

Executive Summary

This report is about a new type of market and a new industry – the market for Personal Information Management Services or PIMS.

What PIMs do

PIMS create value for individuals in a new way: by deploying information as a tool in the hands of the individual and by helping individuals manage their own information, including exercising more control over who they share their data with and for what purposes. They do this in three interconnected ways. Each way is becoming a significant new market in its own right:

- **The market for better decisions:** services that help individuals gather, sift, analyse, deploy and share information to help them make (and implement) better decisions. Price comparison and peer review sites are just the first wave. Moving forward, decision-support services will be driven increasingly by personal specifications (my goals, circumstances, priorities and preferences), and their biggest added value will revolve around helping individuals construct these specifications ('to work out what's best for me').
- **The market for life management services:** services that help individuals manage events and episodes like 'move home' and ongoing activities like 'manage a health condition' or 'manage my money'. To do their job properly these services need to bring information from many different suppliers and activities together, making the individual the point of integration of information about their own lives. Personal Finance Managers, which help individuals aggregate and analyse data from many accounts, are a current focus of innovation.
- **The market for personal data management:** tools and services that help individuals store, manage and share their personal data better and in ways they can control. Personal data stores or 'lockers', permission brokers and identity verification services are examples of the new services in this arena.

A new market

The UK Government's Consumer Empowerment strategy Better Choices: Better Deals identifies new personal information services that help individuals "gain insights into their own behaviours, make more informed choices and better decisions, manage their affairs more efficiently, and obtain the products and services that best meet their needs" as a potential economic growth area.

Figure 1 shows the main components of these services. Some, like search, comparison and peer reviews are already mainstream but still evolving. For example, comparison and peer review markets are converging rapidly. Soon, users will expect services to offer both – and at higher quality. Other markets, like identity/credentials management and permission brokering are still fledgling.

Key PIMS components

Decision making	'Life Management	Personal data management
<ul style="list-style-type: none"> • Search • Comparison • User reviews • Advice • Recommender engines • Specification building 	<ul style="list-style-type: none"> • User as point of integration (money, health etc) • Analytics tools • Budgeting tools • Integration with social networking 	<ul style="list-style-type: none"> • Identity management • VRM - manage my suppliers • Personal informatics and analytics • Permission brokering • Personal profiles and mash-ups • Privacy protection tools • Personal data stores

Fig. 1: Key components of personal information management services

New components are continually being added to this fast evolving market, adding to the richness of the ecosystem and sparking new opportunities for innovation. Here's a parallel. The 20th century saw an explosion of economic activity around the production of standardised parts plus highly efficient/automatic ways of combining them in different ways. This made an infinite range of new products possible - washing machines, radios, kettles etc. New components such as transistors or touch sensitive screens triggered new rounds of innovation.

In the 21st century, a new explosion of economic activity is under way focused on the production of standardised 'parts' of information (both personal and otherwise) with highly efficient/automatic ways of combining them in different ways. This is making an infinite range of new information services possible.

Decision-support services - whose main consumer selling point is the opportunity to make better decisions easier - are the most mature part of the PIMS market. Ctrl-Shift estimate the market is currently worth £1.5bn in the UK, and growing fast. The key elements of this are insurance (currently worth around £250m), the rest of financial services and travel, flights and hotels (of similar size to insurance), electrical and other household products, plus fast growing markets in areas such as mobile phones and broadband services.

While decision-support services continue to mature, attention is now turning to 'life management' and personal data management. Announcing next steps of the midata element of the Consumer Empowerment strategy in November 2011 for example, Consumer Minister Ed Davey noted that "Currently, most consumer data is held by service providers, meaning only one side of the customer-business relationship is empowered with the tools of information management." PIMS redress this balance.

