Moving Towards a Data-Driven Business Model (DDBM) in the Online Newspaper Publishing Industry
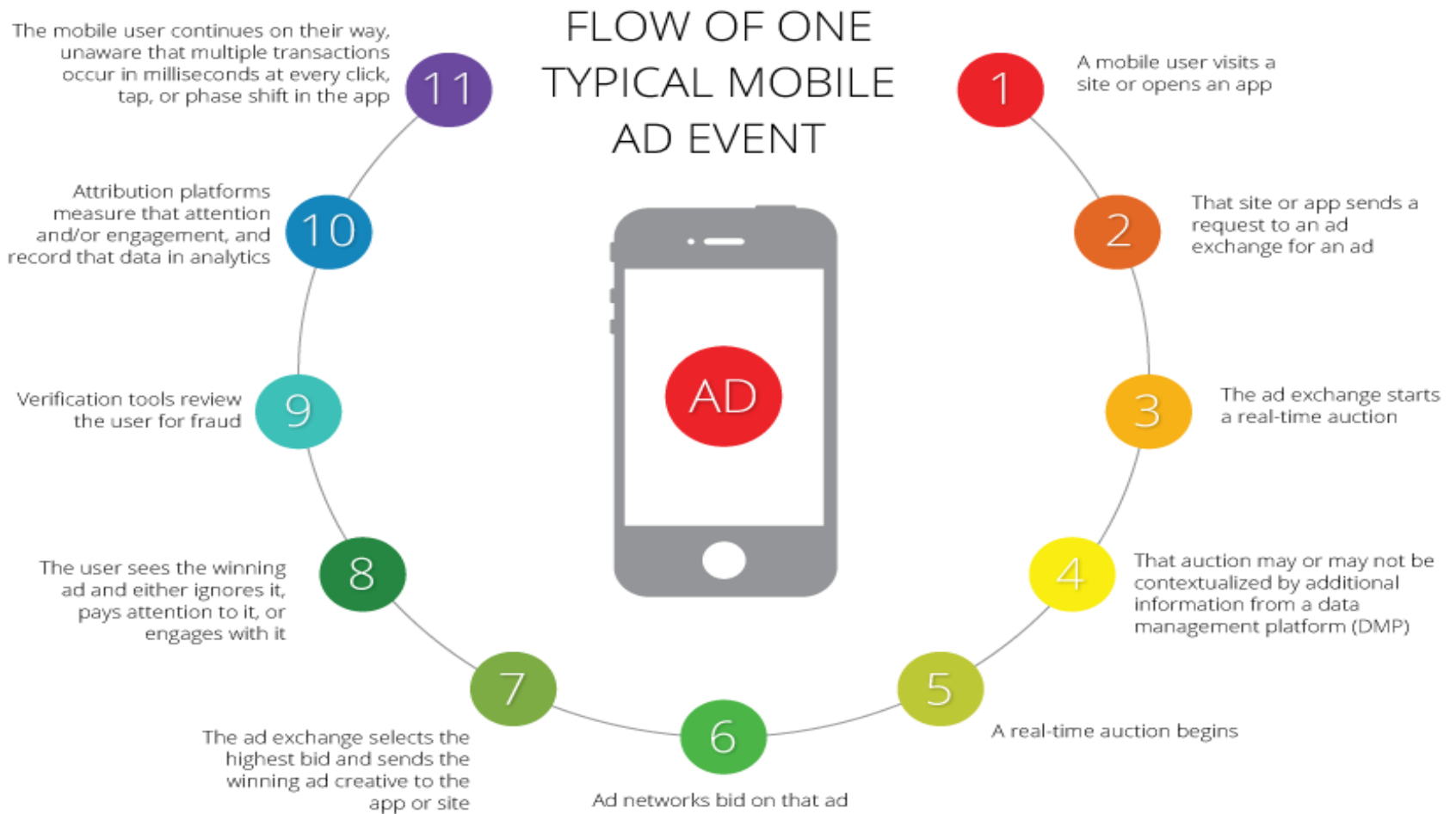
Nettavisen Case Study

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Introduction

- The current strategy of news online start-ups to survive and compete against large incumbent publishing firms and new media players, such as Facebook and Google

- The benefits and challenges associated with leveraging 'big data' to construct data-driven business models (DDBM) for online news businesses.

