



Estudio de caracterización del Sector Infomediario en España

**PARTE II. REUTILIZACIÓN DE
INFORMACION DEL SECTOR
PRIVADO**

**Edición
2014**



**Characterization Study of the Infomediary Sector.
Part II. Infomediary Private Analysis.
Executive Summary**

Characterization Study of the Private Infomediary Sector 2014 Executive Summary

National Observatory of Telecommunications and the Information Society (ONTSI)

Public Corporate Entity Red.es

The State Secretary of Telecommunications and the Information Society The Ministry of
Industry, Energy and Tourism

www.ontsi.red.es

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1 Executive summary

This study was born of the need to evaluate the impact of information reuse in the private sector as well as in the infomediary sector in general. The report arises out of the framework of a sector that is still in the process of defining itself, establishing the profile of the activities that can be characterized as information reuse/reutilization and that are being ever further integrated into the world of intermediary enterprises.

In addition, the private sector's information reutilization arises from research on the impact of information reuse in the public sector, something which supposes the need to identify the value and impact generated by both types of data (public and private).

All of this involves defining and determining the range of the different kinds of reused private information - which is tackled in this study - as well as characterizing some infomediary activities that reuse private sector information, with the objective of determining if substantial differences exist between them.

The study is divided into two large sections. The first deals with the identification and definition of private sector information. The second characterizes infomediary activities that reuse private sector information.

The methodology used in carrying out this study has been eminently qualitative, based in the analysis of documentary sources and interviews with associations and businesses in the sector.

1.1 Characterization of private sector information

In what follows, a summary is provided of the main characteristics of private sector information in the sense of the term used in this study.

What is private sector information?

- When we speak of the reutilization (or reuse) of private sector information, data and information of a personal character is expressly excluded. (This is common when public as well as private sector information is reused.)
- In so far as the source or origin of the public or private information that is reused is not always identical to the organization that has custody over it, it is necessary to conclude that **the determination of whether the data is public or private depends, in general, on the public or private character of the organization that owns, exercises custody over or has control of said data.** This organization is not always the same as that which generated the data. For this reason, private sector information is all the information that is the property of, under the custody of or is kept by the private sector.

Types of private information

- The principal source of private information is comprised by **data and information generated by businesses when carrying out their activity. This information, also called corporate or commercial, constitutes a business asset** and comes from different objectives than those to which it can be applied in reutilization processes. An example of corporate information is a business's client or supplier lists, but also the information concerning those clients' purchases, manufacturing processes or any other

information that, in combination with other public or private data, could generate value-added products in the market.

- Also included in the definition of private sector information is **that which is linked to information reutilization associations and businesses**, reused by a large number of businesses in the infomediary sector. In these cases, in contrast with corporate information, **it is generated with the aim of being consumed as an independent product**. Certain organizations, like AIMC, generate information that is of interest to their associates (The General Mass Media Survey) and make it available to said associates and/or third parties for its reuse. In the case of businesses that reuse data, they generate data and information on the basis of public and private sources that other businesses reuse in their processes of value-added infomediary service production. In this way, infomediary businesses act as data brokers for other infomediary businesses.
- In the field of private sector information there is another category of **information generated by businesses or individuals on the Internet that is publicly accessible**. This kind of information is not generated with the purpose of being reused, but the enormous quantity of data generated on a daily basis is reutilized and is the focus of new products and services associated with the analysis of market trends and Internet active listening, competitive intelligence, etc.

Trends

- There is a trend of thought that considers the socio-economic impact of open data to be positive given that it not only encourages freeing up public data but also **freeing up business corporate data as a way to promote economic growth** and the development of new products and services. These trends are linked to the idea of corporate social responsibility and concepts such as data philanthropy.
- The large quantity of data generated in the private sector through activities connected with the Internet - whether they be open and therefore publicly accessible or for private use by those who generated it - is linked to an overarching concept called **“big data” or macro data, though it is not associated exclusively with private sector data in so far as it may be of public origin**. In this sense, the data that could be generated by smart cities, the consumption of public services or anything else connected with the Internet, for example, could be considered as macro data, whether from the private or the public sector.

The weight of private information reuse

- The survey carried out with infomediary businesses for the public sector information reutilization study in 2014 concluded that **72% of infomediary businesses reuse public as well as private information**.
- The 13% of businesses that affirm that they only reuse data from the private sector are those that reuse information provided by other reusing companies, who may have reused public information. For this reason they are probably indirect reusers of public sector information.
- **36% of businesses that reuse data obtain them from private sources and websites**.
- Concerning the value of private sector information for infomediary activity, businesses indicate that **57% of its value is directly linked to reusing private sector information** while 43% is linked to reusing public sector information.

Using private sector information

- This is **publicly accessible information** generated by the private sector, linked to Internet presence and social networks, that is reused by **67% of businesses**.
- **Corporate or commercial information** owned by businesses and not publicly available is reused by **49% of businesses**.
- **Information of companies that reuse data** is, in its turn, reused by **44% of businesses in this sector**.
- **Information by associations** and other private organizations that generate data and information with the purpose of making it available for third parties is reused by more than **20% of businesses**.

The use of these kinds of information is not exclusive. **Businesses reuse more than one kind of information.**

1.2 Characterization of private infomediary activity

In what follows, the main conclusions related to the analyzed infomediary activities will be presented.

