

Location Intelligence Benchmark: Geographic Context Spurs Innovation

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R E S E A R C H



Trends for Location Intelligence

Personal Navigation Devices Drive New Growth

Location technology now readily available in mobile devices for guiding consumers to retail and relevant sites and influence of advertising.

Commerce via Internet Drives Business

Global and regional business will examine new applications to capture consumers/customers location through website and portals.

Location Based Services Convergence

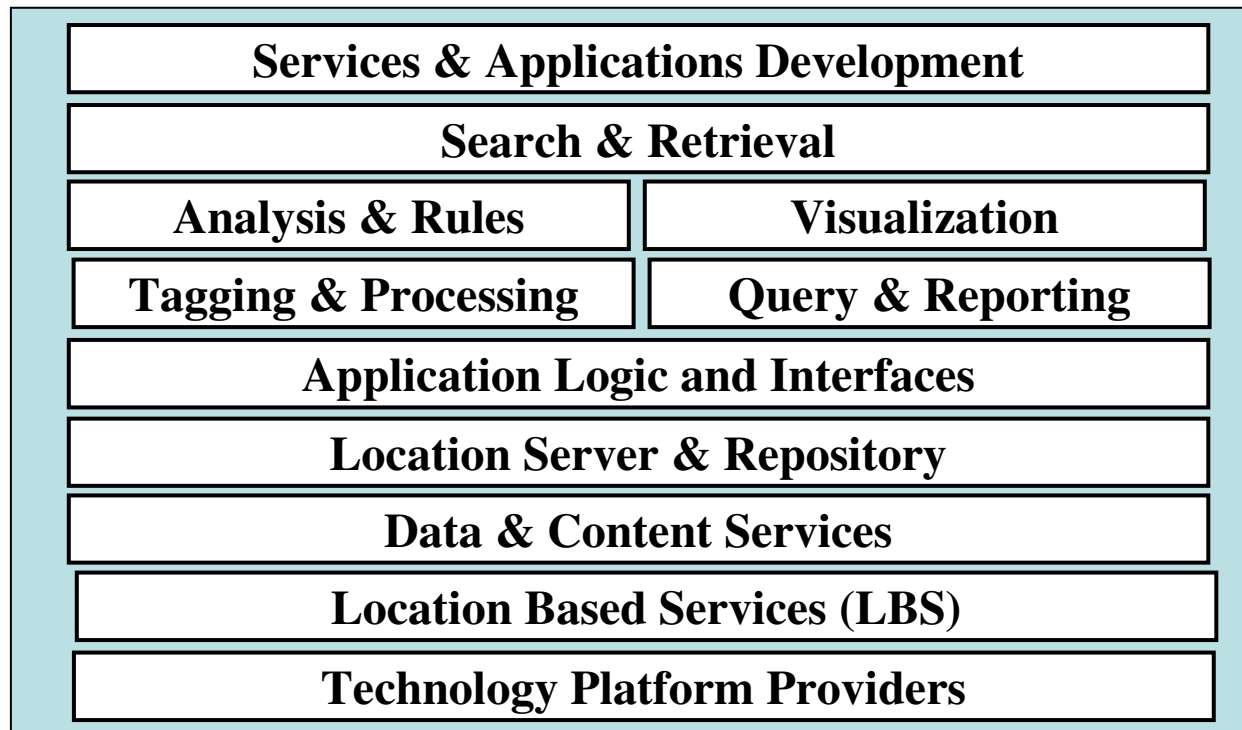
Location based services and technology converge for new types of devices and opportunity through mobile handheld and automobiles.

Enterprise Deployment of Location

From agricultural, government, manufacturing, utilities, retail, consumer products are now leveraging location intelligence.

Location Intelligence (LI)

Ventana Research defines Location Intelligence as *the integration, access and use of location through information and technology for helping consumers and businesses to be efficient and effective*



Location Intelligence & LBS Convergence

Services

Applications

Tools & API

Server

Content & Data

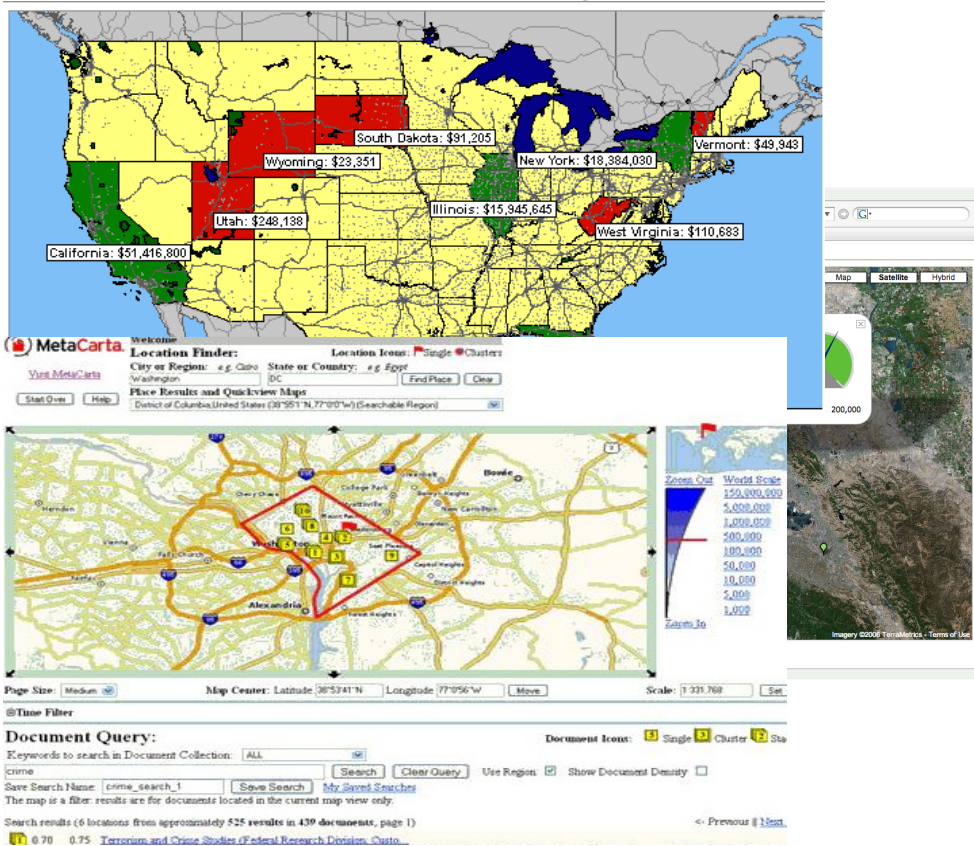
Technology

GIS & Mapping Software



META CARTA

Business Driven



Consumer Driven



Devices

Location Portals

Technology

Services

Server

Interfaces

Aggregation

Services

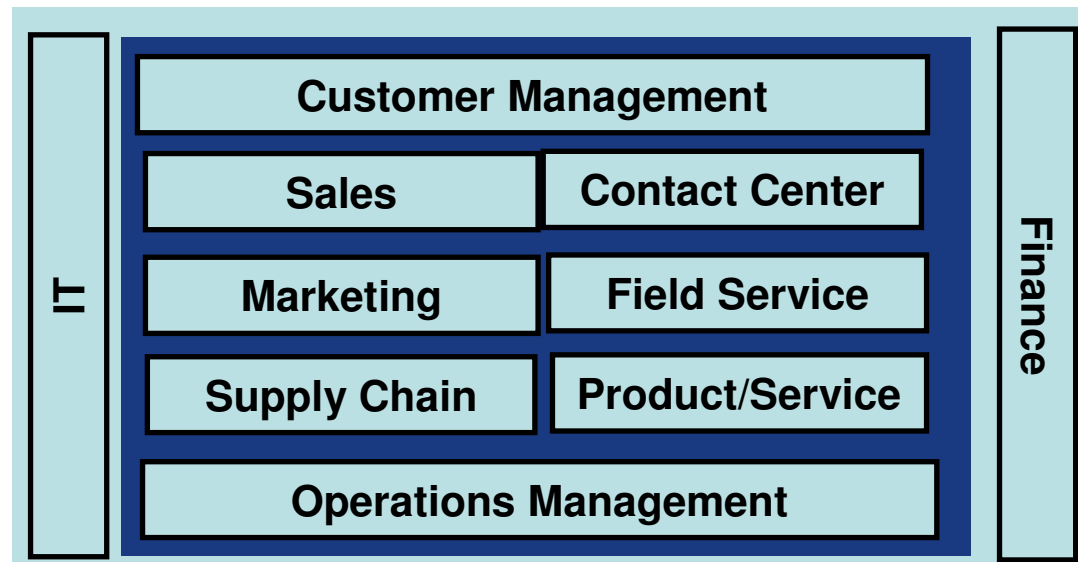


Anticipating Enterprise Challenges

- Preparing for architecture & TCO
- Limitations of consumer technologies
- Leveraging volumes of content
- Rationalizing enterprise integration
- Understanding key technology approaches
- Leveraging standards and state of the art
- Determining deployment models

Opportunity for Location Intelligence for Operational Performance Management

Ventana Research defines Operational Performance Management as focus for managing effectiveness and value of operations by aligning people, processes, information and technology.





The Location Intelligence Opportunity

Ventana Research believes location intelligence (LI) will be one of the key technologies to enable business innovation in the rest of this decade. By combining geographic and location data with other critical business information, LI can help companies gain critical insights, make better decisions and optimize important processes and applications.



Location Intelligence Research Program

This primary research program will investigate the market trends, business drivers, technical requirements, barriers to adoption and timelines for implementing LI technology across operational functions. This research will help companies understand best practices and market demand. It will help learn how to use LI to provide competitive advantage, improve business and performance management processes and optimize interactions with customers.



Objectives of the Research

- quantify users' awareness of and interest in LI
- identify areas of greatest opportunity for LI
- determine which organizational areas will benefit from LI
- ascertain the industries and business assets that can benefit most from location intelligence
- quantify the market's readiness to adopt location intelligence
- estimate the current and future market penetration of LI
- determine impediments to broader adoption of LI
- characterize early adopters that are ready to buy.

Location Intelligence

Insights





Key Insights

- **Maturity of location intelligence varies.**
- **Business is knowledgeable about location intelligence.**
- **Many organizations have deployed location intelligence, and many others will do so soon.**
- **Users are diverse in functions and growing in numbers.**
- **Users require integration and diversity of data.**
- **Location intelligence can enhance many types of applications.**
- **Location information must come from many sources and be updated frequently.**



Key Insights

- **Location intelligence is a valuable tool to analyze trends and relationships.**
- **Support for broader access and integration is evolving.**
- **Organizations do not recognize a dominant thought leader in LI.**
- **Serving customers better drives the business case for LI.**
- **Wider education about LI is needed.**
- **Organizations are practical when selecting LI software.**
- **New approaches to location intelligence attract interest.**

Participant Profile





Demographics By Job Title

Executives: 16 percent

- CEO, President, GM, Owner or EVP
- COO or Head of Operations
- CIO or Head of IT or MIS
- CFO or Head of Finance

Management: 14 percent

- Senior Vice President or Vice President
- Director or Senior Director

Users: 49 percent

- Senior Manager or Manager (27%, the largest group)
- Analyst (Business, Financial, etc.)
- Operational Worker

Other: 21 percent

- Other functional worker
- Consultant
- Other Title

By Company Size and Location

Number of Employees

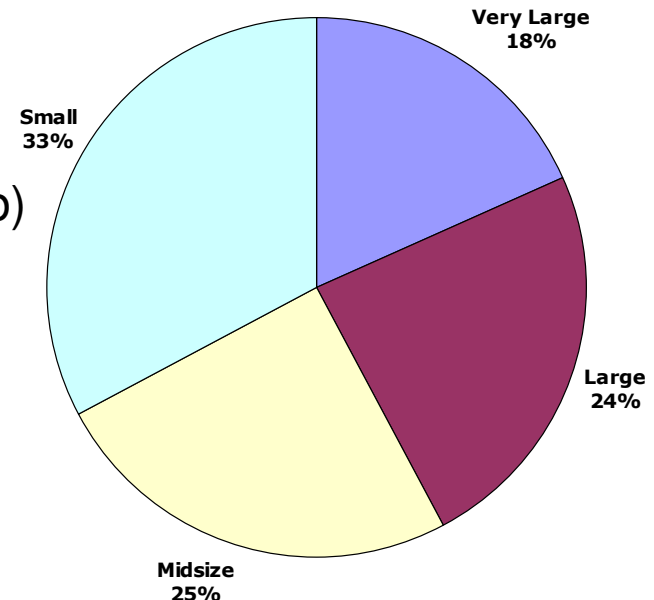
- 18% from Very Large (more than 10,000)
- 24% from Large (1,000 to 9,999)
- 25% from Midsize (100 to 999)
- 33% from Small (1 to 99)

Revenue

- 10% from Very Large (more than 10b)
- 23% from Large (500m to 10b)
- 14% from Midsize (100m to 500m)
- 54% from Small (100m or less)