- How online news can use the ambidexterity strategy to explore or exploit business model opportunities.
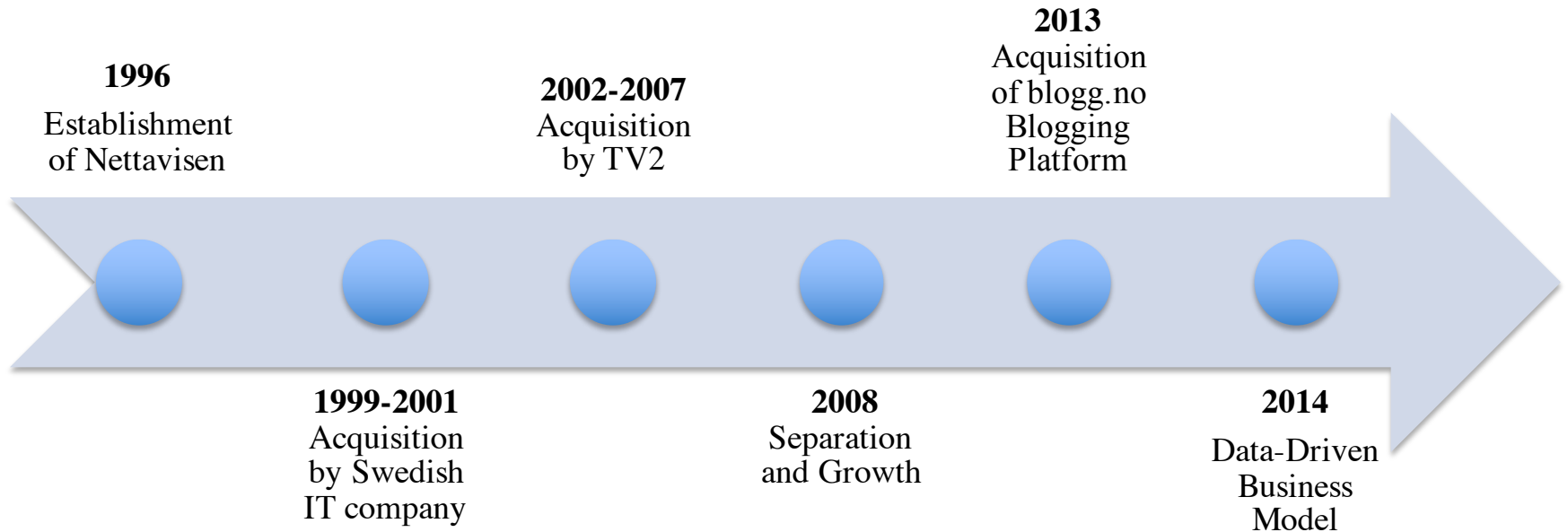
Website and Mobile AD Event

FLOW OF ONE TYPICAL MOBILE AD EVENT

11 — The mobile user continues on their way, unaware that multiple transactions occur in milliseconds at every click, tap, or phase shift in the app

10 — Attribution platforms measure that attention and/or engagement, and record that data in analytics

9 — Verification tools review the user for fraud

8 — The user sees the winning ad and either ignores it, pays attention to it, or engages with it

7 — The ad exchange selects the highest bid and sends the winning ad creative to the app or site

6 — Ad networks bid on that ad

1 — A mobile user visits a site or opens an app

2 — That site or app sends a request to an ad exchange for an ad

3 — The ad exchange starts a real-time auction

4 — That auction may or may not be contextualized by additional information from a data management platform (DMP)

5 — A real-time auction begins

Nettavisen

- The focus firm of this case study—*Nettavisen*—is moving towards a data-driven business model (DDBM), where user-buying patterns become increasingly important

- The firm aims to stop data leakage and use an ambidexterity strategy to explore DDBM opportunities.

- This creates an opportunity for Nettavisen to understand better its cross-platform audiences

- Create powerful data journalism stories, streamline business processes and identify new products and services for customers