Figure 2 shows how PIMS represent 'the other half' of the information coin. The market for tools and services that help organisations gather, store, analyse and use information about customers is already vast. Forrester estimates it to be worth \$800 bn. Now, however, the biggest growth opportunities lie in the 'second half' of the coin, with tools and services that help individuals gather, store, analyse and use information about themselves, for their own purposes.

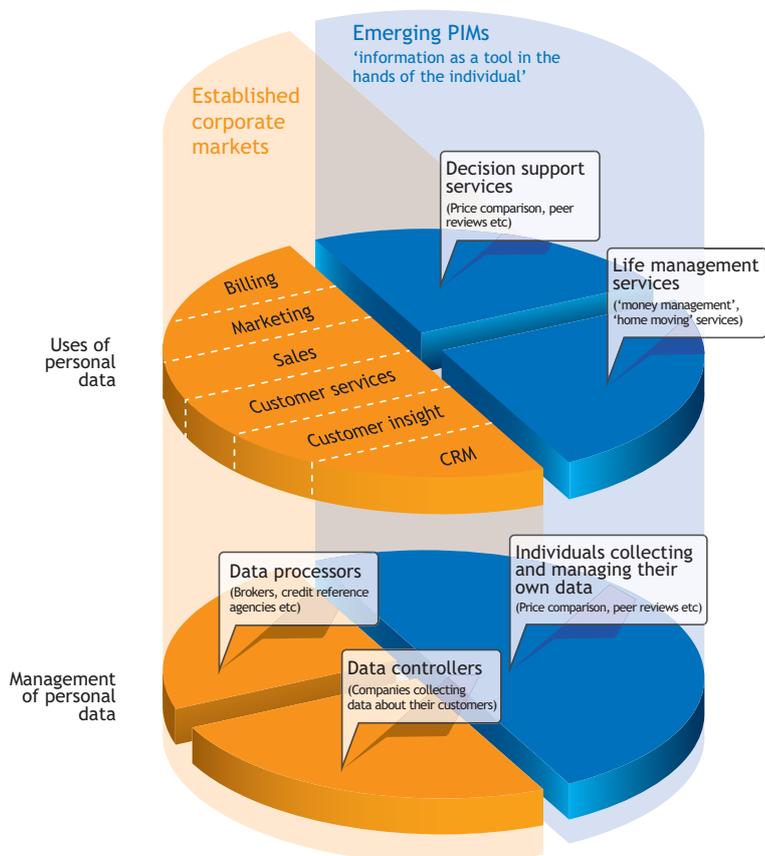


Figure 2: How PIMS complete the personal data and information management picture

Why now?

Like electricity and computing, PIMS are classic 'left field' market developments. They originate outside of most firms' activities and priorities but they nevertheless affect how all firms work, in this case by transforming the ways companies and individuals interact. Many stars are aligning to make PIMS a focus of innovation and growth.

- The UK Government is raising the stakes of personal data management via its midata and ID assurance programmes. Under midata, a growing number of organisations have committed to work with the Government to explore ways of releasing customer data back to customers so that they can use this data for their own purposes. Companies taking part in the midata programme include British Gas, Callcredit, EDF, E-ON, Google, Lloyds Bank, Mastercard, Npower, Royal Bank of Scotland, Scottish and Southern, Scottish Power and Visa.
- The UK Government's ID assurance programme is creating a new privacy sector market for providers of identity credentials, which enable much greater trust-based information sharing between individuals and organisations. In November 2011, the Government allocated £10m to the development of the scheme for which, in the words of Mike Bracken, government digital director, the "priority is user need based on user demand".
- 'Big data' is becoming a big issue for many organisations whose growing ability to capture the digital 'exhaust fumes' of individuals' digital activities - online, using their mobile phones, buying and paying for goods and services - is opening their eyes to potential uses of this data. As a recent World Economic Forum report notes, 'personal data assets' are emerging as "a valuable resource for the 21st century that will touch all aspects of society"¹. It also noted that: "Increasing the control that individuals have over the manner in which their personal data is collected, managed and shared will spur a host of new services and applications... generating a new wave of opportunity for economic and societal value creation."
- Legislators and regulators are becoming increasingly active in data and privacy protection. The new EU cookie law, which came into force in the UK in May 2011, requires companies to get consumers' permission before they place cookies on the individual's computer. Full implementation could transform the ways that e-commerce and online advertising work.
- Large corporations are experimenting with innovative new information-services for customers. Examples include Lloyds Bank with its Money Manager service, and Callcredit with Noddle.
- Meanwhile there is intensifying entrepreneurial activity in this space. Forrester's recent report on Personal Identity Management notes that "several trends are converging to create a major shift in how marketers access and use consumers' data". "The data market will cease to be an organisation-to-organisation marketplace," and will increasingly involve individuals as data sharing participants, it argues. Forrester predicts this shift will "touch every industry". Companies should "expect aggressive acquisition attempts for the start-ups in this arena" because "it's impossible to ignore how attractive these firms [have] become".

