



CHANCES AND CHALLENGES OF DATA MONETIZATION IN DIGITAL COMPETITION

Dr. Jana Moser
DATAREALITY
Data – Innovation – Regulation

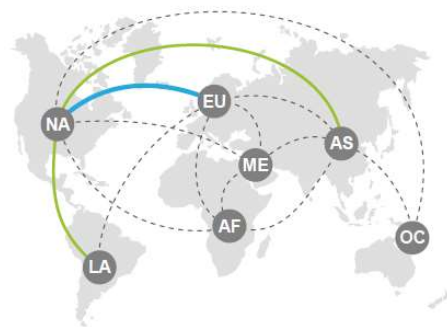
INCREASE OF GLOBAL DATA FLOW

Cross-border data flows are surging and connecting more countries

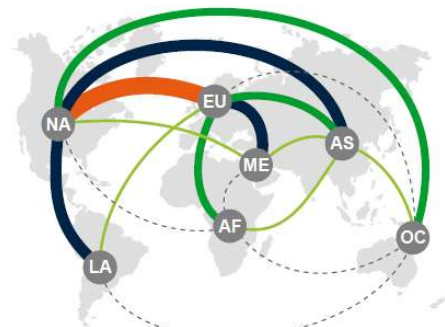
Used cross-border bandwidth

Regions	NA United States and Canada	EU Europe	AS Asia	LA Latin America	ME Middle East	AF Africa	OC Oceania
Bandwidth Gigabits per second (Gbps)	<50	50–100	100–500	500–1,000	1,000–5,000	5,000–20,000	>20,000

2005
100% = 4.7 Terabits per second (Tbps)



2014
100% = 211.3 Tbps **45x larger**



(McKinsey Global Institute, "Digital Globalization, The New Era of Global Flows", March 2016, Exhibit E2, page 4.)

Higher
Connectivity

- Increase of **high speed Internet** access
- Increase of **global 3G availability**
- Increase of **mobile broadband** devices

New
Business

- Online services can be **provided globally**
- New and more **markets** are accessible
- Businesses in **niches**

Cost
Efficiency

- "Follow the sun" and **24/7 service levels**
- Shared **IT infrastructure**, e.g. cloud, CDN
- Access to **state-of-the-art** technology

INCREASE OF GLOBAL DATA FLOW

Global broadband initiatives:

Germany: 30 Mbit

Singapore: 100 Mbits / 1 GBit

Average connection speed:

Global: 6.3 Mbits

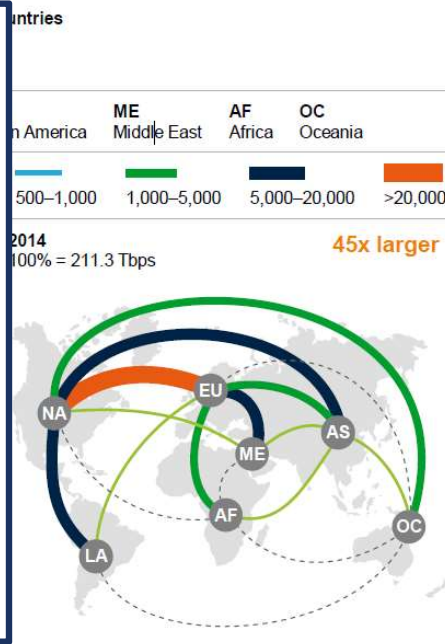
South Korea: 103.6 Mbits

Average peak connection speed:

Global: 34.7 Mbits

Singapore: 146.9 Mbits

But: About 57% of world's people remain offline!



