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Industry Forecast Report:

Five Emerging Industries to Put on Your Radar

Summary

Crunchbase's Industry Forecast Report surfaces emerging industries--those that are seeing significant funding growth--to help you allocate resources in the right areas to ultimately boost profit.

In this report, we highlight five industries that not only are growing based on total funding but are prime targets for acquisitions and strategic partnerships:

- [Robotics](#)
- [Artificial Intelligence \(AI\)](#)
- [Food and Beverage](#)
- [Transportation](#)
- [Biotech](#)

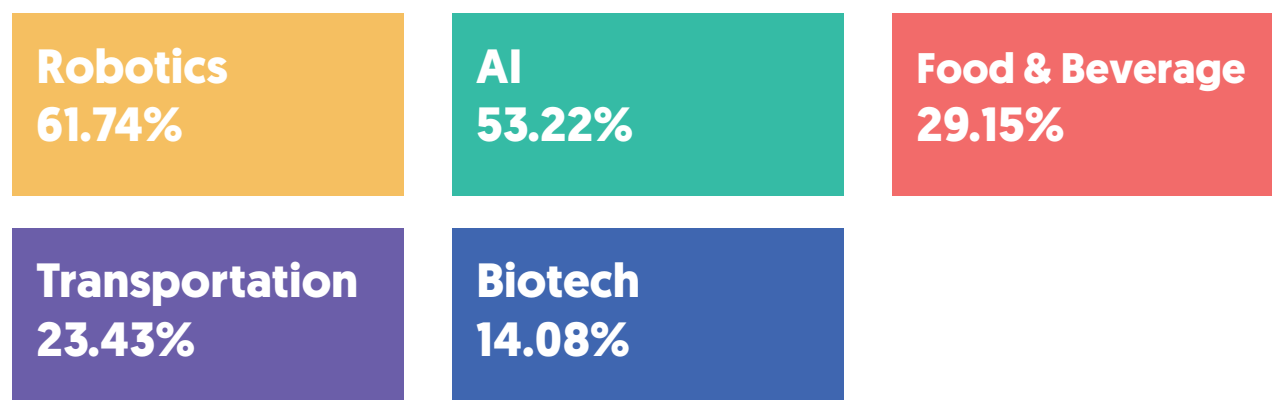
From future-proofing a business to acquiring companies to gain a competitive advantage, the Industry Forecast Report was developed to help you make strategic decisions now so you can impact your company's bottom line tomorrow.

Notable Findings

In the Industry Forecast Report, we uncovered several notable findings after analyzing industry funding trends over the last five years on a global scale.

- Funding in the AI industry grew 388 percent from 2015 to 2019.
- At least \$17.6 billion in capital has been invested in biotech each year since 2015.
- Total funding for Robotics grew 164 percent in 2018.
- As of June 1, 2020, transportation has raised \$237.9 billion in five years, the most out of all the industries in this report.
- As of June 1, 2020, total funding for the food and beverage industry is already at 70 percent of that raised in 2015.
- Four of the five industries in this report saw the most capital invested in 2018.
- AI had the most investments out of all the industries in this report.

Average Yearly Growth by Industry (2015-2019)



