

## Street plan

### *The purchase of an Israeli start-up shows the allure of online maps*

A map was once a sheet of paper. The information it could impart—natural features, political boundaries, streets and railway lines—was limited by space and scale. Getting an update meant buying a new one. The modern map is almost a living thing. Its habitat is the personal computer or (increasingly) the smartphone. It can carry layer upon layer of data, from traffic conditions and public-transport routes to reviews of local restaurants and indoor plans of shops, museums and airports. And as the world changes, the map adapts.

On the internet such maps are valuable assets—which is why Google has paid just over \$1 billion for Waze, a five-year-old Israeli firm. Waze, the creator of a traffic and navigation app for smartphones, was much sought after. Apple was rumoured to have been interested. And before Google swiped it, Facebook, which lacks maps of its own, was said to be close to a deal. Talks reportedly failed because Waze's team did not want to move to California. Announcing the takeover on June 11th, Brian McClendon, head of Google's maps business, wrote that Waze's product developers would "remain in Israel and operate separately for now".

In maps Google is already far ahead of both its rivals. It has spent huge sums making the physical world as searchable as the digital realm, sending cars and aeroplanes to gather images and data from all over the planet. Recently Google showed off improvements to its maps. Among other things, they will be more personal: people can add their own landmarks (a favourite restaurant or museum, say), and similar or related places will be highlighted.

Google may therefore have calculated that it is worth paying \$1 billion just to deny Facebook and Apple a chance of making up a little ground. But what else has it bought? Smartphones on which Waze's app is open are tracked automatically. They contribute to an ever-changing map that shows drivers the best way to beat the traffic on the way to work or home. Drivers can also choose to report jams, as well as accidents, roadworks, speed traps and petrol prices. Thousands have also edited Waze's maps. Waze users' data, if eventually built into Google's maps, should give a timelier, fuller picture of conditions on the roads.

Waze became a big hit in its homeland: "almost 100% penetration" among smartphone-owning drivers, says Yahal Zilka of Magma Venture Partners, an Israeli venture-capital firm which led the first round of investment in Waze in 2008. It now boasts almost 50m users in more than 100 countries, up from 20m less than a year ago and 36m at the end of 2012. The average distance per user, Mr Zilka says, has been growing month by month, suggesting that people are using it for daily commuting rather than for unfamiliar journeys. Onavo, another Israeli start-up, which gathers market intelligence from mobile devices, says the Waze app was opened by 6.3% of American iPhone users in April. (Google's maps app scored 31.9%.)

Last November Waze began selling local advertising. In theory, this is a fine way to make money from maps. In practice, internet companies, including Google, have found it hard. Drivers may be shown a Wazers-only offer from their local petrol station or an ad tempting them to stop at Dunkin' Donuts. For better or worse, a paper map was never so distracting.

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