Nettavisen's History and Background

1996
Establishment of Nettavisen

1999-2001
Acquisition by Swedish IT company

2002-2007
Acquisition by TV2

2008
Separation and Growth

2013
Acquisition of blogg.no Blogging Platform
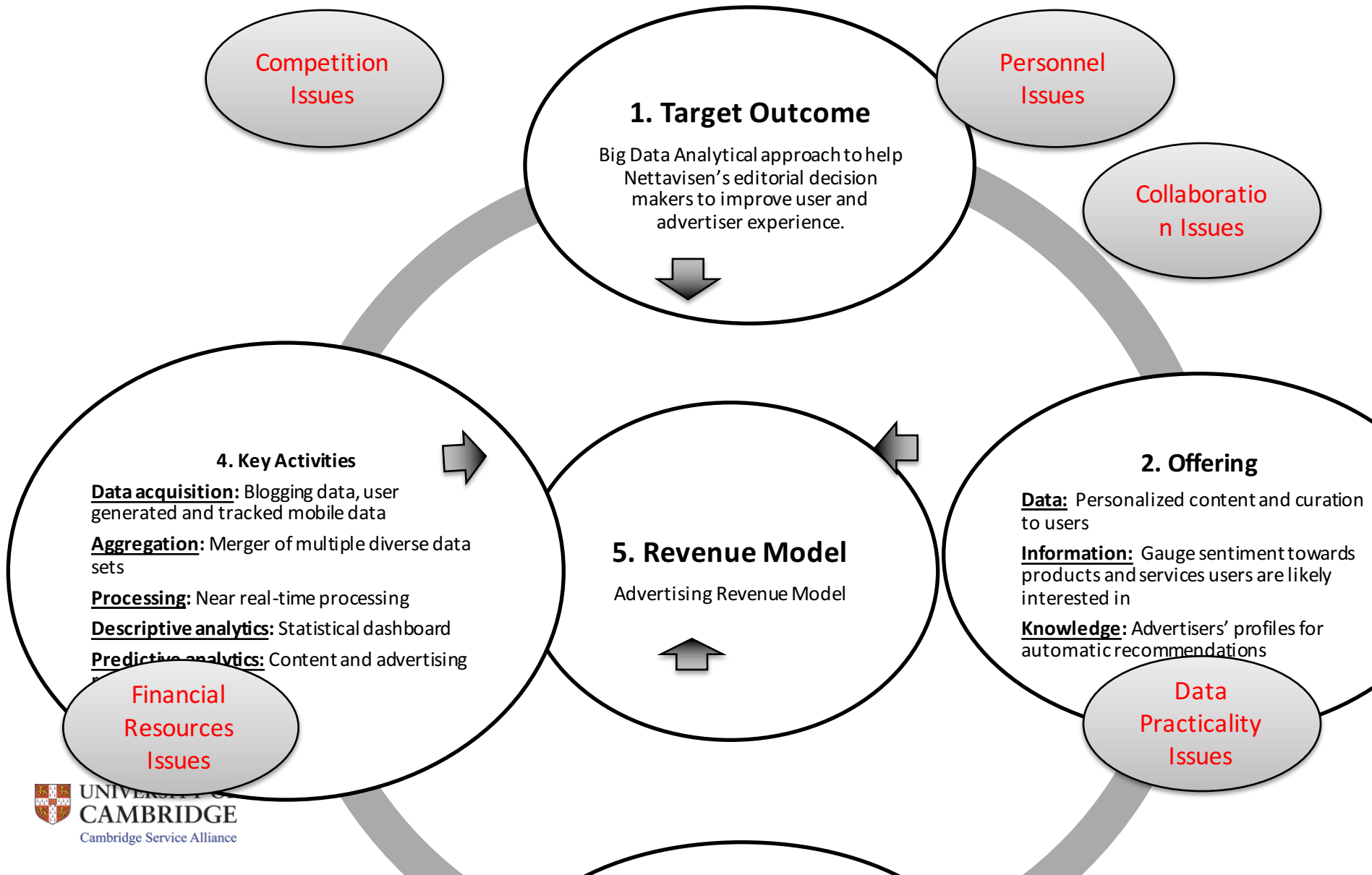
2014
Data-Driven Business Model

Nettavisen's Current Business Model

- The basic business model of Nettavisen has traditionally been purely display-ad-based

- The firm is free of concerns about cannibalising existing businesses and focuses only on attracting as many people as possible to its website

- Digital media is highly dynamic which front-runners face a constant need for exploration.

- This was a key difference from a number of the established newspapers, which had to balance their online exploration with the need to protect the printed newspaper.

Competitive advantage

- Nettavisen had no journalistic legacy to protect. They had the freedom to publish news as it happenes

- Established news sites managed by publishers, who had to think about what news should be saved for tomorrow's printed products

- Through the acquisition of 'blogg.no', that has been seamlessly added to Nettavisen's existing portfolio of websites

- The blogger site is also creating new verticals for Norwegian advertisers

- They use a network of thousands of individual Norwegian bloggers to provide content, which is also used to engage in a highly controversial strategy of blending commercial and editorial content

Nettavisen's Data-Driven Business Model

Competition Issues

Personnel Issues

Collaboration Issues

1. Target Outcome

Big Data Analytical approach to help Nettavisen's editorial decision makers to improve user and advertiser experience.

4. Key Activities

Data acquisition: Blogging data, user generated and tracked mobile data

Aggregation: Merger of multiple diverse data sets

Processing: Near real-time processing

Descriptive analytics: Statistical dashboard

Predictive analytics: Content and advertising

5. Revenue Model

Advertising Revenue Model

2. Offering

Data: Personalized content and curation to users

Information: Gauge sentiment towards products and services users are likely interested in

Knowledge: Advertisers' profiles for automatic recommendations

Financial Resources Issues

Data Practicality Issues

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Questions

Forthcoming Webinars
The Cambridge Service Alliance

Date 14:30hr GMT	Topic	Invited speaker
Dec. 14th 2015	The transition towards a data-business model	Dr. Mohamed Zaki, Dr. Tor Lillegraven & Prof. Andy Neely
2016 Webinars		
Jan. 11th 2016	**Innovating Your Business Model: The Capability Assessment Tool**	**Prof Andy Neely**
Feb 8th 2016	Knowledge Management Capabilities of Lead Firms in Innovation Ecosystems	Dr. Chander Velu
Mar 14th 2016	Critical success factors on the shift to services	Dr. Veronica Martinez

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