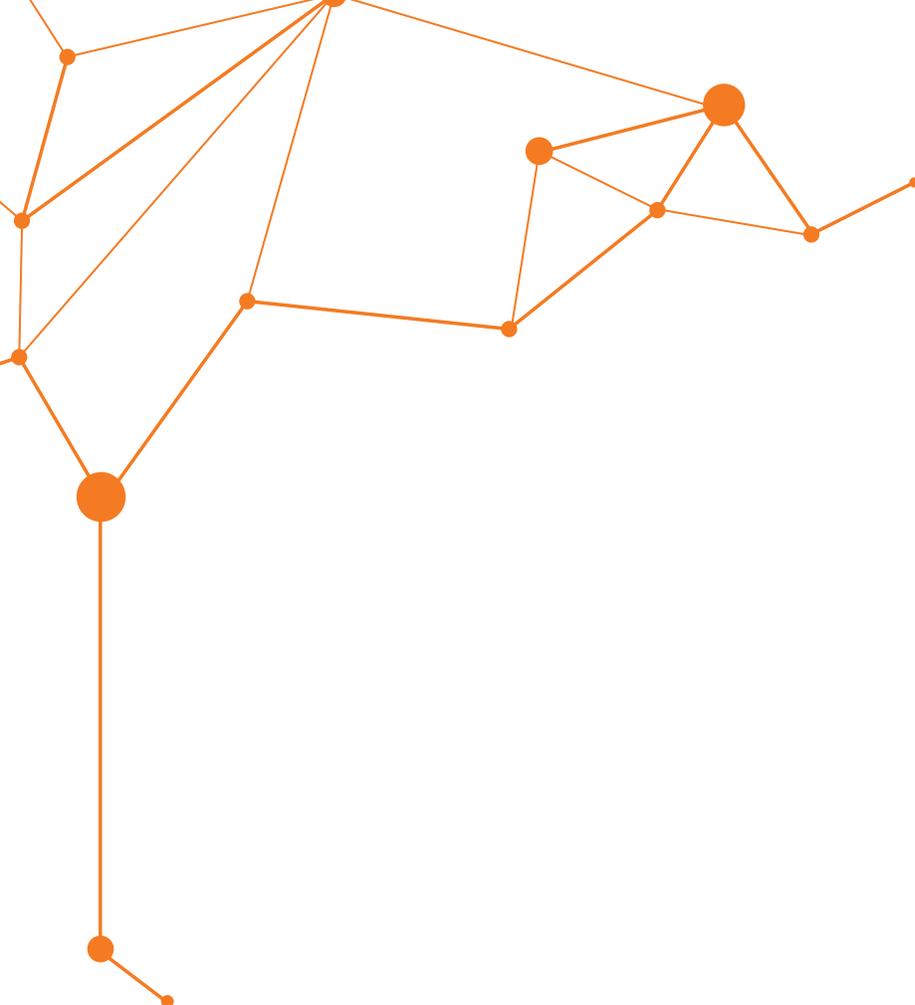# WHAT IS THE VALUE OF SELFDATA FOR ORGANIZATIONS ?

→ **SELF DATA - ECONOMIC CHALLENGE** ←

WHAT IS THE VALUE OF SELF DATA FOR ORGANIZATIONS

→ **SELF DATA - ECONOMIC CHALLENGE** ←

"What would happen in the future if organizations shared the personal data they own with the individuals they relate to, so that they can make use of the data for what is meaningful to them? What uses, what knowledge, what services, and also what risks could emerge if individuals had access to, not only to the control of, but to the use of these data pertaining to their finances, purchases, travel, communication and online relationships, web browsing, energy consumption, etc.?".[01]

We call this scenario "Self Data": the collection, use and sharing of personal data by and for individuals, under their complete control and designed to fulfill their own needs and aspirations.

