

2024 FIELD SERVICE TRENDS & PREDICTIONS

DATA-DRIVEN STRATEGIES FOR BIG WINS
IN THE NEW YEAR



By Wael Mohammed, *EVP of Strategy*

FIELD NATION

Key takeaways



Economic signals for 2024 are mixed. A pullback in discretionary spending impacts certain field service projects, while rapid growth persists in other areas.

The skilled labor shortage requires industry leaders to adapt to the rise of independent contractors in field services, reshaping workforce dynamics.

By recognizing the diverse responses of market segments to economic conditions, **organizations can find success through a vertical approach.**

The surge in physical security, data center expansion, wireless infrastructure upgrades, and POS and digital signage projects creates **new avenues for growth and specialization.**

Adapting to economic volatility, embracing automation, and strategically incorporating on-demand labor are vital for sustained success in field service.





Economic volatility persists

As we step into 2024, the economic landscape shows mixed signs. Some economists are cautiously optimistic about a “soft landing,” while others think a recession is merely deferred. A [recent survey](#) of leading economists indicates a decrease in the probability of recession from 48% to 39%.

At the same time, [services inflation remains persistent and currently stands at 5.3%](#). Consumer spending has shown signs of softening, though the extent is less than anticipated. [Spending during the holiday period increased nearly 4%](#) in 2023, a slower pace than in the previous three years but in line with prepandemic trends.

Retail is a major driver of field service spend. A pullback in discretionary spending and the increased cost of capital have contributed to postponed investments in certain field service projects, while other categories are accelerating due to a continued emphasis on automation and customer experience.

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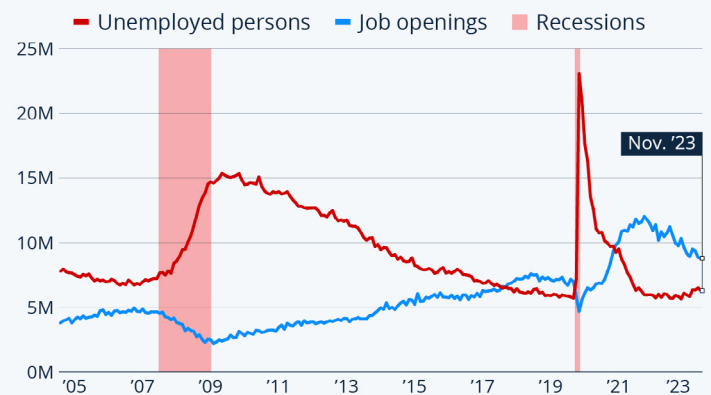
Shifting labor dynamics

Turning to the workforce, the field service sector is grappling with a structural deficit—the skilled labor shortage. [Job openings are at their lowest since March 2021](#), influenced by high capital costs and subdued demand. [The labor participation rate is stagnant at 62.5%](#), with a lack of participation from younger workers and attrition among experienced technicians. In the tech realm, [the unemployment rate remains remarkably low at 2.3%](#).

However, a notable trend has emerged: a significant rise in independent workers. Across many industries, including field service, workers opt for independent contractor roles to have more control over their work and their time. While some workers become full-time contractors, others do independent work to supplement full-time employment.

U.S. Job Openings Drop to Lowest Level Since March 2021

Number of unemployed persons and job openings in the United States, seasonally adjusted



Source: U.S. Bureau of Labor Statistics



statista

According to the [MBO Partners State of Independence](#) report, 72.1 million Americans are independent workers, about 45% of the workforce. In a recent study of field service technicians, [98% of respondents prefer independent contracting in some capacity](#). Experienced workers have not disappeared; they have chosen to work differently.