Higher Connectivity

- Increase of **high speed Internet** access
- Increase of **global 3G availability**
- Increase of **mobile broadband** devices

New Business

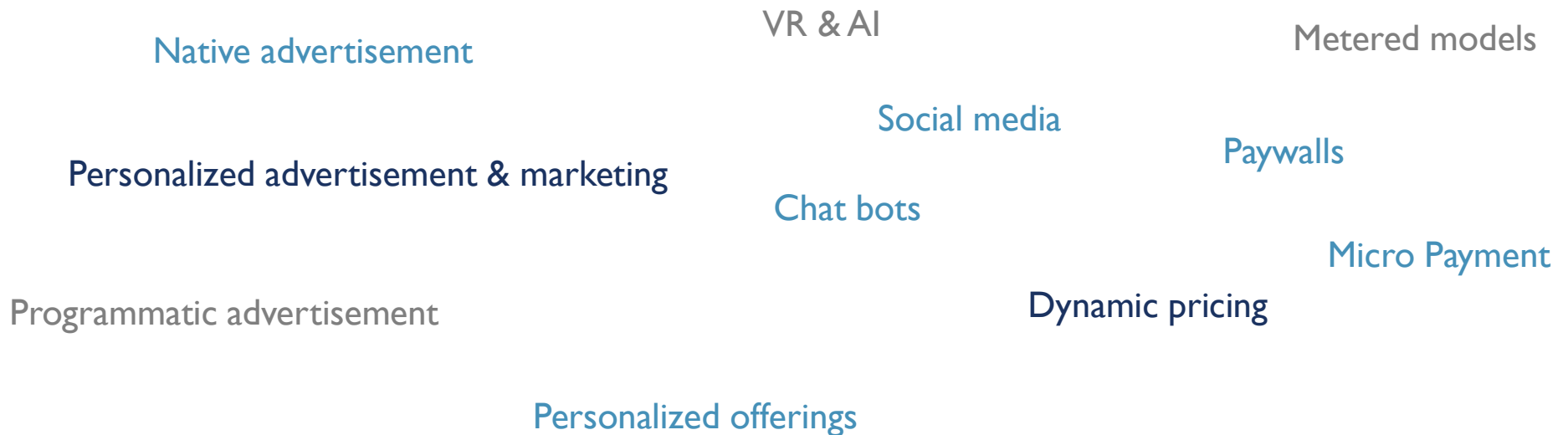
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Cost Efficiency

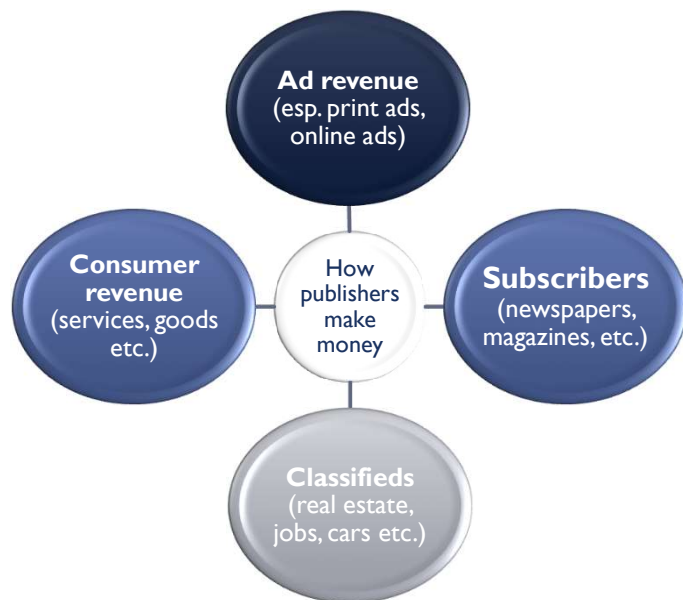
- “Follow the sun” and 24/7 **service levels**
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(McKinsey Global Institute, “Digital Globalization, The New Era of Global Flows”, March 2016, Exhibit E2, page 4.)

