

Australian Businesses Look to Big Data For Big Benefits

But not all are leveraging the analytics effectively

Sydney, 2 July 2013 - Three quarters of Australian organisations currently use Big Data analytics, examining the large amounts of data within the business to uncover hidden patterns, unknown correlations and other useful information in order to derive benefits ranging from better decision making to greater profitability, according to a new study by Australia's customer experience research and consultancy specialists, Fifth Quadrant. However, more than one half (53 per cent) of businesses say their attempts to leverage Big Data for a better customer experience have not been successful. Only one in eight is able to assess their big data analytics activities as “extremely successful”.

The recently released report, “Big Data or Big Hype?” found businesses are overwhelmingly positive about the benefits of Big Data analytics, with nine out of ten organisations believing it can help support business decision making and offer a better customer experience. In addition, eight out of ten organisations agree Big Data analytics helps increase profit or revenue, supports innovation and helps drive competitive advantage.

Despite the overwhelming recognition of the impact Big Data analytics can have, how Big Data is used varies markedly between organisations. A little under one third (31 per cent) actively use Big Data and analytics when forming strategic decisions or across a wide range of corporate activities. Less than three in ten consider Big Data a core business initiative and just one quarter use it to determine the success of a product or project.

The study identified a correlation between the maturity of an organisation's Big Data analytics practices and business performance outcomes, particularly in the areas of customer experience performance, revenue generation, employee engagement and operational efficiency.

Businesses that score highly in maturity are consistently more advanced in using analytics to determine return on investment (ROI) and to more effectively manage resources. Their analytics thought leadership is more likely to be driven by senior management, while in less mature organisations, it is the line of business or business unit manager who leads the push.

Within the enterprise the biggest users of Big Data analytics are customer service, sales and marketing. The least prolific user is the human resources department.

A key characteristic of mature organisations is the use of a wide range of data sets. The most frequently used include: customer transactions, customer relationship management systems, customer feedback streams and web browsing data. Other sources include social media data, mobile device user generated data, social network profiles and GPS data. Of particular note is the growing practice of integrating both external and internal customer data among mature organisations.

Across all organisations, analytics are most commonly used in forecasting, improving the customer experience, marketing and real time decision-making. Activities that are less common among immature organisations, but widely used by mature organisations include reducing operational overheads, development of new products, fraud prevention and detection, and contact channel optimisation.

The major challenges cited by less mature organisations are: a lack of skills, the lack of an appropriate technology solution, poorly integrated IT systems, lack of internal resources to manage change, and the fact that other initiatives have higher priorities. While mature organisations are more likely to have overcome these issues, almost four in ten have concerns about the quality of data. One third cite data timeliness as an issue. One in four has problems with data relevance and one in five are concerned about data accuracy.

Chris Kirby, Head of Customer Experience Research, Fifth Quadrant said, “Australian businesses are in little doubt about the potential value that Big Data analytics can deliver, especially when it comes to developing a better understanding of customer needs. We know big data analytics are being used by organisations to drive a range of positive performance outcomes but this study also shows work still needs to be done to leverage the analytics for greatest advantage. The greatest success appears to come when organisations adopt an integrated customer analytics strategy that puts quality data in the hands of decision makers and leadership from Executive teams is critical”

About Fifth Quadrant

Established in 1998, Fifth Quadrant Pty Ltd is a Customer Experience Strategy, Design and Research company. We provide management consulting, customer experience research; customer experience co-creation and design; multi-country market analysis; advanced data analytics including Big Data consulting; diagnostic assessment of operations and technology; customer experience strategy development and execution and improvement of operations. www.fifthquadrant.com.au

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