The impact of data on ICT business models

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The evolution of ICT business models and a data-driven economy

Source: ITU (2014) and own estimates
The evolution of ICT business models and a data-driven economy

**Phase 1**
- Reach is still limited
- Business models largely replicate brick and mortar models
- Early steps in online advertising

**Phase 2**

**Phase 3**

**Phase 4**

**Commercialisation Phase**
- Reach is still limited
- Business models largely replicate brick and mortar models
- Early steps in online advertising

Source: ITU (2014) and own estimates
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Phase 1

Phase 2

Phase 3

Phase 4

‘Seek and Find’ Phase

- Reach grows rapidly
- Business models around search emerge
- Many other business models are tried out

Source: ITU (2014) and own estimates
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Phase 1
Phase 2
Phase 3
Phase 4

‘Always On’ Phase
- Broadband and flatrates appear
- Business models around data emerge e.g. VoIP, P2P

Source: ITU (2014) and own estimates
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Phase 1

Phase 2

Phase 3

‘On Everywhere’ Phase

- Devices enable access everywhere and always
- Data drive business models
- Online advertising surges

Source: ITU (2014) and own estimates
The Data Value Circle

3 major findings:

• Data have economic impact across all sectors

• Data-driven economy characterised by two-sided markets

• Unclear who will gain most power in the near future
ICT business model analysis

5 value propositions:

• Mobile ecosystems
• Connectivity
• Cloud / CDNs
• Video streaming
• Targeted Online Advertising
ICT business models - major findings

- Everyone seeks control over the full data value circle
- Partnerships can be a powerful alternative to entering other parts oneself
- Data are the oil of the 21st century – every drop counts!
- Data know no borders
Everyone seeks control over the full data value circle

- Extending to other parts of the Data Value Circle increases actor’s influence

- Extending to other parts of the Data Value Circle gives access to more data

- Increase in online advertising may be a challenge for other media sectors

- Policy-makers need to closely monitor this development
Partnerships can be a powerful alternative to entering other parts oneself

- Partnerships can enable win-win situations (also for consumers)

- Partnerships can enable a strong impact on competition

- Issues of net neutrality need to be addressed

- Lock-in effects may impede competition
Data are the oil of the 21st century – every drop counts!

- With data across all devices even anonymous data can be personalised
- On the other hand, a paradigm shift to data prosperity may be beneficial
- What do consumers understand about this?
  - Implications of the „right to be forgotten“ for the data-driven economy
- How can network operators join the oil hunt?
Data know no borders

- All the issues mentioned so far have to be addressed globally not locally
- Consumers face barriers in terms of language and dispute resolution
- General terms and conditions often conflict with national laws
  - Who would be in a position to develop international guidelines, rules, etc.?
  - Who would be in a position to enforce them?
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