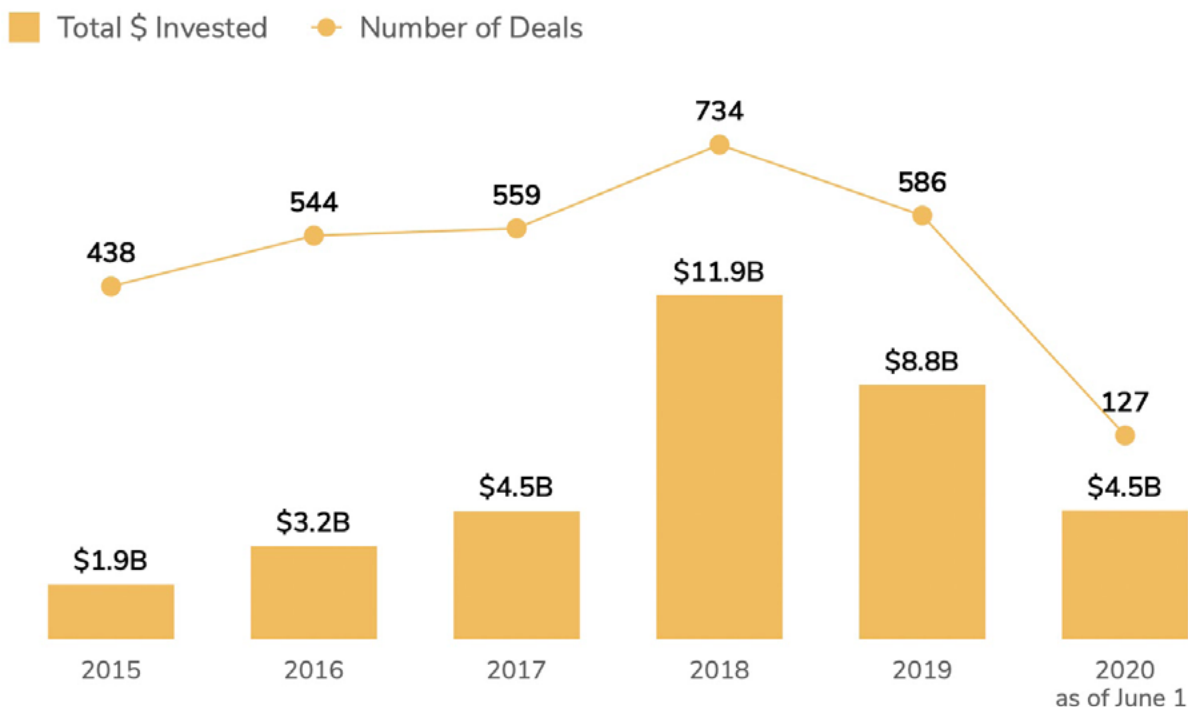
Robotics

As the world moves toward optimizing for efficiency and accuracy through automation, robotics technology has become valuable for industries like health care, transportation and agriculture.

From autonomous commercial lawn mowers to robots that move products around a warehouse, the robotics industry is in a position to see significant growth in the coming years.

Global Robotics Dollar Volume and Deal Count (2015-2020)

Private equity rounds are excluded for non-venture backed companies. Data as of June 1, 2020.



Total number of deals: 2,988

Total invested: \$34.8 billion

Robotics is still in its infancy as an industry. However, with it having a variety of use cases and real-world impact, investors are betting there will be sustainable growth as the technology continues to be developed.

Digging into the numbers, a significant jump in total funding with an increase in total deals happened in 2018--a 164 percent increase from the previous year.

The question is: What happened in 2018?

While it's difficult to pinpoint the exact reason for the spike, there were several events during this period of time that can shed some light, including:

- [Waymo](#) launching its self-driving car service;
- An increase in demand for warehouse robots;
- [Boston Dynamics](#) released footage of its robot doing back-flips, jogging and other human-like activities; and
- Sales for industrial robots soared.

After 2018, total funding and deals did decrease. However, the number of deals was higher than average indicating continued interest from investors.

The overall trend in funding that's taking shape, albeit incrementally, is upward and to the right.



Hot Take

While total funding saw a dip in 2019, all signs point to the robotics industry continuing to grow as more use cases for the technology are explored and companies perfect development.

The trend toward automation continues to be a driving force behind the industry's growth, impacting industries like manufacturing, health care, agriculture and automotive.

Robotics is a disruptive technology with numerous use cases. As investors continue to pour money into the industry and innovative startups enter it, opportunity will open for companies in a position to make acquisitions or seek strategic partnerships in an effort to gain a competitive advantage.

