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Neil Shah

Research Director

neil@counterpointresearch.com

+91 99 3021 8469

Shobhit Srivastava

Research Analyst

shobhit@counterpointresearch.com

+ 91 90 0083 1117

Counterpoint Research Team

analyst@counterpointresearch.com

Location Ecosystem

Blue Ocean – From Two Sharks To A Whale & A Shark

We closely track the location industry and a lot has changed since our [last report](#). HERE, has transformed from a [mapping and navigation platform](#) to an “[open location platform](#)” company emerging as a clear winner in the location ecosystem. The company attracted number of investors, partners and customers from across the segments, looking to make headway across the tech industry.

Innovations

- Earlier in 2016, HERE launched its navigation and mapping application for iOS devices. Fully baked Offline navigation capabilities right out of the box was the biggest differentiator for HERE and offered tremendous value for iOS users which have been starved of good mapping & navigation app.
- The company’s [WeGo platform](#) enables “smart travel” to help the user plan an entire trip. The user can select from [alternative modes of transportation](#), compare costs, duration and condition of travel. The offline mapping navigation capabilities also makes HERE WeGo cost effective and efficient – especially when data connectivity is not guaranteed.
- HERE’s Electronic Horizon software announced during CES 2017 adds the capability to pull map data and dynamics road events from the cloud giving a view of the road ahead for driver safety, a great feature for “autonomous vehicles” era.

Partnerships

- HERE supported the expansion of coverage for Baidu that aims to move beyond China into Europe and the rest of the world for hundreds of millions of Chinese travellers outside of China.
- Microsoft that also has a partnership with TomTom, signed an agreement with HERE for a multi-year strategic deal which will see HERE maps being integrated with Bing Maps. Subsequently, the maps and services from HERE will power Bing.com, Cortana and will feature in in-vehicle productivity scenarios. Integrating with Office

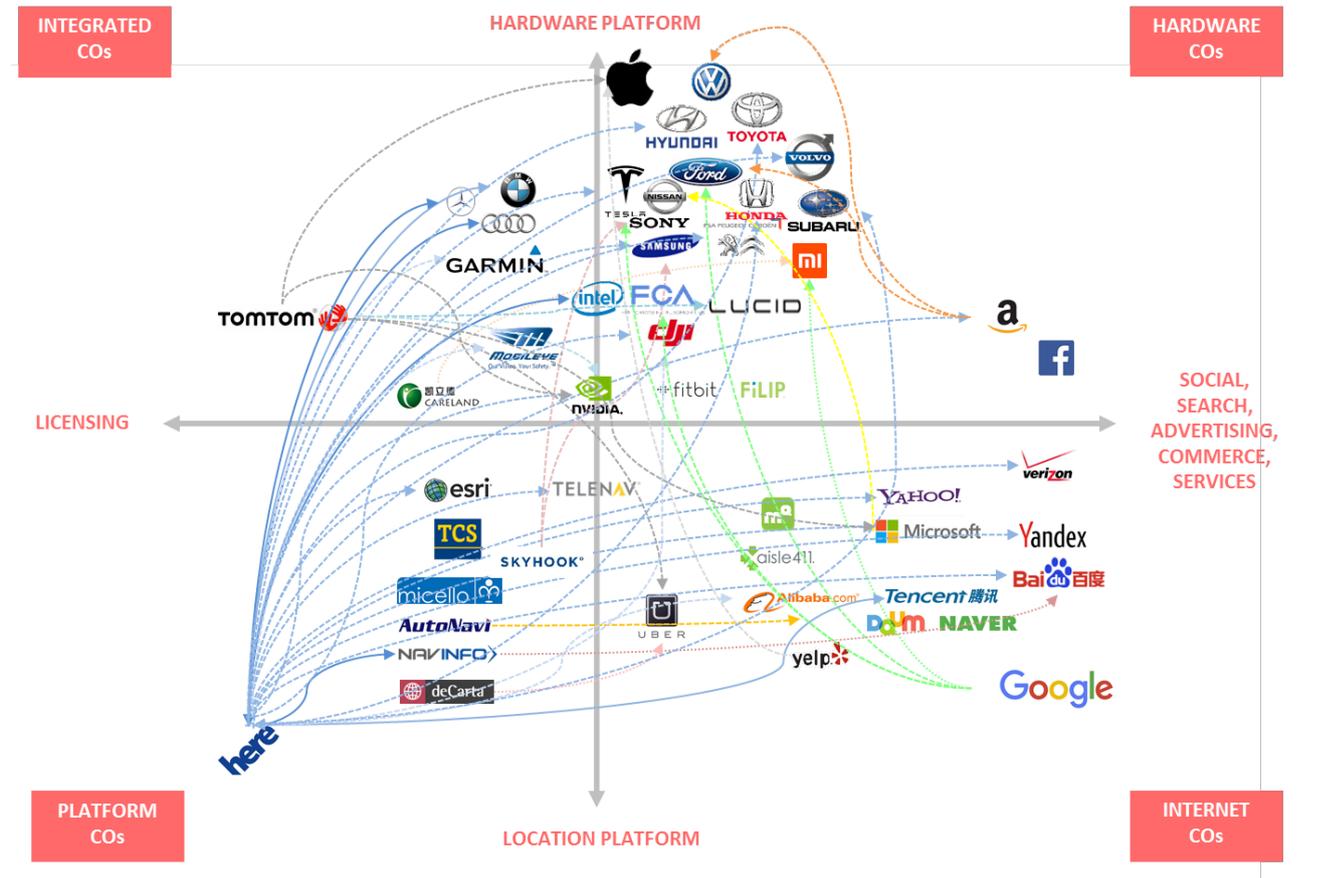
Cloud, Skype is on the cards and will be key as Microsoft looks to bring its productivity platform into future autonomous cars.

