

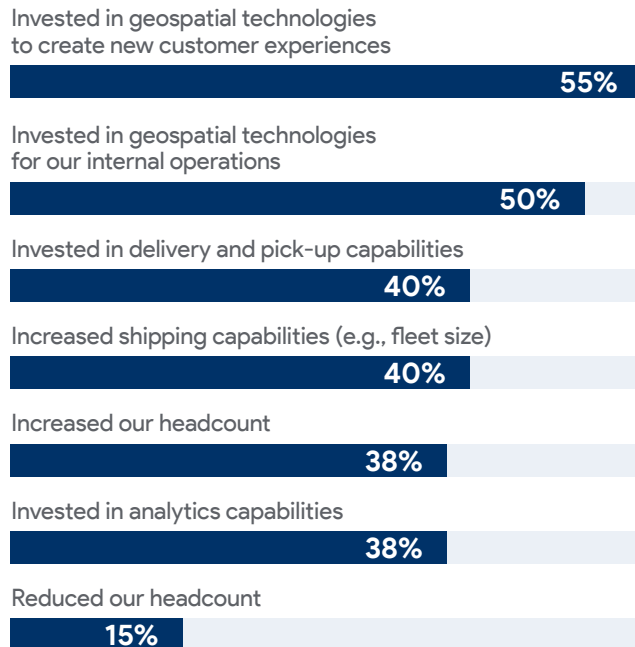
An aerial night photograph of a city, likely New York City, showing a dense grid of streets and numerous illuminated skyscrapers. A large body of water is visible on the left side of the image. The overall scene is vibrant with city lights.

Mapping Business Value

Introduction

Few technologies have become an essential part of everyday life as quickly as geospatial services. The same technology behind the digital maps that remade the way people shop, commute, and travel is having an enormous impact on business operations and outcomes, influencing everything from logistics and to location expansion planning to customer service.

Q. Which of the following business decisions has your organization made over the past three years to help carry out your strategic initiatives?



To better understand the impact of geospatial services on business, operations, and customers, Oxford Economics worked with Google Maps Platform to survey 1,000 executives in diverse industries and across multiple countries. We found that geospatial services enable enhanced visibility into business operations that allows companies to make better decisions and act faster at both the operational and strategic levels.

The executives we surveyed see geospatial services as an important tool that helps them meet high-level goals like increasing the quality of products or services and improving operational efficiency—both cited as priorities by more than half of our respondents (54% and 52%, respectively). Customer-facing applications are the most developed area of geospatial investment, with over half of executives (57%) reporting some implementation with early benefits, and over one in five (22%) seeing heavy implementation as part of a holistic

strategy. Internal operations also have seen substantial investment—58% have seen some implementation with early benefits—although fewer report heavy implementation within a holistic strategy (just 7%).

Most companies have already deployed initiatives to improve the quality of their products and services or to improve how they operate in at least one area of the business. So far, many executives have directed efforts toward improving the quality of products and services (87% have fully deployed an initiative in at least some areas of the business), increasing speed to market (83%) and improving operational efficiency (76%).

But for all the business value driven by geospatial technologies, enormous opportunities remain to be tapped. The best-performing companies in our respondent group (see Sidebar: What Leaders do best) have gained an early competitive advantage. Other firms will have to join the mapping revolution or be left behind.



Better customer experiences

Geospatial services help improve customer experiences and increase customer loyalty. With customer and user experience a strategic priority for a substantial number of companies (42% of respondents cite this as a key focus for the next three years, and over three-quarters have acted on this imperative), it follows that businesses are finding ways to leverage these capabilities as part of their broader customer initiatives. The link is explicit: Over half of respondents (55%) have invested in geospatial technologies to create new customer experiences.

While integration of geospatial capabilities is meaningful across the world, some countries have emphasized customer-centric applications more than others. For example, executives at Japanese (85%), UK, and French organizations (83% each) are most likely to say they have implemented geospatial services to some extent in customer-facing initiatives, but US (71%) and Indian organizations (70%) are slightly less likely to have done so.

For experiences to shine, customers must be able to easily access information when they need it. The case for visibility across business ecosystems is universal, but different sectors often have particular priorities and use cases. One common denominator across industries, however, is communicating information to increase customer engagement; more than half of all respondents in our survey (54%)

say they use geospatial services in this way today, making it the most popular choice in the survey. And this usage pays off: Nearly three out of four (73%) who use geospatial services to communicate information see at least moderate value from their decision.

They are also seeing moderate or significant value from other widely targeted uses including providing localized information on proximity to business locations to help users make decisions about where to shop, visit, or live (57%); helping customers find and visit the nearest store, ATM, restaurant, auto shop, or medical office, or other location/service (54%); helping customers recognize and understand their transactions (51%); and simplifying address entry to help users when they are searching, signing up, or checking out (41%).