This booklet in english gathers some of our material published in French :
- A review of services and their business models
- A summary of the impact Self Data can have on the business models of organizations

The full version is published (in French) and can be downloaded here :
http://mesinfos.fing.org/productions/

Fing

MES INFOS

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01. *Self Data notebook, Fing, May 2015*

Marine Albarède • Louis-David Benyayer • Manon Molins

3 **ECONOMIC** CHALLENGE

1 UNDERSTANDABILITY CHALLENGE

5 LEGAL CHALLENGE

4 TECHNICAL CHALLENGE

2 EMPOWERMENT CHALLENGE

INTRODUCTION

Following the first two editions of the exploration study by MesInfos (in 2013 and 2015), Fing and Without Model undertook a specific investigation into the challenges of Self data, namely the economic challenge.
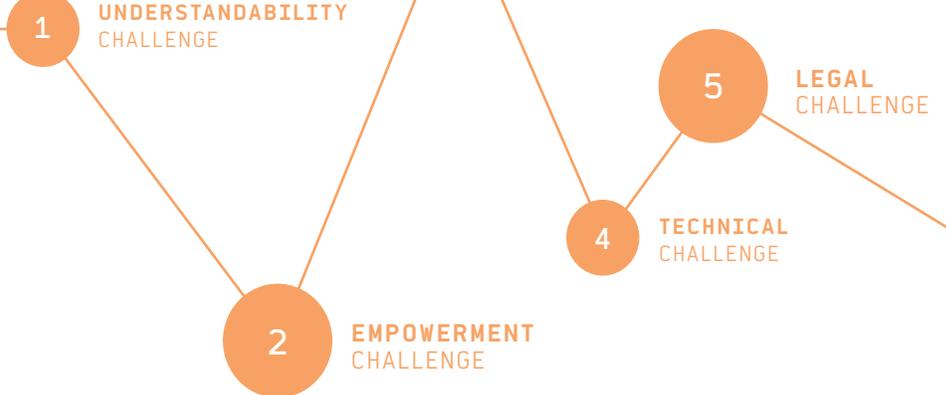
At the heart of the economic challenge lies the very salient question of what incentive would lead organizations to return data to users.

→ What value can returning personal data have for the owners of this data? Under what conditions ?

→ How can this return of data foster current or future business models for data owners ?

The ecosystem of third-party services and platforms based on personal data is similarly very little developed and the models remain a work in progress.

→ What are the development conditions for the Self data services ecosystem ?

→ What business models will exist for these platforms and services ?

In order to realize the return of personal data to individuals, our hypothesis is on the one hand that the organizations that own them see an economic interest in doing so and on the other hand that a services ecosystem exists.

We believe that it is by experimentation that we will be able to demonstrate the viability of the Self data revenue models, their durability and their fair distribution of value.

WHAT VALUE CAN RETURNING PERSONAL DATA HAVE FOR THE OWNERS OF THIS DATA? (EXECUTIVE SUMMARY)