POTENTIALS OF DIGITISATION AND DATA



PUBLISHERS' REVENUE SOURCES AND BUSINESS MODELS



*Do you know your customers
and what each of them
needs?*

*Do you know in which
direction you should
develop your business?*

*Do you know how to
optimize the relevance of
your inventory?*

**Audiences
& needs?**

**Patterns
& peaks?**

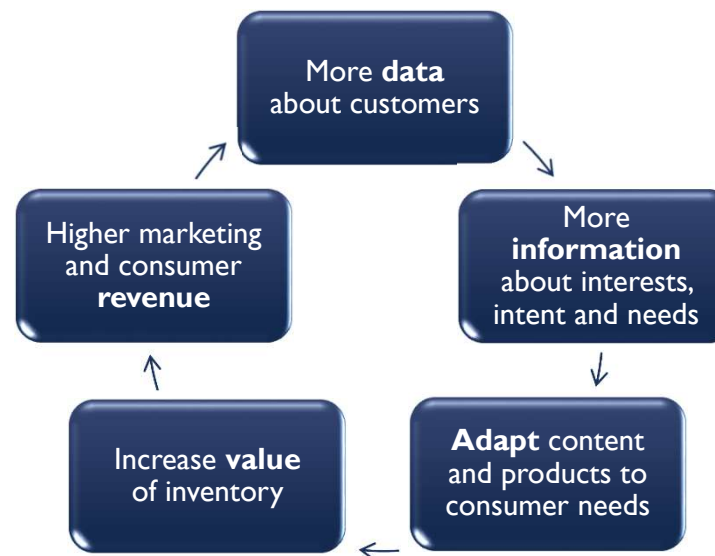
POTENTIALS OF DATA FOR PUBLISHERS

“...readers would also value an enhanced subscription that included simple **customisable** tools (...), as well **as personal areas** on HBR.org to manage content and easily find what they’ve read...”

(“Building a case for the data driven publisher”, 8 Sept 2015, <http://www.fipp.com/news/opinion/building-a-case-for-the-data-driven-publisher>)

“(...)The Economist unveiled the results of a new set of research into the media consumption habits of young people. The findings confirmed (...): **people no longer draw a distinction between new media and legacy media brands.**“

(“The Economist on research, millennials, and big data”, 3 Oct 2016, <http://www.fipp.com/news/features/the-economist-on-research-millennials-and-big-data>)



“Data-driven businesses have been demonstrated to have an **output and productivity that is 5–6 percent higher** than similar organizations who are not utilizing data-driven processes.”

(“Data and Analytics - Data-Driven Business Models: A Blueprint for Innovation”, Feb 2015, <http://cambridgeservicealliance.eng.cam.ac.uk/resources/Downloads/Monthly%20Papers/2015MarchPaperTheDDBMInnovationBlueprint.pdf>)

THE NEW COMPETITION

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CHINA

When One App Rules Them All: The Case of WeChat and Mobile in China

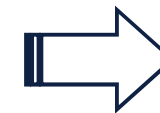
by Connie Chan 

(Andreesen Horowitz, 6 Aug 2015, <http://a16z.com/2015/08/06/wechat-china-mobile-first/>)

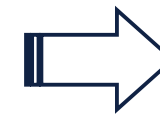
THE INCREASE OF DEPENDENCE



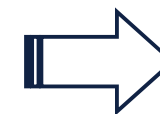
(MondayNote, 17 Jan 2016, <https://mondaynote.com/google-s-amp-poised-to-take-the-lead-from-facebook-s-and-apple-s-walled-gardens-399eca5c5d5b#.ivc wdweul>)



“Load faster”
Cache stored at Google



“Higher ranged”
Better ranging in Google search

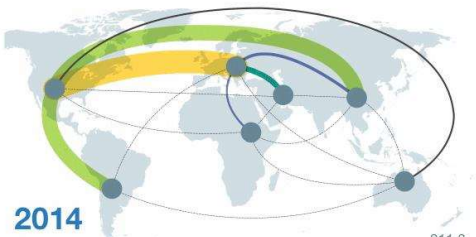


“Get rid of bad ads”
Advertisement format are adapted and new formats are introduced