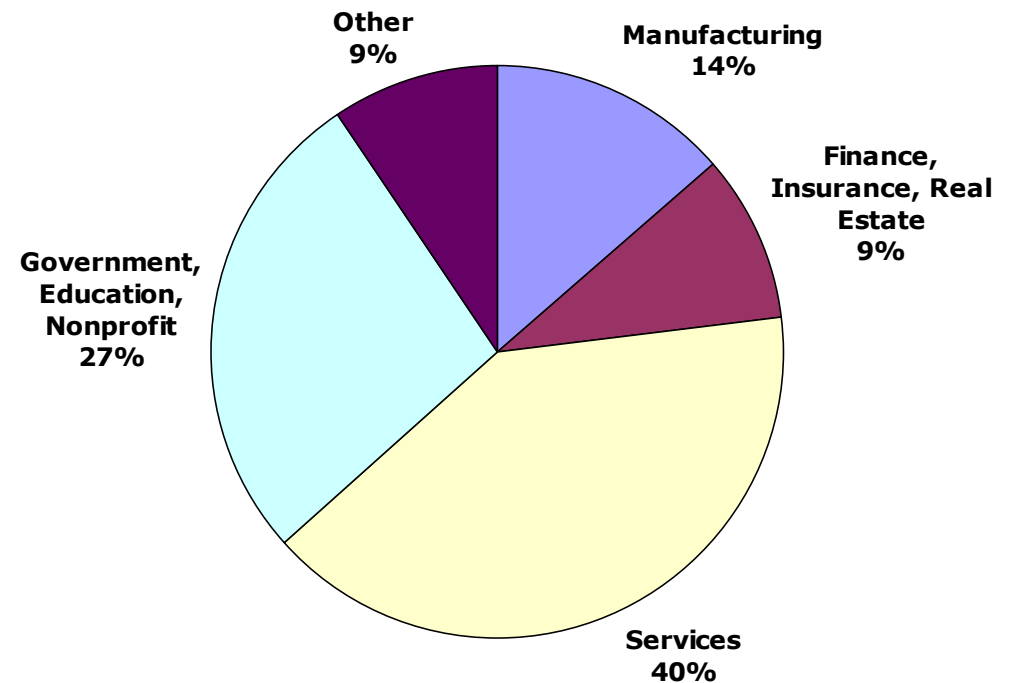
Location

- 80% North America
- 8% Europe
- 12% Rest of the World



By Industry Affiliation

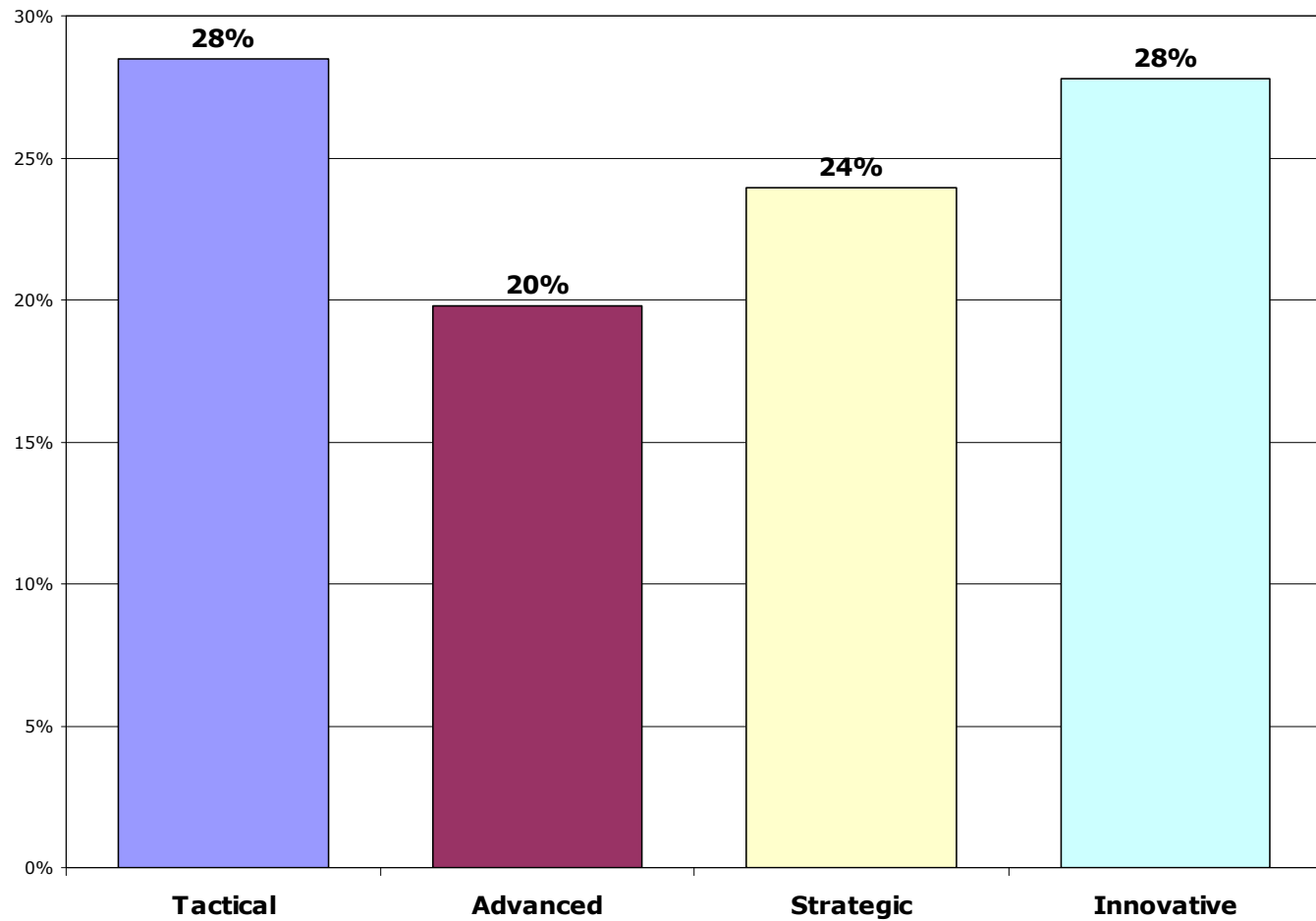
- 40% Services
- 14% Manufacturing
- 9% Finance, Insurance Real Estate (“FIRE”)
- 27% Government, Education, Nonprofit





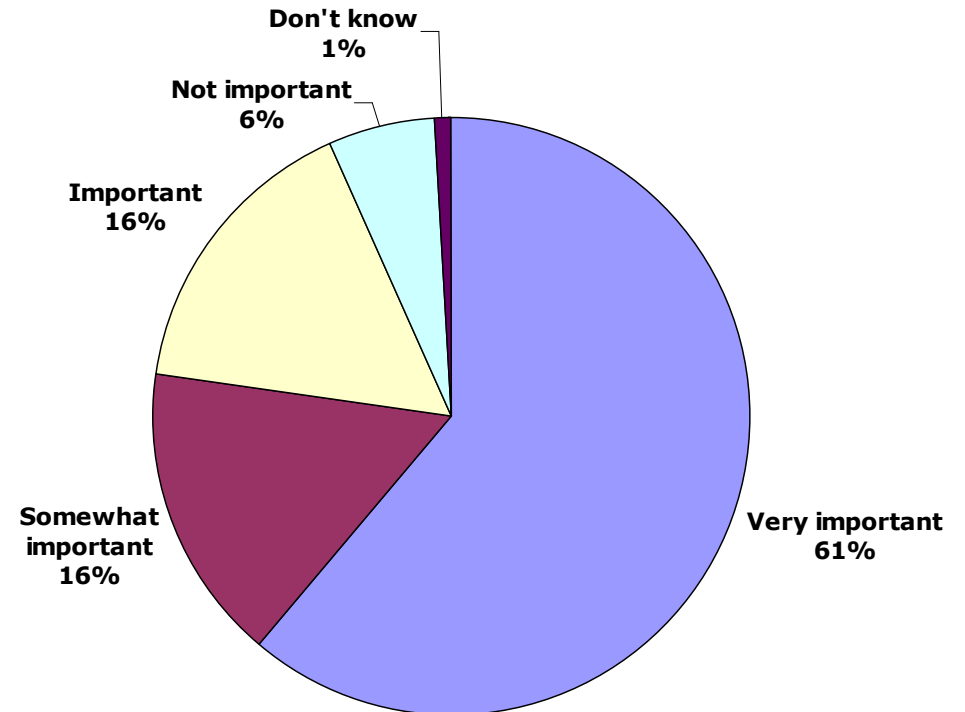
Key Findings

Maturity of Location Intelligence



Importance of Location Intelligence

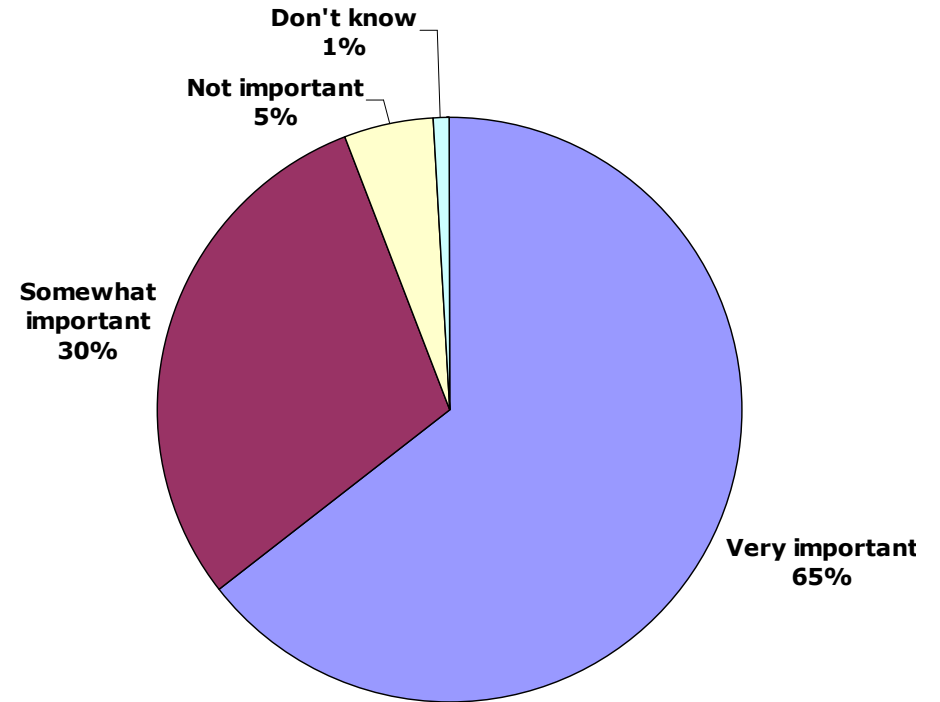
- 61% of organizations indicate it as very important
- Only 6% indicate that it is not important.
- Mid sized organizations had slightly lower level of importance.



Key Point: High level of importance provided to information that can be used as temperature level of respondents.

Importance of Information to Customers and Suppliers

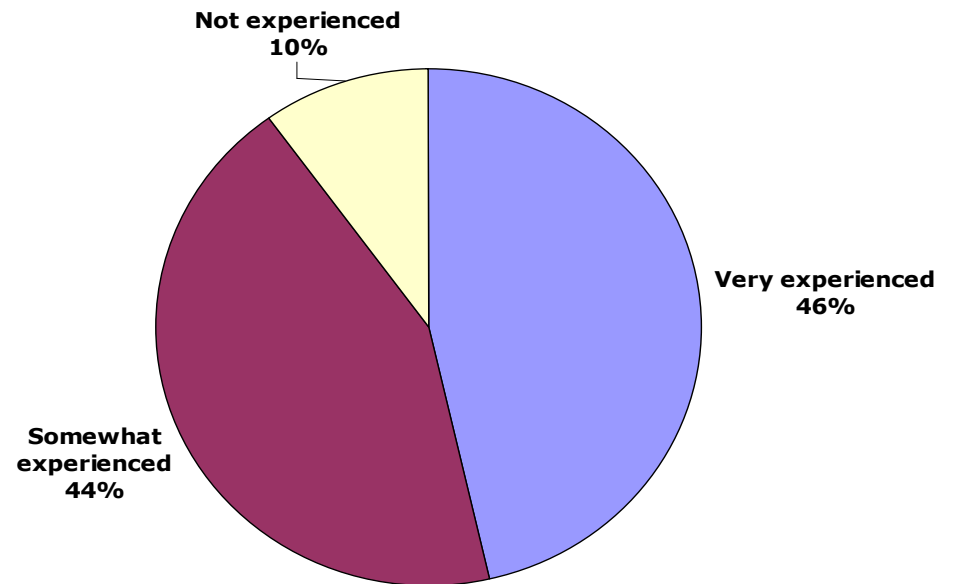
- In 65% of organizations there is very important level of focus.
- Only 5% indicate no level of importance.
- Mid sized organizations had significant lower level of importance while very larger had significantly higher.



Key Point: Leveraging location to improve interactions is at very high level of importance in all organizations.

