SPANISH INFOMEDIARY SECTOR CHARACTERISTICS.

The content of this summary has been elaborated from the studies of the Spanish **companies that create applications, products or value added services for third parties, from public sector information**. Hereinafter to refer to this set of companies we will use the term *infomediary sector.*In 2012 edition the survey was made to 150 companies.

ANALYSIS OF THE INFOMEDIARY INDUSTRY

Inside of this sector the general profile of the infomediary companies would be as the small companies (maximum 20 highly qualified employers). These companies have been established by self-employed workers with an extensive experience about information reuse. This type of activity was combined with the infomediary activity with other market segments generating products or services associated to specific sector information that were subsequently put on the market. The main information scope is: Geographic; Cartographic information; Business–Financial information; Social-demographic / Statistical information and Legal information. This does not means that they are isolated sectors. There are a lot of companies which share and use information from several contexts to generate services based on those combined informations to get a better added value to their reuse activity.

- Over the 80% of Spanish infomediary companies are older than 5 years old.
- The self-employed with or without employees are hegemonic in the reuse sector, while more than eight out of ten companies have been created by a freelancer.
- The companies that are exclusively dedicated to the reuse have more experience than those who have a part-time. Almost the 86% of the first have more than five years in business compared to 63% of the latter.

- Proportion of employees dedicated to reuse according to the company size

From 0 to 9 employees	73.7
10-24	59.58
26-50	72.97
51-250	30.99
Over than 250	44.3

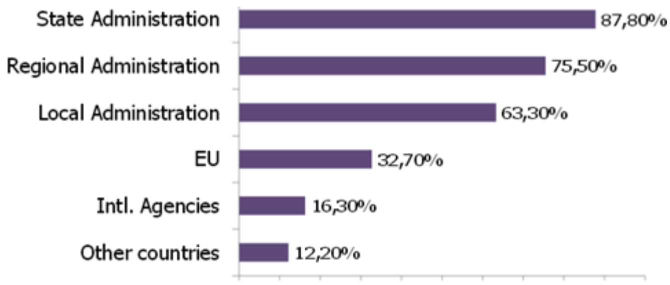
- The estimated turnover directly associated with the infomediary activity is about 500M€ a year. Infomediary activity has grown or at least has been remained in the same figures as the previous year despite economical crisis in Spain. That represents 40% to 46% of total turnover.

- Infomediary sector generates approximately 4,000 jobs, mostly linked to ICT: analysis, processing and presentation of information.

- Main areas of information used by infomediary firms. Companies offer products based on more than one sector of information.

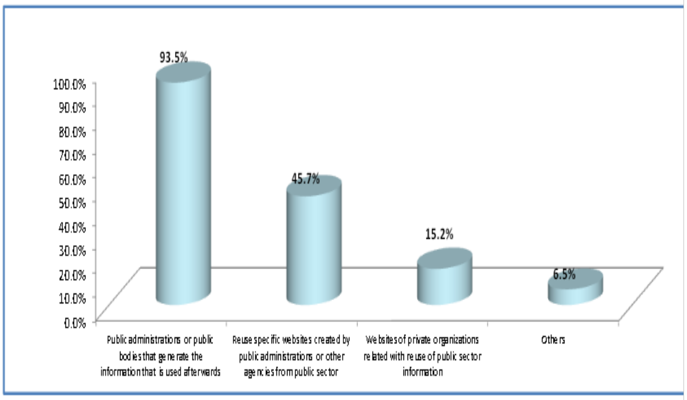
Geographic/Cartographic Information	**51.1%**
Business/Economic Information	**46.8%**
Social-demographic/Statistical Information	29.8%
Legal Information	27.7%
Meteorological Information	12.8%
Transport Information	12.8%
Others (IT Consulting,...)	12.8%
Information from museums, libraries and cultural files.	10.6%

