Goal: Collect rich data from your widget network to influence future business.

The majority of the Web's daily interactions do not occur on your website. Your visitors are organizing their lives on personalized homepage, expressing their interests on social networks, or reading their favorite news sites. Content publishers can embrace this new world of distributed consumption and establish new relationships with their users through the power of widgets.

Widgets rendered across the Web serve as a sensor network of customer intentions. Publishers need only listen to this prescient activity and actively respond to the trends and voices it reveals. Your audience voluntarily contributes new, rich data into services and maintains such data over time.

This talk takes a look at business strategies and data economics driven by widget networks. It presents companies already harnessing the power of widget data to drive new decisions in their business today.
Topics

- Two examples
  - Virtual tourist
  - Flickr badge
- The Consumer Data Revolution
  - Economics of communication
  - Decision making: Benefits and costs
  - Attitudes of users
- Data Strategy
  - Why data? To make decisions
  - Transaction economics → Relationship economics
  - Reduce information asymmetry
  - Empower users to create value
- Trends and examples

Example: Widget on Facebook
VirtualTourist.com

Create your own

Create Your Own Travel Map!
Where you want to go: Intention

Click

1x to highlight where you've been,
2x to show where you've lived,
3x to share where you want to go.

Export your travel map to any Web page.
Including your Facebook and MySpace profiles and blogs

Edit your map once
to automatically update your exported maps everywhere

login to export your map if you're already a virtual tourist member

Monetization

Compare Cheap Deals for Hotels, Flights, and Car Rentals - OneTime.com - Windows Internet Explorer

OneTime

Search Hotel Deals

Oly:  
Hotel Name:  All Hotels
Check-In Date:  mm/dd/yyyy
Check-Out Date:  mm/dd/yyyy
Rooms:  1
Guests:  1

Search Deals

Search Flight Deals

From:  (City or airport code)
To:  (City or airport code)
Round Trip  One Way
Departure Date:  mm/dd/yyyy
Arrival Date:  mm/dd/yyyy
Anytime  mm/dd/yyyy
Return Date:  mm/dd/yyyy
Anytime  mm/dd/yyyy
Passengers:  1

Search Deals

Top 10 US Cities for a Winter Trip

© people & data
A widget is a piece of code

```html
<!-- Start of Flickr Badge -->
<style type="text/css">
#fg_div {margin-top: 5px; margin-right: 117px; background-color: #E6E6FA; text-align: center; font-family: Arial, helvetica; font-size: 10px;}
#fg_div div {border: 1px solid #808080; background-color: #F8F8FF; padding: 5px; text-align: center; font-family: Arial, helvetica; font-size: 12px;}
</style>
<script type="text/javascript">
function getWidgetDiv()
{
  var widget_div = "<div id="fg_div"
      style="border: 1px solid #808080; background-color: #F8F8FF; padding: 5px; text-align: center; font-family: Arial, helvetica; font-size: 12px;"
      onmouseover="this.style.backgroundColor='yellow'; this.style.font-weight='bold';" onmouseout="this.style.backgroundColor='inherit'; this.style.font-weight='normal';"/>
  <div id="fg_widget">
    <div id="fg_title"></div>
    <div id="fg_subtitle"></div>
    <div id="fg_image"></div>
    <div id="fg_link"></div>
  </div>
</script>
</div>

<!-- End of Flickr Badge -->
```

Create your own Flickr badge (1 of 3)

- Where do you make the widget?
  - flickr.com/badge.gne

Step 1: What sort of badge would you like to use?

There are two types of badge to choose from: HTML or Flash. You will be able to choose from these options by a tag, if you wish. (The examples below are set to show an HTML badge.)

- An HTML badge
- A Flash badge

![An example of an HTML badge]
Create your own Flickr badge (2 of 3)

- Where does the content get pulled from?
  - www.flickr.com/photos/weigend

Create your own Flickr badge (3 of 3)

- Where do you put the widget?
  - weigend.com/misc

- Who might help you distribute the widget?
- Who clicks on the widget?
- Where does a click on the widget take them?
- Who are you, i.e., who creates the widget?
Widgets are example of going from E- to Me-Business

- **User focus ("E → Me")**
  - User is at the center of Web 2.0
    (not the company)
  - VRM (Vendor Relationship Management)
    (not CRM, Customer Relationship Management)