Level of Experience with LI

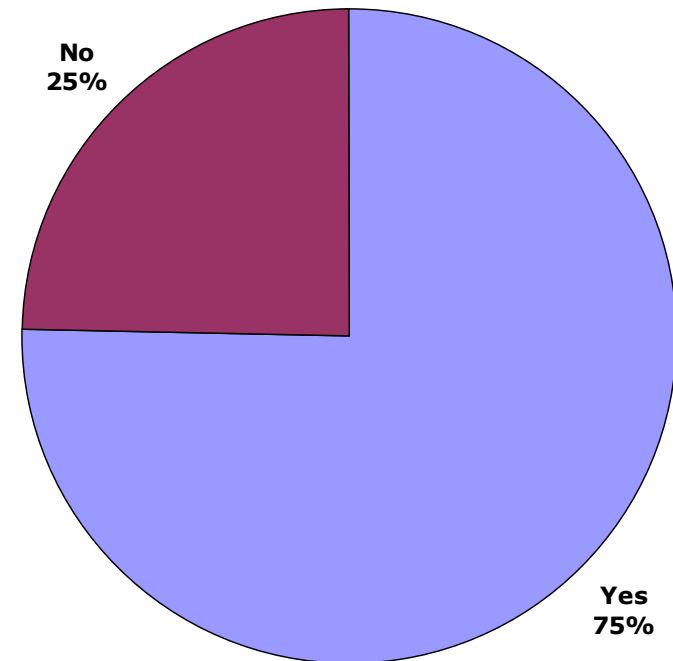
- There were 48% of organizations that were very experienced and balanced the somewhat experienced individuals.
- Medium sized organizations had slightly lower level of experience.



Key Point: Good balance of experience level individuals participated in research to ensure a balanced viewpoint.

Deployed Location Intelligence Yet

- ¾ of organizations have deployed location intelligence.
- Slightly lower level of respondents with deployments in Europe and medium sized organizations.

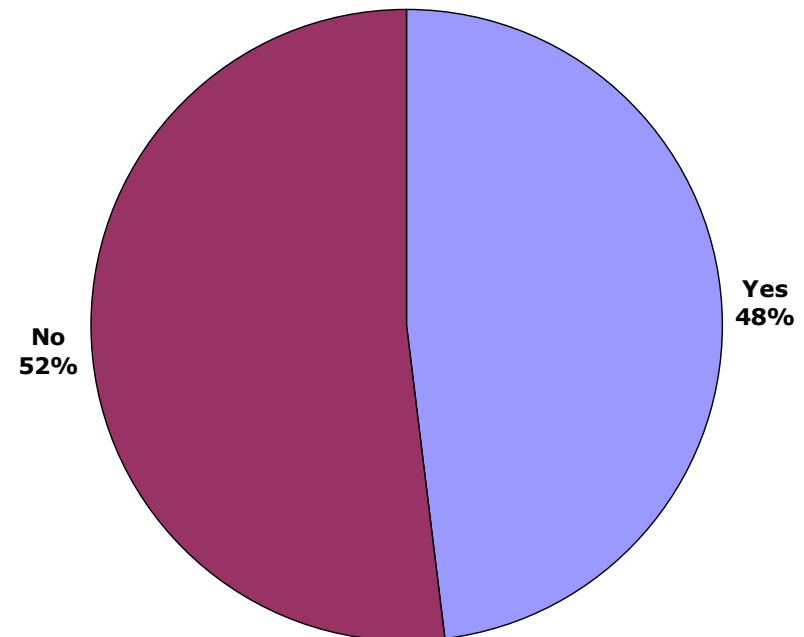


Key Point: The respondents represent a solid foundation of experience in using location intelligence in their organization.



Plans to Deploy LI in Next Year

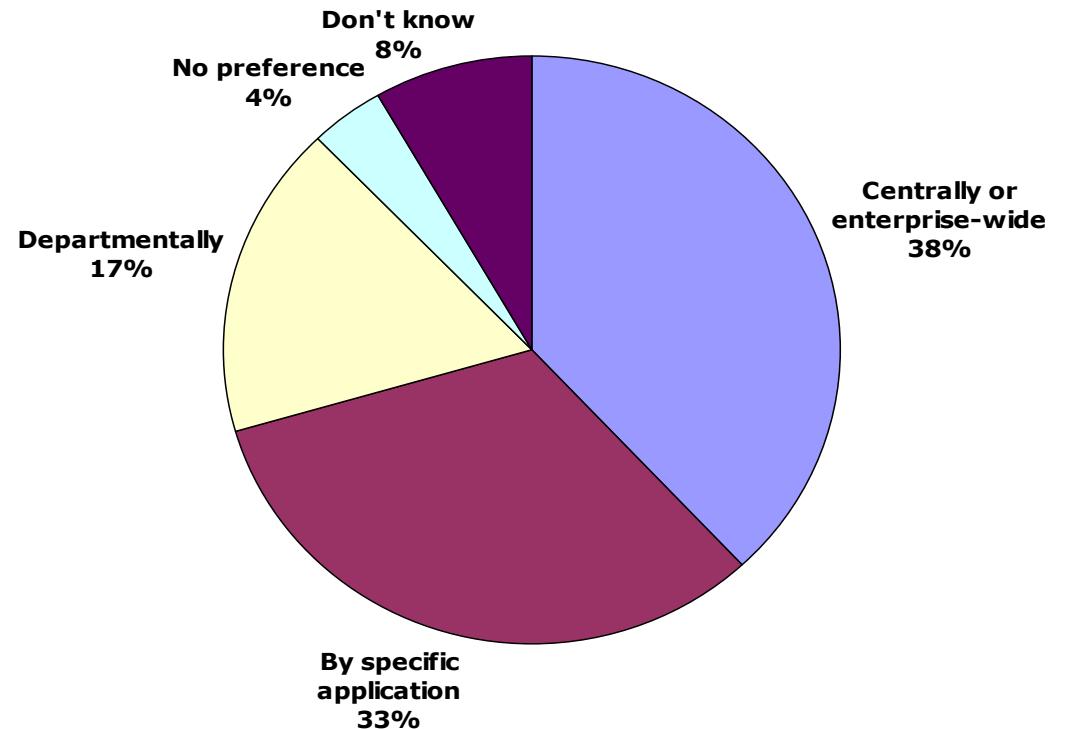
- Almost half of organizations are deploying location intelligence in next 12 months.
- 77% of Executive management and 57% of very large organizations by revenue indicate upcoming deployment.



Key Point: With one out of every two organizations planning deployment there will be some large opportunities in 2008.

Types of Deployment Approaches

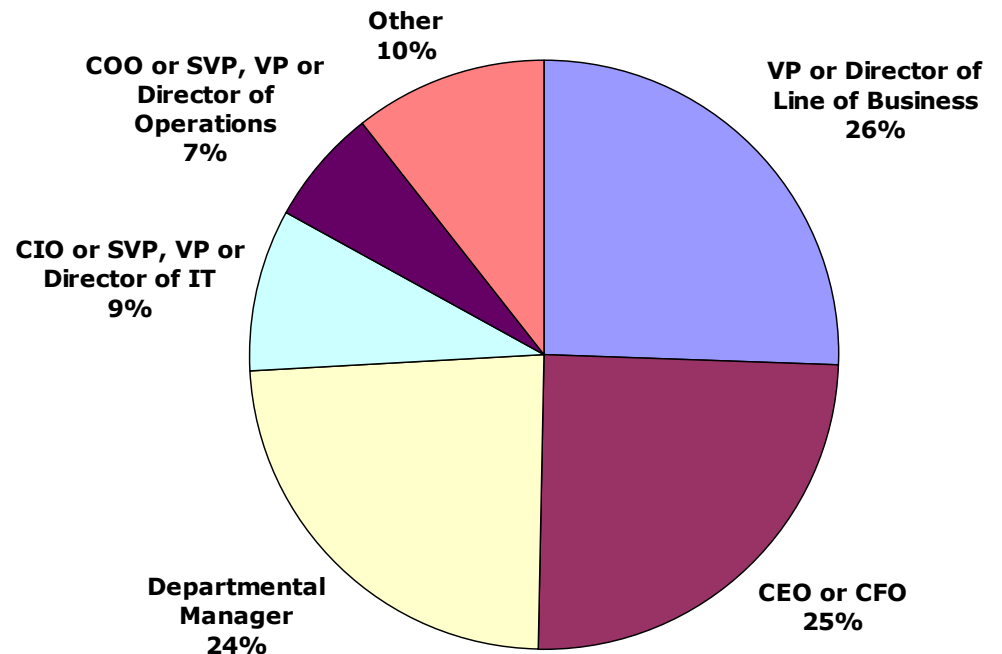
- Centrally deployed approach is top response at 38%.
- Specific application is second most important at 33% of organizations.



Key Point: To leverage opportunity for deployment, technology needs to be flexible for many types of approaches.

Location Intelligence Champion

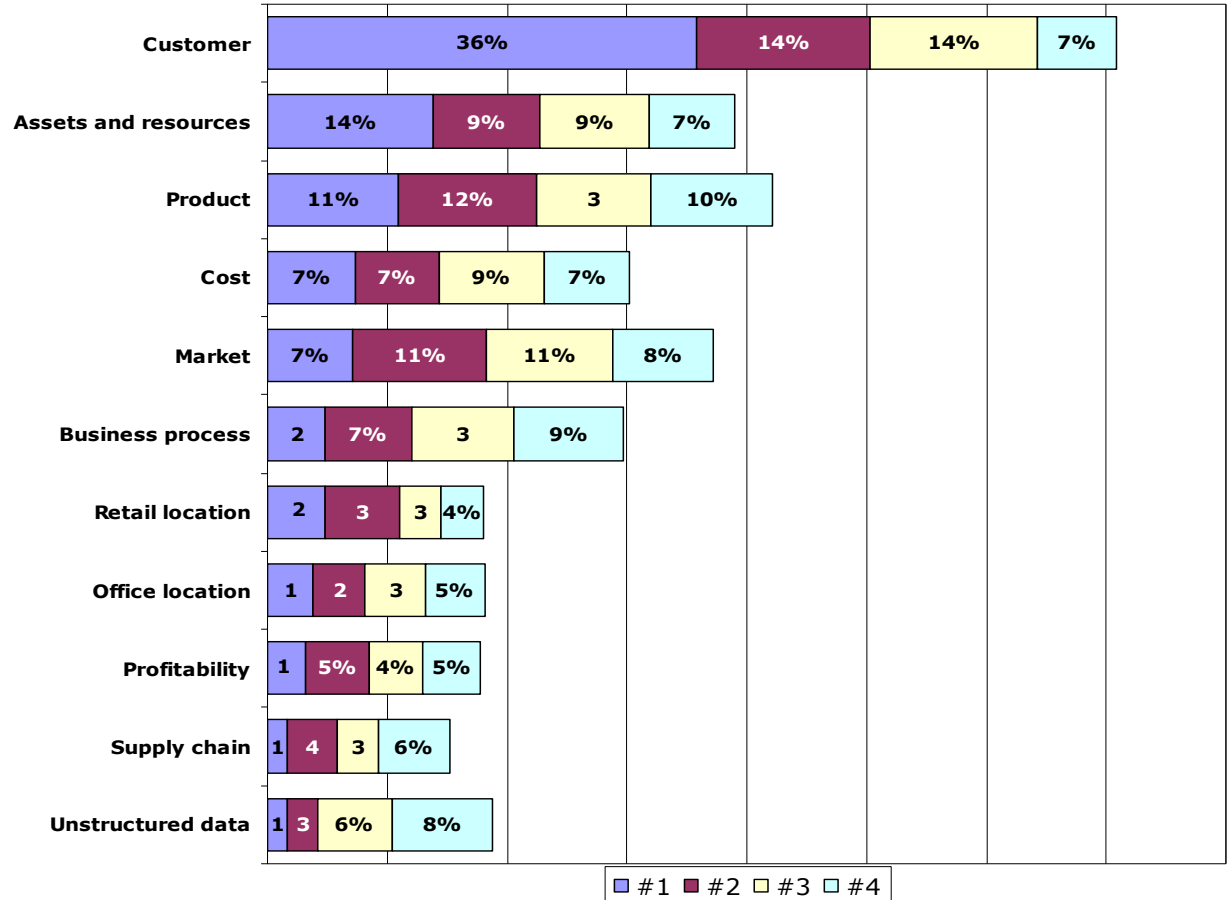
- Executive management across CxO comprise 41% of organizations.
- Only in IT was there more focus on Departmental Manager.
- Very large organizations had more focus on VP/Director level individuals.



Key Point: Having leadership from across organization was found to be critical in driving location intelligence investments.

Types of Business Data Important to Organization

- Customer data was by far the most first ranked priority with assets and ranks following assets and products.
- Market was a top three selection as second ranked data priority.