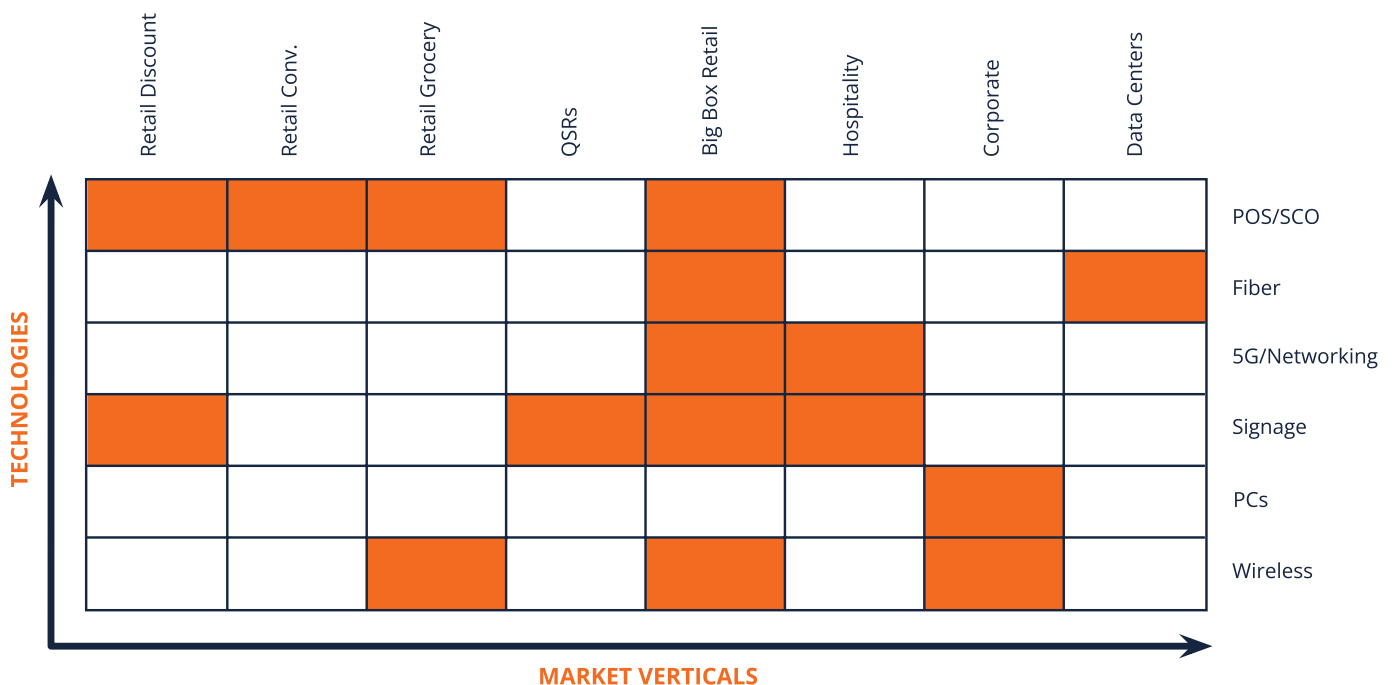


A vertical strategy pays dividends

Not all market segments will respond uniformly to the current economic conditions. Therefore, a targeted approach can yield substantial returns.

Based on an acceleration in store openings, there is a significant opportunity for field service projects in discount, specialty apparel,

accessories, and convenience stores. These vertical segments require specific types of technology projects to enhance operational efficiency and customer experiences.

