

US Companies Face Big Hurdles In 'Big Data' Use

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Definition of 'Big Data' remains murky for some companies

Today's uncertain economy has companies looking to data to influence decisions, inform strategy and anticipate outcomes. Marketers too are using such data to gain insight into consumer interests and preferences to better their customer retention and acquisition programs.

For many data-conscious companies, the use of "Big Data" has become increasingly important. Big Data incorporates multiple data sets—customer data, competitive data, online data, offline data, and so forth—for a more holistic approach to business intelligence.

Though the term Big Data is becoming more common within the online advertising industry, web data monitoring and collection company Connotate showed just how unclear many companies are on its definition and use.

Though almost half (49%) of US data aggregation leaders defined Big Data as an aggregate of all external and internal web-based data, others defined it as the mass amounts of internal information stored and managed by an enterprise (16%) or web-based data and content businesses used for their own operations (7%).

But 21% of respondents were unsure how to best define Big Data—a rate that points to its status as something of a new, unfamiliar concept for many companies.

But familiarity and perceived importance is growing. December 2010 data from Econsultancy and The Jordan, Edmiston Group, Inc. (JEGI) found executives worldwide expected the rise of data and analytics—and how best to use them—to have a great effect on their company over the next few years.

Difficulties in amassing, analyzing and using these large and disparate data sets keep many companies from maximizing their use of Big Data. Connotate found the top challenge with Big Data was the time and manpower required to collect and analyze it.

In addition, 44% found the sheer amount of data too overwhelming for businesses to properly leverage.

For now, more than half of companies have used Big Data to monitor either competitors or their own brand (60% and 52%, respectively). Companies also looked at Big Data for marketing-related strategy, such as product and pricing information (40%) or revenue-generating data services (39%). Government data was cited by 39% of respondents, indicating the importance of keeping up-to-date on standards and regulations likely to affect business.

As the data industry becomes more adept at helping companies collect, analyze and process increasingly large and disparate sets of information, brands are likely to become more familiar and comfortable with Big Data. Worth watching is how its definition evolves to meet growing company needs and uses of these massive data sets.

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