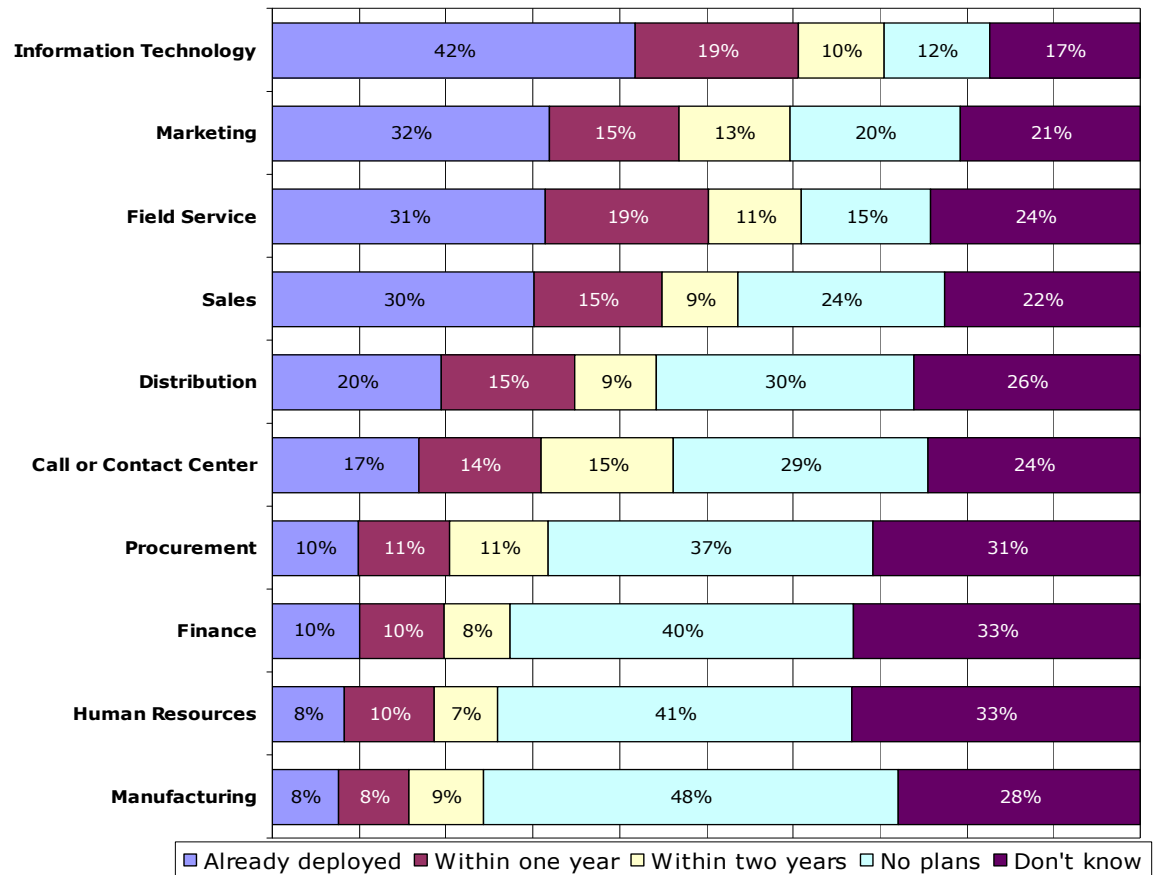


Key Point: Organizations should assume locating customers is required but then examine other relevant locations.



LI Plans in Functional Business Areas

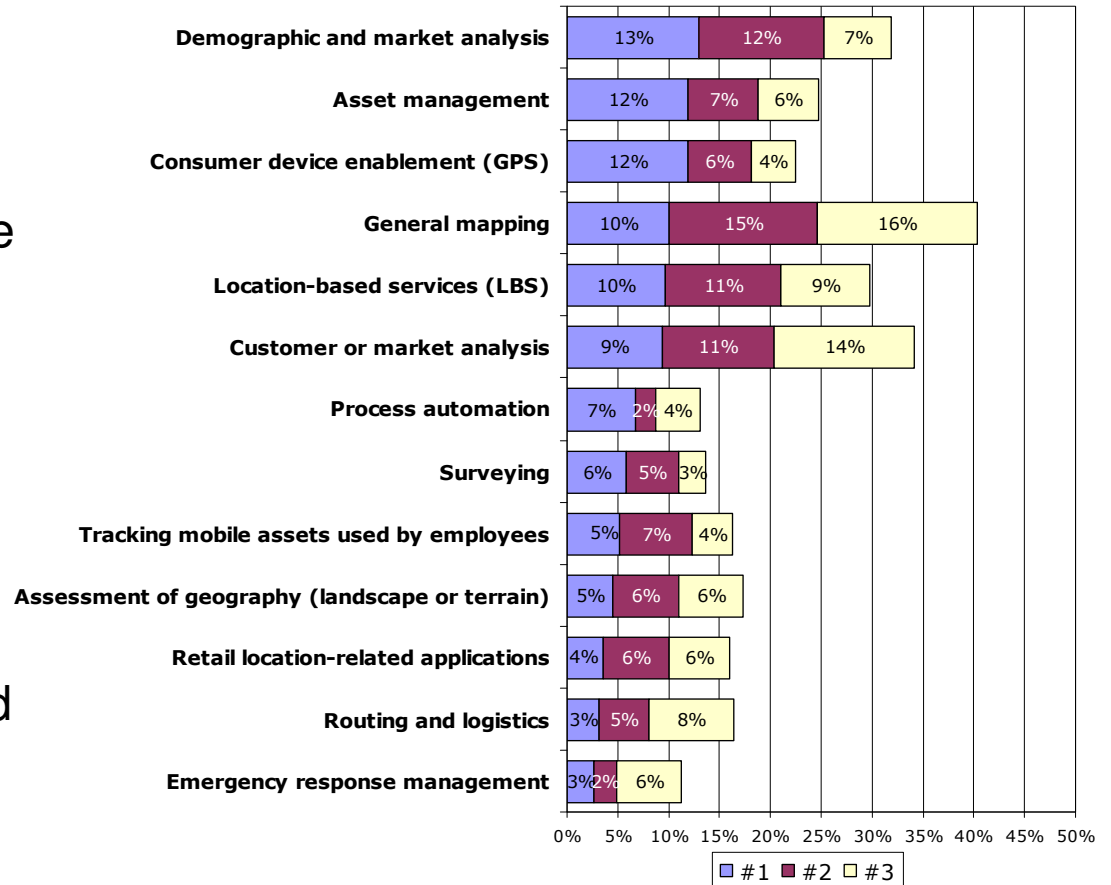
- While IT, Marketing, Field Service and Sales lead existing deployments today.
- In 2008 there will be more deployments in distribution and call center areas.



Key Point: New deployments will occur across the organization with field service standing out.

Importance of Location Specific Applications

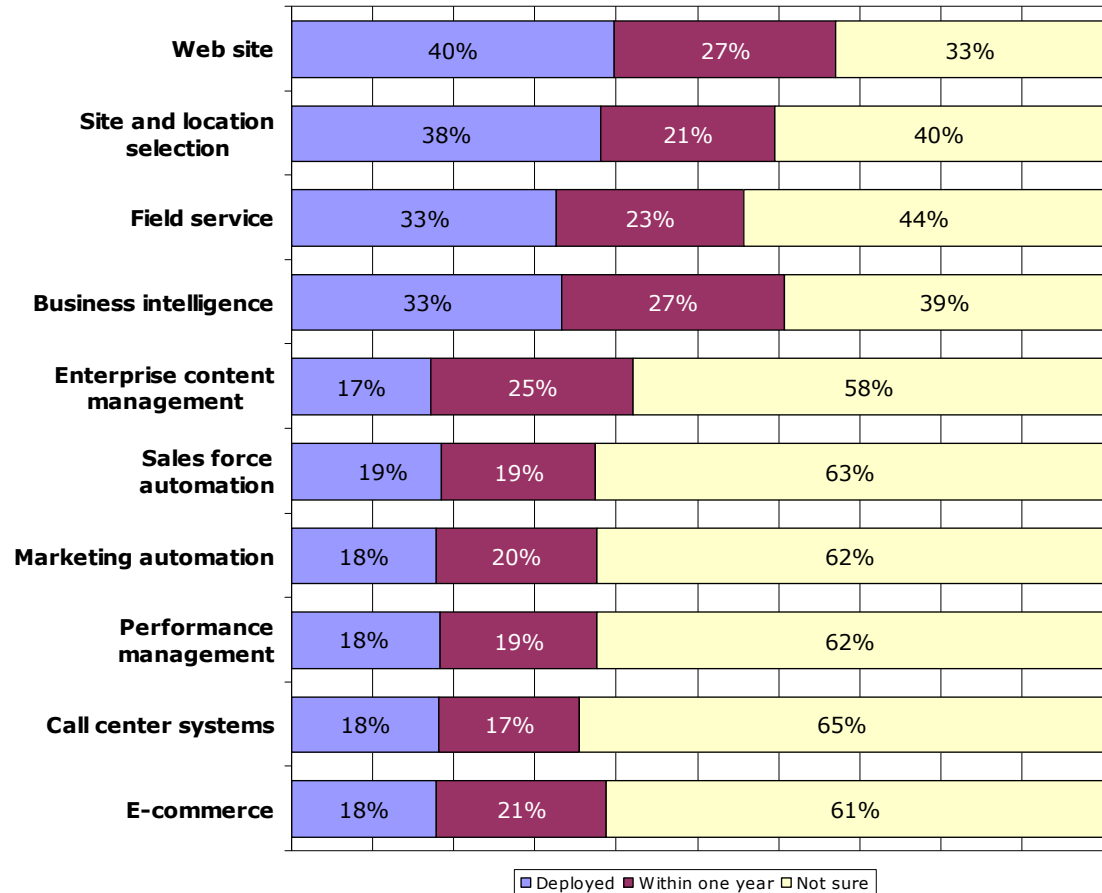
- Demographic and market analysis first ranked importance followed by asset, consumer device enablement and then general mapping.
- General mapping led the top second ranked priority.



Key Point: Usage of demographics, assets and customers are top types of applications that should be considered.

Integration of Location Intelligence

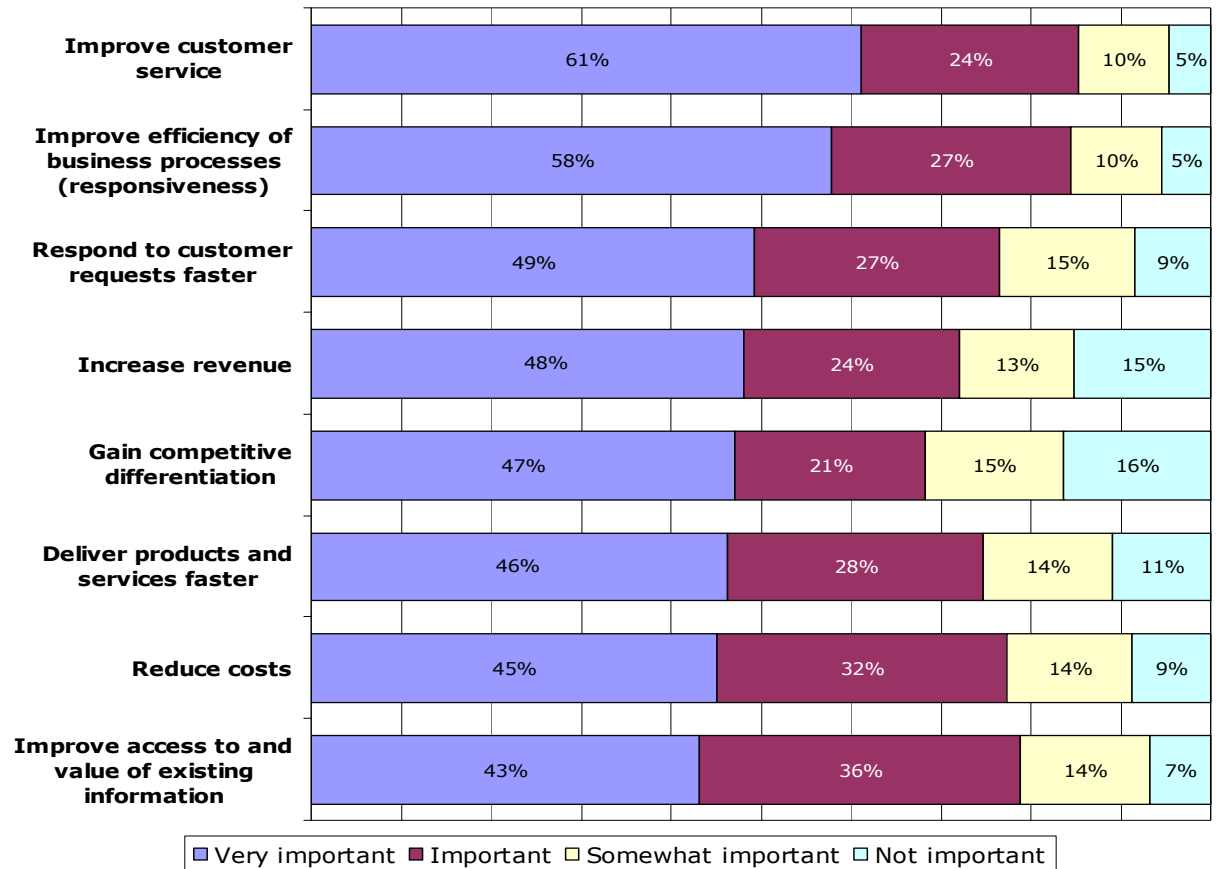
- Web site and location selection lead existing deployments.
- Web site and BI will lead deployment in 2008 followed by enterprise content management.



