

Daratech GIS/Geospatial Industry Research

Daratech's research confirms the growth and evolution of the GIS/Geospatial industry. The industry's markets and opportunities are expanding with both new buyers and sellers in the market, led at the moment by Internet search and data providers. The public imagination has been sparked by the availability of web mapping tools and the ubiquity of GPS and LBS systems.

Although the three largest players, ESRI, Intergraph and Bentley, together account for nearly half of the total software revenue, there are roughly 20 companies that each account for more than one percent of total annual software revenues. In fact, new buyers and sellers have increasingly contributed to 80% of the market's total in 2004.

The GIS core business concentrated in three categories in 2004: market leaders; large companies acquiring or developing small GIS businesses; and specialised software companies, by far the largest in terms of number of entrants. Both existing and new players are using GIS/Geospatial technology, initiating profitable growth in new markets and application areas. Market growth has been driven by the increased availability of public and private data, which has benefited users with new applications at low incremental cost. The availability of services, applications, multimedia technology, database systems and mass-market user interfaces has increased the demand for integration services to further the growth of the GIS/Geospatial industry.

Customers are expecting more from their vendors, especially from market leaders such as Intergraph and ESRI, who account for the majority of the industry's software revenue. The industry is finding partnerships between generalist suppliers and GIS/Geospatial vendors beneficial to the market growth, as Geospatial technologies are complementing the systems integration activities of hardware and infrastructure suppliers. Hardware innovation is a new direction that the industry is continuing to undertake, where GPS technology, handheld computers and GIS software are integrated to provide up-to-the-minute data from enterprise databases for field-based personnel. This technology specialisation enhances mission-critical decisions during emergency situations.

Undoubtedly, GIS/Geospatial technologies are increasingly establishing a solid network of information throughout the Internet, taking advantage of the Internet revolution by launching web sites and corporate-wide intranets. The only challenge is to determine what information will be disclosed, to whom the information will be made available, how the information will be displayed to specific users and how data will be protected. GIS software developments have undergone rapid measures to web-enable their offerings.

With the significant effect of technological innovation and marketplace change, the GIS/Geospatial industry continues to integrate and interoperate among its developing technologies and database management systems, ERP, SCM and IT infrastructure enterprises. GIS/Geospatial technology is spreading into entirely new markets and there appears to be ample opportunity for strong growth for existing and new players.

Daratech's report, GIS/Geospatial Markets & Opportunities 2006, is available as an annual online subscription for \$6997.