

Inside Market Data

WFIC 2017: Could Spotify Shape Data Consumption?

Panelists say current market data licensing practices are stuck in the past, and should evolve along similar lines to the music industry, which has dealt with similar intellectual property challenges.

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During the first panel of this year's FISD conference, market data executives urged attendees to think about what the market data world could learn from the music industry to help tackle some of the data and technological complexities facing the industry.

Before Spotify took off around five years ago, musicians and record labels who owned the [intellectual property](#) were faced with huge challenges, caused by a shift in way people were consuming music. [Piracy](#) was rife across the internet, leading to millions of dollars in lost revenues. Streaming sites such as Spotify, which give subscribers unlimited access to a catalogue of music, have reinvented the way we view intellectual property. Panelists on Monday agreed that music streaming platforms have to a degree broken the separation between the record providers and the consumer, giving them the ability to control content, and consume what they want, when they want it. With market data users wanting to consume data in this way, and with providers and aggregators constantly on the lookout for new pricing models, mirroring a model like Spotify could bridge the gap between the two.

One vice president of market data at a buy-side firm described the hope for Spotify-type model as an "I have a dream" topic, but said they hope the industry will be able to create a marketplace where all available data is available and

easy to access from one place—or “a world where we don’t have to have individual connections to individual suppliers to access every data-byte that we need.” The marketplace would enable consumers to “access the elements of data that are actually required, and pay for what is used, no more, in an efficient and streamlined way,” the VP said.

A global head of market data at a bank said the “attractive thing about looking at the characteristics of Spotify is the ability for end-consumers to be able to curate what they want, how they want, and when.... It’s not about reducing the value of data to just a commodity; this is more about access. There is a shared responsibility—not only from a provider perspective, but I would hold all the consumers responsible for better articulating what our requirements are... there needs to be a collaborative relationship,” they said.

A head of market data for EMEA at a bank urged data vendors to also think about the positives of this model over the three-day WFIC event. “Data vendors are always concerned about realizing the full value of their data. This approach is not about devaluing data, but about making information easier to get to, and using technology to achieve efficiency,” the bank exec said.

Attendees will be able to contribute their support or thoughts on ‘the dream’ during roundtables on Tuesday. Vendors and exchanges will debate the subject during panels on Wednesday.

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