1. World Economic Forum, 2011 Personal Data: The Emergence of a New Asset Class

Responses to the PIMS market

PIMS are well-placed to become the fastest growing consumer market of the 21st century. That's because they can, potentially, embrace every aspect of an individual's life (e.g. my money, my health, my home, my career, my education and learning, my hobbies and interests etc) and every life event, episode and process: moving home, organising a wedding, choosing a school, getting a job, retiring, managing the weekly shop.

At one level, PIMS threaten existing brands' and organisations' 'ownership' of the customer relationship:

- They are well positioned to become the **first port of call** for consumers when going to market or getting something done.
- By deploying information as a tool in the hands of the individual, they could trigger a **transfer of trust** from traditional brand owners and suppliers.
- They could trigger a **potential transfer of value** too. With a personal financial management service, for example, previously core products such as 'the current account' or 'the credit card' become mere components of the bigger, broader service of 'helping me manage my money better'.
- They also represent a **transfer of control** because the processes that drive them tend to be 'bottom up', driven by inputs of information from customers (customer specifications) rather than 'top down' and designed to meet suppliers' decisions and strategies.

At another level however, PIMS' ability to leverage improved information logistics, getting the right information to and from the right person at the right time - creates significant business opportunities. Advanced information logistics brings two economic benefits:

1. By getting the right information to the right person at the right time, it helps eliminate guesswork and waste not only in the provision of information itself but also the provision of goods and services. (You cannot get the right product to the right place and time without the right information about what the right product is and what the right place and time is).
2. Because it is driven by information about who the customer is and what he or she wants, it crystallizes value around the customer. Giving voice (as well as choice) to customers mean PIMS can unleash new 'bottom-up' information from customers that has the potential to transform how supply chains and markets work.

While posing a threat on some fronts therefore, PIMS also open up new opportunities for existing product and service suppliers: a) to share information with PIMS to streamline processes and gain new customer insights; b) to provide new personal information services themselves.

To avoid the PIMS threat and seize the opportunities organizations need to:

- Develop an investment strategy for the future PIMS market including a build or acquire strategy, areas to monitor, R&D.
- Undertake an impact assessment on existing operations of each of the main PIMS components (see Fig 1)- decision support, 'life management', and personal data management .
- Monitor the development of these markets both in your industry sector and more broadly to identify emerging trends, potential competitors, collaborators and acquisitions and potential disintermediation threats.
- Identify main opportunities for data sharing and service innovation. Market leaders are already experimenting and gaining practical knowledge.
- Review the current data relationship with customers: trust, mechanisms for data sharing and data sharing content.. Is it based on the old model of gathering data without customer participation or permission? Or is it evolving towards the new model of permissioned data sharing between the two parties?
- Identify the potential impact and opportunities of legislative changes.

Personal Information Management Serves: A Market Poised to Disrupt is published by Ctrl-Shift, price £495 + VAT, available at ctrl-shift.co.uk/shop.

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