipments), vendor shipments and market shares, detailed coverage of growth opportunities by industries, device types and geographies, and profiles of twelve leading vendors.

As one of the leading software-based scanning solution providers, this profile of Scandit is included in the report which published in March 2022.

# ABOUT VDC RESEARCH

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Founded in 1971, VDC Research provides in-depth insights to technology vendors, end users, and investors across the globe. As a market research and consulting firm, VDC's coverage of AutoID, enterprise mobility, industrial automation, and IoT and embedded technologies is among the most advanced in the industry, helping our clients make critical decisions with confidence. Offering syndicated reports and custom consultation, our methodologies consistently provide accurate forecasts and unmatched thought leadership for deeply technical markets. Located in Southborough, Massachusetts, VDC prides itself on its close personal relationships with clients, delivering an attention to detail and a unique perspective that is second to none.



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# SCANDIT

VDC views Scandit, which promotes itself by citing on its website “no need to purchase expensive hardware OEM scan engines”, as a growing threat to hardware-based scan engine vendors, and a viable alternative for many organizations looking to make the switch from purpose-built to consumer devices for data capture applications.

In February 2022, Scandit announced \$150 million in Series D funding, which compares to \$123 million in aggregate for all previous backing, and therefore its investor support has more than doubled. The company has achieved unicorn status, with a valuation exceeding \$1 billion. Scandit will use its new investment to drive innovation in artificial intelligence, machine learning, and autonomous data capture for the retail, transportation and logistics, healthcare and manufacturing sectors, plus to expand its global footprint. As part of Scandit’s announcement, it disclosed that since May 2020 it has more than doubled its annual recurring revenues, grown headcount by 85%, and now has over 1700 global customers.

VDC views Scandit’s continued growth and application in various use cases as a deterrent to OEM scan engine hardware sales. The following bullets highlight the vendor’s expanding global and vertical footprint:

- **GLOBAL MARKET:** The company expects to raise its global headcount by nearly 50% in 2022, with highest growth in APAC plus continued expansion in the Americas. In addition, as a software-based solution, Scandit has not been directly impacted by semiconductor shortages, although some devices in which the company’s decoder are embedded are experiencing shipment delays.
- **USE CASES:** Sporting goods retailer, Decathlon, is a case study of a retailer that provides customers at its Singapore branches with the option to self-checkout or order items not stocked in-store using a Scandit powered-app. This application has historically been a driver of scan engine hardware sales.
- **ECONOMIC SECTORS:** One of Japan’s largest logistics companies, Yamato, is using Scandit Smart Data Capture in its deliveries. The company reported unnamed medical device makers embedding smart data capture into life sciences equipment. These are important new sectors for OEM vendors, now also being challenged by smart data capture SDK providers like Scandit.
- **DEVICE TYPES:** Scandit’s technology leverages the camera on smartphones, wearables, robots, digital glasses, and embedded devices (robots, medical devices) for data capture and, more recently, computer vision applications. The decoder is finding its way into much more than “BYOD” smartphones. Some types of gear/wearables, such as digital glasses, are not well suited for the dimensions of a physical scan engine, so Scandit could offer an advantage here.
- **FUNCTIONALITY:** The company has developed, and will expand with its \$150 million of funding, capabilities such as artificial intelligence, machine learning, and optical character recognition (OCR). Scandit shows examples of these used for detecting fraudulent documents, increasing accuracy to detect fake IDs, and age verification. While OEM scan engine vendors also provide this functionality, Scandit is now on par. Scandit’s ShelfView solution takes inventory of retail shelves with up to 40,000 SKUs by robotic store sweeps or on mobile devices, leveraging the multiple scan capabilities, thereby countering the argument that scan engine hardware has inherently faster scan speeds than SDK alternatives.

Many featured use cases show Scandit in applications typically relegated to dedicated scanners. For example, a New Zealand retailer named The Warehouse has rolled out 1500 Scandit licenses to store associates with smart devices, replacing dedicated mobile devices and smartphone sleds, at less than half the total cost. The company also boasts some large Tier-1 retail accounts, including 7-Eleven, BJ's Wholesale and Carrefour.

Scandit also has deployments across North America and Europe among companies using smartphones in last mile delivery. Company research claims that application enhancements to boost speed and compatibility are the biggest drivers of sales in transportation and logistics. DHL, FedEx, Swiss Post, Deutsche Post and several more logistics providers license Scandit, showing that it has major accounts and is used side by side with or to replace dedicated scanners.

Scandit also offers quick, easy implementation; users can download the Retail or Logistics apps and use them immediately. Scandit's product development makes it a significant competitor to scan engine vendors looking to capture small business users, and relegates leaders such as Honeywell, Zebra and Newland AIDC to enterprise markets.

Part of Scandit's value proposition is that it saves space, but new compact units from Zebra and Honeywell do not create a "bump" in mobile devices, so Scandit's claim will be countered as compact units become embedded in a growing number of units. Another competitive benefit is cost. Scandit's licensing model makes it economical for new customers, both enterprise and low volume users, especially in "BYOD" (bring your own device) environments.

# About The Authors

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Andy Adelson

Currently serving VDC's AutoID & Data Capture practice, Andy Adelson has spent his career as an analyst, consultant and research expert. During the first half of his career, Andy excelled as an IT industry analyst, covering several technologies which were precursors and adjacent to AI&DC. He has provided continuous syndicated services, plus consults to clients for their more complex challenges. During the past decade, Andrew held executive sales and management roles with research and insights providers. Andy also serves on the Board of the New England chapter of The Insights Association, the largest US trade association for research professionals. Andy earned an MBA from Babson in Marketing, and a BA from the University of Michigan in English and Economics.

Email Andy Adelson at [aadelson@vdcresearch.com](mailto:aadelson@vdcresearch.com)



Richa Gupta

Richa is a Consultant working for VDC's AutoID & Data Capture practice. She has been tracking the markets for a range of AIDC technologies at VDC since 2010, including, but not limited to, barcode scanners and printers, labeling solutions, machine vision solutions, and robotics automation. Over the years, she has undertaken market opportunity sizing and forecasting, competitive landscape analysis, and offered strategic marketing assistance, while also providing valuable thought leadership for this technology segment. Richa holds a degree in Computer Engineering and an MBA from India.

Email Richa Gupta at [rgupta@vdcresearch.com](mailto:rgupta@vdcresearch.com)



David Krebs

David has more than twenty years' experience covering enterprise and government mobility solutions, wireless infrastructure and automatic identification and data capture technologies. David's research focuses on the intersection of digital and mobile solutions with today's business and mission critical frontline mobile workforce and how organizations are leveraging mobile solutions to improve workforce productivity and enhance customer engagement. David's consulting and strategic advisory experience is far reaching and includes technology and market opportunity assessments, technology penetration and adoption analysis, product and service development and M&A due diligence support. David has extensive primary market research management and execution experience to support market sizing and forecasting, total cost of ownership (TCO), comparative product performance evaluation, competitive benchmarking and end user requirements analysis. David is a graduate of Boston University (BSBA).

Email David at [davidk@vdcresearch.com](mailto:davidk@vdcresearch.com)