Key Point: Organizations will need to ensure technology will integrate across diverse set of external environments.

Benefits of Location Intelligence Software

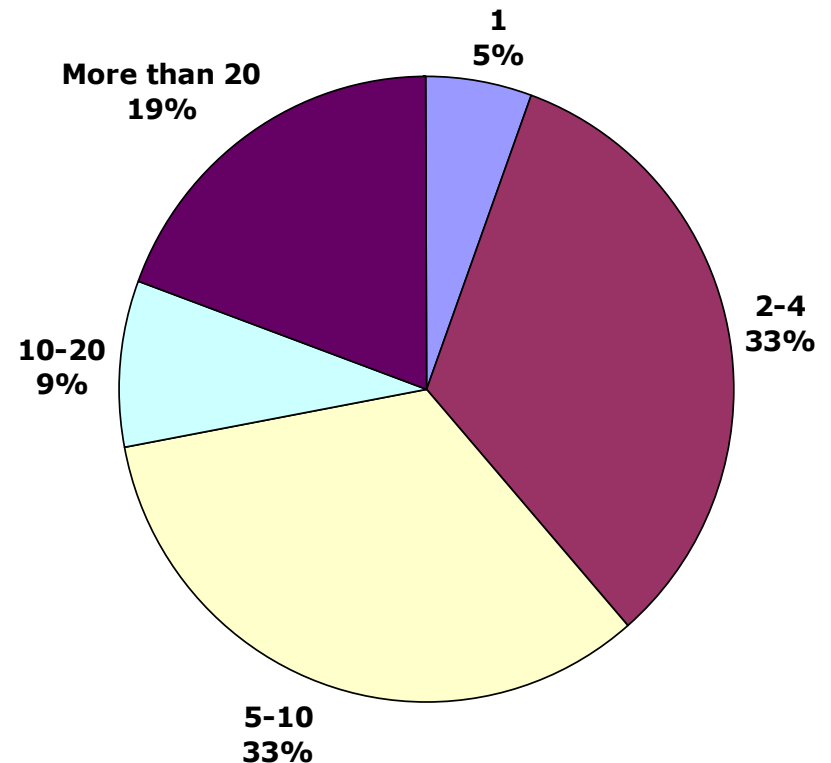
- Improve access to and value of existing information is very important and important.
- Reduce costs is in second position overall
- Top 8 selections of importance



Key Point: Ensuring key benefits are achieved is essential to continuing the funding and support of Location Intelligence.

Number of Sources Needed for LI

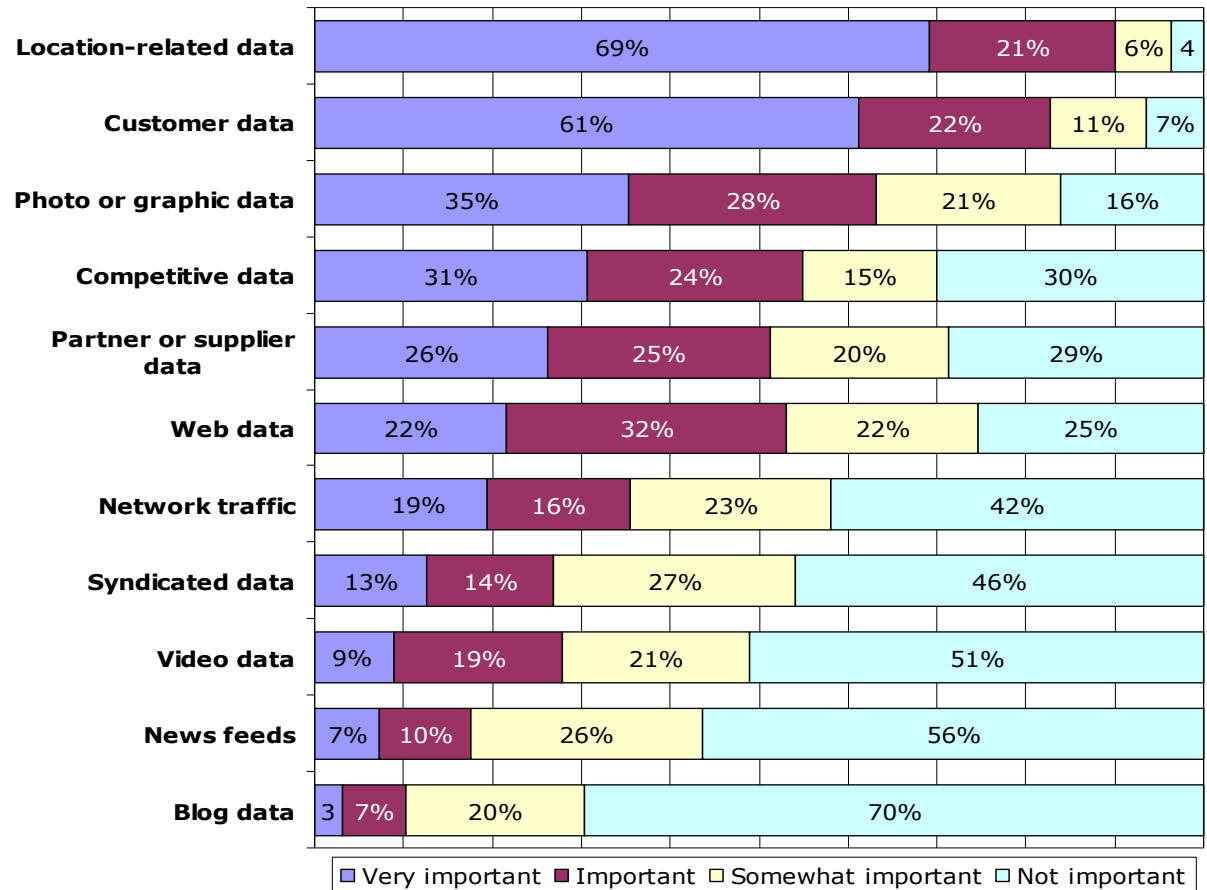
- Over 60% require more than 5 sources with 19% having more than 20 sources.
- Large number of sources will require the dynamic integration and geo-coding of data.
- Users compared to executives are more often indicating importance of number of sources.



Key Point: Location Intelligence must be able to bring together larger number of data sources to be successful.

Importance Unstructured Integration Types

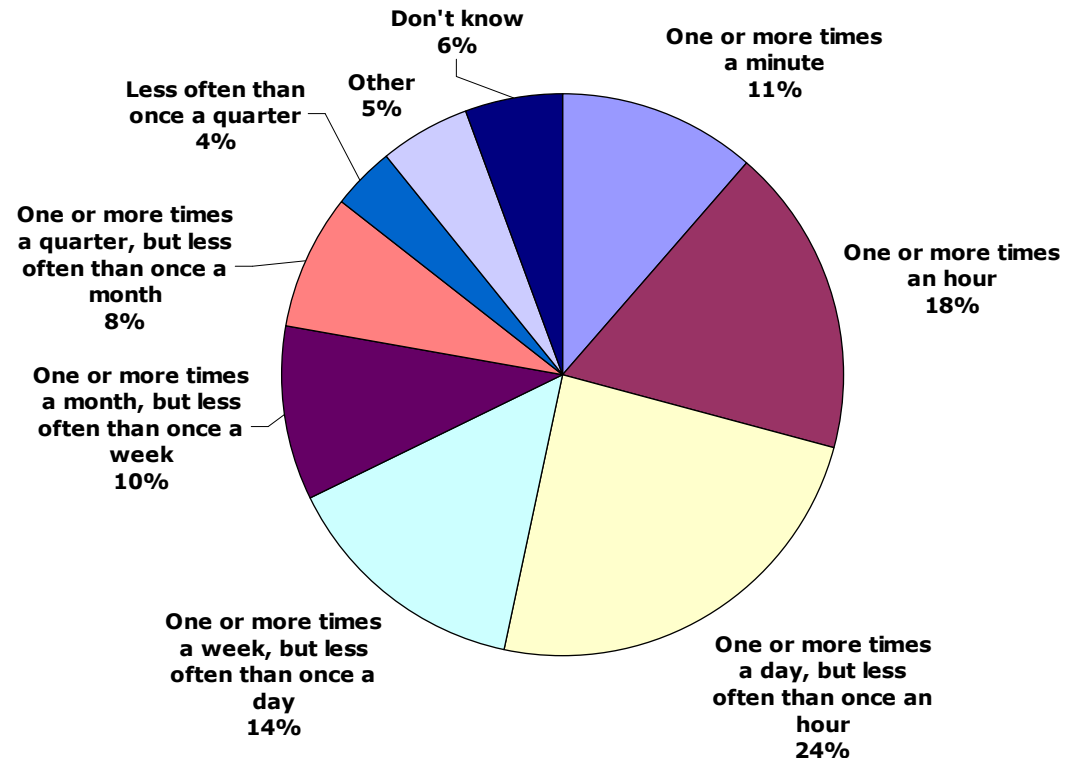
- Beyond obvious of location related data on map, customer data is key to organizations
- Competitive data is close to top showing the importance of market intelligence type information.



Key Point: Customer data is key to integrate into maps and then look at graphics and competitors.

Frequency of Location Information Updates

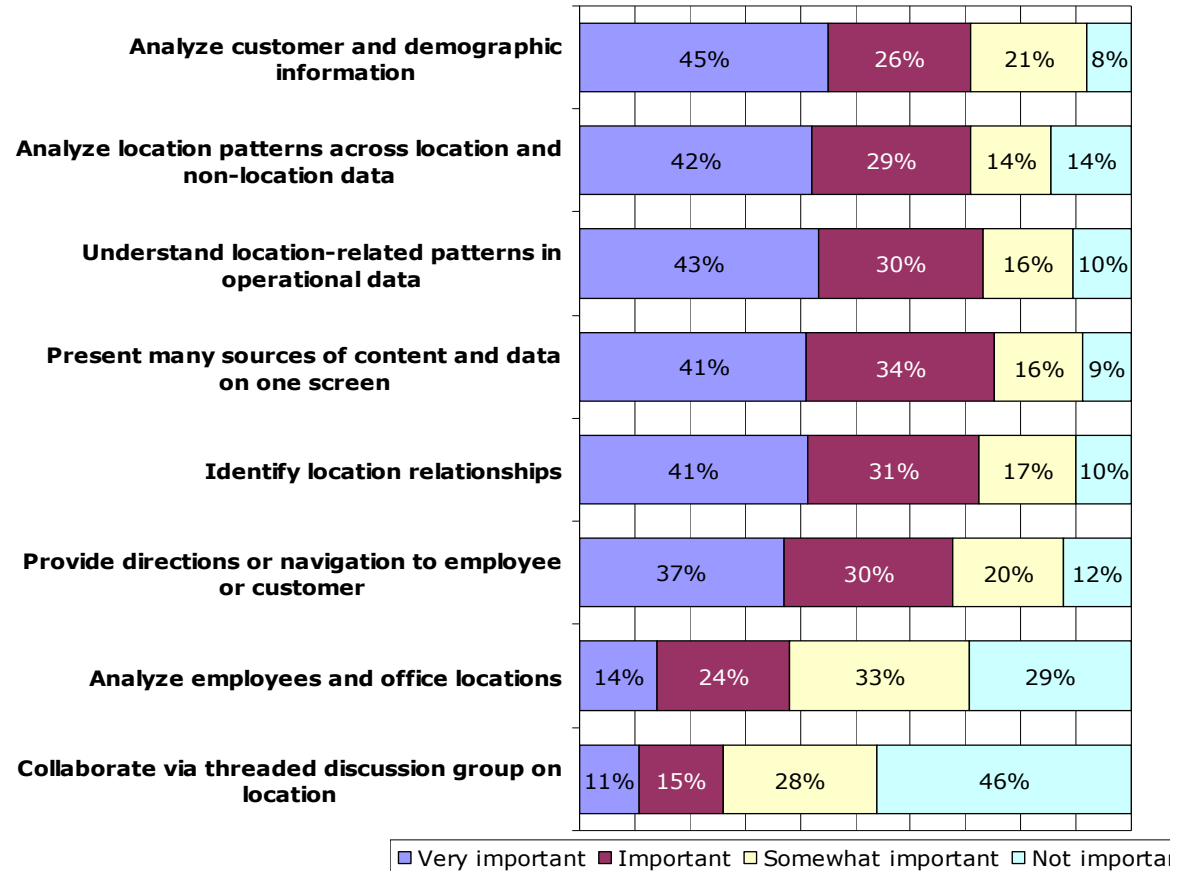
- Significant need for information to be updated under an hour
- 53 percent need more than once a day
- Financial services, Insurance type industries have more intra daily needs



Key Point: Daily frequency of updates is critical for location information in organizations today.

