

Business Model of Waze

BY
HEMMY ABD JALAL
(2011138163)

Business Model

- As 'architectures' for the product, service, and information flow; A description of the potential benefits for the various business actors; and A description of the sources of revenue.
Timmers (1998)
- Includes the roles and relationships among a firm's customers, allies, and suppliers, the major flows of product, information, and money, and the major benefits to the participants.
Weill and Vitale (2001)
- As 'methods' by which firms do business, by which a company can sustain itself.
Rappa (2003), and Turban et al (2002).

8 Key Elements of Business Model



Business Model of Waze



What is Waze?

- community-based traffic and navigation app
- share real-time traffic and road info (saving everyone time and gas money on their daily journey).
- WAZE.
OUTSMARTING
TRAFFIC, TOGETHER.



What is Waze?



What is Waze?

- Waze started from roots of open-source projects named FreeMap Israel, open-source project which mapped Israel using their users mobile- similar to today Waze process.
- Waze Ltd. was founded in 2008 in Israel by Uri Levine, software engineer Ehud Shabtai, and Amir Shinar. The company was originally called LinQmap.
- In December 2011 Waze employed 80 people, 70 at Ra'anana, Israel and 10 in Palo Alto, California.



Value Proposition (VP)

GET THE BEST ROUTE, EVERY DAY,
WITH REAL-TIME HELP FROM OTHER DRIVERS.

Waze is one of the world's largest community-based traffic and navigation app. Join other drivers in your area who share real-time traffic and road info, saving everyone time and gas money on their daily commute.

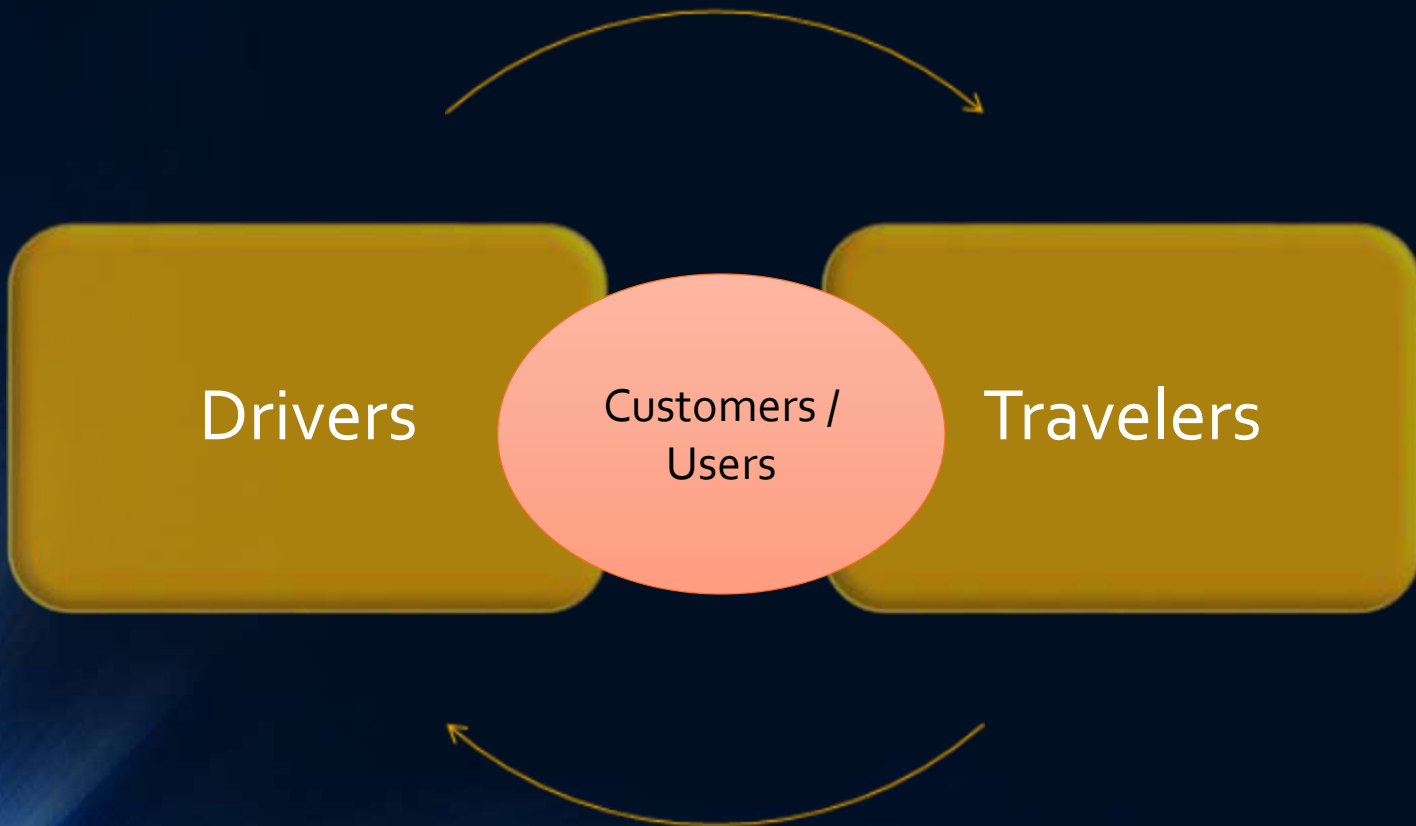
WAZE. OUTSMARTING TRAFFIC, TOGETHER.



