

3 families of business models centered on data

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Not a closed list, not a recipe!

Rather, a helpful toolkit for brainstorming on data for business

1. COLLECTING DATA FOR RESALE

This is the "data broker" business model.



- Thomson Reuters collecting & selling data from finance, scientific research, medicine and news.



- Nielsen collecting & selling market data [nielsen]
- Twitter collecting & selling tweets through its own branch ([GNIP](#)) or partners ([DataSift](#))



- [Meteo France](#) or [The Weather Company](#) (purchased by IBM) collecting & selling meteorological data [meteo france]



- [Datavenue](#), a business service by Orange (French Telecom company) collecting & selling info to cities and companies about car traffic and flows of tourists in public places (museums...) based on the (anonymized) geolocalisation of mobile phones.



- IMDb Inc. collecting data through [imdb.com](#) & selling data through [pro.imdb.com](#) to various stakeholders of the entertainment industry.

IMDbPro

2. COLLECTING DATA, SELLING TARGETED ADS



This is the business model of Google and Facebook, as well as many free services offered online.

Users of these services offer their data (likes, emails, social connections, comments, navigation

history, etc.). This allows the service to sell this qualified audience to ad providers.

These figures from 2015 show that a very large part of Google's revenues come from advertisement:

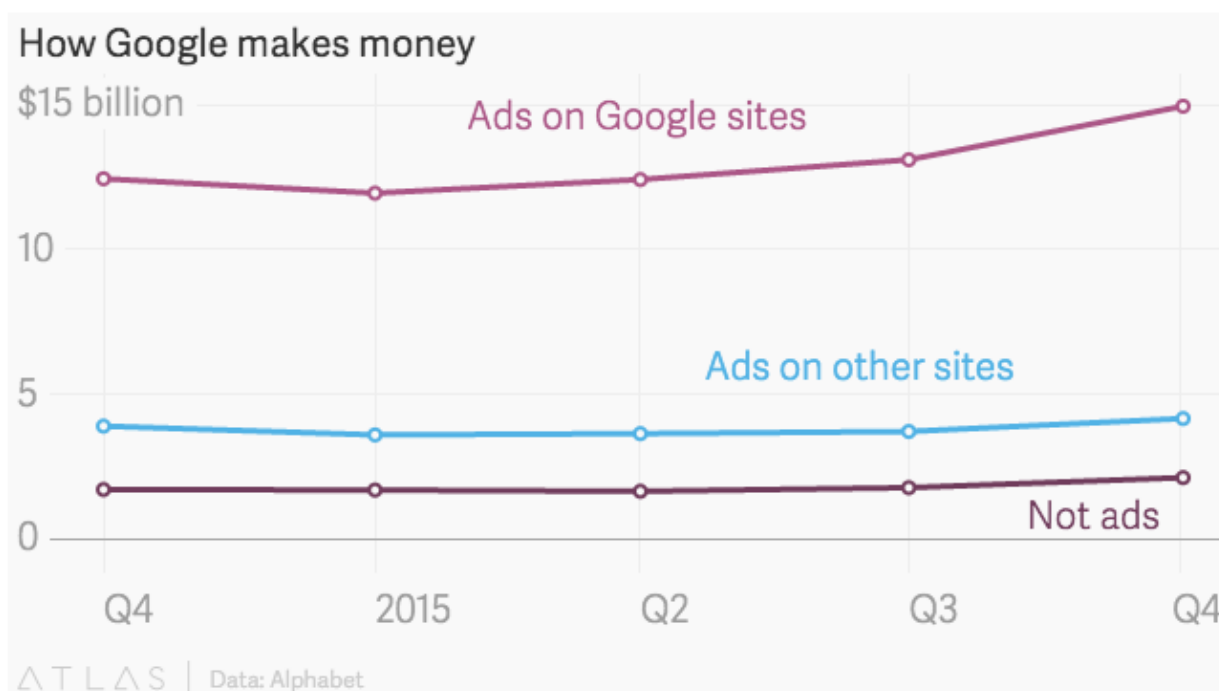


Figure 1. Google revenues as of 2015

Same for Facebook, which makes most of its \$7 billion revenues out of ads, based on the data they collect from Facebook users:

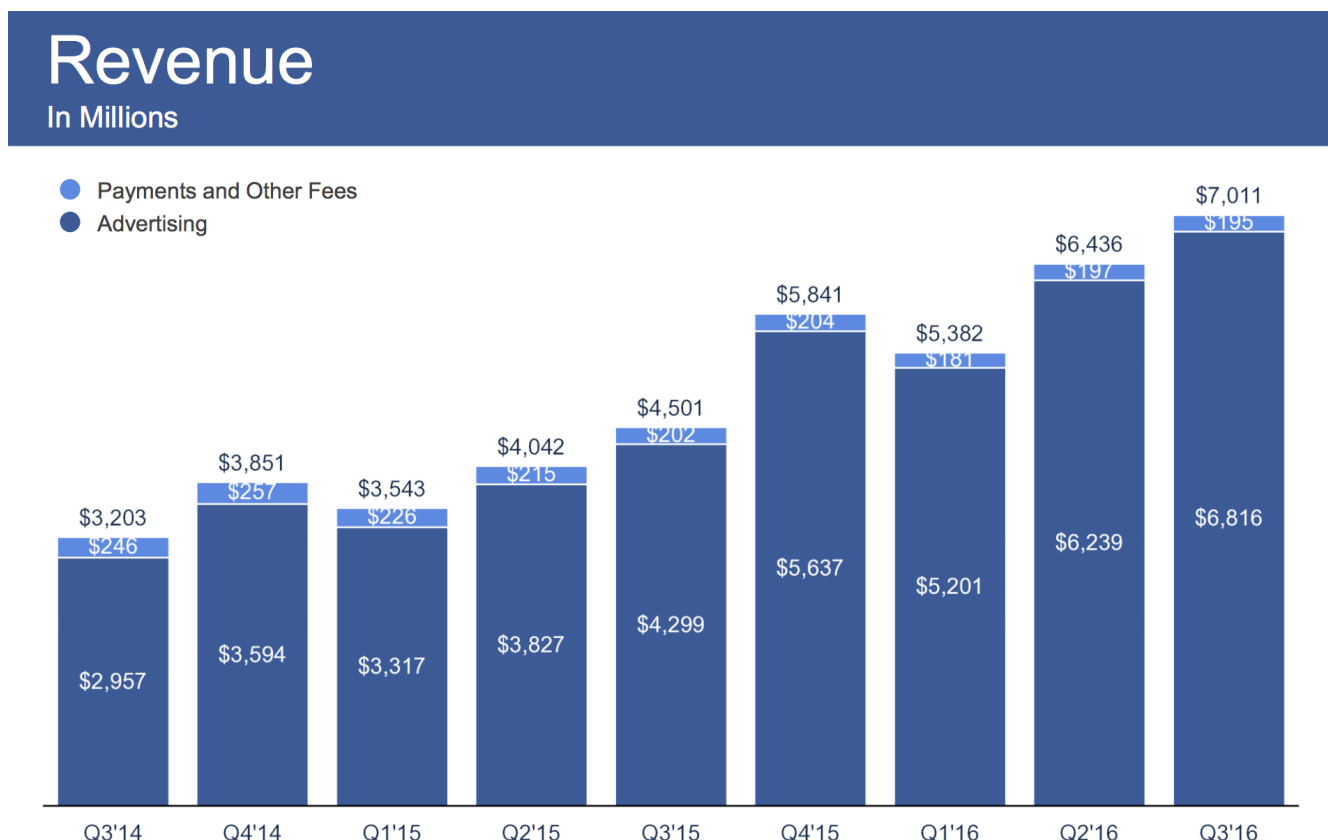


Figure 2. Facebook revenues as of 2016

3. COLLECTING DATA, SELLING PRODUCTS and SERVICES

a. business model entirely centered on the product or service enabled by the data

- **Nokia Health Mate:** Devices which make bodily measurements (sleep, weight, pulse, steps, etc.) to deliver a service: monitoring your health and well being, with suggestions and nudges to improve it.