SIDEBAR:

What Leaders do best

We took a closer look at a subset of respondents who are seeing the broadest range of business benefits from geospatial services. To qualify for this Leader group, companies must report strong performance on at least four key metrics from our list of seven; whereas the average number of benefits reported by other respondents was roughly 2.75. Leader organizations tend to be larger in size—65% have at least

\$1 billion in annual revenue vs. 48% of the non-Leader population—and more than two in five operate in transportation and warehousing, accommodation and food services, and wholesale or retail trade industries (41%). Leaders are distributed relatively evenly across the world, but France (9% of Leader population), Indonesia (8%), and Singapore (7%) are slightly less likely to meet Leader criteria.

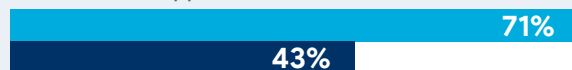
One common characteristic of Leader organizations is a strong focus on building a positive customer experience, including but not limited to the use of geospatial services. These companies are significantly more likely than others to see at least a 15% boost across performance metrics from their geospatial investments than others in our survey group: 71% say geospatial services have created new business opportunities, 62% say they



For each of the following answer choices, please estimate (as a percentage) the extent to which geospatial services influence the following business areas. | “15% or more” responses

■ Leader
■ Non-Leader

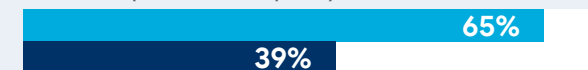
New business opportunities



Optimized supply chain operations



Increased productive capacity



Transactions per year



Customer retention



Increased operational efficiency*



* (e.g., fewer trips made for deliveries, optimized delivery loads)

SIDEBAR: WHAT LEADERS DO BEST (continued)

have improved customer retention, and 60% say they have increased the number of transactions per year. Geospatial services are a key component in this success—and Leaders indicate these tools are essential for building customer loyalty (85% vs. 73%).

Companies in our Leader group are slightly more likely than others to have invested in geospatial technologies to create new customer experiences (60% vs. 54%); more likely to have at least some implementation with early benefits for geospatial investments aimed at customer-facing operations (88% vs. 78% non-Leaders); and more likely to say they have customer-centric use cases for geospatial services.

Overall, Leaders are more likely to prioritize improving customer experience (52% vs.

41%), improving quality of products and services (50% vs. 39%); and are much more likely to have initiatives to improve customer or user experience fully deployed across the business (40% vs. 17%).

Perhaps these successes stem from their data practices. Leaders say their analytics capabilities provide sufficient insight into customer behavior (70% “somewhat” or “strongly” agree responses, vs 55% for non-Leaders). They also excel at sharing data, which includes communicating information to increase customer engagement (67% vs. 53% of others), helping customers recognize and understand their transactions (56% vs. 36%), and providing localized information to help users understand what’s near a site so they can make easier decisions about where to shop, visit, or live (62% vs. 56%).

Characteristics of Leaders

Greater visibility into operations



Greater visibility into customer behaviors

Reduced operating costs



Improved operational efficiency

Increased customer acquisition



Increased customer retention

Increased rate of repeat business





Improved internal operations

A fundamental rule of business is that you cannot manage what you cannot measure. A corollary for the geospatial age is that you cannot measure what you cannot find. It makes sense, then, that exactly half of our respondents already have made strategic investments in mapping technologies that enhance internal operations over the past three years—even more than have invested in analytics (38%) or increased headcount (38%) for that purpose.

Nearly half say these services have helped optimize operations further down the supply chain by at least 15% (45%).

Return on these investments is coming in across a range of benefits. Over half (56%) say geospatial services make their organization's processes and operations more efficient, while three out of five (62%) say visualizing geospatial data helps them make better decisions and improve operational efficiencies. The ultimate goal of any investment is for it to positively affect how processes are carried out and open pathways to new possibilities—and with more than half of executives citing process innovation as an investment outcome (55%), geospatial services are proving to be a transformative resource.

Many of these gains are substantial. Well over half of respondents (58%) directly credit the implementation of geospatial services for reducing the number of trips to make the same number of deliveries/service appointments, and almost three out of five (59%) say the use of geospatial services has increased operational efficiency (e.g., in terms of fewer trips made for deliveries, or optimized delivery loads) by at least 15%. And these operational benefits are felt beyond the organizational firewall: Nearly half say these services have helped optimize operations further down the supply chain by at least 15% (45%).

SIDEBAR:

Geospatial services improve financial performance

Our analysis of the 2022 survey data indicates a correlation between investment in geospatial services and revenue growth, profitability, and cost reduction. Because we do not yet have data across multiple years, we cannot prove that these positive movements are directly caused by investments in location technologies—but the suggested relationship is significant enough to note.