Value Proposition (VP)



Value Proposition (VP)



Revenue Models (RM)

Corporate
Funding

Advertising

Collect Data
and License It

Revenue Models (RM)

Corporate
Funding

	Benefactors	Funding
Series A, 3/2008	BlueRun Ventures Magma Venture Partners Vertex Venture Capital	\$12 million
Series B, 12/2010	Magma Venture Partners Vertex Venture Capital BlueRun Ventures Qualcomm Ventures	\$25 million
Series C, 10/2011	Kleiner Perkins Caufield & Byers Horizon Ventures	\$30 million
TOTAL		\$67 million

Revenue Models (RM)


- Location-based Advertising

Advertise with Waze [Overview](#) [How it works](#) [Pricing](#) [FAQ](#)

Put your business on the Waze map to reach a community of millions of drivers and everyday commuters.

- Your business is shown to drivers approaching your location or searching nearby. [See how it works](#)
- You decide how much you're willing to pay for each view of your map pin as well as your total monthly spend. [Learn more about pricing](#)
- It's super simple to set up and see results. Whether you run a mom-and-pop or nationwide chain, be up and running in minutes. [Get started now](#)

Wazers are just a tap away from navigating to your business! [Get Started](#)



Logos for American Express, VISA, Mastercard, Discover, and Google Pay are shown at the bottom.

Revenue Models (RM)

Advertising

- Location-based Advertising

Pricing

Set your budget

You provide the amount you are willing to pay for each 1,000 impressions (CPM) of your pin on the map, as well as the total allowable spend in any given month.

Pay only for ad activity

You only pay if your pin is displayed to a user on the map. You will never pay more than the maximum budget you set, and the minimum monthly spend is only \$50 per month.

Make the best choice for you

Price ranges are provided to help guide you on the right values to set for your maximum CPM bid and monthly budget.

Convenient billing

Your credit card will be billed periodically after your ads are delivered. Most advertisers are billed on a monthly basis. We accept Visa, Mastercard, American Express, Discover, and JCB.

Get Started



Revenue Models (RM)

Collect Data
and License It

"The goal is to get the app in enough people's hands that there is a steady flow of new road data to add to the Waze database. Then, the company plans to license that raw data to other companies to do with as they please and, in the process, grab as much of what it thinks is a \$4 billion market as it can. But to users, such goals may well be unimportant, so long as they can continue to get the very latest information about what's ahead of them as they drive".

- Di-Ann Eisnor (Waze VP Community Geographer), 2009.