The mapping boundaries

For a number of years now we have seen the proliferation of personalized services, that mobilize the personalized data of individuals so as to offer them usage value such as managing and organizing daily tasks, getting to know yourself better, controlling identities and footprints, making better decisions... Services that are sometimes still looking for their revenue model, positioning themselves more or less on the adage "you are not the product". They refuse to resell the data of their users to third parties - as the GAFA (Google-Apple-Facebook-Amazon) currently do in a very lucrative way - or offer targeted advertising. But are their revenue models actually durable and balanced?
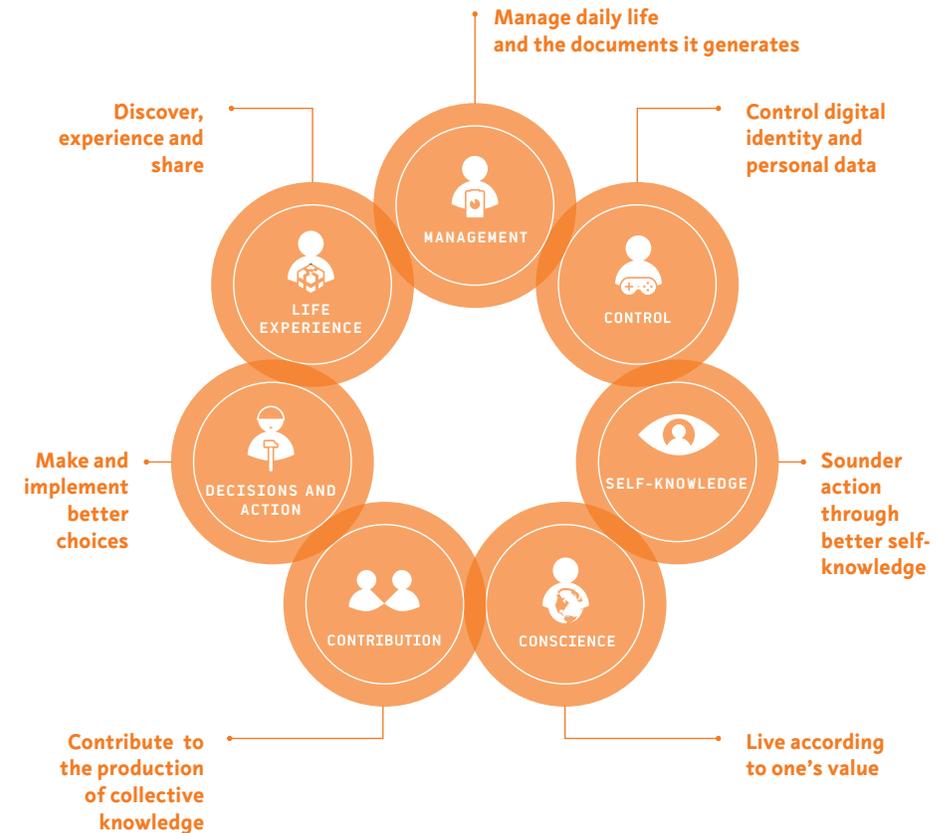
In order to better understand the current services ecosystem that is today mobilizing the personal data of individuals, an initial mapping of the revenue models of these services was carried out. We analyzed around forty of these models to determine their value propositions (for their users), their revenue models and their positions on the value chain.

These examples do not claim to comprehensively represent the services ecosystem. In fact, the ecosystem is still emerging and some of the services identified were not able to be included in the mapping as they didn't actually have a stabilized business model.

This mapping provides an initial analysis of an area that is still in development, especially with regard to its systemic impacts. It also enables us to understand how the business models of service providers can be compatible with those of the data owners and the alliances to be formed.

1 | WHAT SERVICES FOR WHAT USES?

What can you do with your data? The outcome[01] from the work on the MesInfos project resulted in making the distinction between the main usage types offered by services to individuals based on their data.

- Manage daily life and the documents it generates — MANAGEMENT
- Control digital identity and personal data — CONTROL
- Discover, experience and share — LIFE EXPERIENCE
- Sounder action through better self-knowledge — SELF-KNOWLEDGE
- Make and implement better choices — DECISIONS AND ACTION
- Live according to one's value — CONSCIENCE
- Contribute to the production of collective knowledge — CONTRIBUTION

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01. *Self Data notebook, Fing, May 2015*

Management

"I can access my documents, invoices, contracts, insurance, records at any time and from any place...I use them, for example to provide proof of purchase, demonstrate a right, or quite simply to make my daily life easier."

Self-knowledge

"I visualize my travel, my consumption, my skills, my health indicators in an understandable (even fun) way...I can also measure my sleep, my physical activity, my concentration. This information produce dashboards and all kinds of presentations to help me know myself better, to situate myself or measure my performance or my progress toward a goal."

Decisions et action

"I compare offers, figure out incomprehensible rates, I express my purchase intentions and invite sellers to respond, I post my own requests for proposals...I am in command of the relationship."

Control

"I want to know who knows what about me, who has access to my data and who does what with it. I also want to switch between my different identities in a simple and secure manner, demonstrate that I have rights without having to reveal who I am, not have to re-enter the same information for the thousandth time."