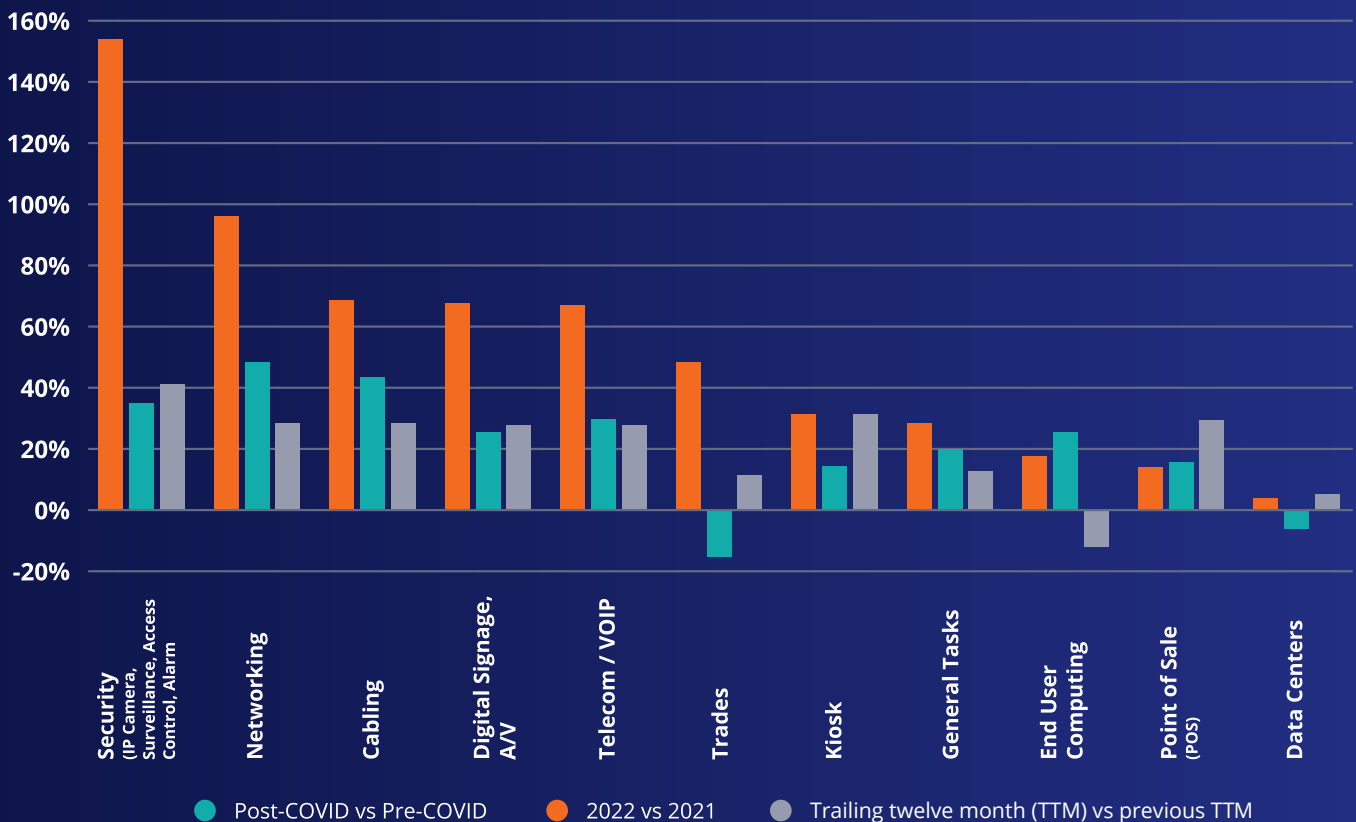




Consistent with these trends, security, cabling, networking, signage, IoT, and telecom/VOIP are among the fastest-growing categories of on-demand field service labor. At the same time, PC deployments are experiencing a notable rebound. This data underscores the importance of aligning field service strategies with the unique needs and trends within various retail segments for sustained success.

Security, cabling, networking, signage, IoT, and telecom/VOIP are among the fastest growing categories.

FIELD NATION MARKETPLACE SPEND GROWTH BY TECHNOLOGY CATEGORY



Commercial security demand soars

Inventory shrinkage is a more than \$100 billion problem, according to the [National Retail Federation](#). “[Partial shrink](#)” (when customers pay for only part of their items while using self-checkout) is a growing problem. Industry experts believe partial shrink is the most common and costly retail threat.

These trends create increased opportunities for Public View Monitors (PVMs), IP cameras, door access and RFID security. In the past year, Field Nation noted a 41% increase in surveillance installation and configuration projects, making it the fastest-growing work category.

RETAILERS LOSE BILLIONS TO INVENTORY SHRINKAGE

Inventory shrinkage, which includes retail theft and shoplifting, is a more than \$100 billion problem.