- **System engineered for feedback ("Instrument the world")**
  - System engineered to improve over time by leveraging user data
    (not deteriorating over time)

- **Network effects ("Viral marketing")**
  - Demand-side economies of scale
    (not only supply-side economies of scale)

- **Data strategy ("Users create value")**
  - Google Maps: Make it easy for outsider to use and enrich the data
    (not increase security)

- **Why? Spreading memes and genes**
  - Belonging, immortality, self-interest (e.g., file sharing sites)

The Consumer Data Revolution

1. **Sniffing the digital exhaust**
   - Mainly implicit data, some explicit data
   - What is new? More data sources, e.g., location data

2. **Individuals talk about themselves**
   - Mainly explicit contributions

3. **Individuals reveal relationships with others**
   - Directed, asymmetrical, multidimensional (not binary!)

**The Consumer Data Revolution**: Shifting expectations
- Attitude of individuals to their information
- Economics of data
What is the Consumer Data Revolution?

- Shift in expectations of consumers towards their data
  - Consumers have now also become producers
- Individuals now, after explicitly contributing data about themselves plus their relationships with others, expect to get some clear value from firms they share these data with
- Note dramatic difference from taking surveys, filling out “household income”...
- They want to see a clear visible benefit for themselves.
Communication, Computation and Information

- **1970's**
  - “Experts” learn a language the computer understands
  - Digitizing back office
  - 10M people

- **1980's**
  - Front office interacts with back office
  - 100M people

- **1990's**
  - Customers interact with firm
  - Search: 1bn people poking at stuff

- **2000's**
  - 1bn people poking at stuff
  - 100M people producing stuff
  - Peer-production and collaboration
  - Customers interact with customers

- **Now**
  - Discovery in addition to search
  - Serendipity: Discover what not searched
  - People in addition to pages
  - Social commerce
  - Mobile in addition to PC, and paper)
  - Continuous partial attention
  - Model current situation plus history
  - Sensing

My behavior

**IMMI**

- Listening into your room
  - every 30 seconds,
  - for 10 seconds.
My camera and microphone

- Adobe Flash installed on approx 1 billion connected computers and mobile devices

My info

- 10M business cards (2008.11)
My knowledge

from: John Anderson
Go to: Anderson John Stanford for B ackward

Search:
People who know about: statistically improbable phrases, SP search engine

Started:
16-Aug-08 10:24:38

Message:
Hi - I'm researching search engine logic, and would love to connect with someone who knows technical details behind Amazon.com's "SP" or "Statistically Improbable Phrases" logic and if there are other libraries available of similar types of logic.

Current Status:
You have responded to this request.

Match Info:
Illumo made this recommendation based on documents containing: statistically improbable phrases, SP, statistically improbable phrases, search engine, SP, search engine.

My car

"Pay as you drive" insurance

We can give you...

You could save up to 30%.

Car insurance is now fairer by miles
- If you drive less than 6000 miles, "Pay As You Drive" could save you up to 30% on your car insurance.
- A Global Positioning System (GPS) is fitted to your car for free. The GPS allows us to work out how you use your car. As you can see, a lower premium.

The Benefits
- Here's How
- Price
- Summary of Cover
- Added Value
- Frequently Asked Questions

How much will it cost?
My DNA

My health and traits

Intended for research and educational purposes, not for diagnostic use.

Get your data and see how it relates to ongoing research in health and physical traits.

*** Established Research is widely accepted by the scientific community.

*** Preliminary Research has been published in peer-reviewed journals but may not yet be fully accepted.

Browse and Search Topics (89)

- **Age-Related Macular Degeneration**
  - Research Confidence: 5 stars
  - Last Updated: May 21, 2008

- **Alcohol Dependence**
  - Research Confidence: 5 stars
  - Last Updated: Mar 21, 2008

- **Alcohol Intake**
  - Research Confidence: 5 stars
  - Last Updated: Dec 10, 2007

- **Anxiety Sufers**
  - Research Confidence: 5 stars
  - Last Updated: Feb 21, 2008

- **Anxiety Disorders**
  - Research Confidence: 5 stars
  - Last Updated: Aug 30, 2008

- **Angina**
  - Research Confidence: 5 stars
  - Last Updated: May 12, 2008

- **Asthma**
  - Research Confidence: 5 stars
  - Last Updated: Mar 5, 2008

- **Attention-Deficit Hyperactivity Disorder**
  - Research Confidence: 5 stars
  - Last Updated: Mar 28, 2008