Contribution

"I share some of my data, anonymously, to contribute to a health study, public transport, consumption habits..."

patientslikeme®

Life experience

"Surprise me, make me experience new things thanks to my data! I want to be surprised, discover new places, new people, have fun, be moved, learn without realizing..."

saveup   **Digi-Me**

Conscience

"I measure my carbon footprint and access tools and advice to reduce it. I analyze my shopping list to buy more organic or more fair-trade products. I can more closely align my practices and consumption with my values without having to spend too much time on it."

OPOWER

2 | SYMBOLIC CONFIGURATIONS OF BUSINESS MODELS

Models are not exclusive, some companies even cumulate several or switch from one model to another over time.

| Infomediary | Platform | Freemium | Two-sided | Commission | Hydrid |

Infomediary

An intermediary collects personal data from individuals and then resells them to companies for analytical purposes.

We excluded Databrokers Infomediaries (like Datacoup) from this typology, the kind which enable individuals to amass and then sell their personal data. In our view they don't fit within the boundaries of Self data. By selling their data, the consumer is fooled in the deal[01]

These services that are free to individuals are funded by the sale to organizations of studies and analyses derived from the aggregated and anonymous data of their users.

The monetization of these studies and analyses must be sufficiently significant and recurring to be able to fund the costs of making a service available to individuals.

Infomediaries can position themselves, not as sellers of anonymized data, but as technical intermediaries between organizations and individuals. In this case, it's the technical solution (platform...) that is sold to organizations (ex: Sanoia).

patientslikeme®   **Sanoïa**   **umanlife**

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01. *Income that individuals gain from the sale of their data doesn't exceed a handful of Euros. The personalized advertising market is much larger than that of the resale of personal data. This asymmetrical nature remains in full, to the disadvantage of the individual.*

Platform

An infomediary is positioned between individuals who make their data available and developers who offer applications (including some paid) which mobilize the client data. The value is shared between the platform and the developers.

The platform therefore undertakes series of actions which are designed to generate and grow the platform's activity both for users and developers, including communication, provision of a development kit, technical verification of applications which are created by the developers, developer support. These activities can represent significant operational costs.

For this model to work, the data and client volume must be high enough so that the developers also get a sufficient share of the transactions to be manipulated in order to build services that will be considered useful by clients and also a large enough audience to hopefully be able to monetize their application.

When the platforms are the initiative of data owners (Banks for example), the platform's value is mainly in strengthening the activities of the owner, rather than the platform's direct economy. Strengthening the connection with the client with regard to the main activities is more important than receiving a commission on the transactions made by developers of activities.

Freemium

Individuals provide their data and receive a free analysis service. Extended paid functionalities are offered.

As in the platform model, the ability to gather a high volume of users is a determining factor. Given that only a small fraction of users (between 1% and 15% use freemium models) will subscribe to the paid options, the user base must be significant enough so that this part is sufficiently large to support the infrastructure costs required to service all the users.

In order to facilitate gathering a large number of user, some use companies to connect with individuals (BtoBtoC), for example by allowing them to make the specific service available to its employees.

Two-sided

In this model, one side is made up of individuals who benefit from the service and on the other by companies that pay for services initiated by individual usage. This is this model used by search engines and social networks that make their service freely available to individuals and then sell targeted advertising to advertisers, that is displayed to individuals when they use the service.

In the Self data case, some operators make their service freely available to individuals and generates revenue from players who sell services to these users. This is true for example in the case of Cozy Cloud which provides its personal data hosting service for free and generates revenue from a hosting platform that sells storage solutions to individuals.

Commission / Business referral

Some services enable individuals to analyze their personal data for free as well as to change supplier or contract after analysis of their data.

The costs associated with making a service available to individuals and the costs of its use are in this case financed by commissions received by the service providers when they sell new contracts or acquire new clients.

For example, if an individual changes energy provider after analyzing their consumption thanks to Cheap Energy Club, the energy supplier will pay a business referral commission to Cheap Energy Club.