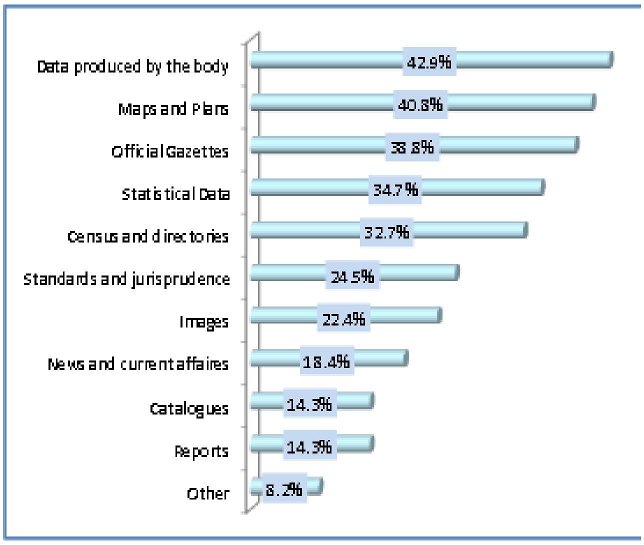
- The information comes mainly from Spanish Public Administrations. Moreover, half of the companies also reuse international information.



Geographic and institutional origin of the primary information.

- 94% of companies use online systems as channel to access the primary information. Looking into this 94%, over 90% of companies have accessed via web or directly to the information of each agency. Over 45% have accessed to the re-use specific portals created by public administrations. There is a 15% that have obtained the information from reusing companies.
- Original formats of the information being accessed for reuse are:

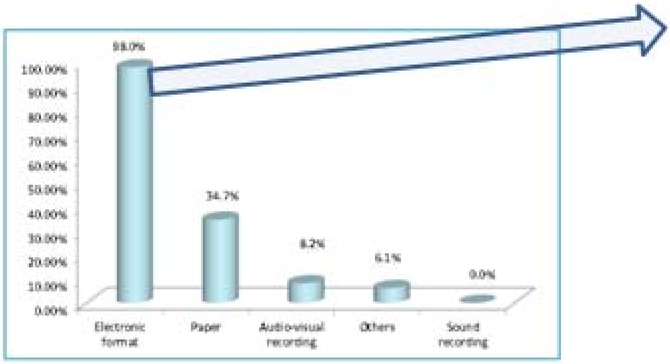


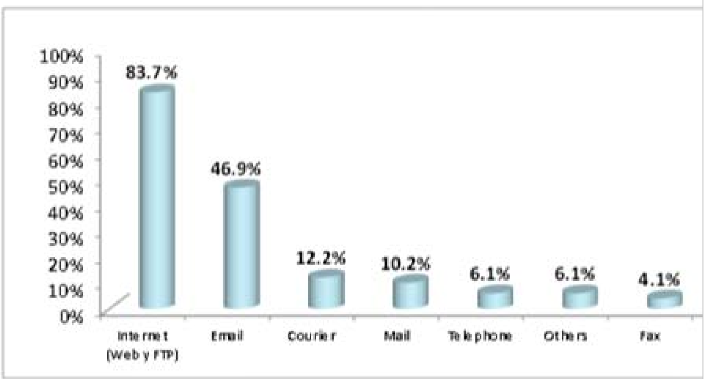


PRODUCTS, SERVICES AND APPLICATIONS OFFERED FROM REUSED INFORMATION

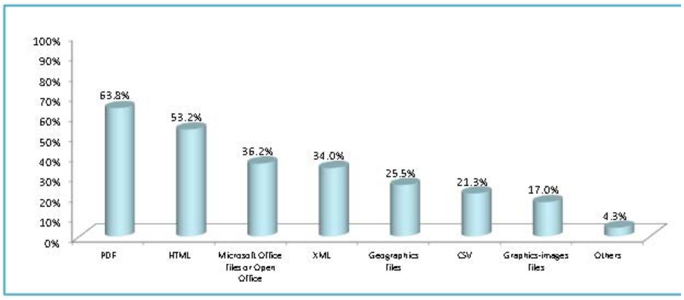
Infomediary companies have gathered public information to analyse it afterwards in order to get an added value to the use on their different typologies (products, maps, transformed data, raw data or published documents); services (by means of tailor made reports, assessment or comparative analysis); or applications (specific client applications development, software for mobile devices, information for GPS or SMS Alerts). Internet is the main source to carry out their activity: websites, emails or FTP files to distribute their products. So much so that the 98% of the companies use an electronic format and mainly the PDF format for the products/services distribution.

- 98% Infomediary companies use electronic format as distribution channels for their products and services.