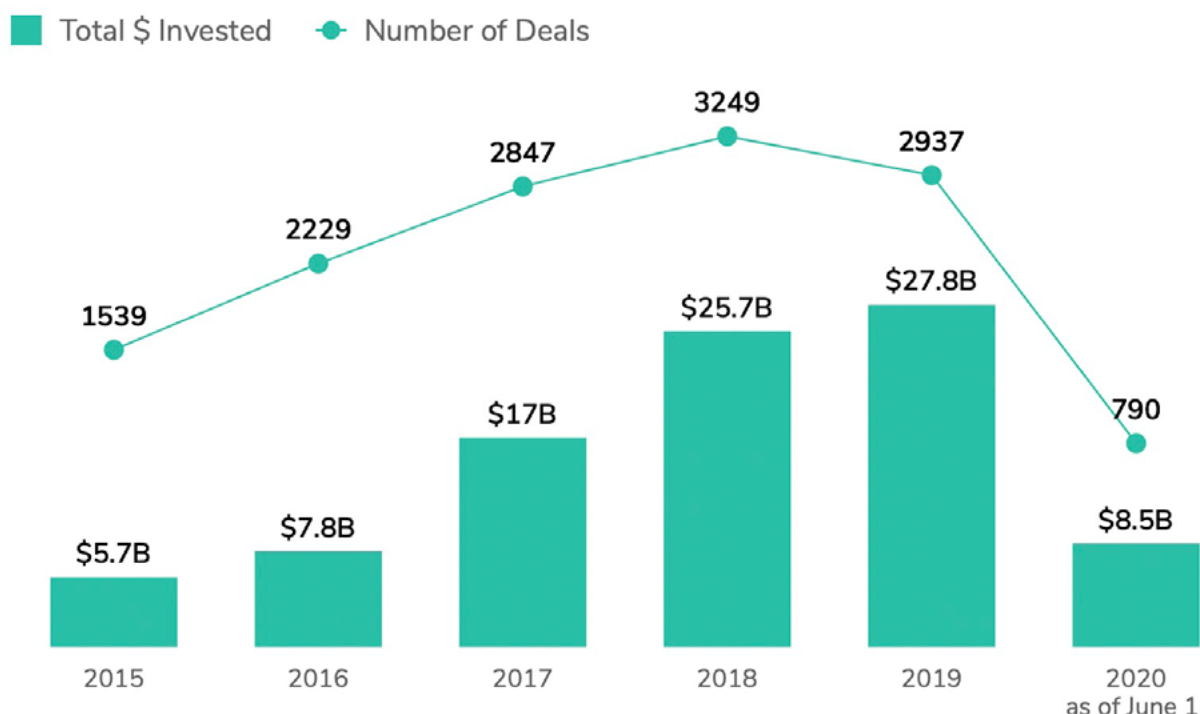
Artificial Intelligence

On a global scale, we're just scratching the surface with AI. The application of this technology, even today, has proven to be game changing--from virtual assistants like Alexa to "smart" enterprise tools for sales and marketing departments.

As the data shows, this is an industry that investors have poured a lot of money into over the years.

Global Artificial Intelligence Dollar Volume and Deal Count (2015-2020)

Private equity rounds are excluded for non-venture backed companies. Data as of June 1, 2020.



Total number of deals: 13,591

Total invested: \$92.5 billion

AI is an industry that has shown exponential growth over the last five years. It has the highest number of deals out of the five industries in this report and is the only one that hasn't seen a decrease in funding year over year.

From 2015 to 2019, total funding in the industry grew by a whopping 388 percent with a total of \$84 billion invested.

The industry has already surpassed what was raised in all of 2015 and 2016, and we're only five months into 2020 (as of June 1st).

While the number of deals did decrease in 2019, investors remained bullish and poured in the highest amount of capital in five years at \$27.8 billion.

If the trend continues, 2020 will see more funding than 2019.



Hot Take

Growth in the AI industry shows no signs of slowing down.

With investors placing more and more bets on AI startups, there will inevitably be an influx of companies entering the industry to challenge the status quo. From an acquisition standpoint, this bodes well for enterprises looking to enhance their products with AI technology to drive more customer value while gaining a competitive advantage in the market.