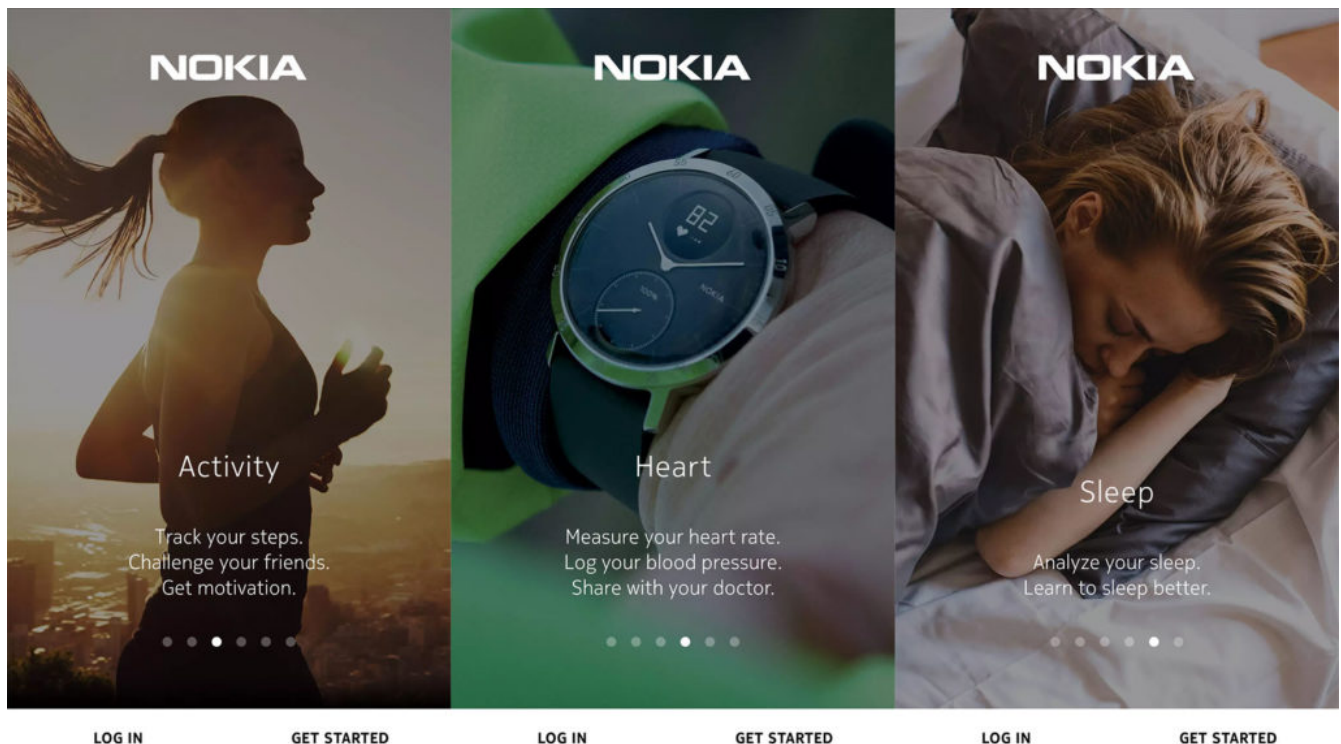


Figure 3. Nokia products collecting data to deliver services

=- **Nest thermostat:** a device which collects data about your home and your domestic habits to regulate your energy consumption and improve your well being at home (modulating temperature according to your preferences, without your explicit intervention).



Figure 4. Nest thermostats collect data from their surroundings and users to deliver services

- Autonomous cars. The service provided by these cars (driving safely and comfortably from one place to another, without a driver) is based on the continuous collection and analysis of various data streams.

This is the reason why car makers and tech companies acknowledge that a car is now defined by its software more than by its mechanical parts (not sure about the origin of this quote, but Elon Musk was cited saying something similar about the Tesla Model S [in March 2015](#))

b. products and services where the data-enabled featured is a "nice to have", not core to the value proposition

- ABN AMRO (Dutch bank) helps customers benchmark their expenses against similar, average households.



- **KLM Meet & Sit**: connect to Facebook or LinkedIn to choose a sit next to somebody you'd like to meet.

EXAMPLE KLM MEET & SEAT



provides passengers the option to sit next to interesting people, based on Facebook & LinkedIn profiles

Figure 5. KLM adds a nice-to-have with a matching service based on customer profiles

The end

Find references for this lesson, and other lessons, [here](#).



This course is made by Clement Levallois.

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