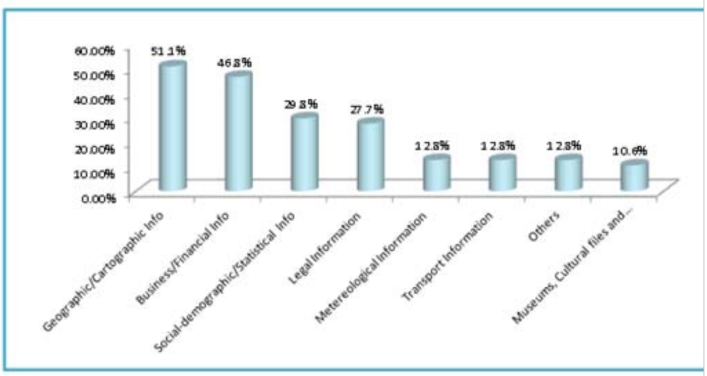




- PDF with a 64% is the most popular format used for distribution of their products or services. 53% HTML, and 34% XML formats..

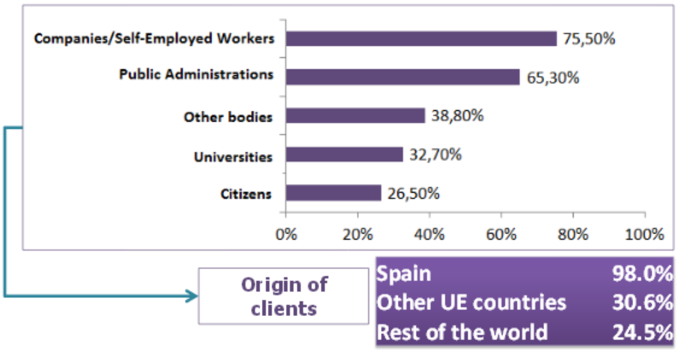


- Weight of the different types of information offered by reuse companies

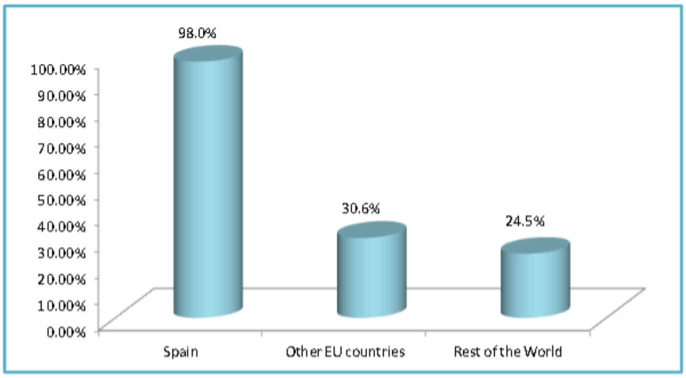


- Consumers of products and services developed are: other companies and freelancers and administrations (cadastral information). Most are domestic consumers, but also has consumers in the EU and outside the EU.

Clients of infomediary sector



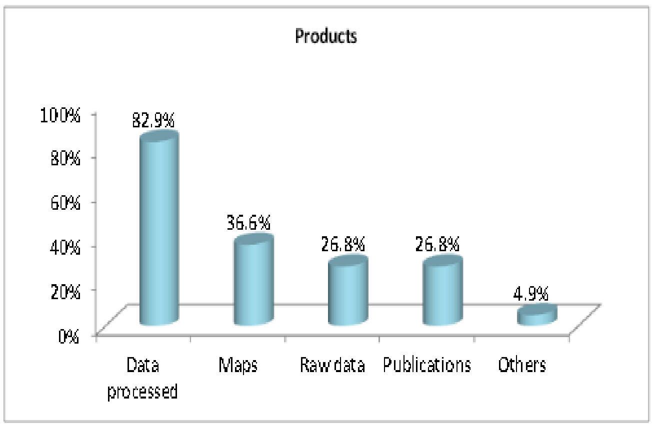
- Almost all companies have customers in Spain. There is already a third of the infomediary companies that have customers abroad mainly in countries of the European Union. Out of EU we found just 25% have clients in other international geographical areas