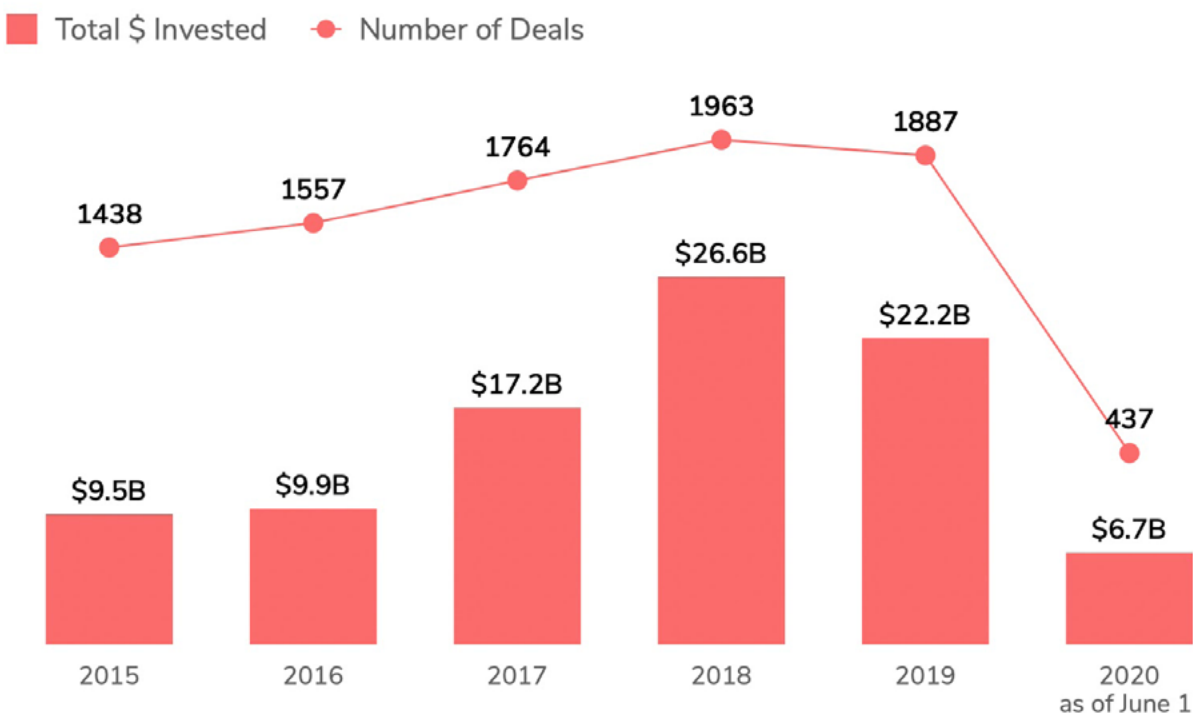
Food and Beverage

From plant-based foods to on-demand meal delivery startups, this industry has certainly seen its fair share of disruptive technologies and business models pop up over the last five years.

With the current state of the world, 2020 has the potential to be a breakout year for the food and beverage industry.

Global Food and Beverage Dollar Volume and Deal Count (2015-2020)

Private equity rounds are excluded for non-venture backed companies. Data as of June 1, 2020.



Total number of deals: 9,046

Total invested: \$92.1 billion

Similar to others in this report, the food and beverage industry saw a spike in total funding in 2018 growing by 55 percent. Notable companies that raised funding during this time period include:

- [Zume Pizza](#) raising \$375 million in a Venture round;
- [Good Eggs](#) raising a \$50 million Series C; and
- [Beyond Meat](#) raising a \$50 million Series H.

Despite a decrease in total funding in 2019, deal volume remained high in comparison to 2015, 2016, and 2017, indicating investors still have confidence in the industry and what companies are developing.

Based on where the numbers sit as of June 1, the total amount of funding in 2020 is already 70 percent of that raised in 2015. Taking this a step further, if the industry only hits the average yearly funding in the last five years (\$17.08 billion), it would still bring in more capital than 2015 and 2016.

Hot Take

E-commerce platforms, on-demand delivery services, and the rise of plant-based foods are a few of the driving forces behind growth in the food and beverage industry.

When you couple that with consumer demand for convenience, variety and affordability, you get an industry full of opportunity. According to the numbers, investors have taken notice.

Also worth noting is COVID-19's impact. Stay-at-home and social distancing orders have changed how people purchase essential items, which creates opportunity for companies to build services that cater to this "new normal."