Type of User Needs for Location Information

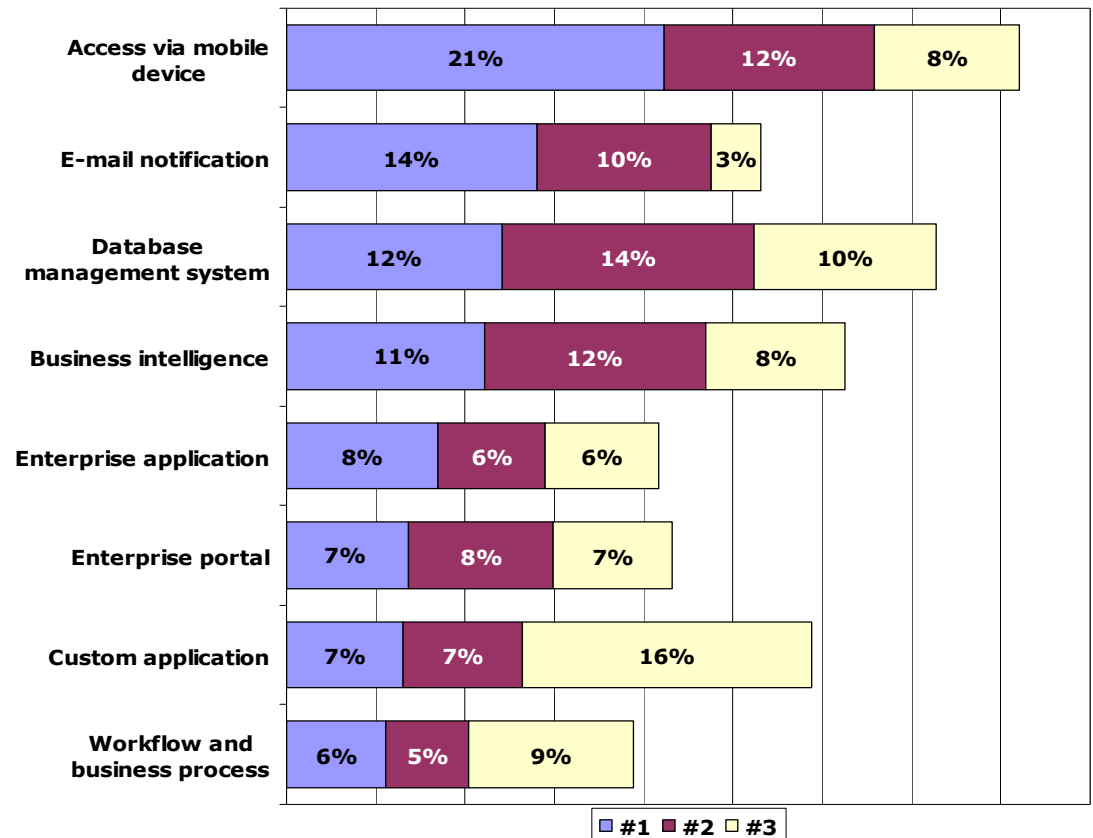
- Analyze customer and demographic information is very important but presenting many sources of content and data on one screen was combined very important and important



Key Point: Value of location is key across analyzing and presenting information then to navigation needs.

Operational Worker Technology Needs

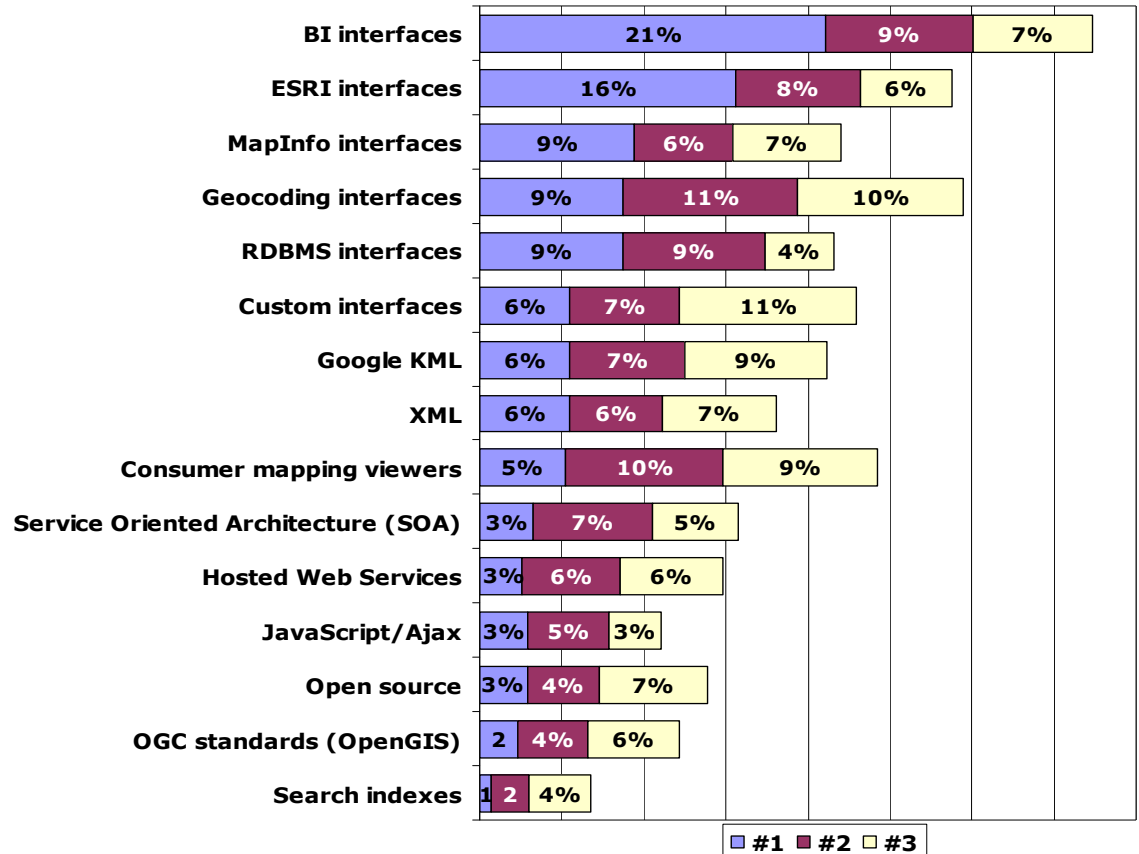
- Mobility and email are top priorities along with integration with DBMS.
- Others under 5% are immediate alert notification, content management system, custom BI, E-Commerce, spreadsheet integration with BI, document management system and integration with enterprise search.



Key Point: Operational workers need to be enabled via mobility and email with location compared to well established apps.

Technology Interface Importance for Enterprise

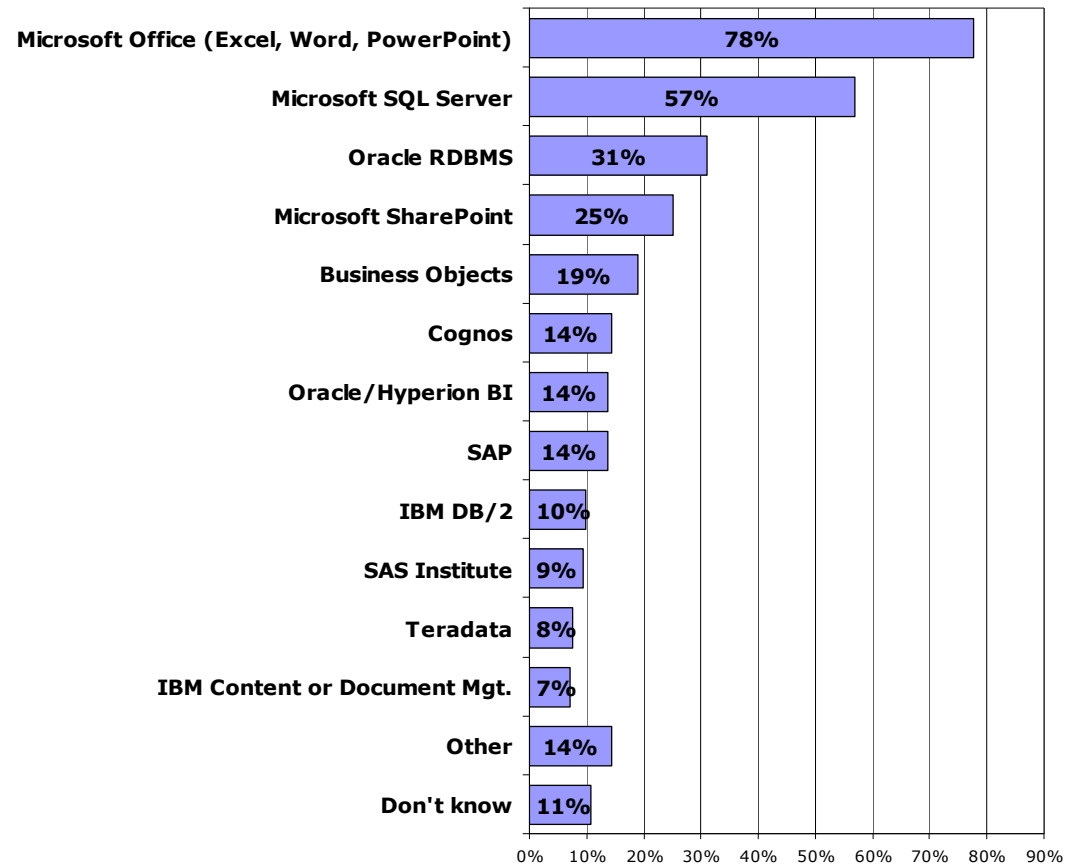
- BI, ESRI, MapInfo and Geocoding lead
- Others under 5% are SOA, JavaScript, Open source, Hosted Web Services, OGC standards, Search indexes



Key Point: Role of Location with BI is clearly identified as most important which should be examined more closely.

What Vendors Used in Business

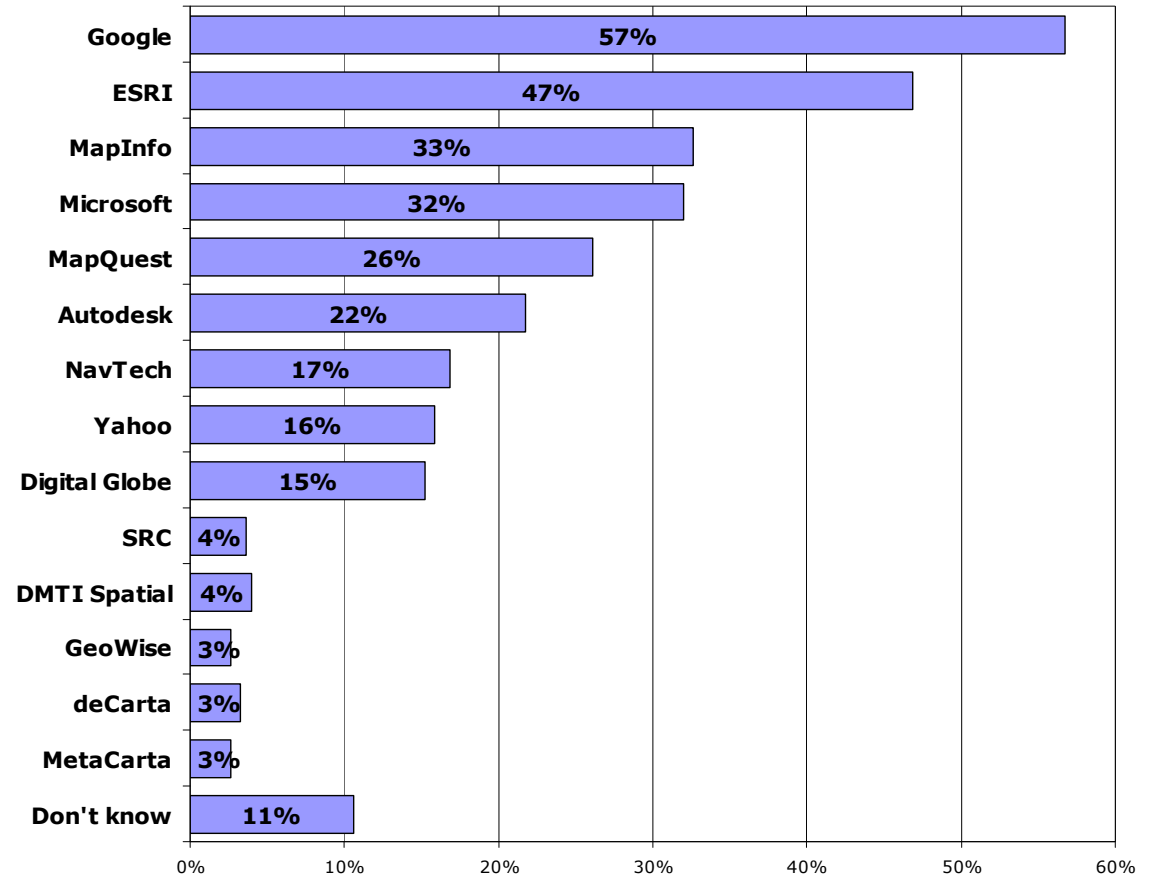
- Microsoft leads with Office and SQL Server, Oracle and Business Objects are most used.
- Diversity of products in organizations that are potential sources for location intelligence.



Key Point: Use of Microsoft technologies across organizations is clearly identified and should be considered for integration.