- HERE also announced partnership with component players MobileEye and nvidia to drive the autonomous cars development.
- HERE partnership in automotive space now expands across Honda, Subaru, Toyota, Hyundai, PSA group, Volkswagen to name a few adding on to the existing consortium owners, the three major German OEMs Audi, BMW and Daimler.
- HERE's partnership with NVIDIA for its AI powered autonomous cars via the chipset maker's Open Drive PX2 AI platform to embed live HD maps capabilities into the SOC itself. NVIDIA's platform powers [Tesla's](#) Autopilot across all three models.

Investments

- HERE announced key strategic investment from Tencent which, together with GIC (Singapore sovereign wealth fund) and NavInfo, will become 10% shareholders in HERE.
- HERE gains a significant advantage over Google by filling the biggest hole in its portfolio with the formation of this strategic partnership with an opportunity to provide its platform in the Chinese market.
- Around the [CES 2017](#) timeframe, in other big announcement, HERE also announced that Intel will become a 15% shareholder in the company.
- This makes HERE very neutral with series of investments from multiple industry players unlike its rivals.
- Intel and HERE will be working to develop real-time HD maps for highly and fully autonomous cars.

Exhibit: Location Ecosystem – Key Players and Partnerships



Competition

- Looking at HERE's rivals, Google while benefits from more than a billion active Android user base for its Google Maps platform, however, its traction and adoption beyond Android devices has been relatively meagre. Although, we saw some action from Google by teaming up with Fiat Chrysler via its self-driving car company Waymo. The company aims to bundle all its services in Android Automotive and follow the same business model it used for selling Android to smartphone OEMs.
- Other than that, no significant partnerships were announced for Google during the year, as major concerns have been trust and hesitance to share the data with Google in addition to serious business model conflict exists with many players.
- TomTom did taste some success in telematics segment but has been significantly behind in attracting major players for its mapping and navigation platform. TomTom saw modest traction as the highlight being a partnership with nvidia to integrate its HD maps in industry leading Drive PX2 computing platform announced at CES 2017.
- TomTom also managed to sign a partnership with Microsoft to make it easier to add location awareness in IoT applications through integration within the Microsoft Azure cloud platform.

Conclusion

- The location ecosystem, continues to evolve from two sharks *HERE & Google" to a Whale (HERE) and a Shark (Google) as HERE widens the gap with rivals. HERE's biggest strength is its score of partnerships from component players, internet companies, technology companies to automotive OEMs.
- Furthermore, with Open Location Platform approach, it puts HERE in the driver seat in the upcoming autonomous transportation, IoT and Big Information era.

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