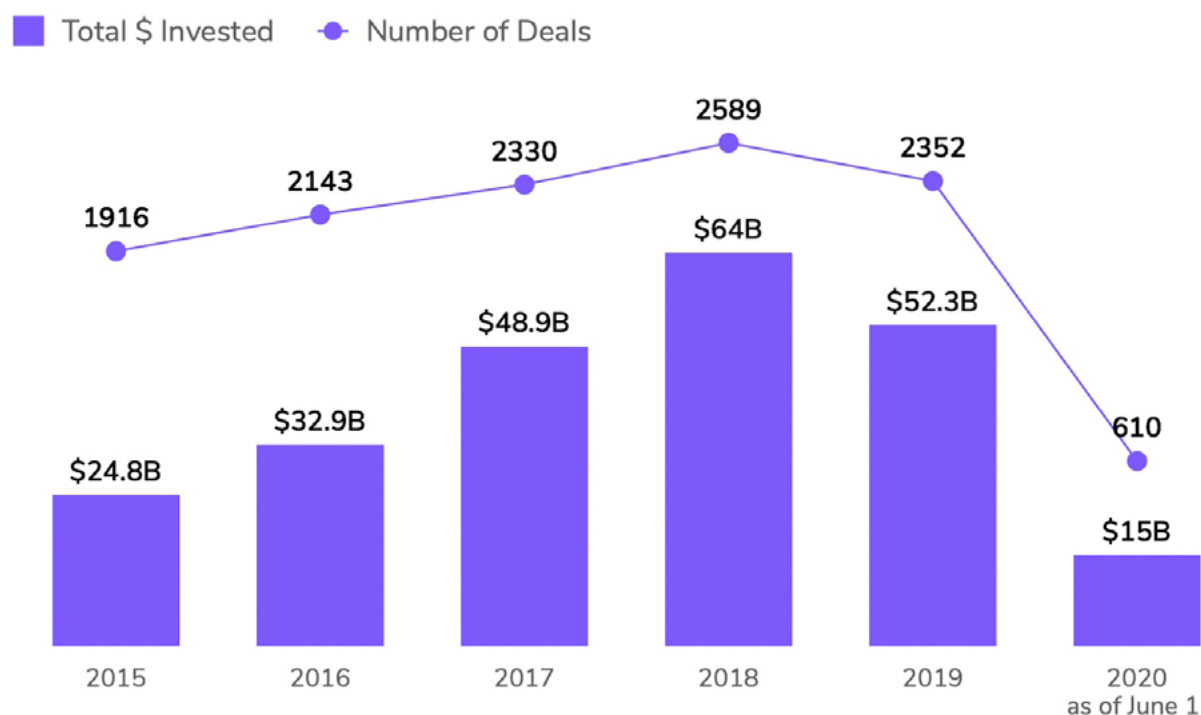
Transportation

The Transportation industry has transformed over the years with the rise of alternative forms of transportation (e.g. scooters and bikes), on-demand ride hailing services, autonomous and electric vehicles, and numerous other innovations.

As the data shows, a substantial amount of capital has been invested in the industry over the last five years.

Global Transportation Dollar Volume and Deal Count (2015-2020)

Private equity rounds are excluded for non-venture backed companies. Data as of June 1, 2020.



Total number of deals: 11,940

Total invested: \$237.9 billion

Of the five industries highlighted in this report, transportation has raised the most capital, averaging 23.43 percent year-over-year growth until a dip occurred in 2019. The industry also had the second-highest number of investments made.

Despite the 2019 dip, investors continued to invest in companies reimagining transportation in an increasingly digital world. Companies like [Ola](#) based in India, [Grab](#) based in Singapore, and [Faraday Future](#) based in the U.S.

The types of companies investors placed bets on was a mixed bag. However, a large number of them focus on building electric vehicles, creating on-demand services, and developing logistics and management platforms.

Hot Take

There are several notable trends that are driving growth in the transportation industry. These include growing concern around climate change, demand for alternative forms of transportation, and using technology to change how roads are used and managed to combat traffic.

Transportation--land, sea and air--is rooted in the very fabric of society. With populations growing and more goods being shipped around the world, this industry has a lot of upside.