Hybride (communauté / services)

This is a traditional open source software model. Use of the software is free, the community can enrich it and the company sells services associated with the software such as installation, training, maintenance or specific developments.

CASE STUDY

3 | SIX SERVICES TO GAIN UNDERSTANDING

The revenue models of services are closely linked to their value propositions. "Commission" type services are often "switching" services in the "decisions and action" usage area, freemium models are more likely to be found in management services. Let's take a closer look at six services to understand their value propositions and their revenue models.

cozy.io

COZY CLOUD

"Store, sync, and share your data just the way you want it"

→ **Project owner(s) :** Cozy Cloud SAS, France.

→ **Data used :** Various (photos, diary, contacts, etc.)

→ **Description :** Cozy Cloud offers a "Personal Cloud" platform. Each person can have a "Cozy", which is a personalized server with their database. This can be hosted by a provider or yourself, using a Raspberry Pi 2 for example. Either way, your personal space is accessed via your personal domain name or via a sub-domain using the surname-firstname.cozycloud.cc model. You can then store your data, and install internal applications which will not only allow files to be managed and synchronized (invoices, documents, music, etc.) but also your photos, your contacts, your calendar as well as third party applications that offer services based on the cross-referencing of these data.

→ **Revenue model :** Cozy's revenue model is in development, but many financing measures can already be noted :

1. Hosting providers will commercialize dedicated servers operated in collaboration with Cozy Cloud. Cozy Cloud is remunerated for these services using a price defined "by user/by month".

2. On the Cozy platforms of individuals, big partners are funding Cozy Cloud to develop/install services that mobilize their source data.

 Two-sided

 Hybrid

 Platform

→ **Usage area :**

 Management

16

17

MYPERMISSIONS

"Protect your information online"

→ **Project owner(s) :** Online Permissions Technologies Ltd, Israel.

→ **Data Used :** Browsing

→ **Description :** MyPermissions enables all authorizations granted to applications on social media to be generated quickly and easily. The user provides an email address as an identifier, clicks on the logo of the service to "clean" and deletes all the authorizations that they often "agree" with in one simple click without checking their integrity.

→ **Revenue model :** MyPermissions is based on a traditional freemium offer but one that is aimed at companies. In fact the service remains free for individuals, but the sites and applications must comply with privacy standards in order to receive a "MyPermissions" certification which will give them an important guarantee in terms of gaining the trust of their users. The price of the latter does however vary depending on the number of active users of the service requesting certifications.

🎁 Freemium (BtoCtoB)

→ **Usage area :**

👤 Control

mypermissions.org

DIGI.ME

"Unlock the power of personal data".

→ **Project owner(s) :** digi.me Limited, United Kingdom.

→ **Data Used :** Social networks.

→ **Usage area:**

👁 Self-knowledge

👤 Life experience

digi.me

→ **Description :** Digi.me organizes multiple social media data to create a journal, an active memory, which is automatically updated. Finding a particular moment in your life becomes much easier thanks to an integrated search engine and calendar. Digi.me makes a copy of everything that an individual may post on social networks (contributions, share, photos) as well as a copy of their list of connections. This copy is stored in a personalized library, then transformed into a history for which the individual has ownership, control and modification rights. In the future, Digi.me will allow health, well-being, shopping, financial and other data to be added in order to give the user a comprehensive picture.

→ **Revenue Model :** Digi.me is based on a freemium model aimed at individuals. The free service is limited to data sourced from four accounts. Beyond this functionality and also to access the search engine and analyses, visualizations, etc., the user has to pay. Digi.me also offers a paid version for companies.

In the future, Digi.me's revenue model should more toward a platform model. This will mean than organisations will pay Digi.me - under the control of the individual and for their benefit - to access the data of users.