SOURCE: NRF'S NATIONAL RETAIL SECURITY SURVEY
PHOTO: GETTY IMAGES



Surging data center expansion

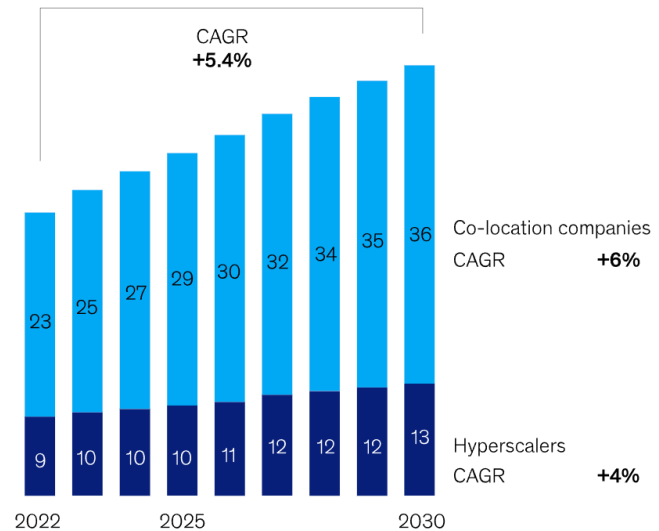
Escalating data center demand across industries is fueled by a confluence of factors driving the digital landscape forward. From the pervasive influence of generative AI technology to the widespread adoption of cloud computing, the need for robust data infrastructure is ever more apparent. As these forces converge, [global spending on data center construction is forecast to reach \\$49 billion by 2030](#). In the next six years, [the number of operational hyperscale data centers is set to jump 300%](#), according to Synergy Research.

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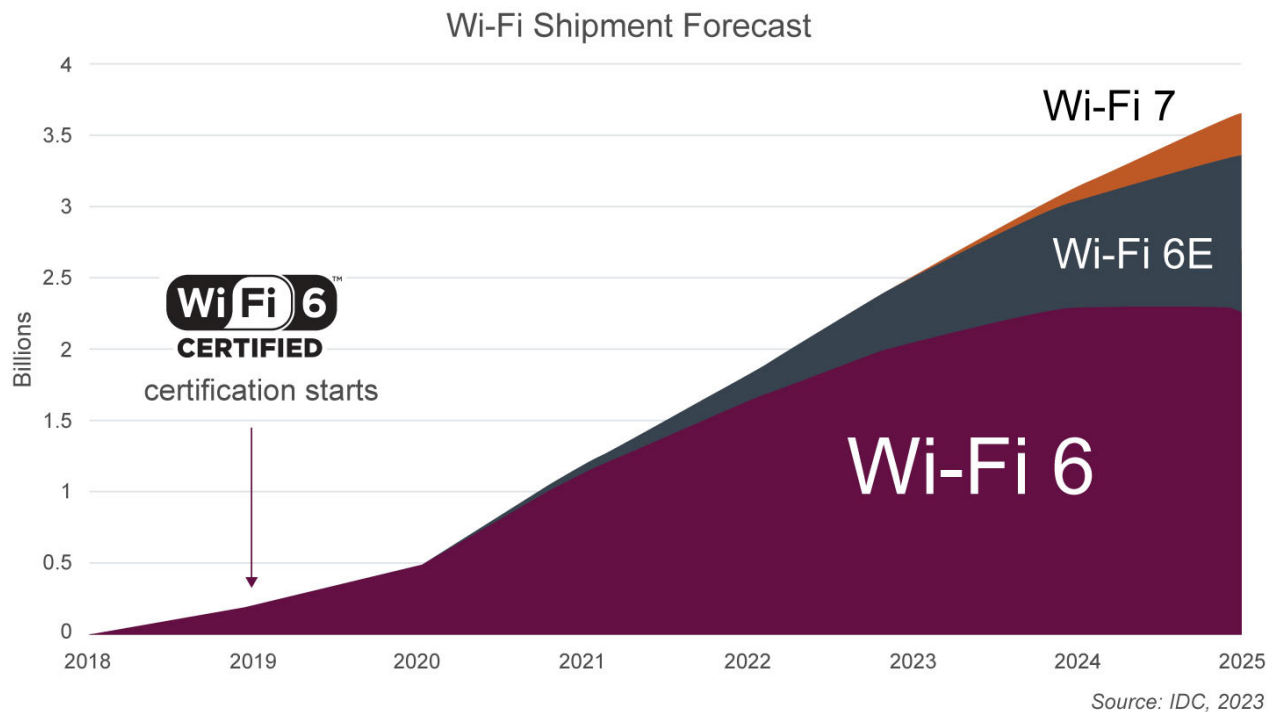
Data center construction spending,¹ \$ billion

¹Includes construction spending by providers. Excludes enterprise spending and any other capital expenditure outside of construction (such as equipment).
Source: Synergy Research Group

McKinsey & Company



Likewise, this surge in data center growth has increased demand for critical tasks in the field. New data centers require meticulous attention to structured fiber cabling and rack-and-stack procedures to ensure optimal functionality. Also, addressing break/fix requirements involves tasks such as server/storage hot swaps, fiber scoping/testing, and network device break/fix and swaps. Consequently, this expansion has translated into a notable uptick in related tasks, with this type of work experiencing a consistent 3% year-over-year rise.