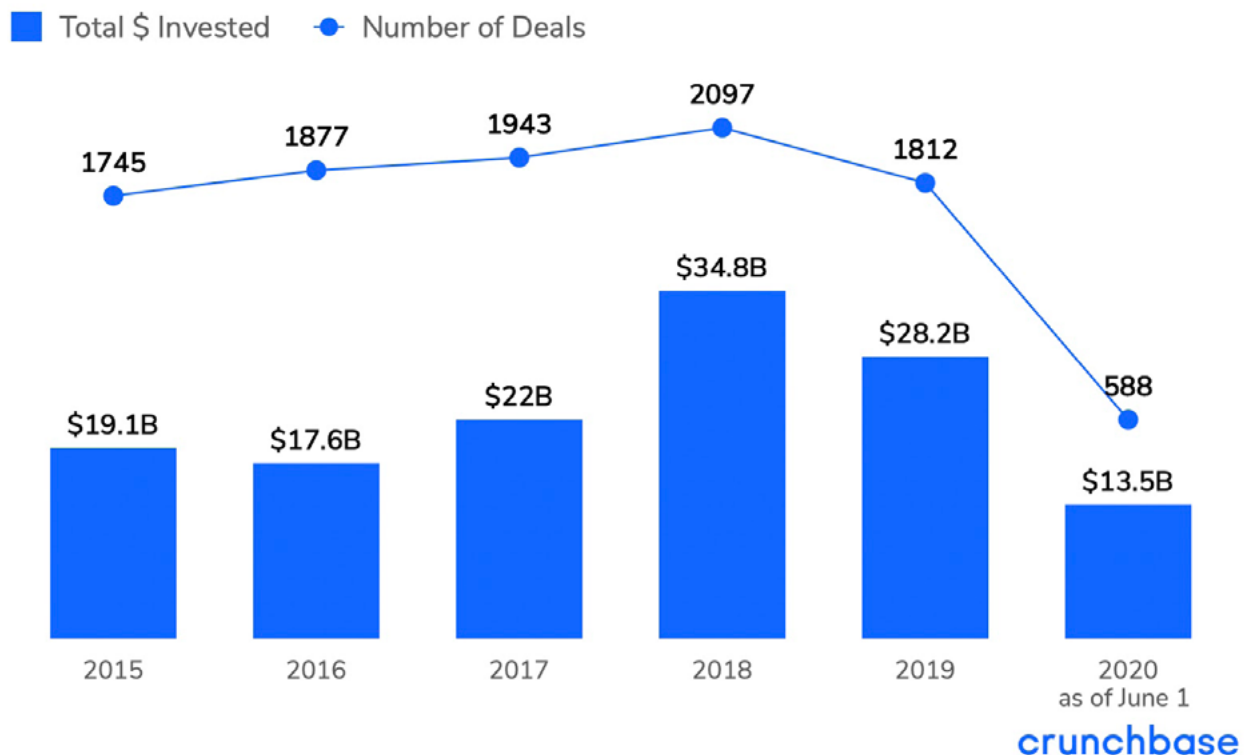
Biotech

Last on our list is the industry that's making the impossible possible; biotech.

As an essential industry to the health and well-being of people, biotech has seen some exciting new developments happen that are, in every sense, game changing.

Global Biotech Dollar Volume and Deal Count (2015-2020)

Private equity rounds are excluded for non-venture backed companies. Data as of June 1, 2020.



Total number of deals: 10,062

Total invested: \$135.2 billion

Biotech has raised the second-highest amount of funding and is third in number of deals among industries in this report.

Based on the data, biotech has been a model of consistency raising at least \$17.6 billion every year since 2015. The number of investments made in biotech companies was also fairly consistent with incremental growth up until 2019 when it decreased by 13.6 percent, which caused funding to shrink by 19 percent.

Despite less capital in 2019, which is consistent with several industries in this report, 2020 is nipping at the heels of 2016. As of June 1, the amount raised in 2020 is 77 percent of 2016's total funding.

Hot Take

3D bioprinting, biosensors and gene editing are just a few of the cutting-edge developments that have come out of the biotech industry in recent years.

From creating human body parts out of living cells (yes, you read that right) to tracking biosignatures like blood pressure, biotech companies are creating revolutionary products that take specialized skill and expertise to pull off. Naturally, attracting this talent isn't cheap.

As companies continue to develop breakthrough products and effective treatments for diseases, money will continue to pour into the industry setting it up for continued growth.

Final Thoughts

Hockey legend Wayne Gretzkey, once said: “A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be.”

As we’ve seen from the data, the industries in this report all show signs of growth. Some incrementally and others exponentially.

What this all means for enterprises is that there’s a lot of opportunity for acquisitions and partnerships.

Ultimately, in order to make strategic decisions now that impact your company’s bottom line tomorrow, you have to play where these industries are going to be.

Methodology

This report is based on data in Crunchbase as of June 1, 2020.

For this report we reviewed private company fundings from seed- through late-stage venture. We included private equity rounds for venture-backed companies. All other private equity rounds are excluded.

We looked at reported--not projected--data, which means that 2020 numbers will increase over time, relative to previous years. Private market financing data is subject to reporting delays, so numbers may have changed since publication as more data gets added to Crunchbase.

Please note that all funding values are given in U.S. dollars unless otherwise noted. Crunchbase converts foreign currencies to U.S. dollars at the prevailing spot rate from the date funding rounds, acquisitions, IPOs and other financial events are reported. Even if those events were added to Crunchbase long after the event was announced, foreign currency transactions are converted at the historic spot price.

In the context of this report, emerging industries are industries that have seen significant funding growth in the last few years. In addition, the industry and companies within the industry are frequently highlighted in news and media stories. The five industries highlighted in this report are not the only emerging industries that exist.

Industries in Crunchbase are not exclusive. A company can be in more than one industry and more than one industry group.

For the purposes of this report, if a company is applicable to more than one of these five industries, it was placed under the most relevant industry. If the funding threshold for that industry caused the company to no longer be featured under that industry, it was featured under the next most relevant industry where it met a high enough funding status.

About Crunchbase

Crunchbase is the leading provider of private-company prospecting and research solutions. Over 55 million users—including salespeople, entrepreneurs, investors and market researchers—use Crunchbase to prospect for new business opportunities. Companies all over the world rely on us to power their applications, making over 3 billion calls to our API each year.

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