Vendors Used for LI and GIS

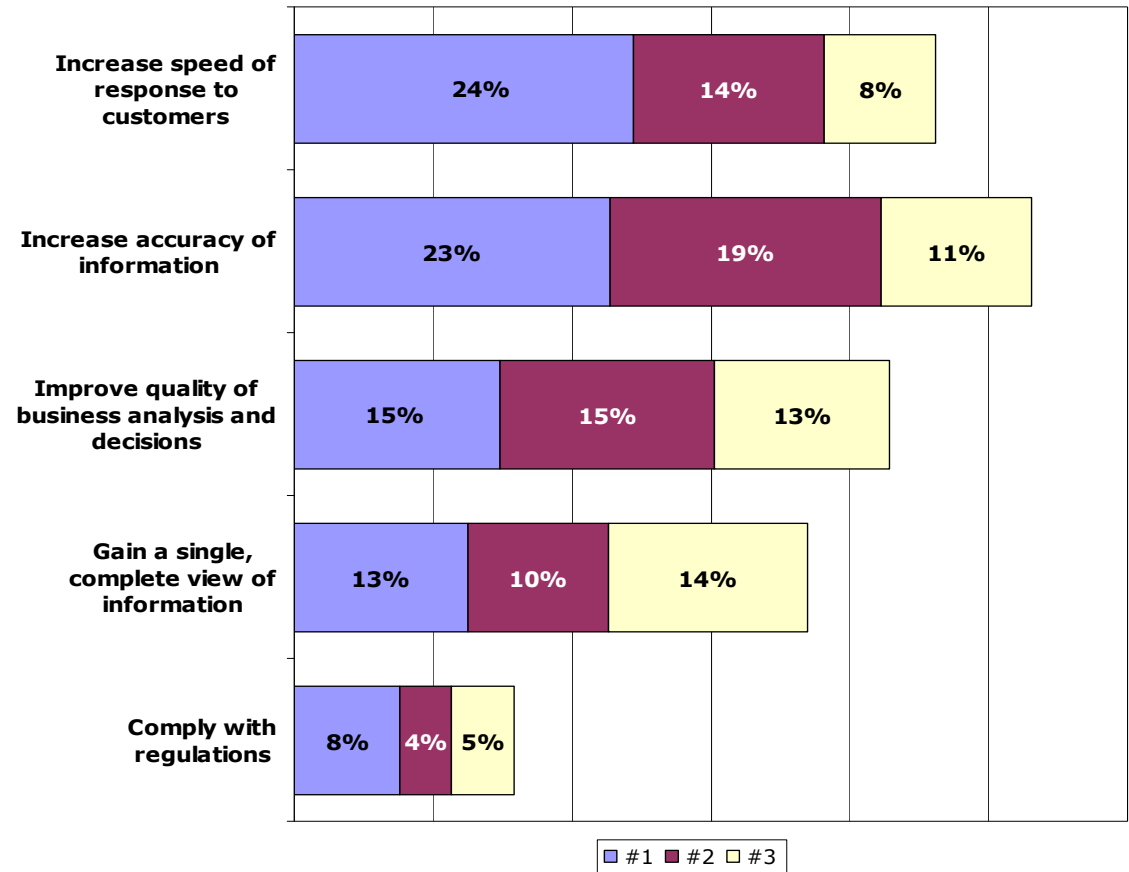
- Significant use of Google for business outpaces all others
- Dedicated vendors like ESRI and MapInfo are top as well



Key Point: Organizations will need to rationalize the use of Google in business from free access on Internet.

Factors Most Important to Business Case

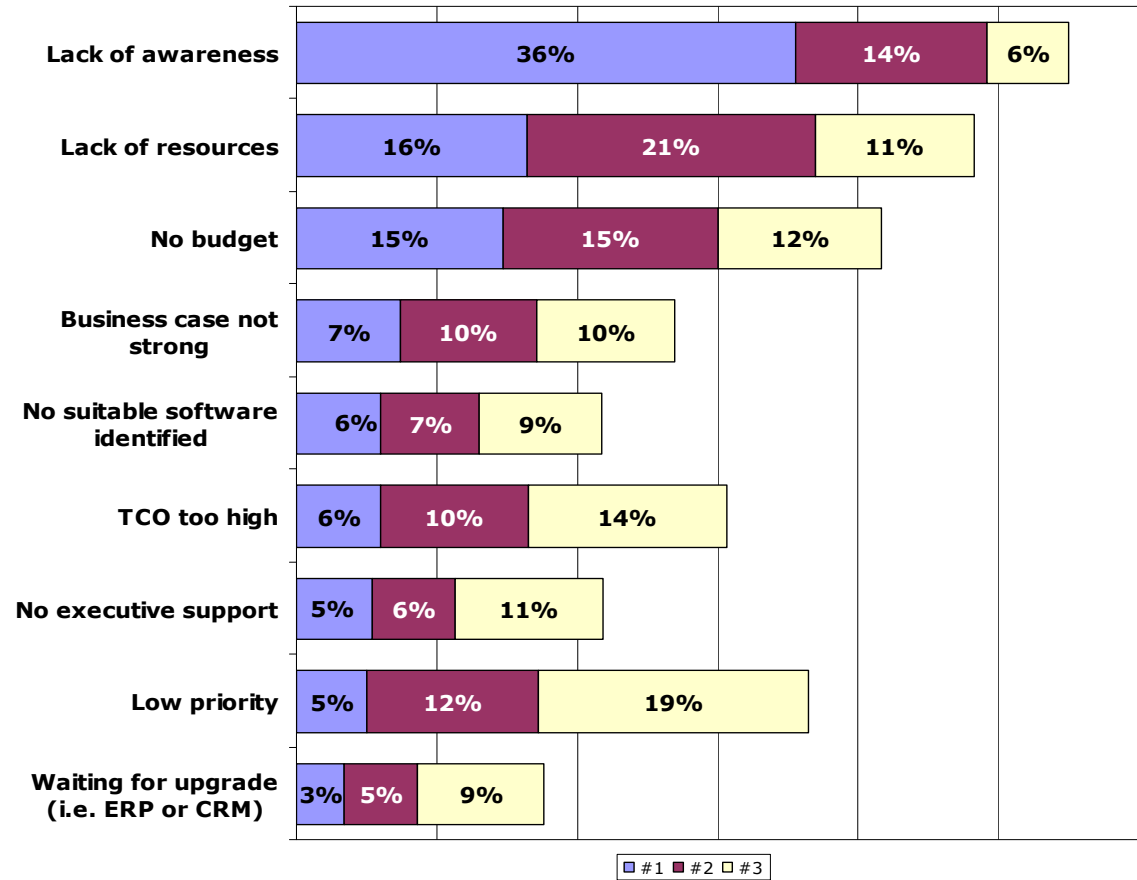
- The focus on customer was top of list then focus on information accuracy and quality of business analysis
- Lower than 5% was planning, financial effectiveness, profitability, reduce cost of errors



Key Point: Location Intelligence can be directly used to provide value to customer relationships and need for information.

Barriers are Impediments to Business Case

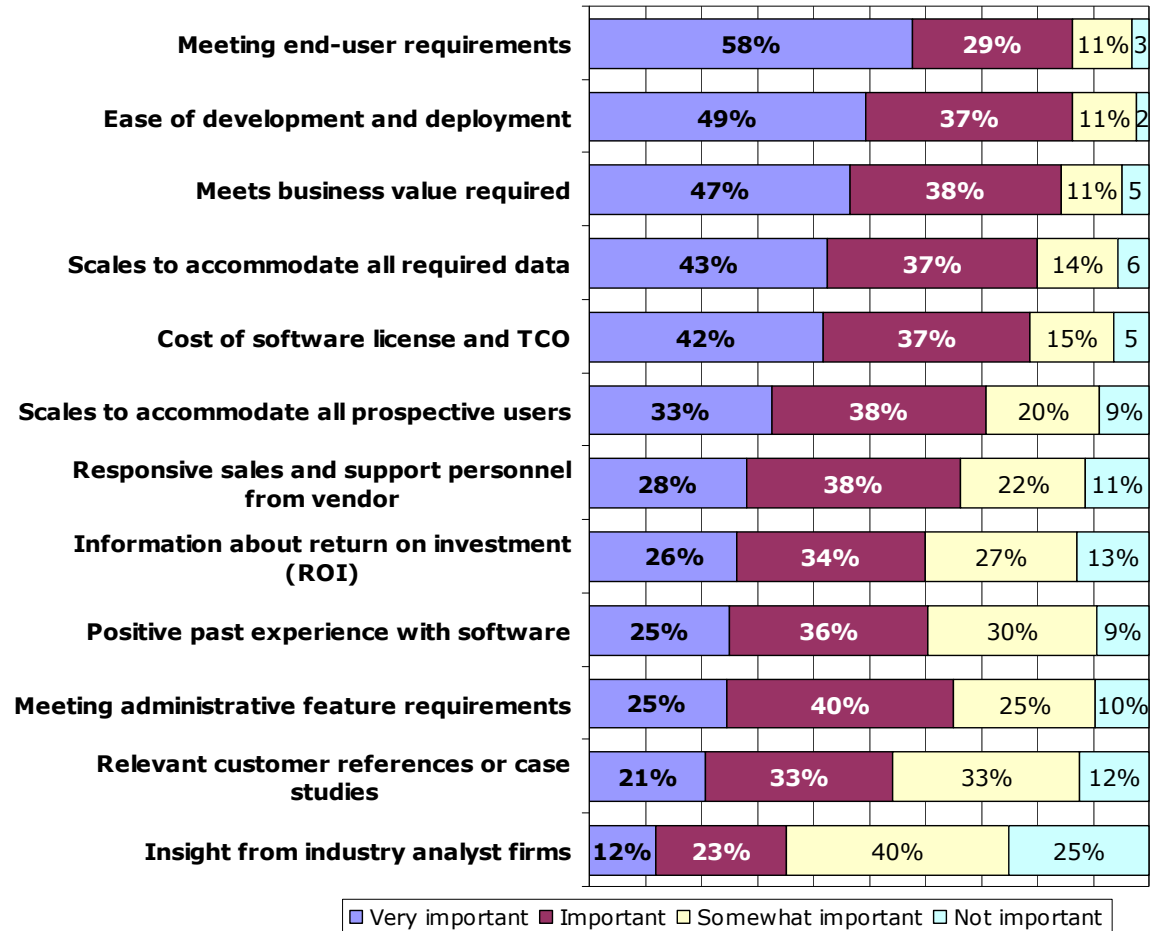
- Lack of awareness on location is top of list, then lack of resources
- Lower than 5% was no executive support and low priority.



Key Point: Location Intelligence needs to be raised as opportunity to improve business to ensure optimal investment.

Selection Factors for Location Intelligence

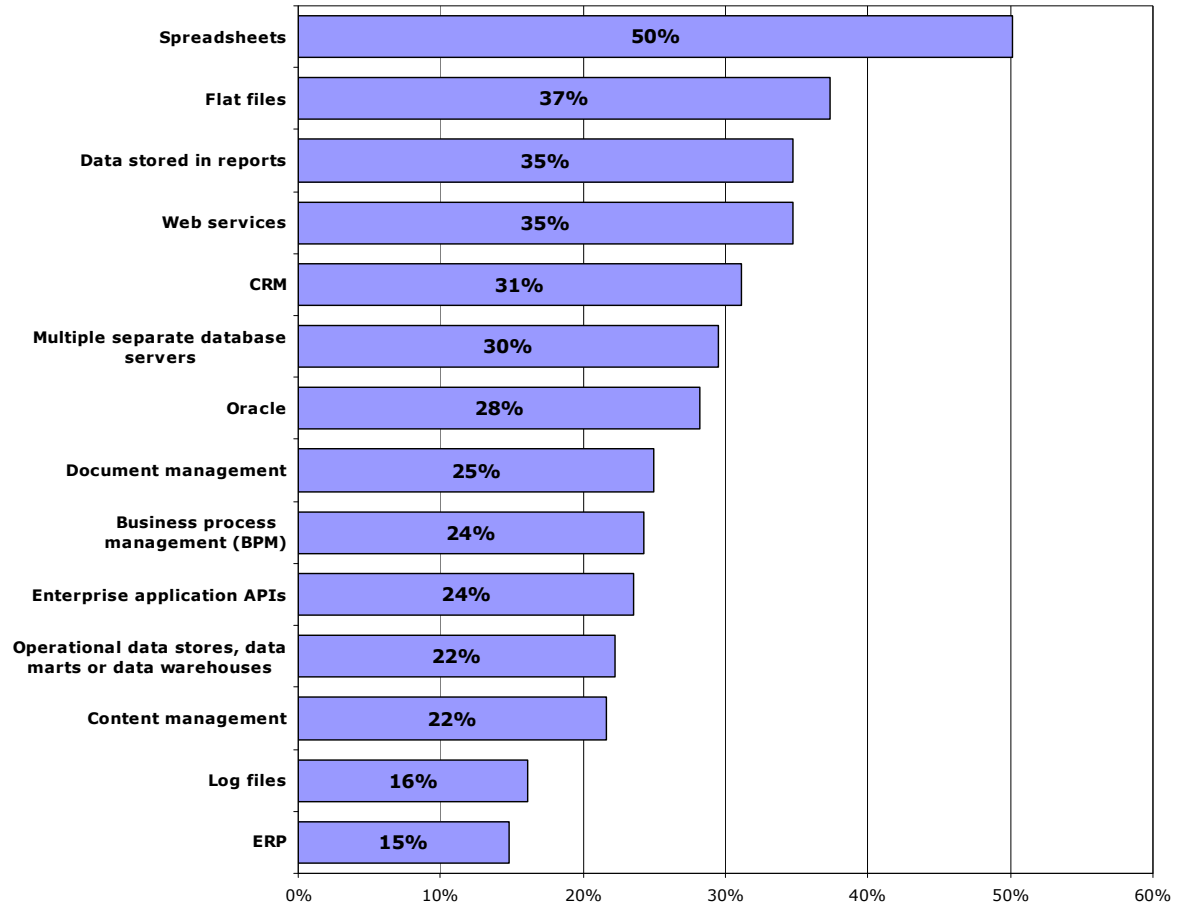
- Ensuring the alignment of end user requirements, deployment and business value are rated very important
- Fairly even distribution of importance across all factors



Key Point: Diversity of factors needs to be examined closely.