Market studies sector

- The products that characterize this sector are: **direct marketing, digital marketing, market analysis** (including competitive intelligence products) and **advertising and communication** services.
- These businesses **offer value-added services** based on data and information **intended for corporate decision-making**.
- They use data concerning socio-economics, consumer habits, commercial information, both from public as well as private sources. In the case of private sources, they reuse all the kinds of information identified in this report.
- The Internet has been a motor for the development of **new services, such as retargeting, active listening on social networks, brand-name reputation analysis, competitive intelligence, etc.**
- Certain innovative elements and techniques have appeared in this sector, such as the use of Internet access private data treatment tools such as **spider bots – web crawling –, robotic systems, collective intelligence, etc.**
- With respect to clients, the most common payment model is **pay-per-service or pay-per-task**. There are other models associated with **annual or monthly subscriptions** to certain services which could refer to web access (with a username and password) or the use of access or Internet data analysis tools.
- All the businesses in the field of market analysis have indicated that they expect **a positive upturn in their activity in 2015**. This improvement is due to the fact that the corporate decision-making process is more rationalized than ever before, which allows for predicting a demand in growth.

The economic financial sector

- This comprises three different areas of activity: **businesses that offer commercial risk and solvency information, businesses that offer general financial information and those dedicated to managing debtor's lists.**
- These reuse data to develop **financial and/or risk analyses on businesses**, the stock market, investments or the evolution of different aspects of the economy, all of this **based on statistical models** that determine the probability that a situation or behavior may occur in the future.
- In general, the objective of these businesses is to facilitate **the economic, financial and informed corporate decision-making process.**
- Businesses in this sector usually pay for the information that they reuse whether it is public or private in origin.
- Concerning their business model, as well as using the **pay-per-use, per-access or per-task models**, there are also frequent mentions of **linear or type subscriptions** that allow for access to higher level cascade value-added content or services. The use of **discount coupons** is also quite common. This model is quite common in large businesses that offer data services on companies and professionals.
- Over the last five years, demand has contracted considerably due to the economic crisis and the reduction of business and personal loans. Nonetheless, all the participating **businesses have observed an upturn in 2014 and the expectations for 2015 are rather more optimistic** than in previous years.

Other sectors

- The **directory** businesses that were consulted in the survey dedicate themselves to offering information over the phone on businesses and individuals. They base their information in the **Subscriber Management System of the CNMC** as well as in the data provided by the subscribers themselves for advertising purposes. In this case, the business model is **mobile operator charges**, based in the queries that subscribers make to each company.
- Businesses that create enquiry data bases are very diverse. Some offer information services on commercial risk as well as information on businesses of various types. Others are dedicated to **making data bases with the aim of carrying out direct marketing campaigns**. These reuse information of other businesses and professional associations that, in their turn, have reused information.
- **Price comparison businesses** reuse data and information of the suppliers of the products that are being compared, as well as certain public data sources that compare energy and gasoline prices. The income models are based in a stable relation with the product and service providers, which means **charging a commission per-sale realized through the comparison platforms**. They also obtain an **intangible asset** here: **the data derived from the record compiled on the people who use the service**, an asset that can be reused. The demand for price comparisons **has grown in Spain in recent years, though important steps still need to be taken**, especially if we take into account other European markets.
- Businesses dedicated to **statistical data brokerage** use private sector information to a lesser extent than they use public sector information. Their business model is that of **pay-per-task**.

Infomediary activity drivers

- For the infomediary sector that reuses private information, **the Internet is the indispensable environment in which they usually carry out their activity.**
- **The Internet has led to greater efficiency and quality** in the development of traditional products, allowing faster access to more and better data and information.
- It has also had an impact in the processes of production in so far as **it has changed the way things are done**, facilitating, for example, the outsourcing of content generation, something that not only affects the infomediary sector but industry in general.
- Access to Internet services on all types of devices has allowed for the development of **new products and services based on macro data.**
- A large part of the reused private information is generated on the basis of public sector information, which implies that **an increase in available public sector information would lead to a growth in the supply of private information**, as well as the **development of new products and services.**

Obstacles to activity growth

- The businesses consulted speak of **low quality data** and inaccuracy in the generation of public and private data as **an obstacle to the reliability of infomediary activity** in general.
- They also speak of **infiltration** and some businesses' **breach of basic norms** related to Internet presence and electronic commerce, something which requires greater surveillance.
- Occasionally, mention was made of the possible stumbling block that could arise for some services and activities due to the new Intellectual Property Law, essentially related to the application of the so-called **Google Tax or AEDE canon** on infomediary activity.
- Mention was also made of the **need** to encourage **education/dissemination** activities **on secure Internet use which would include a better control of information susceptible to reuse as well as minimizing reticence to offer information online, thereby taking important steps towards the goal of free data.**
- They also spoke of a need to support **mechanisms for the sector's self-regulation**, such as Trust Marks like "confianza on-line" or ethical codes that allow users of infomediary services to determine who among different service providers honors the requisite norms of the sector in which they operate and, in turn, offer quality products and services that are optimized and adapted to the need to obtain correct and clear data for - first - those who generate it and - second - those who are the end-users of these services.