🎁 Freemium (BtoC)
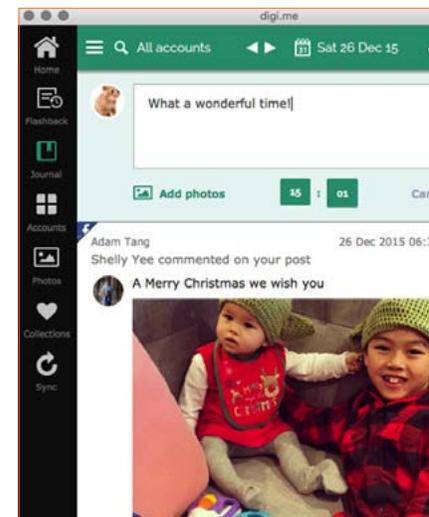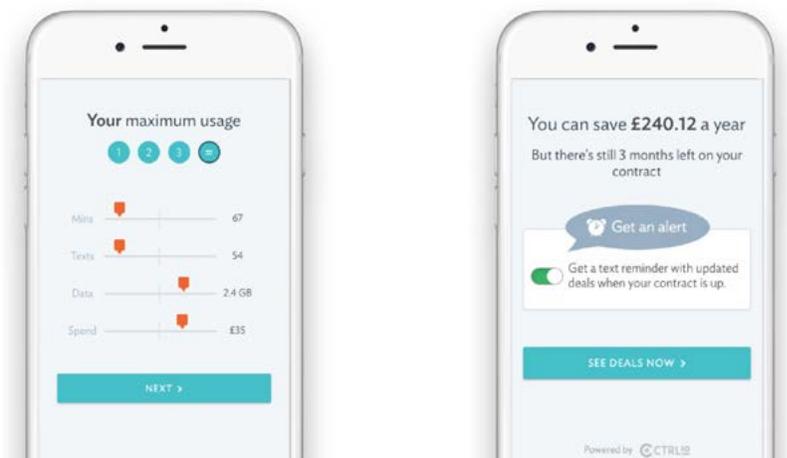
ctrlio.com

CTRLIO

"Revolutionise money saving"

→ **Project owner(s) :** Ctrlio, United Kingdom.

→ **Data used :** Phone bills.

→ **Description :** CTRlio helps its users to obtain better offers on their mobile phone purchases thanks to their personal data. Prospective buyers go to the price comparison site, choose a phone model and then click on the CTRlio "find my deal" button to improve the comparison system. This is therefore done in a more personal way:

1. After providing the name of your phone provider, CTRlio helps the individual to connect to their client portal to download their last three bills.

2. CTRlio calculates the average usage and monthly spend.

3. It is then possible to share this information with the comparator, who will then suggest personalized offers based on this average.

→ **Revenue model :** CTRlio generates revenue on commissions. The service takes a commission financed by the phone operators when individuals sign up to a new contract with them based on CTRlio's recommendations.

 Commission / Business referral

→ **Usage area :**

 Decisions and Action

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sanoia.com

SANOIA

"Your free and anonymous health record"

→ **Project owner(s) :** Association AIMSU, France.

→ **Data used :** Health data

→ **Description :** Sanoïa is a platform dedicated to individuals and patients for the self-monitoring of their chronic illness. This is a free and secure service to monitor your health, store your key data and contribute to medical research.

Natively anonymous data that individuals provide on their Sanoïa file can be used to generate statistical analyses ("Sanoïa Personalized" version) to improve knowledge on the changes in their illness and the effects of treatments. The objective of these treatment statistics is exclusively for medical research purposes, to improve the treatment of the illness.

→ **Revenue model :** Based on a BtoB model Sanoïa offers personalized solutions to research sponsors ("Sanoïa e-cohort" and "Sanoïa Research" versions).

 Infomediary ; BtoB

→ **Usage area :**

 Management

 Contribution

UMANLIFE

"Manage your Life"

→ **Project owner(s):** Umanlife SAS, France

→ **Data used :** Health and well-being data (connected objects etc.)

→ **Usage area :**

 Self-knowledge

→ **Description :** Umanlife uses connected objects to enable individuals to better understand and manage their well-being. The data are combined and presented in a dashboard to encourage the user to improve their health and well-being by suggesting personal goals as well as providing advice and recommendations.