- **Assistance of Others**
  - Research Confidence: 5 stars
  - Last Updated: Feb 21, 2008

- **Back Pain**
  - Research Confidence: 5 stars
  - Last Updated: May 5, 2008

- **Bladder**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Blood Pressure**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Breast Cancer**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Colorectal Cancer**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Diabetes**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Depression**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Family History of Cancer**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Fibromyalgia**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Fetal Alcohol Syndrome**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Headache**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **High Blood Pressure**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Hypertension**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Hypothyroidism**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Immune System**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Influenza**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Kidney Stones**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Lung Cancer**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Migraines**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Myocardial Infarction**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Obesity**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Parkinson's Disease**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **PCOS**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Preeclampsia**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Rheumatoid Arthritis**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Sickle Cell Anemia**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Sleep Apnea**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Sporadic Breast Cancer**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Sporadic Colon Cancer**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Stomach Cancer**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Stomach Ulcers**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Stroke**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Thyroid Disease**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Type 2 Diabetes**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Uterine Cancer**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Urinary Incontinence**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Vascular Disease**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Vision**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Waldenstrom Macroglobulinemia**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

- **Wilson's Disease**
  - Research Confidence: 5 stars
  - Last Updated: Mar 19, 2008

From: Andreas S. Weigend | www.weigend.com

My interactions

Your Weekly Summary
As of Monday, September 22

Top 10 Conversations for Last week

- Go K
  - 4 calls and 15 text messages

- Ted S
  - 7 calls

Winners and Losers in Your Address Book

- Blocked: "NR" rose from number 3 to 1
  - 800-066-XXX: fell from number 1 to 2
  - Doris C: fell from number 3 to 2
  - Ted S: fell from number 7 to 4
  - Andy C: fell from number 9 to 5
  - Go K: fell from number 23 to 6
  - Peter H: fell from number 4 to 7
  - Meiyou N: fell from number 6 to 8

Changes to Your Network

You have no new connections or requests. But you've called Tom G in the past 2 weeks.

Your Skydeck profile is only 10% complete. Your friends may not be able to find you on Skydeck and if they do they won’t have all your contact information.

Visit your Network

Account Balance
Conversations

- Conversation / Communication
  - Between whom?

Recommendations 2.0

People
- Friends
  - Specific people you know
  - Viral marketing
- Peers
  - Fans (G-star)
- Experts
  - Fashion bloggers

Data
- Clicks
  - Purchases
- Forward, tell a friend
  - Relationship
- Annotate
  - Attention
- Search
  - Intention
- Location
  - Situation
- Product data
The Data Business: Who Pays Whom?

- Value of data proportionally to their impact on decisions
- Traditional data business
  - Acxiom
    - Who do I send my advertisements to?
    - (economics of communication)
  - Maps
    - What route do I take?
    - (Nokia / Navteq)
  - OAG
    - What flight suits me best?
    - (user generated, screen-scraped)
  - MLS (Multiple listing service)
    - What house do I buy?
    - (user generated: Zillow, Redfin, Trulio)
  - Contacts
    - Who do I sell to? Hire?
    - (LinkedIn, Jigsaw)

Trends

- How has the behavior and the attitude of customers shifted in response to new technologies and new incentive structures on the web?
  - From algorithmic search to social search
    - Leverage technology and people to have your toughest questions answered
  - From the money economy via the intention economy to the attention economy
    - Why an economy? Because it can be measured!
- Marketing
  - From traditional market research to observing the behavior of individuals
    - Why sample if you can have all? Plus, individual actionability
- Production
  - From controlled production for the masses to uncontrolled production by the masses
- Consumption
  - From traditional marketing push to individual discovery
    - Serendipity
Me-Business? We-Business?

- Who talks to whom?
  - Consumers to consumers

- Who trusts whom?
  - Shift from institutions to individuals

- Who is in control?
  - From e-business to customer-centric me-business

- Who manages whom?
  - From CRM to VRM (vendor relationship management)

- What are the new metrics?
  - Engagement and social metrics, self metrics to drive behavior

- Who pays whom?
  - Designing incentives for customer participation and interaction

Thank you!

Andreas S. Weigend, PhD
www.weigend.com