"Google acquired Waze
on June 2013 for \$1.1 billion"

Market Opportunity (MO)



Location Based Advertising



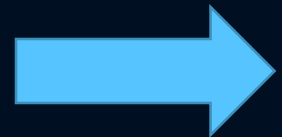
In-App Advertising /
Coupon & Deals



Mobile Marketing

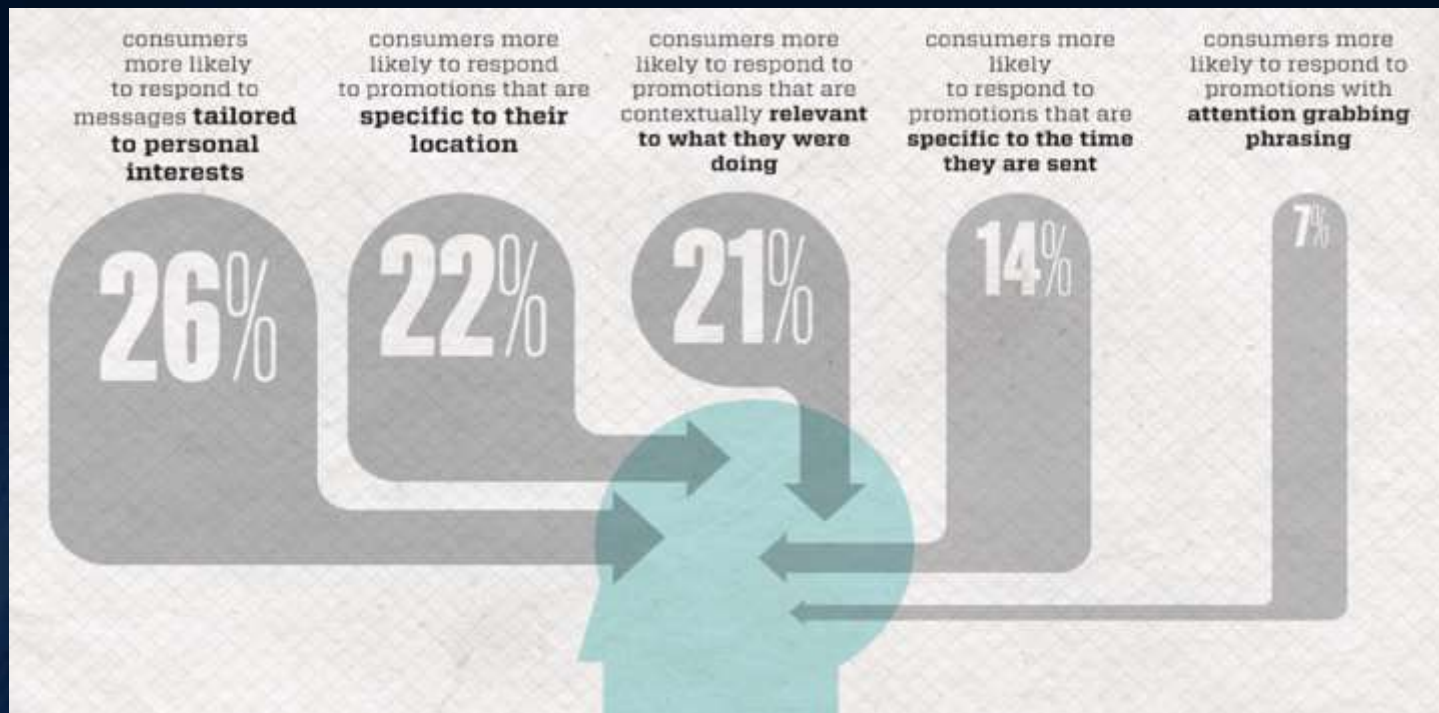
Market Opportunity (MO)

Crowd / Communities



Market Opportunity (MO)

Why Relevance Is Key In Reaching Consumers via Mobile



Source: Upstream /YouGov

<http://www.thumbvista.com/2013/04/relevance-is-key-in-mobile-advertising-location-based-advertising/>



Local & Mobile Marketing



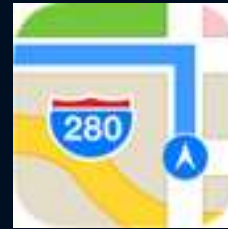
Local & Mobile Marketing



Competitive Environment (CE)

- GPS Devices / Apps – ie. Papago, Garmin, TomTom
- iOS Maps (Apple)
- BlackBerry Maps (RIM)
- Here Maps (Nokia)
- Trapster
- Google Maps

... and more



Started in 2010;
20M+ users



“Google acquired Waze on June 2013 for \$1.1 billion”

Competitive Advantage (CA)

Uses Crowdsourcing to Bring Real-Time Traffic Info

- users can obtain and send updates instantly about traffic, speed traps, road construction, right-light cameras and similar obstacles