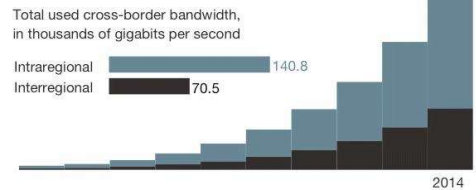
THE GLOBAL DATA REGULATION

Global flow of data and communication

Used cross-border interregional bandwidth, in gigabits per second

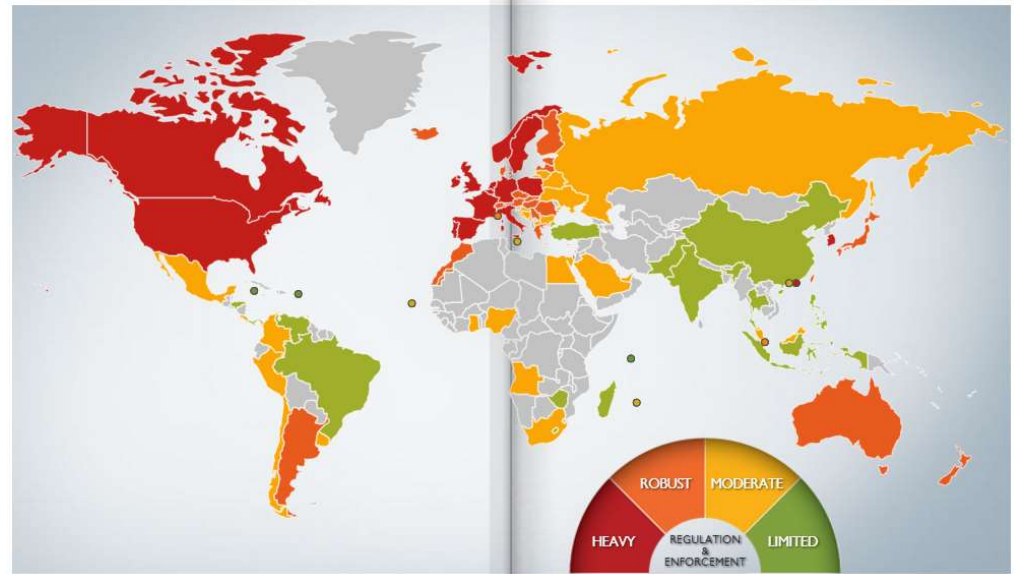
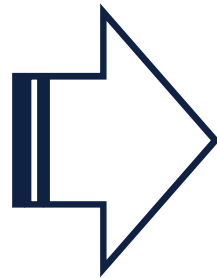


2014



McKinsey&Company | SOURCE: TeleGeography, McKinsey Global Institute analysis

(McKinsey Global Institute, "Digital Globalization, The New Era of Global Flows", March 2016.)



(DLA Piper, "Data Protection Laws of the World", https://www.dlapiperdataprotection.com/#handbook/law-section/c1_DE/c2_KR)

GLOBAL DATA REGULATION

	USA	Singapore	Europe
Law	Diverse, regional and national laws	National law enacted 2012 (2014)	Regional based on EU directive
PII	Broader definition (mostly), Definition of sensitive data	Limited definition, No definition of sensitive data	Broader definition (mostly), Definition of sensitive data
Registration	Not needed	Not needed	Depending on data & usage
Data protection Officer	Not needed (exemption: HIPAA)	Needed, Fines or imprisonment apply	Partly needed, Fines apply
Data processing	Fair use, transparency and opt-out, Stricter regional and specific laws	Consent, opt-out, data minimization	Consent, opt-out, data minimization
International Data Transfer	No special requirements	Comparable privacy standard needed	Comparable privacy standard needed
Data Breach Notification	Exist	Does not exist	Exists
Online Data	Specific laws (e.g. Delaware) and laws protecting minors (COPPA)	No specific online act, but PII tracking needs consent	Specific laws, PII tracking needs consent

(Source: DLA Piper, "Data Protection Laws of the World", https://www.dlapiperdataprotection.com/#handbook/law-section/c1_DE/c2_KR)

BUNDLE OF CHALLENGES

Culture

Adapt internal
incentive system

Implement digital
culture and adap
leadership

3rd parties

Increase
independence afap

Create a balanced
relationship with
providers

Clients

Joint “trial and
error approach”

Convince them of
uniqueness of
your services

Regulation

Implementation by
default & design

Monitor local
regulation and
laws abroad

SUMMARY: CHANCES OVERWEIGHT RISKS

Risiks

Efforts caused by cultural change in company

Higher compliance expenses

Higher complexity requires a clear and consequent strategy

New revenue sources

Remain and optimize competitiveness

Cost reduction (IT, HR, processes etc.)

Re-evaluation of existing processes and goals

Chances

THANK YOU VERY MUCH FOR YOUR ATTENTION!

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