

The Value of Information:- Information as a commodity

Value and Importance of Information

We live in the "Information Age" where INFORMATION is as valuable a commodity as land, capital and labour. Businesses gather information about market trends, buying preferences or customer profiles. Had the inventors of the Teletubbies known that every parent in Britain (plus a great number of adults) were going to want a Teletubbie for Christmas a couple of years ago, they would have been able to cash in. Their lack of information lost them a lot of money.

Collecting and Analysing Data

Data can be collected for a specific purpose and then also used for a secondary purpose (or it can be sold). For example, the Tesco Club Card gathers information about customers' buying habits (cf: the attraction of disposable nappies and beer to young men on a Friday night). NB the Data Protection Act regulates the sale of information.

Many stores, like Tesco have used Clubcard data to find out more about their customers.

Information as a Commodity

Information from credit cards, customer surveys and other sources can be sold to others.

See this link: http://news.bbc.co.uk/1/hi/english/uk/newsid_557000/557505.stm

which describes how mailing lists can be bought and sold by businesses for direct mail purposes

1. Some History...

- Societies prosper by the buying and selling of goods and services
- For thousands of years most countries relied on an Agrarian (agricultural) economy

2. Agrarian Economy

- BC and beyond
- Small scale, local
- Small labour force
- Raw materials used up - more corn needs more seed, fertiliser

3. Industrial Economy

- 17th Century and beyond
- Large scale, national scale
- Large labour force - the rise of the city
- Raw materials used up - to make more cars you need more steel.

4. Information Economy

- Late 20th Century
- The buying and selling of information
- International scale
- Small labour force - the telecommuter
- Raw material not 'used up'
- Once gathered, the info. can be sold again and again.

5. What makes information valuable

- Some information given away free
 - Weather forecasts
 - Teletext stock prices
 - Telephone directories
 - Electoral role
 - Personal info. - you don't sell your phone number to people

6. Valuable information

- Some information is very costly
 - Direct stock prices - subscription £2000 pm
 - Detailed local weather forecast - £250
 - 192.com - telephone numbers - £20 pm
 - Human Genome Data - £10k+ per data set
- Why does this information cost so much
- Why are people willing to pay these amounts ?

7. What make information valuable

- Information has value if it is
 - Accurate
 - Up to date
 - Complete
 - Relevant
 - From a reliable source
 - Widely applicable
 - Difficult to get hold of
 - Derived from data that is costly to collect
 - Presented in an easily understood form

8. Accuracy

- Valuable information is Accurate
 - It has been collected carefully
 - It has been checked for errors
 - It is updated regularly

9. Up to Date - Timely (1)

- It is up to date - timely
- Some data has relevance over a long period of time
 - demographics
 - geological data
 - historical dataso retains its value for months/years.

10. Up to date - Timely (2)

- Other data dates (or ages) very quickly
 - Stock and share prices

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- Weather data
- This type of data only retains its value for seconds/minutes
- Information only has value within a specific time scale
- The time scale depends on the context

11. Complete

- Valuable information contains **all** relevant data
- Example- Information on car ownership has much more value if it includes:-
 - when last car was bought
 - where it was bought
 - amount of money spent

12. From a Reliable Source

- The Internet has shown the value of reliable sources.
- Firms like Reuters have a good reputation - so charge more for information.
- Stocks and Share info - price predictions etc. particularly vulnerable to poor info.

13. Widely Applicable

- Info applying to a small area /specific subject is not as valuable as info. which applies nationally or world wide.
- E.G. shoe size of all pupils at school has value - to local shops
- Shoe size of all UK pupils has much more value.

14. Difficult to get hold of

- Examples
 - trade secrets - recipe for Coca Cola
 - security info - deployment of speed cameras, specification of military equipment
 - hidden information - valuable data often a small part of a large database - data mining often used

15. Costly to Collect

- Examples
 - May need specialist equipment, techniques - Human Genome Project, Satellite images.
 - May need large numbers of people - Census
 - May need to pay/reward people for info. about themselves

16. Presented Well

- Examples
 - Satellite data is just list of numbers - becomes valuable when presented as images.
 - Data mining can show links between data not noticed before
 - Graphs and charts easier to understand
 - Digital maps more useful than paper maps
 - GPS (cheap) + Maps (cheap) = Sat. Nav. (expensive)

17. Types of information

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- Remember - information is not just numbers
 - Audio - music
 - Video - T.V
 - Still Images - Satellite photosall have value
- Copying/stealing valuable information very lucrative - see copyright and piracy

18. Questions

- Who owns information ?
- How do they control its distribution ?
- Who decides what is valuable/what is not ?
- Is information about you valuable ?
 - Who has info about you ?
 - Do they sell it ?
 - What control do you have ?