A wave of wireless infrastructure upgrades

With the rising prominence of IoT devices and the integration of 5G, the technology landscape is shifting toward Wi-Fi 6E and Wi-Fi 7. Experts anticipate [Wi-Fi 7](#) to reach [a market value of \\$24.2 billion by 2030](#), driven by its faster connectivity, increased capacity, and reduced latency. These advantages have led to a surge in businesses opting to upgrade, and it's even anticipated that the upcoming iPhone will include Wi-Fi 7.

The anticipated [6.4% growth in Wi-Fi-enabled products](#) aligns with the 27% yearly increase in networking projects, signaling a notable uptick in installations, upgrades, and associated

activities. As companies transition to Wi-Fi 7, managed service providers [must transform their approaches](#) to project execution by addressing infrastructure upgrades, ensuring compatibility with IoT devices, and strategically planning network designs to optimize the new technology's effectiveness. Technicians will play a crucial role in working with existing hardware, troubleshooting potential issues, recognizing and resolving IoT device compatibility challenges, and expertly designing and implementing networks to safeguard client data.



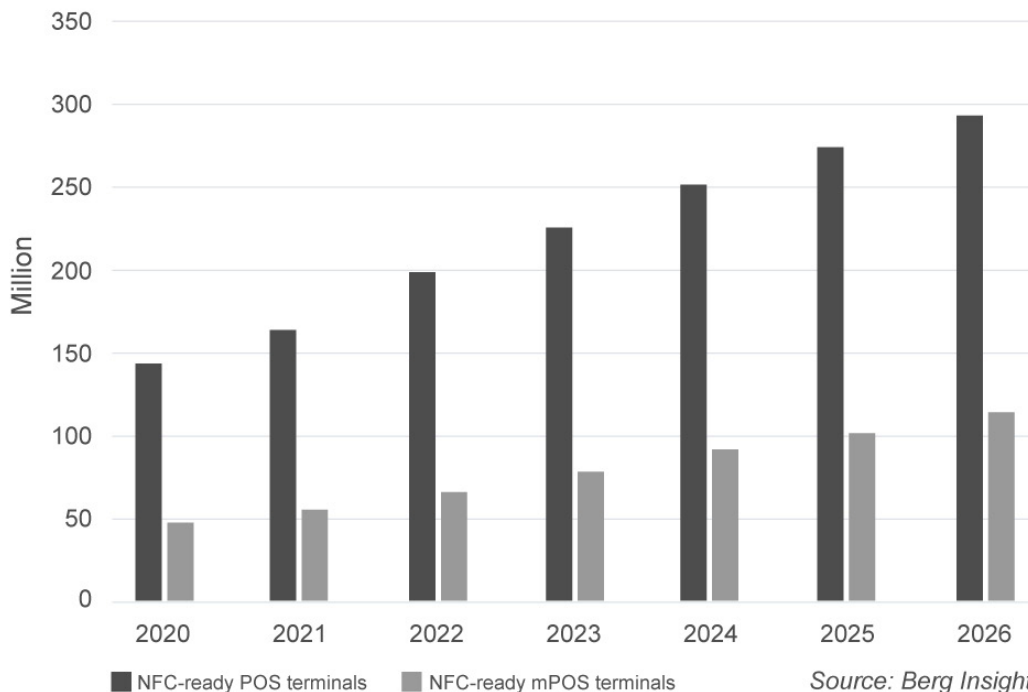
NFC-driven POS upgrades has led to a **26% year-over-year** increase in POS- related work.