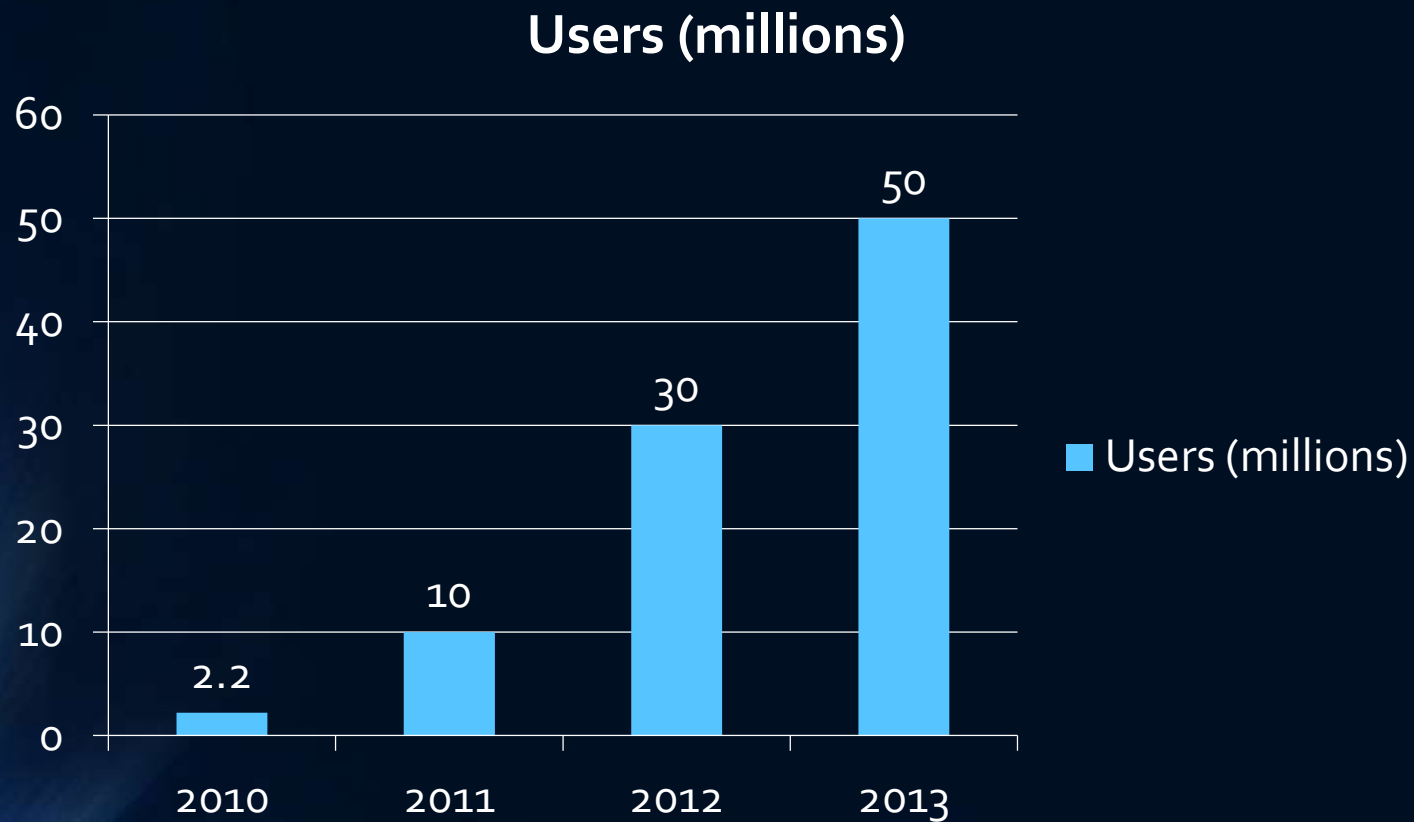
Using Own Map

- Users can edit the Map for further improvement

Large community with over 50 million users world wide

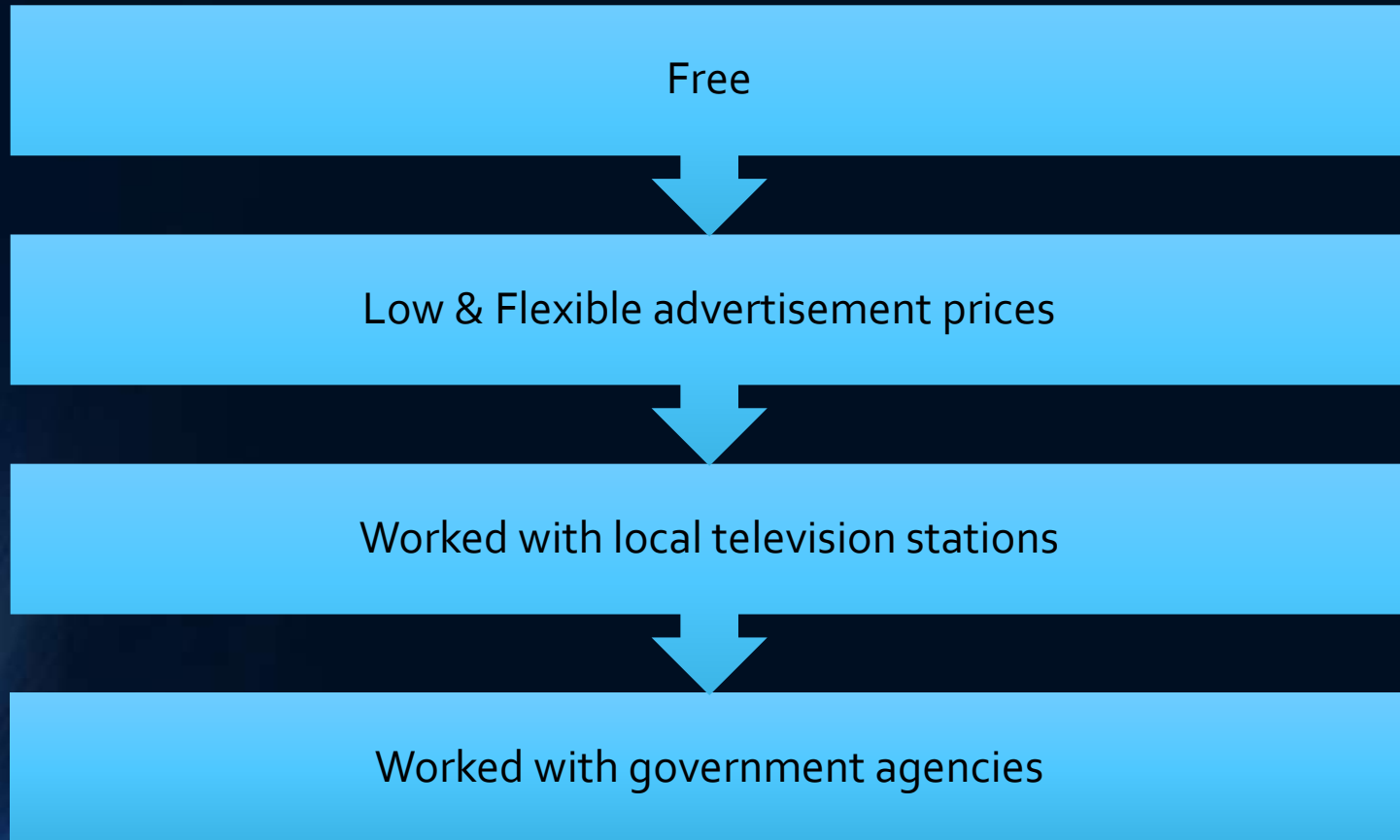
- World's largest community-based traffic and navigation app with over 50 million users world wide

Market Strategy (MS)



Waze Users Worldwide



Market Strategy (MS)



Worked with local television stations



Worked with government agencies






GIGAOM EVENTS RESEARCH JOBS SIGN IN  


APPLE CLEANTECH CLOUD DATA EUROPE MOBILE VIDEO

GIGAOM ROADMAP
The Intersection of Design & Experience

How Waze's crowd-sourced data helped FEMA deliver the gas after Sandy

by [Ryan Kim](#) NOV. 6, 2012 - 11:31 AM PDT

 3 Comments    +1 

A 

SUMMARY: *With gas shortages rampant following Hurricane Sandy, FEMA and the White House turned to crowd-sourced navigation app Waze to gather data on where to send gasoline fueling trucks. The episode showed how mobile crowd-sourced data and tools like Waze can be helpful in a crisis.*