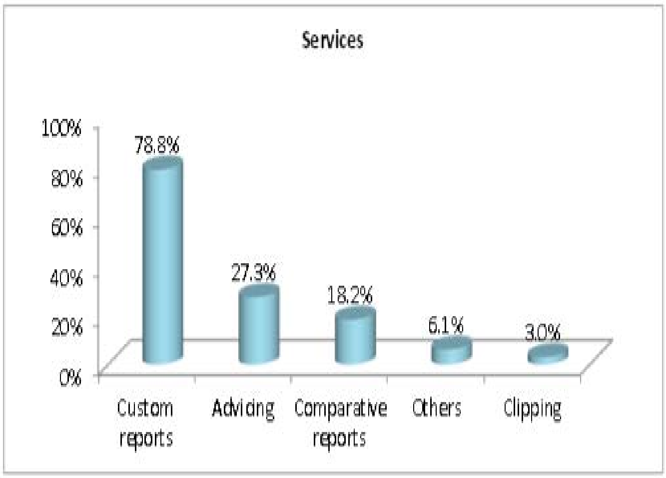


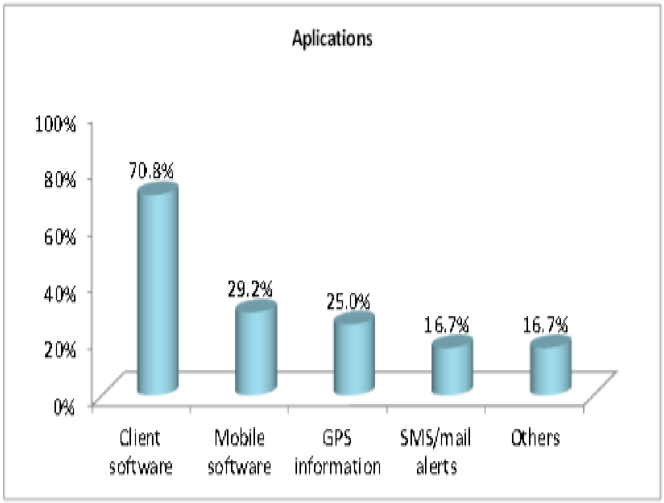
MARKETING MODELS AND REVENUE

The main customers of the infomediary sector are essentially other companies (75.5%) with a couple of considerations. Firstly the Administration itself becomes an important customer in the industry (two out of three infomediary companies contracts with other administrations for the provision of services) and also third part of the sector has the universities as clients. From a territorial context point of view of the business, the Spanish market is essentially the one where the activity is made on although there is over than a 30% of the companies with clients in the rest of EU or almost a 25% with clients from overseas (not in EU). There are a lot of free incoming models co-living together in this market with other payment models. Free incoming models are used for more simple products/services or even the proper public information. Payment models are made for more specific products/services (pay per work or report) moreover some subscriptions methods.

- Products
  - Processed data is the major product offered followed by mapping and charting. More than 25% of companies, market the raw data of the Administration doing only an identification and collection activity to obtain their products. Publications are obtained from business or economy, legal, meteorological and transport information and mail is the channel preferred to distribute them.
- Services
  - Custom reports service are mainly offered by mail and Advising services are offered by messaging. Comparative reports are offered by companies that market services based on business-economic or demographic-statistical information. Companies that offer clipping are selling in this format only Cartographic-Geographic information.
- Applications
  - Client software format is used to provide Transport information; it is used by all of the companies that offer GPS or Geographic–Cartographic information. Mobile software is used to provide social-demographical and statistic information. And SMS or email alerts are used to provide the business or financial information.







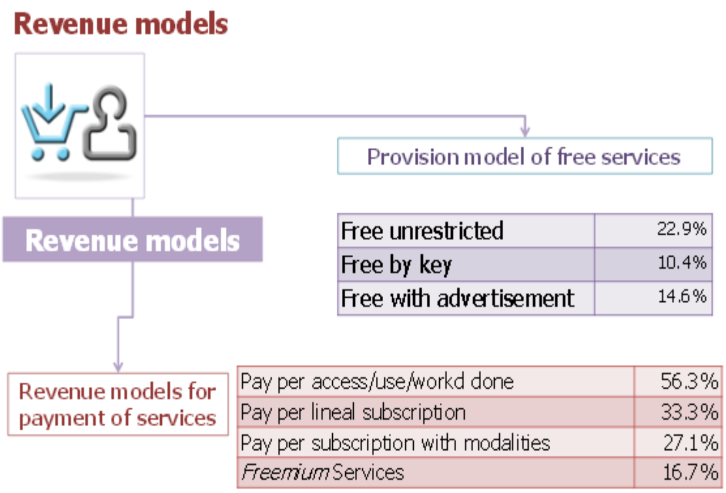
- The value chain of the infomediary companies is as follows: Information of public bodies is obtained, a process of adding value leading to applications, products or services and the results obtained are ready to market. To set up a marketing model and revenue, it has to be considered that not all areas of public information allow adding the same level of value. In some cases, the added value is given only for classification and integration into search systems. In other cases more general or complex services or diverse products can be obtained depending on the information as is the case of geographic or cartographic information which can be transformed into different business models.