Point-of-sale (POS) upgrade acceleration

Near-field communication (NFC) chips are fueling [a surge in POS upgrades](#), compensating for modest POS system installation growth. Digital and mobile wallet payments, driven by the convenience of NFC technology, contribute significantly to this trend. NFC-enabled POS terminals are projected to continue their rise in the years ahead, with smartphones facilitating secure transactions and a shift toward contactless payments.

The rise in NFC-driven POS upgrades has led to a 26% year-over-year increase in POS-related work to support digital transformation projects.

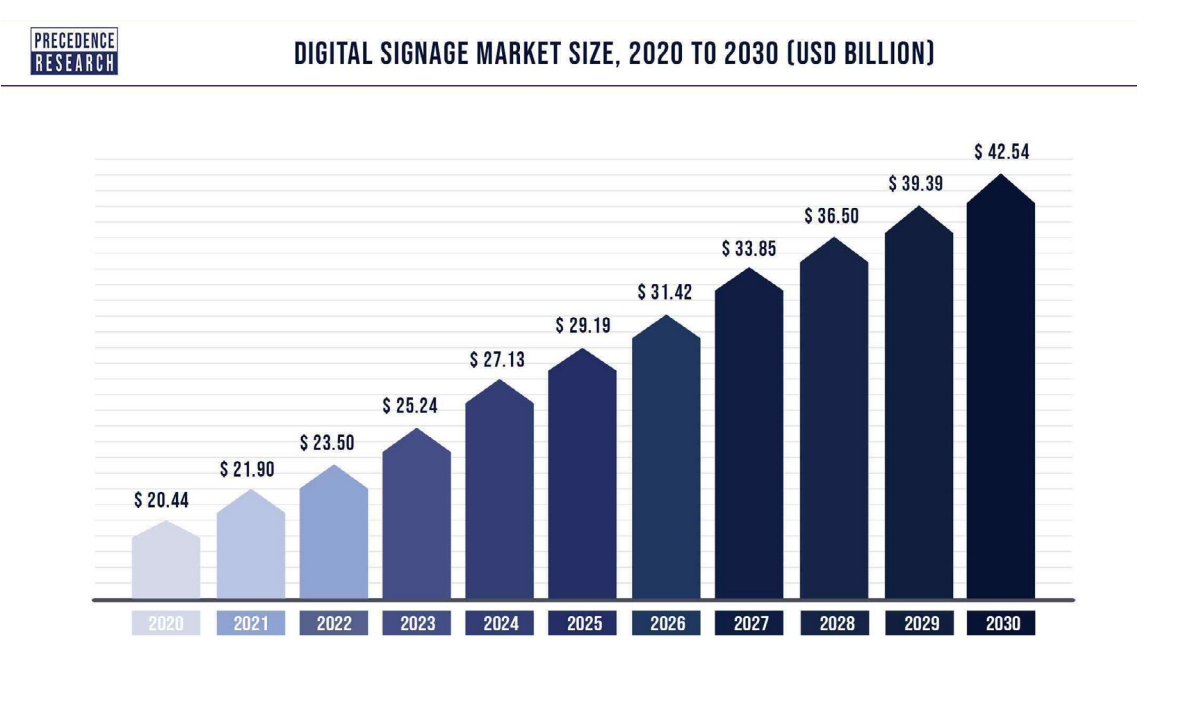
Installed base of NFC-ready POS and mPOS terminals (World 2020-2026)



Robust digital signage growth

[Industry experts project the digital signage market will continue to expand at a 7 to 8% compound annual growth rate \(CAGR\) through 2030.](#) Consumers increasingly rely on digital signage, particularly in retail and quick-service restaurant (QSR) sectors, and the impact is extending into healthcare, government, and education. Trends in digital signage installation and upgrades align with changing consumer needs, including a preference for personalized experiences, a desire for more interactive and engaging content, and an increased focus on sustainability.