→ **Revenue model :** Umanlife used a BtoBtoC model. The cost is firstly supported by individuals as the health record and calendar offered to individuals are free, but the thematic models that are used with the platform are paid, their cost is regressive and is between 0.33 and 0.49 Euros/month. Umanlife is also financed by partner companies (insurance companies,...) by offering them the platform as a white label [as Opower does with energy data in the United States for energy providers] or as an "infomediary" by providing reporting based on the aggregate and anonymous data of its users.
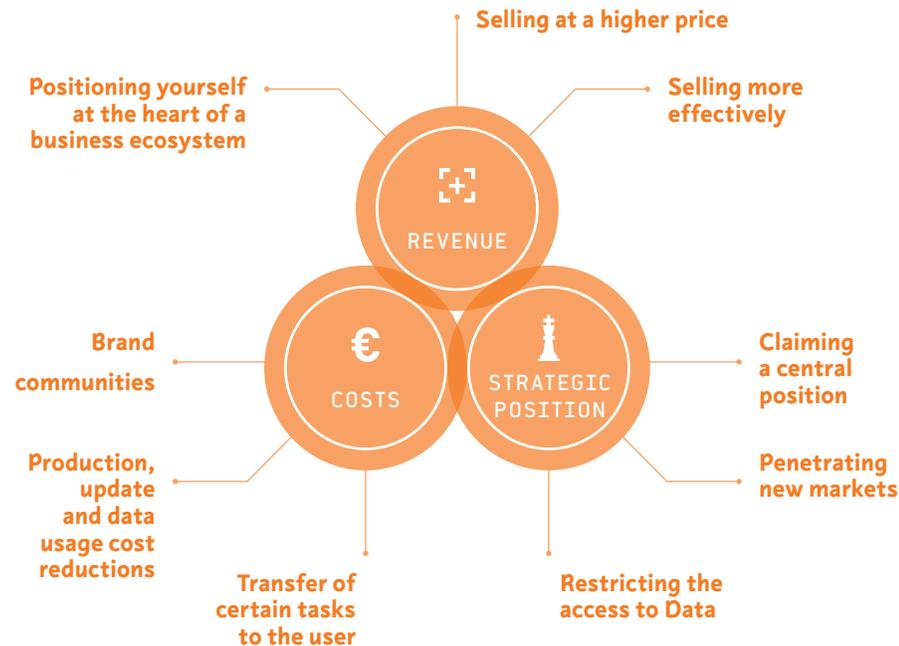
Infomediary ; BtoB

Freemium (BtoC et BtoCtoB)

Platform

fr.unmanlife.com
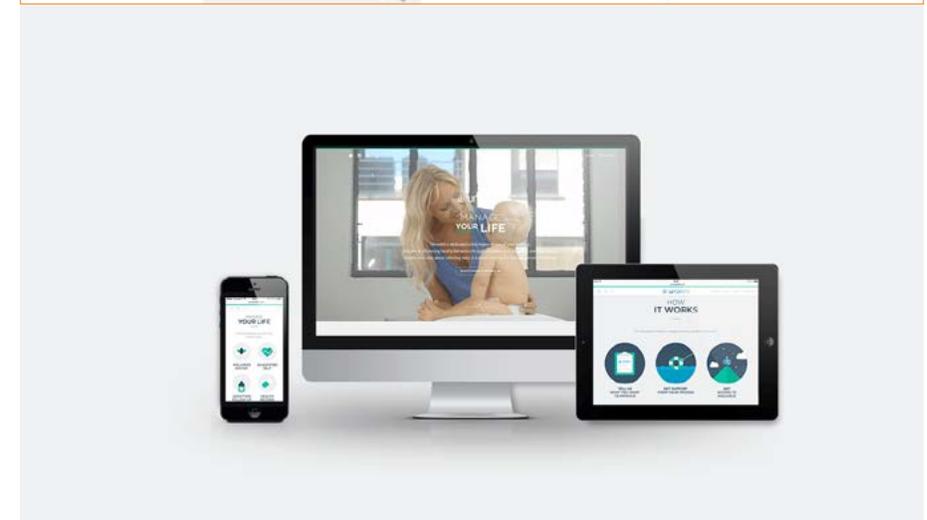
4 | THREE IMPACTS ON THE BUSINESS MODELS OF DATA OWNERS

Self data can have 3 theoretical impacts on the business models of owners. Impact on revenue, on costs and in terms of strategic position.