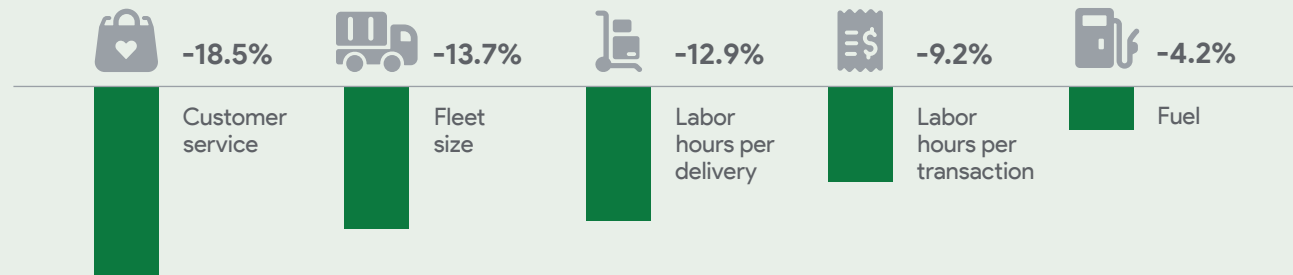
A majority of respondents have seen revenue growth since first investing in geospatial services. That growth could be

explained by a lot of things, but over 40% have also experienced an increase in their *rate* of revenue growth since making their first purchases, which suggests a possible relationship between mapping services and top-line growth.

The cost-reduction story is clearer. In the three years after initial geospatial investments, many respondents saw expenditures decrease in the following areas: customer service, fleet size, labor hours per delivery, labor hours per transaction, and fuel.

Changes in profitability are difficult to attribute to a particular cause because there may be exogenous factors (e.g., cost of raw materials or labor) and internal pressures to smooth earnings from one quarter to the next. Still, we saw that average profitability at respondent companies increased from 6.3% in the three years before initial geospatial investments to 7.1% for three years after these investments.

In the three years after your organization made its first investments in geospatial services, what decrease in operating costs did you realize in each of the following areas?



Conclusion

Efforts to get the most out of geospatial services are a clear and consistent priority. The value these capabilities provide are wide-reaching, and the various operational efficiency gains and contributions to the customer experience combine to save money over time. And while there will be slightly different outcomes based on specific use cases, industry needs, and geographic situations, there is opportunity to leverage geospatial services in all types of work.

To get the most out of geospatial technologies, executives should consider the following:

- **Keep end user benefit of applications in mind.** Geospatial technologies may be used in internal ways, but the benefit must be passed on to those that utilize products and services. Whether that comes in the form of financial benefits or improved experiences is will depend on each application.
- **Find use cases that make sense.** Geospatial capabilities can be used in many ways, but they will not all make sense for every line of work. Work with staff at all levels of the organization to figure out where geospatial help is most needed.
- **Invest in data analytics.** Once geospatial services are implemented, the number of data touchpoints the organization must address will increase significantly. It is up to you to make sure the company is prepare for this influx of information—so establishing a strong infrastructure and skilled workforce is of paramount importance.

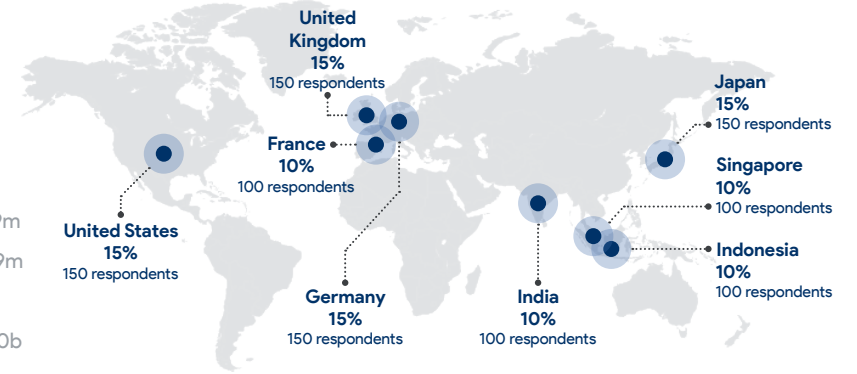
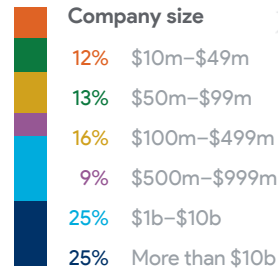


Check out our **Impact Calculator** to find out how geospatial services are impacting businesses like yours.

About the research

Google Maps Platform and Oxford Economics partnered to survey 1,000 executives at organizations of varying sizes across countries and industries. The respondent base is represented by organizations from eight countries, and all had at least \$10m in annual revenue.

For the purposes of this research, we grouped respondents into 14 industry clusters, including accommodation and food services; real estate and rental and leasing; administrative and support and waste management and remediation services; finance and insurance; transportation and warehousing; wholesale and retail trade; manufacturing; arts, entertainment, and recreation; agriculture; professional, scientific, and technical services; non-profit; media and entertainment; telecommunications; and software and internet.



About Oxford Economics

Oxford Economics is the world's foremost independent economic advisory firm. Covering over 200 countries, over 100 industrial sectors and 8,000 cities and region, we provide insights and solutions that enable clients to make intelligent and responsible business decisions faster in an increasingly complex and uncertain world. For more information, visit <https://www.oxfordeconomics.com>.



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