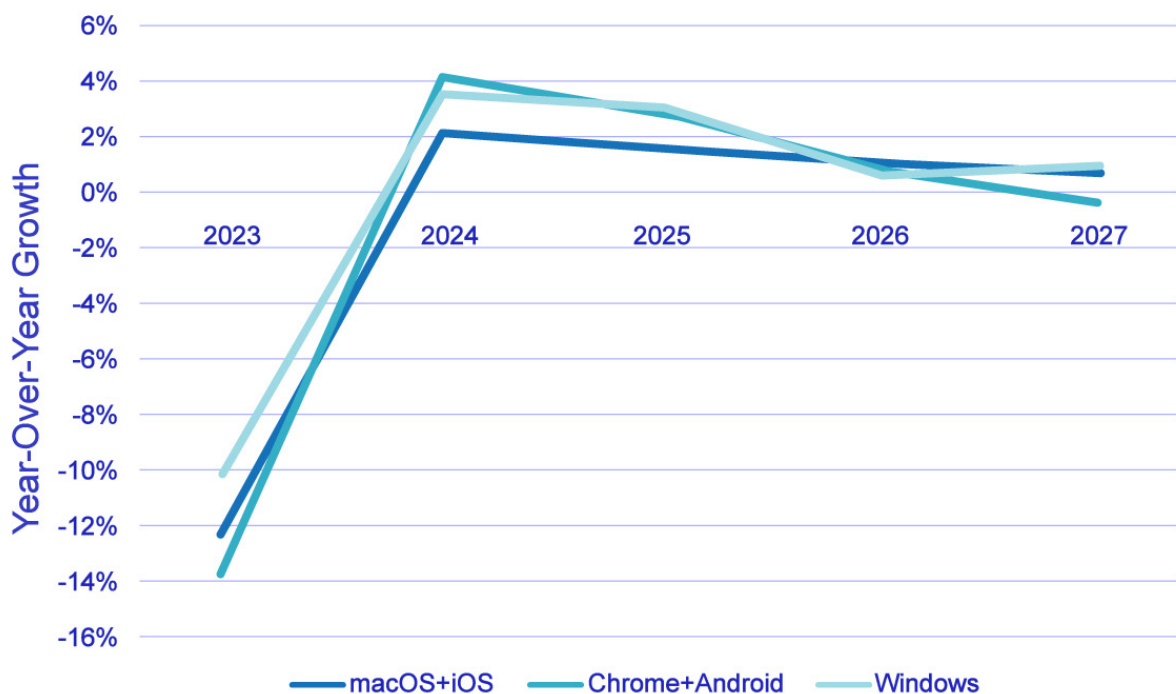
The 27% annual increase in digital signage work reflects the growing demand for this type of work. The escalating need for signage-centric kiosks, digital menu boards (DMBs), and outdoor menu boards (ODMBs) underscores the industry's shift towards dynamic, interactive, and engaging visual communication.



Desktop deployment rebound

The post-pandemic return to offices is fueling a surge in demand for corporate PC deployment and upgrades. [PC shipments are forecast to grow 3.7% in 2024](#), reaching 261.4 million. Consumer interest in PCs faces competition from a variety of devices, including smartphones, consoles, and tablets, while the commercial PC market is witnessing substantial shifts as generative AI forces IT decision-makers to reevaluate budget priorities.

Worldwide PC and Tablet Forecast,
2022Q4



Source: IDC 2023

While PC projects experienced a dip in 2023, Field Nation anticipates a rebound in the second half of 2024, aligning with the projected growth in PC shipments.



Actionable insights for service leaders

Go on offense

Economic volatility is not within your control, so look beyond macro challenges and instead target areas of active growth. Equip your teams to tailor messaging and value propositions to align with specific market opportunities.

Hedge against volatility with on-demand labor

Embrace on-demand labor strategically to navigate the labor crisis. Variabilize spend using flexible labor resources to significantly reduce the cost of goods sold. Rely less on fixed labor, embracing a flexible workforce to achieve better gross margins. This approach makes organizations more competitive and resilient amid inflation and volatility.

Differentiate on efficiency

Efficiency is a critical differentiator. Drive down operational expenses without compromising customer experience by automating manual processes.

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About Field Nation

Field Nation is the #1 labor marketplace for IT field service, connecting companies and skilled technicians to do great work across the nation.

Learn more at fieldnation.com



Wael Mohammed has been in the technology industry for three decades. He has held leadership roles in startups and large enterprises, including SPS Commerce, IBM, and Target. Wael is currently the Executive Vice President of Strategy at Field Nation. He is a master in analyzing data, identifying product and market growth opportunities, taking new products to market, and maximizing product performance.