Source of Location Intelligence Data

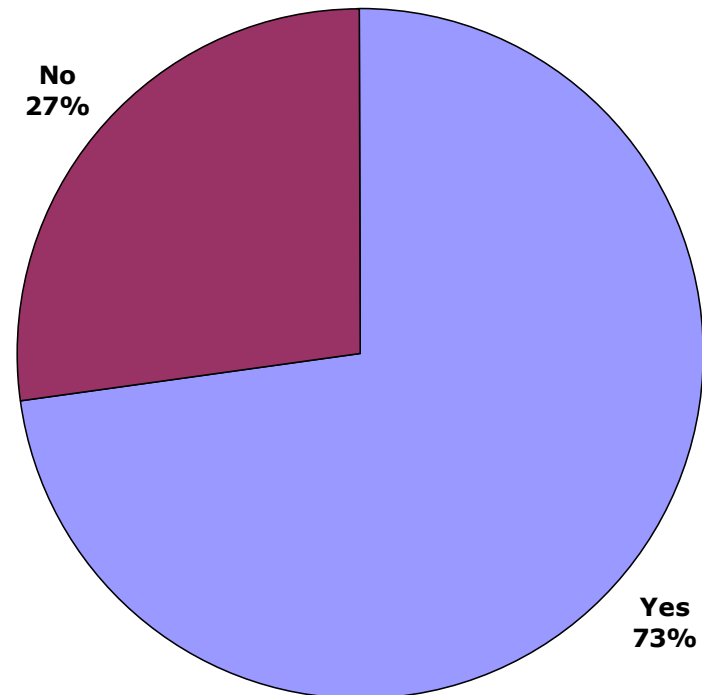
- Spreadsheets, flat files and reports are top of list which are not easy to integrate
- Bottom of list below 10% are SFA, SAP, Oracle and other ERP systems



Key Point: Large diversity in data sources needed to access.

Willing to Evaluate Open Source

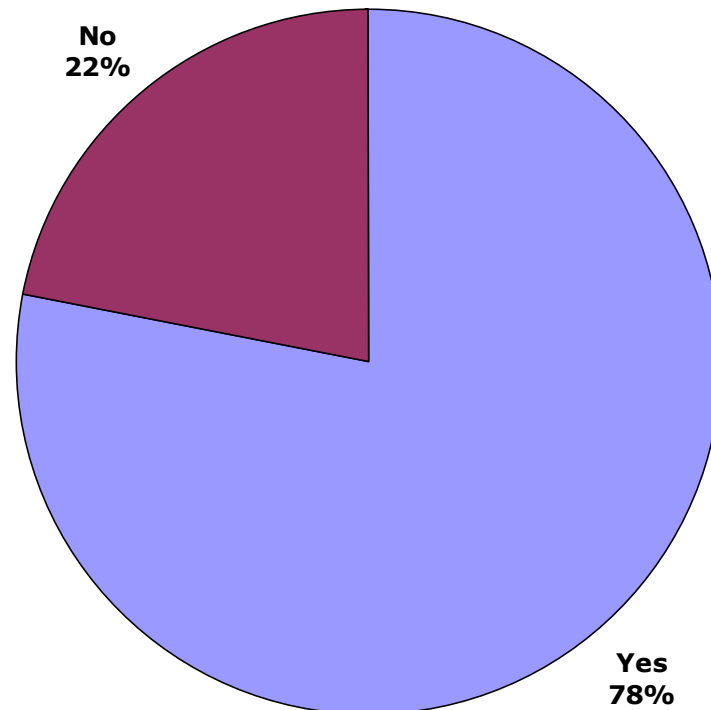
- 73% of organizations are open to open source while 83% of executives indicate interest.
- Financial services, Insurance and Real Estate had 82% interested.



Key Point: The open elements of evaluating open source should be examined.

Willingness to Use Consumer Mapping

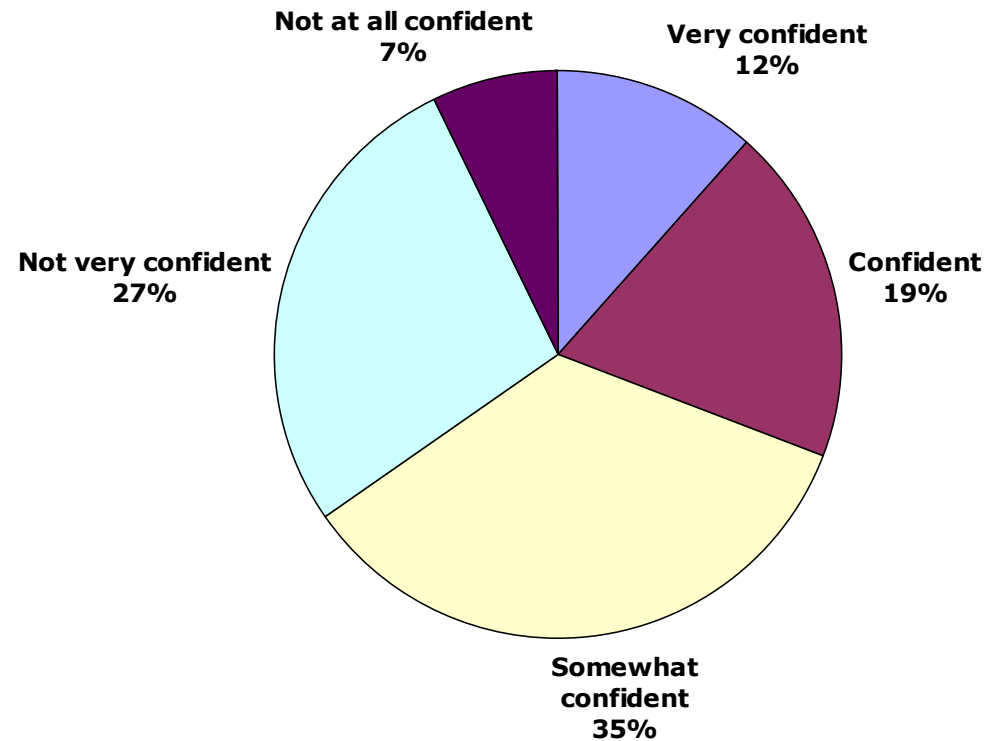
- 78% of organizations are open to Google for enterprise while executives and management are even more open to Google.
- 84% of services industry are interested in Google.



Key Point: Significant interest in Google for enterprise needs should be further understood as they are major factor in LI.

Confidence in Consumer Mapping for Enterprise

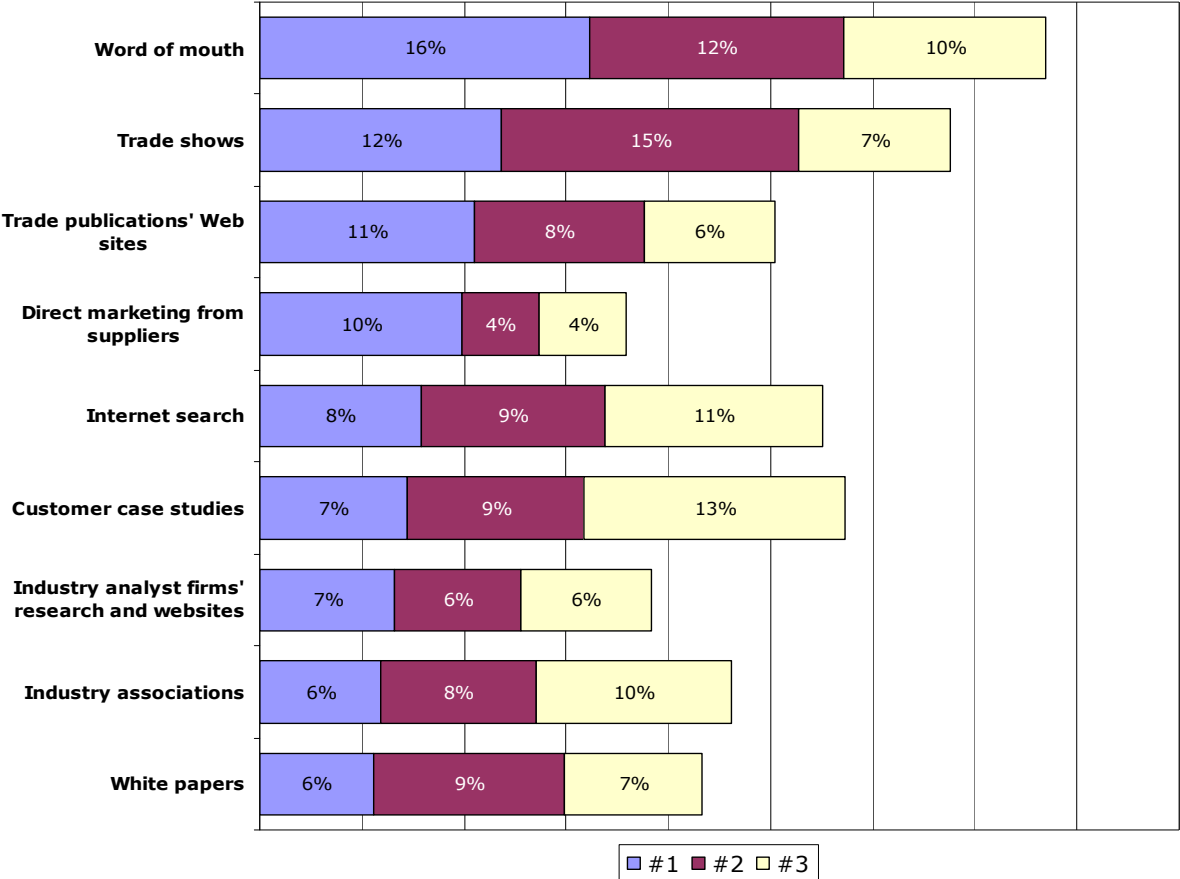
- 31% of organizations are very confident or confident in Google while the majority is more skeptical in their abilities.
- Confidence by Executives and also in Europe are higher than others.



Key Point: Lack of solid confidence should be further examined to ensure that it does not delay the potential of LI.

External Information Sources Most Influence

- Top 1st ranked priority is word of mouth followed by trade shows and their websites along with direct marketing.
- Internet search, case studies and white papers continue to be key sources.



Key Point: Diverse set of information sources provide perspective on the early stages of this industry

Next Steps





What To Do Next - Business and IT

- 1. Assess your maturity and identify ways to improve.**
- 2. Focus on benefits to make the business case.**
- 3. Make customers' experience and satisfaction a focus for LI.**
- 4. Support access to appropriate data sources.**
- 5. Understand what your business users really need.**
- 6. Support deployments where they make sense.**
- 7. Realize that consumer map viewers are not sufficient for business use.**
- 8. Plan to support growing demand for location intelligence.**




Summary

Location Intelligence (LI) and Location Based Services (LBS) is part of the next generation of business technology enablement for the enterprise

Best Practices

- 1. Understand business requirements and technology approaches**
- 2. Develop business case and technology investments paths**
- 3. Optimize projects to achieve your goals quickly**



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Questions And Answers



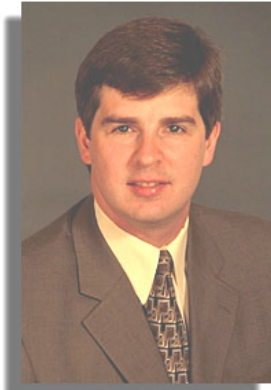
V E N T A N A
R E S E A R C H

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Mark Smith – CEO & EVP Research



Mark is responsible for the overall direction of Ventana Research and drives the global Performance Management research agenda covering both business and technology. He defined the blueprint for Performance Management as the linking together of people, processes and systems across organizations to drive effective results. Mark is an guru in Business and Location Intelligence. As an industry veteran with 20 years of experience, Mark worked at companies including SAP, META Group, Oracle and IRI Software before founding Ventana Research.

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