Selling at a higher price

Positioning yourself at the heart of a business ecosystem

Selling more effectively

REVENUE

Brand communities

€ COSTS

STRATEGIC POSITION

Claiming a central position

Production, update and data usage cost reductions

Penetrating new markets

Transfer of certain tasks to the user

Restricting the access to Data

Growing revenue

Returning data to users will enable them to more easily indicate the products or services that they desire, which is a way of selling more effectively, synchronizing supply and demand ("intentcasting"), but also to improve the marketing cost/benefit outcome by obtaining more information, more easily. This can be an opportunity to sell at a higher price, if the good or service offered responds particularly well to the expectations of the individual, if they are being offered especially well personalized recommendations ("Hyperpersonalization") Finally, positioning yourself at the heart of a business ecosystem with a platform model could contribute to building additional revenue flows in terms of the sale of the product or service base model.

Reducing costs

Marketing data loses its value very quickly nowadays, in particular because an individual has no incentive to update their data. When the user now sees value in something, they can authorize their suppliers to subscribe to its regular updates, which would result in production, update and data usage cost reductions.

Similarly, returning data could have an indirect effect on cost reduction because it could encourage the transfer of certain tasks to the user (for example, the co-design of new services) or networking with brand communities.

Gaining a strategic position

By returning data to users, an owner can claim a central position in the competitive ecosystem. Either because they bring additional value compared to that of its known or emerging competitors, or because they position themselves in the middle of transactions between the users and the service and solution provider ecosystem.

In this way, the return of data could be seen as a way of promoting client loyalty when compared to other players who may have a completely opposite policy in terms of personal data.

NEXT STEPS

This work on the economic challenges of Self data, especially with regard to its value for owners, is done for 2015. But that doesn't mean that it is stopping!

In 2016, Fing and several other partners are launching an open and initial "MesInfos Pilot"; made up of large organizations (banks, insurance companies, telecoms, energy…) willing to open up the possibilities of Self Data to their clients. Over the long term, they will return personal data to a certain number of their clients so that these clients can do with them whatever is meaningful to them.

In order to do so they will have access to personalized data platforms and various services which for the most part are not yet invented. The pilot will at first be based on the French personal cloud start-up Cozy Cloud. Each individual testing the service will have their own Cozy platform of secure personalized data through which they can consult and use their data thanks to third party services. One of the pilot's objectives is also that in the medium term other platforms will join to play this role.

The MesInfos pilot is a true playground to create and experiment with new services and new uses, new business models, even new ways for organizations to communicate with their clients. This is the time for public and private organizations to get on board and really experience the economic value of Self data.

Fondation Internet Nouvelle Génération

Fing is a nonprofit independent foresight research organization based in Paris, France. Fing discovers, creates and shares novel and practical ideas that anticipate digital transformations.

Since 2000, Fing has been helping private businesses, public sector institutions and local communities to open up their innovation processes and anticipate changes inspired by technology and its uses.

www.fing.org

Without Model

Created in 2012, Without Model is a do tank which gathers researchers and professionals to build innovative and responsible economic models revisiting the creation and the distribution of value.

For that purpose, Without Model builds and leads communities of researchers, marketers, entrepreneurs and designers coming from SME as well as from big groups.

www.withoutmodel.com

mesinfos.fing.org

Project partners 2015 MesInfos

Associated partners

with the support of FING's major partners

What value can returning personal data have for the owners of this data? Under what conditions ?