		Revenue per client
Marketing formats: Products	Raw data	6,825.3 €
	Data Treated	21,974.9 €
	Maps	41,388.5 €
	Publications	49,094.6 €
	Others	1,050.7 €
Marketing formats: Services	Custom Reports	17,393.8 €
	Comparatives	1,091.3 €
	Clipping	66,000.0 €
	Advice	12,998.2 €
	Others	10,000.0 €
Marketing formats: Applications	Client Software	19,187.7 €
	GPS Information	5,866.7 €
	Mobile Software	14,670.6 €
	SMS/mail Alerts	197.2 €
	Others	5,525.3 €

	Type of information							
	Business/ Economy	Geographic / Cartographic	Legal	Meteorological	Social-demographic /Statistical	Transport	Museums, libraries and cultural files	Others
Revenue per customer	18,736 €	39,313 €	4,930 €	9,829 €	29,443 €	24,217 €	14,690 €	9,950 €

Average revenue per customer resulting from reuse activities according to the type of information

- Two models of business strategy are distinguished. The larger companies opt for a combination of business strategies "classic" with a network of geographically distributed sales, participation in fairs and event marketing, in addition to digital marketing strategies: Ecommerce, SEO / SEM positioning, web redirection. Smaller companies make smaller investments in marketing based on the optimization of online searches through SEO search engine optimization techniques and personal recommendations (viral marketing). Within the revenue models or business models there are two types:
  - o Free models (free unrestricted, by key, free with advertisement).
  - o Payment models (Pay per access, use, work performed; Pay per linear subscription or subscription with modalities depending on access, information accessed or information use).



PROPOSALS FOR IMPROVEMENT

- Diversity of fields of information with different circumstances and needs as well as the limited level of association may represent a weakness of infomediary companies. Associations are useful to represent their interests and strengthen their identity is reinforced consolidation as industry will be favored and increased competition with the entry of new firms, the corresponding creation of new jobs will occur and redefining existing businesses seeking competitive differentiation elements.
- High technological level of these companies is a great ability to adapt to new technological advances and new needs arising from the market. Continuous technological development will increasingly automate the processes of collection, treatment and information processing, minimizing the effort and allowing generate new products, services and applications.
- Use of information in electronic form largely is assumed decentralized organizational models in which parts of the value chain less productive can be performed in geographical areas where labor is less costly.
- Standardization of formats and improved description of the information that would encourage investment in R + D + i of the companies, in order to obtain better information systems that are able to locate, store, classify and transform information and generate a wider range of products and services at a lower cost of production. This standardization of formats, whether developed in cooperation with other states of the European Union facilitate the commercialization of the results of the infomediary activity in other European countries.
- Regulation or licensing and revenue models, establish a uniform framework in which competition, now innovation of products and services, would be the main difference value between the companies.
- Extension of the reuse culture and the conviction by the Administrations of socio-economic benefits of the infomediary activity will lead to a high increase in the published data. This increase will result in an increased use by enterprises and citizens, public information and services offered by the various agencies of government, encouraging citizen access to eGovernment services and promoting the development of the Company Information.

AUTHOR: D. Hernández. Ministerio de Hacienda y Administraciones Públicas. Madrid, Spain.
mdolores.hernandez@seap.minhap.es

http://www.ontsi.red.es/ontsi/sites/default/files/121001_red_007_final_report_2012_edition__vf_en_1.pdf
http://www.ontsi.red.es/ontsi/sites/default/files/1308555551216.pdf