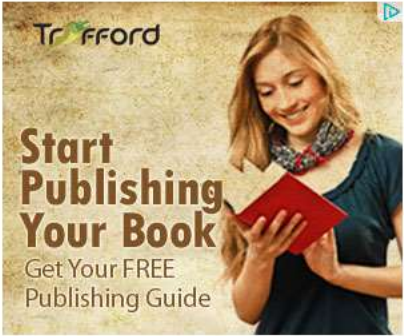


photo: Twitter users @mattvas

ADVERTISEMENT




Related stories


[See a Wikipedia photographer's Kickstarter campaign for an online video game museum](#)

Nov. 1, 2013


A Wikipedia photographer is raising money to create a free online archive of all game hardware.




Airbnb



GE



Nest



Square

Management Team (MT)



Management Team (MT)



- **Ehud Shabtai**
Co-Founder & CTO



- **Noam Bardin**
CEO



- **Yael Elish**
VP Product



- **Samuel Keret**
VP Business Development

- **Amir Shinar**
Co-Founder & VP R+D



- **Di-Ann Eisnor**
VP Community Geographer



- **Fej Shmuelevitz**
VP Community & Operations



- **Uri Levine**
Co-Founder & President

- **Anat Zach**
VP Finance

- **John Malloy**
Board of Directors

- **Ehud Levy**
Board Member

- **Jason Wong**
Board of Directors

- **Julie Mossler**
Sr. Director, Communications

- **Jordan Grossman**
Sr. Director, Sales

Resources

- "Business Models for Electronic Markets" by Paul Timmers in *Electronic Markets*, Vol. 8, No. 2, July 1998, p. 4.
- *Place to Space: Migrating to E-Business Models* by Peter Weill and Michael Vitale; Harvard Business Press, 2001, p. 25.
- *Business Models on the Web* by Michael Rappa in *Managing the Digital Enterprise*, 2005.
- Turban, E.; King, D; Lee, J.; Warkentin, M., and Chung, M. *Electronic Commerce; a Managerial Perspective*, International Edition. New Jersey: Pearson Education, Inc; 2002.
- "Relevance Is Key In Mobile Advertising | Location Based Advertising", April 13, 2013, Retrieved from <http://www.thumbvista.com/2013/04/relevance-is-key-in-mobile-advertising-location-based-advertising/>
- Paresh Dave, "Waze's Free Marketing Strategy", May 13, 2013, Retrieved from <http://www.pareshdave.com/articles/2013/05/13/wazes-free-marketing-strategy/>

Resources

- Jolie O'dell, Dec 08, 2010, Retrieved from <http://mashable.com/2010/12/07/waze-funding/>

Waze revs up crowdsourced driving app with \$25M . Venturebeat. December 7, 2010. Retrieved from <http://venturebeat.com/2010/12/07/waze-revs-up-crowdsourced-driving-app-with-25m/>
- Devindra Hardawar. "Waze raises \$30M for its crowdsourced driving app, hits 7M users". Forbes, October 18, 2011. Retrieved from <http://www.forbes.com/sites/tomiogeron/2011/10/18/waze-nabs-30m-from-kleiner-perkins-li-ka-shing-mary-meeker-to-advise/>
- "Waze", Techcrunch, Retrieved from <http://www.crunchbase.com/company/waze>
- Adena Schutzberg, "Waze Business Model: Collect Data and License It", Directions Magazine, August 07, 2009, Retrieved from <http://apb.directionsmag.com/entry/waze-business-model-collect-data-and-license-it/161171>
- Daniel Terdiman, "Waze iPhone app provides real-time, crowdsourced traffic data", August 6, 2009, Retrieved from http://reviews.cnet.com/8301-19512_7-10305132-233.html
- Haydn Shaughnessy, "Waze Says Google's Future Lies With The Crowd", June 2013, Retrieved from <http://www.forbes.com/sites/haydnshaughnessy/2013/06/10/waze-says-googles-future-lies-with-the-crowd/>



Thank You

HEMMY BIN ABD JALAL (2011138163)